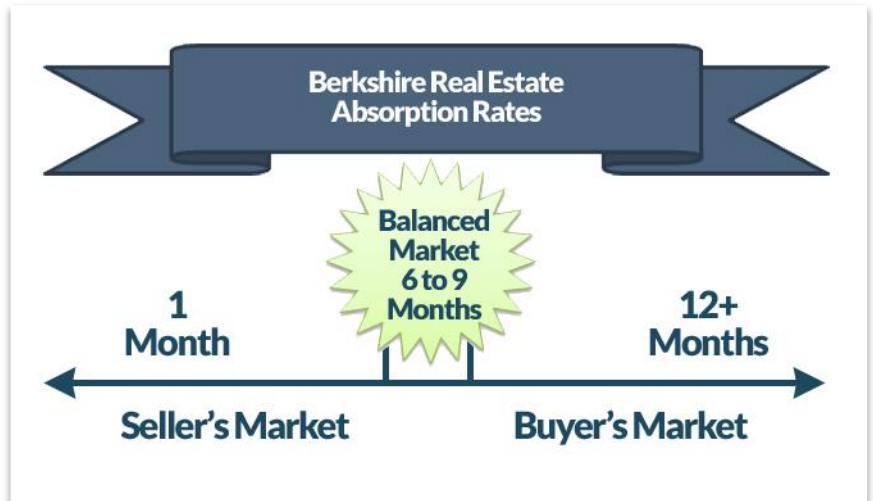


October 1, 2014

To understand the real estate market in Berkshire County, it can be helpful to know how close to a "balanced market" we are - when the inventory of homes for sale and the pace of sales are in balance.

In a balanced market, neither the buyer nor seller has an advantage.

First, what's balanced? We need to find the "absorption rate" - or how quickly would it take to sell all of the homes on the market based on past sales history. Nationally, 6 months of inventory is considered a balanced market. In the Berkshires, our market typically has a bit more inventory, we have found that a healthy range for us is between 7-9 months.



- **Buyer's Market:**
When inventory is high and sales slower, buyers have an excess of homes to choose from and sellers have to make their home competitive in pricing against many others.
- **Seller's Market:**
On the other hand, if inventory is scarce and buyers active, sellers can have an advantage. When there are many buyers competing for a few properties, offers must be competitive and buyers can't wait to act or they will lose the opportunity.

Priced right, homes sell in every type of market, but it is helpful to understand the market dynamics when considering competitive pricing and marketing strategies.

While it's good to see our overall absorption rate, shown here, it is more important to see a breakdown by region, town and price. This way, you'll truly see the markets that are flooded, balanced and those in between. (Page 2 for breakdown)

Berkshire Residential Absorption Rates Today

Central	11 months
North	17 months
South	24 months



As of September 30th, our MLS data shows:

- Overall, it is a buyer's market with only the low end sales range in balance. That said, pockets of the market are better / worse than others. While this is a good guide below, even individual town data can be most effective when trying to determine pricing strategies. [See our video on "How to Create a Custom Absorption Report in Under 3 Minutes"](#)
- Residential home sales under \$250,000 are the closest to a balanced market countywide, with sales moving quickly for a properly priced home in that range, especially in central Berkshire.
- North county absorption rate in the \$300-350K range is the most saturated with an absorption rate of 6 years, not months.
- In southern Berkshire, statistically the 3-4 million range is the most challenging, with only 1 sale YTD and 9 active listings. That said, in the field you will see that the mass of inventory is in the \$500,000-750,000 range, making that the most competitive. With only 32 sales YTD, and an inventory of 124 homes for sale in that range, that is almost a 3 year absorption rate.

Jan-Sept 2014	North			Central			South		
Price Class	Sold YTD	Active	Absorption # of Months	Sold YTD	Active	Absorption # of Months	Sold YTD	Active	Absorption # of Months
\$0-\$99,999.99	30	42	13	40	36	8	17	18	10
\$100,000-\$149,999.99	51	59	10	114	78	6	22	26	11
\$150,000-\$199,999.99	30	44	13	81	71	8	31	50	15
\$200,000-\$249,999.99	3	15	45	44	46	9	46	60	12
\$250,000-\$299,999.99	6	15	23	25	44	16	31	102	30
\$300,000-\$349,999.99	1	8	72	11	30	25	28	62	20
\$350,000-\$399,999.99	4	19	43	12	34	26	13	62	43
\$400,000-\$449,999.99	3	10	30	7	20	26	15	36	22
\$450,000-\$499,999.99	0	5	**	6	13	20	16	35	20
\$500,000-\$749,999.99	4	16	36	5	31	56	32	124	35
\$750,000-\$999,999.99	0	7	**	1	22	198	13	82	57
\$1,000,000-\$1,999,999.99	1	8	72	2	10	45	10	51	46
\$2,000,000-\$2,999,999.99	0	0	0	0	3	**	3	19	57
\$3,000,000-\$4,999,999.99	0	2	**	0	2	**	1	9	81
\$5,000,000 and over	0	1	**	0	1	**	1	4	36
Totals	133	251	17	347	441	11	279	740	24
Average	170,051	341,692		195,034	358,907		406,184	639,431	
Median	134,500	179,900		159,900	246,000		274,250	395,000	

** Not enough sales to calculate Absorption Rate

Absorption rates are calculated as follows: # of Active Listings divided by the # of sales per month. It's best to use 6 months to a 1 year of sales data and find the average # of sales per month to have a broader understanding. The following table was created for the first 9 months of 2014, comparing sales and current inventory in the MLS, as taken on September 30th, 2014.