

SEASONALITY^{OF} REAL ESTATE

Understanding The Ebb and Flow of
Supply & Demand During the Seasons

AN EBOOK FROM



AS SEASONS CHANGE, SO DO HOME PRICES.

The more you understand about home buying and selling activities and how they change throughout the year, the more prepared you will be to set your business up for success throughout each season. Being familiar with this concept will give you a grip of how the market works, allowing you to capitalize on the best times of the year to buy and sell.

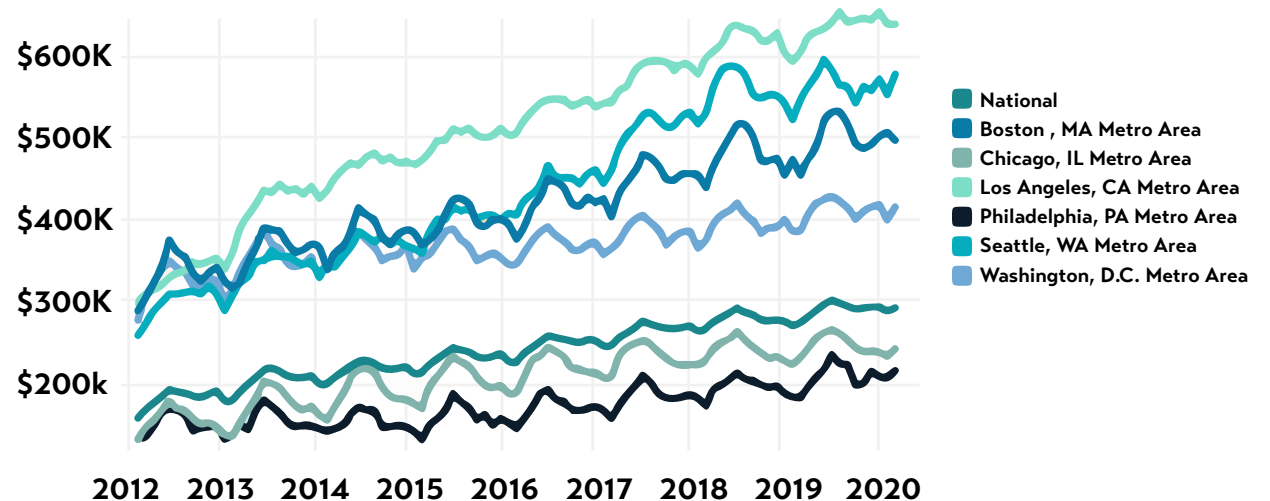


WHAT ROLE DOES SEASONALITY PLAY IN THE REAL ESTATE MARKET?

THE TRENDS OF HOME PRICES follow the changing temperatures of each season. Every year there is a pattern in each market that affects the supply, demand, and price of homes. When cool weather begins to roll into town, the housing market begins to cool. Supply and demand is a key factor that impacts the housing market during seasonal swings. You might think these seasonal changes in the market don't influence prices all that much, but in some cases, home prices have been reported to fluctuate as much as 10%. In the graph (right), you'll see the pattern of declining prices following each holiday season and new year, with big jumps of home prices entering spring and often peaking in July.

MEDIAN SALE PRICE

**Source [Redfin Data Center](#)*



KEY FACTORS IN SEASONAL CHANGES



While **the weather** in markets differ, some nationwide trends should be considered that will cause a change to the market throughout the course of the year. Both the holiday season and school year influence the supply and demand of any market, regardless of the climate.



Buyers and sellers **with children** normally do not want to change gears and uproot their family during the school year. If a family does choose to move, they'll typically wait until the end of the school year, when they have more time to move, and help their kids get a fresh start somewhere new in the next school year. June is traditionally the busiest month of the year for moving throughout the U.S.



During **the holidays**, homeowners do not want to add any extra stress to their holiday plans by moving, which really limits the real estate opportunities between November and January. Adding a move on top of family plans, work deadlines, and the always unpredictable mother nature is too much for many to want to tackle.

UNDERSTANDING CAUSE & AFFECT

THE TREND OF FLUCTUATING SUPPLY AND DEMAND will cause home prices to change as well, which sends buyers and sellers into a frenzy of aggressively making offers and scooping up available real estate. This frenzy ends up limiting the number of available homes, raising market prices quickly. Conversely, in the winter, most homeowners are not willing to deal with the pains of moving, which leads to a lower demand and lower prices.





SEASONALITY FOR HOME BUYERS

FOR BUYERS LOOKING TO SCORE THE BEST DEAL, be patient and wait for the slower winter months to make your move. Lower demand in winter results in lower prices, and overall less activity. Sellers will be more willing to negotiate since they will not be receiving much interest, so use this opportunity to get a great discount on the original asking price.

8.45%

In winter months houses typically cost 8.45% less than they do during summer months. *Source [Nationwide](#)

4.3%

Home prices are predicted to increase by 4.3% in 2020 *Source [Zillow Data](#)

20%

January has the lowest median sales price at closing by almost 20%. *Source [Financial Samurai](#)

SEASONALITY FOR HOME SELLERS

THE SAYING GOES, IF YOU'RE A SELLER THEN YOU'RE USUALLY A BUYER. For most in this situation, you have to juggle the best time to sell your home, while also finding the best deal on your next home. Selling your home during the peak season is great for increasing the closing cost, but not ideal when you consider that now you're the one looking for a deal on a home. As a seller, you want to sell your home during the peak of the market while it's the best month to sell. However, as a buyer you want the best deal you can receive on your new home.

Ideally, you would buy in the winter and wait till spring to put your home on the market. This would help you maximize the trade-off of buying and selling.



WINTER

Winter months see the lowest demand of the seasons, which lowers competition, home prices, and limits the number of homes on the market. Knowing your market comes in handy, and in resort areas like Florida and Arizona, or in ski towns like Vail, winter is prime time selling season.

PROS

Home Prices are Lower

Less Demand Means
Less Competition

More Agents Available

Easy to Identify Cold
Weather Homes Issues

CONS

Less Homes to
Choose From

Not Much Free Time Off to Move

Less Daylight to
Look Around

Landscape will be Bare



SPRING

When spring starts, homes begin to enter the market, which officially starts home buyer and seller activity heating up the housing market.



PROS

- First Come, First Buy Gives Them an Advantage Over Others
- Mixed Weather Patterns Show Off Home Weatherability
- Homes Quickly Go On the Market
- Open House Season Begins

CONS

- Home Prices Surge Quickly During These Months
- Not As Much Time Off to Shop The Market
- Competition for Homes Begins to Heat Up
- Agent Attentions Wanes with More Clients Shopping Around

SUMMER

During the summer months, home buyer and seller activity increases, raising home prices but also increasing the number of homes on the market.

PROS

- More Homes to Choose From
- Landscape is Flourishing
- Summer Vacation Creates More Moving Flexibility
- Daylight Extends Home Viewing Hours

CONS

- More Demand Increases Competition
- Less Quality Agents for Hire
- Home Prices Begin to Peak
- Inability to See How Cold Weather Affects the Home





FALL

When temperatures begin to get chilly in the fall, home inventory also begins to drop, which starts the decrease in home buyer and seller activity. Depending on where you live, the fall could be the best time to list your home.

PROS

- Time Sensitivity Leads to Quicker Sales
- Home Prices Begin Dropping
- Agents' Time Begins Freeing Up
- Less Competition as the Season Progresses

CONS

- Landscape Quickly Degrades in the Colder Months
- Fewer Homes to Choose From
- Most Remaining Inventory are the Leftovers From the Summer
- Weather Slowly Becomes Non-Ideal for Viewings

BEST MONTH TO SELL A HOME

Historically, the best month throughout the U.S. for home closings is May.

MAY

However, June 28th is the best day of the year to sell a home in most markets, according to data acquired from [ATTOM Data Solutions](#).

JUNE

For other markets, like resorts or ski towns, the second best day of the year to sell a home is February 15th according to the same study from [ATTOM Data Solutions](#). This goes to show, knowing your market is paramount to the success of your business and your clients.

FEB.



HOW TO MAKE SEASONALITY WORK FOR YOU



Understanding the swings of the real estate market throughout the year will be a key factor in your success.

Knowing the difference between selling a home in April vs. May could result in money earned or saved for you and your client. The more you grasp your market and how it reacts to weather patterns is crucial.



If you're a real estate professional in cooler weather markets like the Midwest, you know that your market is **impacted by colder temperatures**, which could result in an impact on your community's supply and demand of homes. Look for peaks during the months of April through July into August. When November approaches, expect to see a slowdown in activity.



If you're a real estate professional in warmer weather markets like Miami or Phoenix, you know your market isn't impacted by winter months as much. Your markets typically buck the national trend of low home sales in winter months, **reporting higher sales in November or January**. Look for seasonal peaks during traditionally slow times, but also during warmer months after the school year concludes.

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