
Supply Versus Demand



The market is determined by supply and demand and not the price a realtor sets on your home. The price your home will ultimately realize will be determined by market conditions and in real estate, this among other variables, is usually calculated as meaning, "available inventory."

In a market with a limited supply of homes for sale (Sellers' Market), sellers often have the upper hand - they have pricing power. Buyers find themselves in multiple offer competition, which puts an upward pressure on home prices.

The opposite is true in a Buyer's Market where buyers have the distinct advantage because they have a lot of property to choose from. During buyers' markets, homes may sit on the market for a while before selling, so sellers become more flexible and may even drop their price, as buyers' levels of urgency to purchase tend to wane.

Selling your home quickly in any type of market will depend on how realistic you are on setting an accurate price. However, if you are in a Buyer's Market, then the pricing analysis must be even more astute.