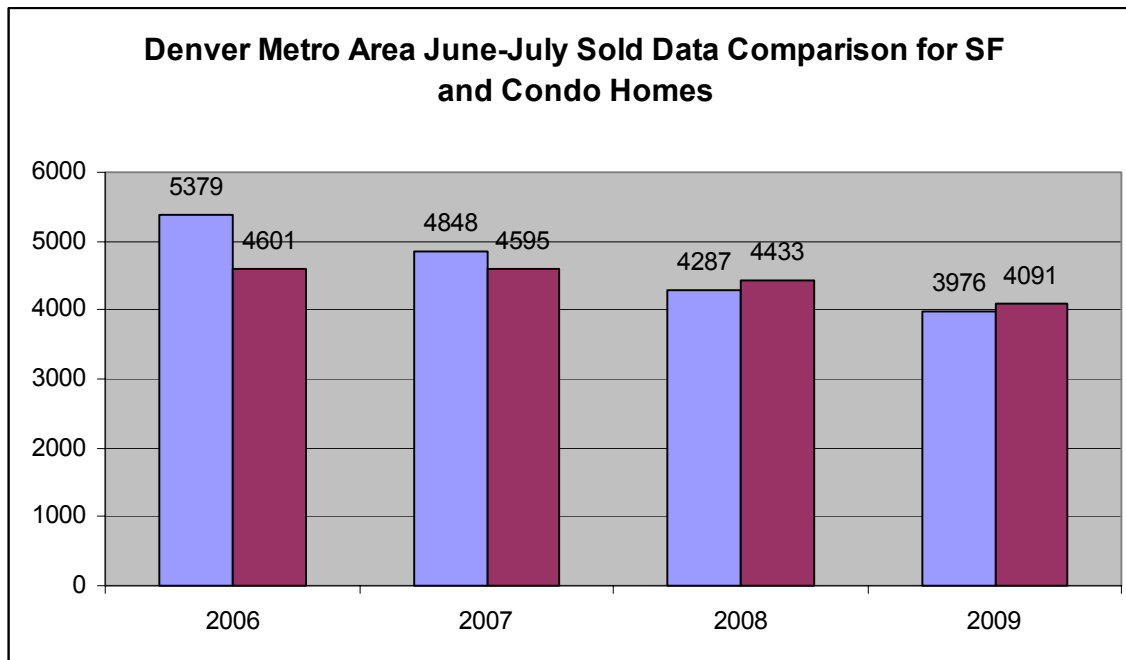




RESOURCES IN
REAL ESTATE

So, How's the Market, August 2009 All data taken from Metrolist, Inc, on August 7, 2009

July sales increased 2.89% over June of 2009. Normally sales for July would be lower than sales for June.

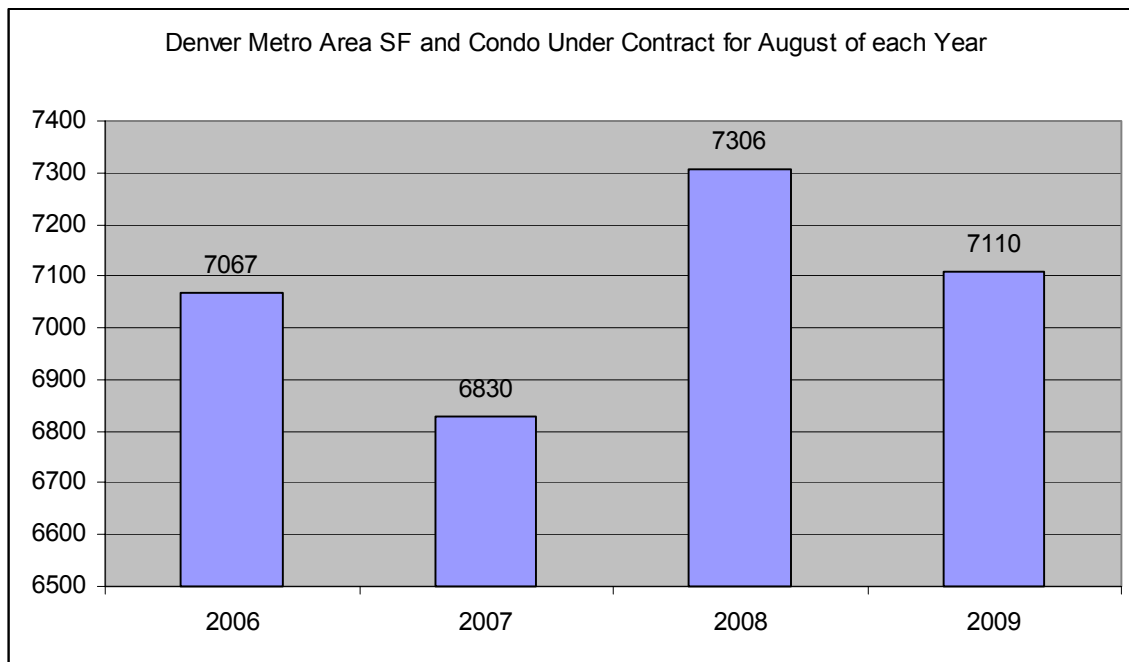


- July 2009 Sold Properties for Single Family and Condo's Increased 2.89% from June to July.
- This is a consistent sign that confidence in the real estate is increasing.
- July 2009 sold data of 4091 is 7.71.% lower than July 2008
- July 2006 data shows 4601 single family and condos closed which was 11.08% higher than July of 2009. The current sold data is moving closer to previous years data, which is a sign of positive growth.
- Once a year over year for a specific month outperforms that previous year and that trend continues for 3 months, historically real estate markets are then considered an increasing market. Look for this to occur over the next 6 months.
- 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 and condo homes sold under \$1,000,000 compared to above \$1,000,000 is 99.09% of the homes sold YTD. This percentage of sold indicates less than 1% of all homes sold are over 1 million dollars. The market indicates when selling a million dollar property the pricing strategy needs to be the most competitive in the marketplace.
- Single Family homes and Condominiums priced from \$500,000 to \$1 Million have experienced 1202 homes sold and closed the first 7 months of 2009. This represents a 5.492% of home sales in the entire Denver marketplace.
- Single Family homes priced from zero to \$250,000 have a 3.53 month supply of inventory from July's figures

- Single Family Homes priced from \$250,000 to \$500,000 have an 8.48 month supply of inventory from July's figures
- Single Family Homes priced from \$500,000 to \$1 million have a 23.09 month supply of inventory from July's data.
- Single Family Homes priced above \$1 million have a 57.04 month supply of inventory from July. This number is dropped 6 months of supply in July from June data.
- Condominiums below \$250,000 have a monthly supply of 6.35 months.
- Condos above \$250K have a supply of over 25.52 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.

Overall, the data indicates a slowly improving market. Most summer markets would have sales increase, but we are seeing consistent showings, contracts and sold data for the first seven months of the year slowly increase in Denver.

The number of homes under contract has remained constant with 7110 single family and condo homes under contract for August 2009. Compared to the previous four years, August, 2009 has a higher under contract number over 2 of the previous three years.



- There are several reasons for these yearly numbers to be fluctuating the way they do, but primarily, lending guidelines, short term economic conditions and job stability affect under contract numbers and looking back on August of 2006, 2007 and 2008, the U.S. had a unique set of circumstance affecting the August to October Under Contract numbers of each year. Make yourself aware of the past history to predict the future of real estate and do not over react to a single number as that is a snap shot of the moment, not a trend.

Inventories in Denver are still the news. Currently there are 21706 single family and condo homes active on the market on August 7, 2009.

- This is a decrease in inventory of 18.84% from 12 months ago.
- The inventory from July to August was a zero increase. Normally August inventory would rise from July, but not in 2009.

- Since April of 2009 till today the single family inventory has grown less than 1% over a 5 month period. This lack of increase of inventory is the market correcting in front of your eyes.
- There are only 16,000+ single family units for the entire marketplace and some of those are distressed to the point they are not really active listings for the normal buyer.

What should sellers do in this market?

- Know what your supply and demand is on your home. Buyers are using this to justify their offers.
- What is the compelling story about your property that will cause a buyer to buy?
- Be the best conditioned home on the market. The competition is weak against condition, so to differentiate your home, be the best looking.
- Talk about today's buyer mentality with your REMAX Professionals broker to best understand the psyche of the buyer buying. They are out there buying homes; you just need to attract them.
- Have Property Special Feature Brochures better than your competition. This will allow the buyer to remember your home against the competition.
- Add an incentive to your package, like prepaying HOA dues for a period of time to attract the buyers.
- Price, Terms, and Time are all factors in providing a package for buyers. Are you sending clear message what that package is about your home?
- Add carbon monoxide detectors to your homes vs. waiting for buyers to ask for them.

What should buyers do in this market?

- With New Lending Guidelines that started August 1, 2009, each buyer needs to be better prepared in knowing the down payment and closing cost financial package they want. Delays in lending will occur if the buyer keeps making changes to their loan package.
- Price should be secondary to the terms a buyer can get. Know your options on price and terms and you will be better leveraged and have a more financially secure loan when buying a home.
- For those buyers who are owner occupied looking to build equity by fixing up a foreclosure property through a contractor, look to the FHA 203KS rehabilitation loan package as one to consider when needing repairs up to \$35,000 of interior improvements.
- Ask for Carbon Monoxide detectors that are wired into the home as your choice of detectors.

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