



Published in the North Forty News - November 2018

Opportunities Abound in Slowing Market

By: Kareen Kinzli Larsen, Realtor, Kinzli Team,
RE/MAX Alliance

With the changing of the leaves come changes in the real estate market. Compared to the fever pitch of real estate sales in the late spring and early summer, fall and winter naturally bring a slowdown in the market. This year, there are extenuating circumstances that are contributing to a greater than normal lull.

Election cycles bring uncertainty, and this year's mid-term elections are no exception. Purchasing real estate is a significant financial investment, and many purchasers wait until the outcome of elections have been finalized. In particular, Proposition 112, which would increase setback requirements for new oil wells has those relying on the oil and gas industry putting any purchases on hold.

Long-term mortgage interest rates have been slowly creeping higher, affecting monthly payments for home purchasers. Putting things in a historical perspective, rates are still extremely low, however, upward trends in rates naturally cause a slowing in sales until rates normalize.

These trends provide opportunities for buyers that were lost in the extreme seller's market. The Northern Colorado real estate industry has been seeing fewer multiple offer situations, higher days on the market, and, can you believe it, price reductions. Two years ago, sellers wouldn't even look at a contingency of a home selling, but now, contingent offers are common. Negotiations that benefit the buyer are back on the table after a home has spent weeks on the market without offers. Seller paid closing costs are even making a comeback. First-time home buyers with no or low money down loan programs such as VA, FHA or USDA, who lost to competing cash or significant money down offers, now have a chance to enter the market.

Although we are seeing a leveling in the real estate playing field, long term projections are still predicting a strong residential real estate market for Northern Colorado in coming years. Now may be the perfect time to take advantage and make that move.

