

Newspaper Headline Gave a Distorted Picture of Real Estate Market Under Covid-19

“Hundreds of sellers pull their homes off market,” read the lead headline on the Business page of last Friday’s Denver Post, but the first sentence of the article noted that “thousands [of sellers] went the other way, rushing to list their homes before a major downturn made a sale tougher to achieve.”

The reporter was referring to March statistics quoted by the chair of the market trends committee of the Denver Metro Association of Realtors.

Let’s look at the actual numbers. Yes, 184 listings that were entered during the month of March were “expired” on the MLS by month’s end. Another 443 listings were “withdrawn,” which means the listing agreement is still in effect, but it is not displayed on the MLS until it is made “active” again.

However, 3,525 listings entered last month are already under contract as I write this on April 5th, and another 467 listings have already closed. Of the ones that closed, 179 were sold before being entered on the MLS, and of the 308 that were exposed to MLS users as active and had already closed by this past weekend, only 13 took longer than a week to go under contract.

As I write this on April 5th, there are still 4,289 listings that were entered on the MLS during March and are still active.

So, yes, **184** sellers decided not to sell during March, but **8,122** sellers made their homes active on REcolorado during March and did not withdraw or expire them. Another 443 sellers kept their listing agreement active but without expo-

Real Estate Coach Thinks That I Should Charge Much More Than I Do. What Do You Think?

Business coaches exist in every industry, and I’ve dabbled in hiring a coach over the years.

When I first entered the business, I had a mustache, and Mike Ferry, the best known of all real estate coaches, said to shave it off because “people don’t trust agents with facial hair.” A week later I asked a seller why he listed with someone else, and he said, “Well, I didn’t trust you.” Off it came!

Recently I was offered a free one-hour coaching session with a lesser-known coach, and I accepted the offer.

During the session, he thought I was giving my services away too cheap. He said I should charge 7% and not reduce my commission when I don’t have to share it with a buyer’s agent. (I charge 5.6% and reduce it to 4.6% if I double-end a transaction.)

He didn’t like that I further reduce my commission when I earn a commission on the purchase of a seller’s replacement home and that I provide totally free moving in that situation, too.

“You’re worth more than that,” he said. I didn’t hire him as my coach.

sure on the MLS. Presumably their listing agents can still sell those listings privately, perhaps keeping their entire commission instead of having to share it with a buyer’s agent.

So the headline was sort of accurate.

By the way, unless the practice has changed since I was a reporter at the Washington Post and then a headline writer at the New York Post, reporters have no say in the headlines that appear above their articles. Instead, a headline writer on the “copy desk” reads the article briefly and writes a headline that fits the assigned character count. As a result, sometimes the headline doesn’t truly reflect the gist of the article, and that may be the case with last Friday’s article.

From the New York Post, I went on to publish several community newspapers in New York City and instructed my reporters to write their own headlines, not knowing what the character count had to be, so the editor had the reporter’s

Here’s a Follow-up to My Analysis Last Week of the Denver Real Estate Market for March 22 to 28

In last week’s column (which you can read at www.JimSmithColumns.com), I showed how the market continued to be active from March 22nd to 28nd, despite the growing impact of Covid-19 and imposition of a stay-at-home order.

It seems appropriate for me to do a similar analysis of the following week which ended last Saturday, April 4th.

This time I limited the stats to listings on REcolorado that were within a 20-mile radius of the state capitol, since our MLS includes many far-flung listings.

What I found is that between March 29th and April 4th, there were **1,136** new listings, 884 of which were still active on Monday, April 6th. **207** of them went under contract by week’s end, and 19 were withdrawn or expired.

This compares to **1,651** new listings during the same 7 days in 2019, of which **329** were under contract by April 6th of that year. Only 4 listings were expired or withdrawn immediately.

Since those numbers were about 50% higher than this year, I analyzed the same 7-day periods in 2016, 2017 and 2018, and was surprised to see that **last year was an anomaly**. During the same 7 days of all three prior years, the number of new listings was roughly the same as this year, alt-

though the number of quick contracts was much higher, as you’d expect from the stronger seller’s market that we were experiencing during those years.

In 2018, there were **1,192** new listings during the same 7-day period, 51 of which were entered as already sold. Of the “active” listings, **290** were under contract within that 7-day period and 4 were expired.

In 2017, there were **1,161** new listings during the same 7-day period, 58 of which were entered as sold. Of the “active” listings, **413** were under contract within the same 7 days, and 3 were expired immediately.

In 2016, **1,285** new listings were entered during the same 7-day period, 50 of which were entered as sold. Of the “active” listings, **392** were under contract during that 7-day period, and 7 were expired immediately.

Undoubtedly some sellers kept their homes off the MLS this year because of Covid-19, but still a lot of homes were made active this year, comparable to 3 of the past 4 years for that period. Listings are not going under contract nearly as fast, but it’s still impressive how many of them are selling quickly. **Sellers should not shy away from listing their homes for sale at this time.**

I invite any and all reporters writing about real estate statistics to let me fact check their conclusions prior to publication. And suggest your own headlines!

Can you tell that I enjoy statistical analysis?



Get This Column in Your Inbox Every Thursday.
Send Your Request to Jim@GoldenRealEstate.com

Jim Smith

Broker/Owner, 303-525-1851

Jim@GoldenRealEstate.com

Broker Associates:

JIM SWANSON — 303-929-2727

CARRIE LOVINGIER — 303-907-1278

KRISTI BRUNEL — 303-525-2520

CHUCK BROWN — 303-885-7855

DAVID DLUGASCH — 303-908-4835

ANDREW LESKO — 720-710-1000

CAROL MILAN — 720-982-4941

