THE
Q2 2018 | METRO DENVER & NORTHERN COLORADO
GARDNER
REPORT

presented by

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The following analysis of the Metro Denver & Northern Colorado real estate market (which now includes Clear Creek, Gilpin, and Park Counties) 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.

ECONOMIC OVERVIEW

Colorado continues to see very strong job growth, adding 72,800 non-agricultural jobs over the past 12 months—an impressive increase of 2.7%. Through the first five months of 2018, the state added an average of 7,300 new jobs per month. I expect this growth to continue through the remainder of the year, resulting in about 80,000 new jobs in 2018.
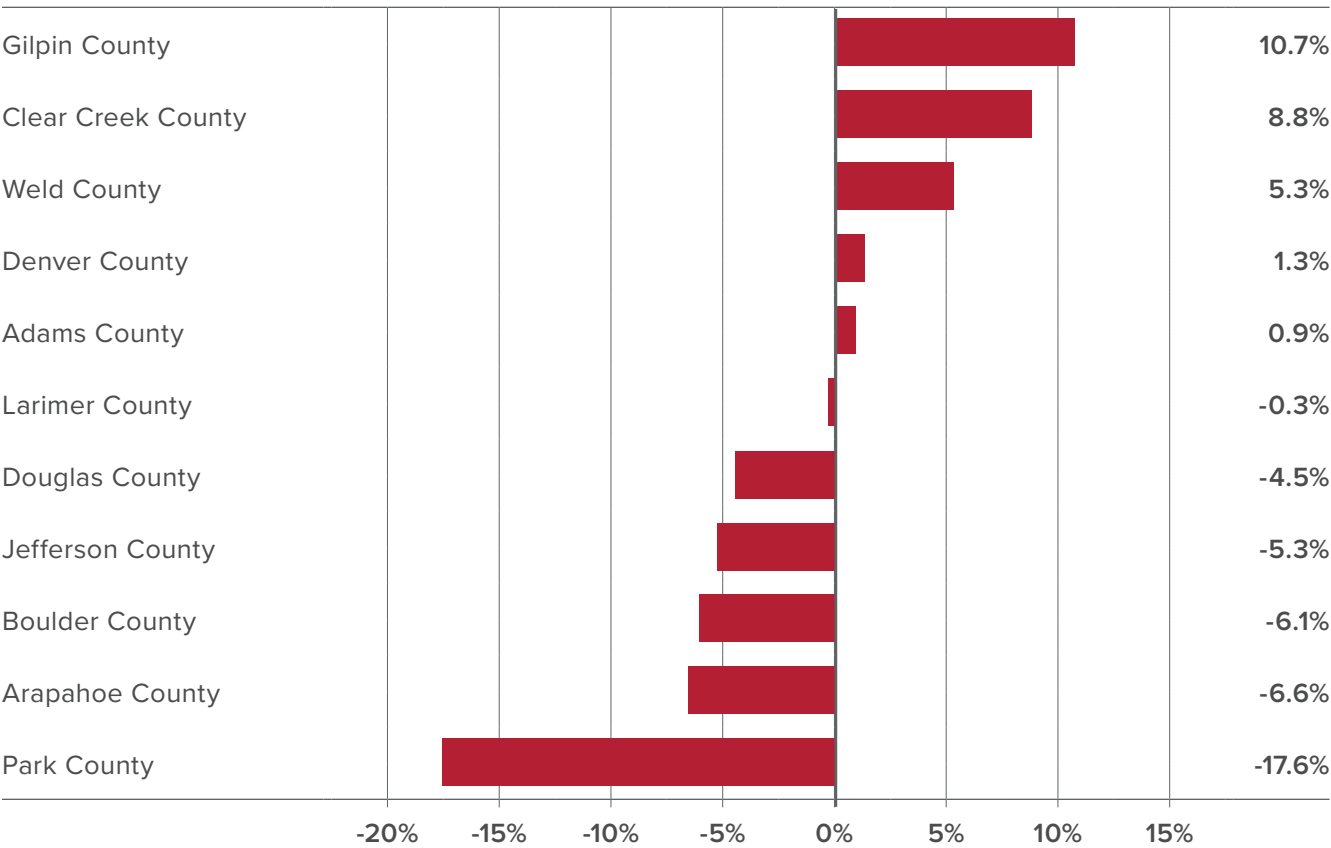
In May, the state unemployment rate was 2.8%. This is slightly above the 2.6% we saw a year ago but still represents a remarkably low level. Unemployment remains either stable or is dropping in all the markets contained in this report, with the lowest reported rates in Fort Collins and Boulder, where just 2.2% of the labor force was actively looking for work. The highest unemployment rate was in Grand Junction, which came in at 3.1%.

HOME SALES ACTIVITY

❭ In the second quarter of 2018, 17,769 homes sold—a drop of 2.4% compared to the second quarter of 2017.

❭ Sales rose in 5 of the 11 counties contained in this report, with Gilpin County sales rising by an impressive 10.7% compared to second quarter of last year. There were also noticeable increases in Clear Creek and Weld Counties. Sales fell the most in Park County but, as this is a relatively small area, I see no great cause for concern at this time.

❭ Slowing sales activity is to be expected given the low levels of available homes for sale in many of the counties contained in this report. That said, we did see some significant increases in listing activity in Denver and Larimer Counties. This should translate into increasing sales through the summer months.

❭ The takeaway here is that sales growth is being hobbled by a general lack of homes for sale, and due to a drop in housing demand.

ANNUAL CHANGE IN HOME SALES   Q2-2017 TO Q2-2018

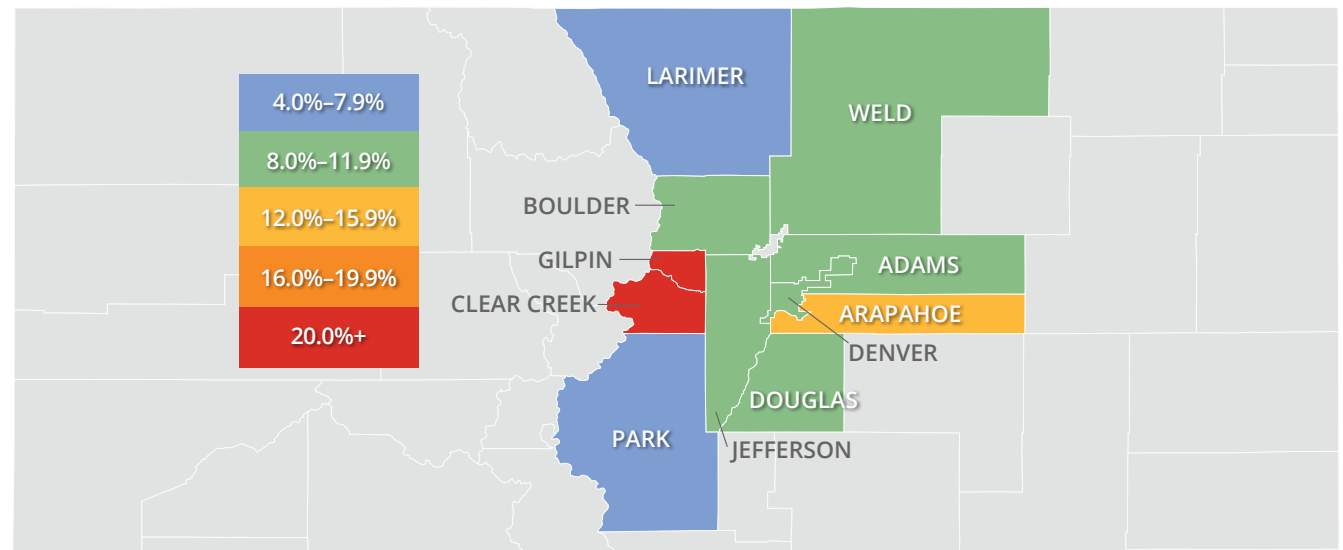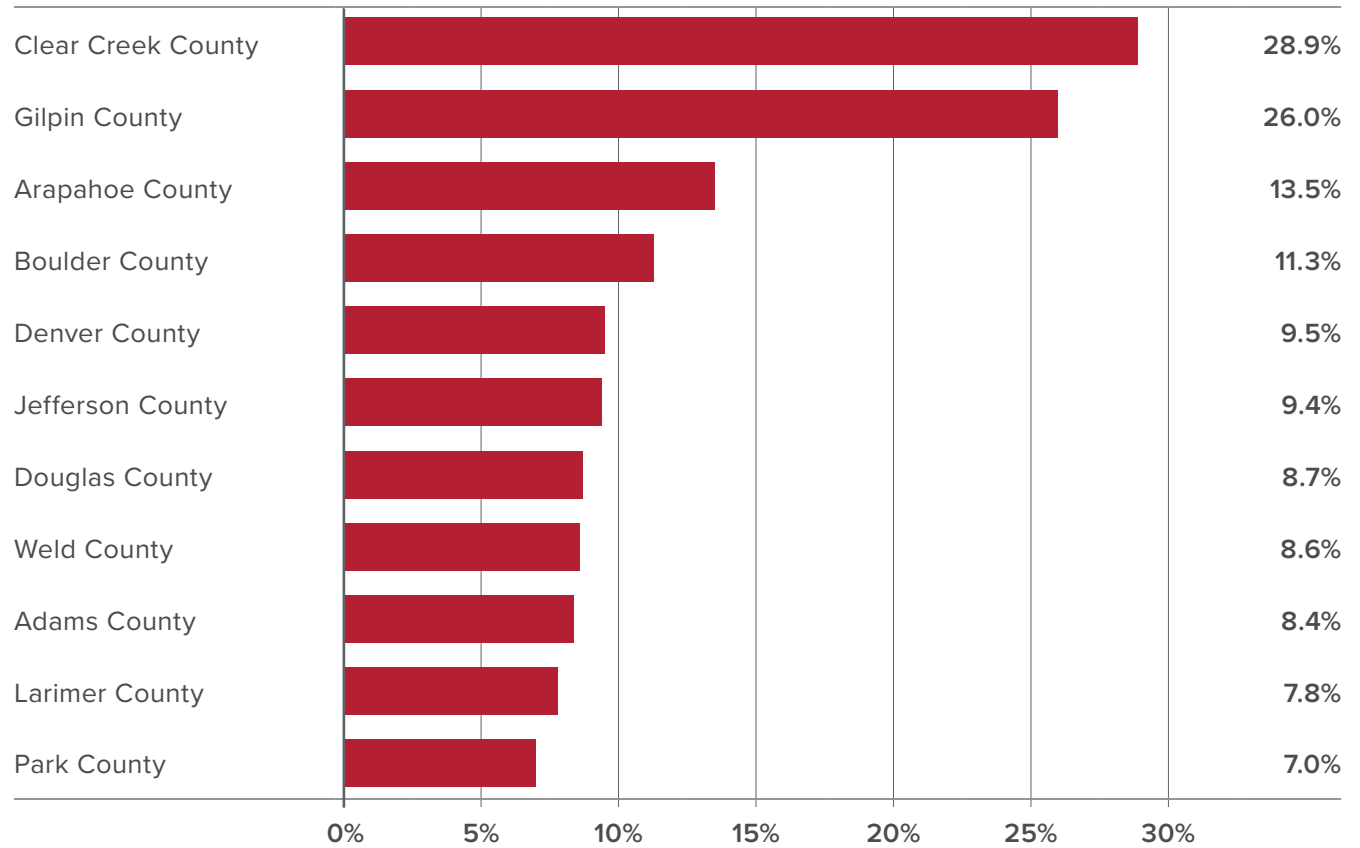| County	Annual Change
Gilpin County	10.7%
Clear Creek County	8.8%
Weld County	5.3%
Denver County	1.3%
Adams County	0.9%
Larimer County	-0.3%
Douglas County	-4.5%
Jefferson County	-5.3%
Boulder County	-6.1%
Arapahoe County	-6.6%
Park County	-17.6%

HOME PRICES

❯ With strong economic growth and a persistent lack of inventory, prices continue to trend higher. The average home price in the region rose 9.8% year-over-year to $479,943.

❯ The smallest price gains in the region were in Park County, though the increase there was still a respectable 7%.

❯ Appreciation was strongest in Clear Creek and Gilpin Counties, where prices rose by 28.9% and 26%, respectively. All other counties in this report saw gains above the long-term average.

❯ Although there was some growth in listings, the ongoing imbalance between supply and demand persists, driving home prices higher.
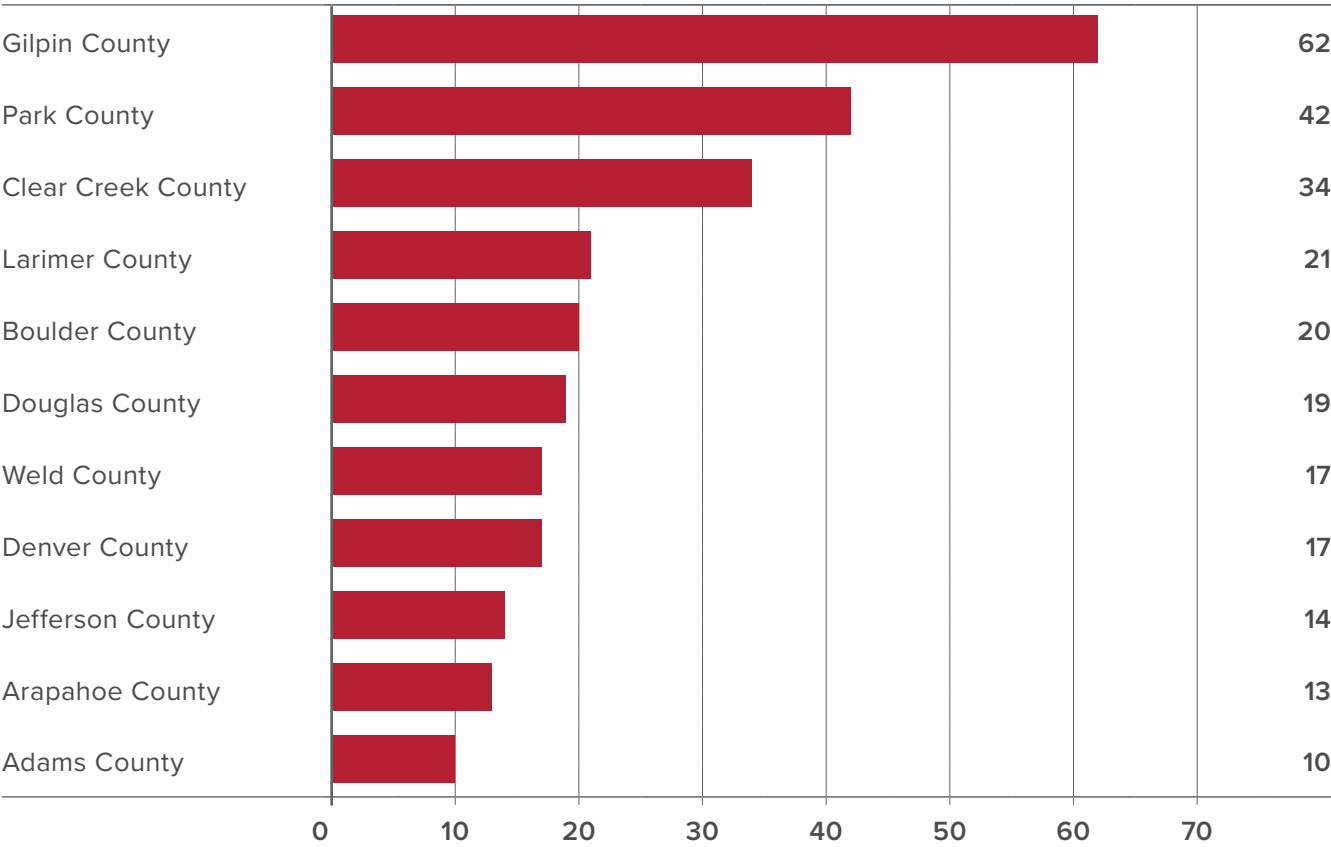
ANNUAL CHANGE IN HOME SALE PRICES — Q2-2017 TO Q2-2018

County	Change
Clear Creek County	28.9%
Gilpin County	26.0%
Arapahoe County	13.5%
Boulder County	11.3%
Denver County	9.5%
Jefferson County	9.4%
Douglas County	8.7%
Weld County	8.6%
Adams County	8.4%
Larimer County	7.8%
Park County	7.0%

Map legend:
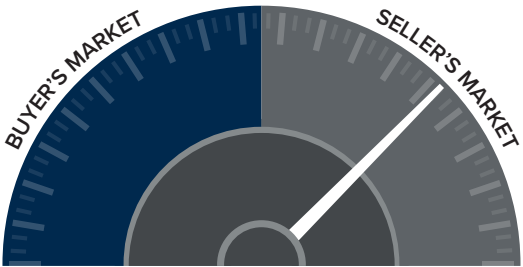- 4.0%–7.9%
- 8.0%–11.9%
- 12.0%–15.9%
- 16.0%–19.9%
- 20.0%+

DAYS ON MARKET

❭ The average number of days it took to sell a home remained at the same level as a year ago.

❭ The length of time it took to sell a home dropped in most markets contained in this report. Gilpin County saw a very significant jump in days on market, but this can be attributed to the fact that it is a very small area which makes it prone to severe swings.

❭ In the second quarter of 2018, it took an average of 24 days to sell a home. Of note is Adams County, where it took an average of only 10 days to sell a home.

❭ Housing demand remains very strong and all the markets in this report continue to be in dire need of additional inventory to satisfy demand.

AVERAGE DAYS ON MARKET   Q2-2018

County	Days
Gilpin County	62
Park County	42
Clear Creek County	34
Larimer County	21
Boulder County	20
Douglas County	19
Weld County	17
Denver County	17
Jefferson County	14
Arapahoe County	13
Adams County	10

CONCLUSIONS

This speedometer reflects the state of the region's real estate market using housing inventory, price gains, home sales, interest rates, and larger economic factors. For the second quarter of 2018, I have moved the needle very slightly towards buyers as a few counties actually saw inventories rise. However, while I expect to see listings increase in the coming months, for now the housing market continues to heavily favor sellers.

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.