

This Chart Demonstrates Our Seller's Market

The chart at right says everything you need to know about why every well-priced listing gets multiple offers, driving home values up and up. It's why the 20-city Case-Shiller Home Price Index shows Denver as the hottest real estate market in the country. Their November report issued last week showed Denver close to Portland and San Francisco as the only three metropolitan areas with over 10% year-over-year price growth.

The trend of fewer active listings and more sales can't go much further — after all, those two lines can't cross! But it is likely that those two lines will continue to hug each other for the next year or two.

People like to speak of spring and summer as the "selling season" for real estate, but they should really be seen as the "listing season." Notice that the dips in sales each January are less pronounced than the dips in listings. Indeed, the number of sales per month this winter is in excess of the number of sales in the summer of 2011. Yet the number of homes to choose from is one-fourth as high.

Feeding this trend is the migration of people into our state and the inability of home builders to keep up with the increased demand.

And feeding the trend even further is the fear homeowners have of selling their home when it's so hard to find a replacement home.

Last week, I wrote about my new listing in Arvada which drew 125 showings and 19 offers in three days and sold for nearly 15% above its listing price. Significantly, not one of those 19 offers was contingent on the sale of a current home. Buyers and their agents are realizing that in today's environment of multiple-offer competition, you need to be a renter or a homeowner who can buy a home before selling your current home.

As I see it, that is the single biggest factor keeping sellers from listing their homes — either they can't buy before selling or they *can* buy before selling but haven't yet been able to find the right home or beat out the competition for the homes they have found. I have one seller in the latter situation, and they have been there for months. I will be listing their Arvada home, but only after they're under contract for their next home.

Some buyers — including two of my clients — are finding exactly what they want by buying a new home from a home builder. The nice thing about buying from a home builder is that the listed price is what you'll pay — no bidding against other buyers.

REAL ESTATE TODAY



By **JIM SMITH, Realtor®**

You choose the finishes and floor plan you want and just have to wait for it to be built.

There are some cautions I give to new home buyers, however. One is to make sure you identify yourself as having a Realtor agent before you register your name at any sales office. Many builders will not compensate the buyer's agent if he or she doesn't accompany you on your first visit. This advice is for your benefit, because you still want and need professional representation.

That's because (1) home builders write their own builder-friendly contracts instead of using the buyer-friendly state contracts required on all re-sales; and (2) you'll want guidance on inspecting the new home at various stages of construction plus referral to a buyer-friendly lawyer to interpret the builder-friendly contract for you.

And if you have a home to sell, you can negotiate a lower listing commission with your Realtor if you let him or her earn a commission



on your new home purchase.

As I wrote last week, the group which will continue to suffer the most from this kind of market — we should really call it a "crisis" rather than a market — are our wounded warriors and other veterans, because buyers using VA loans simply can't compete with conventional borrowers. FHA borrowers are in the same boat, because both VA and FHA appraisers make demands on sellers that can be excessive and make any seller well-advised to discriminate against their offers, which they can do legally.

This Week's Featured Listing from Golden Real Estate

Back on the Market: Inspection Issues Being Addressed

This well-maintained ranch at 2666 S. Yukon Court went under contract quickly, but the buyer terminated based on inspection issues. Those issues are being addressed and the seller is making the inspection report available, annotated to indicate what is being done about the major issues. For example, radon is being mitigated and concrete is being mud-jacked or replaced. The home is conveniently located on a quiet cul-de-sac near open space and parks, shopping and entertainment. The large fenced backyard is designed for entertaining with a 10'x17' covered patio and private deck area. The CertainTeed roof is just 5 years old. In addition to the oversized 2-car garage, there is a large shed for storage. The finished basement has a bonus/rec room as well as two non-conforming bedrooms and a third bathroom. Located just off Yale Ave. west of Wadsworth, this home is a short walk from the expansive greenbelt around Bear Creek. Take the narrated video tour on the website above. Listed by David Dlugasch, it will be held open this Saturday, 1 to 4 pm.



Video Tour at www.LakewoodHome.info



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