



THE Q1 2021 | METRO DENVER & NORTHERN COLORADO

# GARDNER

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## REPORT

*presented by*



Windermere  
REAL ESTATE

[windermere.com](http://windermere.com)



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

Following the decline in employment last winter, Colorado has started to add jobs back into its economy. The latest data shows that the state has now recovered more than 219,000 of the 376,000+ jobs that were lost due to COVID-19. This is certainly positive, but there is a long way to go to get back to pre-pandemic employment levels. Denver and Fort Collins continue to have the greatest improvement in employment, but all markets show job levels well below pre-pandemic levels.

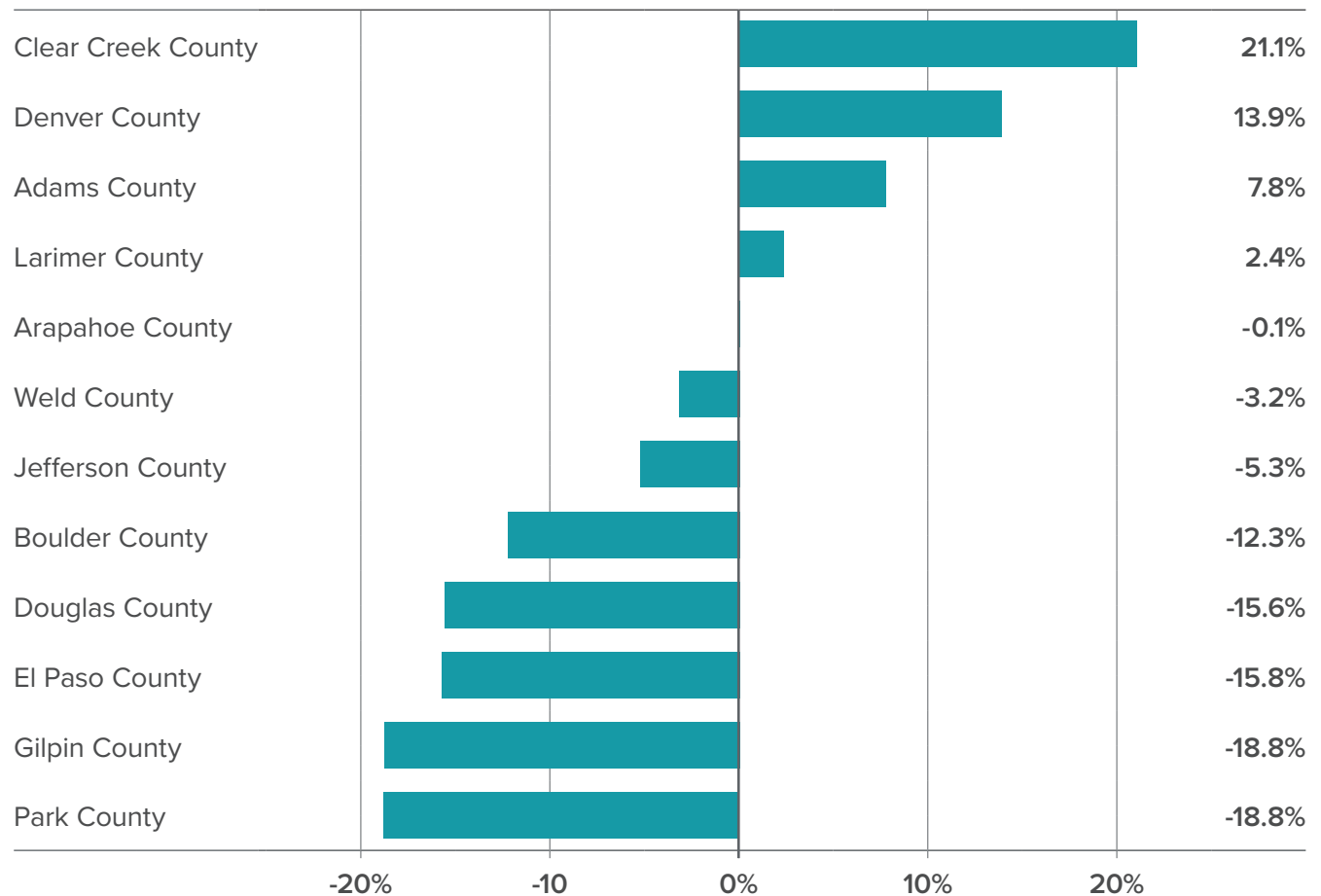
With total employment levels rising, the unemployment rate stands at 6.6%, down from the pandemic peak of 12.1%. Regionally, unemployment levels range from a low of 5.6% in Fort Collins and Boulder to a high of 6.7% in Greeley. COVID-19 infection rates have started to increase again, and this has the potential to negatively impact the job market. I am hopeful that the state will not be forced to pull back reopening, but this is certainly not assured.

## HOME SALES

- 2021 started off on a bit of a sour note, with total sales down 1.2% compared to the same period in 2020. Sales were 29.2% lower than in the final quarter of 2020 as 8,645 homes sold.
- Sales were higher in four of the counties contained in this report, were essentially flat in one, and dropped in seven. It was pleasing to see significant sales growth in the large counties of Denver and Adams.
- Another positive was that pending sales, which are an indicator of future closings, were 4.8% higher than in the fourth quarter of 2020 and 5% higher than a year ago.
- The disappointing number of home sales overall can primarily be attributed to the woeful lack of inventory. Listings in the quarter were down more than 61% year over year and were 40.6% lower than in the fourth quarter of 2020.

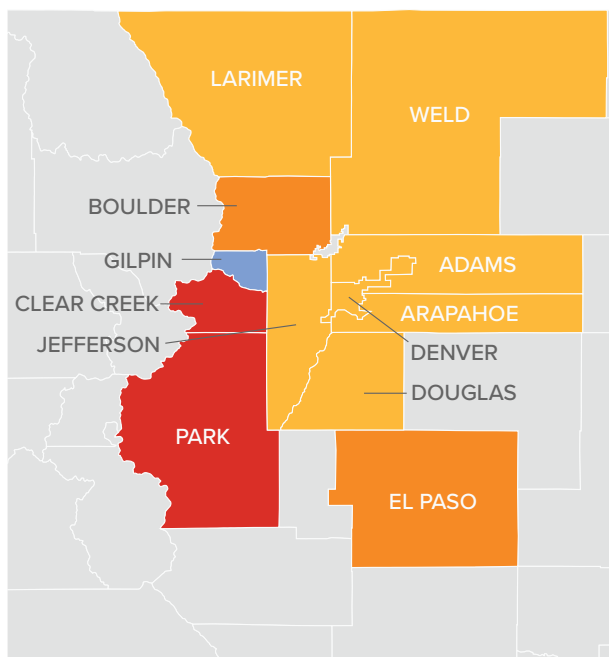
## ANNUAL CHANGE IN HOME SALES

Q1-2020 TO Q1-2021



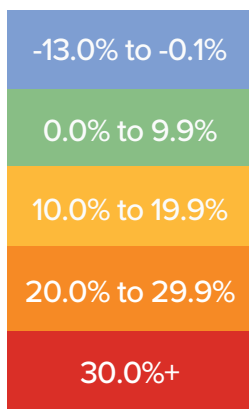
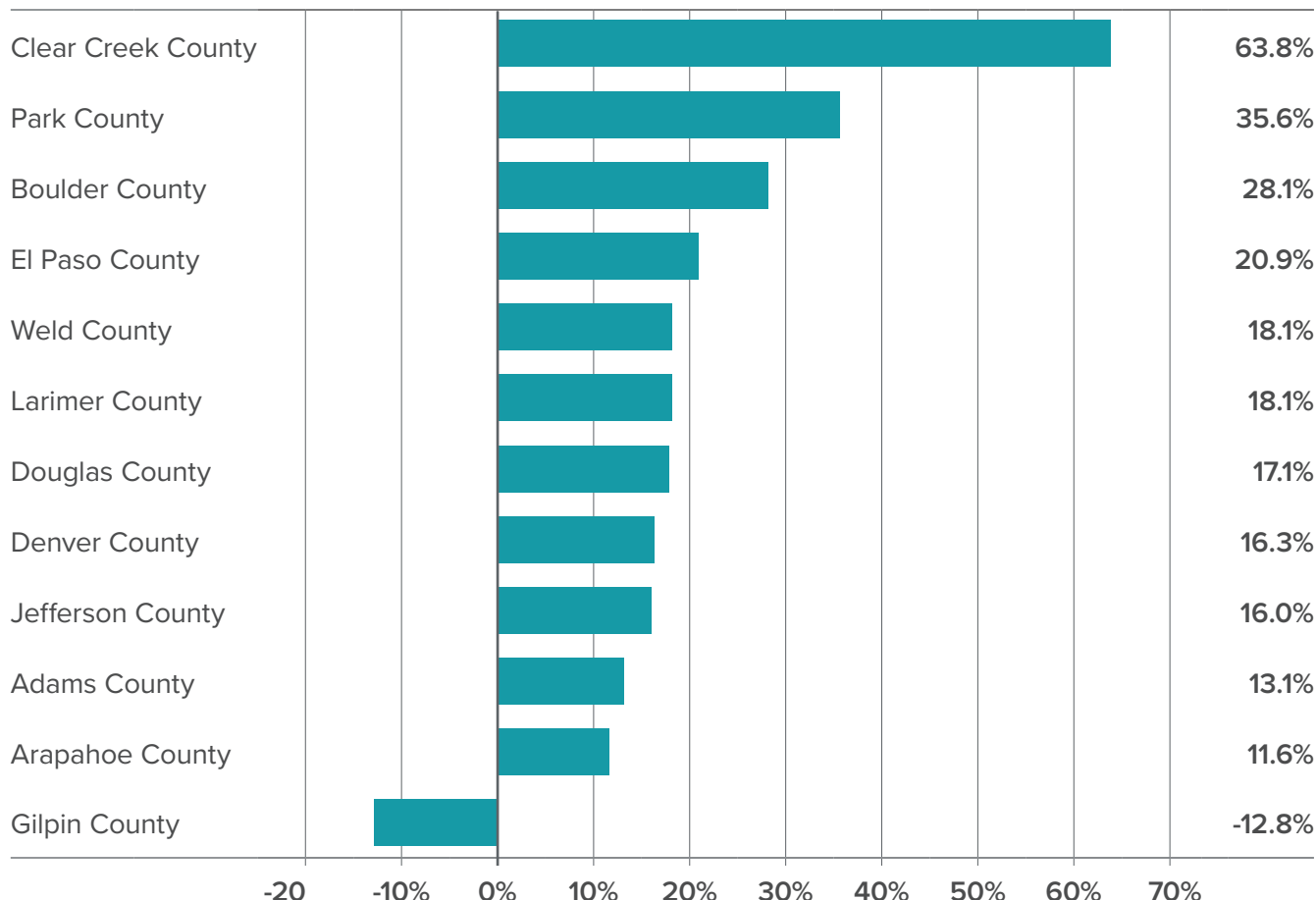
## HOME PRICES

- Prices continue to appreciate at a very rapid pace, with the average sale price up 16.5% year over year, to an average of \$556,100. Home prices were also 4.4% higher than in the fourth quarter of 2020.
- Buyers appear to be out in force, and this demand—in concert with very low levels of inventory—continues to heat the market.
- Prices rose over last year across all markets covered by this report, with the exception of the very small Gilpin County. All other counties saw sizeable gains and the trend of double-digit price growth continued unabated.
- Affordability levels are becoming a greater concern as prices rise at a far faster pace than wages. Even though mortgage rates have started to rise, they haven't yet reached the level needed to take some of the heat out of the market.



## ANNUAL CHANGE IN HOME SALE PRICES

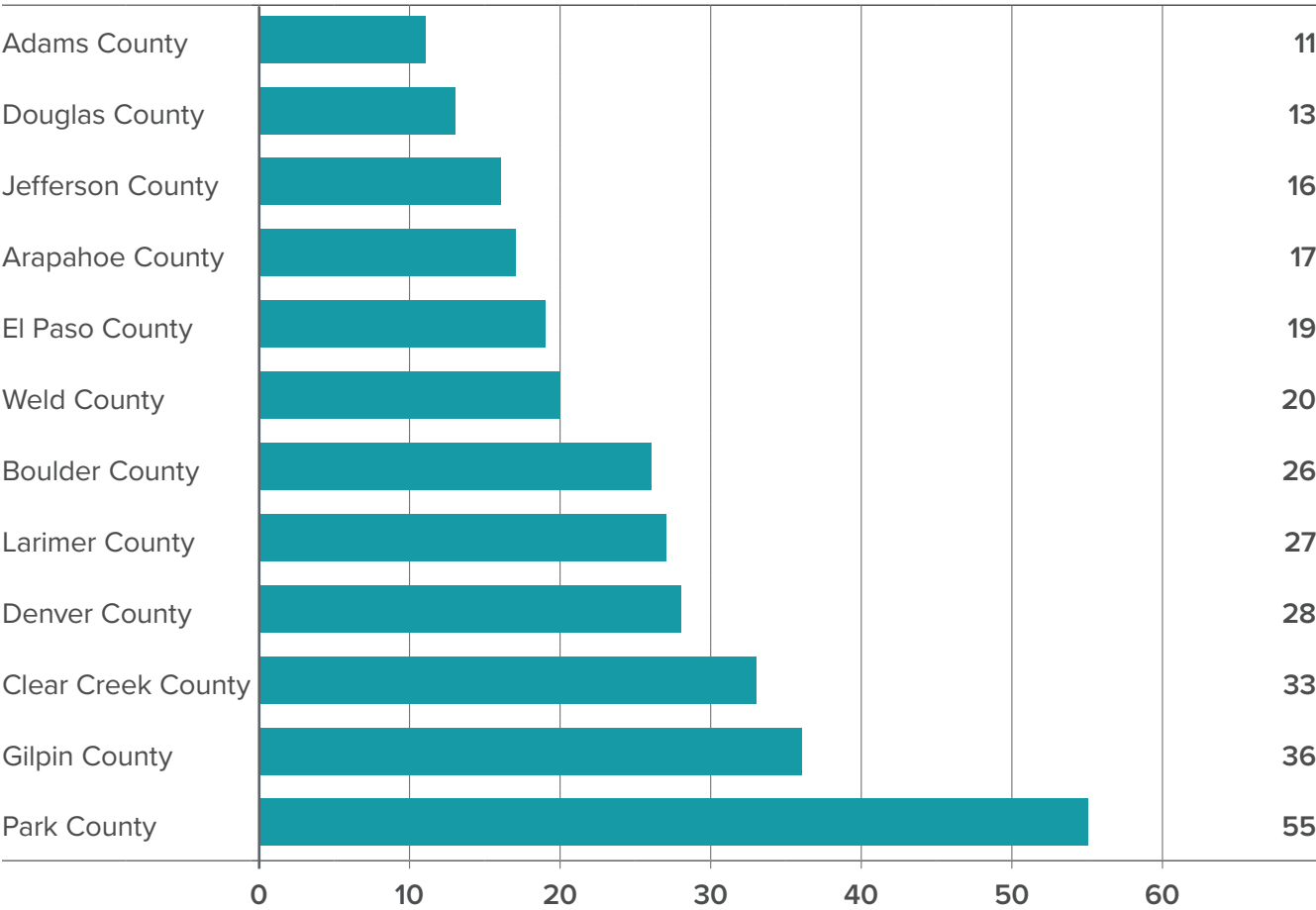
Q1-2020 TO Q1-2021



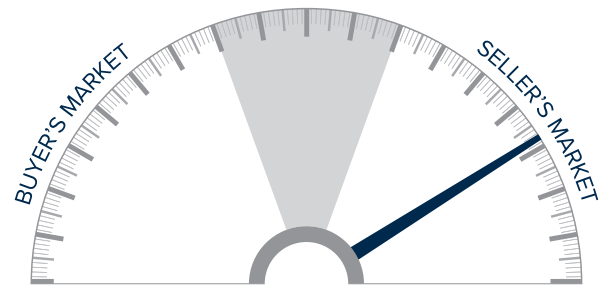
DAYS ON MARKET

- › The average time it took to sell a home in the markets contained in this report dropped 20 days compared to the first quarter of 2020.
- › The amount of time it took to sell a home dropped in every county contained in this report compared to the fourth quarter of 2020.
- › It took an average of 25 days to sell a home in the region, down one day from the fourth quarter of 2020.
- › The Colorado housing market remains very tight, as demonstrated by the fact that it took less than a month for homes to sell in all but two counties.

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.

The relatively low level of home sales is not a surprise given how few choices there are for buyers. Sellers are certainly benefitting from strong demand, as demonstrated by the significant price growth. I maintain my belief that there will be an increase in inventory as we move through the year, but it is highly unlikely that we will see a balanced market in 2021.

Given these factors, I am moving the needle a little more in favor of sellers, as demand is likely to continue to exceed supply.

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.