

Weekly Bread 9-1-2024 to 9-15-2024:

Once past an earlier-than-normal Labor Day weekend, September kicks off a couple of big months for many people – the presidential election comes to mind first. This election is intense and dominates the news in a way that might “disturb” financial markets such as real estate (Bush-Gore debacle 2000). Also, the Fed will or won’t announce a rate reduction by September 19 (financial markets have already lowered rates in anticipation of lower rates, but what if it doesn’t happen?). I think it will happen.

Also, many HOA boards will start the 2025 budget process with the biggest question being insurance costs. And, the Broncos begin their annual march to a successful season...we hope; and will Taylor Swift return as Chief’s cheerleader for the 2024-25 season? Inquiring minds want to know.

On August 17, the big National Association of Realtors settlement changes started with market results yet to be discerned. My last Weekly Bread article, Aug 25 to Aug 31, reviewed some of the mandatory and procedural changes for buyers and sellers...and agents (see Archives for article). All in all, I believe the real estate industry will benefit from this, but the “learning curve” might be a bit rough getting there...say a couple of months or until 2025.

Remember: Sellers want to sell, and buyers want to buy. From that premise alone all problems and issues can be solved.

For sale inventory is still growing with approximately 10,500 throughout metro Denver now. However, not a big market problem so far. With more home inventory, buyers should have more leverage and opportunities in buying and unhurried as before. This is creating a more balanced market.

For sale inventory for Heather Ridge is up ...23 for sale on Sept 3...the biggest number since 2014. Yet, homes are selling nicely albeit a bit slower than last year. Overall, our metro Denver and Heather Ridge markets are holding up well, especially for homes priced under \$600,000. Heather Ridge’s prices are very affordable in the \$300K-\$500K range, but like all townhome and condo communities now, sales are being influenced by larger and growing HOA fees.

The number of metro Denver condo/townhome sales are down 4% from this time last year, and HOA costs are considered by many as the main reason. Insurance costs are almost solely to blame here.

Affordability is the big watchword of the day now. Most wages have kept pace with inflation, but the costs of housing-insurance-HOA fees-mortgages, etc. have lowered the purchasing power of many home buyers. This has had an indirect benefit for sellers below \$600,000 seeing increased sales by buyers forced out of more expensive homes.

My last comment is about the apparent great variances in home prices for the same model homes in many neighborhoods, especially Heather Ridge. Heather Ridge has a growing price gap between remodeled/updated homes vs. little or no improvements (as-is sales). This "gap" is now almost \$150,000 and is weakening prices.

At the very low end of prices are the "fix-'n-flippers" buying reselling for a profit. Instead of flippers making that profit, shouldn't owners be pro-active in doing that for themselves? This is where a call to Pete or Van puts the equity back in your pocket. Pete and I have a program to finance home repairs and remodeling cost using our contractor that fits about every budget. Please give us a call. Remember, **"Never leave home without us."**