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Why Is the Real Estate Market Heating Up So Much Right Now?

I have never been as busy as I am right now, and many of my colleagues are reporting the same phenomenon. The floodgates opened right after the Super Bowl (or was it Groundhog Day?), and the floodgates have not shown any signs of closing. In my own case, I have had three closings in the past week and I have a dozen more contracts in process. Six of these contracts are on my own listings, the others are buyer contracts.

The house I featured in last week's column had six showings on its first day and another six the second day, and by the end of that day I was notified by an agent that she's bringing me a contract on the third day. It's almost getting a little crazy!

Bank owned properties are selling like hot cakes. They are priced

low and in many cases receiving multiple competitive offers right away. Last Monday a client sent me a list of six such properties she'd like to see on Wednesday, and when I went to set the showings on Tuesday, two of the six were no longer available.

The primary explanation I offer for this surge of activity (and contracts) is what NAR's chief economist, Lawrence Yun, called "pent-up demand" when he spoke to the Jefferson County Association of Realtors in mid-January.

There were several months this winter when almost nothing was selling. Buyers were waiting and sellers weren't listing their homes — or were being unrealistic in their pricing.

Yet, people do need to sell and

buy all year long. So, after a two or three-month build-up of delayed buying and selling, something had to give. Add these delayed buyers and sellers to those who were planning to buy or sell in February and March and you have the mini-flood of buyers and sellers which we are experiencing right now.

Combined with this surge in demand is the continuation of low interest rates — for those with good credit. Keep in mind that while all real estate is local, interest rates are essentially national. Therefore, our often countercyclical housing market benefits when there's a national housing slump leading to the stimulus of low interest rates. Let's take advantage of that disparity!

At this time, the buyers are more active than the sellers. However, I expect that as soon as would-be sellers realize how quickly existing inventory is being snapped up, we'll naturally see a surge in new inventory. Stay tuned!

REAL ESTATE TODAY



By **JIM SMITH,**
Realtor®

This Week's Featured New Listing:

North Golden Home Is an Affordable Gem

My managing broker, Rhuell Lambert, listed this home on Tuesday, and what a gem it is! The open floor plan and magnificent updated kitchen won me over right away. From the new Trex deck there's a panoramic view of the foothills; and from the front yard the cliffs of North Table Mountain are spread out in front of you. (An open space trail leading to them is just two blocks away.) On the main floor are a master bedroom, two guest bedrooms, laundry room, living room, family room with fireplace, walk-in pantry, and the huge eat-in kitchen. Downstairs there's lots more common space, a fourth bedroom, another bathroom, and lots of storage space. Rhuell will be holding this home open this Saturday from 1 to 4 pm. Come by and take a look!



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Jim Smith

Broker/Owner

Golden Real Estate, Inc.

DIRECT: **303-525-1851**

OFFICE: **303-302-3636**

17695 South Golden Road, Golden 80401

EMAIL: Jim@GoldenRealEstate.com

Search MLS at www.GoldenRealEstate.com

