

WINDERMERE REAL ESTATE PRESENTS

THE GARDNER REPORT

METRO DENVER & NORTHERN COLORADO | THIRD QUARTER 2017

The following analysis of the Metro Denver & Northern Colorado real estate markets is provided by Windermere Real Estate Chief Economist Matthew Gardner. We hope that this information may assist you with making better-informed real estate decisions. For further information about the housing market in your area, please don't hesitate to contact me.



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ABOUT MATTHEW GARDNER Mr. Gardner is the Chief Economist for Windermere Real Estate, specializing in residential market analysis, commercial/industrial market analysis, financial analysis, and land use and regional economics. He is the former Principal of Gardner Economics, and has more than 30 years of professional experience both in the U.S. and U.K.

ECONOMIC OVERVIEW

Colorado added 45,800 non-agricultural jobs over the past 12 months, a growth rate of 1.8%. Within the metropolitan market areas included in this report, annual employment growth was seen in all areas other than Grand Junction (where employment was stable) with substantial growth seen in Fort Collins (4.6%) and Greeley (3.5%).

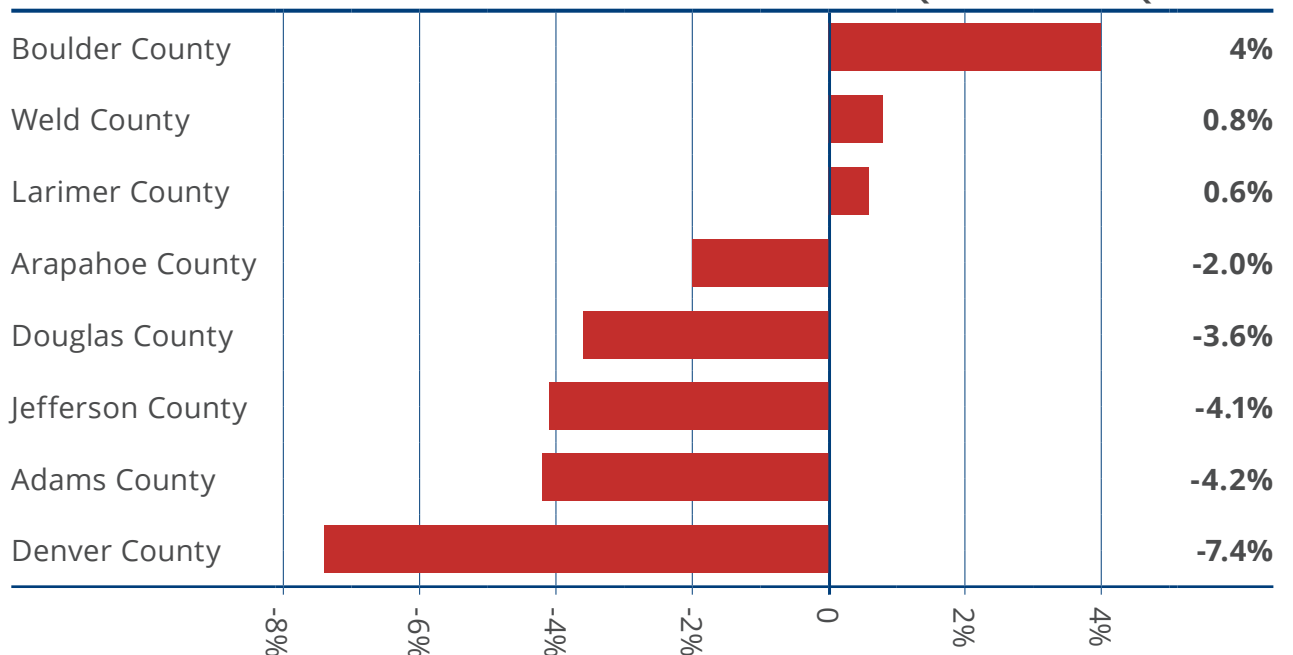
In August, the unemployment rate in the state was 2.2%, down from 3.1% a year ago. The lowest reported unemployment rates were again seen in Fort Collins at just 1.8%. The highest rate was in Grand Junction, at a very respectable 3.0%. It is still reasonable to assume that all the markets contained within this report will see above-average wage growth given the very tight labor market.

HOME SALES ACTIVITY

- There were 17,140 home sales during the third quarter of 2017, which was a drop of 3.3% from the same period in 2016.
- Sales rose the fastest in Boulder County, which saw sales grow 4% more than the third quarter of 2016. There were marginal increases in Weld and Larimer Counties. Sales fell in all the other counties contained within this report.
- Home sales slowed due to very low levels of available inventory. Listing activity continues to trend at well below historic averages, with the total number of homes for sale in the third quarter 5.5% below the level seen a year ago.
- The takeaway here is that sales growth has stalled due to the lack of homes for sale.

ANNUAL CHANGE IN HOME SALES

Q3-2016 TO Q3-2017

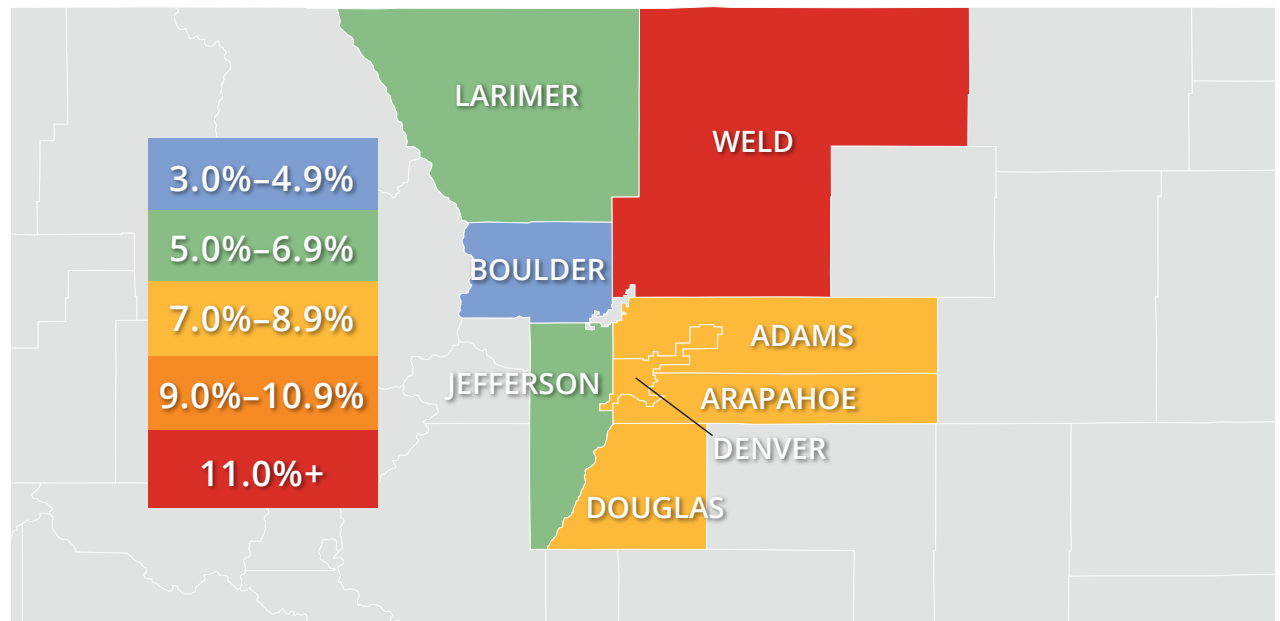
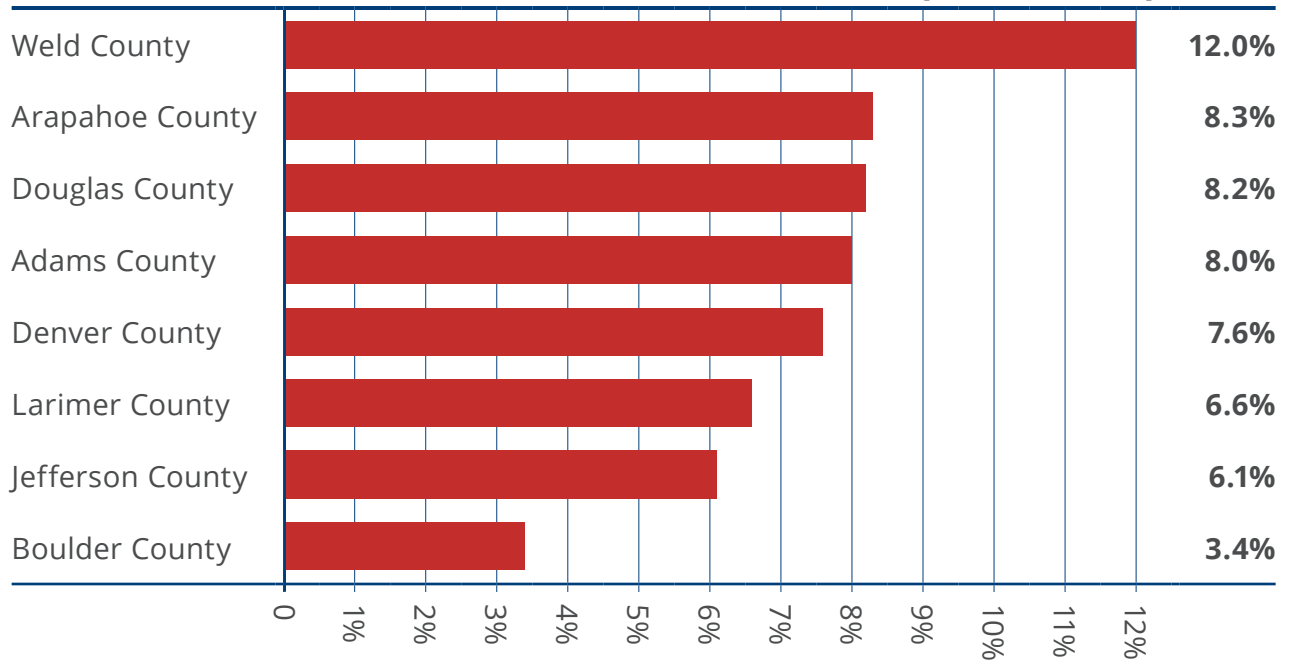


HOME PRICES

- With substantial competition for the few available homes, prices continue to rise. Average prices were up 7.5% year-over-year to a regional average of \$428,602.
- Slower appreciation in home values was again seen in Boulder County, but the trend is still positive.
- Appreciation was strongest in Weld County, which saw prices rise 12%.
- Due to an ongoing imbalance between supply and demand, home prices will continue to appreciate at above-average rates for the foreseeable future.

ANNUAL CHANGE IN HOME SALE PRICES

Q3-2016 TO Q3-2017

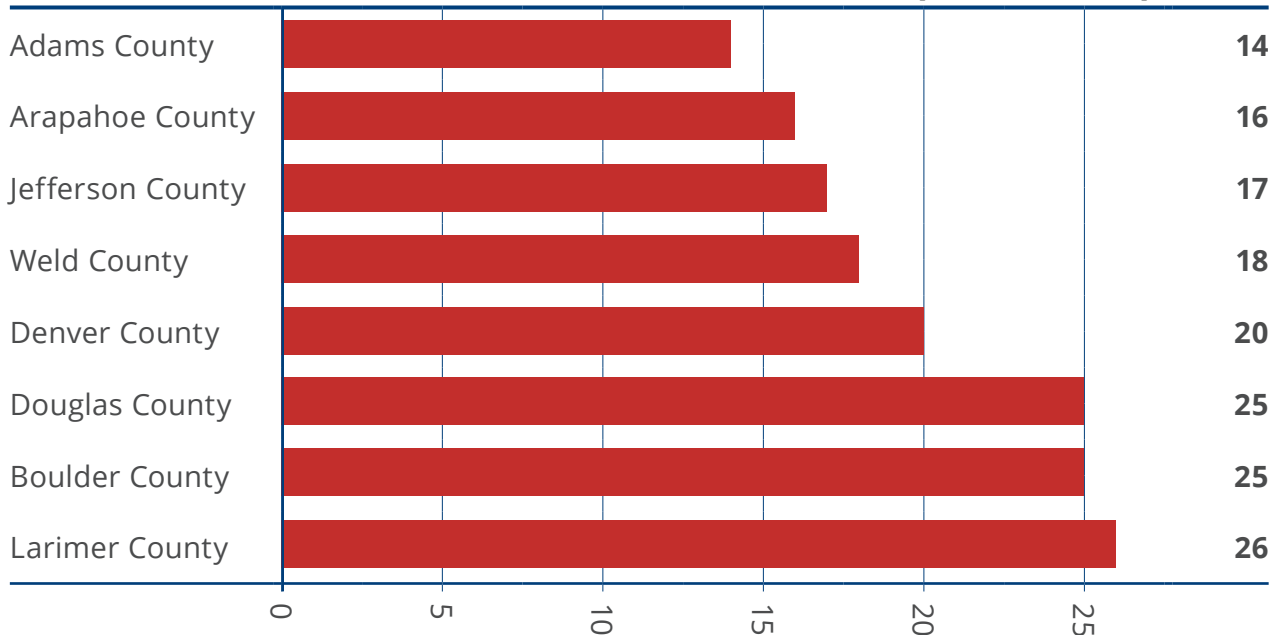


DAYS ON MARKET

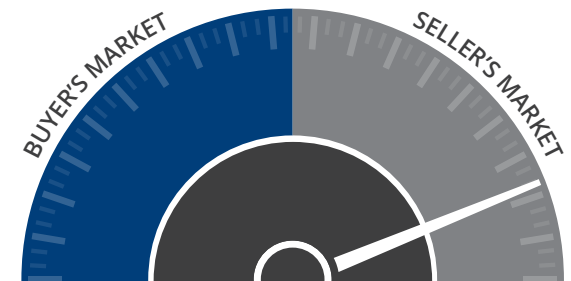
- The average number of days it took to sell a home dropped by one day when compared to the third quarter of 2016.
- Homes in all counties contained in this report took less than a month to sell. Adams County continues to stand out as it took an average of just two weeks to sell a home there.
- During the third quarter, it took an average of 20 days to sell a home. This is up by 3 days compared to the second quarter of this year.
- Demand remains strong, and well-positioned, well-priced homes continue to sell very quickly.

AVERAGE DAYS ON MARKET

Q3-2016 TO Q3-2017



CONCLUSIONS



This speedometer reflects the state of the region's housing market using housing inventory, price gains, home sales, interest rates, and larger economic factors.

In the third quarter of 2017, I have chosen to leave the needle where it was in the second quarter. Homes are still scarce; however, there is a small slowdown in price growth and a decline in both closed and pending sales. This may suggest the market is either getting weary of all the competition or that would-be buyers are possibly putting off buying until they see more choices in the number of homes for sale.