

Flipping out! First-time home buyers in Colorado now dealing with another competitor

'Our Colorado' looks at first-time buyers' woes

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Editor's Note: *'Our Colorado' stories help natives and newcomers navigate the challenges related to our rapidly growing state, including real estate and development, homelessness, transportation and more. To comment on this or other 360 stories, email us at Our-CO@TheDenverChannel.com . See more 'Our Colorado' stories [here](#) .*

DENVER -- As if trying to buy a home in this market wasn't already difficult enough, now you can add flippers to the competition.

Experts estimate the appreciation in metro Denver neighborhoods is roughly 12-15 percent on average every six months.

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Because of that, flippers have flooded the market with cash because they know they can make a ton of money.

“Yep, this is a flip,” said Lori Abbey with RE/MAX Urban Properties as she showed us through a home more than a century old in Denver’s Five Points neighborhood. “In some cases, they are competition for a first-time home buyer.”

Spencer and Katelyn Crawford are would-be first-time homebuyers.

“It’s just been a really hard process,” said Katelyn. “It’s very competitive out there. It’s tough,” Spencer added.

The newlyweds just started looking for a home in April, but already know the pain of getting pinched out.

“I’ve cried many times,” Katelyn said.

The Crawford’s have been outbid on nine houses - losing out each time.

“We’ve been super aggressive,” Katelyn said. “These are offers that are \$20,000 over asking (price).”

The good news is — experts say you can compete with flippers and other cash buyers. Abbey says it comes down to three things:

1. Get pre-approved, which is different from getting pre-qualified.
 - Go through the underwriting process now.
2. If you can, set aside \$5-\$10,000 for an appraisal gap.
 - That way you can offer over appraisal if a lender caps you, sweetening the deal for sellers.
3. Be willing to take the house as is.

- If the inspection doesn't uncover any major repairs
– take it, and worry about the little things later.

“You have to hustle,” said Abbey. “You have to move. You are not going to get this job done if you are not moving quickly.”

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