

# If You're Surviving Covid-19 Financially, This May Be a Good Time to Buy or Sell

Despite the best efforts of state, local and federal governments, there will surely be people who are suffering financial hardship and have had to put their dreams of homeownership on hold. I wish them well as they dig themselves out of this terrible situation.

For those who are surviving Covid-19, however, and don't get sick from it in the coming months, the continued record low interest rates are making home purchase more attractive and more affordable.

As you've no doubt heard, the Federal Reserve has plunged hard into softening the impact of the virus and its attendant effects on the economy by reducing the Fed Funds interest rate used by banks to near zero. While this rate is unrelated to mortgage rates, we are also seeing those rates staying below 4% and approaching 3%, which is propping up the real estate market in a big way.

People who can afford to buy a home and have the income to qualify for a mortgage are getting off the fence. This is evident from how many homes are going under contract quickly, often with competitive bidding.

In the first 10 days of May, there were 2,306 homes within 25 miles of the State Capitol entered on Denver's MLS. 615 of them were under contract by May 10th. Another 171 homes were

entered as "Coming Soon" as of this Tuesday.

While that's less than the first 10 days of May 2019, when 3,348 homes were entered on the MLS and 795 of them went under contract by May 10, it's still an impressive amount of activity, and is probably due in part to the excellent mortgage situation.

Another factor that will stimulate purchasing among the wealthy is that the stock market has recovered more than half of its early losses due to the virus. That makes it more likely that investors would be willing to liquidate stocks to finance a cash purchase of real estate.

In April 2019, about 48% of homes sold at or above their asking price, and 46% of them sold in a week or less. This year's performance is better. Of the homes that closed during April 2020,

about 58% sold at or above their asking price, and about 62% sold in a week or less. Those statistics tell me that we have a pretty active sellers market, which stands in contrast to the gloomy economic situation caused by Covid-19.

It's hard to believe that the real estate market will tank later this year if it is not tanking already.

I'm seeing that dynamic myself. As of this writing, all my own listings are either under contract or closed, including the Wheat Ridge home featured as "coming soon" a couple weeks ago. That \$550,000 brick ranch was only listed as "active" on the MLS last Tuesday, and showings didn't begin until Saturday, but our first offer came in on Sunday, and it was under contract at better than full price by Tuesday morning.



## Zillow Shortchanges Both Agents & Buyers on Video

Despite the increased emphasis on virtual tours because of stay-at-home orders, Zillow continues to stymie those of us who want to provide narrated video tours of our listings.

Unlike our MLS — and most other MLSs around the country — Zillow does not let us link a YouTube video to our listings on their platform. Zillow gets those links from our MLS but does not display them. Instead it wants agents to become Premier Agents (which costs money) and then makes agents use a Zillow app to shoot a walk-through video using their smartphone.

That walk-through is limited to 2 minutes and does not carry sound, which is ridiculous, since the whole point of a walkthrough is for the agent to point out the features of the home. "Don't worry about barking dogs," we are advised, "since your video won't have any sound." Isn't that comforting?

In my opinion, there is simply no substitute for a narrated long-form video tour of a listing. We're told that videos should be short to match the short attention span of online lookie-loos, but I do the videos for people who like what they see in the description and photographs and want to take a deeper dive into the features of a home before seeing it.

Last month I sold a \$1,250,000 home in the foothills to a buyer from Washington, DC, who



never saw the home in person. They had a daughter look at it in person, but they only had my 18-minute video tour to go by before signing the contract. They didn't even come for the inspection or closing. And that's not the first such instance of a Golden Real Estate video tour selling a home to an out-

-of-state buyer who didn't see it in person until at least the final walk-through.

We can thank Zillow for getting us more comfortable with shooting a two-minute silent walkthrough video, but all agents need to become comfortable with doing a video tour that functions like an actual showing. Who can show a home in two minutes — and without saying a word? Not me!

Some agents are simply shy about being on camera or speaking into a recording. Well, you don't need to be in front of the camera, so let go of that excuse. And if you simply think of the camera as a buyer that you're showing the home to, you know exactly what to say as you go through the home. Point out the flooring, the counters, the view out the window. It will come easily.

Lastly, don't use your smartphone. Buy an HD video camera such as the Osmo Pocket, which has a gimble so that your video does not have the shakiness of a handheld camera.

## Most Feedback Requests Ask Unproductive Questions

Just a few years ago, there were several services which handled showings of homes for sale so that listing agents and their offices didn't have to handle showing requests themselves. Each of those showing services would send email feedback requests to the showing agent beginning right after the showing.

Last year, a company called ShowingTime bought Centralized Showing Service (which we used) and now virtually all brokers are utilizing that one company to send feedback requests to showing agents and to forward responses to listing agents and their sellers.

As I've written in the past, the best feedback request is one which asks a single question — "What's your buyer's feedback on this listing?" — and provides an open text area for the response.

Instead, ShowingTime's default email asks a few stock questions such as rating the showing "experience" and saying whether the listing price is high or low. (That's useless — if I were submitting a contract I'd say it was high even if it's not.) Agents can change the default to one question with open text, but it's not easy to do. I had to ask support how to do it.



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