



DENVER METRO OVERVIEW

Denver metro prices increased 16% from January to May and decreased 9% from June to September, a net of 7% appreciation for the year. We expect prices to drop another 1-2% before leveling out, netting 5-6% appreciation for 2022. We typically see February-April as the best months to sell a home and we expect this to hold true in 2023. That said, extreme seller markets are a thing of the past (thankfully!) and 2023 should be only a slight seller's market. If interest rates continue their upward trend, we could see a balanced market, but no buyer's market is expected any time soon.

Denver Metro Inventory

Single Family: 5,798 homes (up 106.9% from last year)
Condos & Townhomes: 1,885 homes (up 61.4% from last year)



Denver Metro Avg. Sold Price

Single Family: \$745,947 (up 8.0% from last year)
Condos & Townhomes: \$486,773 (up 9.7% from last year)



Denver Metro Avg. Days on Market

Single Family: 28 days (115.4% more days than last year)
Condos & Townhomes: 23 days (64.3% more days than last year)



INTERESTING TRENDS IN THE DENVER MARKET

- All price segments are currently slight seller markets, except luxury condos and townhomes >\$1MM, which is a balanced market.
- The improvements that have the greatest impact on selling in the current market are: interior & exterior paint, new flooring (especially luxury vinyl plank), and new hardware/fixtures, which collectively have a 300% return on investment.

SPOTLIGHT: INVENTORY & THE "LOCK-IN EFFECT"

Inventory in Denver metro was just over 1,000 homes in January, shooting up to almost 7,500 in July – the largest increase since 2010. Still, inventory is only half of the historic average, meaning there is still a large inventory shortage. Inventory levels are expected to stay low due to: 1) The "lock-in effect", where homeowners decide not to buy and sell a home because their current interest rate is much lower than current rates (in many cases, they are more than 4% lower) and 2) Many prospective sellers in a good financial position are deciding to buy a new home while renting their current one rather than selling due to high rents and lower sale prices. We expect low inventory levels to prevent the market from becoming a buyer's market this year and in 2023.

INTEREST RATE OUTLOOK

Currently, a 30-year fixed rate conventional mortgage for an owner-occupant single family home purchase with 20% down and a 740+ credit score is 7.00%, an increase of almost 3.75% since the first of the year. Forecasts are varied, but we expect rates to maintain their volatile changes of late, with perhaps a slight dip at the end of the year.

NOTES: Above statistics are based on information from REColorado for the period 1/1/2021 - 9/30/2022. The representations herein are based in whole or in part on content supplied by REColorado which does not guarantee nor is in any way responsible for its accuracy. Content may not reflect all market activity.



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