

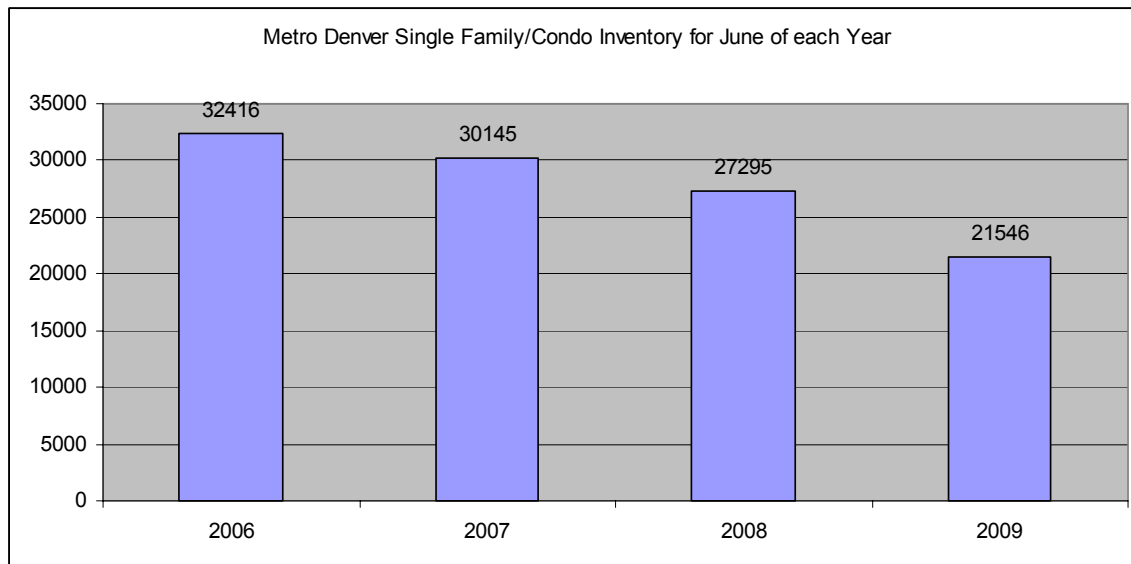


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So, How's the Market, June 2009

All data taken from Metrolist, Inc. on June 4, 2009

Reducing housing inventories in the Denver local single family and condominium homes hits a nine year low!



- Since January 2009 single family home inventory priced between 0 and \$250,000 has dropped 13.47%.
- This is 777 fewer units available in the starter price range today vs. January of 2009, when typically the marketplace would experience an increase in inventory this time of year.
- There is a 3.24 month supply of homes under \$250,000.
- Prices have risen approximately 3% since the first of the year in the zero to \$250,000 price range in the Denver Metro area.
- Conversely, single family homes priced above \$750,000 in the entire Denver Metro area have a total active of 2,618 homes.
- There is upward of a 4 year supply of upper end homes as of today in the entire marketplace, but remember some neighborhoods outperform others and sellers need to check their local inventory.
- Upper end priced homes have more ability to stay the course and this inventory will start to decrease at a fast rate over the next 12 months than what the marketplace is currently experiencing the previous 12 months in the upper end price ranges.

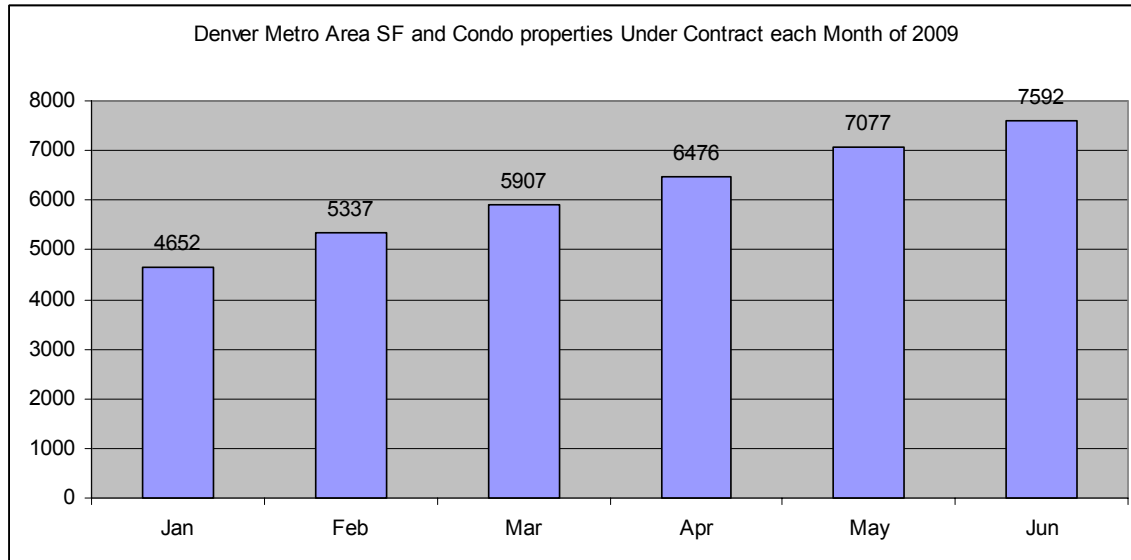
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The number of homes under contract has increased 7.28% in one month. The total number of single family and condos under contract stands at 7,592 total units. This represents the highest number of homes under contract since July of 2008.

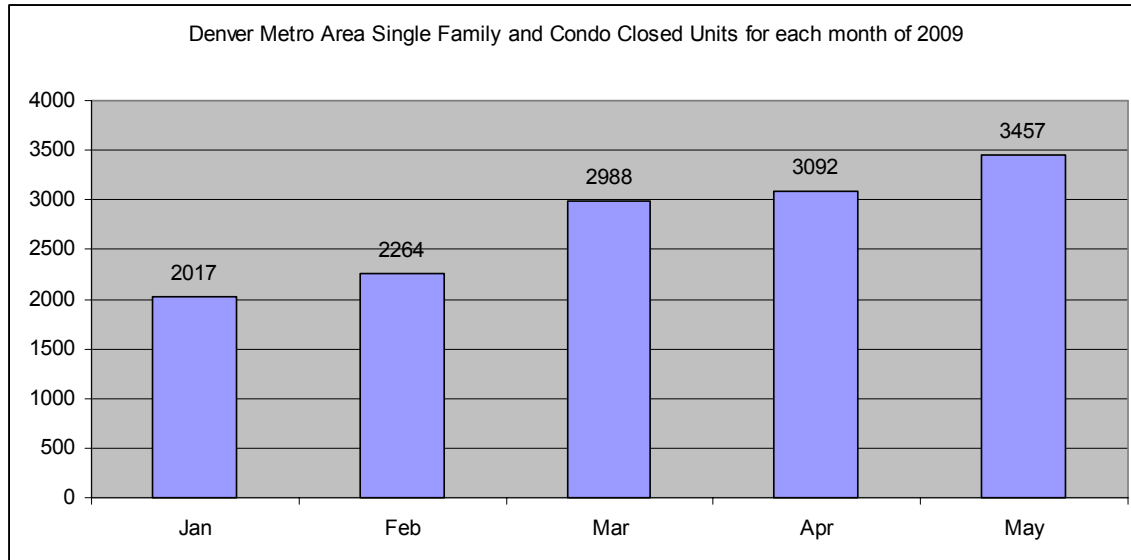
- 92.77% of all the properties under contract were listed below \$500,000.
- It currently is taking longer to process the entire transaction and this under contract number should continue to grow to even higher number over the summer due to more buyers and longer transaction periods.
- Homes going under contract are the leading indicator of the market.
- With the current totals of homes under contract, sold and closed properties will have an increase later in 2009 and into 2010.



Homes that have sold and closed for May of 2009 recorded an 11.8% increase over April of 2009. This represents a below average seasonal trend. Normally an increased number of closings would increase in the amounts of: 2008 the increase of the number of closings from April to May was 17.8%, in 2007 it was 15.1% in 2006 it was 18.42%. Not to panic, as sold data is always a lagging indicator of the market and the Denver marketplace will experience a more aggressive percentage increase in the 3rd and 4th quarter of 2009 vs. 2008.

- Number of Sold Properties in May of 2009 was 22.01% lower than May of 2008.
- However, there has been a 71.39% increase in sold properties since January of 2009. This is substantially above average from past years because the number of sold properties started at a lower level. Good news though because every market place that rebounded in the past 30 years started with large increases in sold data of a six month period in the 70% range.
- This should not discount the fact that the Denver marketplace is taking hold and improving even though the number of sales is off from previous years.
- 94.08% of all properties sold in the first 5 months have been below \$500,000 in our marketplace.

- Properties above \$1.5 Million have had a total of 38 total sales in the entire Denver market for both single family and condominiums in the first 5 months of 2009.
- On the starter price ranges there has been 9421 homes and condos sold in the first 5 months of the year.



What should sellers do in this market?

- Clearly Understand the Pricing Strategy Model.
- Know that sellers need to position their home with the understanding of the HVCC appraisal process.
- Buyers want compelling deals on homes; understand how to give them a deal without losing all your equity.
- Do not reject low offers without a counter; reposition your home in the buyers' eye.
- Unattractive offers are not a personal attack; if you were buying you would make your wish list too.
- Make your home sparkle for every showing.
- Try making reverse offers to buyers who are on the fence.

What should buyers do in this market?

- Get pre-approved for your loan. Make yourself look like a cash buyer with few contingencies to get the best deal.
- Terms are sometimes more important than a low price; have a pricing strategy to give you the best position.
- Lock in your rates as the market is volatile with rates moving around.
- Know what the sold properties are specifically in the last 60 days. What happened in 2008 is old news. Keep current with the market.

- Be prepared to be patient on certain available homes, as short sales, foreclosed properties or sellers with little or no equity have trouble getting buyers quick answers.

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