

# Good news for Denver-area housing market

By John Rebchook, Rocky Mountain News 08/29/2008

The Denver area housing market showed the most appreciation of 20 metropolitan areas tracked by the closely watched S&P/Case-Shiller Home Price Indices from May to June.

The Denver area showed a 1.5 percent gain in that period. Boston, with a 1.2 percent increase, was the only other metropolitan area to show an increase.

The average percentage change in that one-month period was a loss of 0.5 percent for all 20 cities, and a loss of 0.6 percent for 10 of them.

Denver and Boston have shown three consecutive months of positive returns. Denver homes showed a 4.7 percent decline from June 2007 to June 2008, the third best of the 20 cities.

Only Charlotte, N.C., with a 1 percent drop, and Dallas, with a 3.2 percent drop, fared better.

Phoenix was the worst performer, with homes losing 27.9 percent of their value.

Overall, the 20-city composite showed a 15.9 percent drop from June 2007 to June 2008, while the composite of 10 of the cities showed a 27 percent drop.

"While there is no national turnaround in residential real estate prices, it is possible that we are seeing some regions struggling to come back, which has resulted in some moderation in price declines at the national level," said David M. Blitzer, chairman of the Index Committee at Standard & Poor's.

But Lou Barnes, principal of Boulder West Financial in Boulder, argues that a large number of distressed homes on the market - foreclosures and sales in which lenders take less than the mortgage amount - has lowered the overall value of homes sold.

Julie Montgomery, a broker associate with RE/MAX Masters Inc. of Greenwood Village, said the key to selling a home in Denver is to make sure it is in perfect condition and shows well: "You have to update the kitchen and bathrooms and get rid of tired carpets. Today's buyer just wants to bring a toothbrush and clothes and move in.

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