



DENVER METRO OVERVIEW

Market-wide Denver metro real estate appreciated 12% in 2020, outperforming nationwide (9%), statewide (7%), and the Colorado Springs market (11%). While the national median home cost is \$320K, the median cost in Denver metro is \$470K – almost 50% more. Though some believe a bubble is brewing, we remain confident and expect 6%-8% Denver metro appreciation in the New Year, due to the 6th best job retention rate among large US cities and Colorado’s continued popularity. The US News & World Report’s top “150 Best Places to Live in the US” contained 4 Colorado cities in the top 5! #1 Boulder #2 Denver #4 CO Springs and #5 Fort Collins. Wow.

Inventory

Single Family: 1,755 homes (down 63% from last year)



Condos & Townhomes: 1,660 homes (down 27% from last year)



Average Sold Price

Single Family: \$616,000 (up 15.0% from last year)



Condos & Townhomes: \$391,000 (up 7.5% from last year)

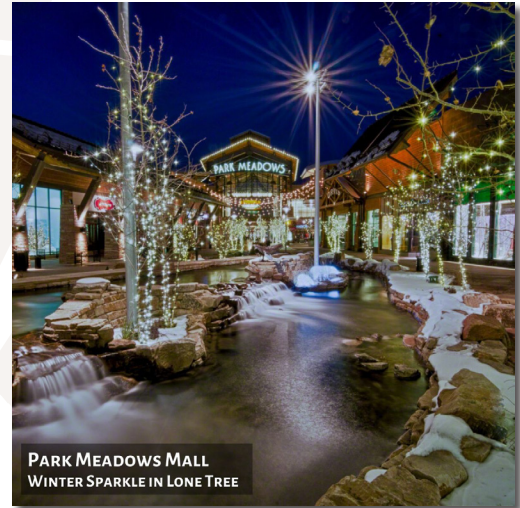


Average Days on Market

Single Family: 20 days (44% fewer days than last year)



Condos & Townhomes: 25 days (26% fewer days than last year)



INTERESTING TRENDS IN THE DENVER MARKET

- 90% of Denver metro area neighborhoods saw price increases during 2020. What area failed to appreciate? Luxury condos in and around downtown Denver decreased 5.5%.
- How difficult is it to obtain Section 8 subsidized housing? A recent Denver lottery selected less than 1,000 applicants out of nearly 23,000 qualifying households who applied.
- Stucco is the most common exterior material for new homes at 27%, with brick being the least popular; brick ages much better than stucco and is probably the better investment despite its higher cost.
- The East Troublesome Fire, Colorado’s second largest in history, covered approx. 1/3 of Grand County, but fortunately burned only 300 homes due to stellar firefighter efforts; that’s less than 2% of all homes in the county.

SPOTLIGHT: MASS FORECLOSURES IN DENVER

With mortgage forbearance protection ending at the end of March ‘21 (for now) and the number of loans that are 90+ days past due being five times greater than a year ago, there will be mass foreclosures in Denver, right? Probably not. Why? The WSJ reports that only 3% of homes nationwide are underwater, the lowest number in 10 years. On a local level, the average home equity in the metro area increased from \$10K in 2008 (time of last market collapse) to \$75K at the end of 2020 (and rising!). Consumers don’t foreclose when they have equity and are behind on payments, they typically sell or refinance.

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 2.50%. Refinance rates are slightly higher at 2.875% due, in part, to the new “adverse market fee” being charged on all refi loans, which began December 1st.

NOTES: Above statistics are based on information from REColorado for the period 1/1/2020 - 12/31/2020. 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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