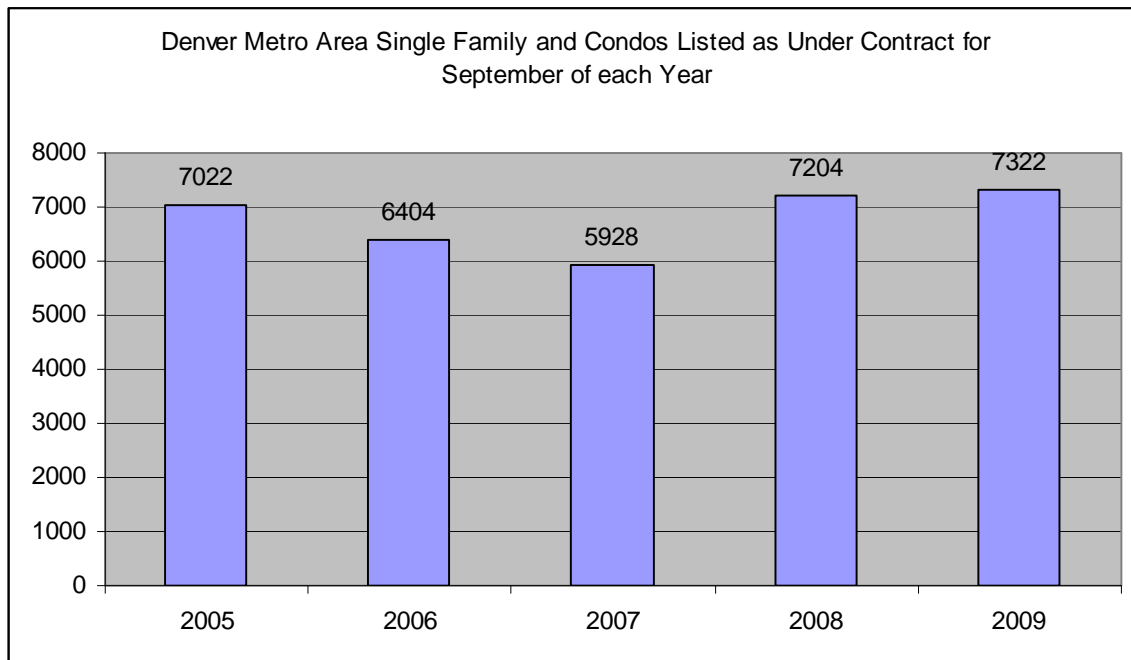


How's the Market, September 2009

All data taken from Metrolist, Inc, on September 7, 2009. Denver, Colorado.

September properties that are listed under contract increased 3% from August. There is currently 7322 single family and condominiums that are under contract as of this writing. For September, this is the highest under contract stat in 5 years. What this means is that it is taking longer to close a transaction and that buyers are becoming more comfortable to make a purchase of a home. The \$8000 First Time Home Buyer Tax credit has contributed to this level of confidence during the last 60 days, as this credit ends on November 30, 2009. Buyers will need to contract no later than October 15, 2009 to really take advantage of this housing perk.

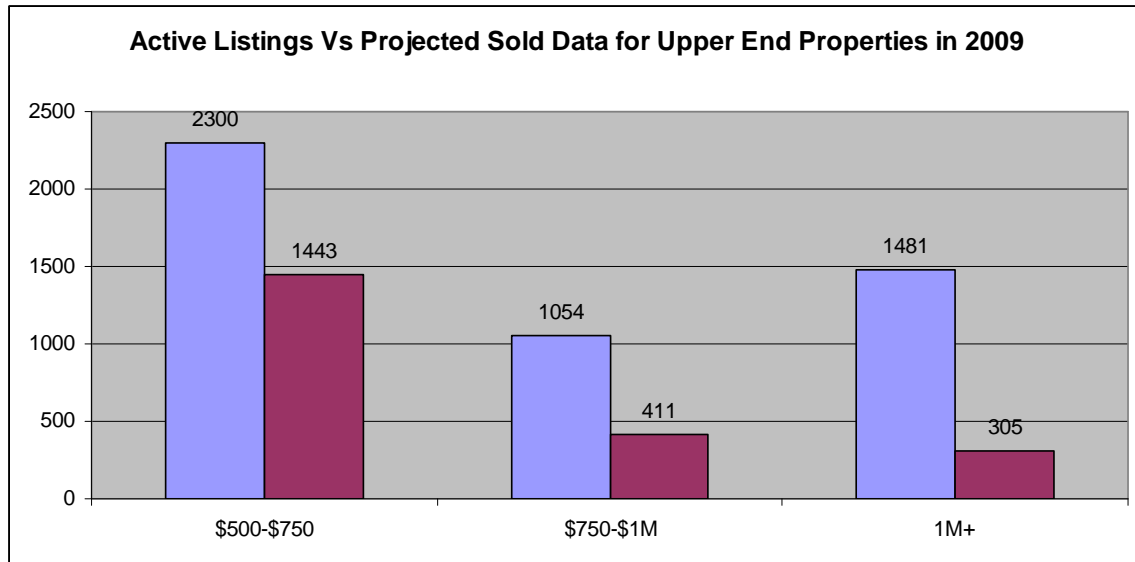


- September 2009 active listing inventory for Single Family and Condo's decreased 2.2% from August to September. Two of the last 4 Septembers had increased inventory month over month.
- The current 21229 active single family and condominiums is the lowest September inventory in more than 5 years.
- August sold data of 3616 units is the lowest September in more than 5 years.
- The current YTD sold data for 2009 is 29.4% below 2005, which was the peak of sales performance in Denver.
- Year over Year the sold data is off 15%. This figure will start to change to a positive number as the 4th quarter approaches and into 2010. We have seen the bottom of the sold data figures and October 2009 should reflect a rise as a result of the number of under contract properties currently listed if they close on a normal basis.
- The Denver Metro area is poised to close over 35,418 single family and condo properties for the year 2009 based upon August sales figures.

- Single Family Homes priced from 0-\$250,000 has a 3.569 month supply of homes as of September 7, 2009
- Single Family Homes priced from \$250,000 to \$500,000 have an 8.185 month supply as of September 7, 2009. This price range is starting to shrink slowly.
- Single Family Homes priced from \$500,000 to \$750,000 have a 19.127 month supply of inventory as of September 7, 2009.
- Single Family Home priced from \$750,000 to \$1 million has a 30.77 month supply of inventory.
- Single Family Homes priced above \$1 million have a 58.269 month supply of inventory as of September 7, 2009.
- Condominiums below \$250,000 have a monthly supply of 6.07 months.
- Condos above \$250K to \$500 have a supply of over 19.064 month of inventory.
- A six month supply of inventory typically creates equilibrium between buyers wanting to buy and sellers wanting to sell in home sales in the Denver market.

The data continues to show an improving but fragile real estate market in Denver. Job insecurity is holding back a rush of buyers into the marketplace. As the inventory continues to decrease and job stability improves, Denver is poised for real estate to improve in value. We are seeing this happen below \$250,000 and the next price point of \$250,000 to \$500,000 is starting to experience a decrease in inventory. It normally takes 6 months to see each \$250,000 of price catch up to the market.

The telling sign of the marketplace is the buyers that can buy upper end properties are able to secure a lot of home for an attractive price. Although each area is a little different in what a buyer can buy a million dollar property for, we are experiencing discounts of 25-30% is not abnormal. Although upper end priced inventories are decreasing, there are still plenty of great buys above \$750,000. Take a look at the listing inventory vs. the number of sold properties project for 2009 above \$500,000 in price for the Denver metro area.



What should sellers do in this market?

- Price per square foot is a number buyers use to determine value. Although this may be a flawed number, make sure you know what your price per square foot is against your competition.
- Why should a buyer buy your home in today's marketplace? Know the why to create the proper position for your home.
- Be the best conditioned home on the market. The competition is weak against condition, so to differentiate your home, be the best looking.
- Showings increased in August over July. If your home is not getting enough showings, ask your RE/MAX Professionals broker to help you better position your home where the buyers are showing.
- Stage your home for successful positioning.
- Add an incentive to your package, like prepaying HOA dues for a period of time to attract the buyers.
- Add carbon monoxide detectors to your homes vs. waiting for buyers to ask for them.

What should buyers do in this market?

- Become a "cash buyer" meaning have your loan in place to get the best prices.
- Price should be secondary to the terms a buyer can get. Know your options on price and terms and you will be better leveraged and have a more financially secure loan when buying a home.
- Eliminate lots of inclusions into your loan, as lending practices have changed and this could delay your process.
- Ask for a Home Warranty Plan as part of your offer.
- Get a copy of your appraisal before your loan conditions deadline.

- Ask for Carbon Monoxide detectors that are wired into the home as your choice of detectors.