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# Contract expiration and sales price

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## Abstract

This article represents the first empirical attempt to detect the relationship between sales price and listing (or contract) period. Specifically, we examine the relationship between sales price and contract expiration days. Our hypothesized positive relationship between sales price and contract expiration days is borne out by the results of this study. These results show that the home seller is able to exact a price premium of 0.04% per contract day that he/she is able to preserve. Alternatively stated, he/she will concede a price discount of 0.04% per day, on average, as the sales contract approaches its expiration. Simple analyses of time on the market (TOM) without controlling for listing period may yield misleading signals.

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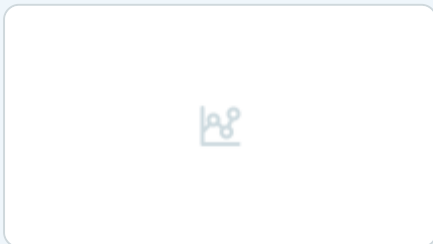
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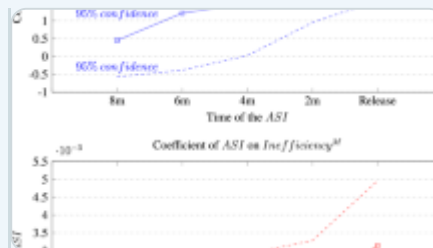
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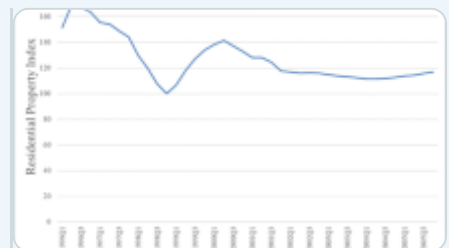
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