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It's a Seller's Market at the Low-End and a Buyer's Market at the High End

We're all aware, by now, that there are two real estate markets at work. The one we read about most is the low-end market, where first-time home buyers — turbo-charged by the \$8,000 federal tax credit, low interest rates and other incentives — are eating away at the supply of homes under \$200,000 to \$300,000.

The high-end market, however, is still in the doldrums, with inventory measured in years instead of weeks or months.

To illustrate this point, I spent Monday evening looking at the inventory of million-dollar homes in the central foothills of Jefferson County, including Evergreen north (Metrolist areas MJC and MEN).

I found 88 expired listings that are no longer for sale. Meanwhile, there are 92 active listings, 32 of which have been on the market

over a year without selling.

Nineteen homes in that area have sold in the last 12 months.

Factoring that against the 92 active listings, there's a 4.8-year supply of million-dollar homes in that market. I would guess that two-thirds of them will expire without selling.

The homes which did sell sold, on average, for 88.8% of their original listing prices after 250 days on the market.

In previous columns, I have written about my success in selling homes that were not on the market but which I knew might be for sale. As I studied these statistics, it occurred to me that I could find high-priced homes for qualified buyers not just among the active listings, but among expired listings as well.

Many agents try to list expired listings, but that's not what I'm

talking about here. Rather, I have a real buyer who is looking for a particular kind of high priced home.

In addition to sending my client the active listings that match his search criteria, I send him listings which are withdrawn/expired on the MLS — first checking them against public records and the MLS to verify that they did not sell and that they have not been relisted.

If my buyer finds any of the expired listing particularly attractive based on the MLS record (which still has all the photos) I write the owner (as listed on public records) asking if he's interested in letting me show his home to my buyer.

Maybe 20% of the sellers respond, and I show their homes to my buyer. Knowing what the seller's lowest asking price had been, I can then construct a realistic offer for my client.

This Week's Featured Listing:

House Near Mines Gets Big Makeover!

You've seen this home featured here before. A contract fell because of inspection issues, but the seller asked for the inspection report and has addressed virtually every issue in it. It's still a 1961 ranch — can't change that! — but it's much improved thanks to lots of demolition, painting, and other improvements. A new video tour and slideshow on the home's website features numerous improvements, especially in the main floor bathroom, the two attached garages, the exterior, and the backyard. In the spirit of full disclosure, that inspection report, annotated to show what has been done, is available for you to review. The transformation is so dramatic that this home could now sell for much more than its current price, so hurry if you think it might be for you! **Open this Saturday, 1-4 p.m.**



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