





GENERAL

The market experienced its usual “summer slowdown” near the second half of July and hasn’t gained much momentum since. Usually we see a stronger market after Labor Day, but the market hasn’t quite recovered due to higher interest rates (up about ¾ percent from January) and a growing concern over Denver metro residential affordability. We experienced similar tones last year at this time, only to see a very strong market the following spring. I expect history to repeat itself with a rebound this coming spring, however I believe the market will be a bit more “balanced” to the tune of 5%–6% appreciation over the next 1–2 years rather than the double digit growth we’ve experienced over the past 5 years.





Average Sold Price

Denver Metro Single Family: \$525,000 (up 9.2% from last year) 

Denver Metro Multifamily: \$346,000 (up 9.2% from last year) 

Average Days on Market

Denver Metro Single Family: 23 days (unchanged from last year) 

Denver Metro Multifamily: 20 days (5.3% less from last year) 

INTERESTING TRENDS IN THE DENVER MARKET

- A recent survey by 24/7 Wall St ranked Colorado as having the best economy in the US for the second year in a row (due to GDP and population growth)
- Buyer activity has slowed and we are seeing fewer multiple offer scenarios, fewer inspection allowances, and fewer appraisal shortfall guarantees
- Well priced, turn-key homes continue to sell quickly at or above list price after 1 or 2 weekends on the market
- Due to higher interest rates and lower purchase power, new mortgage applications are down 4.5% compared to last year

NEW TENANCY LAWS

New tenancy laws are going into effect. The first is as follows: Colorado landlords must provide receipts for “in person” payments with cash or money order (effective 8/8/18) with date, amount, and name of recipient. Upon request, receipts must also be sent for cash or money orders not given in person. Also effective 8/8/18, Colorado landlords must provide a copy of the lease, signed by all parties, to tenant within 7 days of execution by tenant. The City of Denver has added now added “source of income” as a protected class. Effective January 1, 2019, Denver landlords with more than 1 rental property must consider Section 8 vouchers, VASH, CCH and other non-conventional sources of income when considering tenant applications.

WHAT'S GOING ON WITH MORTGAGES?

- Interest rates are forecasted to increase to the 5%–5.25% range during the first half of 2019 (up from 4.75% currently)
- Appreciation is expected to average 5%–5.5% in 2019 with higher appreciation under \$400K and less over \$1MM.
- The Cost of Waiting... a \$425K home today will cost \$21,250 more a year from now, which is \$106 more per month in mortgage payment, not including any interest rate increases that will occur over the next year
- In September the Federal Reserve raised rates for a third time in 2019, in addition the Fed forecasted another rate increase in December and 3 more hikes in 2019

NOTES: Above statistics are based on information from REColorado for the period 1/1/2017 - 9/30/18. 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.



Bryan K Zerr, Realtor & CPA
Greenwood + Estates Realty

bryan@greenwoodestatesrealty.com | 720.334.6465 | www.greenwoodestatesrealty.com

Bryan is a licensed Managing Broker and Certified Public Accountant in the State of Colorado. He resides in the Denver Tech Center where he passionately follows the Denver Metro Area real estate market. His interests include local politics, staying physically fit, and volunteering at his alma mater, Regis Jesuit High School, in various capacities including coaching wrestling and as a member of the Ignatian Identity Committee.

