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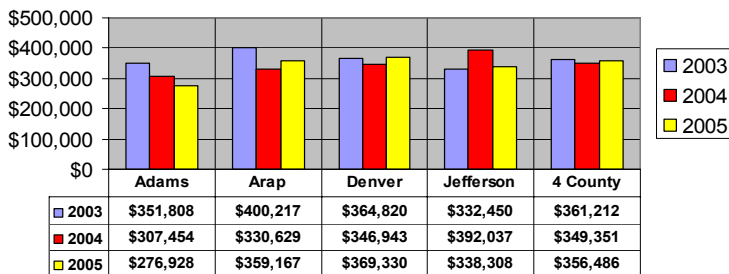
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2005 Small Multi-family Income Sales Review

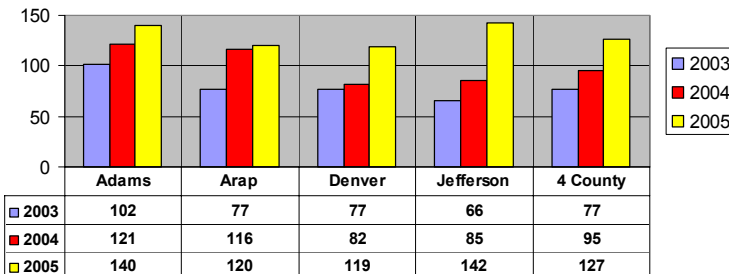
Average Sales Price & Price per Square Foot Mixed.

Days on Market Up Across the Area! Sales Concessions Increase!

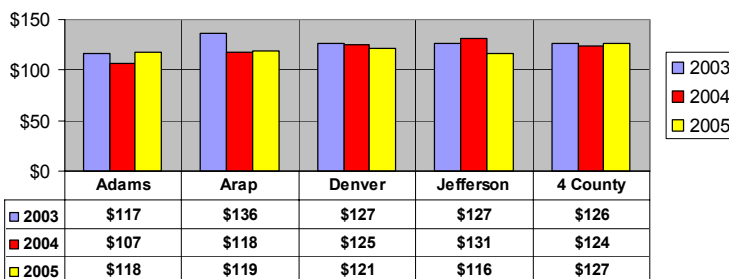
Average Sales Prices



Average Days on the Market



Average Price per Square Foot



Keith Hurtubise-Current Income Property Listings-Call 4 More INFO!

- 2 Units 1694 Lima Aurora, Has MomInLaw Base 4xtra Cash! \$229,900**
- 2 Units 1621 Tabor St, Lakewood Good Cond. Hot Area! \$295,000**
- 2 Units 464 S Parfet St Lakewood Nice, Big Lot. Fed Center \$279,900**
- 2 Units 9061 Osceola St, Westminster. Nice Tri-Level Units \$290,000**
- 2 Units 9081 Osceola St Westminster. New Roof. Good Rental \$290,000**
- 2 Units 3660 W 90th Ave. Westminster. Very Nice 2/3 Beds! \$279,900**
- 2 Units 6357W Portland Littleton Rare! Excellent Area! \$360,000**
- 2 Units 8647 W 62nd Arvada Solid Brick! Good Rental Area! \$279,900**
- 3 Units 1810 Iris Lakewood, Large Lot Some Fix! Potential! \$325,000**
- 4 Units 2216&24 S Cherokee Denver 2 Duplexes Light Rail! \$500,000**
- 4 Units 1573 Havana St Aurora Has 1 Unit Ok 4 Doc office! \$299,900**
- 4 Units 3595 S King St. Sheridan Excellent Cond./Good Area \$399,900**
- 4 Units 2445 S York Denver Excellent DU Area Great Live On \$349,000**
- 6 Units 62 W Ida Ave Littleton Excellent 1031 Move up! \$425,000**

Buy, Sell, 1031 Trade or Current Market Detailed Analysis of your property,

Contact Keith Hurtubise,

your **Income Property Specialist,**

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MLS INCOME PROPERTY STATS

4 counties-Adams, Arapahoe, Denver, Jefferson

Total Sales by Year

2002	520	
2003	473	\$170,492,000
2004	634	\$221,488,000
2005	619	\$220,664,000

Overall 4 county Denver-Metro Income Property sales decreased slightly from 634 in 2004 to 619 in 2005. The Average Sales Price of \$356,486 for 2005 increased slightly from 2004 but was still below the 2003 average of \$361,212. Average Price per Square Foot has been static for all 3 years ranging from \$124-\$127. The most notable change again this year is the average Days on Market; a jump of 33% tells us there are a lot of properties lingering longer. Unrealistic pricing expectations and refusal to negotiate to market increase the time between offering for sale and closing!

Adams County Average Sales Price dropped again, as it did the previous year. Average Price per Sq. Ft. eked out a gain to get back to 2003 level. As with the 4 County Days on Market average increase, Adams increased from 121 to 140 days.

Arapahoe County overall, probably fared the best in 2005. A small increase in both Average Sales Price & Average Price per Square Foot and the smallest increase in the Average Days on the Market helped.

Jefferson County fared poorly in all categories. Average Sales Price dropped 14%, and Average Price per Square Foot dropped 11.5%. The average Day on Market increased a whopping 57 days from 85 to 142!

Denver County, the county with the most income property and the most sales activity, had a 30% increase in Days on Market. It held its own on Average Price per Square Foot and the Average Sale Price increase slightly to just above the 2003 average.

Sales Concessions

One of the most noticeable trends is the increase of reported sales concessions necessary to close a deal. Sales concessions are now being reported in the MLS but not deducted from reported sales price. 44% of reported deals had listed sales concessions for 2005. The trend rose to 54.6% in the 4th quarter for 2-4 units. Next year I am looking at calculating this into the sales price.

Vacancy, Rental Rates & Concessions Rising interest rates have slowed tenants from buying homes. Vacancy rates dropped 1% in the last 12 months, all counties improved. 2bed-1bath units Average Rent per SF. rose in all but Adams County. Rental concessions, same as sales concessions are a big part of the market. They have risen to 17.3%, just below the high 17.4% in the 3rd QRT of '03. The economic Vacancy Rate which includes concessions, is at a high 24.9%. Small properties are sensitive to vacancy rates, small Investors need to be aware of average rents in your neighborhood and stay rented! Call me for information regarding your neighborhood rents!

Economy Local media reports are upbeat for more jobs. Competition from Southwest, Frontier and the new United should offer great air fares hopefully pushing the tourist biz! Real Estate Bubble? Some markets maybe, probably not here! The Yield Curve Inverted for the first time in 5 yrs. In past business cycles, inverted yield curves have frequently foreshadowed recessions. Welcome Fed Chief Bernake!

Let's All Have a Profitable 2006!