



DENVER METRO OVERVIEW

Homes appreciated 6% during the first quarter - an impressive figure consistent with each of the past 5 years. As we enter April, market momentum isn't slowing down – and we don't expect it to until July. That said, interest rates are on everyone's mind and a rate rally over the next couple months could maintain market enthusiasm into August and beyond. Whereas demand is already strong, a huge wave of additional buyers exist. These buyers are waiting for rates to decline and/or prices to come down. The former should happen during the second half of 2023, whereas the latter will not. Our 2023 forecast remains at 1%-3% appreciation for the year.

Denver Metro Inventory

Single Family: 2,618 homes (up 206.9% from last year)
Condos & Townhomes: 1,160 homes (up 211.0% from last year)



Denver Metro Avg. Sold Price

Single Family: \$731,318 (down -1.4% from last year)
Condos & Townhomes: \$473,995 (up 3.1% from last year)



Denver Metro Avg. Days on Market

Single Family: 49 days (250.0% more days than last year)
Condos & Townhomes: 45 days (181.2% more days than last year)



SPOTLIGHT: A TALE OF TWO LISTINGS

Today's dichotomy between homes that sell quickly (7 days or less) and sell slowly (30+ days) has never been as extreme. During March, 80% of all homes sold, either sold quickly (40%) or slowly (40%), with just 20% of homes taking a moderate amount of time (8-29 days) to sell.

WHY? Two reasons: (1) Updated homes are selling quickly (and at a premium) because buyers do not have the time or money to perform updates themselves. (2) Homes that are priced well are selling quickly, whereas homes priced high – based on inflated comp values from last summer - are having to take multiple price reductions over multiple weeks before they sell.

WHY DOES THIS MATTER? Homes selling quickly, sell at 101.1% of final list price and homes that sell slowly, sell at just 98.0% of final list price. Put another way, updated and well-priced homes are selling 1.1% over seller expectation and outdated, overpriced homes are selling 2.0% under seller expectation. We love diving into these important details and offering these insights to you - you'll only find them here!

INTEREST RATE OUTLOOK

Interest rates started the year at 6.50%, lowered to 6.00% and then increased to 7.00%, before finally settling at 6.625% to end March. We saw daily fluctuations of as much as 0.375%. For every 1.0% change in rate, mortgage payment changes 10%, thus a \$500K loan will cost \$3,000 per month @ 6.0% vs. \$3,325 @ 7.0% - a difference of \$325 per month – which is significant. We will continue monitoring rates closely.

NOTES: Above statistics are based on information from REColorado for the period 4/1/2022 - 3/31/2023. 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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