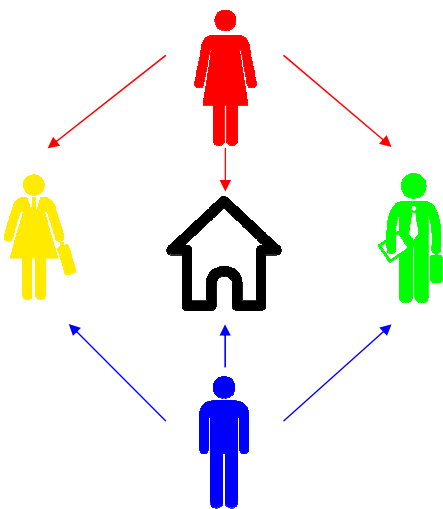




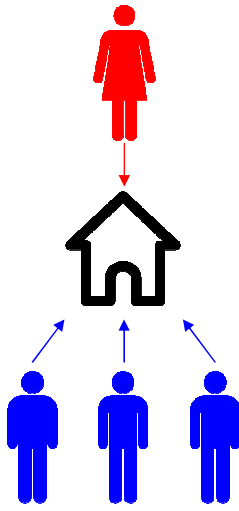
# Micro Training

Understanding The  
Property Market

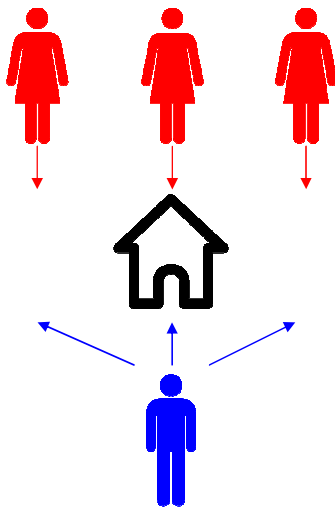
## The Property Market



# The Property Market



# The Property Market



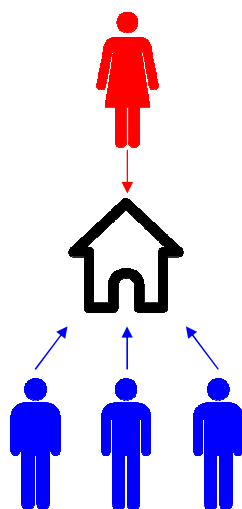
# The Property Market

## Absorption

The rate at which  
available dwellings are  
sold in a given time period.



# The Property Market

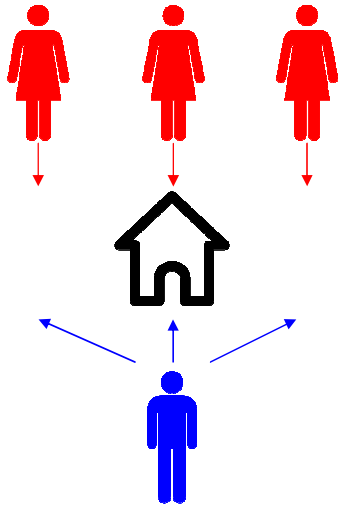


## Hot Markets

Properties are  
absorbed quickly  
and dwelling  
inventory decreases.



# The Property Market



## Soft Markets

Properties are absorbed slowly and dwelling inventories increase.



# Example

Week	New Listings			Existing Listings		
	Listed	Sold	Unsold	Listed	Sold	Unsold
One	100	-60	= 40	200	- 20	+ 40
Two	120	-72	= 48	220	-22	+ 48
Three	150	-90	= 60	246	-25	+ 60
Four	180	- 108	= 72	281	-28	+ 72



## Low Absorption

Causes dwelling inventories to rise, putting downwards price pressure on properties that don't sell quickly.



## The Property Market

Important Principle

People don't have to **buy**, but people have to **sell**.



## The Property Market

The longer a property sits unsold, the more motivated most sellers are to accepting a price discount to sell it.



## The Property Market

Important Principle

You never want to be a ***forced seller*** in a ***down market***



## Gauging Absorption

1. Auction clearance rates
2. Days on market
3. Price discounting



## Application

Changing Property Tides

- Tightening absorption  
points to future price ↑
- Softening absorption  
points to a future price ↓



# Application

## Risk Response

As the market softens,  
you need to reconsider  
your risk exposure and  
risk attitude.



# Membership Is Free

Spread The Word  
& Give A Helping Hand