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Mountain West News

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Are you REALLY working with an AGENT?

When discussing a real estate transaction, people often refer to their real estate “agent”. But, is that person really your Agent? The terms “Agent” and “Agency” are based on Common Law, i.e. the body of unwritten laws established by legal precedents in courts. *Agency* indicates certain duties performed by an Agent for the client or principal, which include things like obedience, loyalty, fidelity and trust. An *Agent* works as an advocate for their principal, often rendering advice and counsel about the benefits and risks of a transaction.

In Colorado, all those licensed to perform real estate services are referred to as “brokers”. (There is no longer such a thing as a real estate “salesman”.) There are three levels of brokers recognized by the Colorado Real Estate Commission (CREC):

- those requiring supervision by an “Employing Broker”,
- those allowed to work on their own without supervision, and
- those authorized to oversee and supervise other broker associates of a company as an Employing Broker.

Not all Brokers are Agents.

The CREC requires real estate brokers to disclose to buyers and sellers their mutual brokerage relationship. The disclosures must be in writing at the beginning of the services rendered. A broker’s relationship to a buyer or seller can be either as an “Agent” or as a “Transaction Broker”. (NOTE: brokers aren’t permitted to be Agents for both buyer and seller in the same transaction.) A Transaction Broker is defined as a broker who assists one or more parties in a real estate transaction without being an advocate for any of the parties. The difference between an Agent and a Transaction Broker is often compared to the difference between a coach (e.g. Agent) and a referee (e.g. Transaction Broker).

Having an Agency relationship is usually considered to be more advantageous to a buyer or seller, due to the enhanced service levels of advice and counsel. *(continued on P2)*

Top 10 things to do when selling your home:

#1 Call us!
(We’ll handle the other 9.)

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P1

(continued from P1)

The Transaction Broker relationship is favored sometimes by brokers due to the decreased liability they incur with buyers and sellers.

In order to work as an Agent for a buyer or seller, Colorado law requires a written agreement, or contract. This written agreement is either a seller Listing Contract, or a Buyer Agency contract. These contracts each contain the required written disclosure that defines the brokerage relationship.

If no written agreement exists, the broker is working as a Transaction Broker, which is considered the “default” relationship. Lacking that written agreement, the Transaction Broker relationship must be disclosed on CREC-approved disclosure forms.

Lastly, and to add another level of complication, while the broker is an Agent for one party, the broker can work with the other party too. Since the other party has NO Agency relationship with the broker, that other party is labeled a “Customer”. The broker has no duties to a Customer other than to abide by the law and to treat the Customer honestly, fairly and ethically.

So: the word Agent is a loaded one, in a real estate context. Your licensed Colorado real estate agent is always a broker but s/he might not be your Agent. If you have questions about this topic, you can always call our offices for more information!

Fall is here and it is time to get your home ready for the colder months coming! Here are a few ideas to help you get started:

- Clean or possibly replace your gutter system. This can help keep drainage away from your foundation.
- Store outdoor furniture away. Keep your possessions looking new by properly storing them.
- Drain outdoor faucets. Prevent frozen pipes.
- Fertilize your lawn. Keep your lawn lush.
- Repair and seal damaged or exposed wood, brickwork, and shingles. The most moisture exposure happens with winter snows.
- Change batteries in smoke alarms and security systems. Always a good thing to do about every 6 months.
- Check for air leaks throughout your home; recaulk, or replace weather stripping. This can help with your heating bill if you properly seal any drafts that you find.



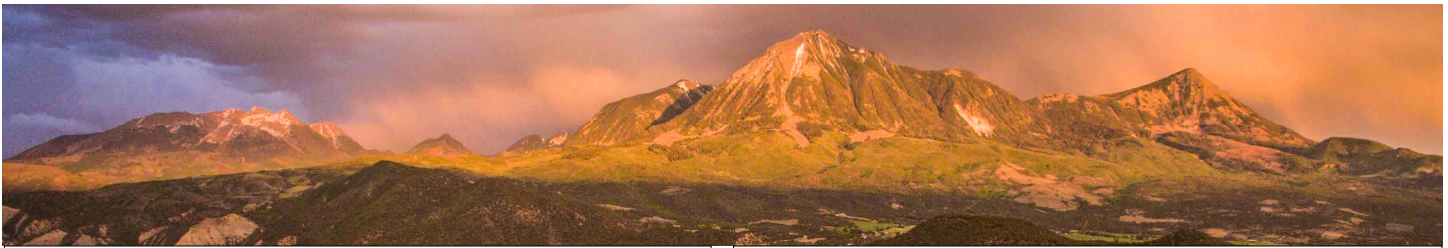
COMMUNITY HIGHLIGHTS

High Country Shopper

Most of our local readers are familiar with this weekly newspaper. “The Shopper” is a valuable resource for the whole community, providing information about events, items for sale, messages from loved ones, you name it! Some Classified ads are FREE, which is truly a service. If you love the Delta County area and want to stay more connected, check out the free e-edition of the Shopper online at highcountryshopper.com or look for the streetside distribution boxes.

KVNF

One of the very special features of our area is this NPR-affiliated radio station. It’s a hub for highest-quality local and national news, it’s a place to hear new music and old favorites, AND it’s an established center for community information. Whether you listen on the radio (FM 89.1 or 90.9) or visit their web site kvnf.org, you’ll get quality content, local DJs and music, and an insider view of the Western Slope. If you love KVNF, consider making a donation, because they are non-profit. Happy listening!



Legal marijuana in our towns

You may have seen in our local newspaper that two “pot shops” have been selected to operate in Cedaredge, and Paonia is in the process of determining vendors. We took a moment to see what’s happened in communities where retail marijuana operations have started up, especially as it relates to property values and crime rates.

Advocates for, and critics against, all offer sensible arguments which reflect their positions about legal marijuana presence in a community. We looked at data from the National Association of Realtors (pro-real estate professionals) and the Cato Institute (libertarian think tank started by Charles Koch) and it was interesting to note that these sources offered similar FACTS, despite having widely differing philosophies.

Some obvious effects of legalized marijuana in a state include a slight increase in purchasing versus leasing of warehouses, land and retail storefronts, which makes sense. HOAs and landlords (of both residential and commercial properties) have been adding provisions to their legal documents about restricting growth and consumption. Realtors® report that it’s easier to sell a property formerly used as a “grow house” as the passage of time reduces stigmatization and buyer reluctance.

Some not-so-obvious effects? There tended to be a gap between perception and reality, as far as property values and crime rates. While the perception was that crime would go up, it didn’t. While the perception was that nearby property values would go down, they didn’t. Now, this isn’t saying the opposite; in fact, both crime rates in residential areas and property values of residential real estate near dispensaries *stayed about the same* as they had been in the past.

One thing that absolutely affects all communities where there is legalized marijuana: sales tax revenues. There are multiple taxes imposed on these sales.

This year, the state of Colorado has collected over (cont’d.)

(cont’d.)

\$251 million through the end of July. In 2020, the total number for the year was over \$387 million. Both towns of Cedaredge and Paonia intend to levy additional taxes on each sale, which funds will contribute to improvements in infrastructure, policing, transportation, and parks. The state of Colorado continues to craft its legislative and regulatory positions and is considered a worldwide leader in the legal commercialized marijuana space.

References:

Colorado Dept. of Revenue: <https://revenue.colorado.gov/data-and-reports/cdor-annual-reports>. The Cato Institute: <https://www.cato.org/policy-analysis/effect-state-marijuana-legalizations-2021-update>. National Association of Realtors: <https://www.nar.realtor/research-and-statistics/research-reports/marijuana-and-real-estate-a-budding-issue> Delta County Independent newspaper: www.deltacountyindependent.com

IS there a bubble in the real estate market?

Fortune Magazine recently reported that there were 1.7 million homeowners in the mortgage forbearance program, which allows some borrowers to pause their mortgage payments. The current administration has no plans for another extension of this program, which is set to lapse on September 30th.

There are currently just over 600,000 homes for sale on Realtor.com, so even if a small percentage of that 1.7 million decided to sell instead of returning to their monthly payment obligations, would it cause a shock to the real estate market?

We think not, due to the following mitigating factors. Recent national indicators show that, although housing inventory has dropped substantially over the last year, it has actually been increasing on a monthly basis since May.

With demand still exceeding supply, we should stay in a seller’s market for some time. Home prices are up substantially over the past 2-3 years, and if these forbearance homeowners decide to sell, they should easily recognize a positive equity. This is very different from the Great Recession, when millions of homeowners were forced to sell at prices lower than the mortgage amounts.



Early Oct	Get out and about, this is the height of the Leaf Peeping season!
Oct 1 - 3	Cedaredge: Applefest . Bountiful local fruit harvests/5k run/live music/crafts/foods.
Oct 31	Halloween! Each town will have celebrations on 10/29, 10/30 and 10/31.
Oct & Nov	Paonia: "Art of Music" concert series continues at The Blue Sage. Live musicians & performers.
Nov 7	Daylight Savings Time ENDS; set your clocks BACK one hour.
Nov 25	Free/community Thanksgiving meals will be available in Cedaredge and Hotchkiss.
Dec 3	Delta: Annual Parade of Lights and Christmas at the Fort, 7 p.m.. Fun history and seasonal music.
Holidays	Whether you celebrate Christmas, Hanukkah, Kwanzaa or the Solstice, we're wishing you the best!

For more information on any of these events (and much more!), visit www.deltacountycolorado.com.



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POSTAGE



TO:

If your property is currently listed for sale, this is not intended as a listing solicitation.

...DID YOU KNOW?

The median home list price rose 13% annually in June, reaching a record high of \$385,000, according to Realtor.com®.

Meanwhile, the percentage of first-time home buyers fell to 31% in May and June, which is the lowest level in more than three decades, according to NAR research.

Here in Delta County, it's said that the labor market has made a "full" recovery since its low in April 2020, meaning that there are fewer unemployed individuals from the workforce. That being said, there are some industries that still see a loss of jobs (including many locally important ones such as mining, accommodations/food service, real estate and agriculture) but this is anticipated to improve over the next few quarters. There is a 54% increase in new business filings, and there are big jumps in sales tax collected. Also, certain industries like retail and construction are increasing wages, so the local economy is definitely chugging forward, which is great news!

SOURCES: National Association of Realtors August 4, 2021, www.delta-county-economic-newsletter-q3-2021.pdf (coloradomesa.edu)