



GENERAL

Denver's housing inventory (i.e. homes available for sale) hit a 5-year high in September at 8,800; finishing the year at just over 7,500 homes. Some media outlets have been quick to report the Denver market is now a buyer's market and has slowed for good, however it's important to note that the historical average for inventory at the end of the year is 15,000 homes (almost double the current figure!). Additionally, it's interesting to note that the highest level of inventory we've ever had was 27,530 in November of 2006, almost 4 times where we currently sit.

Inventory

Denver Metro Single Family: 5,373 homes (up 42% from last year)

Denver Metro Multifamily: 2,157 homes (up 61% from last year)



Average Sold Price

Denver Metro Single Family: \$506,000 (up 5.4% from last year)

Denver Metro Multifamily: \$358,000 (up 10.7% from last year)



Average Days on Market

Denver Metro Single Family: 32 days (unchanged from last year)

Denver Metro Multifamily: 28 days (7.7% more than last year)



2019 OUTLOOK & INTERESTING TRENDS

- I recently attended a Realtor roundtable and two real estate conferences where economists and other managing brokers spoke about the Denver market. The consensus was that residential housing will appreciate 3%-6% in 2019 with homes \$500K+ appreciating 3% and homes <\$500K appreciating closer to 6%.
- The 40-year average for annual appreciation is 6% for single family homes and 5.5% for condos and townhomes.
- Colorado is not getting the marijuana tourists and permanent recreational "migrants" it once did, particularly after a 10th state recently legalized recreational marijuana (Michigan). Economists believe marijuana contributed about 20% to the housing market gains from 2012-2018.
- We are starting to see an oversaturation of the apartment market, including areas like Downtown and the Denver Tech Center (DTC) where rents have been stagnant or even declined.

INTEREST RATE UPDATE

- Interest rates on a 30-year fixed rate conventional mortgage for buyers with 20% down and a 720+ credit score was just over 4.75% at the end of year. After polling 3 lender acquaintances, the general consensus is that we'll be near 5.5%-5.75% by the end of 2019.

NOTES: Above statistics are based on information from REColorado for the period 1/1/2017 - 12/31/18. 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.



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