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RE/MAX Mountain West

OCTOBER 2025

The Importance of Earnest Money

Earnest Money is an amount of money paid by the buyer when entering into a real estate contract with the intention to demonstrate the buyer's good faith intent to complete the transaction. Sometimes referred to as "good faith money", it is usually paid concurrently or soon after mutual signing of the purchase contract, and is then held in an escrow account by a third party such as a title company or real estate brokerage until closing. The primary purpose of earnest money is to show the seller that the buyer is serious about purchasing the property and not just window shopping or making offers they don't intend to honor. Its intended to give the seller peace of mind when removing their property from the active market during the transaction process. At closing, the earnest money is typically credited toward the buyer's down payment and closing costs.

During the contract period there are specific circumstances, each with a deadline date, which are known as contingencies. Most contingencies are for the protection of the buyer and if not successfully accomplished or approved by the applicable deadline, will allow the buyer to cancel or terminate the contract with a refund of their earnest money. However if the deadline passes without such cancellation, the contract moves forward with that particular contingency considered to be waived. Some examples of contingencies are title search, home inspections, appraisals and buyer's loan approval.

Once all contingencies in a contract are satisfied, the buyer's earnest money is considered "hard" or at risk. At that point, if the buyer backs out of the contract without a valid reason, the seller may be entitled to keep the earnest money as compensation



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for lost time on the market and potential missed opportunities with other buyers. This is commonly referred to as a buyer's default or breach of contract.

It is important to understand that in Colorado, the commonly used Real Estate Commission approved "Contract To Buy And Sell Real Estate" provides the seller with only one remedy in the event of a buyer's default. That remedy is to retain the buyer's earnest money as "liquidated damages". There is no other opportunity or mechanism for the seller to force the buyer to follow through with the purchase of the property. In actuality, the buyer has the option to either successfully complete the purchase or to default and forfeit their earnest money.

Therefore the amount of earnest money, which is negotiated and paid at the beginning of the contract, is extremely important. A "typical" amount of earnest money is often represented as 1-2% of the purchase

price. We believe, however, that it's more prudent to consider on a case by case basis what a sufficient amount of earnest money is. From the seller's perspective, it will equate to that amount of money the buyer is unlikely to willingly forfeit. A buyer may want to pay the least amount necessary to ensure the seller's peace of mind, or in a competitive situation, a larger amount to make their offer more attractive than others. Some factors to take into consideration when negotiating earnest money amounts are the buyer's financial capability, the purchase price, the number and type of contingencies, the duration of the contract period and market conditions.

Earnest money plays an important role in establishing trust and confidence in a transaction. It's the buyer's way of demonstrating a sincere commitment and intent to complete the purchase. Whether buying or selling, it's important to fully understand the intricacies of earnest money and how it works.

Delta County Residential Market Summary

County market statistics reported through the multiple listing service as of September 30th continue to reveal a striking distinction between the North Fork market compared to the Delta/Surface Creek markets. The number of residential sales year to date in the North Fork increased from 71 in 2024 to 94 in 2025 (+32.4%). However in the Surface Creek area the number decreased from 115 to 100 (-13.0%) and in the Delta area it decreased from 152 to 139 (-8.6%). The average selling price of a home in the North Fork was reported at \$551,892 compared to \$460,349 in Surface Creek and \$385,567 in Delta.

The average 30 year mortgage rate was reported by Bankrate, an online financial information publication, to have decreased from 7% early in the year to approximately 6.36% in

late September. Although lower rates would normally cause increased buying activity, this appears to not be the case in Surface Creek and Delta. The increase in North Fork activity is probably not tied to lower rates since it's more of a cash market.

The real effect of lower rates is more evident in an increase in available homes for sale which is up in all 3 areas – 21.7% in Delta, 33.3% in Surface Creek and 48.5% in the North Fork compared to this time last year. For several years there has been a growing number of owners who have a need to sell due to life changes, but have been reluctant to trade their low interest mortgages for higher rates when transferring from one home to another. With rates coming down, this pent up inventory may be starting to hit the market.



Community Calendar

Paonia/Hotchkiss/Crawford

- **Paonia Holiday Festival Dec. 6th 10a-4p Grand Ave.** The North Fork Valley Creative Coalition will be hosting the 33rd Annual Paonia Holiday Art Fair, visit their website for more details: northforkcreative.org
- **North Fork Children's Christmas Party**—participate in making a child's Christmas dream come true by helping out with the 34th annual NF Children's Christmas Party! Community Gift Wrapping will be Dec. 6th @ 1p and the party will be Dec. 13th from 11a-1p. **For volunteer opportunities call Pam Bliss @ (970)234-5631**
- **Christmas Bazar at Heritage Hall in Hotchkiss—Dec. 13th 9a-3p**— For more details: <https://www.deltacountyco.gov/calendar.aspx?CID=20>
- **Paonia Public Library** has a full calendar this winter! Visit their website to find out more about events like Storytime, Weaving Mandalas, Song Writer's Club, Improv, Book Clubs and more... a little something for everyone! <https://deltalibraries.org/paonia/>
- **Crawford Parade of Lights - Nov. 28th @ 6pm**—Cozy up with some hot apple cider or hot chocolate from vendors inside, find the perfect spot and welcome the start of the holiday season with a parade! Santa will be making his way through the streets of Crawford with a tree lighting ceremony at the end. For more info: <https://townofcrawford.colorado.gov/parade-lights>
- **Crawford Community Christmas Party— Nov. 29th @6p-9p** —being held at town hall, stop by to celebrate the season and participate in the ugly sweater contest! Cash prizes for 1st (\$100), 2nd (\$75) & 3rd (\$50) place.

Cedaredge/Delta

- **Grand Mesa Arts Center** is filling their calendar fast! Visit their website to find out more about events like Fall Into Winter Concert Series, Open Mic Nights, and the Jingle Mingle Gala ...there is a lot coming in winter 2025! www.gmaec.org/calendar
- **Delta Parade of Lights, Dec. 5th @ 6pm—Main St., Delta** lighted floats from Delta's businesses and community groups for your holiday enjoyment! For more information: www.deltacountycolorado.com/events
- **Grand Mesa Nordic Council Opening Day Celebration—Nov. 15th 12p-2p** -snow or no snow, we will be offering tours of the Skyway Station construction project. Come check out the new building and get all your burning questions answered. There will be refreshments at the Skyway Trailhead and tours of the building every half hour . For more info: <https://gmnc.org/>
- **Cedaredge Public Library Light Up Holiday Workshop- Nov. 6th 10:30a-12p** This take-and-make kit for teens and adults includes everything you need to craft a festive card that shines with a built-in LED light. Learn how to use simple circuits while decorating a one-of-a-kind holiday greeting. More information: <https://deltalibraries.org/cedaredge/>



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POSTAGE



TO:

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Delta County Real Estate

Year to date (YTD) Comparison Report as of Sept. 30th 2025

Sold Listings— 337 (2024) vs. 334 (2025), a decrease of 0.9%

Median Sales Price— \$380,000 (2024) vs. \$390,000 (2025), an increase of 2.6%

Days on Market Until Sale— 117 (2024) vs. 110 (2025), a decrease of 6.0%

New Listings— 511 (2024) vs. 598 (2025), an increase of 17.0%

Average Sales Price— \$419,889 (2024) vs. \$456,168 (2025), an increase of 8.6%

Inventory of Homes for Sale— 205 (2024) vs. 271 (2025), an increase of 32.2%

YTD Average Sales Price by Area

Delta Area - \$385,567

Surface Creek - \$460,349

North Fork - \$551,892