

My Florida Regional MLS Market Conditions Report

The **Market Conditions Report** (specifically the composition of the Market Conditions Addendum Grid, including the four lines in the Inventory Analysis section and the five lines in the Median Sale & List Price, DOM, List/Sale Ratio section as well as the specific three time periods and the Overall Trend section) is based on Fannie Mae Form 1004MC and Freddie Mac Form 71. As of April 1, 2009, the Market Conditions Addendum is required with all one to four unit property appraisals delivered to Fannie Mae and Freddie Mac.

The source of all sales and listing data in My Florida Regional MLS's Market Conditions Report is the My Florida Regional Multiple Listing Service. Active listing information is updated nightly to My Florida Regional MLS from the MLXchange MLS system.

The source of property physical descriptions is also from the My Florida Regional Multiple Listing Service.

Default **Search Criteria** is the subject property's **Zip Code** and **Square Footage**. The default square footage range is 15% below and 15% above the subject's square footage.

The default search criteria may be edited by clicking on **Edit** at the end of the **Search Criteria** line. The search area can then be further refined. Also, List Price and physical characteristics such as Square Feet, Bedrooms, Baths, Year Built and number of Acres can be edited.

The following **Market Conditions Addendum Grid** was created using a subject property in a Zip Code with square feet of 1339. The square footage range is thus 1138 to 1540.

MARKET CONDITIONS ADDENDUM GRID					
Inventory Analysis		Prior 7-12 Mos.	Prior 4-6 Mos.	Current-3 Mos.	Overall Trend **
Total # of Comparable Sales (Settled)	25	6	14	<input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	
Absorption Rate (Total Sales/Mos.)	4.17	2.00	4.67	<input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	
Total # of Comparable Active Listings *	90	52	39	<input checked="" type="checkbox"/> Declining <input type="checkbox"/> Stable <input type="checkbox"/> Increasing	
Mos. of Housing Supply (Total Listings/Ab. Rate)	21.60	26.00	8.36	<input checked="" type="checkbox"/> Declining <input type="checkbox"/> Stable <input type="checkbox"/> Increasing	
Median Sale & List Price, DOM, List/Sale Ratio		Prior 7-12 Mos.	Prior 4-6 Mos.	Current-3 Mos.	Overall Trend
Median Comparable Sale Price	\$117,000	\$105,450	\$113,850	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	
Median Comparable Sales Days on Market	71	98	50.5	<input checked="" type="checkbox"/> Declining <input type="checkbox"/> Stable <input type="checkbox"/> Increasing	
Median Comparable List Price	\$121,900	\$120,900	\$123,500	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	
Median Comparable Listings Days on Market	134	102	67	<input checked="" type="checkbox"/> Declining <input type="checkbox"/> Stable <input type="checkbox"/> Increasing	
Median Sale Price as % of List Price	98%	98%	97%	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	

* Total # of Comparable Active Listings = the cumulative number of specific properties that were on the market at any time during the time window.
 ** Increasing = > 5% increase between Prior 7-12 Mos. and Current-3 Mos.; Stable = < a 5% decrease and a < 5% increase between Prior 7-12 Mos. and Current-3 Mos.; Declining = > 5% decrease between Prior 7-12 Mos. and Current-3 Mos.

Under **Inventory Analysis:**

Total # of Comparable Sales is listed in the grid for each of the 3 time periods. Each of those sales is listed below the grid under **Comparables**.

Absorption Rate is determined by dividing the total number of sales by the number of months in each time period. In the 7-12 month period the 25 sales are divided by 6 months equaling an absorption rate of 4.17.

Total # of Comparable Active Listings is the number of properties that were listed in the MLS system at any time during each of the 3 time periods. Those listings are listed below the grid under **MLS Active Listings**. The listing number link is given under the **MLS** column. The **Status** column shows the current status of each listing at the time that the market conditions report is requested or clicked.

Months of Housing Supply is calculated by dividing the total number of active listings by the absorption rate. The 90 active listings in the prior 7-12 months divided by the 4.17 absorption rate equals 21.6 months of Housing Supply.

Under **Median Sale & List Price, DOM, List /Sale Ratio:**

Median Comparable Sale Price in the Prior 7-12 Mos. is determined by listing the 25 sales in sales price order and then finding the middle (aka median) sale price in that list, which happens to be the 13th sale price in the 25 sales example.

Median Comparable Sales Days on Market is determined by listing the DOM for each of the 25 sales from shortest to longest and finding the middle (aka median) DOM, which is the 13th sale in this case.

Median Comparable List Price is determined by listing the 90 listings during the 7-12 Mos. from lowest to highest List Price and the median is the average of the 45th and 46th List Price in that list.

Median Comparable Listings Days on Market is calculated the same as the median comparable list price. The days on market for those 90 listings are listed from shortest to longest and the median is the average of the 45th and 46th.

Median Sale Price as % of List Price is a calculation using **only the sales that sold** during each of the 3 reporting periods. For instance, during the Prior 4-6 Mos., the median sales price for 6 sales is \$105,450. The median list price for those 6 sales is \$107,450. The **median sales price is 98% of the median list price**.

Of note, Median Comparable List Price (Line 7 of the Grid) is **NOT** the denominator in this calculation. Line 7 is regarding listings only. Median Sale Price as % of List Price (Line 9 of the Grid) is asking about Sales only.

Therefore, the numerator of the calculation is Median Comparable Sale Price (Line 5 of the Grid), but the denominator is Final List Price of the Sale (which can be found in the list of comps below the Grid, but is not a specific Line on the Grid).

Regarding the **Overall Trend** boxes:

The boxes are either checked Increasing, Stable, or Declining after calculations from the three time periods indicate an overall trend.

Increasing - If there is more than a 5% increase between the Prior 7-12 Mos. and the Current-3 Mos. calculations, then the **Increasing** box is checked. Remember, in order to compare a 6-month period to a 3-month period, the numbers in the Prior 7-12 Mos. must be divided in half. So 25 sales in the Prior 7-12 Mos. divided by 2 is less than the 14 sales in the Current-3Mos. And since 14 sales is more than 5% greater than 12.5 sales, the **Increasing** box is checked.

Declining -Similarly, if there is greater than a 5% decrease between the Prior 7-12 Mos. and the Current-3 Mos. calculations, the **Declining** box will be checked.

Stable - If the calculations for the Prior 7-12 Mos. and the Current-3 Mos. is less than a 5% decrease and also less than a 5% increase, the **Stable** box will be checked.

The default 5% for determining the overall trend was agreed upon by a majority of appraisers. The boxes can be unchecked and re-checked using a different percentage to determine the overall trend. However, be sure to note what percentage was used if it is not the default 5%.