



THE Q3 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 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 picked up, adding 64,900 new non-agricultural jobs over the past 12 months — a growth rate of 2.4%. Over the past three months, the state added an impressive 28,300 new jobs.

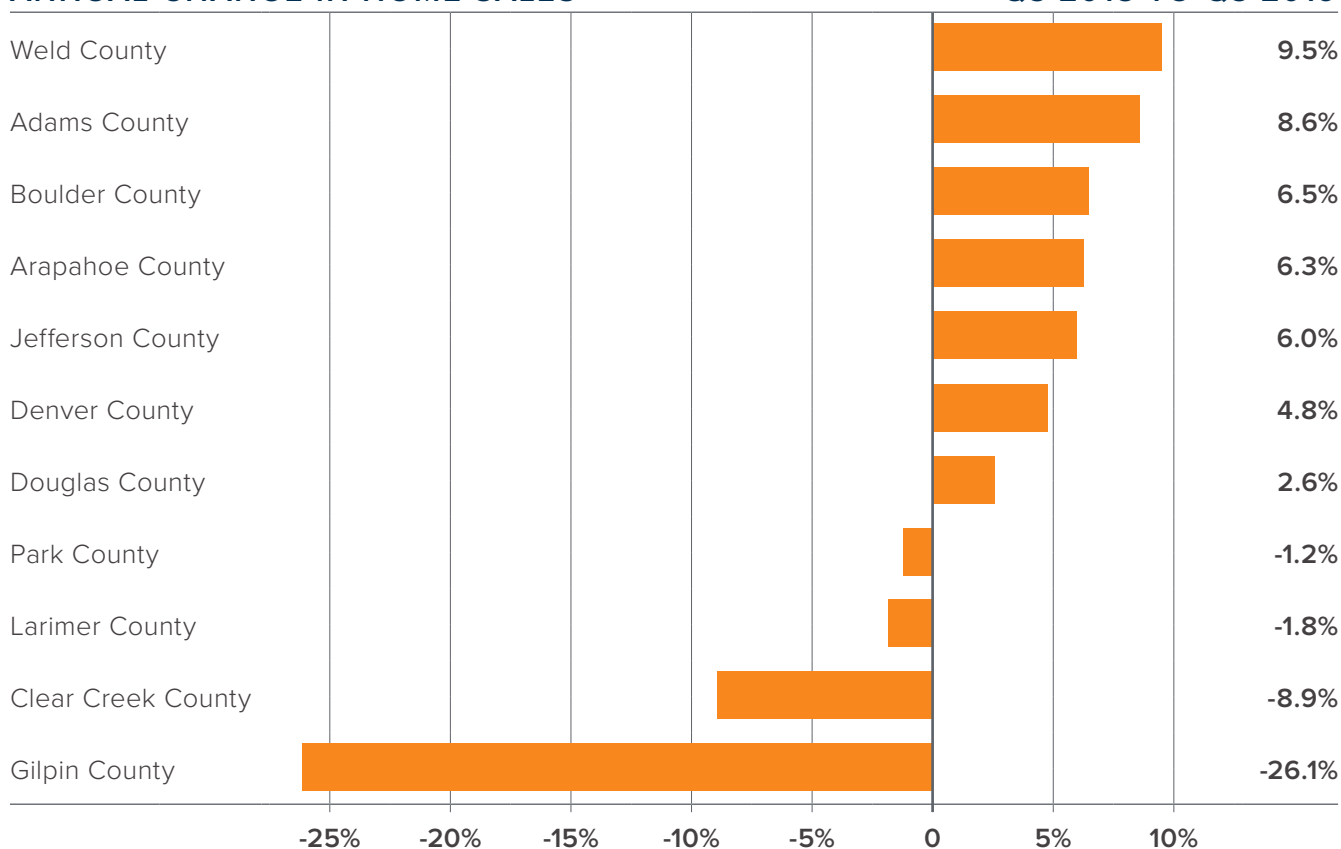
In August, the state unemployment rate was 2.8%, down from 3.4% a year ago. Unemployment rates in all the counties contained in this report were lower than a year ago. It is fair to say that all markets are now at full employment.

HOME SALES

- In the third quarter of 2019, 17,562 homes sold. This is an increase of 5.1% compared to the third quarter of 2018 but 1.6% lower than the second quarter (which can be attributed to seasonality). Pending sales — a sign of future closings — rose 9.7%, suggesting that closings in the final quarter of 2019 are likely to show further improvement.
- Seven counties contained in this report saw sales grow, while four saw sales activity drop. I am not concerned about this because all the markets that experienced slowing are relatively small and, therefore, subject to significant swings.
- I was pleased to see an ongoing increase in the number of homes for sale (+16.9%), which means home buyers have more choice and feel less urgency.
- Inventory levels are moving higher, and demand for housing appears to be quite strong. As I predicted last quarter, home sales rose in third quarter compared to a year ago.

ANNUAL CHANGE IN HOME SALES

Q3-2018 TO Q3-2019

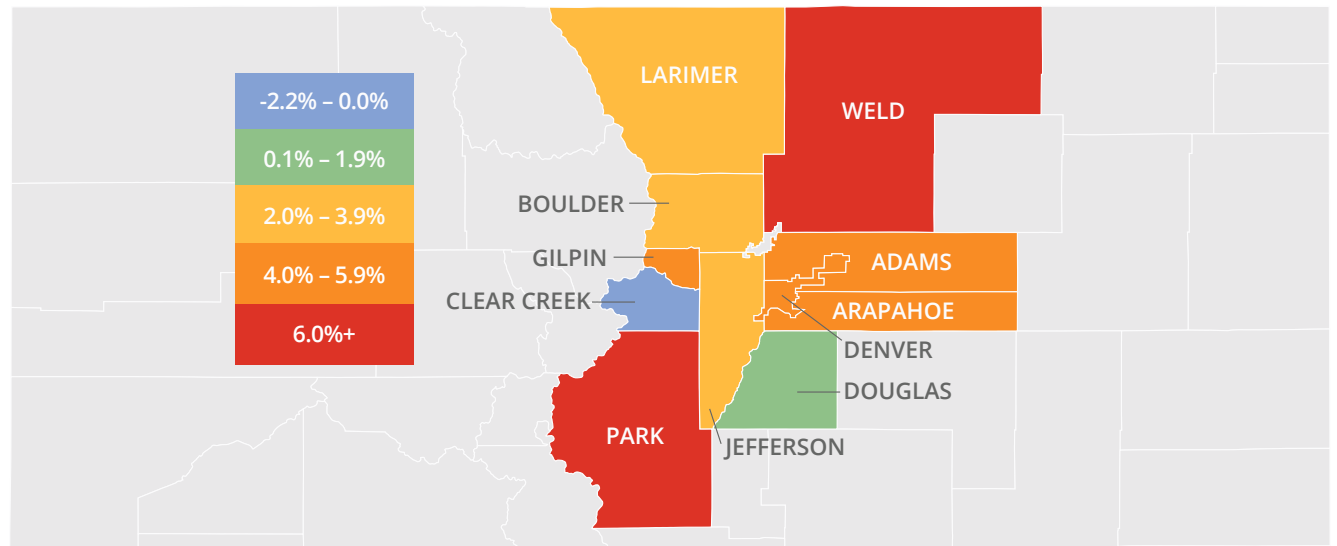
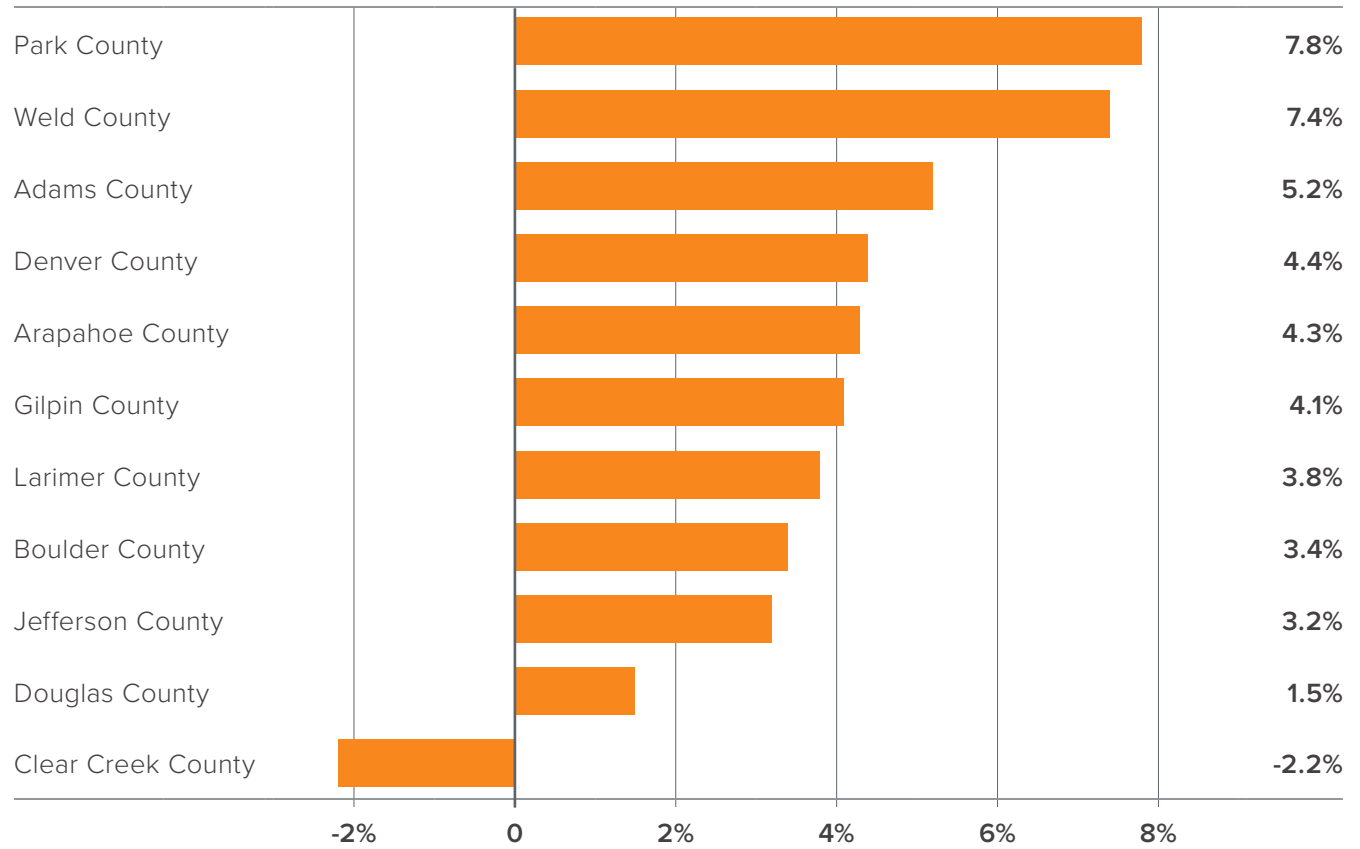


HOME PRICES

- Home prices continue to trend higher, with the average home price in the region rising 3.8% year-over-year to \$477,776.
- Interest rates are at very competitive levels and are likely to remain below 4% for the balance of the year. As a result, prices will continue to rise but at a more modest pace.
- Appreciation was again strongest in Park County, where prices rose 7.8%. We also saw strong growth in Weld County, which rose 7.4%. Home prices dropped in Clear Creek County, but, as mentioned earlier, this is a small market so I don't believe this is indicative of an ongoing trend.
- Affordability remains an issue in many Colorado markets and this will act as a modest headwind to ongoing price growth.

ANNUAL CHANGE IN HOME SALE PRICES

Q3-2018 TO Q3-2019

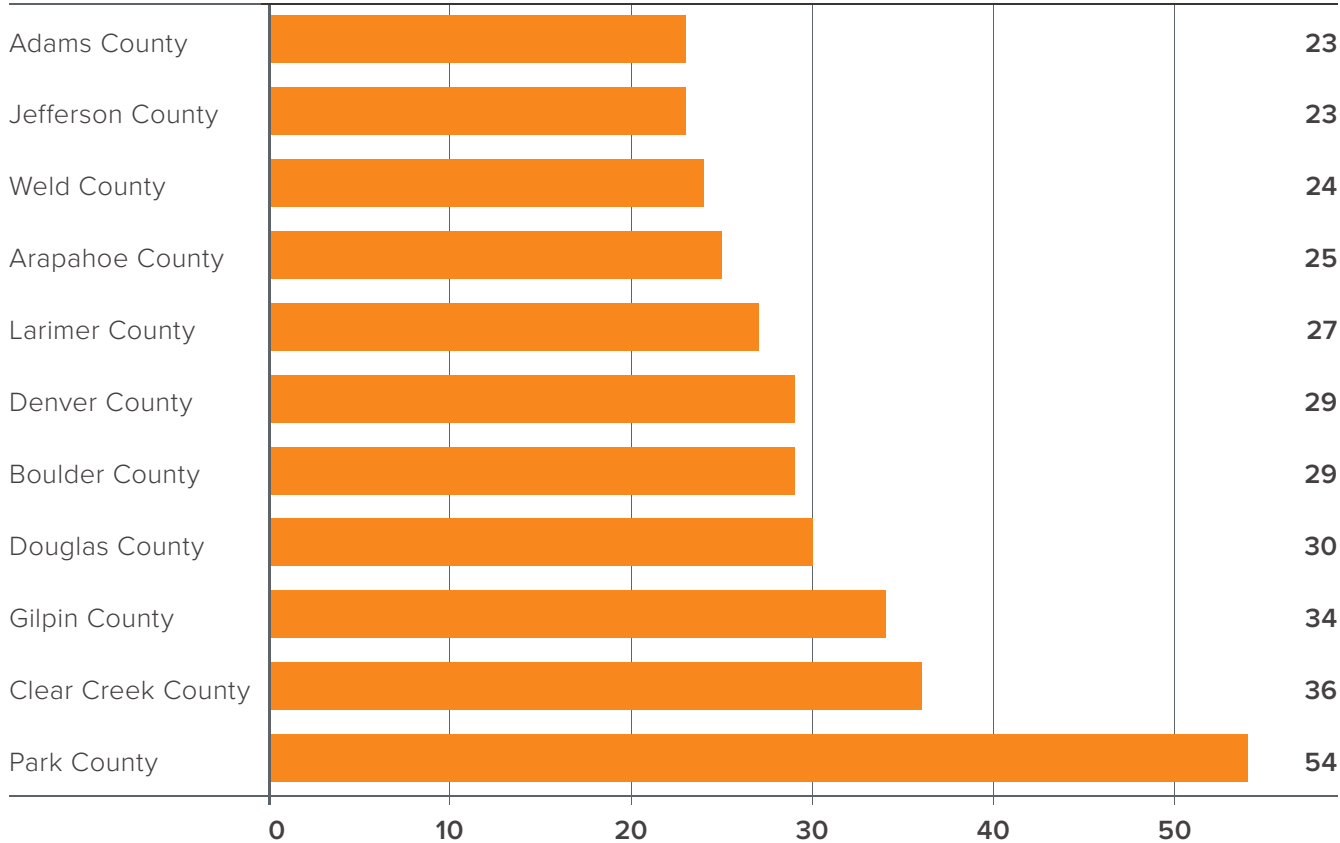


DAYS ON MARKET

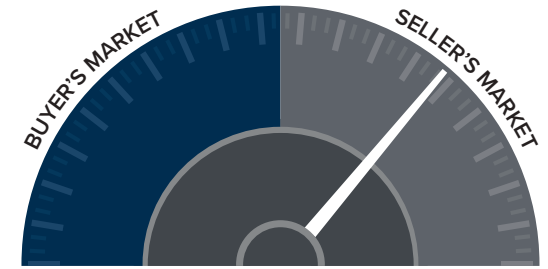
- › The average number of days it took to sell a home in the markets contained in this report rose seven days compared to the third quarter of 2018.
- › The amount of time it took to sell a home rose in all counties compared to the third quarter of 2018.
- › It took an average of 30 days to sell a home in the region — an increase of 1 day compared to the second quarter of this year.
- › The Colorado housing market is still performing well, and the modest increase in the length of time it took to sell a home is a function of greater choice in homes for sale and buyers taking a little longer to choose a home.

AVERAGE DAYS ON MARKET

Q3-2019



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 third 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.