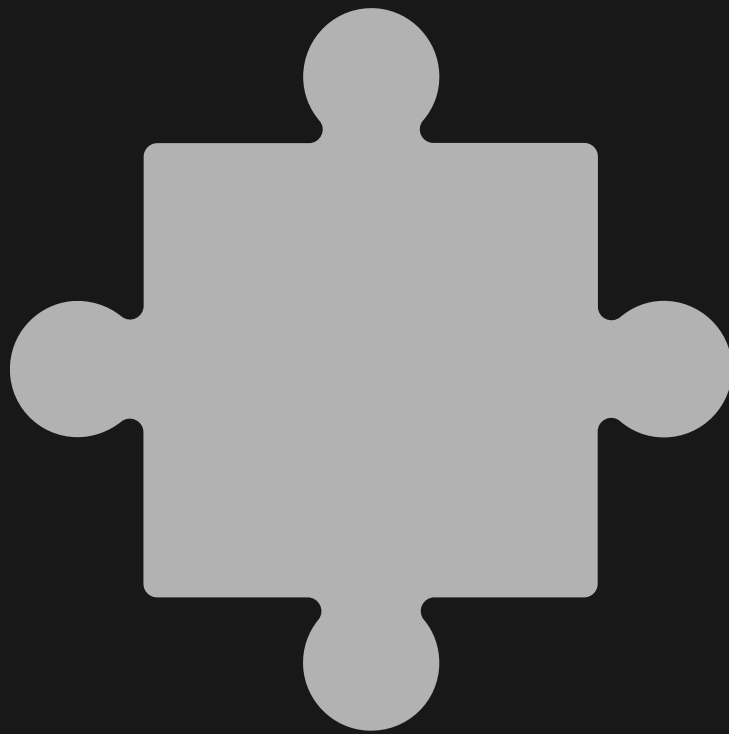


DAYS ON MARKET CASE STUDY ANALYSIS



CLEAR PATH CONSULTING

UNDERSTAND HOW **LIST PRICE**
AFFECTS **DAYS ON MARKET**

THE PRICE IS RIGHT: HOW LISTING PRICE AFFECTS DAYS ON MARKET

CPC Edition — Based on IAR Market Data (Sept 2023–Aug 2024)

(This report is for informational use. Analysis originates from Indiana REALTORS® data; author did not run the primary dataset.)

Executive Summary:

Pricing your home correctly from day one has a dramatic impact on how quickly it goes under contract.

This report summarizes findings from **~75,000 home sales** analyzed by the **Indiana Association of REALTORS® (IAR)** for the period **September 2023 through August 2024**. It clearly shows that even **small price variations** relative to market value correlate with significantly different Days on Market (DOM) outcomes.

Key client takeaways:

- **Precision pricing (within ±1% of market value)** dramatically increases the likelihood of a quick contract (1–14 days).
- **Overpricing (3–5% above market)** typically leads to weeks longer on market.
- Extended marketing periods often lead to priced reductions and weaker negotiating leverage.

Original analysis and data courtesy of the Indiana Association of REALTORS® Housing Hub.

Introduction: Why Pricing Matters

Home shoppers respond to price first. Search filters, app alerts, and buyer psychology all make first impressions extremely sticky.

When a home hits the market:

- Buyers compare it instantly to perceived market value (based on comps, trends, and personal budgets).
- If the price feels high, many buyers don't even request a showing.
- This reduced early activity is costly, because the first **14 days** generate the highest volume of offers.

The IAR dataset quantifies this behavior across tens of thousands of transactions.

Methodology (How the IAR Study Worked)

This analysis grouped homes based on how their **listing price compared to their final sale price**, a practical proxy for how close the initial price was to true market value.

The groups included:

- Listings priced **within ±1%** of eventual sale price (tight pricing)
- Listings priced **3–5% above** eventual sale price
- Higher overpricing bands (e.g., +9% and above)
- Underpriced bands (e.g., 1–3% below sale price)

For each group, the study examined:

- **Median Days on Market (DOM)** before contract
- Spread of DOM times (range from fastest to slowest)

Important note: IAR treated the final sale price as an indirect measure of market value for the sake of analysis. This is a commonly accepted approach for large sample studies, but not a direct appraised value.

Source: Indiana Association of REALTORS® Housing Hub

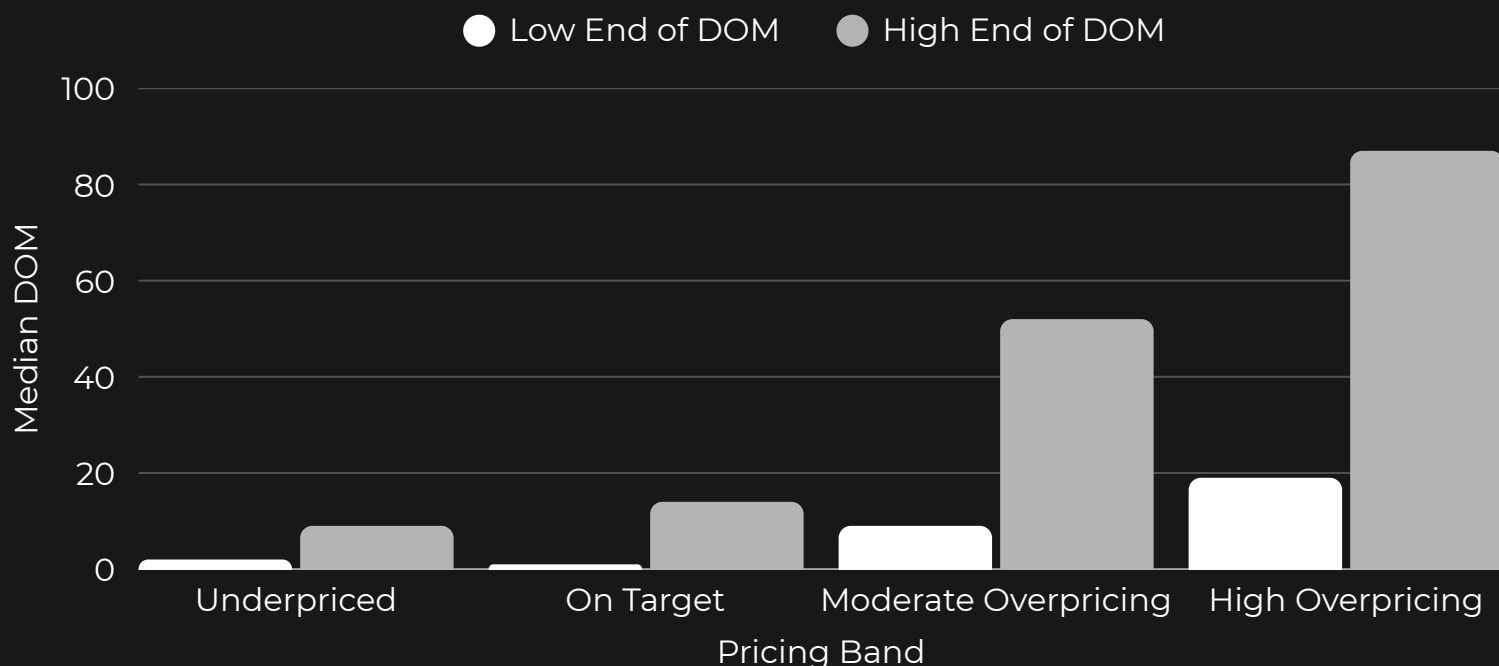
Key Findings

Table 1 — Pricing Bands vs. Median DOM

Pricing Band (vs. Final Sale Price)	Median Days on Market (DOM)
-3% to -1% (Slight underpricing)	~2–9 days
±1% of final sale price (On-target pricing)	~1–14 days
+3% to +5% (Moderate overpricing)	~9–52 days
+9% and above (Significant overpricing)	~19–87+ days

Interpretation: Even a **3–5% difference** above true value can extend market exposure by weeks or months.

Median DOM (Days on Market) by Pricing Accuracy



Takeaways

1. Precision Pricing Wins

Homes priced within **±1% of true market value** are most likely to attract early qualified interest key to:

- Multiple offers
- Higher sale price
- Shorter negotiating cycle

2. Overpricing Is Costly

Homes priced even **3–5% above market** typically:

- Stay on market far longer
- May require price reductions
- Lose fresh listing momentum
- Create buyer suspicion (“why hasn’t it sold yet?”)

3. Buyer Psychology Drives Results

Many buyers use search filters (e.g., “lowest to highest price”) — meaning:

- Even a few thousand dollars too high can **exclude your listing from early views**
- Reduced traffic = slower sales momentum

Actionable Pricing Strategy for Sellers

Step 1: Evaluate Market Value Range

Use:

- Recent comparables (last 30–90 days)
- Days on Market trends in your area
- Listing vs. sold price spread

Step 2: Set a Target Price Within $\pm 1\%$

Aim for accuracy, not aspirational pricing.

Step 3: Monitor Buyer Response in First 7–14 Days

Track:

- Showing requests
- Offer velocity
- Feedback from agents

If interest is weak early, **timely adjustment is critical**.

Conclusion

This study from the **Indiana Association of REALTORS®** confirms what experienced agents have long observed: **pricing accuracy matters more than most sellers realize**.

Aligning your listing price with market expectations:

- Accelerates offers
- Maintains negotiating leverage
- Reduces expensive days on market

Overpricing, even slightly, leads to **measurable delays** and often lower net proceeds after reductions.

Sources & Citation

Indiana Association of REALTORS® Housing Hub, “The Price Is Right: How does listing price affect days on market?” (Analysis of ~75,000 home sales, Sept 2023–Aug 2024). Data available online at the IAR Housing Hub.

Source: [Indiana Association of REALTORS® Housing Hub — “The Price Is Right: How Does Listing Price Affect Days on Market?”](#)



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