



DENVER METRO OVERVIEW

The roller coaster Denver market can best be explained in 6 month increments. During the first half of 2018, the market appreciated 8%, depreciated 6% during the second half, and appreciated 10% during the first half of 2019, for a net effect of 12% over the 18 month span. Assuming stagnant interest rates, continued inventory trends, and predictable seasonality factors, our prediction for the second half of 2019 is a market decline of 3%-4%. Buyers waiting to purchase in the second half of the year should expect a better buying market and sellers may consider selling their homes in July or August or waiting until next spring season.

Inventory

Single Family: 6,300 homes (up 29% from last year)

Condos & Townhomes: 2,600 homes (up 65% from last year)



Average Sold Price

Single Family: \$555,000 (up 2.9% from last year)

Condos & Townhomes: \$380,000 (up 6.5% from last year)



Average Days on Market

Single Family: 23 days (15% more than last year)

Condos & Townhomes: 27 days (59% more than last year)



2019 OUTLOOK & INTERESTING TRENDS

- Despite many moving out of the area due to cost of living, the Denver metro area had a net influx of 11,000 people over the past year, making it one of the nation's most popular migration destinations
- A significant number of retiring baby boomers are buying up ranch homes and/or investing in remodel projects including higher toilets, grab bars, and showers with "zero clearance entry"
- Signs of a slower second half of 2019: builders reporting slower foot traffic in model homes, fewer full price offers and multiple offer situations, and buyers that are more aggressive regarding inspection items
- Development in Cherry Creek has been very hot over the past 5 years with construction of 2,000 new residential units, nearly 1,000,000 sq ft of office and retail space, and 500 hotel rooms
- Less than 2% of mortgages are past due, giving Colorado the lowest state rate for mortgage delinquencies
- The average credit score for Coloradans is 694; the minimum score required to qualify for the best interest rates is 740; the minimum required for a FHA loan is 580

INTEREST RATE UPDATE

While economic data points have been strong, financial sentiment is weakening as fears of a China trade war grow. Interest rates have lowered significantly since the beginning of the year when rates were at 4.625%. Currently, a 30-year fixed rate conventional mortgage for owner occupant buyers with 20% down and a 740+ credit score is 4.00%. The U.S. Federal Reserve has stated they will not raise interest rates for the rest of the year.

NOTES: Above statistics are based on information from REColorado for the period 1/1/2018 - 6/30/2019. 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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