



RESOURCES IN  
REAL ESTATE

## **So, How's the Market, October, 2010**

*All real estate data taken from Metrolist Inc., on October 8, 2010*

### **“The Sky Is Not Falling and Real Estate is Still a Good Investment”**

Here are 7 thoughts to consider why real estate is a good investment. Contact an R&R Team broker for a detailed analysis of your home.

#### **#1 *September 2010 Sold Data for Single Family Homes and Condos is 1% higher than August 2010.***

- 2,958 units sold in September vs. 2,936 in August which typically would see a historical decline of 2%.
- 532 Condos sold between zero and \$250,000 in September, a 9% increase over August.
- Overall, the number of condos sold in September increased 12.7% over August
- In the luxury market, 4 single family homes closed over \$3,000,000 in price in September equaling the highest number of properties to be sold in a month at this price point.

#### **#2 *Total Single Family Homes and Condo Properties that are Under Contract rose 1.2% in September over August***

- Properties that are under contract are the pipeline to future closings and there is a strong 2 month supply of closings in the pipeline.
- The number of single family properties priced between zero and \$250,000 has 2,616 homes under contract up from 2,507 in August.
- Luxury Homes priced between \$2 million and \$2.5 million had a total of 6 properties placed under contract vs. 3 in August.

#### **#3 *Active Listing Inventory is seasonally decreasing which is a good sign for current homeowners who are selling.***

- Inventory for Single Family and Condos decreased by 3.4% in October from September, 2010.
- Luxury properties priced above \$1 million had an inventory decrease of 4.5%.
- The entire Denver marketplace has a 7.83 month supply of single family homes.
- The entry price point up to \$250,000 has a 5.89 supply of homes.

#### **#4 *Mortgage Interest Rates are at Historical Lows***

- 30 Year Fixed Rates are at 40 Year Lows
- 15 Year Mortgages help you build equity faster
- A 4.25% interest rate gives more buying power to keep low monthly payments.

#### **#5 *Economic Conditions are creating a new housing market for 2011.***

- The lack of new homes being built will help resale prices in 2011
- The Job Market has stabilized allowing people the confidence to buy.
- Financing a new loan requires solid income and good credit, but money is available at all price points, which wasn't the case earlier in 2010.



**#6 Lack of Equity in Markets is Now Reversing the Trend**

- Both financial and housing markets are seeing equity starting to increase in individual portfolios. Hence, people are saving money in 2010 that will be spent in 2011.
- There are over 100 homes per day selling in Denver as of October 8, 2010. Buyers are building wealth by purchasing now and getting an attractive equity position in their home.
- The Luxury Housing Market has an oversupply of homes above \$1 million and buyers are able to capitalize on these attractive prices today. Buyers are buying at below building costs and this window will be smaller in 2011.
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**#7 Buyer Behavior for Housing will be more positive in 2011.**

- As interest rates start to rise after the first of the year, buyers will jump on the low prices and low rates.
- Buyers will take shorter time buying because as rates rise, their buying windows change.
- Buyers are going to require more information about resale home conditions. Keep good records for your housing improvements.

What should sellers do in today's market?

- Put and keep your home in show home condition.
- Position your price aggressively against the competition.
- Consider offering unique and attractive financing terms.

What should buyers do in today's market?

- Know the supply and demand of the neighborhood you are making a purchase within. This helps your negotiations.
- Ask for HOA dues to be prepaid for a period of time as part of the negotiations.
- Work with a talented lender that understands today's underwriting guidelines to make sure you can perform on the contract you enter.

*Talented R&R Team Lenders – chosen for their competitive rates, low loan costs and superior service-*

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