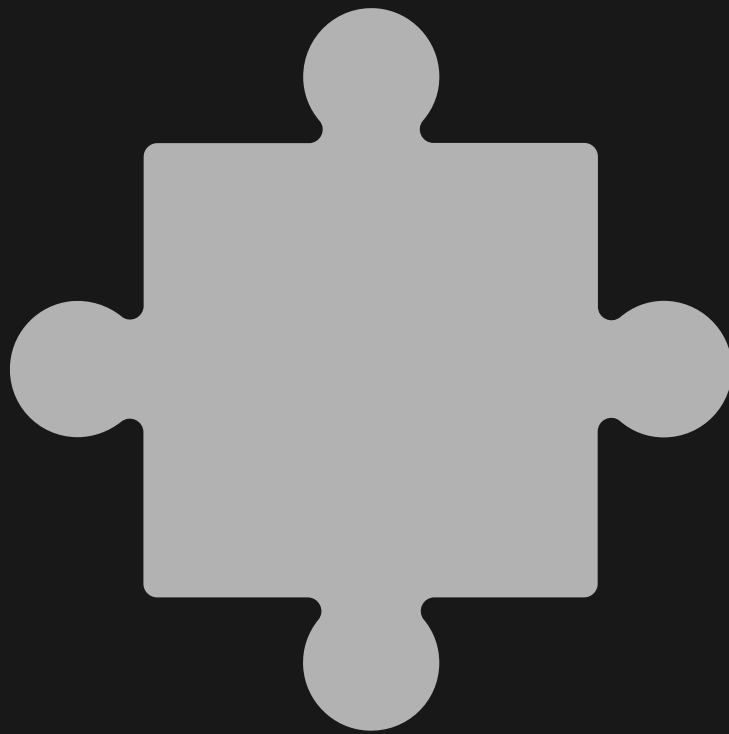


# DAYS ON MARKET CASE STUDY ANALYSIS



**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

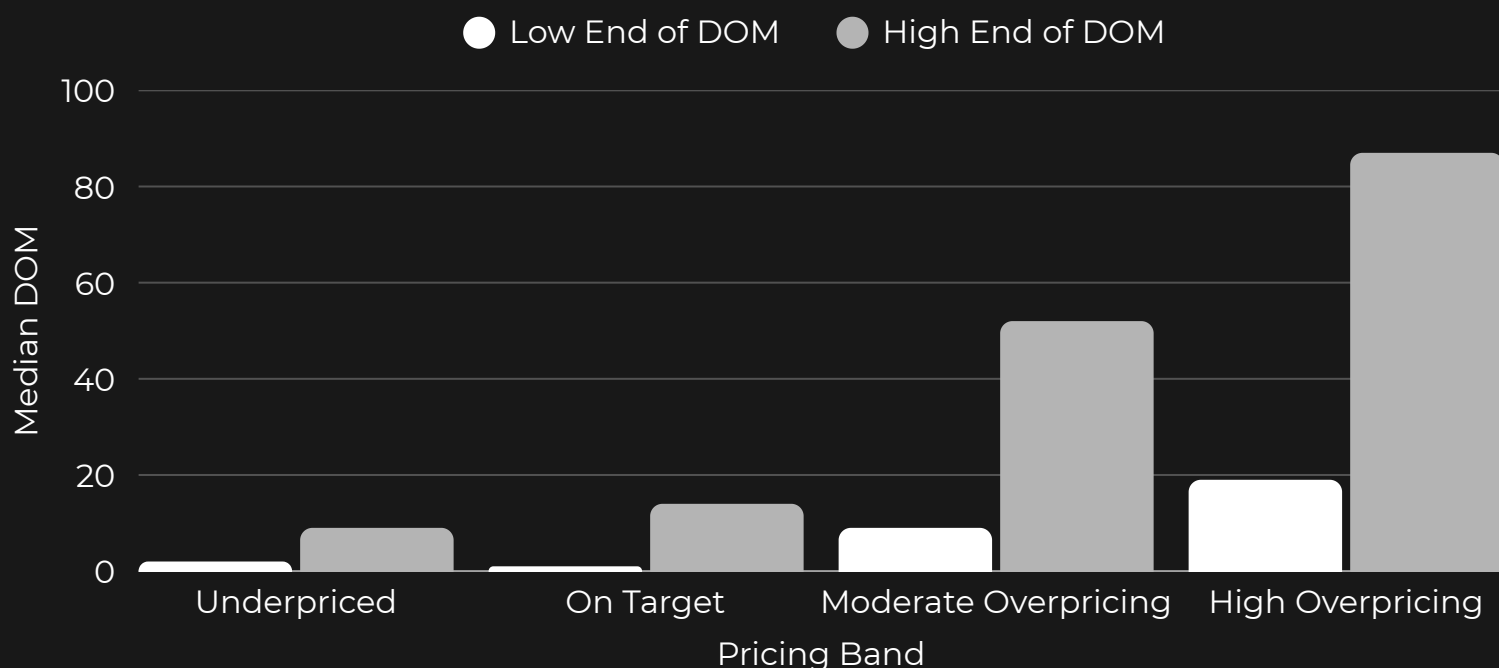
## Key Findings

**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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