



GREENWOOD + ESTATES

INTEGRITY & EXPERTISE


2018 Q1 Real Estate Market Update

GENERAL

2018 is off to a strong start in the Denver metro area; however, a lack of inventory, rising interest rates, and general market uncertainty have hindered the number of transactions in Q1, down 10% year over year. The lack of inventory and decrease in days on market have forced many buyers to make quick decisions when purchasing properties.





Average Sold Price

Denver Metro Single Family: \$502,986 (up 11.8% over last year) 

Denver Metro Multifamily: \$345,632 (up 17.0% over last year) 

Average Days on Market

Denver Metro Single Family: 40 days (9.1% fewer days than last year) 

Denver Metro Multifamily: 72 days (67.4% more days than last year) 

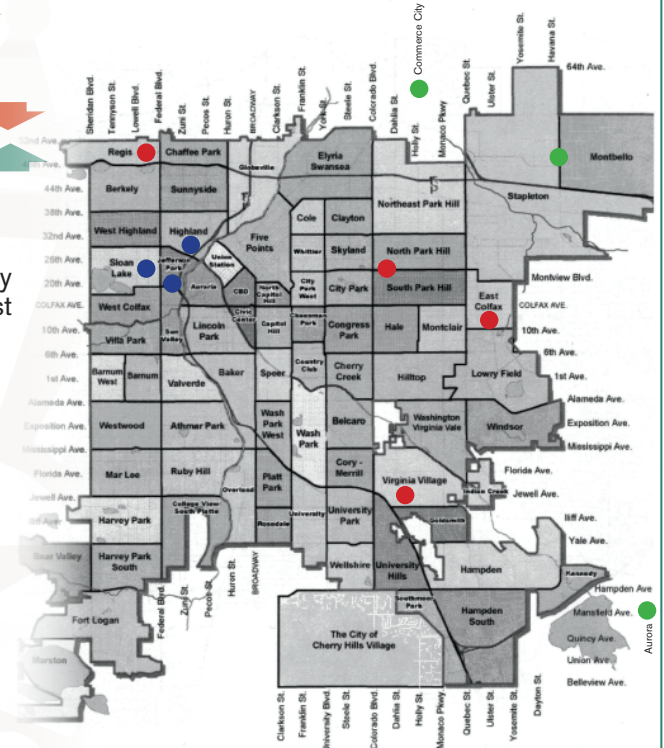
INTERESTING TRENDS IN THE DENVER MARKET

I recently attended a regional real estate investor meetup where a variety of expert opinions were shared. Here is an inside scoop on the hottest Denver metro neighborhoods for:

- **Fix & Flips:** Virginia Village, East Colfax, Park Hill, and Regis
- **Scrape & Builds:** Jefferson Park, Sloan's Lake, and Highlands
- **Rent & Holds:** Aurora, Commerce City, and northeast Denver

NOTES ON THE RECENT TAX BILL*

- The exclusion of gains up to \$250,000 (\$500,000 if filing married) is still in place.
- Mortgage interest on up to two homes is still allowed, however the limit on deductible interest dropped from \$1MM to \$750,000 which will have little impact on the majority of the overall Colorado market.
- State and local income taxes (including real estate taxes up to \$10K) are still deductible.
- Due to the increase in standard deduction, many homeowners will no longer itemize their tax deductions going forward.



INTEREST RATE WATCH

Recent decisions at the Federal Reserve have impacted the economy, especially interest rates. As a result, we have experienced a .5% increase in rates since the beginning of the year, setting current interest rates at 4.5%–4.75% on a 30 year, fixed rate mortgage for a borrower with good credit and 20% down. Experts forecast rates staying considerably north of 4% for the foreseeable future, but likely below the 5% mark. Additional rate increases will continue to have a significant impact on buyer purchasing power and, in turn, will put downward pressure on real estate prices. The biggest take away for my clients are the following...

Buyers: if you are going to buy a home in 2018, do so sooner rather than later.

Sellers: be aware of the effect that increasing interest rates may have on your future buyers purchasing power and move up the sale of your home accordingly.

NOTES: Above statistics are based on information from Metrolist for the period 1/1/17 - 3/31/18. The representations herein are based in whole or in part on content supplied by Metrolist which does not guarantee nor is in any way responsible for its accuracy. Content may not reflect all market activity.

This does not constitute tax advice. Always consult with your tax advisor when determining the impact of buying or selling real estate.



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Bryan is a licensed Managing Broker and Certified Public Accountant in the State of Colorado. He resides in the Denver Tech Center where he passionately follows the Denver Metro Area real estate market. His interests include local politics, staying physically fit, and volunteering at his alma mater, Regis Jesuit High School, in various capacities including coaching wrestling and as a member of the Ignatian Identity Committee.

