

May 2021

The Latest News From Jeffrey and Wade



What is New This Month? An Update!

The last few months we have been writing about how The Denver Metro Housing Market has been performing, we have a few stats to update you with this month. As of today (Wednesday 4/5) the

7 County Metro Area has 2036 homes on the market; that includes Single Family Homes, Townhomes, Condos, etc. Our supply has dropped to about a 12 day supply as of today. Unfortunately things have not gotten better for the Buyers out there as supply drops even more and prices continue to climb and days on the market shrink. In March we wrote the average days on the market was 22 for a home, today it is 13. As I have said before, that average is a lot less for homes that are priced right and in good shape; they usually only last a few days on the market. As for the average asking price, in March the average asking price was \$566,389. Today it is \$626,330 which is \$59,941 higher in two months. And in the March newsletter the average sold price was \$577,195. Today it is \$649,969 or \$72,774 higher since March's Newsletter. This also means that on average buyers are having to offer \$23,639 over asking price today vs. \$10,806 over the asking price in March. So what are some of the major forces driving the housing market?: 1) A surge in millennials eager to become homeowners. 2) Working from home is allowing people to move around the country and move to more affordable markets. 3) Low Interest Rates; even though they have moved up slightly from their low, they are still low. 4) Lack of supply of homes. Rising home values have lead to homeowners staying in their homes and remodeling them instead of selling and new construction has not increased enough over the years to balance supply and demand. So are we headed for a housing crash? We do not believe so; unlike the Great Recession, lending requirements have changed (you have to do more than fog a mirror) and today homeowners have value in their homes unlike then. Not to say we might not see a dip or at least plateau in the future. We really hope things do slow down soon and we return to a more stable market. See the article on Page 2 to read more about the risk of a housing crash. If you have additional questions please give Wade or Jeff a call at 303-775-7466 or at their individual cell phone numbers. Thanks.



Skillet Lasagna

Ingredients:

2 tablespoons extra virgin olive oil
1 pound lean ground chicken, turkey (or leftover chicken, be sure to remove skin and chop)
1 small onion, chopped
1/2 green bell pepper, chopped
1 jar (26 ounces) spaghetti sauce
1 1/2 cups of water
4 garlic cloves, minced
1 teaspoon dried basil
1 teaspoon dried oregano
2 cups fresh cooked spinach
3/4 cups ricotta cheese or cottage cheese (I prefer)
1 cups mozzarella cheese
6 ounces curly-edged lasagna noodles, broken into 2-inch pieces. (8 noodles) or any pasta
1 teaspoon salt
1/2 teaspoon black pepper
1 teaspoon crushed red pepper flake, optional
Chopped fresh basil and parsley, optional

Directions:

In a large skillet, sauté veggies in olive oil for about 2 minutes. Add turkey or chicken and cook for about 5 min or so, breaking the meat with a spoon until no longer pink; season with salt and pepper. Add garlic and sauté until fragrant, about 30 seconds or so. Add oregano, basil and crushed red pepper flakes. Sprinkle broken lasagna noodles into the skillet, then pour in spaghetti sauce and water over the top bring to a boil. Lower heat, cover and cook, stirring often and maintaining a simmer, until noodles are tender (about 20 minutes). Take the skillet off the heat, and stir in spinach, half of the mozzarella and half of the Parmesan. Readjust the seasoning with salt and pepper. Dot heaping tablespoons of ricotta or cottage cheese over the noodles, then sprinkle with remaining mozzarella and Parmesan. Cover and let stand off heat until the cheeses melt (about 3-5 minutes). Sprinkle with basil and parsley before serving.

Serve with a Tossed Salad and Garlic Bread

Chef Millie Peartree offered an easy twist on a classic, no layering construction required when she joined "Good Morning America" to share her recipe for a hearty meal that comes together in one pan.



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"Still Your House Hubby Too"





Is a Housing Market Crash Possible in 2021?

With the real estate market experiencing surging prices, scant inventories and a backlog of new home construction, many consumers are wondering if what's gone up must come back down—in other words, are we headed for another housing market crash? Let's take a closer look.

Think Back to the Great Recession

The unforeseen housing market crash 15 years ago ignited a worldwide recession. Fueled by low interest rates, loose mortgage-lending standards and the nation's unshakeable faith in homeownership, home values rose at record rates year-after-year. When the housing bubble burst, roughly nine million families lost their homes to foreclosure or short sale between 2006 and 2014. Housing values plunged 30% or more, homeowners lost a collective \$7 trillion and it took nearly a decade for most markets to recover. Even today, several real estate markets have not fully recovered. With the robust market activity we've seen lately, could there be a market crash in the near future? The short answer is "not likely." Today's market cannot be sustained completely, but a crash as serious as the one from 15 years ago is unlikely because of a few important factors.

Factor # 1: More Stringent Lending Standards

Loose mortgage lending practices ultimately brought down some of the nation's largest banks and mortgage companies. The fallout forced Congress and federal regulators to make significant adjustments that have fundamentally changed how mortgage lending is regulated. Since then, standards have been raised and the process of obtaining a mortgage is now more transparent. The "anyone can get one" loans of the past are illegal; now borrowers undergo stricter income, credit and asset checks. An entirely new regulatory agency, the Consumer Financial Protection Bureau, was created to enforce this new regulatory framework. Lenders who do not comply with these standards may face heavy penalties. As a result, the housing finance marketplace is now more robust and safer than it was 15 years ago. Any dip in the housing market will be cushioned by these stricter regulations.

Factor # 2: Pandemic Mortgage Forbearance

When the housing market crashed in 2007, the influx of foreclosures pumped housing supply into areas with falling prices and weak labor markets, while also preventing recently foreclosed borrowers from re-entering the market as buyers. According to the Federal Reserve, foreclosures during a time of high unemployment could depress prices, plunging homeowners across the country deeper into negative equity. However, in the pandemic era, the effects of mass unemployment bear little resemblance to the Great Recession, thanks in large part to forbearance programs that have allowed homeowners to postpone their monthly mortgage payments without suffering penalties. As of early March 2021, 2.6 million homeowners' mortgages were in such forbearance plans. As the pandemic economy has slowly recovered, many homeowners have resumed their employment, and thus their home payments. According to CoreLogic, by the end of 2020, overall mortgage delinquencies declined 5.8% due to the forbearance program. The share of mortgages 60 to 89 days past due declined to 0.5%, lower than 0.6% in December 2019. It's worth noting that serious delinquencies—defined as 90 days or more past due, including loans in foreclosure—increased when owners who owed large amounts left forbearance. By year end 2020, the serious delinquency rate was 3.9%, up from 1.2% in December 2019.

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Factor # 3: Most Homeowner's Cushion—Equity

Equity is the difference between the current market value of your home and the amount you owe on it. In other words, it's the portion of your home's value that you actually own. Equity can be an incentive to stay in your home longer; if prices rise—something we've seen almost universally across the country in recent months—your equity increases, too. Why does this matter? Simply put, higher levels of equity cushion homeowners from default when home values fall. Over the past decade, American homeowners have enjoyed housing stability and growth, building up large home equity reserves. In the third quarter of 2020, the average family with a mortgage had \$194,000 in home equity, and the average homeowner gained approximately \$26,300 in equity over the course of the year. In contrast, 2009 saw nearly a quarter of the nation's mortgaged homes valued for less than the amount their owners actually owed on those mortgages.

Factor # 4: Price Growth Will Slow Down, but Continue

The sales boom followed the outbreak of the COVID-19 and surprised many real estate economists. Like most other business sectors, real estate was expected (if not required in many locations) to lock down. But by mid-April, sales were soaring as buyers, many of them millennials, took advantage of record-low mortgage interest rates. Through the remainder of 2020, rates remained below 3%, and existing home sales reached their highest level in 14 years.

A Moving Target

While no one can say for sure what will happen with the real estate sector, most experts are confident that we'll experience a market dip at some time, but certainly not a crash.

By Mark Mathis, VP of Sales for Homes.com

March 26, 2021



Current Mortgage Rates

On Wednesday, May 5th, 2021, the average APR on a 30-year fixed-rate mortgage rose 1 basis point to 2.845%.

The average APR on a 15-year fixed-rate mortgage remained at 2.168% and the average APR for a 5/1 adjustable-rate mortgage (ARM) rose 9 basis points to 3.203%, according to rates provided to NerdWallet by Zillow. The 30-year fixed-rate mortgage is 17 basis points lower than one week ago and 90 basis points lower than one year ago.

Product	Interest rate	APR
30-year fixed rate	2.794%	2.845%
15-year fixed rate	2.094%	2.168%
5/1 ARM rate	2.487%	3.203%

www.nerdwallet.com, 05/05/21



On April 6th we printed that the Interest Rate for a 30-year fixed rate was 3.119%. Looking at this rate since April 6th it has fluctuated slightly with a high at 3.042% on April 11 and a low of 2.821 on April 22. Since then it climbed slightly before turning around and heading back down to today's rate at 2.845. If you are looking to buy or refinance you will definitely want to speak with your lender and work closely with them to get the best rate. Wade & Jeffrey



Looking For:

We are looking for your referrals for various services folks you have used for repairs around your home, like Plumbers, Heating and A/C folks, Gardeners, Painters, etc. We are building on our list of service folks we can refer to others who might need their services. Please email Wade with their contact and your experience with them. Thanks, Wade and Jeffrey

Quick Glance At Home Prices In The Denver Metro Area

City	Baths	Beds	Above SF	SF Total	Garage	Style	Yr Blt	Lot SF	DOM	Sold Price
Greenwood Village	6	5	4600	7122	3	Two	1985	74,488	105	\$ 2,000,000
Denver	4	4	3080	4522	2	Two	2019	5,583	2	\$ 1,400,000
Evergreen	4	5	3335	4963	3	Three Or More	1988	41,818	5	\$ 1,375,000
Conifer	4	4	3136	4291	5	Two	1999	193,711	23	\$ 1,025,000
Denver	3	3	1262	2524	2	One	1927	6,250	3	\$ 985,000
Denver	4	3	1870	2400	2	Three Or More	1890	4,792	5	\$ 965,000
Denver	2	3	1276	1944	0	Two	1895	4,680	5	\$ 946,000
Highlands Ranch	4	6	3221	4974	3	Two	1998	8,668	3	\$ 865,000
Lakewood	4	3	2284	3283	2	Two	1960	12,191	11	\$ 805,000
Boulder	2	3	1158	1718	2	Multi/Split	1987	2,768	5	\$ 790,000
Littleton	4	5	2583	3896	3	Two	2001	13,068	5	\$ 751,500
Broomfield	2	2	2347	3500	2	One	2016	8,628	0	\$ 750,000
Lakewood	3	2	2255	2255	2	Two	2011	25,249	2	\$ 705,000
Lakewood	3	4	2485	2933	2	Multi/Split	1975	17,111	3	\$ 700,000
Lakewood	3	4	2294	3009	2	Multi/Split	1986	7,100	5	\$ 682,000
Denver	2	3	992	1984	2	One	1951	5,950	5	\$ 660,000
Brighton	4	4	2921	3999	4	Two	2005	13,189	8	\$ 646,000
Parker	4	4	2135	3195	2	Two	2005	5,401	2	\$ 640,000
Denver	2	2	1022	1998	2	One	1932	5,950	4	\$ 625,000
Littleton	4	3	1790	2300	2	Two	2000	5,000	5	\$ 587,000
Parker	3	5	2300	2825	3	Two	1997	6,007	2	\$ 581,000
Thornton	4	5	2370	3320	2	Two	1986	6,540	3	\$ 575,000
Commerce City	4	6	2748	3813	2	Two	2006	5,720	5	\$ 550,000
Castle Rock	0		2062	2935	2	Two	2021	4,792	6	\$ 539,195
Englewood	2	3	935	1870	2	One	1954	9,017	3	\$ 535,000
Thornton	4	3	1846	2420	2	Two	2001	6,039	3	\$ 530,000
Littleton	3	3	1661	2058	2	Tri-Level	1974	10,961	2	\$ 525,000
Castle Rock	4	4	2317	2317	2	Two	2009	4,792	2	\$ 511,050
Denver	2	3	1228	1228	0	One	1952	7,140	5	\$ 510,000
Thornton	3	3	1643	2478	2	Two	1993	9,600	5	\$ 510,000
Denver	1	2	853	853	0	One	1955	6,600	3	\$ 501,600
Centennial	3	3	1877	2535	2	Tri-Level	1983	10,759	5	\$ 500,000
Highlands Ranch	2	3	1743	1743	2	Bi-Level	1990	4,617	2	\$ 494,000
Littleton	2	3	1204	2086	2	One	1977	10,411	7	\$ 473,362
Thornton	3	3	1710	2254	2	Two	1998	5,099	15	\$ 469,900
Westminster	2	3	1632	1632	2	Two	1978	7,743	4	\$ 462,000
Aurora	2	3	936	1872	2	One	1977	8,494	3	\$ 450,000
Denver	2	3	1076	1076	2	One	1954	7,720	3	\$ 440,100
Aurora	2	4	1359	2718	1	One	1956	5,663	4	\$ 437,500
Aurora	0	0	859	1675	2	Bi-Level	1983	7,666	5	\$ 430,000
Commerce City	3	3	1392	2004	1	Two	2006	3,920	2	\$ 390,000
Arvada	1	3	839	839	0	One	1960	8,579	16	\$ 380,000
Denver	2	3	1002	2004	0	One	1969	7,000	10	\$ 350,000
Denver	1	3	1244	1244	0	One	1955	8,030	7	\$ 337,500

Sampling of Data From The Multiple Listing Service For Single Family Homes Which Closed On 04/13/2021.

If you would like more information on one of the homes listed about, please email us or call us with the home information and we would be happy to send you the full MLS data sheet for that home.

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**May
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The Latest News From Your Real Estate Experts



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Pending



7474 E. Arkansas Ave #2405
Asking Price \$365,000

Go to
www.HomeGnomeRealty.com
to see the 3D Virtual Tour
of this home

What Our Former Clients Are Saying:

I can't say enough in praise of Jeff and Wade. Being a woman and alone I had the help I needed at every turn and they were never too busy to answer any questions I had. Two nicer, more professional men you'll never find. Dale

FREE

If you would like to have us send you a free valuation of your current home, please let us know. We can run comps for homes similar to yours that have sold in your area to give you an idea of what your home is worth. Call 303-775-7466



Let's Make Your Home The Next Photo Here

If you're currently under contract with another real estate agent, this is not a solicitation for your business.