

A HISTORICAL PERSPECTIVE

“ Over the last 30 years, active listings have stood as an important measure for understanding the condition of our housing market. A surplus of listings creates conditions favorable to buyers, while a deficit in listings will favor sellers. 2014 through mid-2018 represented a historic period of extreme low inventory. This period shaped our robust housing market that continues today. From May 2018 through January 2019 inventory levels started growing and so too did the feeling of a sense of optimism from buyer’s agents and concern from listing agents as we foresaw a more balanced market in our future.

Active listings reached their lowest point in December of 2017 with 3,854 listings. A year later, that number increased 44.7 percent to 5,577. This growth in inventory was due in part to sluggish sales and a higher number of new listings entering the market. According to the numbers, this trend started to reverse itself towards the midpoint of 2019 with November representing the first month in the previous 13 that showed a decrease in listings compared to the previous year. We finished 2019 down 9.7 percent from 2018 in active listings. Are we heading back to a shortage of inventory? The trend suggests yes, at least through the first half of 2020 and possibly longer as buyer demand remains strong.

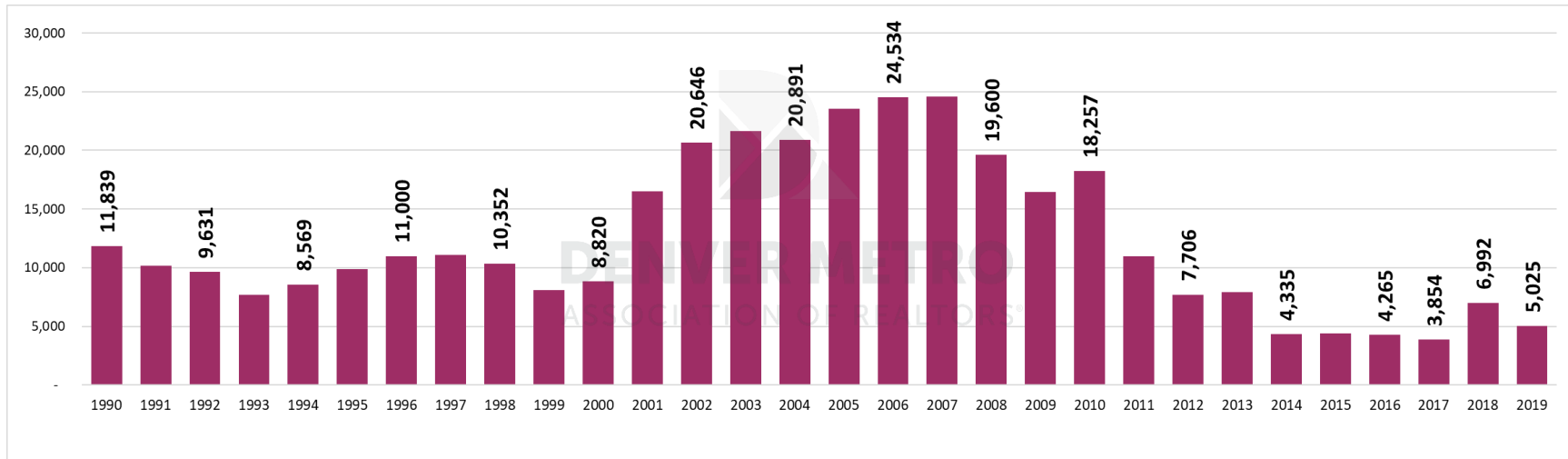
Unlike other historical numbers we track, active listings generally will not increase year to year. 2019’s year-end number represents 41.1 percent of our 30-year annual average of 12,262. Our record-high came in July of 2006 when we recorded 31,989 listings. During that period of record highs, months of inventory stood at 6.6 months which implied a robust buyer’s market in which everyone had a listing but agents with buyers were king. Today’s 1.2 months of inventory stands in significant contrast from 2006 as we continue to remain a seller’s market.

2019 represented the second highest year for closings in Denver Metro history. We finished with 58,404 closed transactions. This represents an increase of 3.43 percent from 2018. 2019 also represented the fifth year in a row exceeding 56,000 transactions. In 1990 we closed only 25,619 homes. Thirty years later, we’ve closed 120.5 percent more homes. When examining historical numbers, it’s important to consider factors like an increase in total housing units and population changes. Not only was 2017 our historical high with 59,207 closings, but nationally it was also a record year.

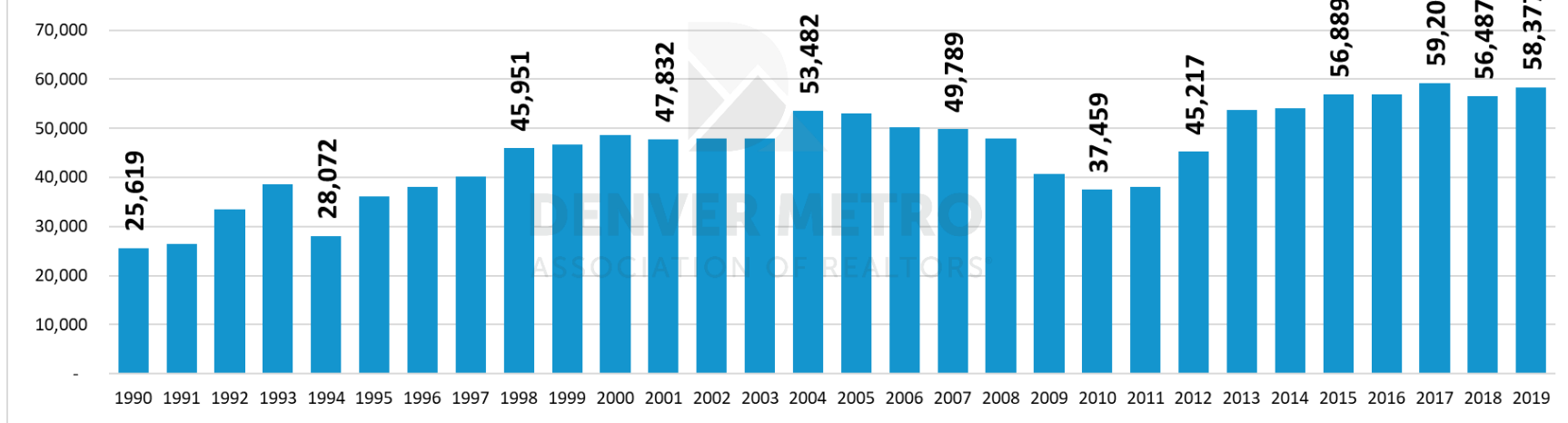
Over the last 30 years, home prices have seen robust growth demonstrating homeownership is the primary driver of personal wealth. The average sold price in 2019 was \$486,695, an increase of 2.85 percent from 2018. 2019 established a new historical high and marked the eighth consecutive year of price gains. Over the last 30 years, the average price has increased a staggering 417 percent. Growth has been consistent since 1990 except during the mortgage market collapse from 2007-2009. This was the only time where year-over-year prices dropped. The good news: our recovery has been one of the strongest in the nation. Our pre-recession high was 2006 at \$288,916. Since that time, prices have increased 68.6 percent. That increase is one of the highest price recoveries in the nation.

The Denver Metro housing market has experienced highs and lows over the last 30 years. The early 2000s gave us fast and loose lending practices that burst our housing bubble and made short sales a common thing. Think of that period as a forest that had too much undergrowth that then experienced several years of drought. The market burned down. With all that bad came some good as we were left with a healthier and more sustainable housing market. — **Steve Danyliw, DMAR Market Trends Committee member and Denver real estate agent**

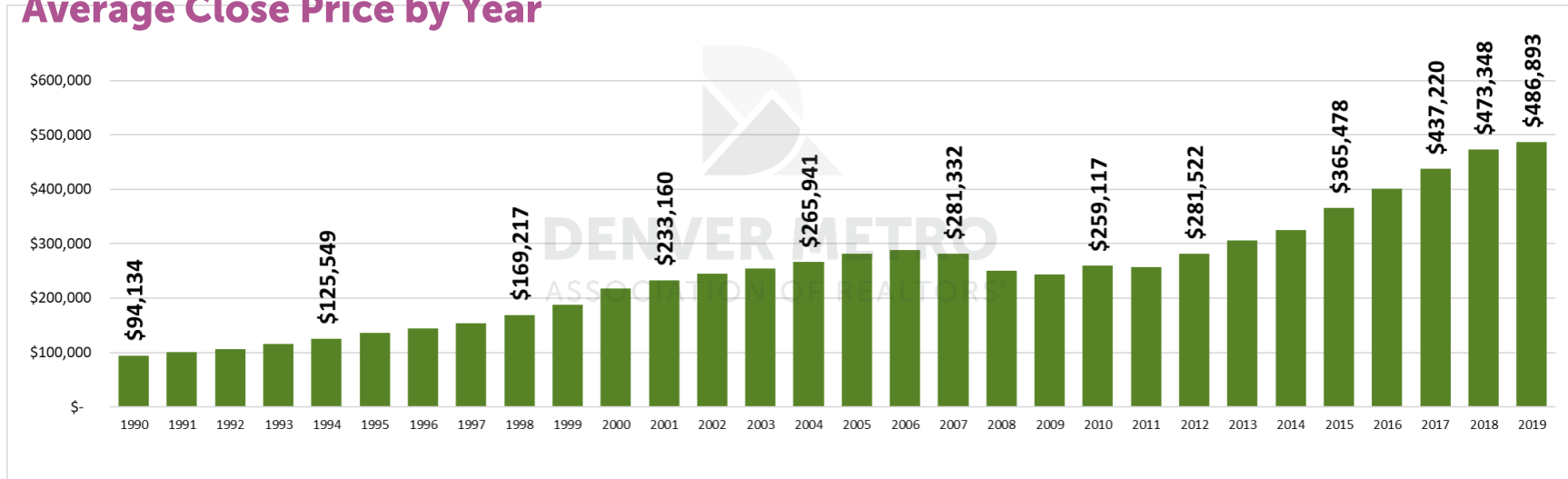
Active Listings at Year End



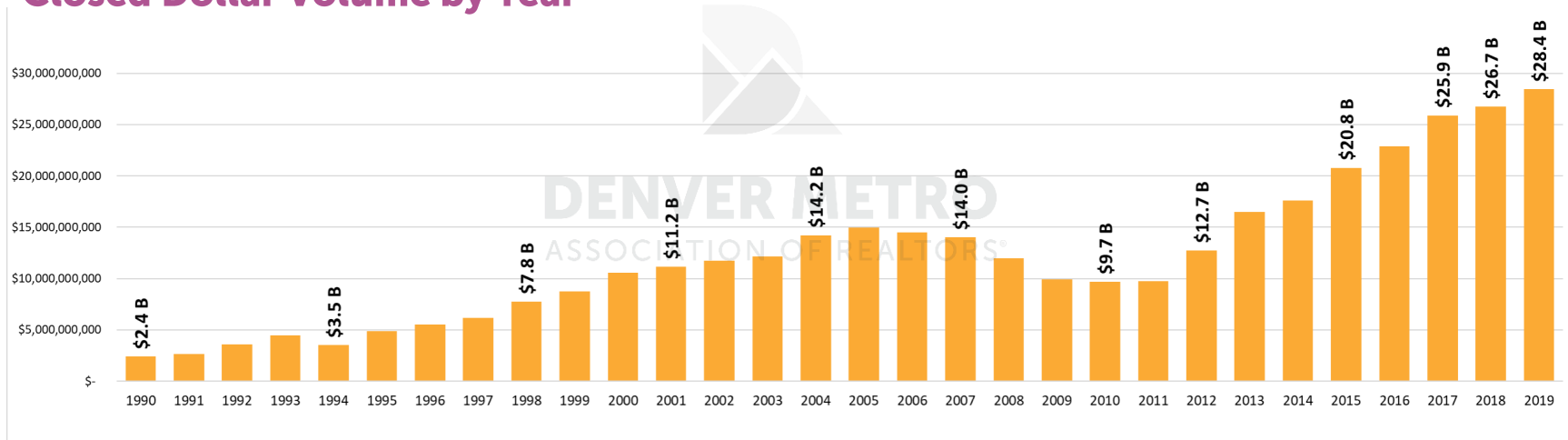
Closed Homes by Year



Average Close Price by Year



Closed Dollar Volume by Year



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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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.

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DISCLAIMER

All data presented in this report was provided by REcolorado. The data was pulled at 8:00 AM (mountain time) on the first day of the month for the preceding month(s).