



GENERAL

The inventory available for sale in the Denver metro area is lower than historical norms and the number of transactions taking place during the winter months is much higher than historically, meaning the market continues to be hot for sellers. Current trends suggest that home prices will continue to improve in the short term (0-12 months) and moderate term (1-3 years).

Average Sold Price

Denver Metro Single Family: \$414,000 (up 9.39% from last year)
Denver Metro Multifamily: \$279,000 (up 17.65% from last year)

Average Days on Market

Denver Metro Single Family: 41 days (14.59% fewer days from last year)
Denver Metro Multifamily: 37 days (5.13% fewer days from last year)

INTERESTING TRENDS

- Rising interest rates will most likely increase the number of buyers in the short-term as they try to lock in historically low rates
- The single family market continues to be outperformed by multifamily (condos and townhomes) due to the number of buyers who are priced out of single family
- Buyers interested in the "core" neighborhoods of Denver a few years ago (Highlands and Capital Hill) have taken their dollars to areas on Denver's borders

FIX & FLIP SEGMENT

The nine most popular neighborhoods for fix and flips over the past 2 years are noteworthy because they are ALL east of Colorado Blvd. Note the Neighborhood graphic. Despite more fix and flips occurring east of Colorado, the most profitable projects are still in Wash Park, Corey Merrill, and Berkeley – all neighborhoods located west of Colorado Blvd (due to higher price points).

RENTAL MARKET

The rental market is expected to continue its trend upwards as the number of renters increase disproportionately to the number of new condos being constructed. This is expected to last another 2-3 years.

According to zumper.com

LUXURY SEGMENT

The luxury segment is about location. The central Denver region is a balanced market, while the south (incl. Douglas County) and north regions (incl. Broomfield County) have double the number of absorption, meaning they are actually buyer friendly. Expect this to even out in 2016.

INTEREST RATES

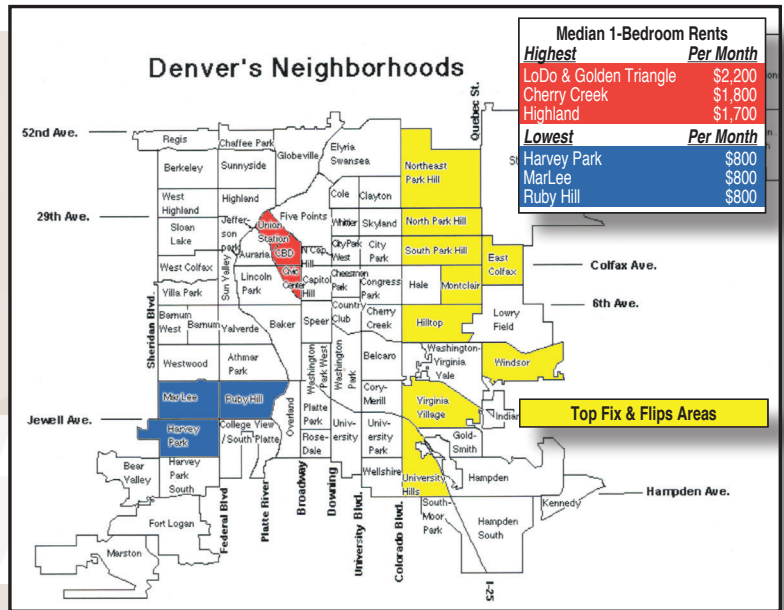
- In mid-December the Federal Reserve raised short-term interest rates, bringing up prime rates to 4.125% from 4.00%.
- Perhaps a 1/2 % increase or slightly more in 2016, however nothing is expected past that due to a recovering economy and an election year.

2016 OUTLOOK

- In anticipation of rising interest rates, buyers will be very active during the first half of the year
- Over the past 5 years, we have seen an average net influx of 50,000+ people per year. The number of new housing starts does not balance out the equation
- Employment remains very strong. Most recently Forbes announced Denver was the third easiest city to get a job. Large corporate relocations including Charles Schwab (Lone Tree), Merrill Lynch (Greenwood Village), and Fidelity Investments (Greenwood Village) continue to be on the rise
- The "real estate experts" declared a 3-5% increase in 2014 (it was really 12%), 5% increase in 2015 (it was really 10%), and a 5%-8% for 2016. I believe it will be 6%-8% for single family homes and 10%+ for condos and townhomes, which lag the price gains of single family by about a year.

NOTES

Above statistics are based on information from Metrolist for the period 1/1/2015 - 1/8/16. 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.



Bryan K Zerr, Realtor & CPA
Greenwood + Estates Team | Equity Colorado Real Estate
bkzerr@gmail.com | 720.334.6465 | www.bryansellsdenver.com

Bryan is a licensed Associate Broker and Certified Public Accountant in the State of Colorado. He resides in Greenwood Village 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.

