

# Months of Inventory

Number of closed transactions in last 6 months

(City, state, zip code, subdivision) - Your Choice

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Divided by 6 months

6

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Number of sales per month

Equals

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Current number of homes for sale

(City, state, zip code, subdivision) - Same As Above

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Divided by number of sales per month

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Months of inventory

Equals

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Less than 6 months = Seller's Market

(Seller's want higher prices, no concessions)

Typically 6 months = Balanced Market

Greater than 6 months = Buyer's Market

(Buyer's want lower prices and concessions)

Months of inventory equals the number of months required to sell all of the existing homes, if no new listings were added.