

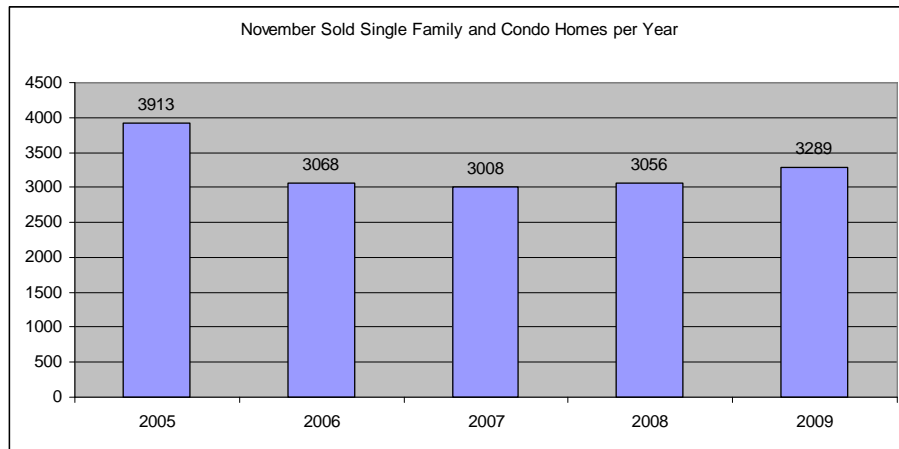


So, How's the Market, December, 2009 All data taken from Metrolist, Inc, on December 5, 2009

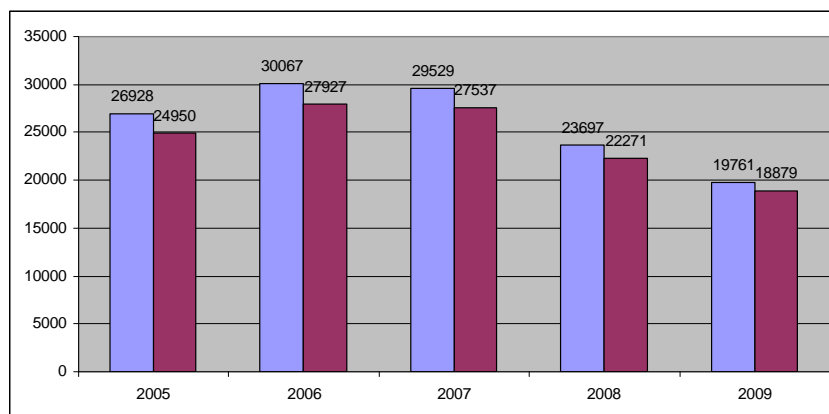
November sold data outperformed, 2008, 2007 and 2006 in number of single family and condo units closed for the month. This is the first time in four years we have seen a Month outperform several years prior for the same period. The \$8,000 Tax Credit, low interest rates and increased consumer confidence because of low housing prices fueled this years November closings. The November sold data showed 3,289 closed units and in 2008 it was 3,056 units closed or 233 more units closed this year for a 7.08% increase over last November.

We have had a seasonal slow down from October to November with closings slipping from 3,708 units in single family and condo homes in October to 3,289 units in November or an 11.3% reduction in closings from October 2009 to November 2009. Normally a reduction of 10% occurs between October and November, so watching this trend of increased sales year over year and normal seasonal downward sales can help us predict the 2010 real estate year in Denver.

Here's the sold data for November of the previous 5 years.



- December Active Listing Inventory is at 14,259 for single family home's is down from 17,176 from one year ago.
- The number of Active listings for Condominiums in December is 4,620 and last December there were 5,095 units available.
- The current 18,879 active single family and condominiums is the lowest December inventory in more than 5 years.



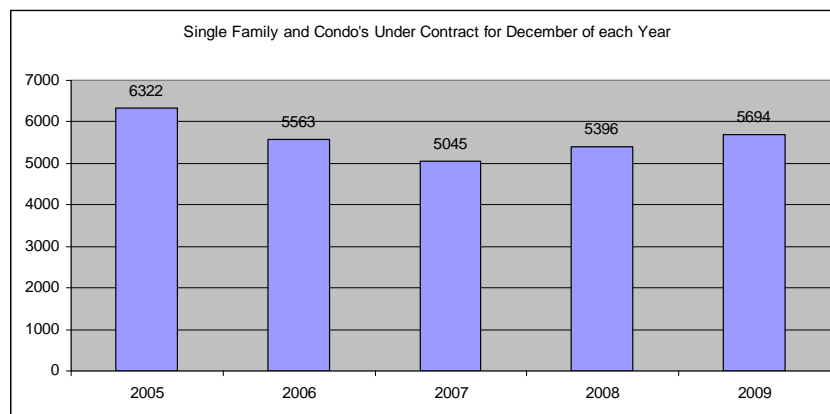


Listing inventory continues to decline as you can see over the last five years. A little abnormality occurred in December of 2009 for homes priced from zero to \$250,000. Normally we would see a decrease in inventory, but this price range actually went up from November 2009 to December 2009 from 4,963 Single Family units to 5,080 single family units. We want to watch this over the next several months to determine if a market shift is occurring in the lower price ranges. 2009 has experienced the largest price increase on average in the lower price ranges and the extension of the \$8,000 first time home buyer Tax Credit and the addition of the \$6,500 Tax Credit for existing home owners should continue to cause the lower price ranges to appreciate, but watching the inventory in the upcoming months will tell us more about where we are going.

- There are fewer properties to compete with today and serious buyers are buying now, as the Tax Credit has been extended and expanded to include current homeowners.
- Interest rates are 4.875% for conforming loans today and more than likely will be a little higher in 2010 causing buyers to make a buying decision now versus next year.
- We anticipate a slight rise in interest rates in the first half of 2010.
- We are seeing investors creating loans have more competitive jumbo rates in small doses. Watch as these are in and out of the market quickly.

Under Contract data is still outperforming previous years for December 2009.

- The number of properties under contract is at 5,694 single family and condo units.
- The number of properties under contract today is 298 units higher than 12 months ago.
- Job stability in Denver will allow more buyers after the first of the year to take advantage of the Tax Credits being offered.
- The number of properties under contract in December of 2009 is the highest recorded December in 4 years.



What should sellers do in this market?

- Today's real estate market for sellers is a choice of your home being a beauty contest or a fire sale. You must be the best looking home or the lowest priced property to attract today's buyer pool
- Although inventories are decreasing, know your specific price range, as each price range affords a different amount of buyers buying today.



RESOURCES IN
REAL ESTATE

- Consider an Owner Will Carry scenario for upper end price homes with equity. This is a creative tool for those sellers who have the ability to carry the paper for the buyer buying their property and get a return on investment.
- Offer a holiday special price reduction, like “10% off the Price for Christmas to New Years Week”.

What should buyers do in this market?

- With the extended \$8,000 dollar Tax Credit for First Time Buyers and the NEW \$6,500 Tax Credit for existing homeowners who will buy a primary residence, get into the system of being prequalified now as there will be an increase in the buyer pool causing competition for homes in January and February.
- Have you considered using your Retirement Account IRA to purchase an investment property in 2010? You can do that with a good upside for returns compared to other investment vehicles.
- Become a prequalified buyer before looking. The guidelines for lending changes daily and you want to be approved before moving forward.

Vital Stats from RE/MAX Professionals:

- REMAX Professionals has already closed greater than \$1.301 BILLION in sales in Denver for 2009 through November.
- REMAX Professionals closed 411 units in November 2009 against the market that closed 3289 units.
- REMAX Professionals put 304 homes under contract in November 2009.

Brought to you by-

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