

Dear Friends,

With all the media hype about the real estate market, I thought it was time to send a real estate market update to all my friends and contacts. There is a lot going on, and it's not all negative. In fact, the real estate market is showing signs of a good recovery, especially in the local area. It's important to remember that real estate is very local. Most of the news is on a national level.

I have combined facts and projections from The Investor's Business Daily, The Denver Post, the National Association of Realtors (NAR) and the Colorado Association of Realtors (CAR).

Sellers - According to all of the above sources home prices are stabilizing. Homes priced at \$350,000 and below should be stabilized by the beginning of the summer. Mid-price homes at \$450,000 to \$1M should stabilize by the end of summer and homes about \$1M are projected to stabilize by the end of the year. This is good news for home sellers.

Time on market in our area has gone down since last year. However, this data is a bit skewed due to sales of distressed properties. For sales of non-distressed properties, the average days on market for a mid-priced home are about 120-180 days. Homes priced below \$300,000 are selling much faster. This means that Seller's of non-distressed homes need to be patient. Your home will sell; it's just going to take some time.

Sellers also need to keep in mind that while there may have been some price deflation in the last year or so, overall there has been price inflation over the last 5-7 years. This means if you purchased your home more than 4 years ago, you are still seeing price improvements from your purchase price. Locally, we have not had the dramatic price reductions of other areas in the nation.

Home sales in the Boulder and Larimer county area have picked up substantially in the last few months. Buyers are beginning to realize that current prices and record low interest rates combine to create a great time to purchase a new home or move up in home value.

Buyers - if you can, now is a GREAT time to buy. Home affordability has never been greater in terms of interest rates and home prices. With the federal tax incentive of \$8,000 and interest rates at all time lows, as low as 4.67% with an APR of 4.804, you can afford more home now than ever before. Local statistics show that median home prices have decreased indicating sellers are taking lower prices than the listed price.

Overall, the local real estate market is picking up in transactions. Price follows demand – not the other way around. If you are thinking of purchasing a home or moving up – now is a great time to do so.

If you would like more information about how your neighborhood is doing, please give me a call. If you are interested in purchasing a home, talk to a lender for available programs. I am happy to provide names of credible and proven lenders in our area.

Finally, call me for a free brochure "How to Sell Your Home in a Buyer's Market".

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