

DOES THE AMOUNT OF TIME YOUR HOUSE HAS BEEN ON THE MARKET REALLY MATTER?

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The amount of time a home has been on the market or Days On The Market (DOM) is often a parameter of interest to both buyers and Realtors alike. It can have a significant effect on the offer which a potential buyer might make. The logic behind this is the longer a property has been on the market, the more likely the seller will be willing to take a lower offer and one can understand this line of reasoning. In this regard one must exercise a bit of caution in that usually the time a home has been on the market does not, in itself, really tell us that much and can often be misleading. For example, say a home has been on the market for 300 days. At first glance this may sound like a long time, but one has to consider a number of other aspects such as the price range and location? Until you know how long other similar priced properties have been on the market in the same general area (which your realtor can tell you) a buyer should be most cautious in making assumptions as to an appropriate purchase offer. The following chart shows, by price range, the median number of days on the market in each of the 5 key areas in northern Beaufort County. As can be seen in some price ranges the median time on the market can be more than twice that of another area.

Median Days on the Market

Price Range	Beaufort		Mossy Oaks		Port Royal		Burton		Lady's Island	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
\$0 to \$99,000	173	71	80	99	96	139	72	140	113	77
\$100,000 to \$199,999	105	137	96	128	85	136	130	140	142	129
\$200,000 to \$300,000	218	175	63	113	86	171	158	166	134	136
\$300,000 to \$399,999	195	119	243	341	---	162	245	132	180	194
\$400,000 to \$499,999	227	213	120	204	---	597	226	429	248	146
\$500,000 to \$599,999	225	---	---	742	147	162	118	853	105	162
\$600,000 to \$699,999	---	102	---	---	255	---	458	350	---	373
\$700,000 to \$799,999	---	---	---	---	---	---	158	---	326	148
\$800,000 to \$899,999	---	249	200	---	---	---	291	---	428	214
\$900,000 to \$999,999	---	---	---	---	---	---	---	---	143	374
\$1,000,000 and up	278	119	---	---	---	---	---	---	206	103

A factor that must be taken into consideration when looking at comparisons of the time which homes are staying on the market is foreclosures. Because foreclosure prices are “normally” below market value, the homes are vacant, and the buyers financing has to pretty much be in place before a bank will accept the offer, the DOM may be a lot less than a conventional sale. Again, if a buyer is seriously looking at, and is concerned about how long the property has been on the market, they really need to look all the facts before making a buying decision. Their Realtor should be able to help explain this, and guide them as to whether they should be concerned or not.

As one would expect - overall, the median days on the market has increased. An exception to this trend is the \$1 million and up price bracket which has seen a significant reduction in the median time on the market. As to highlight my comments, there were probably very few sales over a million, but the ones that did sell, sold rather quickly, which could skew the “normal” DOM for property in that price range. Typically, the lower the price, the more buyers there are, and the faster a given home will sell. The above statistics do show this to a degree. As I said, foreclosures can skew the numbers a little, but overall that is typically the case.

So getting back to the question – does Days On The Market matter when buying a house? In some cases it can. Everything being equal with a given property which has been on the market for a very long time, (sometimes for years!) one has to assume, there is some kind of issue with the home, or it is overpriced. Both will of course be of concern to the potential buyer.