

DON'T MISS YOUR PERFECT HOME

More than 90% of people start the process of looking for their next home by going online, and if one searches the term “Washington DC homes,” there are more than 134,000,000 results. How can you be sure not to miss the perfect house buried in all that info?

If you are like most Americans, you’ll skip to one or more of the big, national portals – Zillow, Trulia and/or Realtor.com. Each has assembled an enormous amount of information in a consumer-friendly interface. While we encourage you to look at these sites, we also want you to understand they simply do not have complete and accurate listing content.

We recently took a snapshot of listings in our local multiple listing system (MLS) in zip codes where we have offices. The results showed 910 listings for sale, active or pending. In Zillow, there were only 703. In Trulia, there were 706. And Realtor.com showed too many listings with 940. This is due to the enormous amount of data feeds these portals are receiving from local brokerages (like us) and MLS systems across the country. It’s a challenge for them to assimilate all the data on a timely basis. And for Zillow and Trulia, lots of sellers opt-out of having their home displayed due to the inaccuracy of the computer-generated estimate of their home’s value. We just completed our annual research project for the accuracy of Zillow’s “zestimates” and looked at the portal’s estimated value of over 450 properties across all price ranges in the Metro DC Area, before they were scheduled to settle. We then compared those estimates to the actual sales price – and, as found in our prior studies, they continue to be inaccurate. Zillow’s estimates were only within 5% high or low of the actual sales price less than half of the time. And one in 10 properties showed wildly inaccurate estimates at more than 20% high or low of actual sales price. These computer-generated estimates simply cannot take into account the condition of a specific home nor local market conditions that can and do change daily; and it is no wonder that some sellers may wish to not have their home appear side-by-side with an estimated value that is so frequently inaccurate.

What does all that mean for you, especially if you’re looking for a home? Reliance on only the national portals means you will miss listings that are on the market, and you will find listings for sale that have already sold. At best, that leads to frustration – at worst, it means missing the home that was perfect for your needs. So what should you do? By all means, look at those national portals, but remember to rely on your local brokerage for accurate information. Remember those 910 listings that were in our local MLS? On McEneaney.com, there were 911. We update our listing content every 15 minutes.

90% of people start their search online – and 85% use a REALTOR® to help them buy their home. Partnering with a great agent can give you the confidence that you will find your perfect home.

Knowing what to offer, negotiating the right price, and attending to all of the details between contract and closing simply cannot be done by a national search portal. It can be done only by a great agent who knows the local real estate market and understands your interests and needs.

LISTING SNAPSHOT

MLS	Zillow	Trulia	Realtor.com	McEneaney.com
910	703	706	940	911

Zillow Analysis	Sept 2012	March 2014	June 2015
Within 20% of Sales Price	96.0%	93.0%	89.0%
Within 10% of Sales Price	80.0%	79.0%	72.4%
Within 5% of Sales Price	51.0%	51.0%	48.5%
More than 5% high	25.0%	15.0%	29.4%
More than 5% low	24.0%	33.0%	22.0%
Highest	139.2%	256.1%	547.8%
Lowest	82.2%	62.8%	58.8%

ABSORPTION RATE BY PROPERTY TYPE

The following tables track absorption rate by property type, comparing the rates in the just-completed month to the rates in the same month of the previous year. The absorption rate is a measure of the health of the market, and tracks the percentage of homes that were on the market during the given month and in the given price range that went under contract. [The formula is # Contracts/ (# Contracts + # Available).] An example: The absorption rate for detached homes priced between \$500,000 and \$749,999 in June 2015 was 18.2%. That compares to a rate of 16.3% in June 2014, and the increase means the market was better in 2015 for that type of home. If the absorption rate was less in 2015 than in 2014, we have put the more recent absorption rate in **red**. This month there was **improvement for 8 of 14 individual price categories** with activity, and one remained the same.

Condo/Co-op	June 2014			June 2015		
	Absorption Rates	Listings	Contracts	Rate	Listings	Contracts
\$299,999 & under	115	46	28.6%	158	74	31.9%
\$300,000 - \$499,999	100	23	18.7%	122	26	17.6%
\$500,000 - \$749,999	2	2	50.0%	3	2	40.0%
\$750,000 - \$999,999	0	0	–	0	0	–
\$1,000,000 - \$1,499,999	0	0	–	0	0	–
\$1,500,000 & higher	0	0	–	0	0	–
Grand Total:	217	71	24.7%	283	102	26.5%

ABSORPTION RATES - CONDOS AND CO-OPS

- The overall absorption rate for condos and co-ops for June 2015 was **26.5%**, up from 24.7% in June 2014.
- Safe to say the market for condos priced more than \$500,000 is virtually non-existent.

Fee Simple Attached	June 2014			June 2015		
	Absorption Rates	Listings	Contracts	Rate	Listings	Contracts
\$299,999 & under	52	27	34.2%	25	26	51.0%
\$300,000 - \$499,999	399	164	29.1%	330	177	34.9%
\$500,000 - \$749,999	81	17	17.3%	102	19	15.7%
\$750,000 - \$999,999	10	0	0.0%	9	0	0.0%
\$1,000,000 - \$1,499,999	4	2	33.3%	5	0	0.0%
\$1,500,000 & higher	0	0	–	0	0	–
Grand Total:	546	210	27.8%	471	222	32.0%

ABSORPTION RATES - ATTACHED HOMES

- The overall absorption rate for attached homes for June 2015 was **32.0%**, up from June 2014's 27.8%.

Fee Simple Detached	June 2014			June 2015		
	Absorption Rates	Listings	Contracts	Rate	Listings	Contracts
\$299,999 & under	21	11	34.4%	16	7	30.4%
\$300,000 - \$499,999	266	75	22.0%	247	103	29.4%
\$500,000 - \$749,999	703	137	16.3%	729	162	18.2%
\$750,000 - \$999,999	276	32	10.4%	297	45	13.2%
\$1,000,000 - \$1,499,999	97	6	5.8%	115	8	6.5%
\$1,500,000 & higher	80	2	2.4%	79	5	6.0%
Grand Total:	1443	263	15.4%	1483	330	18.2%

ABSORPTION RATES - DETACHED HOMES

- June 2015's absorption rate for detached homes was **18.2%**, an increase from the 15.4% rate from June 2014.
- And as we have seen in the other property types, the absorption rates are higher for the lower-priced categories.



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