

Weekly issues and observations

This website is rooted in the belief that old news is worthless. In today's fast-paced Internet world, news is compared to uncooked fish in the refrigerator – three days or more and it's no good.

Pete and I have been very busy, and we are thankful for that. Being busy means we are seeing today's real estate market for what it is and can tell people what to expect. Here's a list of things to think about:

- **How long will this market last in Denver?** It appears this market will last the balance of this year pending any big crises or world events. Experts say this may last years.
- **When we work with a seller:** We emphasize managing one's expectations given their past experiences. A seller's expectations may include: how fast a home sells (four-day metro Denver average as of June 1, 2021), realistic price vs. market responses (over asking price offers), appraisal problems, and finding a local replacement property if that's the reason for selling.
- **When we work with a buyer:** We also manage buyer's expectations as follows: understand competing buyers, multiple offers on homes, appraisal problems when they don't appraise, cash needed to cover appraisal shortfall or "price gaps" using a "price escalator clause" to outbid others, etc. And most importantly, emotional problems given failed offers, constantly looking and losing sales to others, and the "upping your price" to get something.
- **Rates – where are they going?** Right now, they have stabilized having increased for the past six months (low of 2.7 last year, and about 3.2 now). The key indicator to watch is the 10-Year Treasury Note reports. It is a key barometer reflecting inflation expectations along with economic and world events.
- **Rents and rentals – what's happening?** Rentals are in short supply except for downtown Denver, but that is now changing as Covid restrictions lessen. Rents across the metro area are reasonably stable now having increased steady for the past two years.
- **Hot topics in local and national news about real estate, the economy, people/demographics/census:**
 - Nationally, home sales and the shortage of homes for sale mirrors Denver's situation. The Southwest portion of the U.S. is very active with home sales and companies relocating there due to low home prices, qualified workers, and eager local and state governments encouraging relocations.
 - National economic news is running hot about the economy overheating and inflation. These reports are mixed and varied as to the degree of things and their consequences. Lots of speculative talk, but we will have to wait and see.
 - The results of the 2020 Census for the U.S. and other large countries (think China) are proving interesting for political and economic plans. A quick synopsis is population growth trends slowing down with many country's birthrates below replacement levels. The reports also talk about "aging populations" and economic consequences. The U.S. not exempt but benefits from more people wanting to live here than elsewhere.