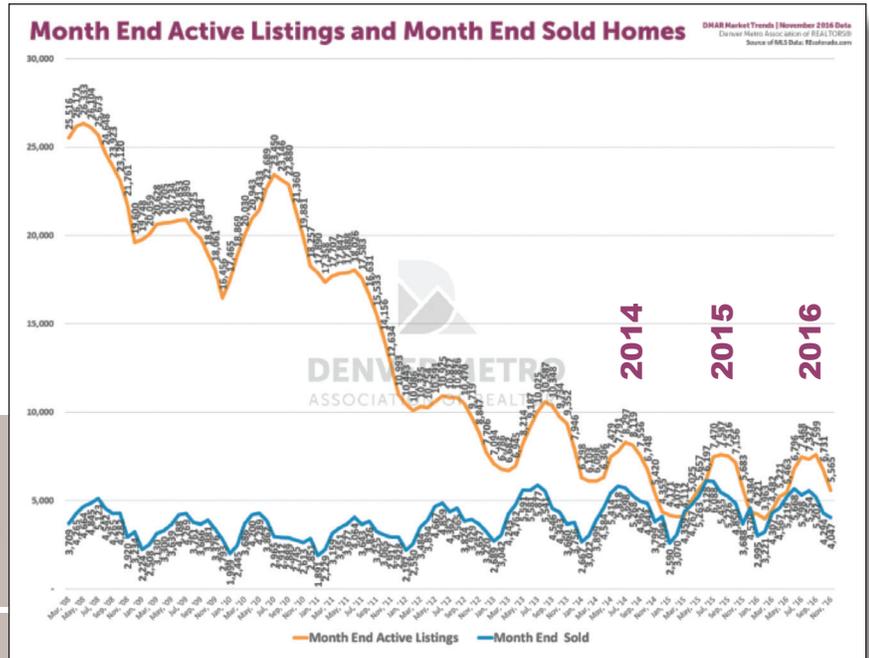




### GENERAL

We are seeing early signs of the Denver metro market slowing down, which comes as great news to many consumers wondering why they continue to be priced out of the market. The graph below depicts the number of homes sold (demand) vs. the number of active listings (supply) in the Denver metro area from 2008 to the present. You can see from 2008-2013, the inventory vastly outnumbered sold homes, however the past 3 years was very closely matched.

That said, I don't expect the market to decrease in price for at least another couple years, which means the market should remain level or appreciate for a while. Consumers should expect the market to appreciate somewhere between 6%-8% in 2017.



Courtesy of Denver Metro Association of Realtors, December 2016.

### Average Sold Price

Denver Metro Single Family:  
\$447,000 (up 11% from last year)

Denver Metro Multifamily:  
\$297,000 (up 7% from last year)



### Average Days on Market

Denver Metro Single Family:  
39 days (5% more days from last year)

Denver Metro Multifamily:  
31 days (7% more days from last year)



### INTERESTING TRENDS

- Denver is one of the hottest new construction markets in the nation, which is leading to consumer complaints, quality concerns, and significant delays with builders.
- The number of new construction purchases has led to many consumers experiencing "sticker shock" on the final purchase price of their new homes. In order to combat this, buyers should expect a 15%-25% premium over "list price" of homes in order to pay for upgrades, such as flooring, countertops, lot premiums, etc.
- With recent rate hikes, more buyers are inquiring sellers about seller financing, something of which the Consumer Financial Protection Bureau is making very difficult for sellers to offer due to regulations and liability.
- The Federal Housing Finance Agency (FHFA) is increasing loan limits on FHA loans to \$493,350 for most areas in the Denver metro area. This is great news for consumers wishing to afford Denver's recent appreciation.

### INTEREST RATE WATCH

Since the November elections, interest rates have increased about 1%, which hasn't had a significant impact on the market yet due to the traditionally slow winter months. This most likely will change in the first quarter, unless rates decrease. Looking forward, the Feds are considering 3 rate hikes in 2017. The last time they announced a series of rate hikes, they only increased them once so we'll see what happens. A friend of mine, Ralph Wieleba of Hanover Mortgage, sees a rate pull back coming soon where rates decline 25 to 50 basis points to the low 4% range in early 2017.

### NOTES

Above statistics are based on information from REColorado for the period 1/1/2008 - 12/31/16. 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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