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Northern Colorado Real Estate Market Will Weather This Storm

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There is no doubt, we are living through historic times. The COVID-19 outbreak has affected us all in different ways. In addition to health concerns, the economic ramifications are great. Many foodservice and entertainment-related businesses have lost their livelihoods with forced closures. Thousands in our community have lost their jobs. Uncertainty is rampant, and we are left wondering what our future holds. As you endure the coming days, take solace in the thought that the foundation of our community and the real estate market is strong; strong enough to weather this storm.

Remember this is temporary. The COVID-19 outbreak is a unique, unprecedented event in modern times. This single event does not reflect weakness or significant change in the underlying factors that make Northern Colorado economically robust. The short-term economic pain will be acute, but it will subside. Prior to this event, our Northern Colorado economy and real estate market was incredibly viable. History shows recoveries after unique economic events such as this are swift.

There is still life in our market. The beginning of 2020 shot off with a bang. Historic low rates in January and February, coupled with the lack of inventory and continued buyer demand, brought back consistent multiple offers and selling prices well over asking price for homes priced under \$450,000. Although we have seen an understandable drop in showing activity, 27 of the 101 homes listed between March 16 and March 23 in Fort Collins, Wellington, Timnath, and Windsor are already under contract. The median list price of the under-contract properties is \$370,000.*

The real estate community has adjusted quickly to public safety concerns and are working together to provide a safe environment for homeowners and prospective buyers. Many properties are vacant and safe to view with the CDC recommended hand washing and hand sanitizers. Listing agents are working with occupied property owners to only allow for one showing at a time, to sanitize between showings, and even provide video or Facetime tours as needed. Although electronic contract signatures have been commonplace, the industry is quickly moving to electronic options to everything from earnest money submittal to final closings.

As we ride out this storm, be patient as the financial markets work through the roller coaster of mortgage interest rates. The unnatural and unprecedented influx of treasury bonds that have been infused in the financial market have had a temporary negative effect causing rates to spike and then settle back down. We will continue to see big inflections in rates as more treasury bonds hit the markets as the US government offers bailout options. This too shall pass. In the meantime, work closely with your mortgage professional for updates and advice.

Be ready for the recovery. There is a lot of demand for real estate that has been temporarily put on hold. While normally, the residential market is peaking from March through June, this will be extended into the latter half of the year. We will recover, and I am confident our recovery will be strong.

*Stats provided by IRES week of 3/16/2020-3/23/2020.


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