

While Market Activity Shows Signs of Slowing, Prices Are Actually Rising

Last week I documented how our real estate market is showing signs of slowing. In that column I noted an increase in the number of price reductions for metro area listings and compared statistics from this summer with those from last summer, showing how the ratio of sold price to original listing price and the median days on market suggest a slowing in our real estate market.

One reader asked whether prices were also leveling off or falling, so this week I am presenting that data. As documented in the chart above right, the answer is pretty obvious — prices have increased from 6.8% to 9.8% year-over-year this summer, and price per square foot has increased from 5.4% to 9.4% year-over-year. That's comparable to or greater than the increases experienced in previous summers.

REAL ESTATE TODAY



By **JIM SMITH**, Realtor®

That presents an interesting dichotomy. We are not seeing as many quick sales and multiple offers, *and* we are seeing more price reductions than last year, yet the median sales price is increasing. It's hard to come up with a reasonable explanation of what's going on, but I'll keep working on it!

I'll be curious to see how market activity and price changes look this coming winter compared to last winter. In the past I have pointed out (more than once!) that winter can be the best time to sell a home. That's because there are fewer listings yet lots of buyers are still getting email alerts from the MLS whenever a new listing matches their search criteria. I myself have 60 different clients receiving

Month	Sold Price	PSF Total	Month	Sold Price	PSF Total	Change
May-17	\$378,000	\$201	May-18	\$415,000	\$217	9.8% / 8.0%
Jun-17	\$385,000	\$204	Jun-18	\$415,000	\$215	7.8% / 5.4%
Jul-17	\$379,000	\$203	Jul-18	\$410,000	\$216	8.2% / 6.4%
Aug-17	\$375,000	\$202	Aug-18	\$401,000	\$221	6.9% / 9.4%
Sep-17	\$370,000	\$208	Sep-18	\$395,000	\$224	6.8% / 7.7%

email alerts based on their different search criteria. You can be sure that when these would-be buyers get an email describing a house they want to see, they will call me to see it — even on Christmas eve or in a snow storm!

That's the nature of our changed real estate business. Buyers and not their agents are doing their searching and finding online, then asking their agents to set a showing.

Remember: Summer may be the "listing season" in real estate, but there is no one "selling season."

Next Saturday, Oct. 6 — Tour of Solar & Sustainable Homes

The first Saturday in October features one of my favorite annual events — what used to be called the "Golden Solar Tour" but which has been renamed the "Metro Denver Green Homes Tour." The name change is significant not only because the tour now includes homes across Jefferson County and in Denver, but because having solar panels is no longer enough to be on this tour. Homes have to present varied and different aspects of sustainability, making the tour a valuable learning experience for all.

For example, on this year's tour you'll be able to visit such sites as the **Geos Community** in Arvada (pictured here) where all the homes are net zero energy, incorporating geothermal heating powered by the sun. **Golden Real Estate's net zero office** is on the tour, too, demonstrating our use of heat pump mini-splits to heat and cool our office. A "tiny house" at the **Colorado School of Mines** is also on the tour.

It's a self-guided tour. For \$10, you pick up a guidebook and map at Jefferson Unitarian Church (JUC) at 14350 West 32nd Avenue or at Golden Real Estate's office at 17695 South Golden Road.

Each stop on the tour is open for viewing between 9 am and 4 pm. Then you can return to JUC for a reception with free food and beer from 4 to 7pm, during which time there will be an "Electric Vehicle Roundup" in the JUC parking lot, where you can sit



and possibly ride in various makes of electric and plug-in cars being demonstrated by their owners and by a few car dealers. Indoors, during the reception, there will be an eco-expo of various vendors of green home products and services.

That's all happening *next Saturday*, Oct. 6th, but *this Saturday*, Sept. 29th, is the **Boulder Green Home Tour**, which I always like to attend. Both tours include over a dozen stops, each one an educational experience regarding sustainable construction/renovation. The Boulder tour is \$15/person when purchased in advance at their website, which is www.BoulderGreenHomeTour.org. You can get a sneak peak at the homes on the Boulder tour on the group's Facebook page.

DC Has a 30-Year-Old Law Giving Tenants Right of First Refusal

Last week Realty Times, an online news service, had an interesting article that caught our attention. It was about a long-standing law in the District of Columbia that is designed to protect tenants from being displaced when a landlord sells their home, condo or townhouse.

Although only 5% of tenants have been able to exercise the right of first refusal granted by that D.C. law *and* it has just been modified to exempt some properties in some situations, it presents an interesting concept that could make sense *if* properly designed.

However, Golden Real Estate has a program that is even better, because we have a buyer who will purchase that home for cash, guaranteeing the tenant the right to stay up to 5 years with pre-specified and reasonable annual rent increases and the opportunity to purchase that home when able. The tenant need only be pre-qualified as a tenant (with a \$75 application fee) and does not have to qualify as a buyer. While the tenant has the right to purchase the home over the next 5 years at specified prices, he also has the right to leave after each one-year term without purchasing the house.

Under this arrangement, if a tenant learns that his house is going on the market and he's at risk of being given 30 days' notice to vacate, he/she can call us we'll set that tenant up with our buyer, Home Partners of America, who will qualify the tenant immediately, then make an offer to buy the house, just like any buyer. Call me at **303-525-1851** to apply.

The home itself has to qualify. It can't be a condo, and can't be priced over \$550,000. We function as Home Partners' agent.



Get this column in your inbox every Thursday. Send your request to Jim@GoldenRealEstate.com.

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