

Is the Real Estate Market Slowing, or Isn't It? Here Are Some Useful Statistics.

Last week I did my regular update on the state of the bidding wars, but it left me unsatisfied because I knew that the market was slowing, yet the bidding wars seemed just as real, especially in the under-\$500,000 price range.

The problem with my analysis was that I only looked at the homes which sold in 1 to 6 days because those are the listings which likely had bidding wars.

This week, I looked at the bigger picture but still limiting my analysis to residential listings on REColorado that are within 15 miles of downtown Denver.

A chart containing some key statistics over the last 11 months is shown below. Here are my observations, which you can follow by looking at the chart's columns from left to right.

First, it's clear that the bidding wars started in earnest in February, when the ratio of closing price to listing price went above 100% for the

first time. That ratio peaked in June and fell significantly in July, but is still far above 100%.

REAL ESTATE TODAY



By JIM SMITH, Realtor®

The number of active listings is still unseasonably low, but higher than it has been since last November. The number of listings under contract (pending) is lower than it was in May and June, but still higher than any of the other months on the chart.

The number of July closings is probably a bit higher than shown in the chart since I did this analysis on August 1st, and not all July closings had been reported, but it is clearly lower than June's number, while higher than any other month since last October.

The number of new listings in July was higher than any other month except June, which reinforces what I've said for months, namely that the lack of inventory is *not* due to sellers keeping their homes off the market. Rather, homes sell so quickly that the number of *active* listings remains low.

The *median* days active in the MLS (DIM) has not risen, but the drop in *average* days in the MLS is very telling. The drop to 10 days is stunning and shows that even the homes that don't sell immediately are selling faster than ever. Last July the number was 21 and in July 2019 the number was 23. In the past five years the average days in the MLS *never* fell below 16 until this April.

The last column shows that the inventory (in months) of homes for sale hasn't been above one month since January, although it is the highest it has been since February.

The bottom line, then, is that, yes, the market is slowing but is still crazy hot. The trend, if there is one, is toward a gradual easing of the seller's market in the Denver metro area, but it is well short of becoming a "balanced" market.

Will the end of the eviction moratorium have a big effect on the market? My guess is that it may increase the number of new listings as landlords, especially small landlords, decide to sell rather than replace their evicted tenants. The opportunity to cash in on their properties' increased value may be too much for some to resist, and the risk of continued lost

income too great for some landlords.

There will not, I believe, be an increase in foreclosures or short sales, because very few property owners are likely to owe more than their property is worth. Because of that, they will simply sell.

Green Home of the Month



This Lookout Mountain home owned by Ron & Gretchen Larson has no natural gas service. Instead it has radiant floor heating using water heated by the sun and stored in a 10,000-gallon tank. The original section of the home won first place in the very first solar decathlon in 2002. In addition to extensive solar thermal panels and evacuated tubes, the home has 7 kW of solar photovoltaic panels to provide all the electrical needs of the home. It also has passive solar features and two wood-burning stoves. See video at www.GreenHomeoftheMonth.com.

Month	Ratio	Active Listings	Pending Listings	Sold Listings	New Listings	Med. DIM	Ave. DIM	Inventory
Sep-20	100.0%	5,368	4,315	4,582	5,289	6	22	1.17
Oct-20	100.0%	5,116	4,248	4,736	5,180	6	22	1.08
Nov-20	100.0%	4,062	3,409	3,898	3,182	6	20	1.04
Dec-20	100.0%	3,306	2,633	3,876	2,634	6	23	0.85
Jan-21	100.0%	3,024	3,239	2,471	3,512	6	26	1.22
Feb-21	101.1%	2,727	3,439	2,974	3,680	5	26	0.92
Mar-21	102.3%	2,504	4,133	3,930	4,586	4	19	0.64
Apr-21	103.7%	2,989	4,301	4,128	5,323	4	14	0.72
May-21	104.4%	2,618	4,776	4,164	4,946	4	12	0.63
Jun-21	104.7%	3,127	4,717	4,866	5,962	4	10	0.64
Jul-21	103.3%	3,452	4,527	4,309	5,564	4	10	0.80

Golden Heights Ranch Listed by David Dlugasch

Come see this beautiful ranch home at **15820 W. 3rd Ave.** with 3 bedrooms and 1½ updated bathrooms in a quiet location. The living room and hallway have newer hardwood floors and the bedrooms have wood-like COREtec vinyl flooring. A bay window with mountain views and a wood-burning stove make the living room very bright and cozy. The rest of the home has double-pane windows, a 4-year-old roof and new Hardie Board siding, newer furnace and water heater. The spacious family kitchen has maple cabinets and stainless steel appliances. The master bedroom has a double and single closet plus its own half bath. In addition to the carport, there is room for additional cars or an RV through the double gate into the backyard. The large backyard has a deck with canopy, a fire pit and a 10'x16' custom Tuff Shed. From the elevated rear of the yard you get a great view of the mountains. Nearby 6th Ave. Expressway can get you to downtown Denver in 15 minutes or downtown Golden in 10 minutes. Or take I-70 up to the mountains. The basement has a workshop, is framed out and ready for a new bedroom, 3/4 bathroom, game room, home theater, or whatever you can imagine. Take a narrated video tour at www.SouthGoldenHome.com, then come to the open house on **Saturday, August 7, 11am to 2pm.** Or call David at **303-908-4835.**



Title Insurance Is an Essential Part of Any Sale

In my June 17th column (which is archived at JimSmithColumns.com), I wrote about "title lock" insurance, which is being widely advertised. The headline for that column said it all: **"Don't Fall for 'Title Lock' Services. They Are a Waste of Money and Don't Provide Much Protection."** Unfortunately, some readers thought I was referring to *title insurance* and asked me if it was really necessary.

Yes, any purchase or sale of real estate should include the purchase of an "owner's title policy," typically paid for by the seller. This policy is unlike other insurance policies, in that it is a one-time premium issued by a title insurance underwriter and sold either directly by the underwriter or by a title agency. It insures the buyer of the real estate against any liens against the property recorded with the county clerk and recorder.

If the purchase is being financed

by a lender, that lender will require a "piggy-back" lender's policy (paid by the buyer) from the same underwriter covering the lender against such claims up to the amount of the loan. (The owner's policy covers the buyer up to the full purchase price.) Title insurance should provide all the protection a buyer needs.

I also recommend requesting a credit freeze from the three credit bureaus. It costs nothing, and it prevents anyone from taking out a loan in your name and disappearing with the proceeds.

Every year you should get a notification of value from your county assessor. If you didn't get one this year, you can look up your address on the county assessor's website to make sure your home is still in your name.

In Jefferson County, you can visit <http://assessor.jeffco.us>. Use Google to find other county assessor sites.



Every element of this ad is also posted at GoldenREblog.com

Jim Smith

Broker/Owner, 303-525-1851
Jim@GoldenRealEstate.com
 17695 S. Golden Rd., Golden 80401

Broker Associates:

JIM SWANSON, 303-929-2727
 CHUCK BROWN, 303-885-7855
 DAVID DLUGASCH, 303-908-4835
 TY SCRABLE, 720-281-6783
 ANDREA COX, 720-446-8674

