

Understanding Housing Inventory

1. Current Housing Inventory

Homes **FOR SALE**

500 Homes



2. Formula to Calculate:

$$\text{Months of Inventory} = \frac{\text{Current Housing Inventory}}{\text{Average Monthly Sales}}$$

3. Example:



$$500 \text{ Homes} \div 50 \text{ Sales per Month} = 10 \text{ Months}$$

Would take **10 months** to sell all homes!

4. What It Means:



3 Months
FAST
(Seller's Market)



12 Months
SLOW
(Buyer's Market)