

DENVER METRO
ASSOCIATION OF REALTORS®
The Voice of Real Estate® in the Denver Metro Area

Denver Metro Real Estate Market Trends Report

SPECIAL YEAR-END EDITION


January 2023





MARKET OVERVIEW

The January report, according to recent data provided by the Denver Metro Association of Realtors® Market Trends Committee, showcases the December market transactions encompassing the 11 counties of the Denver Metro Area (Adams, Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park).

Here are the highlights:

		Prior Month	Year-Over-Year
 Residential (Detached plus Attached)			
Active Listings at Month End	4,757	-23.92%	222.07%
Closed Homes	2,720	-11.26%	-43.13%
Close Price - Average	\$637,852	-2.69%	1.58%
Close Price - Median	\$554,990	-1.42%	1.83%
Days in MLS - Average	43	26.47%	138.89%

 Detached			
Active Listings at Month End	3,408	-25.48%	251.96%
Closed Homes	1,920	-11.40%	-42.79%
Close Price - Average	\$707,997	-3.11%	0.08%
Close Price - Median	\$600,000	-2.44%	0.01%
Days in MLS - Average	45	25.00%	136.84%

 Attached			
Active Listings at Month End	1,350	-19.69%	165.23%
Closed Homes	800	-10.91%	-43.94%
Close Price - Average	\$469,505	-0.91%	6.47%
Close Price - Median	\$405,000	-1.22%	5.74%
Days in MLS - Average	38	26.67%	123.53%

MARKET INSIGHTS

✓ Realtor® Tidbits:

- Buyers and sellers are still in the market but moving more slowly than at this time last year. Buyers are not in a hurry to make an offer and sellers are not in a rush to put their homes up for sale.
- Showings slowed down in December as the holiday season was in full gear, and people began spending more time with friends and family. Denver's LoDo area, however, saw an increase in showings during this time.
- With rising interest rates, fewer showings and a bit more inventory, buyers who were still in the market in December had more negotiating power, especially in the last two weeks of the month when the holiday season was in full swing.
- We are starting to see contingency clauses included in more offers.
- If you are selling an owner-occupied home, consider offering showing hours after 5:00pm to maximize touring response from buyers who work traditional hours.

✓ Local News:

- HGTV's 2023 Dream Home is a \$2.7 million, 4,360-square-foot house in Morrison, CO that includes a mud room doubling as a "pet space" with a dog-washing station, a covered outdoor kitchen, a water feature and fire pit.
- Two Colorado cities ranked on U.S. News & World Report's top 50 cities for dog owners. Denver ranked 11th and Colorado Springs ranked 23rd.
- Colorado lawmakers will consider creating a new housing voucher program for young people emancipating from foster care—part of a \$5 million proposal to fight youth homelessness.
- According to an article in Realtor.com®, seven of the top 10 states seeing the biggest increase in home price reductions are in a contiguous chunk of the western United States: Arizona, Nevada, Utah, Colorado, Idaho, Washington and California.

✓ National News:

- According to Zillow, backyards will be the number one requirement for new homebuyers in 2023, followed by kitchen islands, mirrored walls, less open floor plans and more privacy.
- Viva Magenta, a berry-toned red, is Pantone's color of the year for 2023.

✓ Mortgage News:

- 2022 did not disappoint; we ended the year with rates jumping from 6.13 percent to 6.55 percent due to light holiday trading, an opening China, a hawkish Japan, confident Americans and a strong workforce.
- When the Federal Reserve meets again at the end of January, everyone is expecting another 0.25 percent raise in the Fed rate.
- Per CoreLogic, Denver saw a 44.6 percent increase in appreciation from January 2020 through its peak in May 2022. Since then, it has given back 4.95 percent. Those are still strong price gains!

✓ Rental News:

- Renters, who previously planned to buy, are postponing that decision as interest rates have risen and inventory has dropped, all while rent prices decrease.
- Rent prices saw the highest one-month decline in seven years in November. The first sign of a slowdown in rents was in October, when rents dropped 0.1 percent, which stopped the above-average monthly rent increase trend that began in November 2020.
- The State of Colorado has paid \$466 million in rental assistance on behalf of renters who were financially impacted by COVID. In a national survey of tenants, 31 percent self-reported being behind in rent payments. With tenants losing access to funds, a slowing economy and job layoffs, rental delinquencies will increase in 2023. While this is not good news for renters in need, it may also result in rents declining in 2023.

✓ Quick Stats:

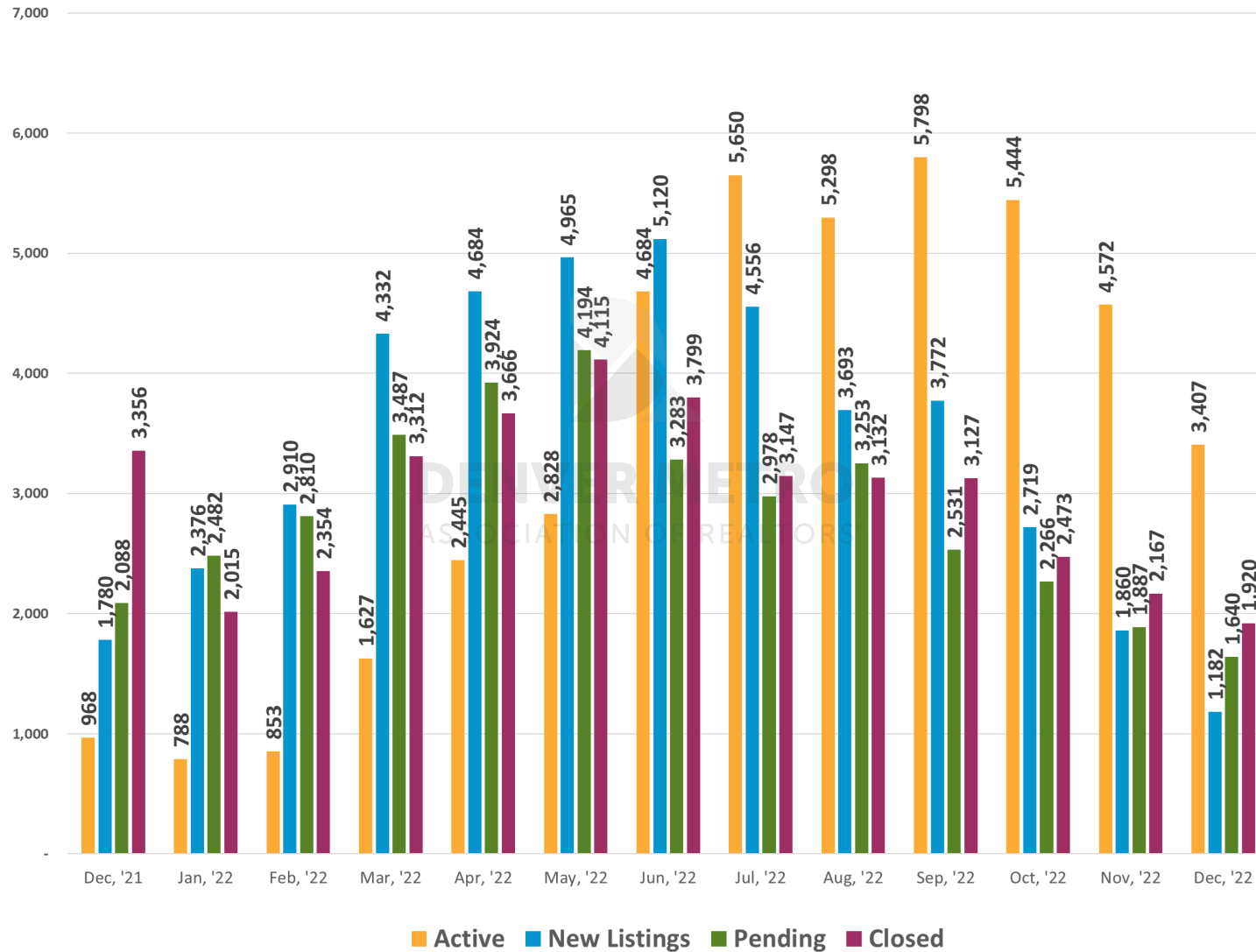
- As of December 28, 52.8 percent of active listings reduced their asking price, down from 57.4 percent last month.
- Active listings that reduced their price spent an average of 105 days in the MLS compared to 56 days for those with no price reduction.
- Average active listings for December are 12,350 (1985-2021).
- Record-high December was 2007 with 24,603 listings and the record-low was set in 2021 with 1,477 listings.
- Over the last 10 years, the month-over-month average decrease in active was 21.44 percent. A decrease of 23.92 percent this year represents a slightly larger increase. Last year's decrease was a much larger 34.30 percent.

Detached Single-Family

DMAR Market Trends | December 2022 Data

Denver Metro Association of Realtors®

Source of MLS Data: REcolorado.com

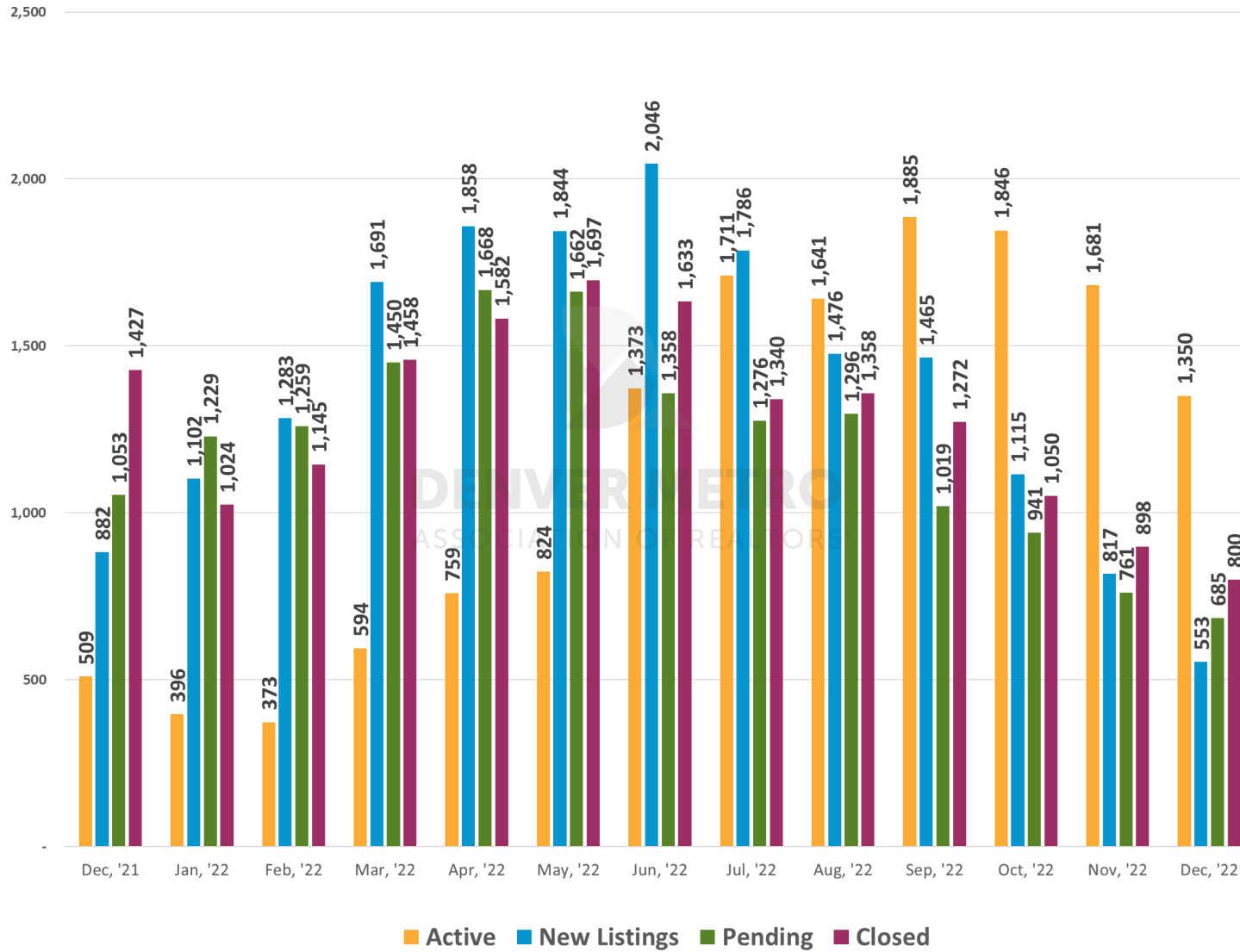


Attached Single-Family

DMAR Market Trends | December 2022 Data

Denver Metro Association of Realtors®

Source of MLS Data: REcolorado.com

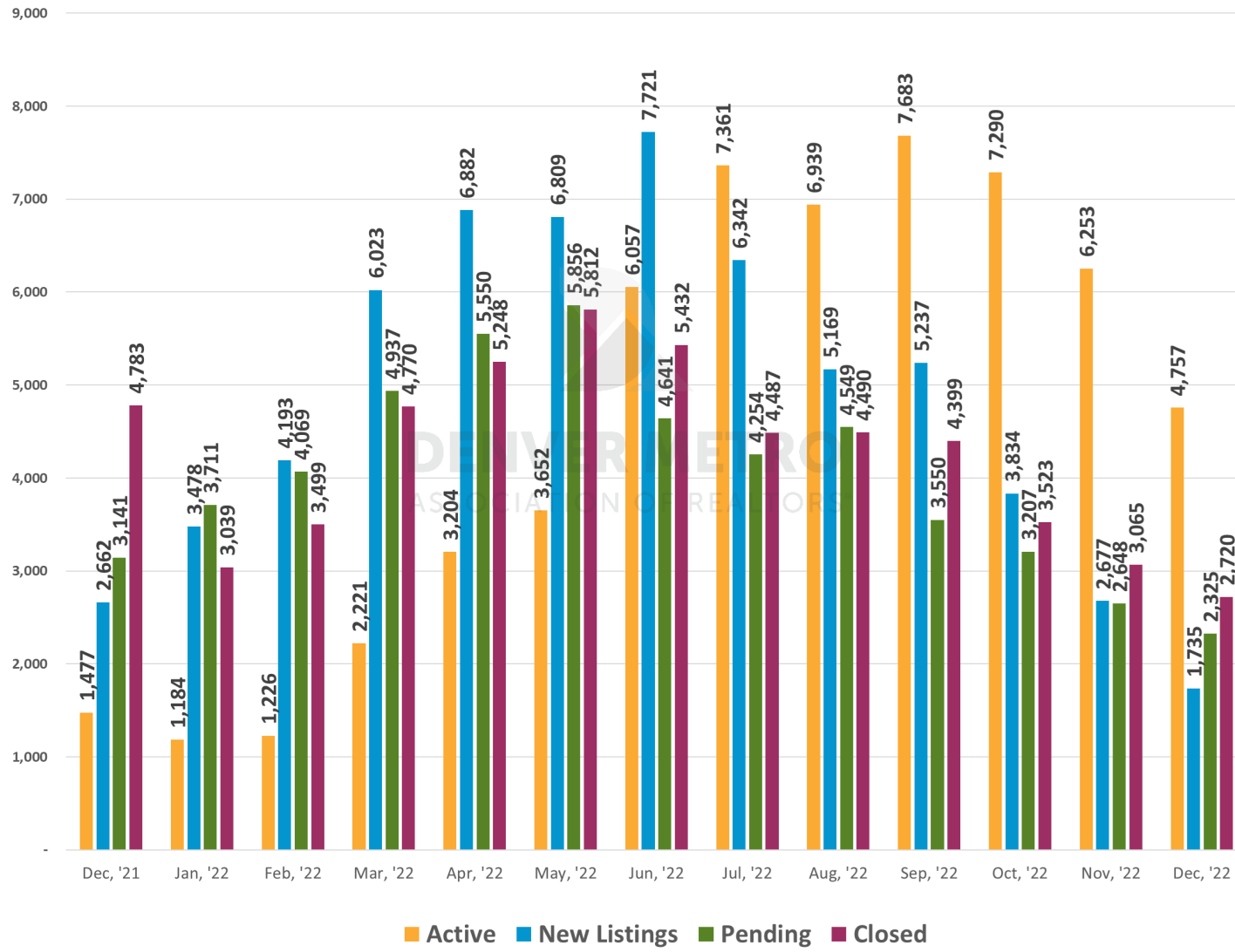


Residential (Detached + Attached)

DMAR Market Trends | December 2022 Data

Denver Metro Association of Realtors®

Source of MLS Data: REcolorado.com

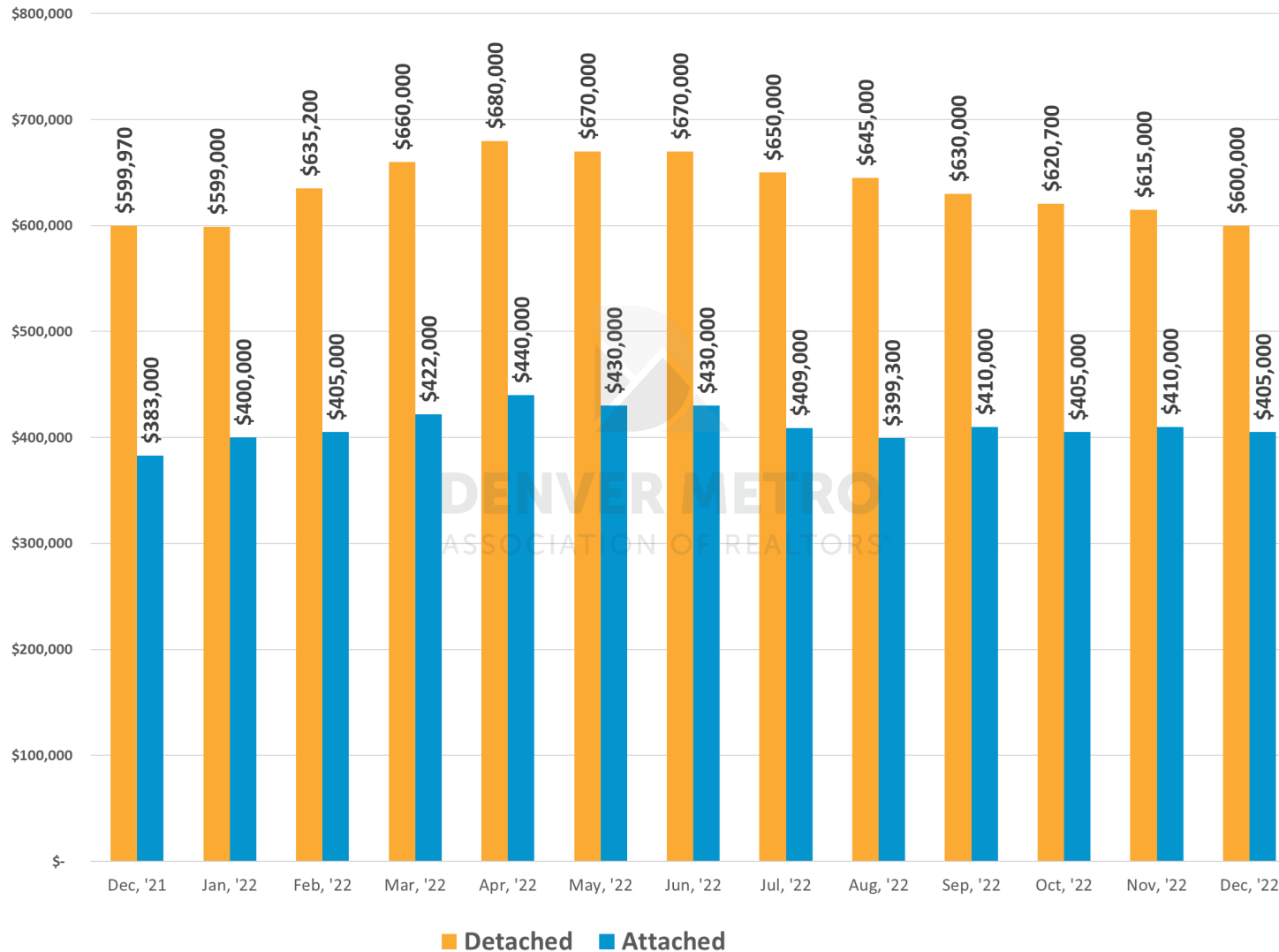


Median Close Price

DMAR Market Trends | December 2022 Data

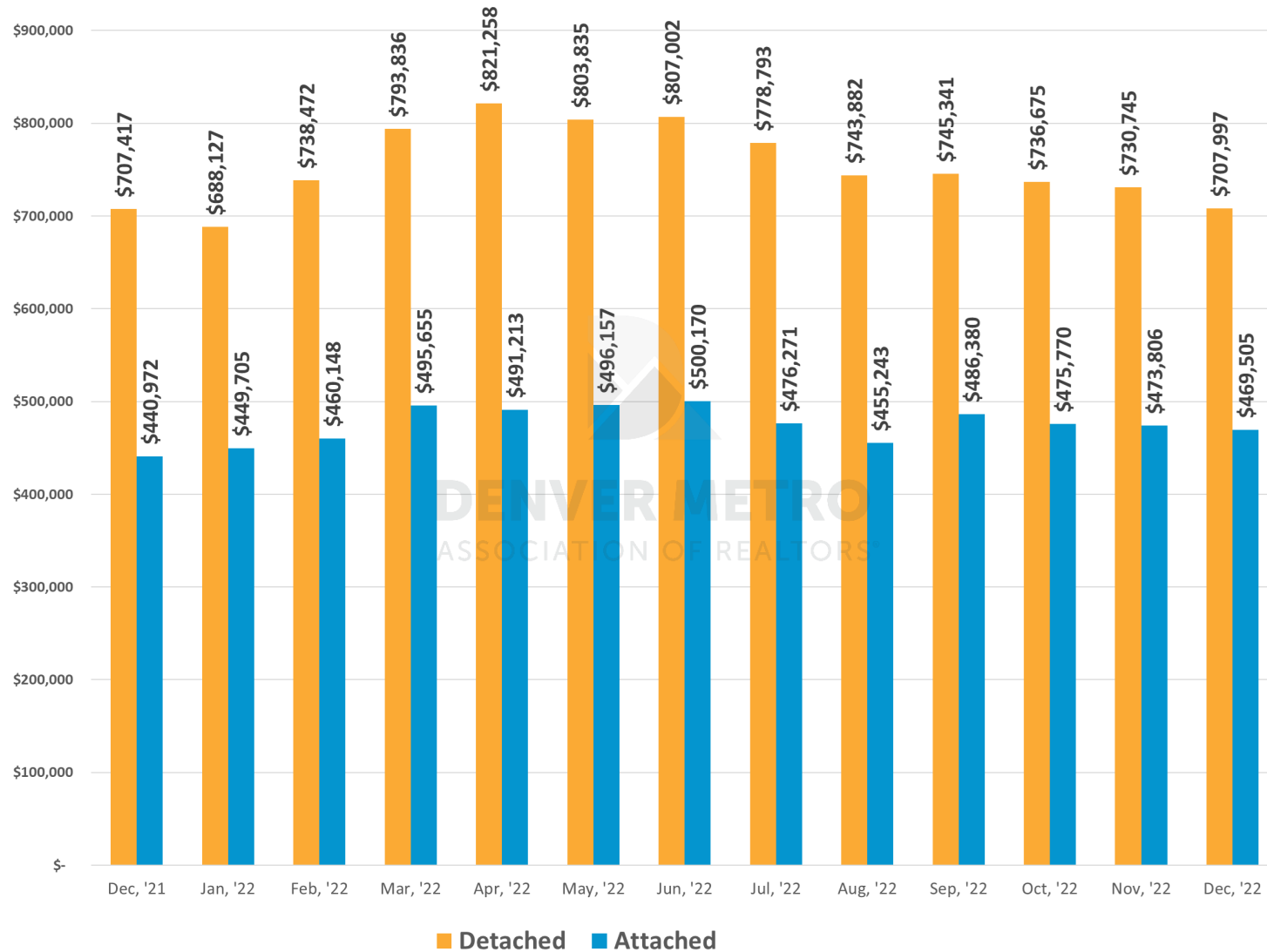
Denver Metro Association of Realtors®

Source of MLS Data: REcolorado.com



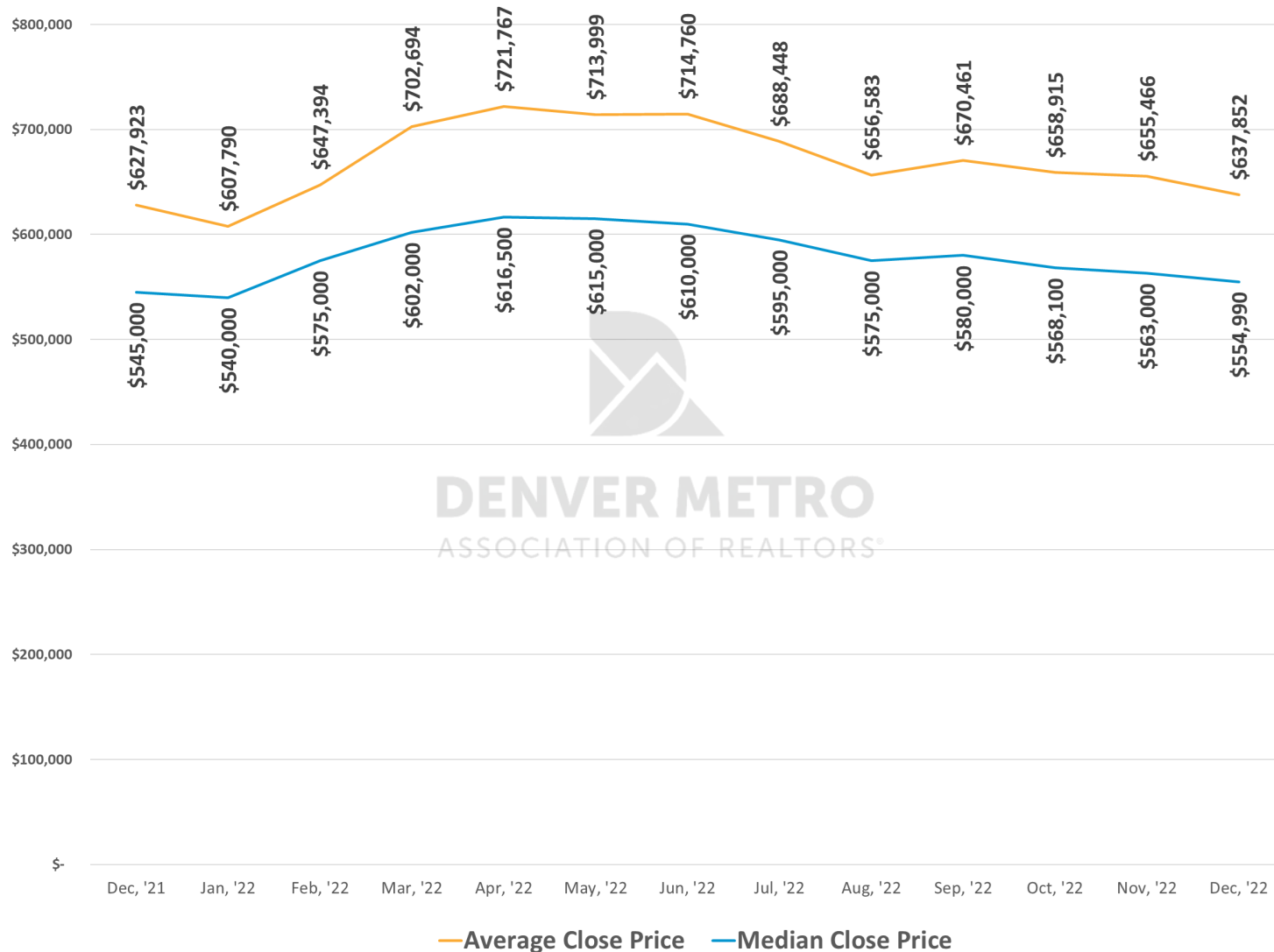
Average Close Price

DMAR Market Trends | December 2022 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com



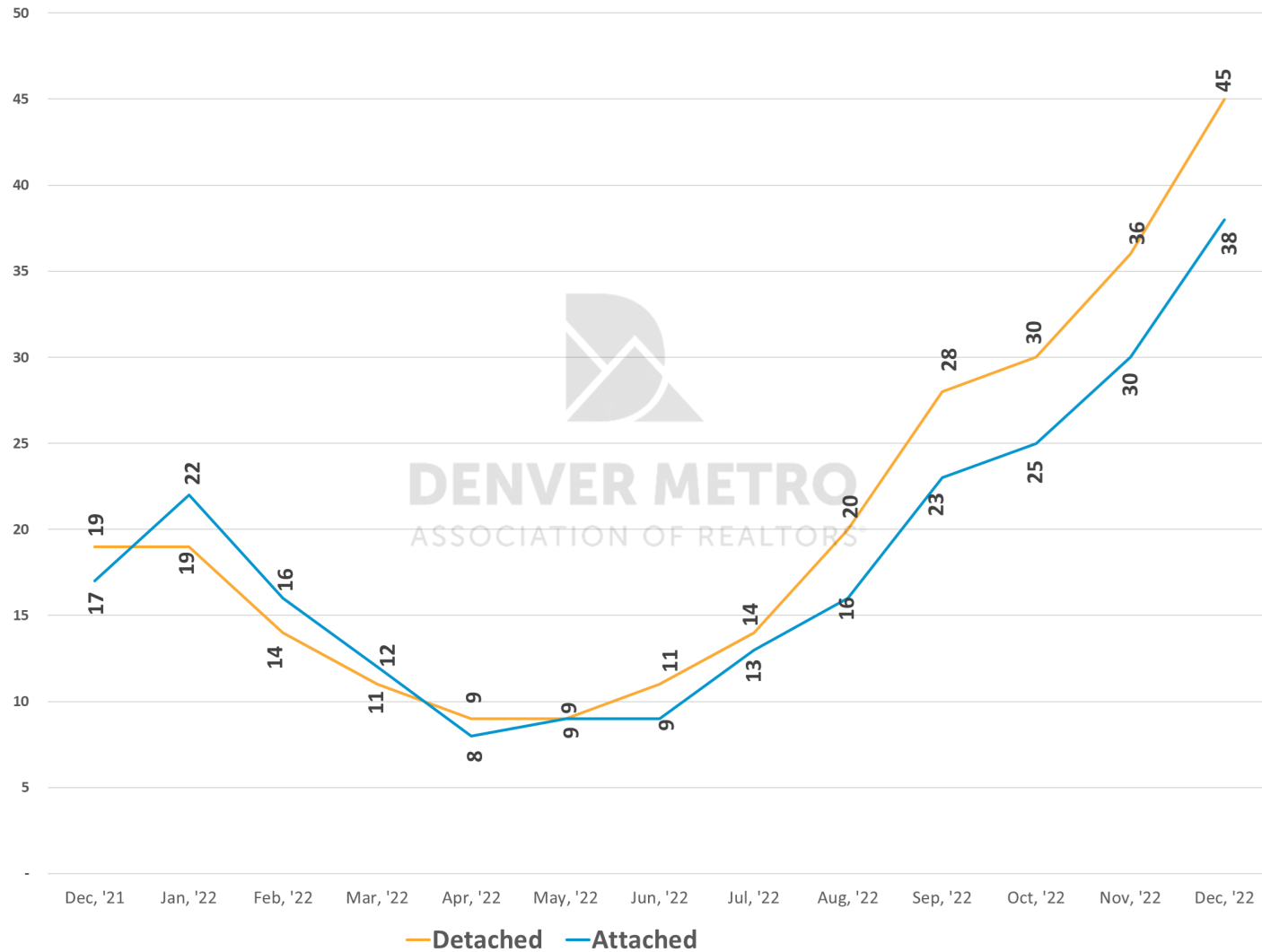
Residential Close Price

DMAR Market Trends | December 2022 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com



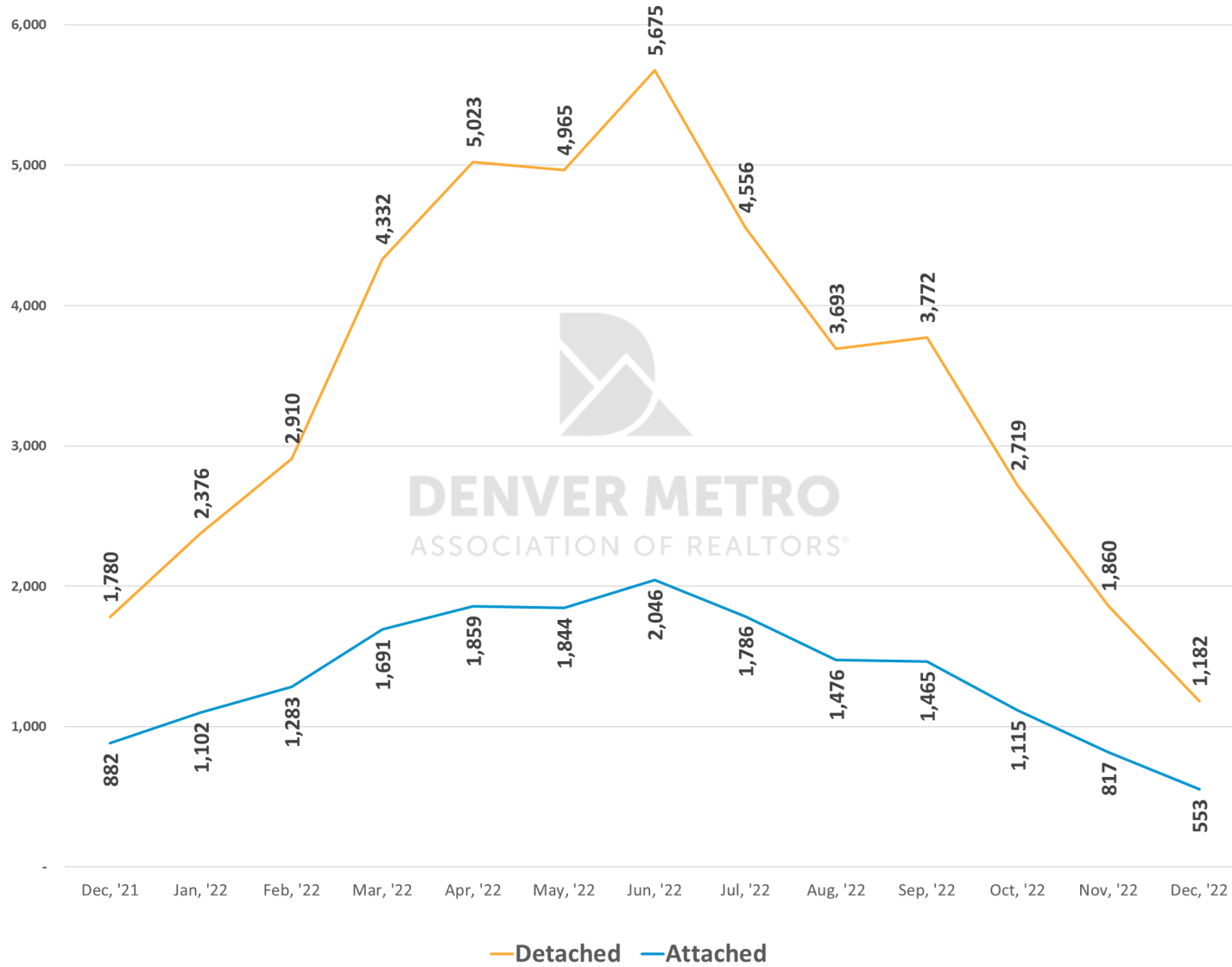
Average Days in MLS

DMAR Market Trends | December 2022 Data
 Denver Metro Association of Realtors®
 Source of MLS Data: REcolorado.com



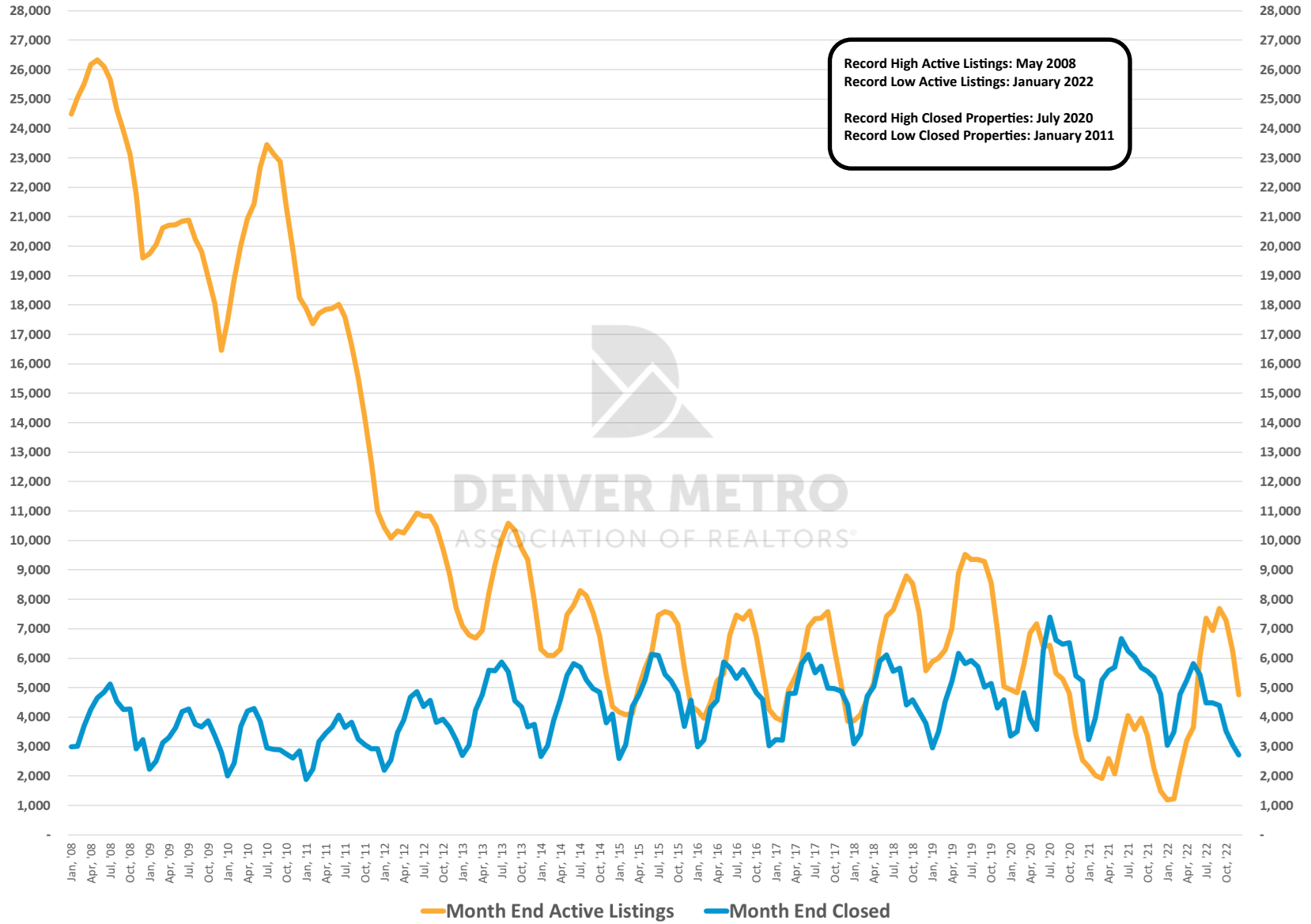
New Listings

DMAR Market Trends | December 2022 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com



Month End Active Listings and Month End Closed Homes

DMAR Market Trends | December 2022 Data
Denver Metro Association of Realtors®
Source of MLS Data: REColorado.com



DATA SNAPSHOT

Snapshot Month-Over-Month and Year-Over-Year Comparisons

	Dec, '22	Prior Month	Year Ago	Prior Month	Year Ago
Residential (Detached + Attached)					
Active Listings at Month End	4,757	6,253	1,477	-23.92%	222.07%
New Listings	1,735	2,677	2,662	-35.19%	-34.82%
Pending	2,325	2,648	3,141	-12.20%	-25.98%
Closed	2,720	3,065	4,783	-11.26%	-43.13%
Close Price - Average	\$ 637,852	\$ 655,466	\$ 627,923	-2.69%	1.58%
Close Price - Median	\$ 554,990	\$ 563,000	\$ 545,000	-1.42%	1.83%
Sales Volume	\$ 1,734,958,191	\$ 2,009,002,415	\$ 3,003,357,826	-13.64%	-42.23%
Days in MLS - Average	43	34	18	26.47%	138.89%
Days in MLS - Median	30	21	5	42.86%	500.00%
Close Price/List Price	98.38%	98.33%	101.52%	0.05%	-3.09%
Detached					
Active Listings at Month End	3,407	4,572	968	-25.48%	251.96%
New Listings	1,182	1,860	1,780	-36.45%	-33.60%
Pending	1,640	1,887	2,088	-13.09%	-21.46%
Closed	1,920	2,167	3,356	-11.40%	-42.79%
Close Price - Average	\$ 707,997	\$ 730,745	\$ 707,417	-3.11%	0.08%
Close Price - Median	\$ 600,000	\$ 615,000	\$ 599,970	-2.44%	0.01%
Sales Volume	\$ 1,359,354,128	\$ 1,583,524,878	\$ 2,374,090,962	-14.16%	-42.74%
Days in MLS - Average	45	36	19	25.00%	136.84%
Days in MLS - Median	32	22	5	45.45%	540.00%
Close Price/List Price	98.28%	98.13%	101.65%	0.15%	-3.32%
Attached					
Active Listings at Month End	1,350	1,681	509	-19.69%	165.23%
New Listings	553	817	882	-32.31%	-37.30%
Pending	685	761	1,053	-9.99%	-34.95%
Closed	800	898	1,427	-10.91%	-43.94%
Close Price - Average	\$ 469,505	\$ 473,806	\$ 440,972	-0.91%	6.47%
Close Price - Median	\$ 405,000	\$ 410,000	\$ 383,000	-1.22%	5.74%
Sales Volume	\$ 375,604,063	\$ 425,477,537	\$ 629,266,864	-11.72%	-40.31%
Days in MLS - Average	38	30	17	26.67%	123.53%
Days in MLS - Median	26	18	5	44.44%	420.00%
Close Price/List Price	98.64%	98.82%	101.22%	-0.18%	-2.55%

DECEMBER DATA YTD 2022 to 2018

	YTD 2022	YTD 2021	YTD 2020	YTD 2019	YTD 2018	'22 vs '21	'21 vs '20	'20 vs '19	'19 vs '18
Residential (Detached + Attached)									
Active Listings at Month End	4,757	1,477	2,541	5,037	5,577	222.07%	-41.87%	-49.55%	-9.68%
New Listings	60,164	66,335	69,988	71,202	68,398	-9.30%	-5.22%	-1.71%	4.10%
Closed	50,743	64,105	63,516	58,902	56,509	-20.84%	0.93%	7.83%	4.23%
Close Price - Average	\$ 680,867	\$ 612,385	\$ 524,773	\$ 486,524	\$ 473,284	11.18%	16.70%	7.86%	2.80%
Close Price - Median	\$ 588,000	\$ 525,000	\$ 450,000	\$ 420,000	\$ 409,900	12.00%	16.67%	7.14%	2.46%
Sales Volume	\$ 34,549,251,069	\$ 39,256,928,763	\$ 33,331,467,588	\$ 28,657,225,410	\$ 26,744,784,239	-11.99%	17.78%	16.31%	7.15%
Days in MLS - Average	18	14	26	31	26	28.57%	-46.15%	-16.13%	19.23%
Days in MLS - Median	5	4	7	13	9	25.00%	-42.86%	-46.15%	44.44%
Close Price/List Price	102.33%	103.03%	99.96%	99.20%	99.86%	-0.68%	3.07%	0.77%	-0.66%
Detached									
Active Listings at Month End	3,407	968	1,316	3,360	3,892	251.96%	-26.44%	-60.83%	-13.67%
New Listings	43,037	46,527	48,328	50,201	48,901	-7.50%	-3.73%	-3.73%	2.66%
Closed	35,388	44,585	45,192	41,991	40,180	-20.63%	-1.34%	7.62%	4.51%
Close Price - Average	\$ 767,944	\$ 690,666	\$ 583,780	\$ 535,472	\$ 522,675	11.19%	18.31%	9.02%	2.45%
Close Price - Median	\$ 649,900	\$ 580,000	\$ 495,000	\$ 454,500	\$ 441,000	12.05%	17.17%	8.91%	3.06%
Sales Volume	\$ 27,176,018,476	\$ 30,793,337,134	\$ 26,382,188,411	\$ 22,484,995,632	\$ 21,001,061,971	-11.75%	16.72%	17.33%	7.07%
Days in MLS - Average	18	13	25	31	27	38.46%	-48.00%	-19.35%	14.81%
Days in MLS - Median	6	4	7	13	9	50.00%	-42.86%	-46.15%	44.44%
Close Price/List Price	102.31%	103.45%	100.11%	99.20%	99.75%	-1.10%	3.34%	0.92%	-0.55%
Attached									
Active Listings at Month End	1,350	509	1,225	1,677	1,685	165.23%	-58.45%	-26.95%	-0.47%
New Listings	17,127	19,808	21,660	21,001	19,497	-13.53%	-8.55%	3.14%	7.71%
Closed	15,355	19,520	18,324	16,911	16,329	-21.34%	6.53%	8.36%	3.56%
Close Price - Average	\$ 480,184	\$ 433,586	\$ 379,245	\$ 364,983	\$ 351,750	10.75%	14.33%	3.91%	3.76%
Close Price - Median	\$ 415,000	\$ 372,500	\$ 327,500	\$ 309,000	\$ 300,000	11.41%	13.74%	5.99%	3.00%
Sales Volume	\$ 7,373,232,593	\$ 8,463,591,629	\$ 6,949,279,177	\$ 6,172,229,778	\$ 5,743,722,268	-12.88%	21.79%	12.59%	7.46%
Days in MLS - Average	16	19	29	32	23	-15.79%	-34.48%	-9.38%	39.13%
Days in MLS - Median	5	5	11	14	8	0.00%	-54.55%	-21.43%	75.00%
Close Price/List Price	102.40%	102.07%	99.59%	99.18%	100.11%	0.32%	2.49%	0.41%	-0.93%

MARKET TRENDS

Price Range	Detached			Attached			
	Closed	Active	MOI	Closed	Active	MOI	
Months of Inventory	\$0 to \$99,999	-	2	-	-	-	
	\$100,000 to \$199,999	5	11	2.20	30	26	0.87
	\$200,000 to \$299,999	9	16	1.78	145	164	1.13
	\$300,000 to \$399,999	108	94	0.87	205	295	1.44
	\$400,000 to \$499,999	370	448	1.21	183	286	1.56
	\$500,000 to \$749,999	911	1,651	1.81	169	366	2.17
	\$750,000 to \$999,999	320	591	1.85	39	106	2.72
	\$1,000,000 and over	197	594	3.02	29	107	3.69
TOTALS	1,920	3,407	1.77	800	1,350	1.69	

Price Range	Detached		% change	Attached		% change	
	Closed Dec, '22	Closed Nov, '22		Closed Dec, '22	Closed Nov, '22		
Month-Over-Month	\$0 to \$99,999	-	1	-	-	-	
	\$100,000 to \$199,999	5	5	0.00%	30	29	3.45%
	\$200,000 to \$299,999	9	16	-43.75%	145	142	2.11%
	\$300,000 to \$399,999	108	109	-0.92%	205	246	-16.67%
	\$400,000 to \$499,999	370	364	1.65%	183	199	-8.04%
	\$500,000 to \$749,999	911	1,023	-10.95%	169	206	-17.96%
	\$750,000 to \$999,999	320	375	-14.67%	39	36	8.33%
	\$1,000,000 and over	197	274	-28.10%	29	40	-27.50%
TOTALS	1,920	2,167	-11.40%	800	898	-10.91%	

Price Range	Detached		% change	Attached		% change	
	YTD Dec, '22	YTD Dec, '21		YTD Dec, '22	YTD Dec, '21		
Year-Over-Year	\$0 to \$99,999	7	16	-56.25%	2	-	
	\$100,000 to \$199,999	51	52	-1.92%	501	1,205	-58.42%
	\$200,000 to \$299,999	169	398	-57.54%	2,210	4,120	-46.36%
	\$300,000 to \$399,999	1,081	2,924	-63.03%	4,118	5,676	-27.45%
	\$400,000 to \$499,999	4,618	9,875	-53.24%	3,561	3,757	-5.22%
	\$500,000 to \$749,999	17,586	20,412	-13.84%	3,536	3,289	7.51%
	\$750,000 to \$999,999	6,823	6,205	9.96%	809	840	-3.69%
	\$1,000,000 and over	5,053	4,703	7.44%	618	633	-2.37%
TOTALS	35,388	44,585	-20.63%	15,355	19,520	-21.34%	

LUXURY MARKET | Properties Sold for \$1 Million or More

Snapshot Month-Over-Month and Year-Over-Year Comparisons

	Dec, '22	Prior Month	Last Year	Prior Month	Last Year
Residential (Detached + Attached)					
New Listings	155	279	167	-44.44%	-7.19%
Pending	187	233	208	-19.74%	-10.10%
Closed	226	314	390	-28.03%	-42.05%
Sales Volume	\$ 372,810,311	\$ 493,065,865	\$ 649,795,091	-24.39%	-42.63%
Days in MLS - Average	43	35	38	22.86%	13.16%
Days in MLS - Median	28	18	9	55.56%	211.11%
Close Price/List Price	97.61%	97.56%	100.62%	0.05%	-2.99%
PSF Total	\$ 390	\$ 369	\$ 382	5.69%	2.09%
Detached					
New Listings	133	240	144	-44.58%	-7.64%
Pending	166	198	177	-16.16%	-6.21%
Closed	197	274	334	-28.10%	-41.02%
Sales Volume	\$ 327,719,305	\$ 435,795,926	\$ 572,620,022	-24.80%	-42.77%
Days in MLS - Average	43	36	36	19.44%	19.44%
Days in MLS - Median	26	18	8	44.44%	225.00%
Close Price/List Price	97.57%	97.49%	100.50%	0.08%	-2.92%
PSF Total	\$ 371	\$ 350	\$ 358	6.00%	3.63%
Attached					
New Listings	22	39	23	-43.59%	-4.35%
Pending	21	35	31	-40.00%	-32.26%
Closed	29	40	56	-27.50%	-48.21%
Sales Volume	\$ 45,091,006	\$ 57,269,939	\$ 77,175,069	-21.27%	-41.57%
Days in MLS - Average	46	25	49	84.00%	-6.12%
Days in MLS - Median	28	18	13	55.56%	115.38%
Close Price/List Price	97.89%	98.01%	101.30%	-0.12%	-3.37%
PSF Total	\$ 520	\$ 501	\$ 525	3.79%	-0.95%

LUXURY MARKET | Properties Sold for \$1 Million or More

Snapshot Year-to-Date and Year-Over-Year Comparisons

	YTD 2022	YTD 2021	YTD 2020	YTD 2019	YTD 2018	'22 vs '21	'21 vs '20	'20 vs '19	'19 vs '18
Residential (Detached + Attached)									
New Listings	6,748	5,251	4,461	3,892	3,324	28.51%	17.71%	14.62%	17.09%
Pending	4,911	4,687	3,439	2,537	2,186	4.78%	36.29%	35.55%	16.06%
Closed	5,671	5,336	3,298	2,435	2,165	6.28%	61.80%	35.44%	12.47%
Sales Volume	\$ 8,998,269,819	\$ 8,536,829,671	\$ 5,129,000,594	\$ 3,764,155,058	\$ 3,301,088,383	5.41%	66.44%	36.26%	14.03%
Days in MLS - Average	22	30	55	60	68	-26.67%	-45.45%	-8.33%	-11.76%
Days in MLS - Median	5	5	20	25	27	0.00%	-75.00%	-20.00%	-7.41%
Close Price/List Price	103.05%	101.87%	97.79%	97.30%	97.27%	1.16%	4.17%	0.50%	0.03%
PSF Total	\$ 390	\$ 368	\$ 337	\$ 341	\$ 308	5.98%	9.20%	-1.17%	10.71%
Detached									
New Listings	5,955	4,564	3,943	3,419	2,991	30.48%	15.75%	15.33%	14.31%
Pending	4,361	4,118	3,141	2,247	1,974	5.90%	31.10%	39.79%	13.83%
Closed	5,053	4,703	3,035	2,147	1,980	7.44%	54.96%	41.36%	8.43%
Sales Volume	\$ 8,079,201,293	\$ 7,611,642,365	\$ 4,744,117,109	\$ 3,323,747,607	\$ 3,022,332,989	6.14%	60.44%	42.73%	9.97%
Days in MLS - Average	21	28	56	62	68	-25.00%	-50.00%	-9.68%	-8.82%
Days in MLS - Median	5	5	20	26	27	0.00%	-75.00%	-23.08%	-3.70%
Close Price/List Price	103.20%	102.09%	97.86%	97.25%	97.34%	1.09%	4.32%	0.63%	-0.09%
PSF Total	\$ 371	\$ 344	\$ 319	\$ 307	\$ 292	7.85%	7.84%	3.91%	5.14%
Attached									
New Listings	793	687	518	473	333	15.43%	32.63%	9.51%	42.04%
Pending	550	569	298	290	212	-3.34%	90.94%	2.76%	36.79%
Closed	618	633	263	288	185	-2.37%	140.68%	-8.68%	55.68%
Sales Volume	\$ 919,068,526	\$ 925,187,306	\$ 384,883,485	\$ 440,407,451	\$ 278,755,394	-0.66%	140.38%	-12.61%	57.99%
Days in MLS - Average	29	47	55	46	70	-38.30%	-14.55%	19.57%	-34.29%
Days in MLS - Median	6	8	26	17	39	-25.00%	-69.23%	52.94%	-56.41%
Close Price/List Price	101.79%	100.28%	97.00%	97.66%	96.54%	1.51%	3.38%	-0.68%	1.16%
PSF Total	\$ 550	\$ 549	\$ 545	\$ 589	\$ 487	0.18%	0.73%	-7.47%	20.94%

SIGNATURE MARKET | Properties Sold Between \$750,000 and \$999,999

Snapshot Month-Over-Month and Year-Over-Year Comparisons

	Dec, '22	Prior Month	Last Year	Prior Month	Last Year
Residential (Detached + Attached)					
New Listings	198	361	269	-45.15%	-26.39%
Pending	263	341	344	-22.87%	-23.55%
Closed	359	411	574	-12.65%	-37.46%
Sales Volume	\$ 303,924,064	\$ 348,230,306	\$ 487,200,966	-12.72%	-37.62%
Days in MLS - Average	43	35	22	22.86%	95.45%
Days in MLS - Median	31	19	7	63.16%	342.86%
Close Price/List Price	98.42%	98.51%	101.39%	-0.09%	-2.93%
PSF Total	\$ 271	\$ 279	\$ 281	-2.87%	-3.56%
Detached					
New Listings	175	314	220	-44.27%	-20.45%
Pending	241	313	290	-23.00%	-16.90%
Closed	320	375	519	-14.67%	-38.34%
Sales Volume	\$ 270,125,737	\$ 317,656,637	\$ 441,030,695	-14.96%	-38.75%
Days in MLS - Average	44	34	22	29.41%	100.00%
Days in MLS - Median	33	19	7	73.68%	371.43%
Close Price/List Price	98.30%	98.47%	101.44%	-0.17%	-3.10%
PSF Total	\$ 256	\$ 265	\$ 269	-3.40%	-4.83%
Attached					
New Listings	23	47	49	-51.06%	-53.06%
Pending	22	28	54	-21.43%	-59.26%
Closed	39	36	55	8.33%	-29.09%
Sales Volume	\$ 33,798,327	\$ 30,573,669	\$ 46,170,271	10.55%	-26.80%
Days in MLS - Average	39	40	24	-2.50%	62.50%
Days in MLS - Median	18	24	5	-25.00%	260.00%
Close Price/List Price	99.48%	98.95%	100.87%	0.54%	-1.38%
PSF Total	\$ 399	\$ 422	\$ 399	-5.45%	0.00%

SIGNATURE MARKET | Properties Sold Between \$750,000 and \$999,999

Snapshot Year-to-Date and Year-Over-Year Comparisons

	YTD 2022	YTD 2021	YTD 2020	YTD 2019	YTD 2018	'22 vs '21	'21 vs '20	'20 vs '19	'19 vs '18
Residential (Detached + Attached)									
New Listings	9,122	7,298	5,392	4,649	4,121	24.99%	35.35%	15.98%	12.81%
Pending	7,119	6,724	4,573	3,502	3,047	5.87%	47.04%	30.58%	14.93%
Closed	7,632	7,045	4,427	3,297	3,025	8.33%	59.14%	34.27%	8.99%
Sales Volume	\$ 6,462,328,939	\$ 5,972,742,033	\$ 3,749,093,241	\$ 2,792,837,214	\$ 2,568,972,151	8.20%	59.31%	34.24%	8.71%
Days in MLS - Average	18	17	39	45	44	5.88%	-56.41%	-13.33%	2.27%
Days in MLS - Median	5	5	13	18	15	0.00%	-61.54%	-27.78%	20.00%
Close Price/List Price	102.67%	102.98%	99.38%	98.82%	99.10%	-0.30%	3.62%	0.57%	-0.28%
PSF Total	\$ 296	\$ 278	\$ 253	\$ 248	\$ 243	6.47%	9.88%	2.02%	2.06%
Detached									
New Listings	8,207	6,334	4,426	3,906	3,422	29.57%	43.11%	13.31%	14.14%
Pending	6,438	5,857	3,914	2,989	2,581	9.92%	49.64%	30.95%	15.81%
Closed	6,823	6,205	3,809	2,790	2,568	9.96%	62.90%	36.52%	8.64%
Sales Volume	\$ 5,776,841,862	\$ 5,255,387,656	\$ 3,224,817,498	\$ 2,361,527,870	\$ 2,182,289,752	9.92%	62.97%	36.56%	8.21%
Days in MLS - Average	18	14	38	43	44	28.57%	-63.16%	-11.63%	-2.27%
Days in MLS - Median	5	5	12	18	15	0.00%	-58.33%	-33.33%	20.00%
Close Price/List Price	102.74%	103.25%	99.47%	98.83%	99.07%	-0.49%	3.80%	0.65%	-0.24%
PSF Total	\$ 279	\$ 262	\$ 236	\$ 227	\$ 225	6.49%	11.02%	3.96%	0.89%
Attached									
New Listings	915	964	966	743	699	-5.08%	-0.21%	30.01%	6.29%
Pending	681	867	659	513	466	-21.45%	31.56%	28.46%	10.09%
Closed	809	840	618	507	457	-3.69%	35.92%	21.89%	10.94%
Sales Volume	\$ 685,487,077	\$ 717,354,377	\$ 524,275,743	\$ 431,309,344	\$ 386,682,399	-4.44%	36.83%	21.55%	11.54%
Days in MLS - Average	24	34	43	58	43	-29.41%	-20.93%	-25.86%	34.88%
Days in MLS - Median	6	6	15	25	13	0.00%	-60.00%	-40.00%	92.31%
Close Price/List Price	102.05%	100.98%	98.82%	98.79%	99.25%	1.06%	2.19%	0.03%	-0.46%
PSF Total	\$ 439	\$ 397	\$ 359	\$ 362	\$ 340	10.58%	10.58%	-0.83%	6.47%

PREMIER MARKET | Properties Sold Between \$500,000 and \$749,999

Snapshot Month-Over-Month and Year-Over-Year Comparisons

	Dec, '22	Prior Month	Last Year	Prior Month	Last Year
Residential (Detached + Attached)					
New Listings	671	1,017	1,026	-34.02%	-34.60%
Pending	902	1,037	1,214	-13.02%	-25.70%
Closed	1,080	1,229	1,901	-12.12%	-43.19%
Sales Volume	\$ 652,800,321	\$ 740,455,664	\$ 1,145,221,164	-11.84%	-43.00%
Days in MLS - Average	47	37	16	27.03%	193.75%
Days in MLS - Median	35	24	5	45.83%	600.00%
Close Price/List Price	98.61%	98.49%	101.88%	0.12%	-3.21%
PSF Total	\$ 258	\$ 266	\$ 262	-3.01%	-1.53%
Detached					
New Listings	545	854	874	-36.18%	-37.64%
Pending	759	876	1,032	-13.36%	-26.45%
Closed	911	1,023	1,647	-10.95%	-44.69%
Sales Volume	\$ 551,388,937	\$ 619,662,054	\$ 995,135,654	-11.02%	-44.59%
Days in MLS - Average	47	38	16	23.68%	193.75%
Days in MLS - Median	35	25	5	40.00%	600.00%
Close Price/List Price	98.65%	98.48%	102.00%	0.17%	-3.28%
PSF Total	\$ 247	\$ 254	\$ 250	-2.76%	-1.20%
Attached					
New Listings	126	163	152	-22.70%	-17.11%
Pending	143	161	182	-11.18%	-21.43%
Closed	169	206	254	-17.96%	-33.46%
Sales Volume	\$ 101,411,384	\$ 120,793,610	\$ 150,085,510	-16.05%	-32.43%
Days in MLS - Average	46	29	18	58.62%	155.56%
Days in MLS - Median	35	17	5	105.88%	600.00%
Close Price/List Price	98.42%	98.56%	101.09%	-0.14%	-2.64%
PSF Total	\$ 319	\$ 326	\$ 341	-2.15%	-6.45%

PREMIER MARKET | Properties Sold Between \$500,000 and \$749,999

Snapshot Year-to-Date and Year-Over-Year Comparisons

	YTD 2022	YTD 2021	YTD 2020	YTD 2019	YTD 2018	'22 vs '21	'21 vs '20	'20 vs '19	'19 vs '18
Residential (Detached + Attached)									
New Listings	24,475	22,881	18,606	16,982	14,964	6.97%	22.98%	9.56%	13.49%
Pending	19,643	21,473	17,058	13,778	11,937	-8.52%	25.88%	23.81%	15.42%
Closed	21,122	23,701	17,571	13,403	12,069	-10.88%	34.89%	31.10%	11.05%
Sales Volume	\$ 12,866,105,824	\$ 14,240,622,636	\$ 10,462,098,027	\$ 7,954,253,415	\$ 7,179,232,629	-9.65%	36.12%	31.53%	10.80%
Days in MLS - Average	18	12	29	38	35	50.00%	-58.62%	-23.68%	8.57%
Days in MLS - Median	6	4	9	18	14	50.00%	-55.56%	-50.00%	28.57%
Close Price/List Price	102.43%	103.59%	100.01%	99.12%	99.55%	-1.12%	3.58%	0.90%	-0.43%
PSF Total	\$ 289	\$ 261	\$ 223	\$ 214	\$ 210	10.73%	17.04%	4.21%	1.90%
Detached									
New Listings	20,636	19,631	15,650	14,448	12,820	5.12%	25.44%	8.32%	12.70%
Pending	16,558	18,430	14,707	11,937	10,315	-10.16%	25.31%	23.21%	15.72%
Closed	17,586	20,412	15,285	11,580	10,381	-13.84%	33.54%	31.99%	11.55%
Sales Volume	\$ 10,769,614,989	\$ 12,293,217,981	\$ 9,108,115,369	\$ 6,878,968,024	\$ 6,175,187,756	-12.39%	34.97%	32.41%	11.40%
Days in MLS - Average	18	11	27	37	34	63.64%	-59.26%	-27.03%	8.82%
Days in MLS - Median	6	4	8	17	13	50.00%	-50.00%	-52.94%	30.77%
Close Price/List Price	102.44%	103.87%	100.11%	99.12%	99.55%	-1.38%	3.76%	1.00%	-0.43%
PSF Total	\$ 275	\$ 245	\$ 206	\$ 196	\$ 191	12.24%	18.93%	5.10%	2.62%
Attached									
New Listings	3,839	3,250	2,956	2,534	2,144	18.12%	9.95%	16.65%	118.19%
Pending	3,085	3,043	2,351	1,841	1,622	1.38%	29.43%	27.70%	13.50%
Closed	3,536	3,289	2,286	1,823	1,688	7.51%	43.88%	25.40%	8.00%
Sales Volume	\$ 2,096,490,835	\$ 1,947,404,655	\$ 1,353,982,658	\$ 1,075,285,391	\$ 1,004,044,873	7.66%	43.83%	25.92%	7.10%
Days in MLS - Average	18	23	41	46	43	-21.74%	-43.90%	-10.87%	6.98%
Days in MLS - Median	5	5	16	22	17	0.00%	-68.75%	-27.27%	29.41%
Close Price/List Price	102.38%	101.82%	99.36%	99.10%	99.56%	0.55%	2.48%	0.26%	-0.46%
PSF Total	\$ 355	\$ 359	\$ 338	\$ 329	\$ 328	-1.11%	6.21%	2.74%	0.30%

CLASSIC MARKET | Properties Sold Between \$300,000 and \$499,999

Snapshot Month-Over-Month and Year-Over-Year Comparisons

	Dec, '22	Prior Month	Last Year	Prior Month	Last Year
Residential (Detached + Attached)					
New Listings	589	819	954	-28.08%	-38.26%
Pending	800	867	1,084	-7.73%	-26.20%
Closed	866	918	1,545	-5.66%	-43.95%
Sales Volume	\$ 360,232,273	\$ 380,933,421	\$ 635,149,858	-5.43%	-43.28%
Days in MLS - Average	40	32	13	25.00%	207.69%
Days in MLS - Median	27	19	5	42.11%	440.00%
Close Price/List Price	98.48%	98.33%	101.74%	0.15%	-3.20%
PSF Total	\$ 287	\$ 301	\$ 298	-4.65%	-3.69%
Detached					
New Listings	323	431	525	-25.06%	-38.48%
Pending	463	481	569	-3.74%	-18.63%
Closed	478	473	824	1.06%	-41.99%
Sales Volume	\$ 206,988,049	\$ 205,077,261	\$ 357,134,577	0.93%	-42.04%
Days in MLS - Average	42	32	13	31.25%	223.08%
Days in MLS - Median	28	21	5	33.33%	460.00%
Close Price/List Price	98.01%	97.65%	101.86%	0.37%	-3.78%
PSF Total	\$ 276	\$ 293	\$ 293	-5.80%	-5.80%
Attached					
New Listings	266	388	429	-31.44%	-38.00%
Pending	337	386	515	-12.69%	-34.56%
Closed	388	445	721	-12.81%	-46.19%
Sales Volume	\$ 153,244,224	\$ 175,856,160	\$ 278,015,281	-12.86%	-44.88%
Days in MLS - Average	39	32	13	21.88%	200.00%
Days in MLS - Median	27	19	5	42.11%	440.00%
Close Price/List Price	99.06%	99.05%	101.61%	0.01%	-2.51%
PSF Total	\$ 301	\$ 308	\$ 303	-2.27%	-0.66%

CLASSIC MARKET | Properties Sold Between \$300,000 and \$499,999

Snapshot Year-to-Date and Year-Over-Year Comparisons

	YTD 2022	YTD 2021	YTD 2020	YTD 2019	YTD 2018	'22 vs '21	'21 vs '20	'20 vs '19	'19 vs '18
Residential (Detached + Attached)									
New Listings	16,337	24,639	31,931	34,166	33,257	-33.69%	-22.84%	-6.54%	2.73%
Pending	13,833	23,853	30,131	30,357	28,426	-42.01%	-20.84%	-0.74%	6.79%
Closed	13,378	22,232	29,751	29,888	28,495	-39.83%	-25.27%	-0.46%	4.89%
Sales Volume	\$ 5,521,228,337	\$ 9,143,488,989	\$ 11,978,455,480	\$ 11,802,304,880	\$ 11,152,680,741	-39.62%	-23.67%	1.49%	5.82%
Days in MLS - Average	16	11	20	26	21	45.45%	-45.00%	-23.08%	23.81%
Days in MLS - Median	5	4	6	11	8	25.00%	-33.33%	-45.45%	37.50%
Close Price/List Price	102.01%	103.26%	100.47%	99.55%	100.19%	-1.21%	2.78%	0.92%	-0.64%
PSF Total	\$ 321	\$ 282	\$ 228	\$ 210	\$ 204	13.83%	23.68%	8.57%	2.94%
Detached									
New Listings	7,981	15,471	22,871	26,093	26,314	-48.41%	-32.36%	-12.35%	-0.84%
Pending	6,634	14,904	22,089	23,688	22,726	-55.49%	-32.53%	-6.75%	4.23%
Closed	5,699	12,799	21,765	23,484	22,625	-55.47%	-41.19%	-7.32%	3.80%
Sales Volume	\$ 2,497,144,389	\$ 5,518,080,609	\$ 8,976,917,751	\$ 9,407,659,855	\$ 8,943,986,949	-54.75%	-38.53%	-4.58%	5.18%
Days in MLS - Average	18	9	17	25	20	100.00%	-47.06%	-32.00%	25.00%
Days in MLS - Median	6	4	5	11	8	50.00%	-20.00%	-54.55%	37.50%
Close Price/List Price	100.95%	103.56%	100.67%	99.59%	100.19%	-2.52%	2.87%	1.08%	-0.60%
PSF Total	\$ 314	\$ 273	\$ 216	\$ 198	\$ 191	15.02%	26.39%	9.09%	3.66%
Attached									
New Listings	8,356	9,168	9,060	8,073	6,943	-8.86%	1.19%	12.23%	16.28%
Pending	7,199	8,949	8,042	6,669	5,700	-19.56%	11.28%	20.59%	17.00%
Closed	7,679	9,433	7,986	6,404	5,870	-18.59%	18.12%	24.70%	9.10%
Sales Volume	\$ 3,024,083,948	\$ 3,625,408,380	\$ 3,001,537,729	\$ 2,394,645,025	\$ 2,208,693,792	-16.59%	20.79%	25.34%	8.42%
Days in MLS - Average	14	14	27	31	25	0.00%	-48.15%	-12.90%	24.00%
Days in MLS - Median	5	4	10	14	9	25.00%	-60.00%	-28.57%	55.56%
Close Price/List Price	102.79%	102.86%	99.92%	99.40%	100.16%	-0.07%	2.94%	0.52%	-0.76%
PSF Total	\$ 326	\$ 294	\$ 261	\$ 255	\$ 256	10.88%	12.64%	2.35%	-0.39%

Forecast for 2023

Our local housing market will face many challenges in 2023. As buyers and sellers decide if this is the right time to buy or sell, uncertainty will weigh heavily in their decision-making process. Expect that the first half of the year will continue to face adversity as the economy seeks a better footing. If overall economic conditions moderate, we should see the housing market stabilize in the second half.

The rise and fall of inventory provides important insight in market direction. Many homeowners who would like to move are reluctant to sell as they struggle with surrendering their existing low mortgage rate with something significantly higher. Eighty-five percent of current mortgages are sub five percent. This leaves us with the “must move” sellers and they will keep overall inventory low. Low inventory can be good news working as a counterbalance, slowing dropping home values.

As we saw in the second half of 2022, closed transactions dropped sharply. Expect this trend to continue in 2023. Overall, real estate activity will be down as we could see eight to 13 percent fewer closed transactions in 2023 compared to 2022. Yes, that’s a big drop and it will create challenges for everyone working in the real estate industry. The National Association of Realtors® (NAR) expects seven percent fewer closings nationally.

The elephant in the room continues to be mortgage interest rates. The rapid rise of rates in 2022 caused payment shock and increased affordability concerns for buyers and was the main catalyst in market cooling. At the end of 2022, rates hovered around 6.4 percent yet remained quite volatile. While I’m not a mortgage professional, most experts I’ve spoken with believe rates should begin to stabilize in the second half of the year and settle around five to 5.5 percent. This would be good news.

Will home values drop in 2023? Yes, prices will drop, but not as much as you may expect. I anticipate prices decreasing around four to six percent. It will look a lot worse in the first half, but I forecast some recovery as we approach 2024. Nationally, NAR expects a one percent increase in prices. NAR projects the top-performing markets in 2023 to come from the markets that had the smallest gains over the last few years. Unfortunately, Metro Denver was commonly one of the top performing markets in the nation and thus, will not likely be part of the top performers this year.

A forecast is only as good as one’s ability to predict the future movement of external forces that influence a given market. As the economic conditions that impact our housing market remain in flux, creating a forecast is more subjective. With that said, prices should recede slightly on the back of fewer sales. Client expectations will need managing as it will take longer to sell and buyers will take advantage of their new-found leverage.

The Year of the Turning Point: Five Things to Know for 2023



Nadia Evangelou

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The beginning of the new year allows people to start over again and set their resolutions for the coming year. And one of those resolutions may be to purchase a home. There's a lot of uncertainty and speculations about where the housing market is headed. After a year of the multiple-offer frenzy, the housing market slowed in 2022. Inflation rose to 40-year highs, and mortgage rates jumped to more than double those of a year ago, hurting affordability. Although the economy recovered all the jobs lost due to the pandemic, wages didn't keep up with the pace of inflation. While owning and renting became more expensive, many buyers were priced out of the market. The housing market experienced the most prolonged slump in history, with activity returning to 2012 levels.

Nevertheless, there are signs that the housing market may turn around this year. Here's what homebuyers in the Denver metro area should know about the market in 2023.

1. Mortgage rates to stabilize

Mortgage rates have already peaked. After surpassing the seven percent threshold in the second week of November, rates are finally moving down as inflation cools. 2022's higher federal funds rates have started to tame inflation. Rates are still significantly higher than a year ago, but if inflation continues to slow, rates may stabilize below six percent in 2023. That's a lot more money buyers have to pay out every month, between a three and six percent interest rate, but that's still a rate lower than eight percent, which is the historical average rate for a 30-year fixed mortgage.

2. Housing market activity to strengthen

With a six percent mortgage rate, housing will become more affordable for many buyers in the Denver metro area. Although the typical family won't yet be able to afford to buy a median-priced home, homeownership becomes affordable to about five percent more households in this area if rates hover near six percent instead of seven. In this scenario, the qualifying income to purchase a mid-priced home drops by more than \$15,000 to \$144,000 from \$160,000. This could bring more buyers back to the market boosting demand for housing and increasing market competition.

3. Housing market activity to strengthen

The Denver metro area may have nearly double the number of homes for sale than a year ago. But, this is mostly because homes stay on the market for a longer time. This area continues to have significantly fewer new listings available in the market. Will there be more choices for homebuyers in 2023?

So far, the Denver metro area has approved more building permits compared to the same period before the pandemic; however, construction has slowed in the last couple of months due to persistent building material bottlenecks. Meanwhile, data shows that housing demand grows faster than the new construction in Denver metro. In the last 12 months, a single-family permit is issued for every six new jobs. But, in a balanced market, a single-family permit should be issued for every two new jobs.

In addition, fewer homeowners are expected to sell their homes and purchase another as mortgage rates are substantially higher compared to 2021. Typically, higher mortgage rates lead to lower mobility rates over time. Many owners may be locked into their existing homes as mortgage rates rise, while the three-percent rates from 2021 may not be back anytime soon.



Lawrence Yun

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4. Price gains to decelerate even further

Nationwide, home price gains have decelerated since May 2022. While home price deceleration will continue this year, prices will keep annual appreciation flat throughout 2023, with half of the areas across the country experiencing small price gains and the other half seeing small price declines. As one of the most expensive areas, the Denver metro area may experience some small price declines during the second quarter of the year. While home prices continue to be significantly higher than the national level, many buyers have been priced out of this market due to higher mortgage rates. But, home price gains will rebound fast as inventory will continue to be limited in the area.

5. Persistent affordability challenges especially for middle-income and first-time homebuyers

Housing affordability hit record lows in 2022. Owning a home became 60 percent more expensive compared to the previous year, forcing many buyers out of the market. Mortgage rates may have dropped to nearly six percent, but first-time buyers still earn \$30,000 less than the income needed to purchase a starter home. As a result, less than 20 percent of the renters can currently afford to buy a starter home across the country. In the Denver metro area, the impact of higher mortgage rates is even larger. Less than 10 percent of renters can afford to buy a starter home in this area.

In addition, there are significant housing affordability inequalities among income groups, especially middle-income buyers. In a balanced market, middle-income buyers should be able to afford half of the homes listed for sale; however, these buyers can afford to buy only seven percent of all available listings in the Denver metro area.

Housing affordability is going to be the main driver of the housing market in 2023.