

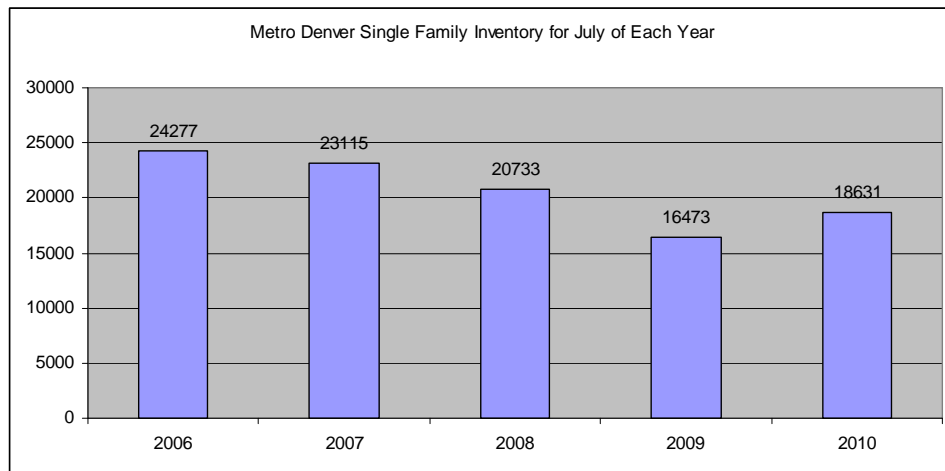


**“Why Should I Buy or Sell Real Estate in July?”**

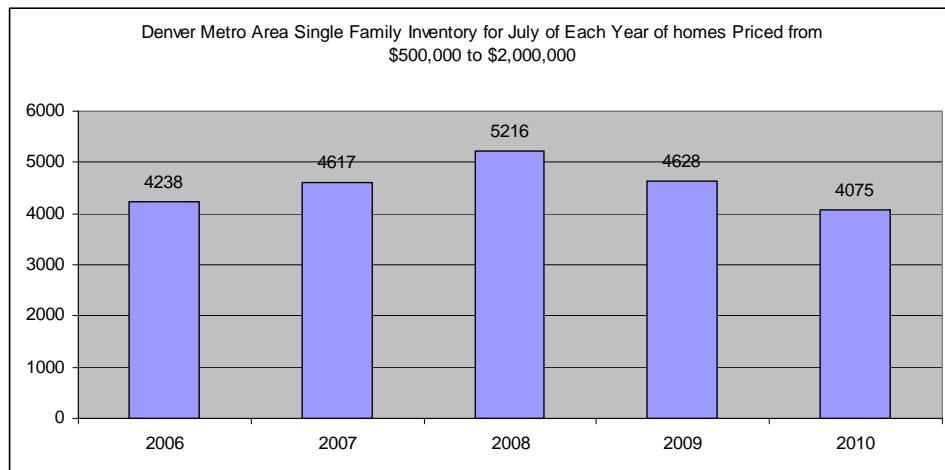
**Market Reason 1: Low Interest Rates Attract Buyers!**

Your buying power today is very strong with interest rates at 40 year lows, with rates in the 4.5% range for 30 year fixed conforming loans. A principal and interest loan of \$300,000 at 4.5% interest rate has a payment of \$1514 per month. If the same rate were at 6.5%, which is a good prediction for one year from now, the payment would increase to \$1886 per month or \$372 more times 12 = \$4,464 extra dollars in payment. Since the average buyer lives in their home 7 years the total savings in payment for buying today is \$31,248 over the life of living in the home. What would you do with \$31,248 dollars?

A Seller's position of selling in the lower price ranges is good today. If you own a home between \$250,000 and \$500,000 the monthly supply of homes in your price range is 7.7 months supply of homes with an absorption rate of 933 homes per month. Homes that show well and are priced at the entry level for comparable prices in your area are selling.



**Market Reason 2: Upper Price Range Inventories are slightly decreasing.**



It's a good time for buyers who are going to buy any property above \$500,000 as the inventory dictates you can make a good purchase at below building costs. The monthly supply of homes between \$500,000 and \$2,000,000 is 21.68 months with an absorption rate of 188 homes per month. The odds of selling a property priced between \$500,000 and \$2,000,000 over the next three months is 13.84%. This puts the buyer in the driver seat when negotiating on a property.



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A seller needing to sell in this price can sell by the fact 6 homes per day are selling in Denver between \$500,000 and \$2,000,000. Seller's that have homes that are in move-in condition and priced appropriately will sell.

Market Reason 3: Terms will drive the market for the balance of 2010.

Buyers can create terms not normally found in the marketplace. Every purchase has three components to the transaction. 1. Price 2.Terms and 3.Time. Knowing how to negotiate all three components makes for a "Perfect Storm" for buyers getting not only a good price, but terms that will not be available in future markets.

A seller knowing the buyers, especially in upper price ranges, has the upper hand. Learn to position the terms of your home based upon buyer needs. For example, in lower price ranges, prepay 2 years of HOA dues, as payment for First Time Home Buyers is the most important buying decision. In upper price ranges, buy down the rate from a current jumbo rate of 5.5% to 2.5%. When you supply an interest rate of 2.5% on 1,000,000 loan amount the payment is \$3,943 per month for the first year. This term will cost the seller money, but less than dropping the price every two weeks.

What should sellers do in today's market?

- Be the entry price point or offer extraordinary terms to attract buyers.
- Consider alternative financing methods of utilizing your current loan to help a buyer buy that may not have the qualifications to do under today's lending guidelines. Seek the advice of a professional to describe your options.
- Make your home stand out from the competition.

What should buyers do in today's market?

- Leverage your buying power with the low rates.
- Financing Terms could make an offer very attractive for you.
- Get Pre-Approved to Buy like a Cash Buyer.

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