



Residential Properties Only

(These statistics represent a 1 week snapshot of June 18 - June 24, 2010.)

Active Listings on 6/18/10	875
New to the Market	37
Sale Pendings	38
Closed	55

Average conventional Interest Rate: 4.625% 30 Years - 0 Points APR 4.812%
 Average FHA Interest Rate: 4.625% 30 Years - 0 Points APR 5.364%
*tied to your credit score

Question: What is “Absorption Rate”?

Answer: Absorption rate is the real estate term for **“supply and demand.”** For our Sellers it is important to know what the local market’s absorption rate is and for our Buyers it is important to understand the local supply-and-demand in the price range they are considering. The absorption rate is arrived at by dividing the number of total active listings by the total number of properties sold in the previous month. The resulting number represents the months it would take, with the market conditions being fairly the same, to sell the entire inventory. The National Association of REALTORS® sets the absorption rate standards as:

- 5—6 months to be a “balanced” market
- 1—4 months to be a “seller’s” market
- 7 or more months to be a “buyer’s” market

Applied to our local market (residential properties only), we find this data*:

Active: 872
 Closed 5/1—5/31/2010: 141
 Equals: 6.18 months

This figure indicates that, locally, we have a “balanced” market. This number can vary based on a more narrow evaluation by price range, school district and type of property. Call a KBB REALTOR® today to help you understand our local markets’ “supply and demand” in the area specific to your needs. KBB Knows The Numbers—we are here to help you!

Editor's Note: June 18, 2010

The question has come up this week regarding supply and demand by price range in our market. Let’s look at the \$1000 to \$300,000 price range:

Active: 634
 Closed 5/1-31/2010: 119 (\$1000--\$300,000 residential)
 Equals: 5.3 months

Again, this shows a balanced market in this price range. It may be different in the \$301,000+ price range, or sorted by style or area.

Remember: Call a KBB agent for an analysis of the market in the price range which most interests you.

*Data acquired from Centre County Association of REALTORS® MLS.