



## DENVER METRO OVERVIEW

Despite seemingly “runaway” home prices in Denver metro, the three factors that keep us optimistic about the housing market over the next couple years are: low interest rates, low inventory, and pent-up demand. While we don’t anticipate continued double digit annual price growth, we predict annual appreciation of 4%-8% over the next two years. While inventory almost always increases in Q3, we’ve seen inventory decrease heading into Q4, which means we shouldn’t be surprised to see values holding steady, if not increasing in certain segments later this year.

### Inventory

Single Family: 2,469 homes (down 25.3% from last year)

Condos & Townhomes: 1,113 homes (down 49.2% from last year)



### Average Sold Price

Single Family: \$688,000 (up 14.3% from last year)

Condos & Townhomes: \$438,000 (up 16.3% from last year)



### Average Days on Market

Single Family: 10 days (56.5% fewer days than last year)

Condos & Townhomes: 14 days (41.7% fewer days than last year)



## INTERESTING TRENDS IN THE DENVER MARKET

- The nation’s hottest submarket? Zip code 80916, which is located in southeast Colorado Springs!
- As prices skyrocket, expect outer Denver neighborhoods such as East Colfax and Chafee Park to gentrify over the next 10 years
- Some well-known lenders are expected to begin accepting bitcoin for mortgage payments later this year
- In August of 2010, 32% of home sales were distressed in Denver metro vs only .2% of current sales

## SPOTLIGHT: LOCAL & NATIONAL MIGRATION TRENDS

Real estate investment cooled in June, and is now popular once again. Why? Generally, real estate investors assess five variables when deciding the attractiveness of rental investments, most notably: current prices, current rents, vacancy, interest rates, and expected future appreciation. While vacancy, interest rates, and expected future appreciation have all remained steady, current prices and rents became more investor/friendly during Q3 as prices decreased 2%-3%, while rent prices increased from 5-10%! With current rents at all-time highs, investors can now justify investing once more.

What can you expect for rental prices? Median rents are \$1.4K for a one bedroom and \$1.7K for a two bedroom. The hottest areas for rental growth are Denver suburban areas, including Parker, Castle Rock, and Thornton, which have experienced rent increases of 20% over the past year.

## 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 3.00%.

NOTES: Above statistics are based on information from REColorado for the period 1/1/2020 - 9/30/2021. 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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