




If you're having trouble viewing this email, you may [see it online](#).

Share This: 



4 AGENTS, 1 GOAL:  
YOUR SATISFACTION.



### The Word from The Warrens

*"Absorption Rates 101"*

Oh yes, you perhaps believe that an absorption rate is how quickly that paper towel will absorb the water left on the counter. I suppose that could be the kitchen absorption rate. Now, let's take a look at the real estate absorption rate and how it's determined.

Let's first establish the number of homes for sale in a specific neighborhood and in a specific price range. We'll assume there are 7 homes for sale in that specific neighborhood listed for sale at prices between 1 million and 1.2 million dollars.

Secondly, we will check statistical data to determine how many sales have occurred in that price range in the past 3 months in that neighborhood. Presto, there has been one sale. We now have 1 sale per quarter, or that can be now translated to 4 sales per year. The market is absorbing 4 of those homes for sale per year.

You may ask why did I use the number of months as only 3 rather than look back over the entire year. I prefer to stay close to the performance of the marketplace in time measurement. Our marketplace has been volatile for in excess of 30 months and I choose to believe that current and very recent data is the best way to measure or gauge the actual absorption rate of homes.

The last number in which we are interested is the number of months of inventory we have for sale and available for buyers in that price range. We have 7 homes for sale and we are selling at the rate of 4 homes per year, thus we divide 7 by 4 and we have the number of 1.75 years or 21 months of inventory currently on the market.

What everyone wants is a higher number of buyers in that marketplace to absorb the inventory. I'll toast to that!

**Marty**

[Subscribe](#) to our email list

### 5 Good Reasons to Buy a Home....

- Prices are down
- Mortgage rates are low and possibly going lower
- It will be yours
- There are many choices available
- Sooner or later demand will eventually outpace supply



### Our FAVORITES

**Painter.....** Scott Holloway 615-310-0222

**Lenders....**Gary Fagan, Pinnacle Financial Partners 615-743-8247

Jeff Tucker, Avenue Bank 615-386-4352

**Mold Remediation & Water Restoration Services....** Doug Bradley 615-566-0007

We think the **BEST** neighborhood bistro continues to be [Firefly Grille](#). It's a cozy bar and grill in Green Hills, with great food & great prices. It's a Cheers sort of place with great food.



www.4warrens.com  
TheWarrens@realtor.com



263-4800  
5200 Maryland Way #101  
Brentwood, TN 37027



[Subscribe](#) to our email list