

Why Should Buyers Look for Homes When Inventory Is So Low?

By JIM SMITH, Realtor®

It's well documented that the inventory of homes for sale is at historic lows. Just look at the 5-year chart at right of active listings from Denver's MLS, www.REcolorado.com. The green line represents the number of active listings.

However, look at that lower line which seems largely unchanged over the past five years. That's the number of new listings being entered on the MLS.

In other words, it's not that there's nothing to buy, it's just that the homes are going under contract very quickly. That's demonstrated by the second chart, where the green line represents the number of sales each month and the blue line represents the median days on market, which is currently a mere 6 days.

Thus, your challenge as a buyer is knowing right away when a new home is listed and having an agent who can help you win the bidding for that listing.

Fortunately, today's MLS makes it possible for your agent to let you to know (by auto email) **within 15 minutes** when a home is listed that matches your search criteria. Your challenge is to check your email, tour the homes you like, and be ready to make an offer. Then you need an agent who can structure your offer to beat competing offers.

Let's address these tasks/challenges one by one. Knowing about the listings right away is easy. We set you up on the MLS with the proper search criteria and check "ASAP" for notifications. You will get emails immediately as each listing comes on the market. The alerts are

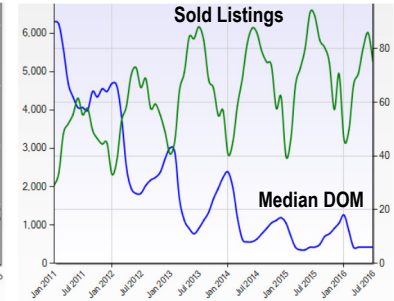
"mobile friendly" so you can look at them on your smartphone, not just your computer screen.

Being ready to "pull the trigger" can be more complicated. If you own a home, there are several strategies you can employ to avoid making the sale of your current home a contingency in the contract that we prepare. For example, I've had sellers take out a HELOC (home equity line of credit) against their current home (which they will be selling) so they can pay cash for their replacement home, or at least have a smaller loan. This allows them to put their home on the market only **after** they have gotten under contract for their replacement home. This is just one strategy.

Buyers have an understandable fear of selling their current home and being unable to buy a replacement home. A good Realtor can help you design a strategy to avoid that unhappy scenario.

No agent can guarantee success in beating out competing offers for their clients. However, we at Golden Real Estate have a pretty good track record. One of our not-so-secret weapons is our free moving truck — we just bought a second one — and our willingness to provide totally free moving (labor, gas, moving boxes, packing materials) to a seller who accepts our buyer's offer.

In today's seller's market, it's common for buyers to include escalation clauses in their contracts, offering to pay \$1,000 or more above the best competing offer. With our offer of totally free moving (metro area only, of course), we can usually offer to **match instead of beat** the highest competing offer, thereby saving our buyers at least \$1,000 on the purchase price. The free moving, by the way, is at Golden Real Estate's expense, not our clients'.



South Lakewood Condo Has 2 Master Bedrooms

This 2-bedroom, 2½-bath condo at **9972 W. Jewell Avenue, Unit B**, not only has two master bedrooms, it also has a fenced yard and 2-car attached garage — features you don't see in many condos. The 15-building, 45-unit complex is called Lakeview Estates because it is across Jewell Avenue from Kendrick Lake. This particular building is in



\$298,000

the middle of the complex, so it has no lake view, but that makes it more isolated from the traffic noise of Jewell Avenue. As you'll see in the narrated video tour which I posted at www.LakeviewCondo.info, the home is in move-in condition. The wall-to-wall carpeting and ceramic tile floors are in like-new condition, and the blinds and drapes as well as all appliances (including washer & dryer) are all included. I will be holding this listing **open on Saturday, Aug. 6th, 11 a.m.-1 p.m.**

Solar-Powered Home Is Close to Downtown Golden



\$498,000

This log-style 3-bedroom, 2-bath home at **401 Garden Street** is on a quiet cul-de-sac less than a mile from Clear Creek, the Colorado School of Mines, and downtown Golden. Open space trailheads are also nearby. With its solar PV array, two solar thermal units, LED lighting and other sustainable features, this home has a net zero energy bill, as explained in the narrated tour at www.JeffcoSolarHomes.com. Not only does energy from the sun power the house, but it also provides 16,000 miles of electric driving for the seller's Nissan Leaf and Zero electric motorcycle. Included in the purchase price are all appliances — even the Level 2 car charging station in the garage. **Open Saturday, 2-4 pm.**

Did You Know? Grace Period on Your Monthly Mortgage Payment Isn't Free

Most homeowners with mortgages know that their mortgage payment isn't "late" until, say, the 15th of each month, but what they may not realize is that they will owe interest for the days between the first of the month and when the lender receives the payment.

It's easy to think those days are free because your mortgage payment is the same whether you pay on the first of the month or the 15th of the month. However, the lender's computer keeps track of your payment dates, and you will find — if you keep the same mortgage until it's paid off — that your final payment is bigger because of all that extra unpaid interest.

Let's say that the principal component of this month's payment is \$800 and you pay on the 10th of the month. You owe 10 days' interest on that \$800 which will accumulate over time as you keep paying on the 10th of the month. At payoff time, you will have to pay that accumulated interest expense.



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