



THE Q2 2019 | 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.

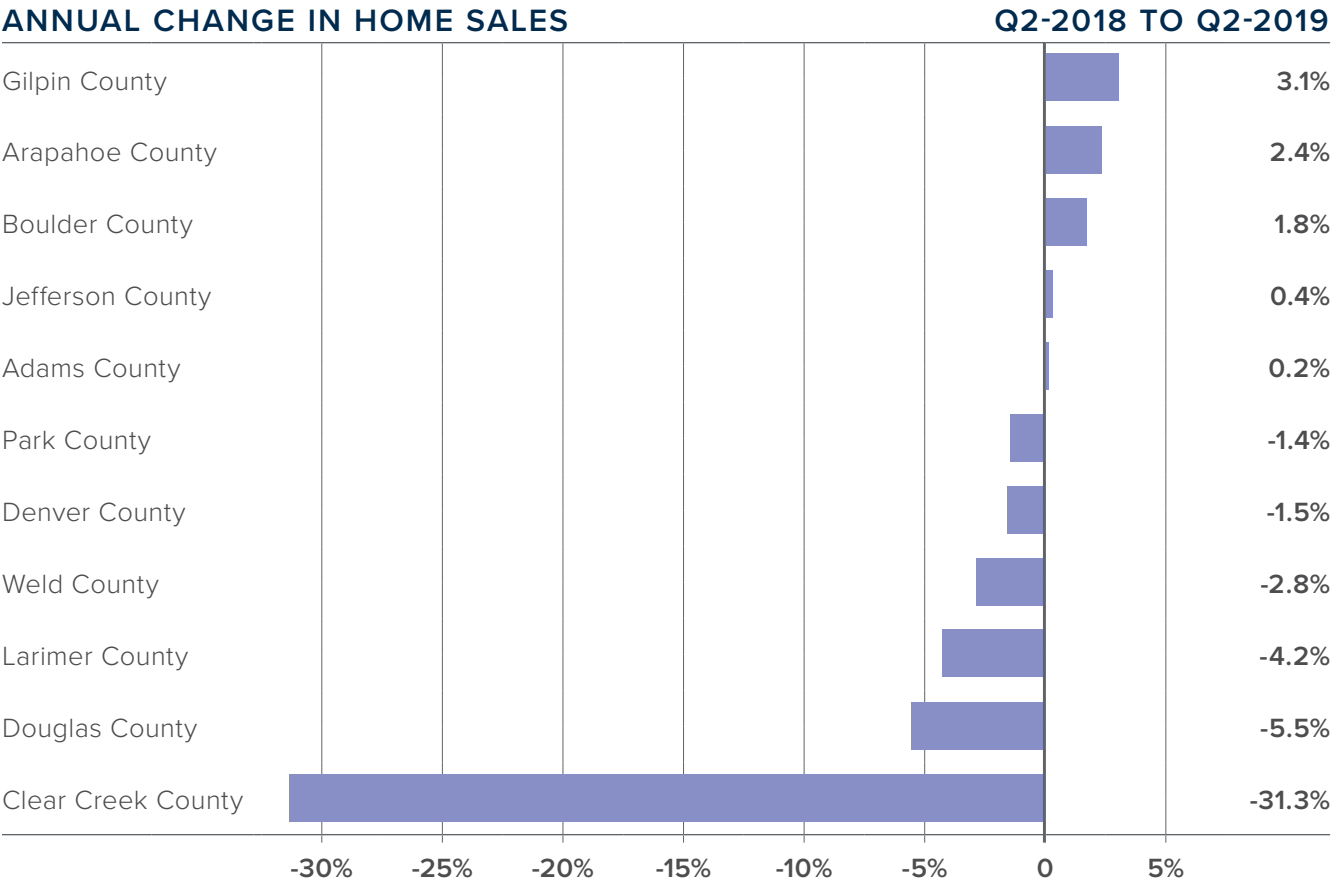
ECONOMIC OVERVIEW

Colorado's economy continues to grow with the addition of 45,900 new non-agricultural jobs over the past 12 months, which represents a growth rate of 1.7%. As I have stated in the last two *Gardner Reports*, we continue to see a modest slowdown in employment gains, but that is to be expected at this stage of the business cycle.

In May, the state unemployment rate was 3.2%, up from 3.1% a year ago. The increase in the rate is essentially due to labor force growth, which rose by over 55,700 people over the past year. On a seasonally adjusted basis, unemployment rates in all the markets contained in this report were lower than a year ago and are at full employment.

HOME SALES

- In the second quarter of 2019, 17,853 homes sold. This is a drop of 1% compared to the second quarter of 2018 but a substantial 59.9% higher than the first quarter of this year. Pending sales — a sign of future closings — rose 5.8%, suggesting that closings in the third quarter are likely to show further improvement.
- Half of the counties contained in this report saw sales growth, while the other half had fewer closings. Sales in the small Clear Creek County fell precipitously. However, it was only a drop of 20 sales.
- The marginal drop in the number of sales compared to a year ago can be attributed to the ongoing increase in listing activity (+34.8%), which continues to give would-be home buyers more choice and less urgency.
- Inventory levels continue to rise, but demand for housing appears to be ongoing. I am not concerned by the marginal year-over-year slowdown and anticipate that sales will rise again in the third quarter.

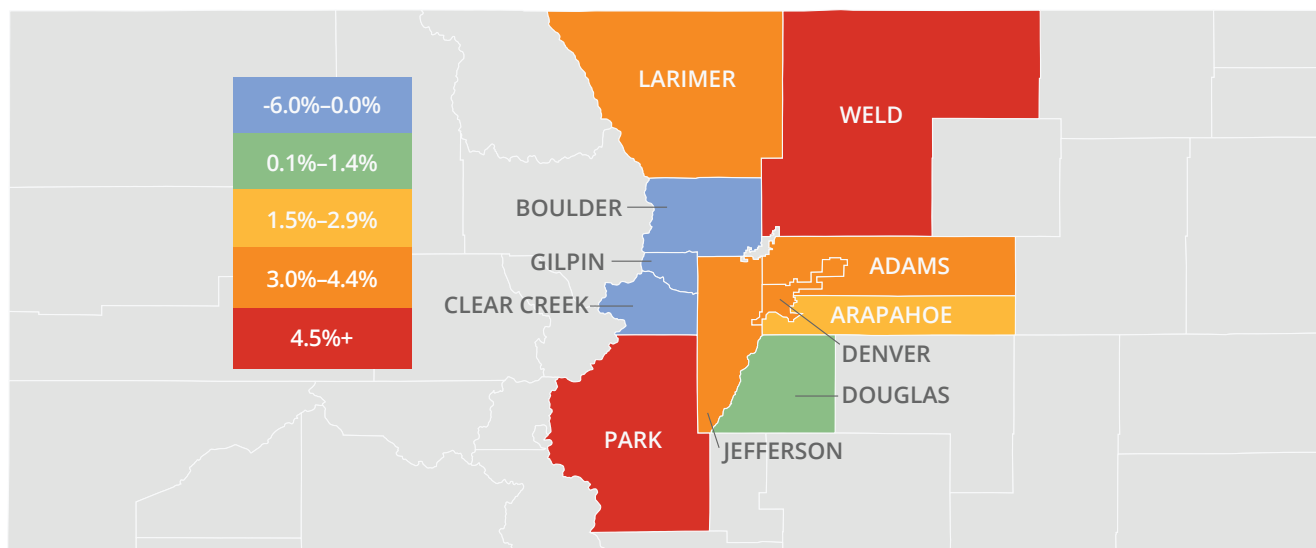
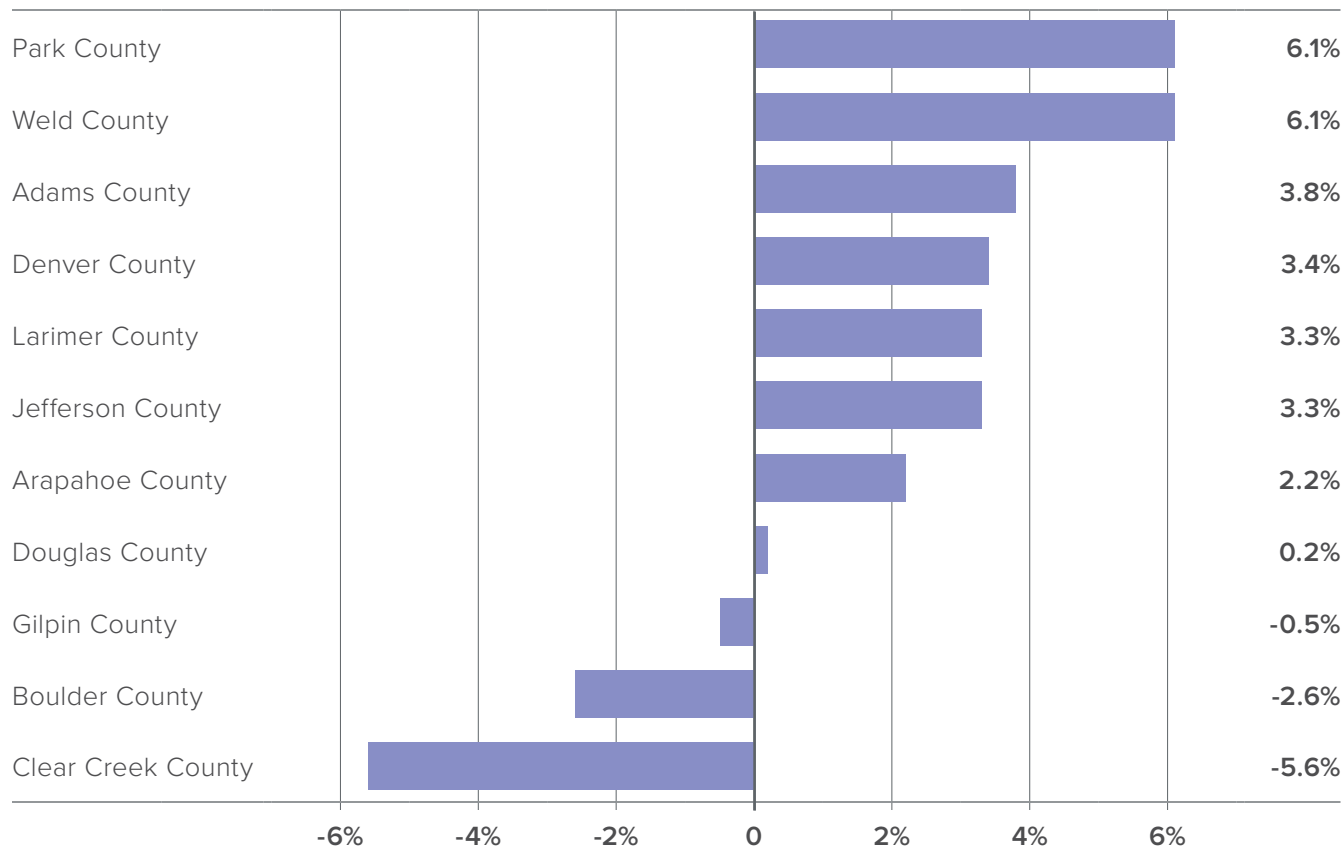


HOME PRICES

- Home prices continue to trend higher, but the rate of growth has taken a pause, with the average home price in the region rising by just 2.3% year-over-year to \$490,575.
- The drop in interest rates this year has nudged more buyers off the fence and this can allow further price growth as we move through the year.
- Appreciation was again strongest in Park County, where prices rose 6.1%. We also saw strong growth in Weld County, which rose by 6.1%. Home prices dropped in Clear Creek, Boulder, and Gilpin counties, but I do not see this as being indicative of a trend in these markets.
- Affordability continues to be an issue in many Colorado markets and this may act as a modest headwind to ongoing price growth. However, some of the slowing may be offset by very favorable mortgage rates.

ANNUAL CHANGE IN HOME SALE PRICES

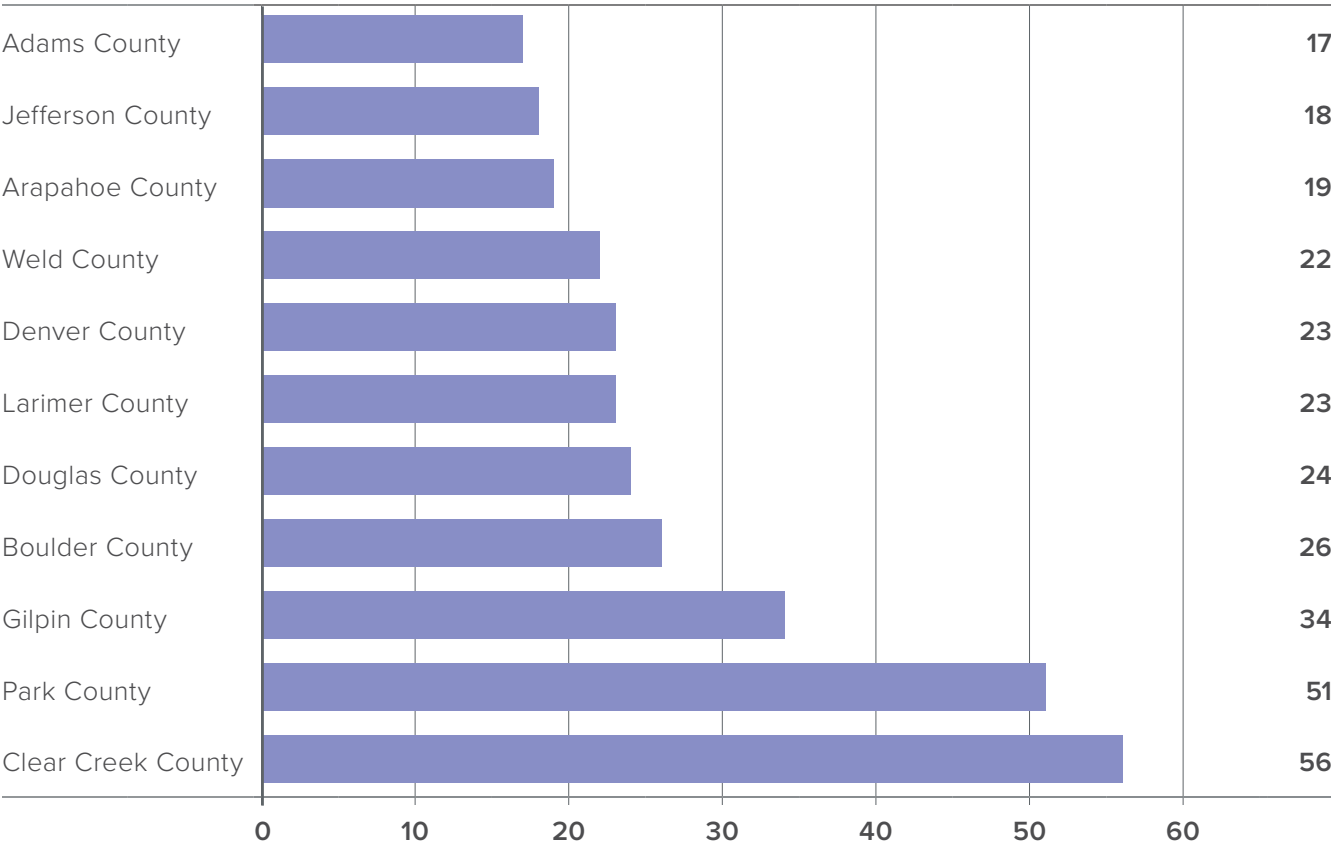
Q2-2018 TO Q2-2019



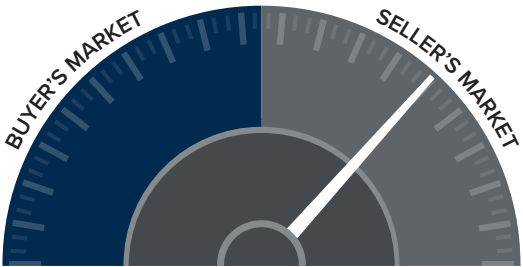
DAYS ON MARKET

- › The average number of days it took to sell a home in the markets contained in this report rose four days over the second quarter of 2018.
- › The amount of time it took to sell a home rose in all counties except Gilpin when compared to the second quarter of 2018.
- › It took an average of 29 days to sell a home in the region — a drop of 13 days compared to the first quarter of this year.
- › It is likely that the drop in time-on-market was a function of the emerging spring selling season as well as falling mortgage rates.

AVERAGE DAYS ON MARKET



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 2019, I continue the trend I started last summer and have moved the needle a little more in favor of buyers. I continue to closely monitor listing activity to see if we get any major bumps above the traditional increase because that may further slow home price growth. However, the trend for 2019 will continue to be a move toward a more balanced market.

ABOUT MATTHEW GARDNER

As Chief Economist for Windermere Real Estate, Matthew Gardner is responsible for analyzing and interpreting economic data and its impact on the real estate market on both a local and national level. Matthew has over 30 years of professional experience both in the U.S. and U.K.

In addition to his day-to-day responsibilities, Matthew sits on the Washington State Governors Council of Economic Advisors; chairs the Board of Trustees at the Washington Center for Real Estate Research at the University of Washington; and is an Advisory Board Member at the Runstad Center for Real Estate Studies at the University of Washington where he also lectures in real estate economics.