



## Understanding Sales Time Adjustments in ClickFORMS



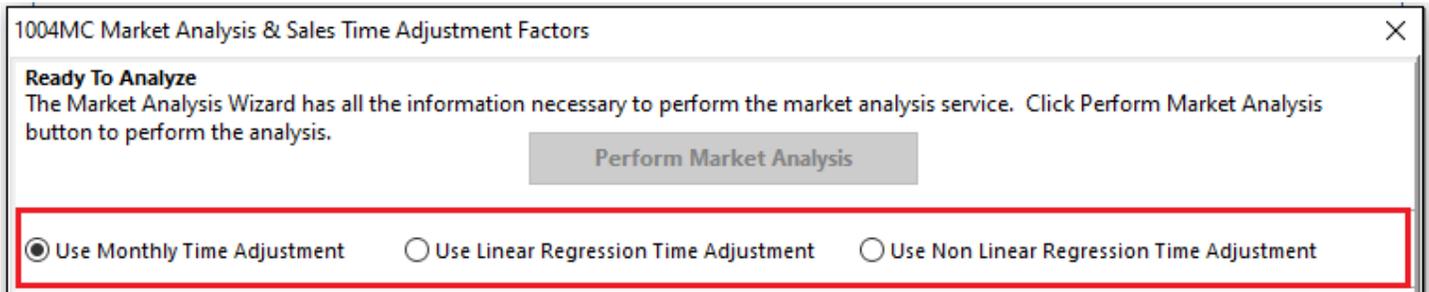
# Understanding Sales Time Adjustments in ClickFORMS

February 2025

## What's New in Market Analysis

We have enhanced the 1004MC (Market Conditions) service to now include Sales Time Adjustments. The GSEs want to better capture the monthly fluctuations in the market by requiring adjustments based on the market conditions at the time the comparable was sold. To fulfill this requirement, we are providing three options to calculate monthly time adjustments.

Using Median Sale Prices groups in 30-day intervals (pseudo-months) from the effective date, you can now calculate a direct Monthly Adjustment, a Linear Regression Monthly Adjustment and a Non-Linear Monthly Adjustment.

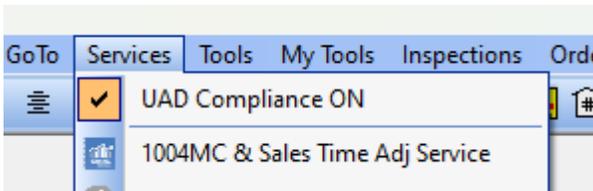


To see the difference in the three analysis techniques simply click on the radio button next to each option. Depending on your market and your data along with any outliers that may be in the data, you will be able to visually select the method that best simulates your market conditions over the past 12 months.

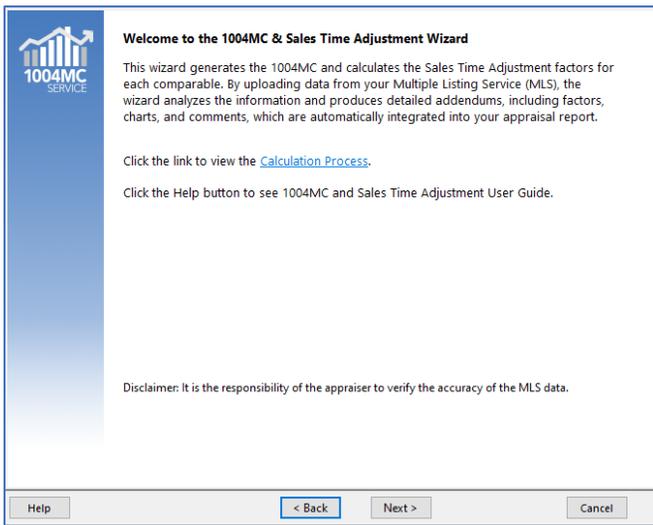
We have also taken this opportunity to enhance the overall operation of the 1004MC service. Here's how to get started.

## User Interface Enhancements

You can find the new service in the Services menu, second from the top.

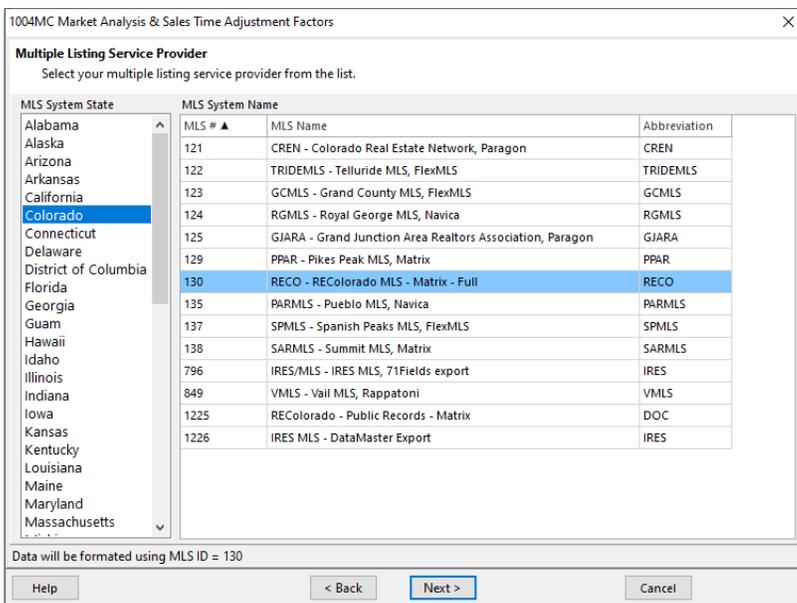


When it starts up, you will see the Welcome Screen. We recommend that you review the Calculation Process and the User Guide if you are not familiar with this service.



Note: Before starting the service, be sure to export your market data from your MLS System. Keep in mind that the more data you have, the better the results will be. Also, remember where you saved your export file.

When you click **Next**, the MLS System selection screen will be displayed. This is where you specify the MLS System that produced your market data file.



Most MLS Systems in the country have been mapped. Simply select your state and then the MLS that you used. Then click on **Next**.

1004MC Market Analysis & Sales Time Adjustment Factors

**Report Options**  
 Select the effective date of your report and upload your MLS export file. Once the data is analyzed, it will be shown in the selected addendum.

Effective date: 1/25/2025

**Market MLS File (required)**  
 Browse

**Condominium MLS File (optional)**  
 Browse

Count pending sales as settled sales  
 Count pending sales as active listings  
 Ignore pending sales

Select which addendums to include

Addendums	
Include	Exclude
<input type="radio"/>	<input checked="" type="radio"/> 1004MC Addendum
<input checked="" type="radio"/>	<input type="radio"/> Sales Time Adjustment Factor
<input type="radio"/>	<input checked="" type="radio"/> Market Analysis Charts
<input type="radio"/>	<input checked="" type="radio"/> Median Price Broken Down
<input type="radio"/>	<input checked="" type="radio"/> Reference Data - All Properties
<input type="radio"/>	<input checked="" type="radio"/> Reference Data - Only Sold

Help < Back Next > Cancel

In this screen, you need to do a few things to get setup for the market analysis:

1. Make sure the effective date is correct. It's pulled from your report.
2. Import the MLS market data file by clicking on the **Browse** button.
3. Import the condominium MLS data file if needed (optional)
4. Select if you want to consider Pending Sales as Settled or as Active Listings or Ignored.
5. Select what addendums you would like to have added to your report. If you are new to this service, select all of them so you can see what is available.

Then click **Next** to move to the next step where the analysis is performed.

Click the button **Perform Market Analysis** to start the analysis.

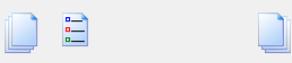
1004MC Market Analysis & Sales Time Adjustment Factors

**Ready To Analyze**  
 The Market Analysis Wizard has all the information necessary to perform the market analysis service. Click Perform Market Analysis button to perform the analysis.

**Perform Market Analysis**

1004MC Data

Please wait for server to analyze data.



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## Understanding the Market Analysis Results

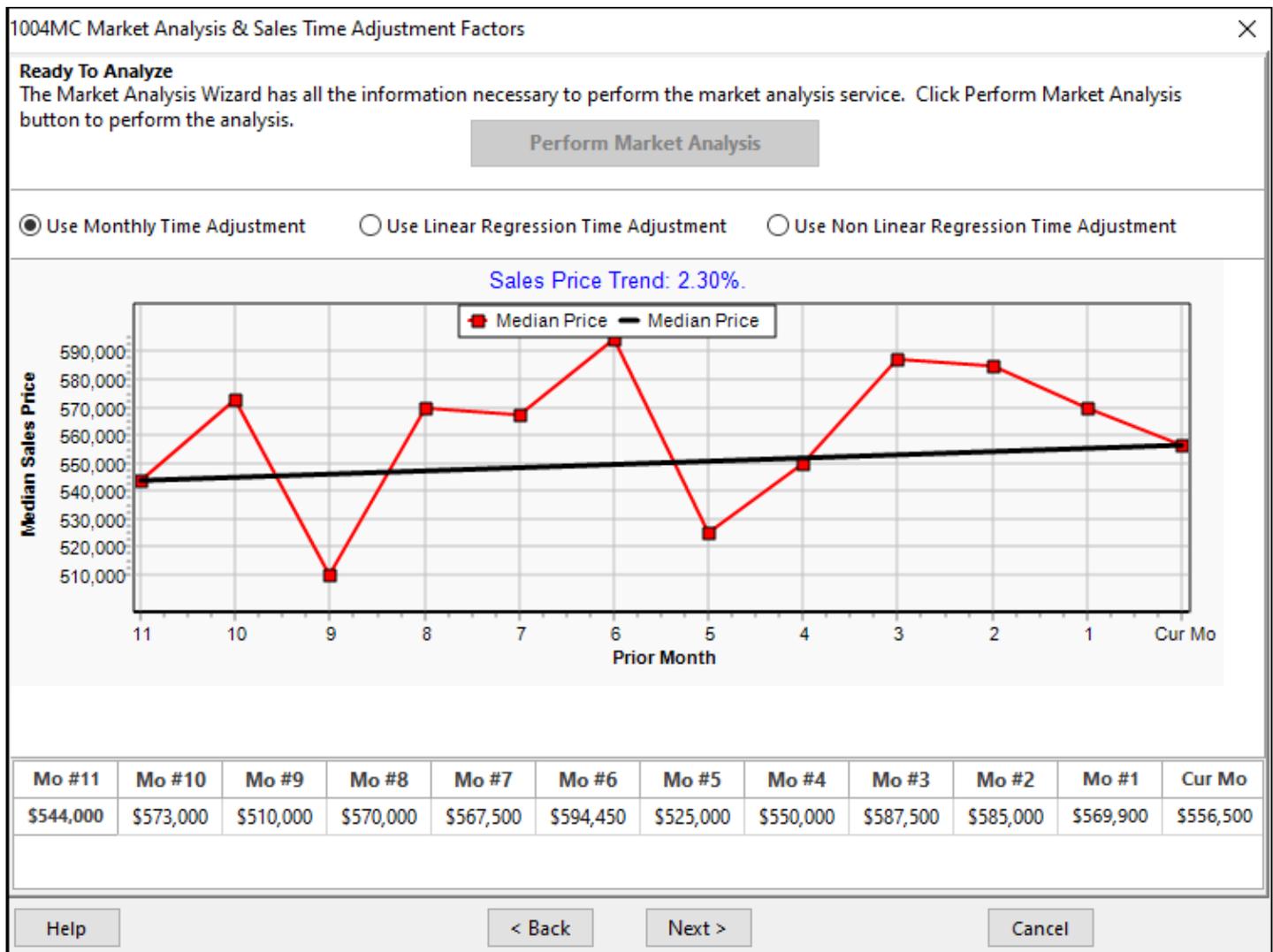
**Note:** A sample MLS export file was used without removing any outliers and ignoring Pending Sales. Also, note that there are not many sales during the entire 12-month period.

Using the 1004MC analysis service, we can see that the Median Sales Price for the three time periods shows a decline, (545K, 582K, 556K). If you plot these points, you will get a sharp decline in the last period.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months
Total # of Comparable Sales (Settled)	49	22	20
Median Comparable Sales Price	545,000	582,500	556,500

### Option 1: Monthly Time Adjustment

However, if you calculate and plot the Median Sales Price on a monthly basis (30-day intervals from the Effective Date) instead of the 7-month, 3-month and 3-months periods of the 1004MC, you get a very different plot as shown below.



There are a couple of possible reason for this. The sales data is sparse and the median does not reflect the average sale price or possibly Pending Sales should not be ignored. Regardless, it's easy and quick to rerun the analysis using the different options for how to handle Pending Sales.

To determine the Monthly Adjustment Percentages and Factors, click the **Next** button

1004MC Market Analysis & Sales Time Adjustment Factors ✕

Time Adjustment Percentage By Month For The Last 12 Months

■ Monthly Time Adj Factor    ● Median Sales Price

Time Adjustment Factors										
Time Adjustment % is calculated based on the Median Sale Price in a 12 month period. The formula = (B) Current month – (A) Specific Month / (A) Specific Month. Time Adjustment Factor = Sales Price * Time Adjustment Percent (if Comps is older than 12 months, the factor will not be calculated)										
Comparable #	Comp#1	Comp#2	Comp#3	Comp#4	Comp#5	Comp#6	Comp#7	Comp#8	Comp#9	Comp#10
Sales Price	\$487,900	\$585,900	\$608,900	\$621,000	\$449,900	\$530,000	\$487,900	\$487,900	\$487,900	\$487,900
Sale Date	c03/24	c02/24	c11/24	c10/24	c09/24	c08/24	c07/24	c06/24	c05/24	c04/24
Mo # on Chart	11	11	2	3	4	5	6	7	8	9
Time Adjustment %	2.00%	2.00%	-5.00%	-5.00%	1.00%	6.00%	-6.00%	-2.00%	-2.00%	9.00%
Time Adjustment	\$9,758	\$11,718	-\$30,445	-\$31,050	\$4,499	\$31,800	-\$29,274	-\$9,758	-\$9,758	\$43,900

Help
< Back
Transfer
Cancel

The Monthly Adjustment Percentages are calculated and your Comps (contract date or Settled date) and Sale Price are auto-loaded and the Adjustment factor calculated. When you click **Transfer**, the factors will be applied in the Sales Grid and the specified Addendums will be created and added to your report.

### Option 2: Linear Regression

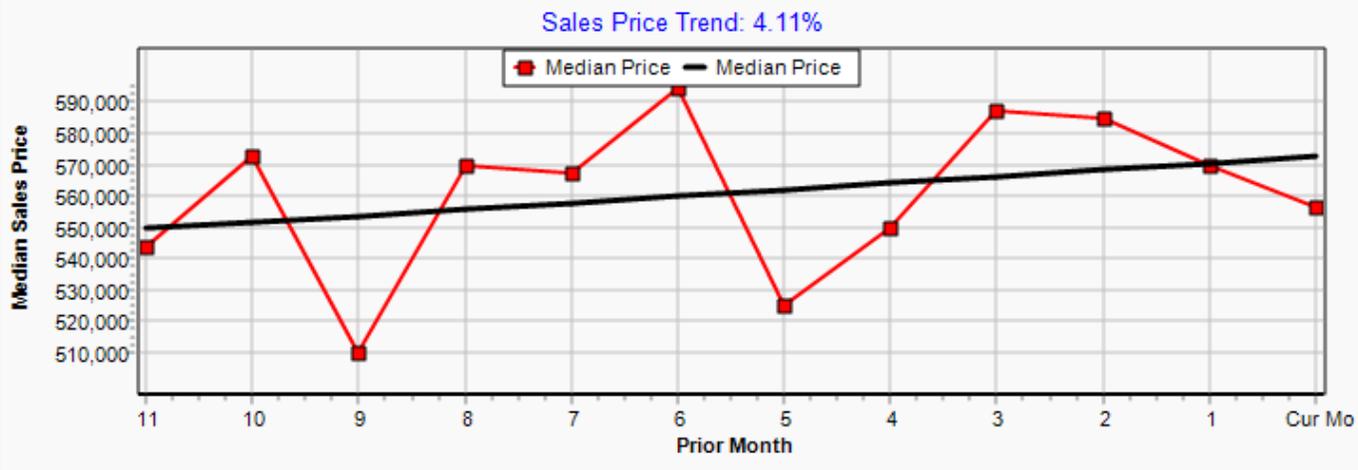
The second option is to use Linear Regression to determine the Sales Trend by determining a line (linear) that that best fits the data points. Selecting this option produces the following chart. As you can see, a straight line does not represent an accurate representation of the market conditions portrayed by the Monthly Median Sale Prices.

**Ready To Analyze**

The Market Analysis Wizard has all the information necessary to perform the market analysis service. Click Perform Market Analysis button to perform the analysis.

Perform Market Analysis

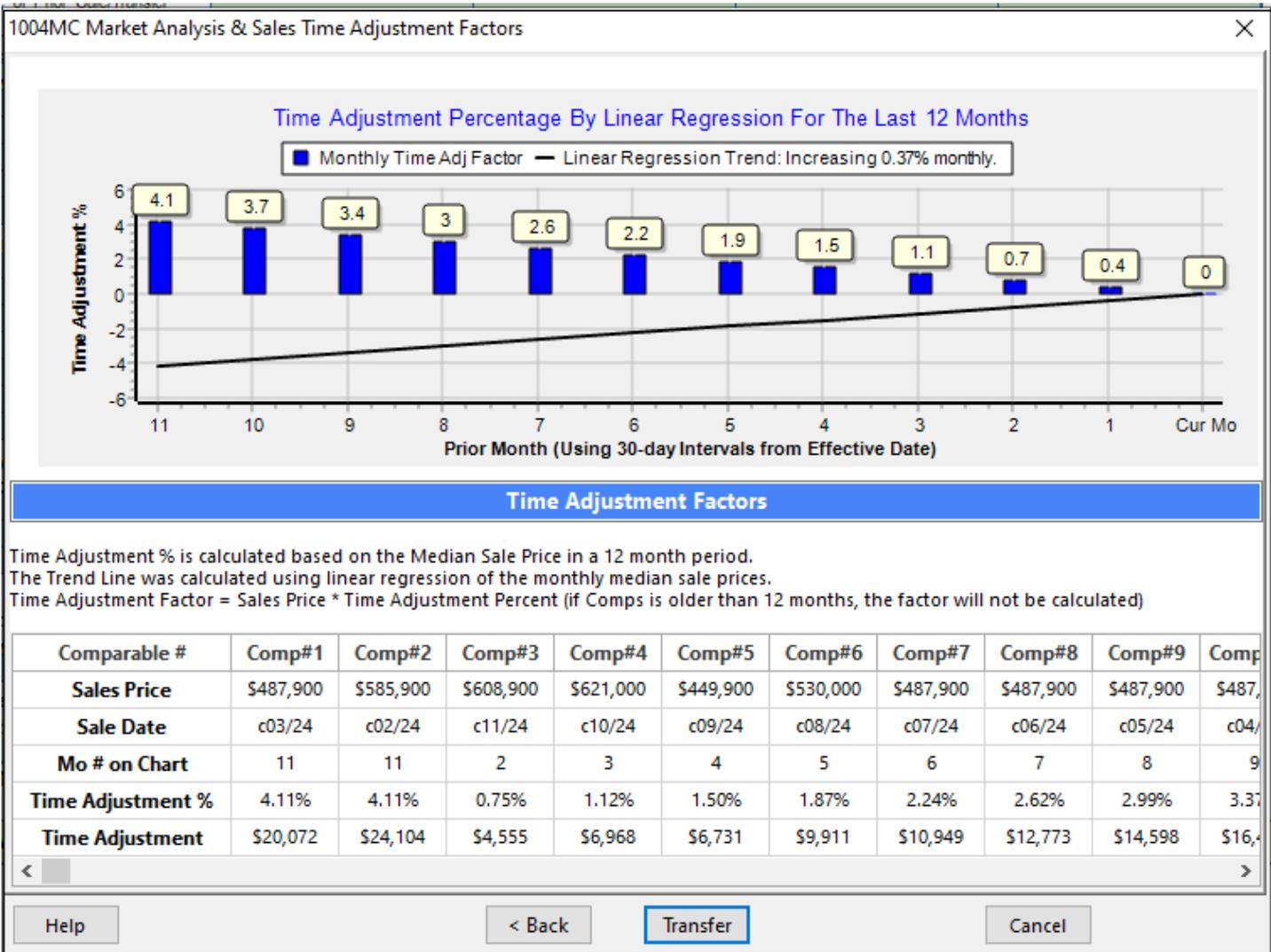
- Use Monthly Time Adjustment    
  Use Linear Regression Time Adjustment    
  Use Non Linear Regression Time Adjustment



Mo #11	Mo #10	Mo #9	Mo #8	Mo #7	Mo #6	Mo #5	Mo #4	Mo #3	Mo #2	Mo #1	Cur Mo
\$544,000	\$573,000	\$510,000	\$570,000	\$567,500	\$594,450	\$525,000	\$550,000	\$587,500	\$585,000	\$569,900	\$556,500

If you know your market is very stable, you can remove any outliers from your data set until you get less variation in the monthly data points. You can also rerun the analysis and test the results using different Pending Sales options. When you click **Next**, the Adjustment Percentages and Factors will be auto-calculated for you.



Clicking **Transfer**, the factors will be applied in the Sales Grid and the specified Addendums will be created and added to your report.

### Option 3: Non-Linear Regression

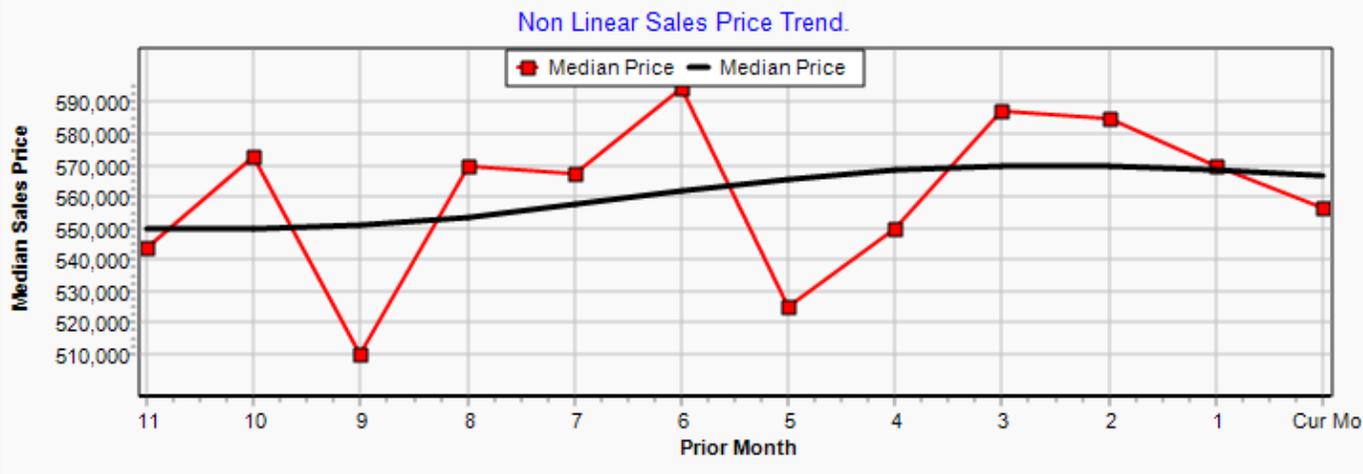
The third option is to use Non-Linear Regression to determine a curved line that best fits the data points. Selecting this option produces the following chart. As you can see, non-linear regression produces a much better fit than linear regression. The straight line of linear regression does not accurately represent the market conditions portrayed by the Monthly Median Sale Prices.

**Ready To Analyze**

The Market Analysis Wizard has all the information necessary to perform the market analysis service. Click Perform Market Analysis button to perform the analysis.

Perform Market Analysis

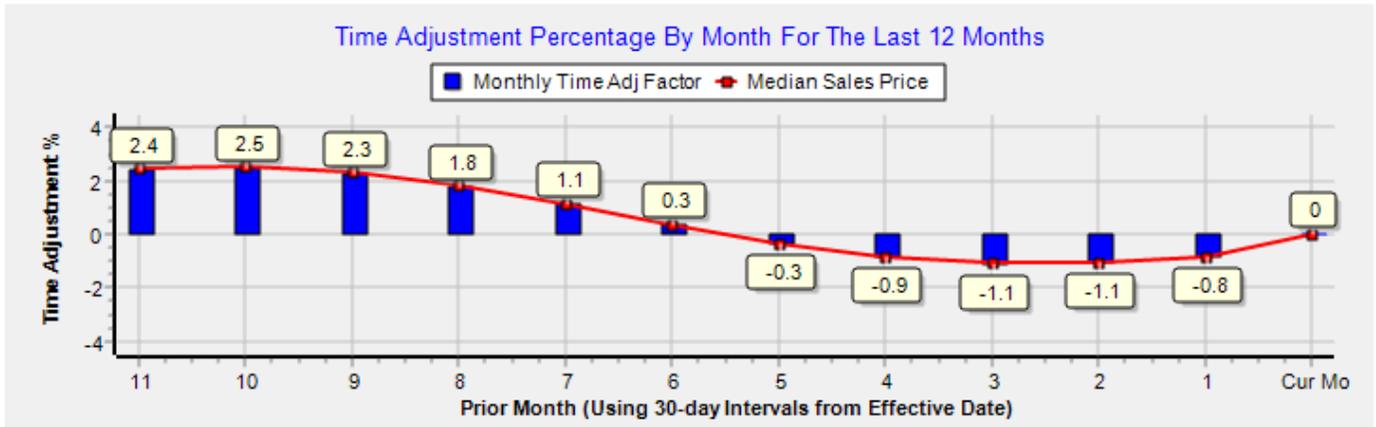
- Use Monthly Time Adjustment   
  Use Linear Regression Time Adjustment   
  Use Non Linear Regression Time Adjustment



Mo #11	Mo #10	Mo #9	Mo #8	Mo #7	Mo #6	Mo #5	Mo #4	Mo #3	Mo #2	Mo #1	Cur Mo
\$544,000	\$573,000	\$510,000	\$570,000	\$567,500	\$594,450	\$525,000	\$550,000	\$587,500	\$585,000	\$569,900	\$556,500

When you click **Next**, the Adjustment Percentages and Factors will be auto-calculated for you.



**Time Adjustment Factors**

Time Adjustment % is calculated based on the Median Sale Price in a 12 month period.  
 The Trend Line was calculated using non linear regression of the monthly median sale prices.  
 Time Adjustment Factor = Sales Price \* Time Adjustment Percent (if Comps is older than 12 months, the factor will not be calculated)

Comparable #	Comp#1	Comp#2	Comp#3	Comp#4	Comp#5	Comp#6	Comp#7	Comp#8	Comp#9	Comp#10
Sales Price	\$487,900	\$585,900	\$608,900	\$621,000	\$449,900	\$530,000	\$487,900	\$487,900	\$487,900	\$487,900
Sale Date	c03/24	c02/24	c11/24	c10/24	c09/24	c08/24	c07/24	c06/24	c05/24	c04/24
Mo # on Chart	11	11	2	3	4	5	6	7	8	9
Time Adjustment %	2.42%	2.42%	-1.06%	-1.09%	-0.85%	-0.35%	0.35%	1.10%	1.78%	2.26%
Time Adjustment	\$11,807	\$14,179	-\$6,454	-\$6,769	-\$3,824	-\$1,855	\$1,708	\$5,367	\$8,685	\$11,111

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Whichever method you choose to use will depend on your judgement of the market. Was it fluctuating monthly, was it stable with a steady increase, were there outliers in particular months that are incorrectly influencing the monthly adjustment rate? Only you can determine which is best. This is why we are providing three methods to calculate monthly time adjustments.

Whichever method you decide to use, the new 1004MC Service with Sales Time Adjustments will automatically calculate the time adjustments factors for you and transfer them to the Sales Comparison Grid, just make sure you have your appraisal report open at the time you perform the analysis.

The new addendum with Sales Time Adjustment Factors addendum is shown below.

Bradford Technologies  
Sale Time Adjustment Factors

File No.

Borrower					
Property Address 302 Piercy Rd					
City	San Jose	County		State	CA
Zip Code	95138				
Lender/Cient			Address		

**Sales Price Trend (Last 12 Months)**



**Time Adjustment Percentage by Month (For the Last 12 Months)**



**Time Adjustment Factors**

Comparable No.	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5	Comp #6	Comp #7	Comp #8	Comp #9
Sale Price	\$487,900	\$585,900	\$608,900	\$621,000	\$449,900	\$530,000	\$487,900	\$487,900	\$487,900
Sale Date	c03/24	c02/24	c11/24	c10/24	c09/24	c08/24	c07/24	c06/24	c05/24
Mo # on Chart	11	11	2	3	4	5	6	7	8
Time Adj. Percent	2.42%	2.42%	-1.06%	-1.09%	-0.85%	-0.35%	0.35%	1.10%	1.78%
Time Adj. Factor	\$11,807	\$14,179	-\$6,454	-\$6,789	-\$3,824	-\$1,855	\$1,708	\$5,367	\$8,685

Note: The Time Adjustment chart shows the linear movement in value month over month. Time adjustments applied in the Sales Comparison Approach are measured from the contract date of comparable sale(s) to the effective date of the appraisal.



## **ClickFORMS 1004MC Service**

The 1004MC Service is included in the ClickFORMS Gold Plus and Platinum Memberships. It is also available for purchase separately from the AppraisalWorld store.

The 1004MC Service improves your report by adding detailed charts that visually explain market trends. These charts come with automatically generated comments that you can edit as needed. With the new Time Adjustment feature, you can now apply Sales Time Adjustments to reflect monthly market changes, as required by GSEs. This ensures that comparable sales are adjusted based on market conditions at the time of sale. This requirement takes effect on March 1, 2025.

For more information, visit our website or call us at 800-622-8727.