DENVER METRO ASSOCIATION OF REALTORS® | MARKET TRENDS REPORT

JANUARY 2024

The following statistics are for residential (detached and attached) properties.

Median Close Price
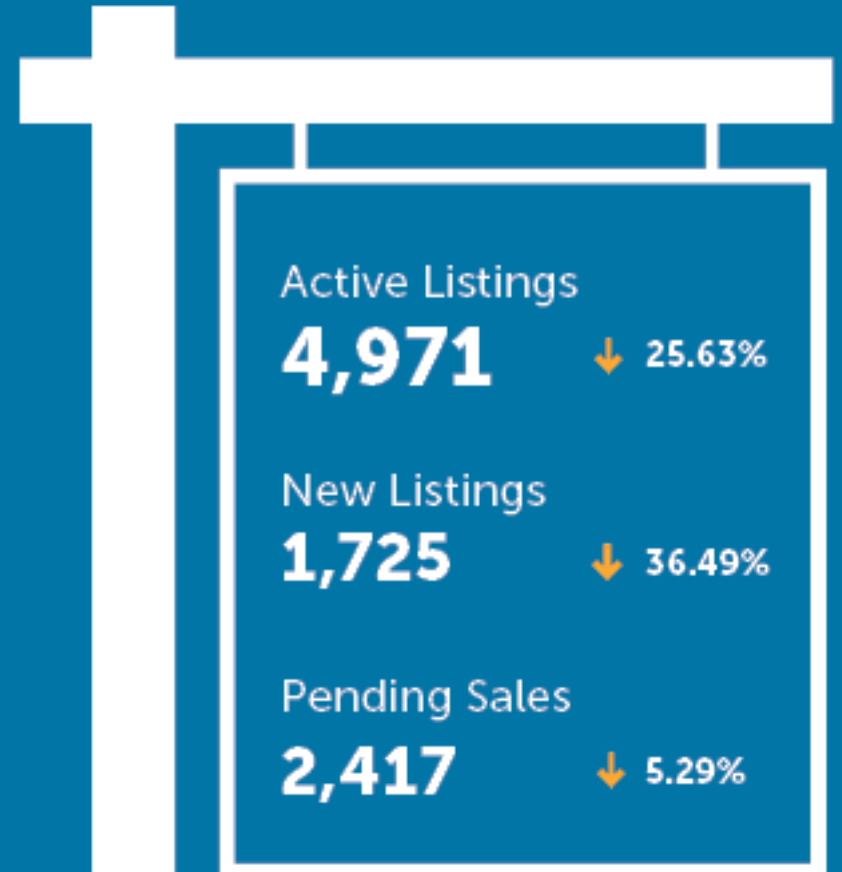## $551,993
↓ 2.80%

Closed Homes
2,620 SALES
↓ 7.65%

Sales Volume
$1.72 BILLION
↓ 8.12%

Months of Inventory
1.90 MONTHS
↓ 24.00%

Median Days in MLS
29 DAYS
↑ 31.82%

Active Listings
4,971   ↓ 25.63%

New Listings
1,725   ↓ 36.49%

Pending Sales
2,417   ↓ 5.29%

Data Source: REcolorado
December 2023 Data | Month-Over-Month

Exclusive MTR Partner

THE RUETH TEAM

Market Overview

		Dec. 2023		Nov. 2023		Dec. 2022	Month-Over-Month	Year-Over-Year
Residential (Detached + Attached)								
Active Listings at Month's End		4,971		6,684		4,757	-25.63%	4.50%
New Listings		1,725		2,716		1,734	-36.49%	-0.52%
Pending		2,417		2,552		2,180	-5.29%	10.87%
Closed		2,620		2,837		2,889	-7.65%	-9.31%
Close Price - Average	$	657,229	$	660,603	$	636,119	-0.51%	3.32%
Close Price - Median	$	551,993	$	567,875	$	554,990	-2.80%	-0.54%
Sales Volume	$	1,721,940,734	$	1,874,129,944	$	1,837,747,151	-8.12%	-6.30%
Days in MLS - Average		46		38		43	21.05%	6.98%
Days in MLS - Median		29		22		30	31.82%	-3.33%
Close-Price-to-List-Price Ratio		99.25%		98.58%		98.42%	0.68%	0.84%
Detached								
Active Listings at Month's End		3,505		4,743		3,407	-26.10%	2.88%
New Listings		1,228		1,897		1,177	-35.27%	4.33%
Pending		1,723		1,814		1,525	-5.02%	12.98%
Closed		1,850		1,996		2,028	-7.31%	-8.78%
Close Price - Average	$	733,116	$	741,103	$	706,806	-1.08%	3.72%
Close Price - Median	$	613,500	$	626,550	$	600,000	-2.08%	2.25%
Sales Volume	$	1,356,264,719	$	1,479,241,873	$	1,433,402,388	-8.31%	-5.38%
Days in MLS - Average		46		38		44	21.05%	4.55%
Days in MLS - Median		29		22		32	31.82%	-9.38%
Close-Price-to-List-Price Ratio		99.55%		98.49%		98.29%	1.08%	1.28%
Attached								
Active Listings at Month's End		1,466		1,941		1,350	-24.47%	8.59%
New Listings		497		819		557	-39.32%	-10.77%
Pending		694		738		655	-5.96%	5.95%
Closed		770		841		861	-8.44%	-10.57%
Close Price - Average	$	474,904	$	469,546	$	469,622	1.14%	1.12%
Close Price - Median	$	418,701	$	417,000	$	408,650	0.41%	2.46%
Sales Volume	$	365,676,015	$	394,888,071	$	404,344,763	-7.40%	-9.56%
Days in MLS - Average		45		40		38	12.50%	18.42%
Days in MLS - Median		30		22		26	36.36%	15.38%
Close-Price-to-List-Price Ratio		98.53%		98.78%		98.72%	-0.25%	-0.19%

Market Highlights

Realtor® Insights:

- Amidst a slowdown in buyer activity, longer days on the market and more back-on-market listings, some sellers now require higher earnest money deposits.
- Real estate agents are reporting a slight uptick in buyers expressing interest in purchasing a property at the onset of 2024, likely due to the dip in mortgage rates and the Federal Reserve's projection of three rate cuts this year.

Local News:

- Rapid appreciation in property values across Colorado has propelled school districts and local governments towards a projected 25 percent jump in property tax rolls, even after a $434 million tax cut was approved earlier this year.
- To address the housing affordability challenge for educators, some school districts are exploring building tiny homes on their land.
- Thomas James Homes, the luxury home builder in central Denver, will be leaving the Denver market after completing 34 current projects throughout the city.
- A majority of Colorado voters say homeownership is only going to become less attainable, voicing concerns about the cost of living and the state's broader affordability.
- The Denver Housing Authority completed the renovation of a former medical office building at 655 Broadway into an affordable apartment complex. The nine-story building houses 96 affordable units for seniors and disabled individuals.

National News:

- Despite tax cuts, home values are still expected to rise 28 percent this fiscal year, impacting tax bills due in 2024.
- Nationwide, existing home sales rose by 0.8 percent in November, marking the first increase in five months.
- Interior design trends for 2024 highlight a shift from black houses, brass fixtures, sharp angles and white oak floors and finishes to more earth-toned homes, silver fixtures, curved architecture and rich, darker wood tones.
- Peach Fuzz is Pantone's Color of the Year for 2024.
- A recent survey revealed that one in five homeowners with plans to move had considered renting their homes in 2023; however, financial constraints and manageability realities led 64 percent of them to ultimately decide against becoming landlords.
- Heat pumps are now beating out fossil-fuel-powered gas furnaces in installations and are a strong selling point for sustainability-conscious buyers.

- More than a third of non-agent sellers (for-sale-by-owners or owners who sold to an iBuyer) said the selling process was more difficult than they expected, admitting that they struggled to understand their purchase contract, made legal mistakes and were distrusted by buyers in the marketplace.
- Conditions for housing are expected to improve as interest rates decline, unlocking inventory, fostering moderate home price appreciation and facilitating smoother transactions.

Mortgage News:

- 2023 witnessed mortgage rate volatility, introducing uncertainty among buyers. While the 30-year mortgage rate began and ended the year at 6.6 percent, rates got as low as 5.99 percent and as high as eight percent.
- Federal Reserve Chair Powell turned dovish, or favoring expansionary policy, as he announced three rate cuts in 2024. Despite the current federal rate standing at 5.5 percent and Core PCE at 3.2 percent, which is considered highly restrictive, it would require a series of nine rate cuts or a 2.25 percent reduction to shift towards an accommodative stance.
- The market believes the Fed will start cutting rates as soon as March, since inflation is expected to drop for both January and February based on 2023's 0.5 percent and 0.4 percent month-over-month numbers getting replaced by 0.1 to 0.2 percent. However, geopolitical events creating additional chain restrictions could alter this trajectory.
- While an assumption purchase can assist a buyer in securing a low-interest mortgage, servicers such as PennyMac are severely backlogged, causing transactions to extend 90 days or more.
- For housing to become attainable, Americans either need mortgage rates to fall below 5.5 percent, wages to increase or a combination of these factors.

Quick Stats:

- Average active listings for December are 12,150 (1985-2022).
- Record-high December was 2007 with 24,603 listings and the record-low was set in 2021 with 1,477 listings.
- The historical average decrease in active listings from November to December is 17.06 percent. This year's decrease of 25.63 percent is higher then the seasonal norm, but is inline with what we've seen over the last 10 years at 22.5 percent.

Expert Opinion on the Denver Metro Residential Real Estate Market

Libby Levinson-Katz

Chair of the DMAR Market Trends Committee and Denver Realtor®

This time of year, I enjoy reflecting on a closed chapter while holding optimism for what may transpire in the year ahead. Last year, the Denver real estate market was challenging. We dealt with a lack of inventory and interest rates that seemed to go up daily. Despite these issues, buyers and sellers found a way to come together in a stabilizing market. Sellers said goodbye to multiple offers received in a weekend, and buyers were finally able to negotiate. As mortgage rates continue to decline, we all want to know what the Denver real estate market has in store this year.

If rates continue to decline, I expect to see more buyers enter the marketplace. There has been significant pent-up demand from both buyers and sellers over the last two years who have been interest rate adverse. If demand increases, this will ultimately provide some pressure on home prices. While I do not think we will see the same upward pressure on prices that we saw a few years ago, prices will continue to rise. If demand spikes, inventory will grow throughout the year as sellers find comfort in making a move with more reasonable financing options. Additionally, I expect the selling season to start earlier this year than last. With pent-up demand, more favorable lending terms and warmer temperatures than last year, there is nothing stopping buyers from getting out there.

Although interest rates started their descent in November, December numbers stayed consistent with Denver's seasonal rhythm. Month-over-month the median close price dropped 2.8 percent to $551,993, while closed sales dropped 7.65 percent to 2,620. Most notably, the median days in MLS jumped 31.82 percent from 22 to 29 days.

However, the outlook is more positive if we compare the numbers to this time a year ago with the same seasonal factors. Year-over-year new listings declined by only nine homes from last year with 1,725 new homes for sale, and pending sales increased 10.87 percent to 2,471 homes. The median close price jumped a little over $1,000 and median days in MLS decreased slightly from 30 days last year to 29 days.
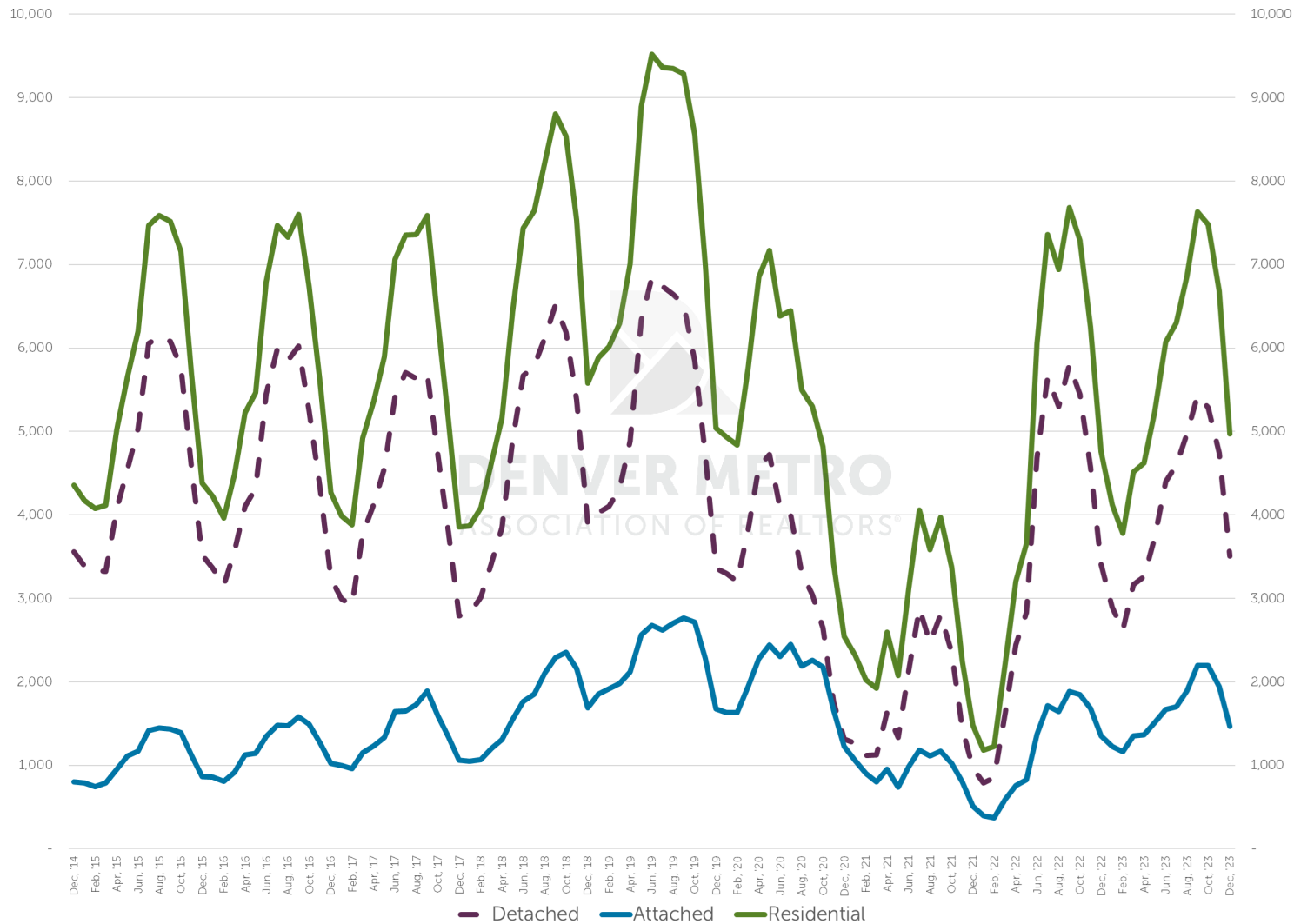
The performance was better for single-family homes year-over-year with new listings increasing 4.33 percent and pending sales rising 12.98 percent. The median close price increased 2.25 percent from $600,000 to $613,500, the close-price-to-list-price ratio increased to 99.55 percent, and median days in MLS declined from 32 to 29 days.

Conversely, attached homes were a bit more sluggish year-over-year with new listings down 10.77 percent, closed sales declining by 10.57 percent, median days in MLS increasing to 30 days and the close-price-to-list-price ratio declining to 98.53 percent. However, interest rates helped pending sales with a 5.95 percent increase and the median close price rose 2.46 percent to $418,701.

As previously noted, 2023 performed most similarly to a pre-pandemic 2019. While new listings and closed sales were both higher in 2019, a higher median close price of $580,000 last year kept sales volume similar with only a 0.76 percent decline. Similarly, while inventory continued to climb each month, active listings at month-end declined slightly by 1.31 percent while median days in the MLS landed at 12 days versus 13 days in 2019.
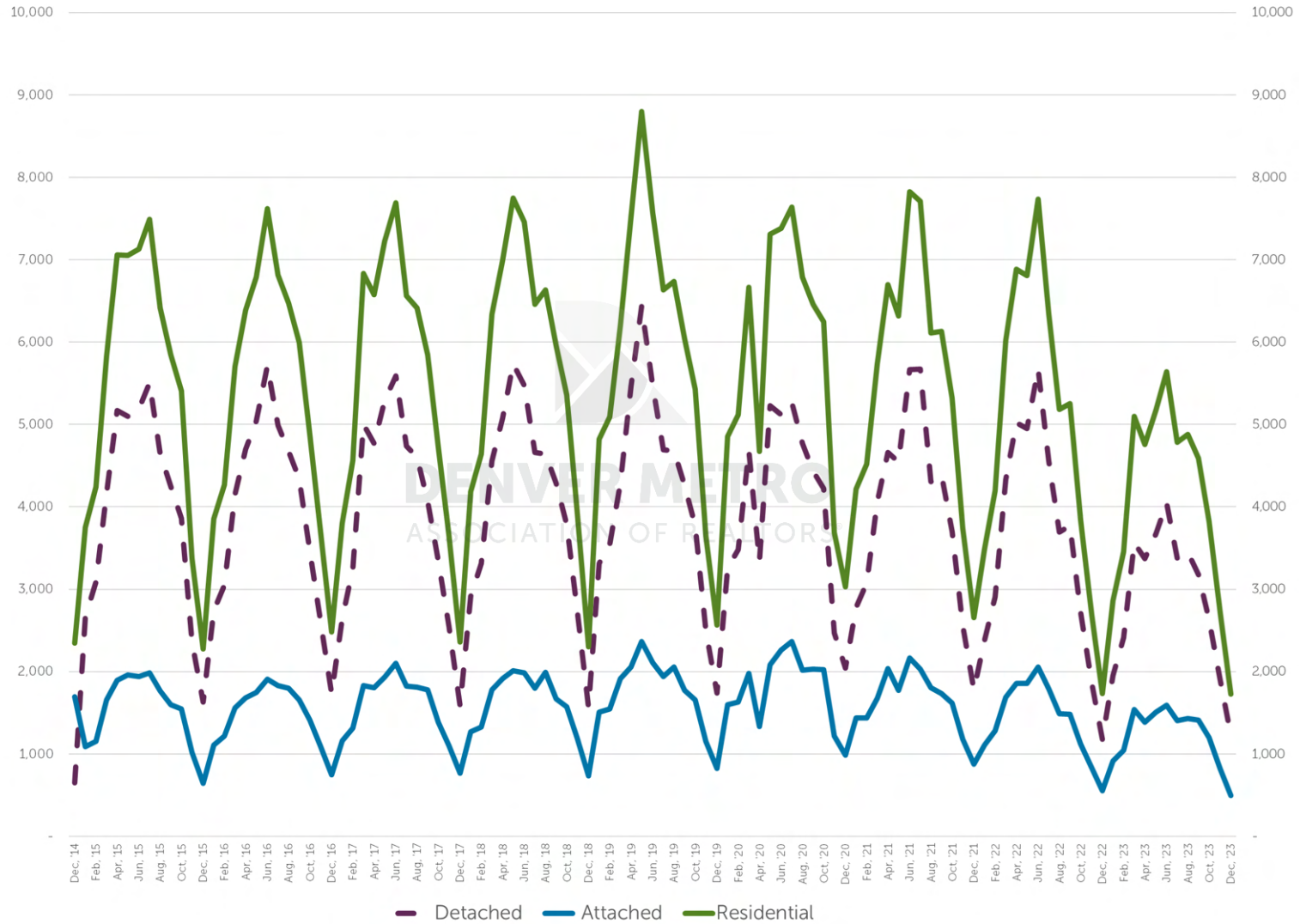
National predictions indicate a slight increase in inventory with prices staying relatively stable. Historically, Denver does not follow national trends and predictions, often outperforming the rest of the country. Ultimately the trajectory of the year is dependent upon interest rates and consumer confidence.

Active Listings at Month's End

DENVER METRO
ASSOCIATION OF REALTORS®

Legend: Detached — Attached — Residential

New Listings

Legend: Detached — Attached — Residential

6

Pending Sales

Detached — Attached — Residential

Median Close Price

Legend: Detached (dashed purple line), Attached (solid blue line)

Average Close Price

Legend: — Detached — Attached

Residential Median + Average Close Price

#DMARstats

Median Close Price ——— Average Close Price

Average Days in MLS

Detached   Attached

Residential Active Listings + Closed Sales at Month's End

DMAR Market Trends | December 2023
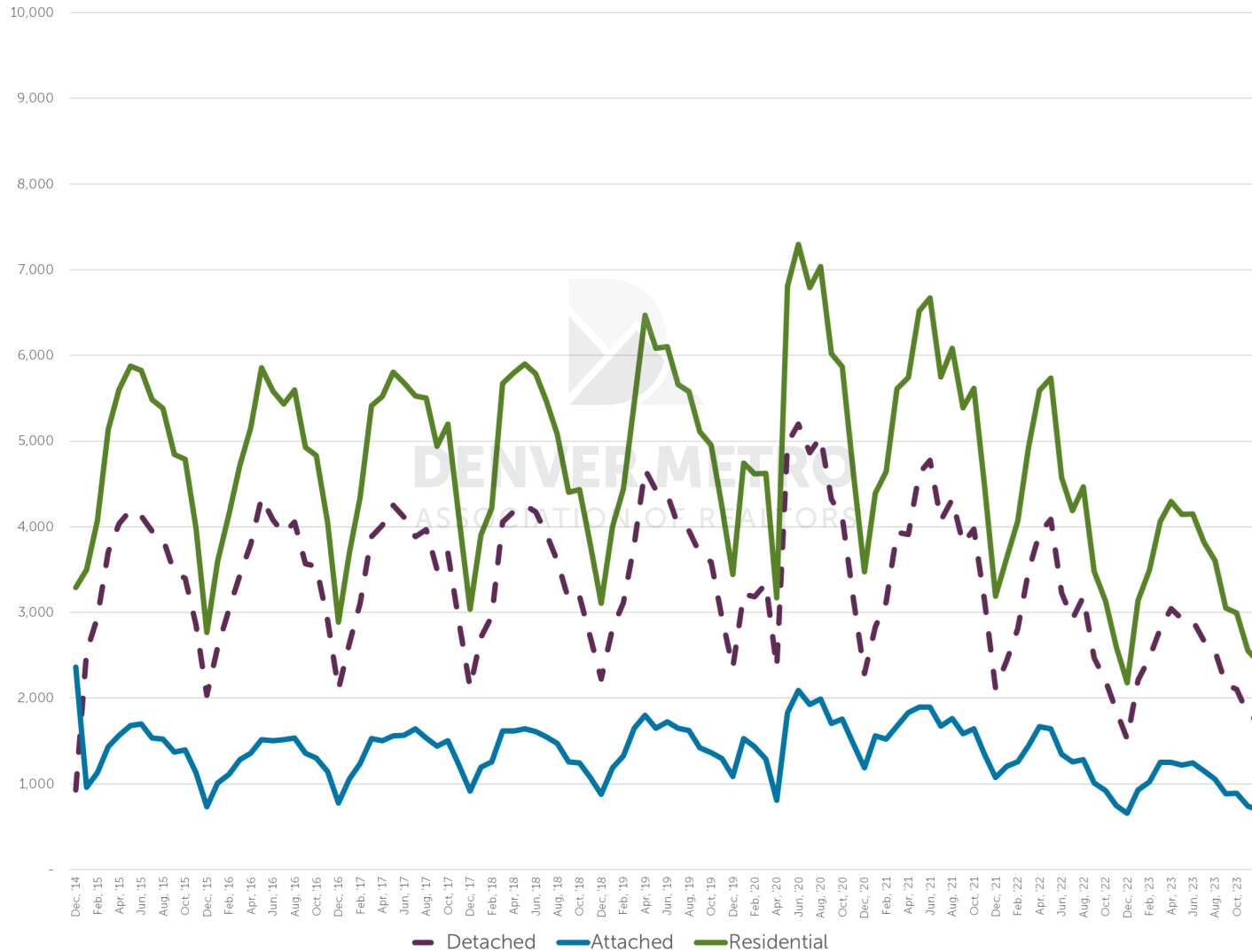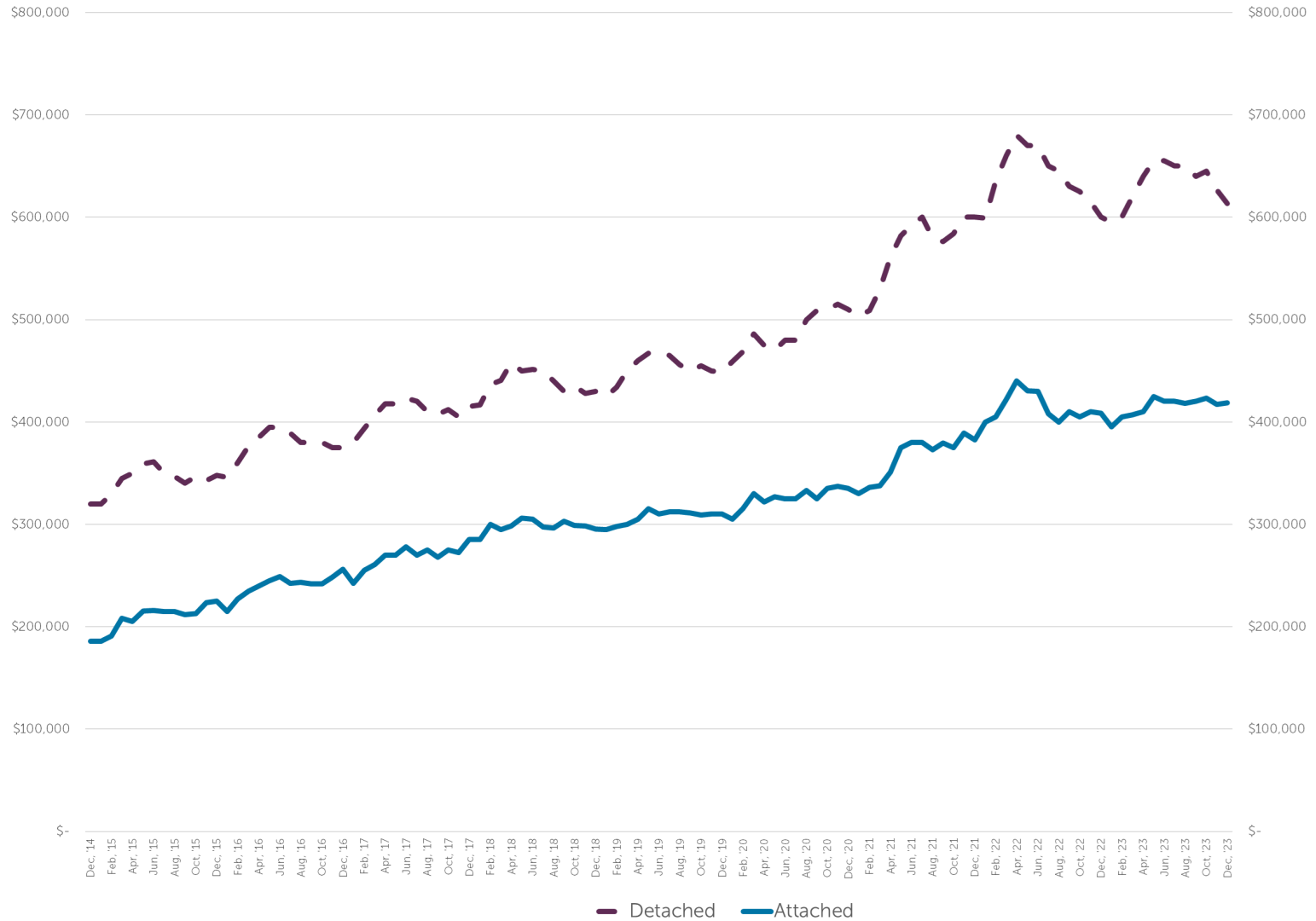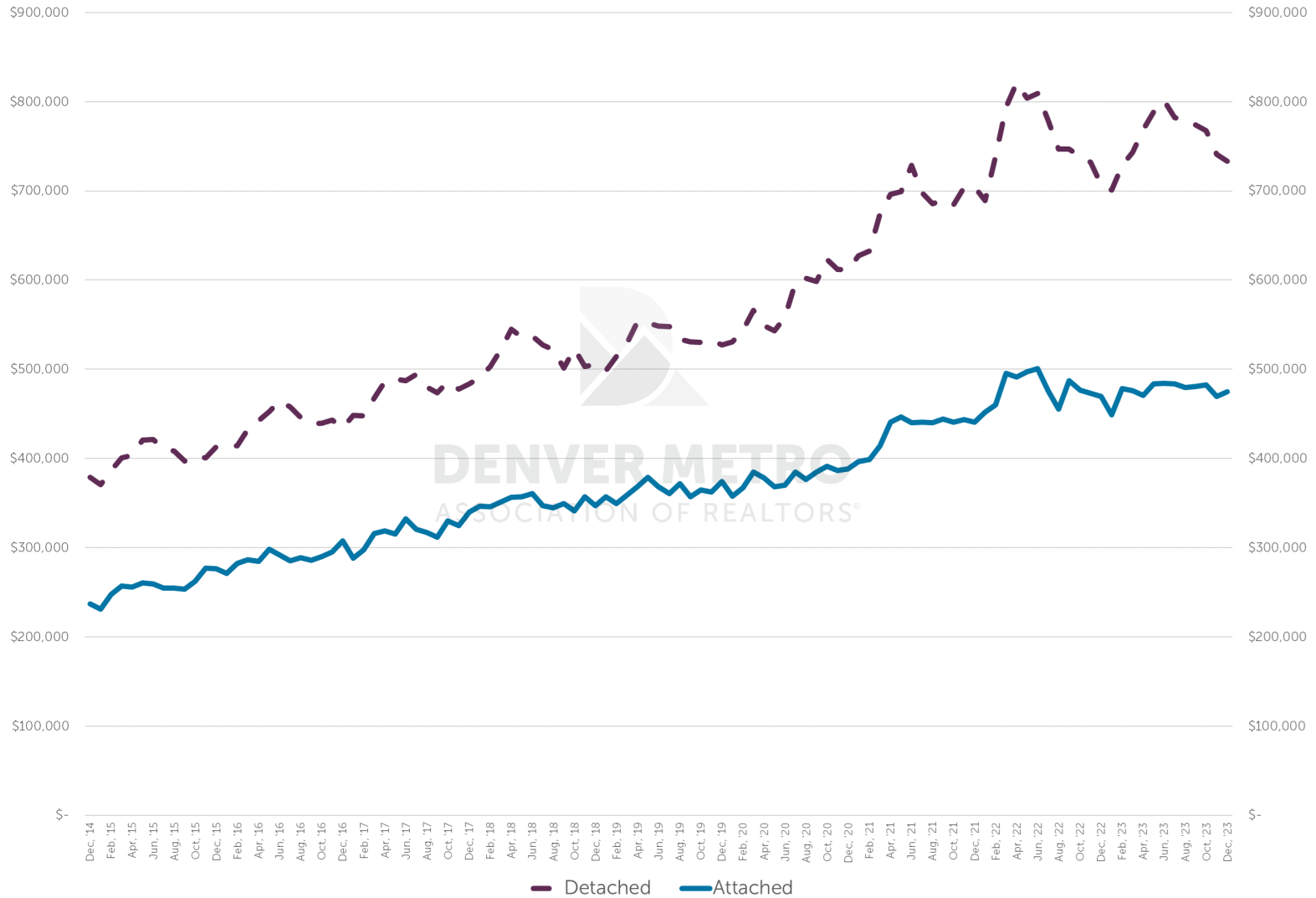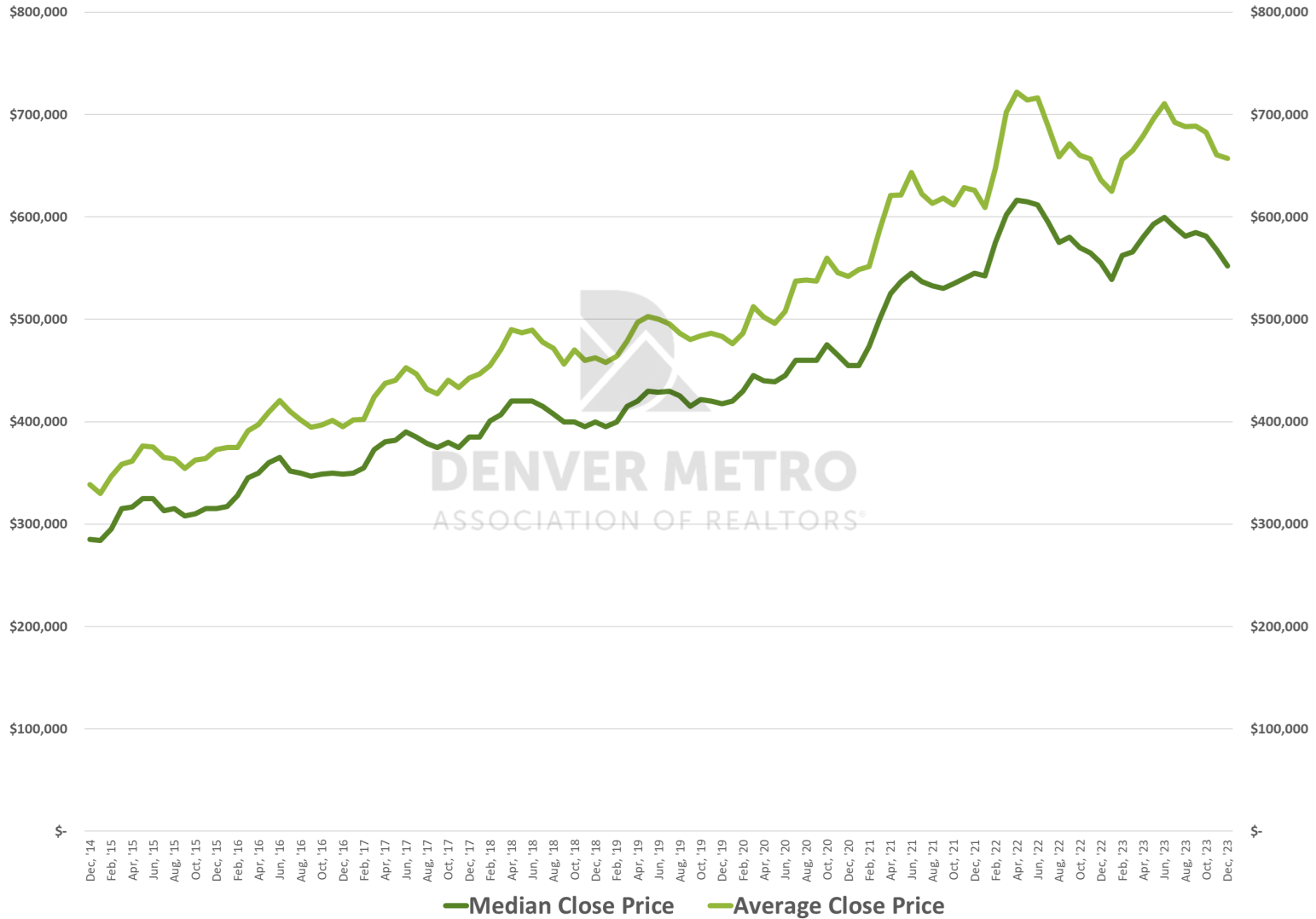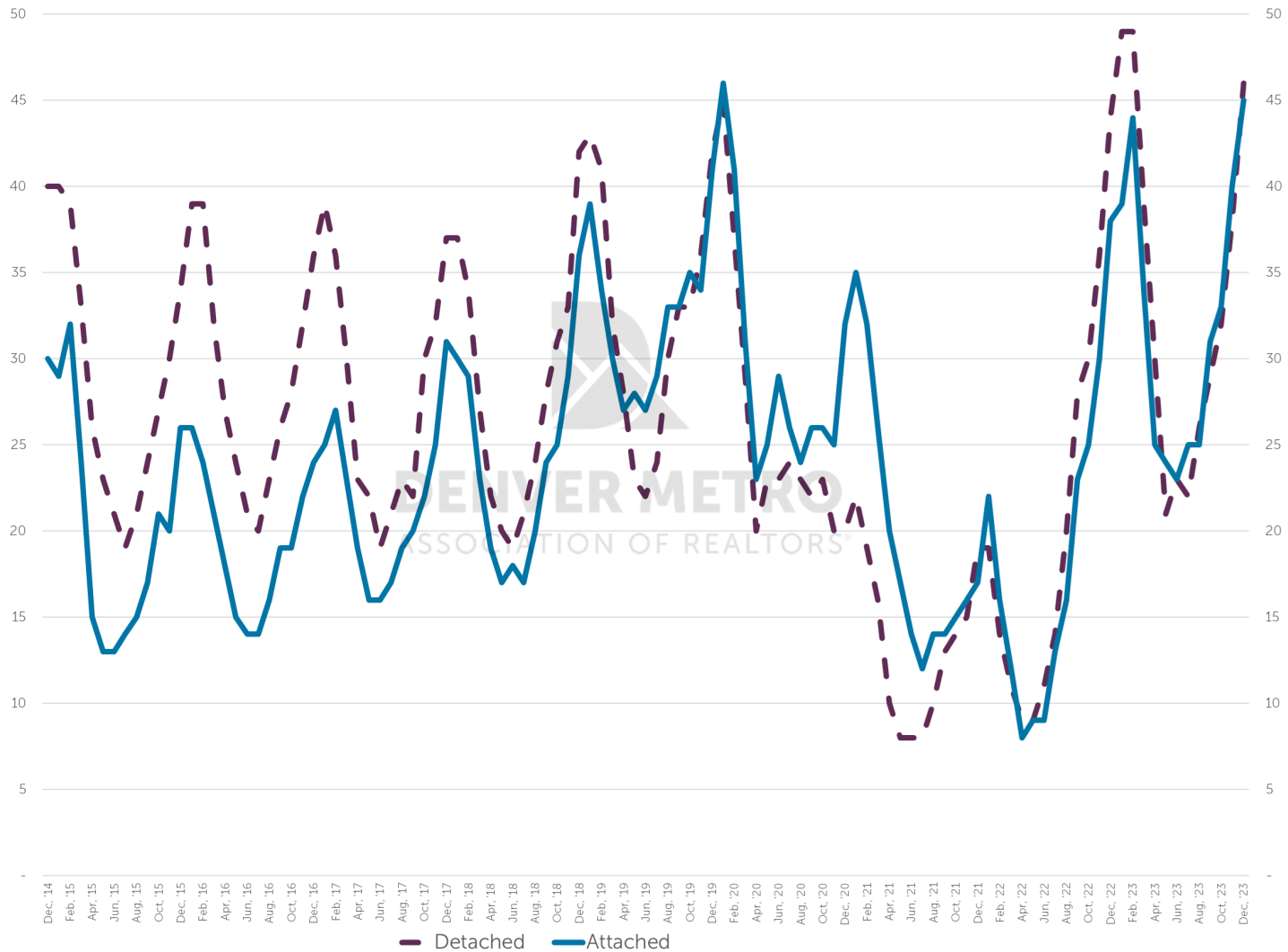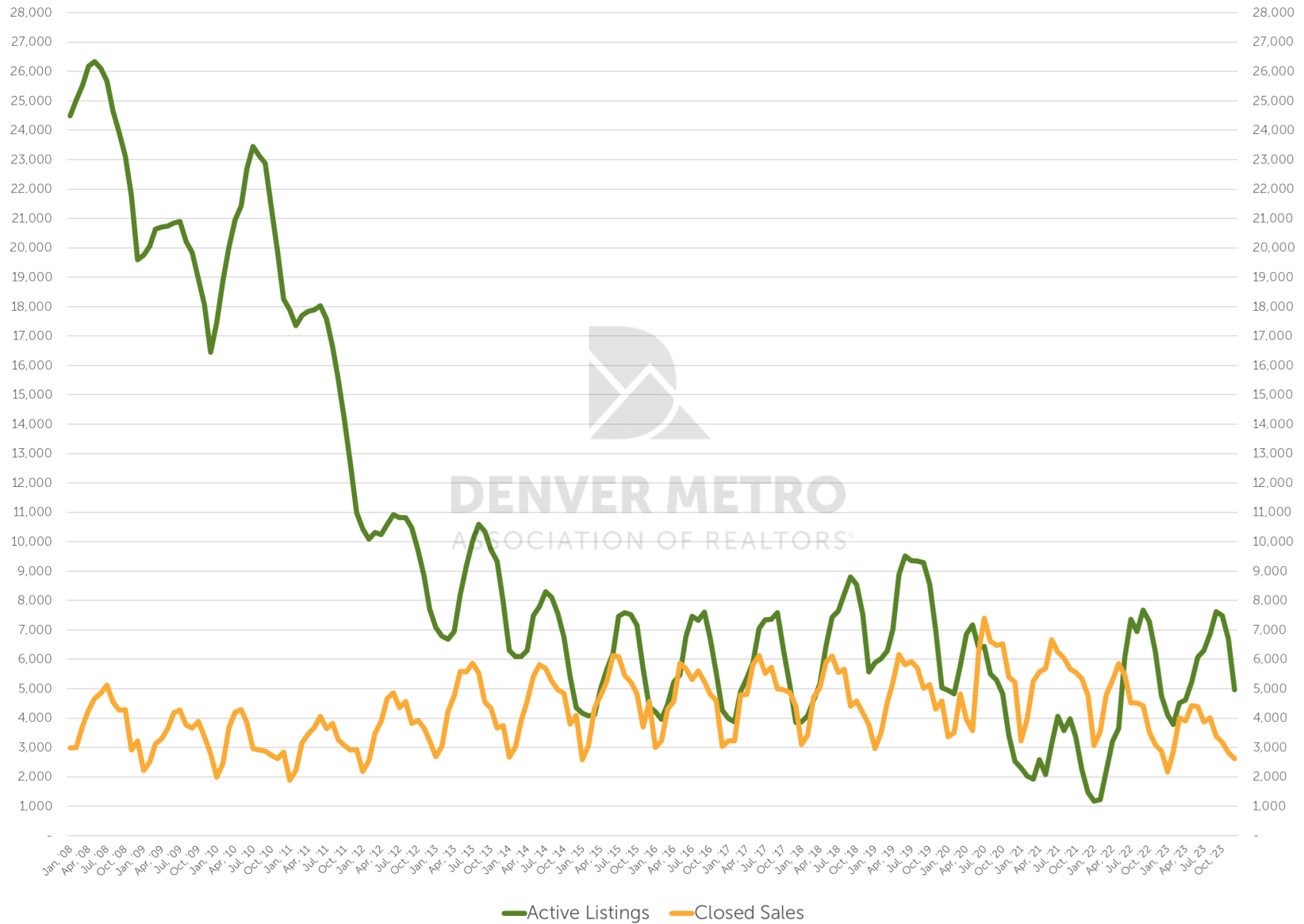Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com

— Active Listings — Closed Sales

December Data Year-to-Date | 2023 to 2019

	YTD 2023	YTD 2022	YTD 2021	YTD 2020	YTD 2019	'23 vs '22	'23 vs '21	'23 vs '20	'23 vs '19
Residential (Detached + Attached)									
Active Listings at Month's End	4,971	4,757	1,477	2,541	5,037	4.50%	236.56%	95.63%	-1.31%
New Listings	49,560	60,189	66,333	69,988	71,202	-17.66%	-25.29%	-29.19%	-30.40%
Closed	41,840	51,016	64,108	63,516	58,902	-17.99%	-34.74%	-34.13%	-28.97%
Close Price - Average	$ 679,710	$ 680,771	$ 612,427	$ 524,773	$ 486,524	-0.16%	10.99%	29.52%	39.71%
Close Price - Median	$ 578,000	$ 588,000	$ 525,000	$ 450,000	$ 420,000	-1.70%	10.10%	28.44%	37.62%
Sales Volume	$ 28,439,050,530	$ 34,730,218,331	$ 39,261,440,263	$ 33,331,467,588	$ 28,657,225,410	-18.11%	-27.56%	-14.68%	-0.76%
Days in MLS - Average	32	18	14	26	31	77.78%	128.57%	23.08%	3.23%
Days in MLS - Median	12	5	4	7	13	140.00%	200.00%	71.43%	-7.69%
Close-Price-to-List-Price Ratio	99.55%	102.32%	103.03%	99.96%	99.20%	-2.71%	-3.38%	-0.41%	0.35%
Detached									
Active Listings at Month's End	3,505	3,407	968	1,316	3,360	2.88%	262.09%	166.34%	4.32%
New Listings	34,776	43,036	46,526	48,328	50,201	-19.19%	-25.25%	-28.04%	-30.73%
Closed	29,409	35,570	44,588	45,192	41,991	-17.32%	-34.04%	-34.92%	-29.96%
Close Price - Average	$ 764,977	$ 767,888	$ 690,714	$ 583,780	$ 535,472	-0.38%	10.75%	31.04%	42.86%
Close Price - Median	$ 635,000	$ 649,900	$ 580,000	$ 495,000	$ 454,500	-2.29%	9.48%	28.28%	39.71%
Sales Volume	$ 22,497,218,988	$ 27,313,787,801	$ 30,797,558,634	$ 26,382,188,411	$ 22,484,995,632	-17.63%	-26.95%	-14.73%	0.05%
Days in MLS - Average	32	18	13	25	31	77.78%	146.15%	28.00%	3.23%
Days in MLS - Median	12	6	4	7	13	100.00%	200.00%	71.43%	-7.69%
Close-Price-to-List-Price Ratio	99.56%	102.29%	103.45%	100.11%	99.20%	-2.67%	-3.76%	-0.55%	0.36%
Attached									
Active Listings at Month's End	1,466	1,350	509	1,225	1,677	8.59%	188.02%	19.67%	-12.58%
New Listings	14,784	17,153	19,807	21,660	21,001	-13.81%	-25.36%	-31.75%	-29.60%
Closed	12,431	15,446	19,520	18,324	16,911	-19.52%	-36.32%	-32.16%	-26.49%
Close Price - Average	$ 477,985	$ 480,152	$ 433,600	$ 379,245	$ 364,983	-0.45%	10.24%	26.04%	30.96%
Close Price - Median	$ 415,000	$ 415,388	$ 372,500	$ 327,500	$ 309,000	-0.09%	11.41%	26.72%	34.30%
Sales Volume	$ 5,941,831,542	$ 7,416,430,530	$ 8,463,881,629	$ 6,949,279,177	$ 6,172,229,778	-19.88%	-29.80%	-14.50%	-3.73%
Days in MLS - Average	31	16	19	29	32	93.75%	63.16%	6.90%	-3.13%
Days in MLS - Median	12	5	5	11	14	140.00%	140.00%	9.09%	-14.29%
Close-Price-to-List-Price Ratio	99.52%	102.39%	102.07%	99.59%	99.18%	-2.80%	-2.50%	-0.07%	0.34%

Market Trends

Price Range	Detached			Attached		
	Closed	Active	MOI	Closed	Active	MOI
$0 to $299,999	22	39	1.77	149	260	1.74
$300,000 to $499,999	405	518	1.28	400	594	1.49
$500,000 to $749,999	888	1,499	1.69	169	398	2.36
$750,000 to $999,999	285	692	2.43	33	108	3.27
$1,000,000 to $1,499,999	161	328	2.04	12	62	5.17
$1,500,000 to $1,999,999	52	161	3.10	2	29	14.50
$2,000,000 and over	37	268	7.24	5	15	3.00
TOTALS	1,850	3,505	1.89	770	1,466	1.90

Months of Inventory

Price Range	Detached		% change	Attached		% change
	Closed Dec. 2023	Closed Nov. 2023		Closed Dec. 2023	Closed Nov. 2023	
$0 to $299,999	22	26	-15.38%	149	172	-13.37%
$300,000 to $499,999	405	411	-1.46%	400	384	4.17%
$500,000 to $749,999	888	947	-6.23%	169	207	-18.36%
$750,000 to $999,999	285	361	-21.05%	33	46	-28.26%
$1,000,000 to $1,499,999	161	154	4.55%	12	22	-45.45%
$1,500,000 to $1,999,999	52	51	1.96%	2	8	-75.00%
$2,000,000 and over	37	46	-19.57%	5	2	150.00%
TOTALS	1,850	1,996	-7.31%	770	841	-8.44%

Month-Over-Month

Price Range	Detached		% change	Attached		% change
	YTD Dec. 2023	YTD Dec. 2022		YTD Dec. 2023	YTD Dec. 2022	
$0 to $299,999	235	227	3.52%	2,226	2,729	-18.43%
$300,000 to $499,999	5,488	5,744	-4.46%	6,210	7,715	-19.51%
$500,000 to $749,999	14,146	17,663	-19.91%	2,887	3,571	-19.15%
$750,000 to $999,999	5,424	6,858	-20.91%	623	813	-23.37%
$1,000,000 to $1,499,999	2,480	3,177	-21.94%	346	427	-18.97%
$1,500,000 to $1,999,999	845	1,007	-16.09%	84	111	-24.32%
$2,000,000 and over	791	893	-11.42%	55	80	-31.25%
TOTALS	29,409	35,569	-17.32%	12,431	15,446	-19.52%

Year-Over-Year

Breakdown by Price Range

Amanda Snitker

Member of the DMAR Market Trends Committee and Denver Realtor®

Properties sold for $1 million or more

The new year lets us look back on the previous year with certainty about what we experienced and how the market responded, allowing us to adjust plans and strategies for the market ahead. 2023 saw buyers reluctantly accept higher interest rates and sellers holding back with the security of their 30-year fixed rates in the three percent range. Supply and demand stayed reasonably balanced, keeping the market steady.

The market of homes $1,000,000 and higher functions slightly differently than the market as a whole. Buyers in this segment are less impacted by interest rates with higher down payments and cash purchases. However, we did see a boost in activity at this price point in December. A decrease in interest rates, strong end-of-year investment returns and a dovish narrative from the Federal Reserve helped to ease uncertainty. The number of closed properties was down slightly from November but up 14.47 percent from December 2022. The total sales volume was also up 14.18 percent from last December. The number of properties that went pending during December was down 9.20 percent from November, showing the typical seasonality in the market, but was up 32.40 percent from December 2022, which indicates more robust buyer demand and sentiment than we saw last year.

At the end of 2023, this market segment saw a total decrease in closed sales of 18.93 percent for detached homes and 21.52 percent for attached homes, a similar trend to the one we saw in the other market price points.

The new inventory that entered this market for the year was 6,402 properties, down 4.53 percent from 2022. However, the general trend of this segment is increasing. 2023 was up 64.49 percent from the amount of inventory in 2019, before the pandemic. The growth in this segment reflects the increase in home prices across the metro area over the past four years.

Entering 2024 feels like the tumultuous years of adjusting to the pandemic-induced market, and then the recalibration is settling down. Projections for 2024 bring us less volatile interest rates and, hopefully, lasting declines that appeal to buyers and sellers, keeping the supply and demand at a healthy balance.

Keri Duffy

Member of the DMAR Market Trends Committee and Denver Realtor®

Properties sold between $750,000 and $999,999

The numbers presented a chilly snapshot of Denver's $750,000 to $999,999 real estate market for December 2023. Only the highly motivated tend to take action in December.

New listings experienced an anticipated drop of 41.65 percent, creating an atmosphere of scarcity. Pending sales followed suit, with a dip of 10.54 percent, indicating cautious buyers. Closed transactions faced a notable setback, down by 21.87 percent, culminating in a challenging year-end. The sales volume echoed this decline, dropping by 22.46 percent. However, amidst these challenges, there's a silver lining—we're in a better position than this time last year, with the price per square foot showing a positive increase of 1.87 percent.

Days in MLS displayed an expected uptick, with the average rising by 31.71 percent, suggesting a prolonged contemplation period for buyers. Despite the market's cool reception, the close-price-to-list-price ratio remained stable, offering a sense of resilience.

As we bid farewell to the surprisingly warm December, the real estate market stands poised for the potential thaw of a new year.

Breakdown by Price Range

Michelle Schwinghammer

Member of the DMAR
Market Trends Committee
and Denver Realtor®

Properties sold between $500,000 and $749,999

The Denver Metro real estate market had a wild ride in 2023, especially for buyers in the $500,000 to $749,999 range who are heavily influenced by interest rates.

In January of 2023, rates opened at 6.6 percent, double from the prior year but down from the previous winter high of 7.32 percent, boosting early season sales. In summer, rates jumped to 7.10 percent slowing transactions considerably and in October rates peaked at eight percent. By December, rates fell to 6.6 percent, right back where they started. Buyers' reaction? Mortgage applications jumped 20 percent during the holidays, historically the slowest seasonal time of year.

Notably, this market segment was the only one to see a positive close-price-to-list-price ratio in December at 100.62, increasing 1.69 percent month-over-month and 2.03 percent year-over-year. Homes did experience a dip in price per square foot since November, but that statistic is up 2.69 percent year-over-year, the highest of all segments.

This segment had the least available inventory with just 1.69 months of detached and 2.36 months of attached homes to shop. Tighter supply is fueled by faster response; homes spent just 35 median days in the MLS, steady year-over-year. Buyers did get a bit of a holiday gift though with the most new listings (694), 86.02 percent of which were detached single-family homes.

It's a new year, so a few predictions are in order. This market segment is heavily influenced by interest rates so the big wildcard for 2024 will be how low rates go, when they bottom and whether they have already done so.

For sellers, most will no longer expect a free-for-all buyer response. Most will head into the new year much more reasonably, pricing more accurately and making repairs before listing (or before closing). Still, many will underestimate the marketing effort, resources, preparation and patience it will take to attract sufficient qualified buyers to fetch the price, conditions and selling experience they want and expect.

For buyers, a few smart shoppers will take advantage of opportunities in January and February; however, the majority will wait to act until spring when inventory increases, hoping that rates drop even further. If and when that happens, buyers will need to act fast while being prepared to extend seller incentives to make their offer stand out.

Properties Sold for $1 Million or More

	Dec. 2023	Nov. 2023	Dec. 2022	Month-Over-Month	Year-Over-Year
Residential (Detached + Attached)					
New Listings	162	287	142	-43.55%	14.08%
Pending	237	261	179	-9.20%	32.40%
Closed	269	283	235	-4.95%	14.47%
Sales Volume	$ 442,423,819	$ 457,980,746	$ 387,475,726	-3.40%	14.18%
Days in MLS - Average	54	44	42	22.73%	28.57%
Days in MLS - Median	33	23	26	43.48%	26.92%
Close-Price-to-List-Price Ratio	96.94%	97.05%	97.66%	-0.11%	-0.74%
PSF Total	$ 367	$ 376	$ 389	-2.39%	-5.66%
Detached					
New Listings	151	258	122	-41.47%	23.77%
Pending	213	238	160	-10.50%	33.13%
Closed	250	251	206	-0.40%	21.36%
Sales Volume	$ 399,273,819	$ 413,335,388	$ 342,384,720	-3.40%	16.62%
Days in MLS - Average	54	44	42	22.73%	28.57%
Days in MLS - Median	32	22	25	45.45%	28.00%
Close-Price-to-List-Price Ratio	97.10%	97.33%	97.63%	-0.24%	-0.54%
PSF Total	$ 347	$ 358	$ 371	-3.07%	-6.47%
Attached					
New Listings	11	29	20	-62.07%	-45.00%
Pending	24	23	19	4.35%	26.32%
Closed	19	32	29	-40.63%	-34.48%
Sales Volume	$ 43,150,000	$ 44,645,358	$ 45,091,006	-3.35%	-4.30%
Days in MLS - Average	55	47	46	17.02%	19.57%
Days in MLS - Median	51	31	28	64.52%	82.14%
Close-Price-to-List-Price Ratio	94.94%	94.84%	97.89%	0.11%	-3.01%
PSF Total	$ 623	$ 515	$ 520	20.97%	19.81%

Properties Sold for $1 Million or More

	YTD 2023	YTD 2022	YTD 2021	YTD 2020	YTD 2019	'23 vs '22	'23 vs '21	'23 vs '20	'23 vs '19
Residential (Detached + Attached)									
New Listings	6,402	6,706	5,251	4,461	3,892	-4.53%	21.92%	43.51%	64.49%
Pending	4,422	4,879	4,677	3,439	2,537	-9.37%	-5.45%	28.58%	74.30%
Closed	4,601	5,695	5,339	3,298	2,435	-19.21%	-13.82%	39.51%	88.95%
Sales Volume	$ 7,548,960,910	$ 9,038,393,583	$ 8,541,394,671	$ 5,129,000,594	$ 3,764,155,058	-16.48%	-11.62%	47.18%	100.55%
Days in MLS - Average	36	22	30	55	60	63.64%	20.00%	-34.55%	-40.00%
Days in MLS - Median	12	5	5	20	25	140.00%	140.00%	-40.00%	-52.00%
Close-Price-to-List-Price Ratio	98.72%	103.04%	101.87%	97.79%	97.30%	-4.19%	-3.09%	0.95%	1.46%
PSF Total	$ 385	$ 390	$ 368	$ 337	$ 341	-1.28%	4.62%	14.24%	12.90%
Detached									
New Listings	5,656	5,918	4,563	3,943	3,419	-4.43%	23.95%	43.44%	65.43%
Pending	3,955	4,332	4,109	3,141	2,247	-8.70%	-3.75%	25.92%	76.01%
Closed	4,116	5,077	4,705	3,035	2,147	-18.93%	-12.52%	35.62%	91.71%
Sales Volume	$ 6,821,971,769	$ 8,119,325,057	$ 7,615,187,365	$ 4,744,117,109	$ 3,323,747,607	-15.98%	-10.42%	43.80%	105.25%
Days in MLS - Average	36	21	28	56	62	71.43%	28.57%	-35.71%	-41.94%
Days in MLS - Median	11	5	5	20	26	120.00%	120.00%	-45.00%	-57.69%
Close-Price-to-List-Price Ratio	98.82%	103.19%	102.09%	97.86%	97.25%	-4.23%	-3.20%	0.98%	1.61%
PSF Total	$ 367	$ 371	$ 344	$ 319	$ 307	-1.08%	6.69%	15.05%	19.54%
Attached									
New Listings	746	788	688	518	473	-5.33%	8.43%	44.02%	57.72%
Pending	467	547	568	298	290	-14.63%	-17.78%	56.71%	61.03%
Closed	485	618	634	263	288	-21.52%	-23.50%	84.41%	68.40%
Sales Volume	$ 726,989,141	$ 919,068,526	$ 926,207,306	$ 384,883,485	$ 440,407,451	-20.90%	-21.51%	88.89%	65.07%
Days in MLS - Average	41	29	47	55	46	41.38%	-12.77%	-25.45%	-10.87%
Days in MLS - Median	16	6	8	26	17	166.67%	100.00%	-38.46%	-5.88%
Close-Price-to-List-Price Ratio	97.82%	101.79%	100.28%	97.00%	97.66%	-3.90%	-2.45%	0.85%	0.16%
PSF Total	$ 538	$ 550	$ 549	$ 545	$ 589	-2.18%	-2.00%	-1.28%	-8.66%

Properties Sold Between $750,000 and $999,999

	Dec. 2023	Nov. 2023	Dec. 2022	Month-Over-Month	Year-Over-Year
Residential (Detached + Attached)					
New Listings	227	389	193	-41.65%	17.62%
Pending	314	351	250	-10.54%	25.60%
Closed	318	407	380	-21.87%	-16.32%
Sales Volume	$ 266,496,563	$ 343,691,460	$ 321,141,865	-22.46%	-17.02%
Days in MLS - Average	54	41	44	31.71%	22.73%
Days in MLS - Median	33	26	32	26.92%	3.13%
Close-Price-to-List-Price Ratio	98.60%	98.53%	98.55%	0.07%	0.05%
PSF Total	$ 273	$ 279	$ 268	-2.15%	1.87%
Detached					
New Listings	209	365	172	-42.74%	21.51%
Pending	289	321	230	-9.97%	25.65%
Closed	285	361	338	-21.05%	-15.68%
Sales Volume	$ 238,613,106	$ 304,912,154	$ 284,996,774	-21.74%	-16.28%
Days in MLS - Average	50	41	44	21.95%	13.64%
Days in MLS - Median	31	26	33	19.23%	-6.06%
Close-Price-to-List-Price Ratio	98.76%	98.56%	98.33%	0.20%	0.44%
PSF Total	$ 257	$ 266	$ 253	-3.38%	1.58%
Attached					
New Listings	18	24	21	-25.00%	-14.29%
Pending	25	30	20	-16.67%	25.00%
Closed	33	46	42	-28.26%	-21.43%
Sales Volume	$ 27,883,457	$ 38,779,306	$ 36,145,091	-28.10%	-22.86%
Days in MLS - Average	90	45	41	100.00%	119.51%
Days in MLS - Median	53	20	18	165.00%	194.44%
Close-Price-to-List-Price Ratio	97.13%	98.28%	100.40%	-1.17%	-3.26%
PSF Total	$ 411	$ 376	$ 386	9.31%	6.48%

Properties Sold Between $750,000 and $999,999

	YTD 2023	YTD 2022	YTD 2021	YTD 2020	YTD 2019	'23 vs '22	'23 vs '21	'23 vs '20	'23 vs '19
Residential (Detached + Attached)									
New Listings	7,708	9,086	7,294	5,392	4,649	-15.17%	5.68%	42.95%	65.80%
Pending	6,125	7,079	6,720	4,573	3,502	-13.48%	-8.85%	33.94%	74.90%
Closed	6,047	7,671	7,045	4,427	3,297	-21.17%	-14.17%	36.59%	83.41%
Sales Volume	$ 5,117,762,441	$ 6,494,860,243	$ 5,972,742,033	$ 3,749,093,241	$ 2,792,837,214	-21.20%	-14.31%	36.51%	83.25%
Days in MLS - Average	33	19	17	39	45	73.68%	94.12%	-15.38%	-26.67%
Days in MLS - Median	13	5	5	13	18	160.00%	160.00%	0.00%	-27.78%
Close-Price-to-List-Price Ratio	99.48%	102.66%	102.98%	99.38%	98.82%	-3.10%	-3.40%	0.10%	0.67%
PSF Total	$ 285	$ 296	$ 278	$ 253	$ 248	-3.72%	2.52%	12.65%	14.92%
Detached									
New Listings	6,906	8,174	6,333	4,426	3,906	-15.51%	9.05%	56.03%	76.80%
Pending	5,549	6,402	5,857	3,914	2,989	-13.32%	-5.26%	41.77%	85.65%
Closed	5,424	6,858	6,205	3,809	2,790	-20.91%	-12.59%	42.40%	94.41%
Sales Volume	$ 4,591,861,634	$ 5,806,175,402	$ 5,255,387,656	$ 3,224,817,498	$ 2,361,527,870	-20.91%	-12.63%	42.39%	94.44%
Days in MLS - Average	33	18	14	38	43	83.33%	135.71%	-13.16%	-23.26%
Days in MLS - Median	13	5	5	12	18	160.00%	160.00%	8.33%	-27.78%
Close-Price-to-List-Price Ratio	99.51%	102.73%	103.25%	99.47%	98.83%	-3.13%	-3.62%	0.04%	0.69%
PSF Total	$ 271	$ 279	$ 262	$ 236	$ 227	-2.87%	3.44%	14.83%	19.38%
Attached									
New Listings	802	912	961	966	743	-12.06%	-16.55%	-16.98%	7.94%
Pending	576	677	863	659	513	-14.92%	-33.26%	-12.59%	12.28%
Closed	623	813	840	618	507	-23.37%	-25.83%	0.81%	22.88%
Sales Volume	$ 525,900,807	$ 688,684,841	$ 717,354,377	$ 524,275,743	$ 431,309,344	-23.64%	-26.69%	0.31%	21.93%
Days in MLS - Average	38	24	34	43	58	58.33%	11.76%	-11.63%	-34.48%
Days in MLS - Median	14	6	6	15	25	133.33%	133.33%	-6.67%	-44.00%
Close-Price-to-List-Price Ratio	99.27%	102.09%	100.98%	98.82%	98.79%	-2.76%	-1.69%	0.46%	0.49%
PSF Total	$ 414	$ 438	$ 397	$ 359	$ 362	-5.48%	4.28%	15.32%	14.36%

Properties Sold Between $500,000 and $749,999

	Dec. 2023	Nov. 2023	Dec. 2022	Month-Over-Month	Year-Over-Year
Residential (Detached + Attached)					
New Listings	694	1,042	669	-33.40%	3.74%
Pending	970	1,004	852	-3.39%	13.85%
Closed	1,057	1,154	1,148	-8.41%	-7.93%
Sales Volume	$ 634,912,906	$ 698,605,152	$ 695,484,797	-9.12%	-8.71%
Days in MLS - Average	48	42	47	14.29%	2.13%
Days in MLS - Median	35	26	35	34.62%	0.00%
Close-Price-to-List-Price Ratio	100.62%	98.95%	98.62%	1.69%	2.03%
PSF Total	$ 267	$ 268	$ 260	-0.37%	2.69%
Detached					
New Listings	597	846	541	-29.43%	10.35%
Pending	833	839	712	-0.72%	16.99%
Closed	888	947	957	-6.23%	-7.21%
Sales Volume	$ 536,783,201	$ 578,339,380	$ 580,523,495	-7.19%	-7.53%
Days in MLS - Average	48	39	47	23.08%	2.13%
Days in MLS - Median	35	25	35	40.00%	0.00%
Close-Price-to-List-Price Ratio	101.01%	98.99%	98.66%	2.04%	2.38%
PSF Total	$ 257	$ 256	$ 247	0.39%	4.05%
Attached					
New Listings	97	196	128	-50.51%	-24.22%
Pending	137	165	140	-16.97%	-2.14%
Closed	169	207	191	-18.36%	-11.52%
Sales Volume	$ 98,129,705	$ 120,265,772	$ 114,961,302	-18.41%	-14.64%
Days in MLS - Average	50	55	43	-9.09%	16.28%
Days in MLS - Median	35	29	32	20.69%	9.38%
Close-Price-to-List-Price Ratio	98.59%	98.80%	98.41%	-0.21%	0.18%
PSF Total	$ 321	$ 321	$ 323	0.00%	-0.62%

Properties Sold Between $500,000 and $749,999

	YTD 2023	YTD 2022	YTD 2021	YTD 2020	YTD 2019	'23 vs '22	'23 vs '21	'23 vs '20	'23 vs '19
Residential (Detached + Attached)									
New Listings	19,306	24,492	22,884	18,606	16,982	-21.17%	-15.64%	3.76%	13.69%
Pending	16,558	19,532	21,468	17,058	13,778	-15.23%	-22.87%	-2.93%	20.18%
Closed	17,033	21,235	23,701	17,571	13,403	-19.79%	-28.13%	-3.06%	27.08%
Sales Volume	$ 10,340,434,513	$ 12,936,025,653	$ 14,240,569,136	$ 10,462,098,027	$ 7,954,253,415	-20.06%	-27.39%	-1.16%	30.00%
Days in MLS - Average	34	18	12	29	38	88.89%	183.33%	17.24%	-10.53%
Days in MLS - Median	14	6	4	9	18	133.33%	250.00%	55.56%	-22.22%
Close-Price-to-List-Price Ratio	99.86%	102.42%	103.59%	100.01%	99.12%	-2.50%	-3.60%	-0.15%	0.75%
PSF Total	$ 276	$ 289	$ 261	$ 223	$ 214	-4.50%	5.75%	23.77%	28.97%
Detached									
New Listings	15,769	20,654	19,633	15,650	14,448	-23.65%	-19.68%	0.76%	9.14%
Pending	13,754	16,468	18,427	14,707	11,937	-16.48%	-25.36%	-6.48%	15.22%
Closed	14,146	17,664	20,413	15,285	11,580	-19.92%	-30.70%	-7.45%	22.16%
Sales Volume	$ 8,635,495,279	$ 10,818,197,060	$ 12,293,894,481	$ 9,108,115,369	$ 6,878,968,024	-20.18%	-29.76%	-5.19%	25.53%
Days in MLS - Average	33	18	11	27	37	83.33%	200.00%	22.22%	-10.81%
Days in MLS - Median	13	6	4	8	17	116.67%	225.00%	62.50%	-23.53%
Close-Price-to-List-Price Ratio	99.93%	102.43%	103.87%	100.11%	99.12%	-2.44%	-3.79%	-0.18%	0.82%
PSF Total	$ 263	$ 275	$ 245	$ 206	$ 196	-4.36%	7.35%	27.67%	34.18%
Attached									
New Listings	3,537	3,838	3,251	2,956	2,534	-7.84%	8.80%	19.65%	39.58%
Pending	2,804	3,064	3,041	2,351	1,841	-8.49%	-7.79%	19.27%	52.31%
Closed	2,887	3,571	3,288	2,286	1,823	-19.15%	-12.20%	26.29%	58.37%
Sales Volume	$ 1,704,939,234	$ 2,117,828,593	$ 1,946,674,655	$ 1,353,982,658	$ 1,075,285,391	-19.50%	-12.42%	25.92%	58.56%
Days in MLS - Average	41	18	23	41	46	127.78%	78.26%	0.00%	-10.87%
Days in MLS - Median	18	5	5	16	22	260.00%	260.00%	12.50%	-18.18%
Close-Price-to-List-Price Ratio	99.52%	102.35%	101.82%	99.36%	99.10%	-2.77%	-2.26%	0.16%	0.42%
PSF Total	$ 340	$ 355	$ 359	$ 338	$ 329	-4.23%	-5.29%	0.59%	3.34%

Spotlight on Mortgages

Nicole Rueth

Member of the DMAR
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Happy New Year! Welcome to 2024 and prediction season. As we embark on the new year, every bank, data aggregator and economist has shared their projections for where they expect rates to land by year's end. While forecasts can help people make decisions and even tweak business models, sometimes what you ask for comes with extra baggage you might not want. As it stands, most economists are predicting the 30-year mortgage rates in 2024 to land between 6.05 and seven percent, with outliers in the fives and some going down to the high fours. A plethora of clickbait articles have been written highlighting these low rates and the general public is ecstatic. But let's be real—returning to these low rates likely carries unwanted baggage. Besides a massive demand rush on limited supply pushing up home prices and hurting affordability, it could also mean the convergence of major economic factors leading to broader problems.

Here are just a few of the factors impacting rates today.

Federal Reserve Policies: The federal funds rate directly influences short-term interest rates (i.e., credit cards, car loans and HELOCs). Investor expectations for the federal funds rate, however, are what moves the market and mortgage rates. If the Fed does what the market wants and starts cutting the fed rate aggressively in 2024, it will be against a backdrop of a sharply slowing economy, marked by substantial job losses, reduced consumer spending and rising unemployment.

Inflation Trends: Mortgage rates are also highly impacted by inflation as lenders and investors alike adjust rates to ensure the return on their investment keeps pace with the purchasing power of money. Remember that annual inflation is the sum of a rolling 12 months. So, while inflation may drop substantially month-over-month, the impact on the annual rate is slower. Inflation can fall rapidly, thereby dropping mortgage rates, if there is a sudden shift between supply and demand due to major economic changes like decreased wages, fewer jobs, an economic contraction or the stock market weakening.

Bond Market Movements: Additionally, mortgage rates closely follow the change in bond yields, which is why we follow the 10-year treasury for the 30-year fixed mortgage rate. A substantial fall in bond yields due to investors seeking safer investments during economic or geopolitical uncertainty will result in lower mortgage rates. This is called a "flight to safety" and comes at a price of instability.

Bottom line: While I, too, would love to quote a rate in the high fours, I feel good about predicting rates to average 6.1 percent in 2024. This will give us a year of slow improvements and economic stability; improving our buyer's affordability as wages continue to strengthen against softening inflation and allow supply to return gradually as demand picks up and would be the foundation of a much more successful 2024.

Spotlight on the Denver Metro Rental Market

- As we close out 2023, rents for single-family rentals are up six percent versus January levels and multi-family rental are down seven percent versus January.

- Single-family rentals showed little change in December versus the prior month. Median rents were flat at $2,750 versus November. Median days on market increased to 31 days versus 28 days the prior month. The available listing count decreased by almost 25 percent versus November, although this may be due to the holiday season.

- Multi-family rentals also showed little movement in December. Median rents were flat at $1,550 versus November. Days on market dropped slightly to 34 days, versus 37 days in November. Available listings were down approximately six percent versus the prior month.

	Dec. 2023	Nov. 2023	Dec. 2022	Month-Over-Month	Year-Over-Year
Single-family					
Active Listings	896	1,162	618	-22.89%	44.98%
Days on Market - Average	34	32	38	6.25%	-10.53%
Rent - Median, 1 Bedroom	$ 1,650	$ 1,573	$ 1,398	4.90%	18.03%
Rent - Median, 2 Bedroom	$ 2,200	$ 2,100	$ 2,013	4.76%	9.29%
Rent - Median, 3 Bedroom	$ 2,795	$ 2,800	$ 2,600	-0.18%	7.50%
Multi-family					
Active Listings	1,624	1,726	2,067	-5.91%	-21.43%
Days on Market - Average	39	38	44	2.63%	-11.36%
Rent - Median, 1 Bedroom	$ 1,374	$ 1,367	$ 1,530	0.51%	-10.20%
Rent - Median, 2 Bedroom	$ 1,750	$ 1,725	$ 1,854	1.45%	-5.61%
Rent - Median, 3 Bedroom	$ 2,498	$ 2,533	$ 2,345	-1.38%	6.52%

Data and Insights Provided by: Rental **Beast**

Looking Back at 2023 & What to Expect in 2024

2023 Denver Metro Housing Market Recap

Steve Danyliw

Past Chair of the DMAR Market Trends Committee and Denver Realtor®

Reflecting on the post-Covid housing market, the journey was nothing short of a rollercoaster ride—from record-breaking moments to mid-2022 headwinds that slowed down the market. This deceleration continued into 2023, and our local housing market didn't quite live up to our initial expectations. High mortgage rates emerged as a significant hurdle for both buyers and sellers, shaping the narrative. But did the market crash? Not quite. The data presented a mixed picture, with home sales declining while prices exhibited resilience.

Nationally, the narrative was about a potential shortage in housing inventory. Yet, in Denver, the story took a different turn. In 2023, our inventory saw some growth. Starting the year with 4,757 homes available, hitting a low in just below 3,800 and peaking in October at 7,528, we concluded 2023 with 4,971 homes available—a 4.5 percent increase compared to 2022.

New homes entering the market in 2023 totaled 49,560, a healthy drop from 60,189 in 2022. Homeowners, anchored by their existing low mortgage rates, sat on the sidelines. Looking ahead, when rates become more favorable, we might witness pent-up demand to sell. This could be a positive turn, as these new sellers would likely transition into buyers. In a noteworthy achievement, December set a record for the lowest number of new listings for a given month with 1,725, surpassing last December's 1,734.

Predicting a drop of four to six percent in home prices, I joined the ranks of national experts who were even more pessimistic, envisioning drops of 10 to 20 percent. Surprisingly, prices held up better than expected. The average close price in 2023 was $679,710, experiencing a minimal dip of 0.16 percent from 2022. Median prices didn't fare much worse, dropping by 1.70 percent to $578,000 from $588,000 in 2022.

The number of homes closed took a hit in 2023, dropping by a significant 17.99 percent from 2022. This marked the second-highest year-over-year percentage drop on record, with 2022 holding the highest at 20.42 percent. In 2021, we set a record with 64,108 homes sold. Fast forward to 2023, we closed only 41,840 sales—22,268 fewer homes. The reasons for fewer sales include cooling demand, driven in part by higher inflation eating into buyers' savings, and those persistent high mortgage rates, making affordability an even bigger challenge.

Now, on the topic of distressed sales, there was a bit of an increase in 2023. Let's break it down. Short sales, a term often heard in real estate, went up from 11 in 2022 to 33 in 2023. Sounds like a lot, but when you compare it to the 10,449 short sales we saw from 2010 to 2012, and only 62 in the last three years, it's not as alarming. Even with the challenges of the past 18 months, we haven't seen a meaningful increase in distressed properties.

In essence, Denver's housing market weathered some tough times but demonstrated surprising resilience. Despite the dip in home sales, prices remained steadier than expected, offering a glimmer of encouragement. The increase in available homes resulted from fewer pending sales than the number of new listings. While distressed sales did experience a slight uptick, it's nothing to set off alarms about. Understanding the ins and outs of the 2023 market showcases the resilience of Denver's real estate scene.

2024 Denver Metro Housing Market Outlook

Our assessment indicates mild improvements on the horizon, fueled by local economic factors such as migration, job growth and lower inflation – the favorable winds for housing. Crucially, the ebb and flow of mortgage rates will be the focal point shaping 2024 market dynamics. A normalized interest rate environment is expected to usher in positive effects for both buyers and sellers.

A mere three months ago, national economists painted a picture of a potential mild recession in 2024, but the tune has evolved. The probability of a recession now stands below 50 percent, and even if it materializes, the expected impact on the housing market is deemed minimal. Our current indicators suggest a downward pressure on inflation, with the prospect of the Federal Reserve cutting the Federal Funds rate by early summer. This development, in turn, is poised to create a more favorable mortgage rate environment.

The Colorado economy experienced a slowdown in 2023, and this trend is anticipated to persist in 2024 as Coloradans continue to curtail their spending. Jobs are expected to grow by a promising 1.4 percent in 2024, according to insights from the CU Leeds School of Business. The State Demography Office forecasts a positive net migration of 40,000 in 2024, providing a detailed breakdown for the metro area. While some areas may not see growth, others such as Douglas, Denver and Arapahoe counties are projected to experience growth exceeding 3,000 new residents.

In the third quarter of 2023, mortgage rates surged over eight percent, casting a chill over the market and making affordable housing more challenging to obtain. The positive twist to this tale is that rates have since dropped by almost one percent to close the year. Looking ahead, we expect rates will continue to drop in 2024, fluctuating between six and seven percent. Make no mistake; rates will continue to be a crucial driver for home buyers in 2024.

Nationwide, home sales are projected to hold steady, inching up just under 0.5 percent in 2024. Now, what about Colorado and, more specifically, the Denver Metro area? In 2022, there was a significant downturn in home sales, dropping by 20.42 percent compared to 2021's record-breaking year. Unfortunately, 2023 hasn't fared much better, with a drop of 17.99 percent. However, take heart—we reached our floor in 2023, so there's only one direction to go, and that's up. Our local forecast is optimistic, foreseeing sales growth between 2.5 to 4.5 percent in 2024.

On the national inventory front, signs are mixed, but locally, we anticipate inventory levels inching slightly higher in 2024. This forecast is grounded in a low mortgage rate environment, triggering more new listings to enter the market. The caveat is that more sellers, previously hesitant to sell, may decide that the benefits of a newer home outweigh the value of their current rate. Hence, brace yourselves for a slightly higher increase in new listings compared to the forecasted 2.5 to 4.5 percent increase in closings.

Predicting housing prices is akin to attempting a 50-yard field goal with moving goalposts—no easy feat with so many variables at play. In 2023, our forecast predicted a drop between four and six percent. However, reality had a different script, with a drop of only 0.16 percent for the average closed price and 1.70 percent for the median. The market outperformed expectations. If current trends persist, the local housing market is poised for improvement, with median closed prices projected to rise by two to five percent.

The major takeaway from 2023 was the substantial drop in sales, even as prices remained relatively flat. Assuming rates continue their downward trend, we expect fence-sitting buyers and sellers to start making moves, injecting some much-needed stimulus into our local housing market. This bolsters our confidence in the 2024 forecast. With the waning effects of Covid on housing, normalized trends and growth should be a welcomed sight.

A Better year to Come for Homebuyers: Five key insights for 2024

Nadia Evangelou

Housing Economist

Following a year marked by declining home sales in 2022, all hopes were pinned on 2023. The bets were that 2023 would usher in a turning point for both the economy and the housing market. Nevertheless, last year left many people feeling disappointed.

Despite a moderating inflationary climate, the economy encountered additional hurdles with the Federal Reserve enacting multiple interest-rate hikes throughout 2023. These successive increases, totaling a cumulative one percentage point, added strain to every kind of borrowing. Consequently, mortgage rates surpassed 7.5 percent last October and November, pricing the average American family out of the housing market. To afford the median-priced home, Americans had to allocate more than 30 percent of their income, given that the qualifying income surpassed $105,000. In the Denver metro area, the qualifying income was notably higher, reaching $140,000 at the end of 2023. In the meantime, the challenges for potential first-time buyers extended beyond mortgage rates as rents continued to rise. This exacerbates difficulties in saving for a down payment, particularly considering that one in two renters already faces cost burdens. As a result, Denver was among the areas that witnessed a double-digit decline in home sales activity in 2023.

But there are signs in the market that there'll be better days for homebuyers next year.

Rates are already moving down. After surpassing the 7.5 percent threshold, mortgage rates have already started to move downward towards the end of last year. The Federal Reserve's decision to halt interest rate hikes played a pivotal role in bringing current mortgage rates down below seven percent. In the meantime, history suggests that inflation and interest rates tend to move in the same direction but with lags. Central banks usually lower interest rates when inflation falls to stimulate the economy. But, while inflation has been moving down since August 2022, interest rates have just started to follow that same downward trajectory. Thus, if inflation continues its downward trend, interest rates will move even lower, ultimately leading to further declines in mortgage rates in 2024. The 30-year fixed mortgage rate will likely fall below 6.5 percent by the end of the year.

"Returning" buyers to boost housing activity. When mortgage rates hover around 6.6 percent, the average American family can comfortably afford to purchase the median-priced home without spending more than 30 percent of their income on monthly payments. Nevertheless, in the Denver metro area, further reductions in mortgage rates, dropping below six percent, are necessary for the typical family in this area to avoid financial strain. Unfortunately, it isn't anticipated that mortgage rates will decline to such levels in 2024. However, even with a 6.5 percent rate, around 55,382 households in the Denver metro area (4.5 percent of all households) will once again be able to afford the median-priced home in the area. The influx of these "returning" buyers is expected to boost activity in the area later this year.

Denver is attracting high-earner Millennials. Breaking down by local demographics, the data indicates that the Denver metro area is drawing a substantial number of high-earner millennial renters who are relocating from other states. An estimated 9,254 households of higher-earner millennial renters (those earning above $100,000) have moved to Denver in 2022. While first-time buyers make up one in three sales, the influx of these high-earner millennial renters, coupled with the presence of "returning" buyers, is anticipated to fuel growth in the local housing market in 2024.

More existing homes to be listed on the market. In anticipation of lower mortgage rates, many homeowners didn't list their homes in 2023, reluctant to give up their three percent record-low rates. As a result, existing home sales fell further in 2023 compared to the previous year. But, the outlook is for lower mortgage rates which will likely bring more sellers back to the market. Thus, these pent-up sellers are expected to stimulate activity in the market in 2024. In the Denver metro area, nearly four in 10 homeowners have already exceeded the 13-year mark, representing the average tenure in this area. Thus, there's potential for an increase in inventory from these rate lock-in sellers as they list their homes in the market.

Inventory to remain tight in the area. While more existing homes are expected to be available for sale, new construction has experienced a further slow-down in the Denver metro area, persistently falling below historical averages. In 2023, as of November, there was a notable shortfall, with 28 percent fewer single-family homes built compared to the historical average and 18 percent less than the previous year. Although construction is expected to increase in 2024 with lower interest rates, demand will also be stronger, continuing to outpace the housing supply. What is notably lacking in the local market are homes with a maximum price of $450,000, as indicated by the data.

Hence, it seems that the most challenging days for homebuyers may be behind us. Lower rates in 2024 translate to improved affordability, but they also bring stronger competition as inventory remains tight. In the Denver metro area, the forecast indicates higher home prices, along with a potential double-digit increase in home sales, recovering most of the losses experienced last year.

Realtors®, get ready for a busy year!

11-COUNTY MAP

This report, according to recent data provided by the Denver Metro Association of Realtors® Market Trends Committee, showcases the market transactions encompassing the 11 counties of the Denver Metro Area (Adams, Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park).
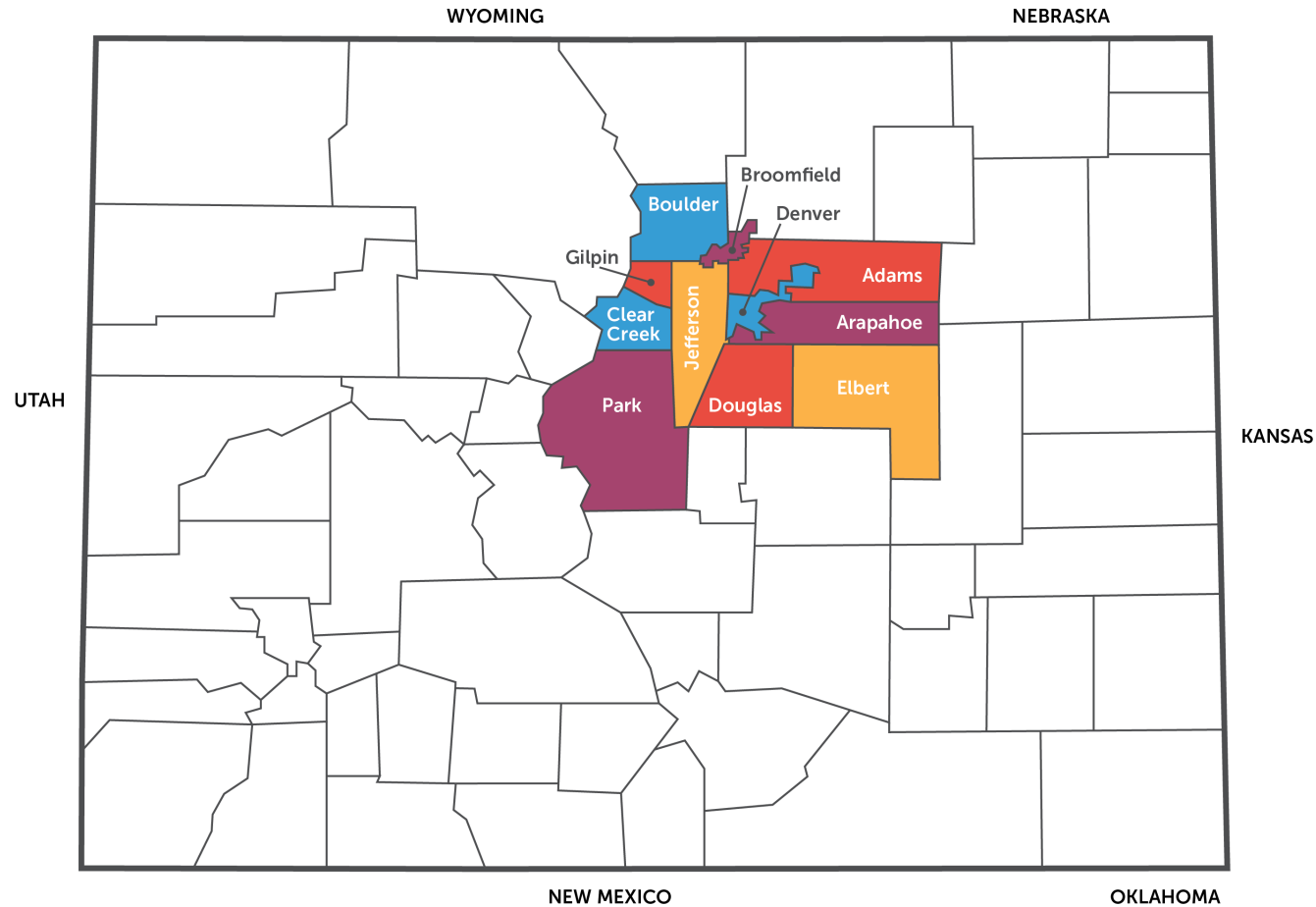
Glossary

Active Listings: The number of properties available for sale at the end of a reported period. The availability of homes for sale has a big impact on supply and demand dynamics and home prices.

Attached Home: A structure that shares a common wall or walls with another unit. Examples include townhomes, condominiums, row houses, apartment buildings and high-rise residential towers.

Average Close Price: A sum of all home sales prices divided by the total number of sales. Not considered the most accurate gauge since data from the high-end can easily skew the results.

Closed Listings: A measure of home sales that sold and closed during the reported period.

Detached Home (also called a single-family home): A single-family home that sits on its own lot and does not share any walls with another home or building. Basically, this is another term for your traditional stand-alone house or single-family home.

Median Close Price: A measure of home values in a market area where 50 percent of activity was higher and 50 percent was lower than this price point. This method is preferred because it's more insulated from outlying activity occurring at either tail end of the market.

Months of Inventory (MOI): A measure of how balanced the market is between buyers and sellers. It is expressed as the number of months it would hypothetically take to sell through all the available homes for sale currently, given current levels of home sales. A balanced market ranges from four to six months of supply. A buyer's market has a higher number and a seller's market has a lower number.

New Listings: The number of properties which became available during the reported period.

Pending: The number of listings that were changed status from "active" to "pending" at the end of the reported period. Pending listings are counted at the end of the reported period. Each listing can only be counted one time. If a listing goes to pending, out of pending, then back to pending all in one reported period, the listing would only be counted once. This is the most real-time measure possible for homebuyer activity, as it measures signed contracts on sales rather than the actual closed sale. As such, it is called a "leading indicator" of buyer demand.

REcolorado: Colorado's largest Multiple Listing Service (MLS) and the source data for the DMAR Market Trends Report.

RentalBeast: Rental Beast is the National Association of Realtors®' exclusive recommended software provider in the rental space. With a cutting-edge platform designed to empower real estate professionals, and the nation's most comprehensive database of more than 10 million rental properties, Rental Beast provides Realtors® with rental-centric tools simplifying every aspect of the rental process and is the source of rental data for the DMAR Market Trends Report.

Residential: Represents the overall housing market, which includes activity of detached single-family homes as well as attached homes.

The **A** to **Z** of Real Estate

Click Here for Full Glossary >>

About

MARKET TRENDS COMMITTEE

The DMAR Market Trends Committee, part of the Denver Metro Association of Realtors®, The Voice of Real Estate® in the Denver Metro Area, provides timely, consistent and relevant monthly summaries of valuable local real estate market statistical data for both its members and the general public. Statistics from the "Denver Metro Real Estate Market Trends Report" provide data for the following counties: Adams, Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park.

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To stay up to date with relevant real estate news and statistics, please visit dmarealtors.com, and join the conversation using the **#DMARstats** on social media.

Data Source: REcolorado, the state's largest network of real estate professionals, serves as the primary source of MLS data for the Market Trends Committee. REcolorado.com provides the most accurate and up-to-date property information for Realtors®, real estate professionals and consumers. Rental data is provided by RentalBeast, the nation's most comprehensive database of more than 10 million rental properties.

DISCLAIMER

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