



DENVER METRO OVERVIEW

With inventory, interest rates, and demand trends at or near all-time lows, we expect appreciation of 8%-10% in the Denver metro area during 2022, with suburban areas seeing gains of 10% or more. For those wishing to buy in the New Year, we recommend doing so sooner rather than later. Historically, the supply of active listings dips to its lowest point in February and peaks in September, which would normally indicate it's best to wait and purchase in September, however given the appreciation we expect during the first half of 2022, waiting until September will cost at least 8% more. With interest rates ramping up, the cost of waiting to buy increases even further.

Denver Metro Inventory

Single Family: 968 homes (down 26.4% from last year)
Condos & Townhomes: 509 homes (down 58.5% from last year)



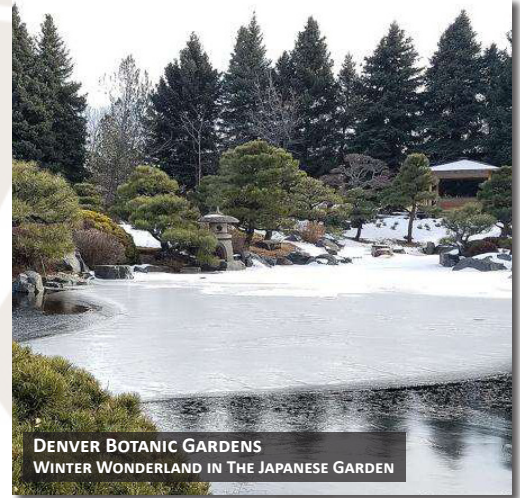
Denver Metro Avg. Sold Price

Single Family: \$705,753 (up 15.6% from last year)
Condos & Townhomes: \$441,390 (up 13.7% from last year)



Denver Metro Avg. Days on Market

Single Family: 19 days (5% fewer days than last year)
Condos & Townhomes: 17 days (46.9% fewer days than last year)



INTERESTING TRENDS IN THE DENVER MARKET

- The counties of Douglas, Denver, and Arapahoe were among the fastest growing in the metro area over the past 10 years, growing at 25%, 19%, and 15%, respectively
- Some US cities are providing incentives to recruit remote workers to relocate there; examples include Tulsa, OK and Tucson, AZ, which provides money to help cover the purchase of a home (Tulsa) and moving costs (Tucson)
- Recent political headwinds make legislation limiting the benefits of 1031 tax deferred exchanges highly unlikely – a boon for real estate investors

SPOTLIGHT: TAX-FRIENDLY RETIREMENT DESTINATIONS

Looking to retire in the next 5-10 years and deciding where to live? The tax-friendliest states for retirees were recently ranked by Kiplinger's. Keep in mind that lifestyle, nor weather, were accounted for. The tax friendliest were Delaware followed by AZ, NV, WY, TN, and SC. Stay away from New Jersey with its property taxes that are almost 5X more expensive than Colorado. Other expensive states for retirees were east coast states of NY, CT, and VT and rural states of KS, IA, and NE.

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 3.25%. Rates have already increased 0.25% since the beginning of the year and are predicted to increase another 0.50% during 2022, which will decrease purchasing power by another 5%. This means borrowers who could qualify for a \$750K home will only qualify for a \$710K home if rates increase as forecasted. Buyers in 2022 should buy early!

NOTES: Above statistics are based on information from REColorado for the period 1/1/2020 - 12/31/2021. 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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