



# Math Study Strategies

## Math for Real Estate

### Measures of Central Tendency

It is useful to have a number that represents a set of data. Numbers known as **measures of central tendency** are often used to represent data since they represent the middle values, or the center, of a collection of data.

The three most common measures of central tendency are **mean**, **median**, and **mode**.

The **mean** is the average of the data.

The **median** is the middle value in a set of ordered data.

The **mode** is the number that occurs most often in a set of data.

1. In real estate, the **mean**, or average price, is the total of all the prices divided by the number of prices.

Example

$$\frac{\$47 + \$48 + \$50 + \$52 + \$52 + \$53 + \$55}{7} = \frac{\$357}{7} = \$51$$

The mean does not have to be one of the numbers listed

2. The **median** is the middle value in a list of values written in numeric order.

$$47 + 48 + 50 + \textcircled{52} + 52 + 53 + 55$$

In a list of 7 numbers, the middle number is the fourth one. The median is \$52.

The **median** does not have to be one of the numbers listed.

If the number of values is even, the **median** will be the average of the two middle values.

$$47 + 48 + \textcircled{50 + 52} + 53 + 55$$

$$\frac{50 + 52}{2} = \frac{102}{2} = 51$$

3. 47,  $\textcircled{48}$ , 50,  $\textcircled{48}$ , 60,  $\textcircled{48}$  The mode is 48.

The **mode**, or the number that occurs the most frequently, is **48**.