

Denver Real Estate

3- MONTH MARKET OVERVIEW - OCTOBER 2024



Active Listings



FOR BUYERS:

Buyer activity has increased for six consecutive weeks, while inventory is leveling off. The window for negotiating power may close if rates drop again, so acting sooner could be advantageous.

FOR SELLERS:

While the recent rate drop has sparked optimism, purchase applications fell last week, and the Fed is unlikely to lower rates further. We may see a return to typical seasonal declines in the market.

WHAT WE'RE SEEING

The past three months have revealed a balanced, yet active environment for buyers, sellers and investors alike. Well priced properties are selling fast, while average days on market for active listings is 76 days, there are ample buyers for strategically priced homes.

Active / Pending

1679	76	604	36%
Active	DoM (Active)	Pending	Pending Ratio

Sold - Last 3 Months

1599	37	533	98.6%
Sold	DoM (Sold)	Sold per Month	% of Original Price

36%

Pending ratio

\$828,956

Average sold price

3.2

Months supply of inventory

For Investors

Identifying Investment Opportunities

- Focus on High-Demand, Low-Supply Segments: The 350-400k range shows a high pending ratio of 68% and limited inventory. Investing in this segment could yield quicker turnover and strong rental demand.
- Consider Value-Add Opportunities: Properties in the 0-500k range, particularly those needing minor renovations or updates, can be attractive for flipping, given the active market dynamics.

Market Timing and Strategy

- Monitor Inventory Levels: With a balanced market at 3.2 months' supply, timing purchases when inventory is slightly lower can reduce competition and potentially secure better deals.
- Long-Term Appreciation Potential: Focus on neighborhoods with strong growth indicators or upcoming infrastructure developments, which can enhance property values over time.

Financial and Risk Management

- Evaluate Cash Flow vs. Appreciation: Balance investments between properties offering immediate cash flow (rental income) and those positioned for long-term appreciation, particularly in emerging areas. Denver is a great market for appreciation.

Property Features and Location

- Prioritize Location: Properties in desirable or gentrifying neighborhoods may offer better long-term returns. Look for proximity to amenities, public transportation, and employment hubs.
- Assess Rental Market Dynamics: Analyze rental trends and demand in specific areas to ensure sustained rental income, especially in segments with higher demand.

For Buyers

Negotiation and Offers

- **Leverage Longer DOM in Luxury Segments:** In the 1M+ price range, where the average DOM is 52 days, buyers have more negotiating power. Use this to your advantage by negotiating for better terms or price reductions.
- **Act Quickly in High-Demand Areas:** For properties in the 350-400k range, where demand is high and the pending ratio is 68%, be prepared to make swift, competitive offers to secure a property.

Financial Preparedness

- **Get Pre-Approved:** Strengthen your offer by having mortgage pre-approval in place. This not only speeds up the buying process but also signals to sellers that you are a serious and qualified buyer.

Market Timing and Strategy

- **Monitor Inventory Trends:** With a 3.2 months' supply, the market is balanced, but certain segments like 0-500k have tighter inventory. Keep an eye on new listings and be ready to act when the right property becomes available.
- **Consider Future Resale Value:** Focus on properties in neighborhoods with strong appreciation potential. This can provide better returns if you decide to sell in the future.

Home Features and Location

- **Prioritize Must-Haves:** In competitive segments, it's crucial to differentiate between must-have features and those that are negotiable. This clarity can help you make quicker decisions when the right property comes along.
- **Explore Emerging Areas:** Look for opportunities in neighborhoods that are up-and-coming, which might offer more value and potential for growth.

For Sellers

Pricing Strategy

- **Competitive Pricing:** Given the average days on market (DOM) is 37 days, pricing competitively is key to attracting buyers quickly, especially in a balanced market. Consider pricing slightly below competitors to generate interest and potentially incite a bidding war.

Market Segment Focus

- **Capitalize on High-Demand Segments:** If your property falls within the 350-400k range, you're in a strong seller's market with a pending ratio of 68%. Leverage this demand by highlighting unique features and setting attractive terms.
- **Be Strategic in Luxury Segments:** For properties in the 1M+ range, expect longer DOM (average of 52 days). Be prepared to negotiate and consider offering incentives like closing cost assistance to attract buyers.

Presentation and Marketing

- **Enhance Curb Appeal:** First impressions matter. Investing in minor updates or staging can make a significant difference in attracting offers quickly.
- **Utilize Professional Marketing:** High-quality photos, virtual tours, and targeted online marketing can help your listing stand out, especially in segments with more competition.

Timing the Market

- **Monitor Inventory Levels:** With a 3.2 months' supply, the market is balanced. However, for quicker sales, aim to list when inventory is slightly lower to reduce competition.

All Market Snapshot

Data for Denver - City for 3 months (07/14 - 10/13)



Price Range	Active / Pending				Sold - Last 3 Months: 07/14 - 10/13				Months Supply of Inventory
	Active	DoM (Active)	Pending	Pending Ratio	Sold	DoM (Sold)	Sold per Month	% of Original Price	
\$0 - \$200,000	10	109	1	10%	4	88	1.3	88.3%	7.7
\$200,000 - \$250,000	2	187	1	50%	4	32	1.3	91.7%	1.5
\$250,000 - \$300,000	7	193	3	43%	8	11	2.7	89.2%	2.6
\$300,000 - \$350,000	12	186	7	58%	25	23	8.3	95.3%	1.4
\$350,000 - \$400,000	37	79	25	68%	86	36	29	96.5%	1.3
\$400,000 - \$450,000	78	64	39	50%	127	34	42	99.1%	1.8
\$450,000 - \$500,000	157	82	64	41%	146	28	49	99.2%	3.2
Under \$500k Market Totals	303	85	140	46%	400	32	133	98.0%	2.3
\$500,000 - \$600,000	264	68	105	40%	286	34	95	99.2%	2.8
\$600,000 - \$700,000	230	80	59	26%	184	33	61	98.9%	3.8
\$700,000 - \$800,000	178	75	62	35%	175	30	58	99.4%	3.1
\$800,000 - \$900,000	146	63	54	37%	116	32	39	99.1%	3.8
\$900,000 - \$1,000,000	75	65	25	33%	83	30	28	99.0%	2.7
\$500k - \$1M Market Totals	893	71	305	34%	844	32	281	99.1%	3.2
\$1,000,000 - \$1,250,000	150	61	48	32%	133	39	44	97.9%	3.4
\$1,250,000 +	333	85	111	33%	222	59	74	98.0%	4.5
\$1M + Market Totals	483	78	159	33%	355	52	118	97.9%	4.1
Market Totals	1,679	76	604	36%	1,599	37	533	98.6%	3.2

All Market Snapshot

Data for Denver - City for 3 months (07/14 - 10/13)



3.2

Months Supply of Inventory



Active / Pending

1679

Active

76

DoM (Active)

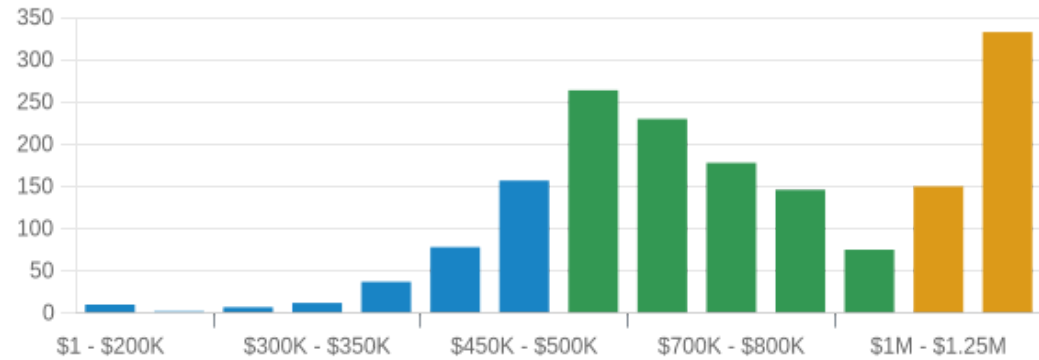
604

Pending

36%

Pending Ratio

Active Listings



Sold - Last 3 Months

1599

Sold

37

DoM (Sold)

533

Sold per Month

98.6%

% of Original Price

Average Prices

Category	Inventory		Closed		
	Active	Pending	Original List Price	Final List Price	Sold Price
INVENTORY	\$1,021,525	\$908,358	\$872,690	\$842,275	\$828,956
				95.8%	
			97.1%		98.6%

Under \$500k Snapshot

Data for Denver - City for 3 months (07/14 - 10/13)



2.3

Months Supply of Inventory



Active / Pending

303

Active

85

DoM (Active)

140

Pending

46%

Pending Ratio

Active Listings



Sold - Last 3 Months

400

Sold

32

DoM (Sold)

133

Sold per Month

98.0%

% of Original Price

Average Prices

INVENTORY

Active

\$427,067

Pending

\$428,483

CLOSED

Original List Price

\$442,493

97.0%

Final List Price

\$427,785

98.0%

Sold Price

\$418,405

95.1%

\$500k - \$1M Snapshot

Data for Denver - City for 3 months (07/14 - 10/13)



3.2

Months Supply of Inventory



Active / Pending

893

Active

71

DoM (Active)

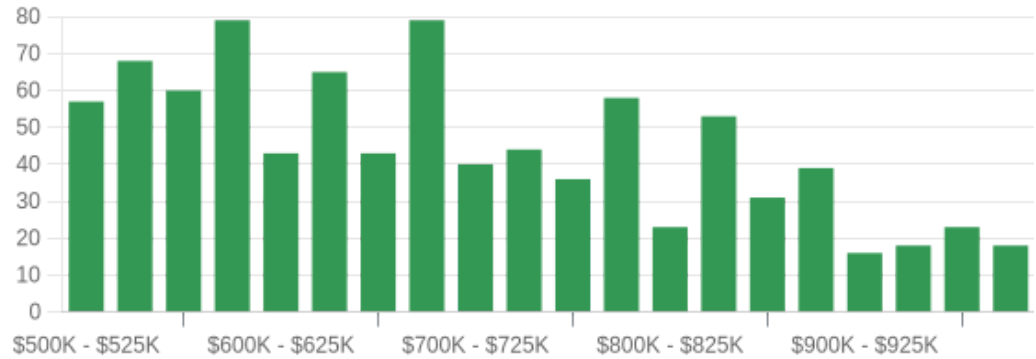
305

Pending

34%

Pending Ratio

Active Listings



Sold - Last 3 Months

844

Sold

32

DoM (Sold)

281

Sold per Month

99.1%

% of Original Price

Average Prices

INVENTORY

Active

\$699,865

Pending

\$696,097

CLOSED

Original List Price

\$716,849

97.5%

Final List Price

\$697,561

96.7%

99.1%

Sold Price

\$690,709

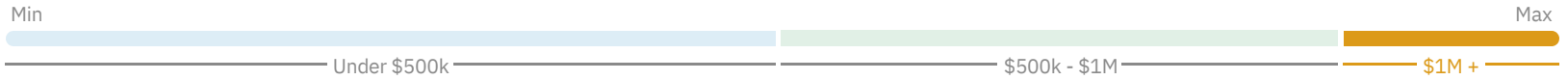
\$1M + Snapshot

Data for Denver - City for 3 months (07/14 - 10/13)



4.1

Months Supply of Inventory



Active / Pending

483

Active

78

DoM (Active)

159

Pending

33%

Pending Ratio

Sold - Last 3 Months

355

Sold

52

DoM (Sold)

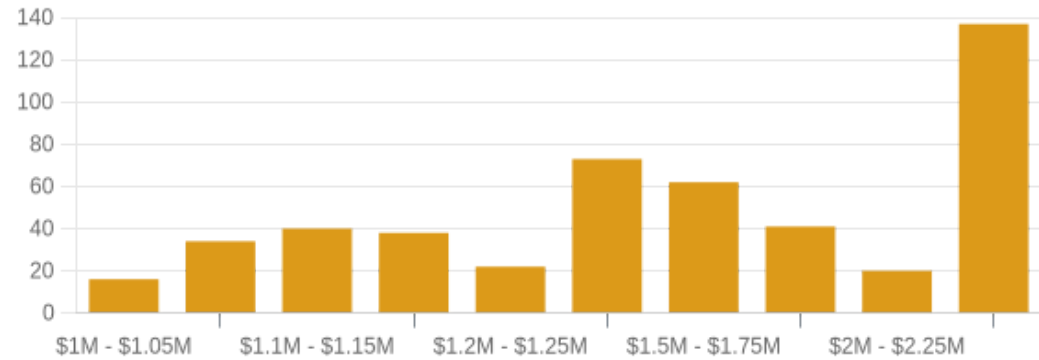
118

Sold per Month

97.9%

% of Original Price

Active Listings



Average Prices

INVENTORY

Active

\$1,989,152

Pending

\$1,738,055

CLOSED

Original List Price

\$1,727,927

96.1%

Final List Price

\$1,653,360

97.9%

Sold Price

\$1,620,227

94.2%