

Months Supply of Inventory - What it means?



- **Less than 2 Months of Supply** will place strong pressure on prices upward, that could result in as high as double digit annual appreciation.
- **3 to 4 Months of Supply** will place pressure on prices upward, resulting in appreciating values.
- **5 to 6 Months of Supply** is generally considered a balanced market with little to no fluctuation in value.
- **7 to 8 Months Supply** is going to result in downward pressure on prices, leading to declining values.
- **Over a 9 Month Supply** is an extreme oversupply, placing strong downward pressure on prices, potentially at a double digit annual rate.



A.L. Wagner Appraisal Group
Real Estate Appraisals & Consulting
1807 S. Washington St., Ste 110
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(630) 416-6556
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