

Misinformation About the Housing Market Is at the Highest Level I Can Recall

Seeing how easily the public is misled by political demagoguery, I suppose I shouldn't be surprised that Americans are so easily misled about the housing market.

Regularly I hear buyers saying they can't buy a home because they don't have a 20% down payment. In fact, you can still get an FHA loan with only 3.5% down payment if you have a 630 or higher credit score. Here in Colorado, you can buy a home through the Colorado Housing Finance Agency (CHFA) with only \$1,000 down and a 580 credit score. (There are reasonable income limitations.)

Now and then I hear from sellers who received an email saying that the Affordable Health Care Act ("Obamacare") will impose a 3.8% sales tax on the sale of their primary residence—a total lie knowingly promulgated by Obama haters.

One of my broker associates is

working with a buyer who is convinced that the national averages of declining home values should apply where he wants to buy, when we all should know by now that all real estate is local and some areas, like Golden, have experienced virtually no decline in values.

On Monday I read an email claiming that closing costs for buyers have risen by 15% this year, but I see no evidence of any increase at all. Here in Colorado, unlike many states, the seller usually pays for the owner's title insurance policy, so our closing costs for buyers are actually very low—virtually non-existent if you buy real estate without a loan.

In a listing presentation this week for a \$1.5-million home, the seller was under the impression that jumbo loans (loans in excess of \$417,000) are no longer available, but I put a lender on the speaker-

phone to reassure him that in fact jumbo loans and second loans (to cover the amount in excess of \$417,000) are available so long as the buyer can put down 25% and has the credit and income to justify the loan(s). Indeed, homes over \$1 million are selling at a great clip this year in the Denver area—350 have closed since Jan. 1st, and another 79 are now under contract, according to Metrolist, the Denver MLS. At this rate, there's less than a 2-year supply of homes over \$1 million on Denver's MLS—a huge turnaround for that sector.

As a Realtor specializing in Denver's western suburbs, I find myself constantly correcting misimpressions created in the minds of both buyers and sellers by the media promoting doom and gloom in the real estate industry.

If you aren't yet convinced that now is the *perfect* time to buy *or* sell a home, I'd appreciate the opportunity to show you otherwise. Call me anytime!

REAL ESTATE TODAY



By **JIM SMITH,**
Realtor®

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- ◆ Free moving truck and moving boxes for you and the buyer
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