



## How's The Market - August 2010

Welcome to the August edition of "How's The Market?" All data has been supplied by Metrolist, Inc. To make this document work best for you, there are three sections. The **Executive Summary** (p.1) gives a snapshot of the markets. The **Supporting Data** (p.2-4) provides detailed graphs and commentary. The **Buyers Markets/Sellers Markets** and **Putting It All Together** sections (p. 5-6) provide insight as to future market trends.

### **Executive Summary**

#### ❖ **Sold Properties**

- ❖ Number of Sold Properties in August 2010 was **DOWN 6%** from July and **DOWN 21%** from August 2009.

#### ❖ **Active Inventory**

Active Inventory in August was **DOWN 1%** from July and **UP 14%** from August 2009.

#### ❖ **Under Contract**

Properties Under-Contract in August were **UP 4%** from July 2010 and **DOWN 24%** from August 2009.

#### ❖ **Average Sales Price**

Average Sales Price in August was **FLAT** from July 2010 and **UP 7%** from August 2009.

#### ❖ **Buyers Market / Sellers Market**

It is a Seller's market at the low end price points (\$0-250k), balanced at the \$250k-500k range and a Buyer's market at the higher price points (\$500k-750k, \$750k-1m and \$1m+). The good news is that the Southwest quadrant of Denver remains significantly healthier than the whole of Metro Denver.

### **Sold Properties**

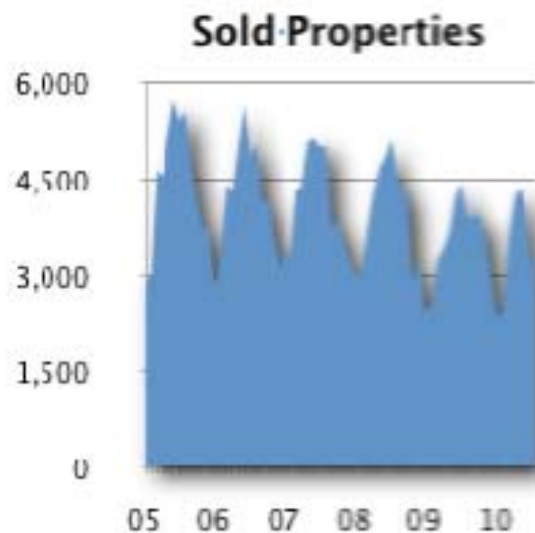
Through June of this year, SOLDs were up 10% over the same 6 months of '09. However, we now sit down 2% through 8 months versus 2009. This is proof of the positive impact of the Tax Credit. In addition, SOLDs are down 18% and 23% from the 8 month periods in '08 and '07 respectively. This is due in large part to the lending



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industry returning to more prudent and conventional practices. Buyers no longer have the ability to borrow with no money down and no longer are they able borrow on interest only loans. This means the pool of qualified buyers has shrunk by on fifth.



## Active Inventory

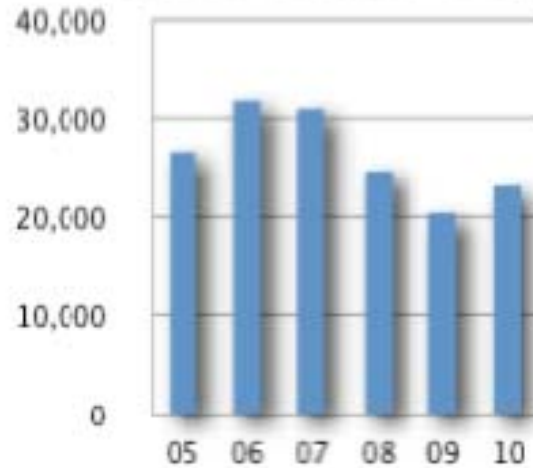
Active Inventory is up 14% from August 2009 and 33% from January. There are several potential factors to this increase. There are many properties still on the market which were not sold during the Tax Credit frenzy of April-June. In fact, the Average Days On Market has increased by nearly 30%. Next, a smaller pool of buyers equates to fewer properties being sold which translates into more properties remaining on the market.



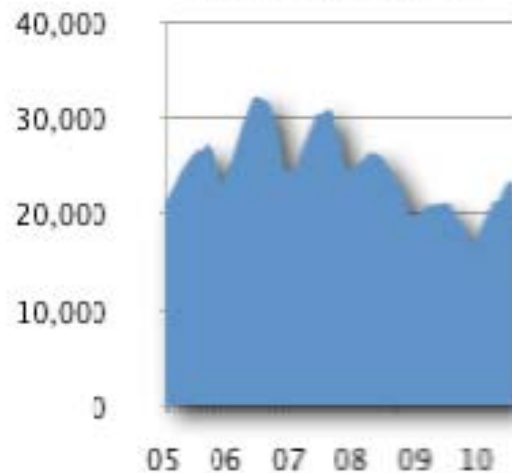
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## Active Inventory - August



## Active Inventory



### Under Contract

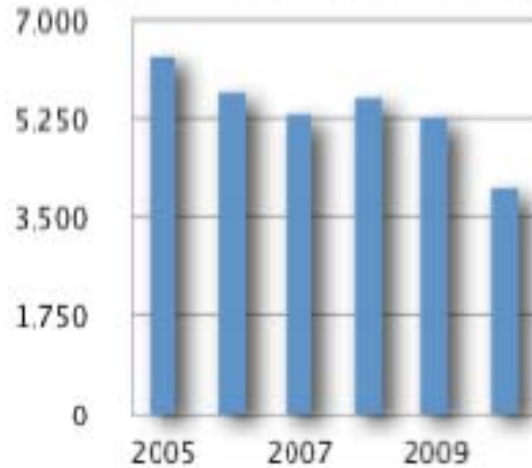
With the Tax Credit deadline having expired, the number of properties Under Contract took an expected huge drop. Note the severe spike in the right graph below. That is the undeniable impact of the Tax Credit. In May, there were 6,616 properties Under Contract which was the highest monthly reading since June '05. Since the expiration, the readings have been in the 3,800 - 3,900 range. Again, the return to prudent lending standards are having an effect here.



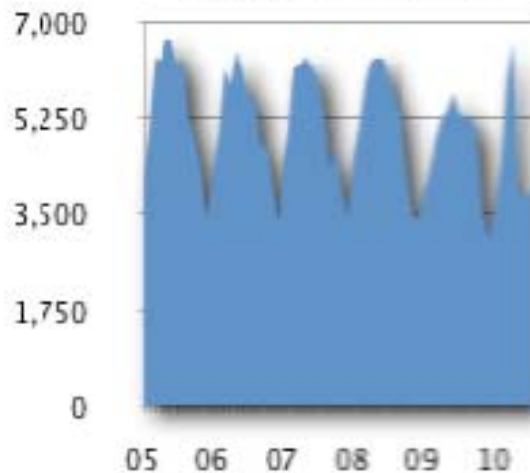
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## Under Contract -- August



## Under-Contract



### Average Sales Price

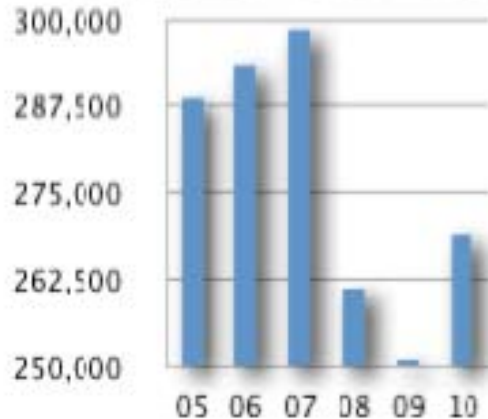
The Average Sales Price was **UP 7%** from July 2009. This was likely caused by many of the Solds in prior months coming from the lower price points due to the Tax Credit. *In addition, this makes it 12 straight months of gains from a year prior.*



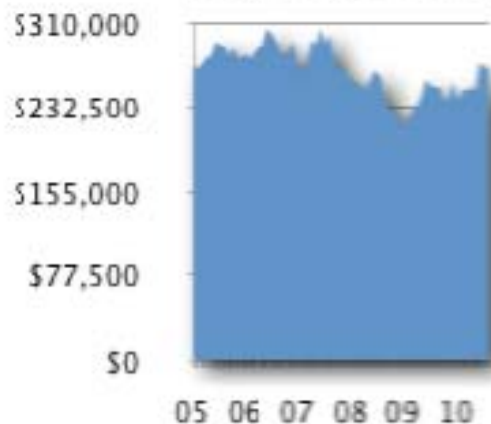
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## Avg Sales Price - August



## Avg Sales Price



### Buyers Markets / Sellers Markets

The market up to \$250,000 has **5 months** of inventory slightly favoring the **Seller**.

The market from \$250,000 to \$500,000 is balanced with **7 months** of inventory.

The \$500,000 to \$750,000 range has **9 months** of inventory and still favors the **Buyer**.

The \$750,000 to \$1m market, at **14 months** of inventory favors the **Buyer**.

The \$1m Plus market favors the **Buyer** with **21 months** of inventory.

### Putting It All Together

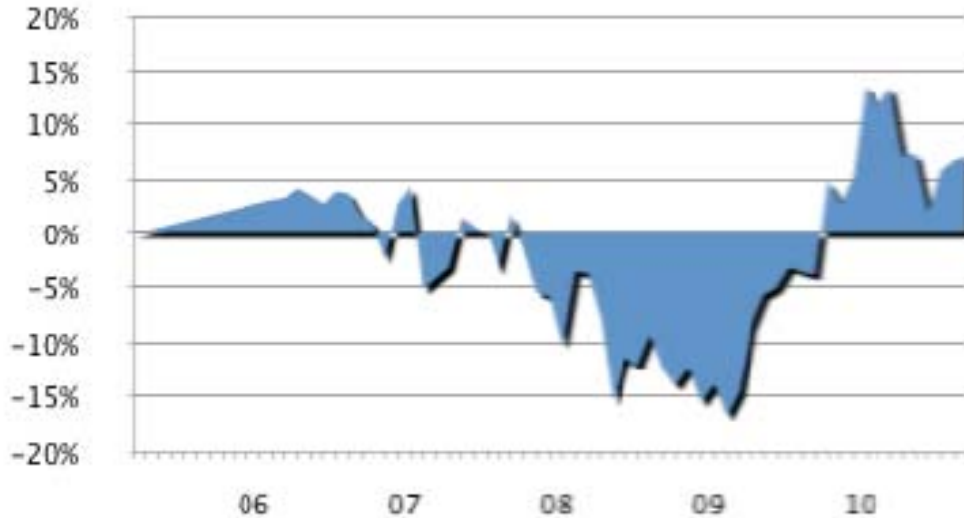
The chart, Year-Over-Year Sold % shows that the Average Sales Price has bottomed and the market is clearly on healthier ground than in past years.



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## Year-Over-Year Sold %



### What should you do now?

1. As previously mentioned, Active Inventory has increased significantly representing more competition to your property. And, the buyer pool is much smaller than in years past due to lenders returning to more traditional terms. So, if you are considering selling, your property must be in show condition and your realtor must be an expert in marketing across multiple mediums as well as negotiating.
2. If you are considering a purchase, make sure you work with a full time Realtor who can refer you to a well established lender...one who can customize a loan package to your financial needs and get you pre-qualified.
3. If you have thoughts of moving, *now is an incredible time to "move-up"*. Interest rates are beginning to level between the sub \$417,000 loan and the Jumbo Loans.
4. Even if you are not considering a move, *I would encourage everyone to talk to their mortgage lender about refinancing ASAP!* Interest rates remain at very, very low levels. Please contact me if you would like a referral to truly great mortgage specialist.

The future is bright for the Denver Real Estate market. I look forward to helping you, your family and your friends with their real estate needs and wants. "How's The



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