

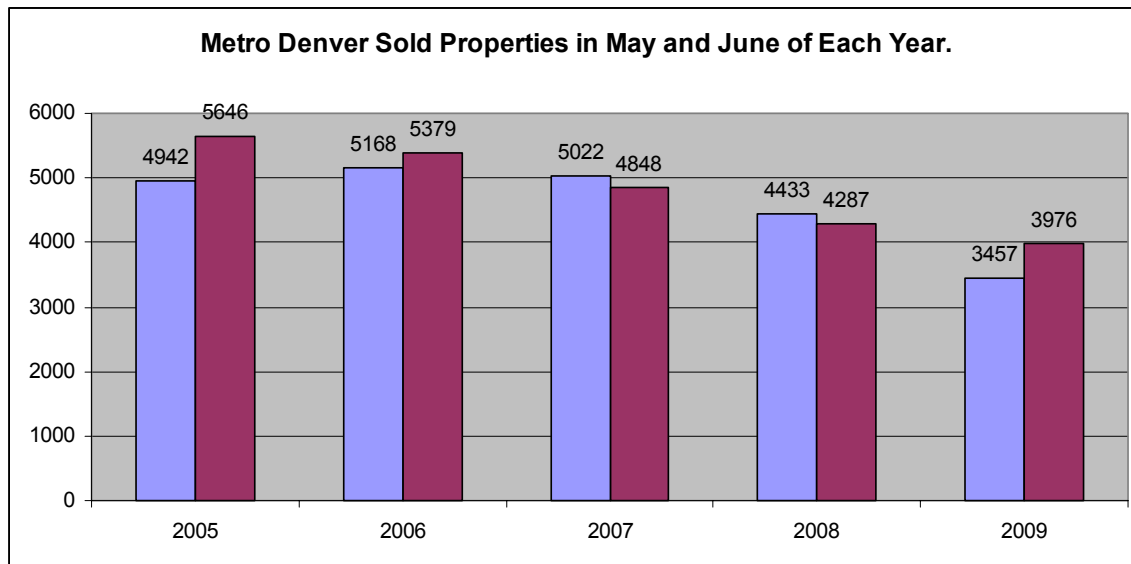


RESOURCES IN
REAL ESTATE

So, How's the Market, July 2009

All data taken from Metrolist, Inc, on July 6, 2009

June 2009 had the Highest Increase in Sold Properties from May to June than any year in the last 5 years!



- June 2009 Sold Properties for Single Family and Condo's Increased 15.01% from May to June.
- This is the single largest June increase over May in more than 5 years.
- In June 2005 the June over May increase was 14.24%, which represented the year with the most closings in Denver history.
- Although the June Sold data numbers are smaller than previous years, the increases are starting to catch up to earlier years totals and should surpass them later in 2009.
- The Denver Metro area is poised to close over 37,000 single family and condo properties for the year 2009.
- The percentage of single family homes sold under \$500,000 compared to above \$500K is 92.56% of the homes sold YTD. This percentage number is reducing from the beginning of the year indicating some properties above \$500,000 are starting to sell at a faster rate than earlier in 2009.
- Conversely, condo's that are sold and closed below \$500,000 make up 98.21% of all condo sales. This indicates the market is price sensitive above \$500,000 for condominium units and the buyers are not buying this product at this time.
- Single Family homes priced from zero to \$250,000 have a 3.44 month supply of inventory.

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- Single Family Homes priced from \$250,000 to \$500,000 have an 8.5 month supply of inventory.
- Single Family Homes priced from \$500,000 to \$1 million have a 23.2 month supply of inventory
- Single Family Homes priced above \$1 million have a 63.1 month supply of inventory.
- Condominiums below \$250,000 have a monthly supply of 6.25 months. This indicates the buyers buying are looking to single family homes vs. condos within this price range. However, look for condo's priced below \$250,000 to be the next boom price range as buyers will not find what they are looking for in single family homes below \$250,000.
- Condos above \$250K have a supply of over 27 months.
- A six month supply of inventory typically creates equilibrium between buyers wanting to buy and sellers wanting to sell in home sales in the Denver market.

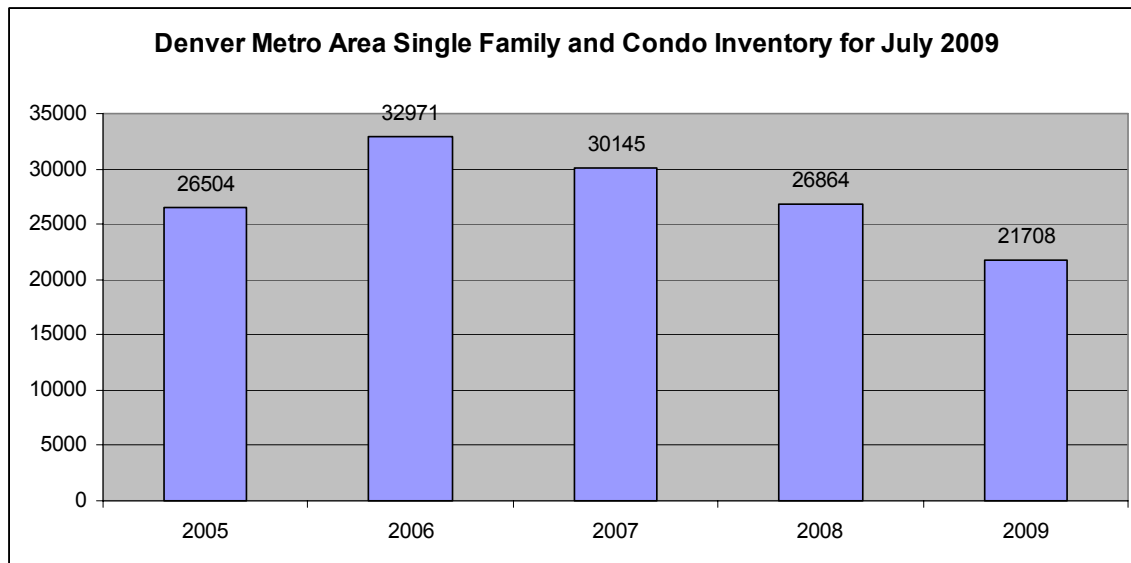
What these numbers indicate for the first half of 2009 is that buyers are plentiful who are looking for single family homes priced below \$500,000. Any properties outside of these price parameters need to position themselves aggressively now to take advantage of the peak selling time.

The number of homes under contract has remained constant with 7502 single family and condo homes under contract for July 2009.

- Denver is still experiencing a little fragile marketplace as July under contracts decreased from June by 90 units. Not a big concern, but one to watch to make sure our pipeline of business remains in an upward growth.
- Four out of the last 5 years has seen July under contracts decrease from June. This is an abnormality each year and typically August will be higher than July.
- The percentage of under contracts properties for single family is shifting a little higher each month, indicating the buyers' willingness to buy properties above \$500,000. We may be seeing the first uptick of homes selling faster that are priced above the conforming loan rates of \$417,000.

Inventories in Denver are still the news. Currently there are 21709 single family and condo homes active on the market.

- This is a decrease in inventory of 19.1% from 12 months ago.
- July inventory increased 162 units over June of this year or a minimal .752% over June. Again an indication that the Denver marketplace is already on the upswing of improving year over year as we typically see inventory increases in July of upwards of 4% or more over June of each year.
- Since April of 2009 till today the single family inventory has grown only 1.1% over a 4 month period. This is the smallest increase of spring inventory in 10 years in the Denver area.
- There are only 16,000+ single family units for the entire marketplace.



What should sellers do in this market?

- Clearly Understand the Pricing Strategy Model of Price, Terms and Time.
- Know what your supply and demand is on your home.
- Position your home as the first one to look at in your neighborhood.
- Do not reject low offers without a counter; reposition your home in the buyers' eye.
- Make your home look like a model for every showing.
- Add an incentive to your package, like prepaying HOA dues for a period of time to attract the buyers.
- Take your equity later rather than now with owner carry terms that will attract buyers in a difficult lending market for upper end properties.
- Add carbon monoxide detectors to your homes vs. waiting for buyers to ask for them.

What should buyers do in this market?

- Know the Market you are buying within. If you are buying a more expensive home, the only competition may be you. This is where the significant deal making is occurring in Denver today.
- 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.
- 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.
- Ask for Carbon Monoxide detectors that are wired into the home as your choice of detectors.

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