

THE WINDERMERE REPORT

WINDERMERE REAL ESTATE | DENVER

SEPTEMBER 2019

THE iBUYER

A new trend in the market

WHAT WE NOTICE

Correct pricing is paramount

INTERNATIONAL BUYERS

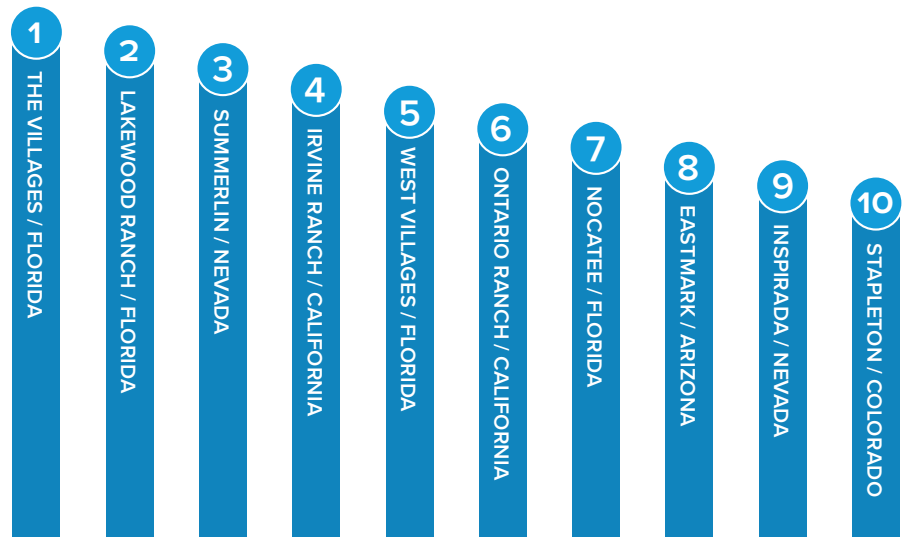
A decline in foreign purchases

THE GARDNER REPORT

The second quarter of 2019

TOP SELLERS

According to RCLCO, these are the top-selling master planned communities in the U.S.



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THE iBUYER

The “iBuyer” has entered our market. Because this trend is receiving so much attention (despite a very small market share), we thought it was time to shed some light so you can be clear about how they really work.

iBuyers use an algorithm to determine a home’s value and then they make an offer to the seller. If the offer is accepted, the iBuyer closes on the home and then re-sells it. There are a handful of companies in the “iBuyer game” — Offerpad, Zillow Instant Offers, and Opendoor to name a few.

HERE’S WHAT YOU NEED TO KNOW:

- iBuyer offers are contingent upon a home inspection.
- According to MarketWatch, sellers earn 11% less through iBuyers for their homes than selling on the open market.
- Most iBuyers have a fee-based model, which charges sellers 6–8% of the purchase price depending on how long they estimate the property will take to sell.
- There can also be other “closing fees” and “transaction costs,” such as repairs, that can come into play in an iBuying situation and be deducted from the seller’s profits.

If you are curious to know how iBuyers work, I am happy to help you with more details.

WHAT WE NOTICE

Here are some observations we have about the market right now:

- Inventory is up, price reductions are up, the length of time to sell a home is up
- Seller concessions are more prevalent
- Sellers are more willing to accept contingent offers (especially in higher price ranges)
- If a home doesn’t sell within a week, it often becomes stigmatized by the market and potential buyers assume there must be something wrong with it
- Homes that likely would have sold within hours a year ago, are now sitting on the market
- Condition is super-important as buyers become even more picky
- Pricing a property correctly on day one is paramount
- Sellers who over-price their property are finding themselves chasing the market

INTERNATIONAL BUYERS

According to the National Association of REALTORS®, residential home purchases by people from outside the country dropped 36% to below \$78 billion in the year that ended March 2019. The biggest reason? China! Their slowing economy means fewer Chinese real estate buyers in the U.S. They represent over half of the decline in total foreign purchases.

THE GARDNER REPORT

Our Chief Economist Matthew Gardner has just released his most recent economic report. Contact us to receive your complimentary copy.



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