



THE SCHMIDT REPORT

September 2021

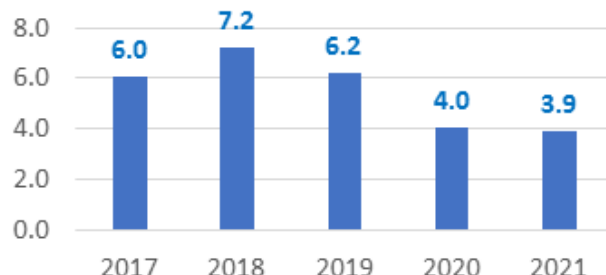
Feel good about the choice you make.

The best little-known real estate statistic to watch...

The media (and real estate agents!) love to talk about how many sales are happening. And from a potential buyer or seller's point of view that's a pretty interesting number. The next most popular topic is new listings... how many new properties are coming up for sale? Again, an interesting number if you're buying or selling for sure! After that, you'll probably hear about how many homes in total are available on the market, the real estate "inventory". And that's another very important number to be aware of if you're entering the market as a buyer or a seller. None of those will tell you what this next seldom spoken about statistic will tell you. What's this mystery number? It's called the Absorption Rate... and if you really want to understand the market, it's the number you need to watch most of all! The Absorption Rate takes into account all the other statistics previously mentioned... sales, new listings and inventory. It brings them together in one succinct piece of data that clearly demonstrates where the market is going.

Here's how it works: Take the total number of homes for sale at a point in time (eg. the inventory at September 30th) and divide it by the number of sales in the past month (eg. September 2021). The resulting number tells you how many months it would take for the market to *absorb* the current inventory, provided sales continue to happen at the current rate. If you look at the first graph on the right, you'll see that on September 30, 2019 there was a 6 month supply of properties for sale. In other words, if no new homes came on the market it would take 6 months for the current inventory to be sold. On September 30, 2018 that number was 7.2 months. On September 30, 2021 that number was just 3.9 months!

ABSORPTION RATE
Sep 30 Year Over Year Comparison

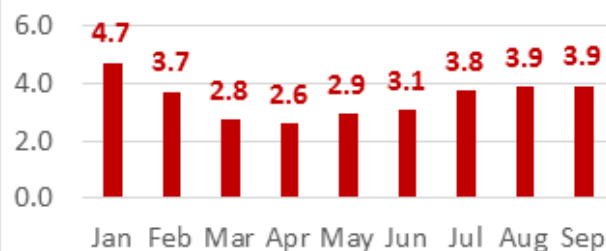


The Absorption Rate on September 30 2021 was 46% faster (3.9 vs 7.2 months) than it was on September 30 2018!

The absorption rate was just 2.8 and 2.6 months on March 31 and April 30...not a surprise as it was busy out there!

The absorption rate varies by property type, price range and location. For instance, downtown condos vs single family homes in a new neighbourhood will have very different absorption rates. Understanding this is key to making a smart buying or selling decision.

ABSORPTION RATE
2021 Month by Month Comparison



"Helping you understand the market is one of our most important roles as your trusted real estate advisors. Curious to understand the trends in your neighbourhood? Reach out to your favourite Schmidt agent anytime! We're always up for a chat!"

- Kathy Schmidt . Broker Owner . Schmidt Realty Group Inc.

MARKET SNAPSHOT SEP 2021

Our Results:

- For the first half of 2021, our listings sold on average in just **24 days vs. 41 days** for the REALTORS® Association of Edmonton.
- Our sellers sold for an average of **99.6% of list price** during the same period!
- For the first half of 2021, **98% of our business** came from referrals, repeat clients and the sphere of people in the Edmonton area who already know, like and trust us!

