



DENVER METRO OVERVIEW

The Denver market generally treats sellers best in spring and early summer, while favoring buyers in fall and early winter. 2019 experienced a slight change in this dynamic when the market peaked in late spring, fell off in late summer, but came back in the final months of the year. While the record numbers of May/June have not been caught yet, the current upward trend favors a stronger market for the upcoming spring than many predicted. What's causing this market rebound? Two things: inventory and interest rates. The total number of homes (single family and condo/townhomes) available for sale is just 7,000 (down 7.2% from 12 months ago) and interest rates have remained among the lowest seen in 5 years.

Inventory

Single Family: 4,700 homes (down 12% from last year)



Condos & Townhomes: 2,300 homes (up 6% from last year)



Average Sold Price

Single Family: \$538,000 (up 6.9% from last year)



Condos & Townhomes: \$366,000 (up 2.8% from last year)



Average Days on Market

Single Family: 36 days (9.1% more than last year)



Condos & Townhomes: 34 days (17.7% more than last year)



2019 OUTLOOK & INTERESTING TRENDS

- The average desired margin on a \$400K fix and flip home in Denver? \$30K-\$35K according to our fix and flip contact, Alex Saldana, who completes 3-5 flips/year.
- The population growth of lawyers in Denver is the third fastest in the nation. The luxury and core metro area segments are most impacted as firms generally locate near more affluent and business-centric areas.
- Federal regulators are not requiring full appraisals on many purchases under \$400K for the first time in 25 years, saving buyers around \$600. (Cheers to our buyers, Jacobie and Gus, who recently benefited from this new change!)
- 50% of closed transactions have seller concessions; up significantly from a couple years ago.

SPOTLIGHT: OPEN FLOOR PLANS

The popularity of the open concept floor plan is seeing early signs of slowing down after being one of the hottest real estate trends over the past few decades. While real estate trends take a long time to reverse, it would not be surprising to see alternative styles enter popularity 10-15 years from now. Possible new trends include more compartmentalized, private, or segmented floorplans and more seamless indoor/outdoor lifestyle concepts; the latter being a seasonal challenge in Denver.

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 4.00%. Freddie Mac, a quasi-government publicly owned company, recently forecasted stagnant rates for the next 2 years subject to unexpected economic events.

NOTES: Above statistics are based on information from REColorado for the period 1/1/2018 - 12/31/2019. 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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