Homestead Exemption and Consumer Debt Protection
SUPPORT SB22-086

Sponsors: Senator Winter & Representative Gray

The COVID-19 crisis has had profound financial impacts on families across the state and on our economy. Since the beginning of the pandemic, we've seen businesses shuttered and hundreds of thousands of unemployment claims filed in Colorado. While our state economy is showing positive signs of recovery, many Coloradans are not sharing in this recovery. Before this crisis, 26% of all Coloradans, including 44% of Coloradans of color, had debt in collections with the preponderance of it being medical debt and student loan debt. (Urban Institute). With the profound economic hardships already being experienced, these numbers are likely to increase significantly. And after years of low inflation, we are seeing new challenges in rising prices across the board.

Current Colorado consumer protection laws are relatively weak; while they are intended to protect income and property needed to meet basic needs - such as housing, cars, tools and other property needed to work, current protections have been outpaced by home and vehicle values, inflation and the rising cost of living. **Recently, the National Consumer Law Center (NCLC) rated Colorado a "D" because of how few resources we exempt from extraordinary collections.**

Colorado's Constitution requires the General Assembly to pass "liberal homestead and exemption laws." In the face of rising prices, it is time for the legislature to take action and update our exemptions in order to give Coloradan's a chance to get back on their feet and stay on their feet without having to rely on government assistance. **Senate bill 22-086 updates Colorado exemptions to allow Coloradans to protect adequate income and normal assets in the face of extraordinary collections.**

- **Increase Colorado homestead exemption -** this protects a portion of a homestead from seizure to satisfy a debt, levy, garnishment, contract, or civil obligation.

Current Law	SB22-086 proposed protection
$75K for home occupied by owner(s) or owner's family	$300K or higher for home occupied by owner(s) or owner's family
$105K for home occupied by age 60 owner(s) or owner's family	$400K or higher for home occupied by age 60 owner(s) or owner's family
$105K if an owner [or their spouse or dependent if living in home] is disabled.	$400K if an owner [or their spouse or dependent if living in home] is disabled

Average Home price statewide in Dec. 2021 = $697,762
Median Home Price statewide in Dec. 2021 = $529,995
Colorado Association of Realtors Statewide Report Dec. 2021

Average Home price in metro Denver in January 2022 = $626,573
Median Home Price in metro Denver in January 2022 = $545,000
Denver Metro Association of Realtors Market Trends Report Jan. 2022

NOTE: The Homestead Exemption is different than the Colorado Senior Property Tax Exemption. This Bill proposes no changes to the Colorado Senior Property Tax Exemption.

For more information contact: coexemptions@gmail.com 02/03/2022

- **Expand definition of homestead/dwelling to add non-conventional housing**

  What makes up a "residence" has changed over time, especially in the face of housing crisis statewide. The bill expands the definition of "homestead" to include other types of dwellings to reflect current living situations for thousands of Coloradans.

Current Statute	SB22-086 Proposed Change
Only applies to houses, mobile homes, manufactured homes, trailers, trailer coaches, and farms.	Expand "homestead" definition to include "dwellings" such as vehicles, campers, boats, tractor-trailer rigs, buses, vans, and other real and personal property that is used as a place of residence.

- **Create a permanent exemption to protect bank account balances up to $5,000**

  In 2020 and again in 2021, the legislature provided temporary protections for bank account balances of $4,000 in order to protect unemployment funds and stimulus payments. SB22-086 creates a permanent exemption of $5,000. This allows Coloradans to protect approximately 2 months of rent/mortgage, living and medical expenses.

- **Increase vehicle exemption values**

Current statue covers up to 2 motor vehicles or bicycles/owner	SB22-086 Proposed Change
$7,500 for owner	$15,000 per owner
$12,500 for owner age 60+ or disabled owner	$25,000 for age 60+ or disabled owner

As of November 2021, Edmunds.com estimates the price of a used vehicle in the United States at $29,011 —39% more than just 12 months earlier. The average new car bought in May 2021 cost more than $41,000. Kelley Blue Book.

- **Add new exemption for economic impact payment from federal, state or local government.**

Current statute	SB22-086 Proposed change
No protection	Protect payments in any national or statewide emergency or disaster.
"a child tax credit payment"	Any child tax credit payment

- **Increase disability benefits' exemption.**

Current statute	SB22-086 Proposed change
$4,000 in benefits	$5,000 in benefits

- **Increase exemption for household goods.**

Current statute	SB22-086 Proposed change
$3,000 owned and used by the debtor and debtor's dependents	$6,000 owned and used by the debtor or the debtor's dependents.

CRS 13-54-101: Household goods" means, by way of illustration, household furniture, furnishings, dishes, utensils, cutlery, tableware, napery, pictures, prints, appliances, stoves, microwave ovens, beds and bedding, freezers, refrigerators, washing machines, dryers, exercise equipment, musical instruments, bicycles, sewing machines, toys, and home electronics, including but not limited to cameras, television sets, radios, stereos, computers, facsimile machines, telephones, and other audio and video equipment."

- **Increase farm equipment exemption**

Current statute	SB22-086 Proposed change
$50,000 in equipment and tools	**$100,000 in equipment and tools**

Covers all livestock, poultry, or other animals; all crops, dairy products, and agricultural products grown, raised, or produced; and all tractors, farm implements, trucks used in agricultural operations. harvesting equipment, seed, and agricultural machinery and tools. *Cannot be stacked with "Tools of Trade exemptions under CRS 13-54-102 (1)(i) or with vehicles under (1)(j).*

- **Add exemption for firearms, hunting and fishing equipment for personal, family or household use.**

Current statute	SB22-086 Proposed change
None	Protection for firearms, hunting & fishing equipment for personal safety or hunting not to exceed $1,000

- **Add exemption for health savings account (HSAs).**

Current statute	SB22-086 Proposed change
None	Include as protected, just as retirement funds are currently protected.

- **Add new exemption for funds placed into a life expectancy set-aside account or account like a reserve fund, escrow or impound account, which funds are derived from reverse mortgage proceeds that are designated for specific uses (e.g. taxes or insurance).**

- **Remove requirements that a person must not commingle funds in order to render child support payments or unemployment benefits exempt.**

National Consumer Law Center
Fighting Together for Economic Justice

Analysis of Colorado SB22-086

February 3, 2022

This testimony is submitted on behalf of the National Consumer Law Center in support of SB22-086, which would amend Colorado law to increase protections for financially-stressed families in the state. This would be an important step toward strengthening Colorado's overall property protections for families struggling with debt.

Why State Exemption Laws Are Important

Exemption laws are a fundamental protection for families. Without these laws, once a creditor obtained a ruling from a court that a consumer owed it a sum of money, the creditor could seize the debtor's entire paycheck, bank account, car, and household goods, and sell the debtor's home. Exemption laws place limits on these seizures. They are designed to protect consumers and their families from poverty, and to preserve their ability to be productive members of society and to recover and achieve financial rehabilitation.

The COVID-19 pandemic has exposed the enormous gaps in the states' exemption laws. Only when stimulus checks started going out to families' bank accounts did many states realize that they had no protection for a basic amount in a bank account. As workers lost jobs and hours, states scrambled to institute moratoriums on wage garnishment, bank account garnishment, and collection lawsuits.

As the pandemic recedes, families are left with a mountain of debt. People struggling to get back on their feet are likely to face a wave of lawsuits for medical bills, back rent, credit card debt, the balance due on repossessed cars, and even utility bills. This will come at a time when most pandemic protections, such as the moratoriums on garnishment and foreclosure that many states and federal housing agencies adopted, have expired.

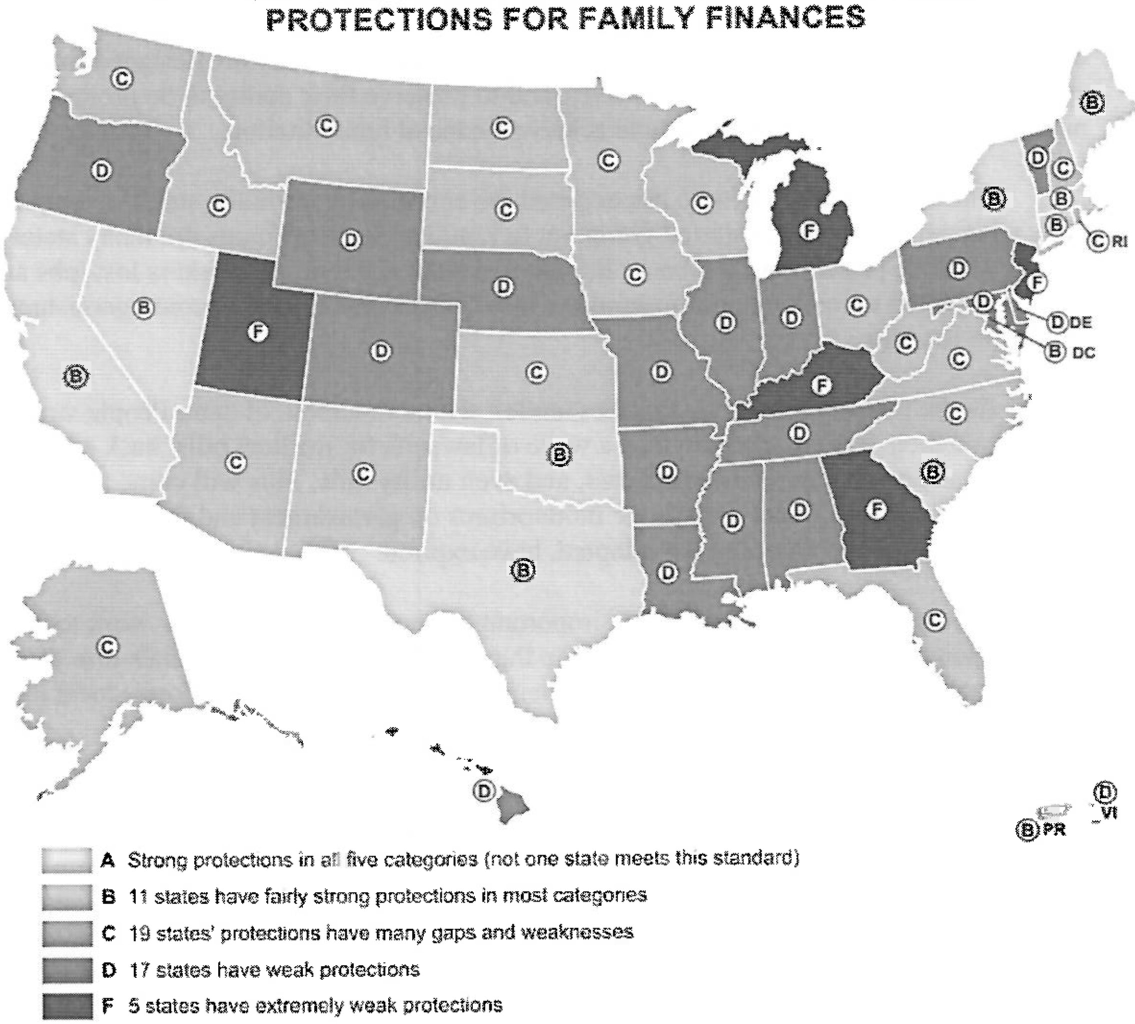
Exemption laws are particularly important because they protect cars, work tools, and other property that consumers need to stay in the workforce. When individuals lose their jobs, the consequences fall not just on them and their families, but also on landlords, local merchants, and other creditors that the consumer might have paid.

Without improved exemption laws, garnishment and attachment will drain away the wages and resources that families need—and that the local economy needs them to be spending at Main Street businesses. Reform of exemption laws not only protects families from destitution but can also act as an economic recovery tool that will steer money into state and local communities. By protecting families from impoverishment, exemption laws also save costs that taxpayers would otherwise have to bear for services such as emergency shelter and foster care.

Exemption laws also deter predatory lending. Creditors are less likely to make unaffordable loans if they know they will have to rely on the consumer's ability to repay the debt, not on seizure of the consumer's essential property. The gaps in exemption laws also give debt collectors enormous leverage. By threatening to take a debtor's essential personal property, such as the family car or household goods, a debt collector may persuade a debtor to use the money needed for rent or medicine to pay an old credit card bill that ought to be a much lower priority.

Exemption laws are primarily an area of state authority. Most distressed consumers depend on state garnishment and attachment rules for their protection. In NCLC's 2021 report, *No Fresh Start in 2021: Will States Let Debt Collectors Push Families Into Poverty As Pandemic Protections Expire?* we gave Colorado's exemption laws **an overall grade of D**, only five states scored lower.

MAP 1 **OVERALL RATINGS: THE STRENGTH OF STATE PROTECTIONS FOR FAMILY FINANCES**



Protecting the Family Home from Creditors

One reason that Colorado had such a low overall rating in NCLC's *No Fresh Start* report was the **F that it received for protection of the family home**, one of five components comprising the overall state score for protection of exemptions.

Protection of the family home from creditors is one of the fundamental purposes of exemption laws. Loss of the home can mean a loss of support networks. It can also mean loss of a job if the family cannot find replacement housing within commuting distance. For a farm family, loss of the home means loss of their source of support. Losing the family home is particularly hard on children, as it often means that they must change schools and leave friends and relatives behind. The mere existence of a judgment lien — the first step toward seizing a home—can be an obstacle to selling or refinancing a home or financing repairs to it.

SB 22-086 proposes to increase Colorado's homestead exemption from $75,000 to $300,000, which **will likely increase Colorado's grade from an F to a C for protection of the family home** in NCLC's *No Fresh Start* report.

We also applaud language in SB 22-086 that would expand homestead protections for elderly or disabled owners and expand the definition of what qualifies as a dwelling eligible for homestead protection.

The Family Car: Can A Debtor Continue to Get to Work?

Another reason that Colorado received a D overall rating in NCLC's *No Fresh Start* report was the **C that it received for protection of the family car**, another component comprising the overall state score for protection of exemptions.

Protecting the family car from creditors is essential. For many workers, a car is necessary for employment. Many wage earners have to work substantial distances from their homes. Public transportation may be unavailable, so infrequent that it is difficult to use, or closed on evenings and weekends when they need to work. Even those whose jobs are near public transportation may be unable to work unless they have a car to take children to and from daycare.

Loss of a car can place a family on a downward trajectory that leads to job loss and a cascade of unpaid utility bills, deferred medical care, unpaid rent, and eviction or foreclosure. The effect of allowing creditors to seize the family car has wide ramifications, hurting not just the consumer and the consumer's family but also the consumer's landlord, the local utility provider, and other creditors that the consumer would like to pay.

SB 22-086 proposes to increase the total exemption for motor vehicles from $7,500 to $15,000, which **would increase Colorado's grade from a C to an A for protection of the family car** in NCLC's *No Fresh Start* report. Other jurisdictions that scored an A on protections for the family car are Kansas, Nevada, New Hampshire, North Dakota, Puerto Rico, and Texas.

Protecting a Basic Amount in a Bank Account

Another reason that Colorado received a D overall rating in NCLC's *No Fresh Start* report was the **C that it received for protecting a basic amount in a bank account**, another component comprising the overall state score for protection of exemptions.

Even if a state's exemption laws protect a debtor's wages, home, and car, a debtor needs access to a basic amount of cash to commute to work, buy groceries, and make the upcoming rent or mortgage payment or the next payment on the family car. A debtor who is left without cash may also be unable to pay for transportation, daycare, utility service, and other necessities. An additional cushion is necessary to handle irregular expenses such as car repairs and medical expenses, potential income shocks such as unemployment or a cut in hours, and savings needed for retirement.

Protecting bank accounts is particularly important in light of the growing practice by employers to pay wages electronically through direct deposit. If a creditor can clean out the debtor's bank account, this can amount to seizure of 100% of the debtor's wages, in effect nullifying the federal and state limits on wage garnishment. Some state wage garnishment laws are interpreted to protect wages even after they are deposited in a bank account, but typically these laws are not self-executing: the debtor must go to court and present evidence tracing the funds on deposit to specific wage deposits. Many debtors will not know about this protection, and even if they do, this process can take weeks and will be daunting for many debtors. In the meantime, the account is frozen so the debtor cannot pay the rent, transportation, car payment, or mortgage payment, and any outstanding checks will bounce. The resulting overdraft fees that will be imposed when the next paycheck is deposited are likely to undermine the debtor's ability to pay the next month's bills, creating a rapid downward spiral.

SB 22-086 proposes to convert a temporary exemption for $4,000 in a bank account to a permanent exemption for up to $5,000 in a bank account, which **would increase Colorado's grade from a C to an A for protecting a basic amount in a bank account** in NCLC's *No Fresh Start* report.

To maximize the protection that this provision will provide, we recommend that Colorado make this protection self-executing so that the bank protects the funds. When an exemption like this is structured to be self-executing, no action on the part of the account holder is necessary—the account holder does not have to know their rights, file papers in court, attend court hearings, or present evidence about the source of the funds. The account is not frozen while the debtor tries to navigate the judicial system. Making the exemption self-executing also saves judicial resources and reduces the burden on the courts, which otherwise have to receive and rule on exemption claims.

Stopping Creditors from Threatening Seizure of a Debtor's Household Goods

Household goods usually have little resale value. Seizing them and selling them does little to pay off a debt. The costs of seizure and sale can even exceed the proceeds of the sale.

Yet, while the consumer's household goods are of little use to the creditor, they are of enormous value to the consumer. Without beds, tables, chairs, a stove, a refrigerator, and other furniture and appliances, debtors cannot maintain a household for themselves and their dependents.

Threats to seize household goods are often merely a debt collector harassment tactic rather than an actual way of recovering debts. Yet the mere threat to take a consumer's household goods, even when the creditor rarely or never follows through, places tremendous pressure on families. The threat can induce consumers to pay old written-off credit card and other low-priority debts rather than high-priority obligations, such as rent and utility bills.

SB 22-086 proposes to increase the total exemption for household goods from $3,000 to $6,000. **This would not be a sufficient increase to improve Colorado's grade for protection of household goods, which would remain a D** in NCLC's *No Fresh Start* report. While this would not earn Colorado a better grade, it does represent a significant increase in protection for household goods that will provide important protections for vulnerable consumers.

Overall Improvement in Colorado's Grade

Making all of the changes outlined above would **raising the Colorado's overall score from a D to a B** in NCLC's *No Fresh Start* report. More importantly, it would ensure that Colorado law protects families living at the poverty level from seizure of property that they rely on for their livelihood.

To ensure that state exemptions continue to protect consumers in the future, we also recommend that the bill add a requirement of periodic adjustments of exemption amounts to take account of inflation. Without such a provision, exemption laws can become meaningless simply due to the passage of time. As we said in our *No Fresh Start* report, "It is surprising that more states have not adopted this simple, yet fair and effective approach."

Other Improvements to Colorado Exemption Laws

These comments have focused on ways that SB 22-086 relates to the criteria evaluated in NCLC's *No Fresh Start* report. However, we want to note and applaud the following improvements to state exemption laws that would also be made in this bill:

- Exempting economic impact payments from federal, state, or local governments;
- Exempting health savings accounts;
- Exempting funds from a life expectancy set-aside account;
- Clarifying protections for any child tax credits;
- Increasing exemptions for disability benefits;
- Increasing exemptions for farm equipment and tools of the trade; and
- Protecting child support and unemployment benefits that are comingled with other funds.

About NCLC

The National Consumer Law Center (NCLC) is a non-profit organization, founded in 1969, that works to advance fairness in the marketplace for low-income consumers. This analysis was prepared by April Kuehnhoff, a Staff Attorney at NCLC whose work focuses on advocacy for fair debt collection. She is the co-author of NCLC's Fair Debt Collection and a contributing author to Surviving Debt. This analysis draws from NCLC's 2021 report, *No Fresh Start in 2021: Will States Let Debt Collectors Push Families Into Poverty As Pandemic Protections Expire?* Please contact April Kuehnhoff (akuehnhoff@nclc.org) if we can provide any further information.

NCLC National Consumer Law Center *Fighting Together for Economic Justice*

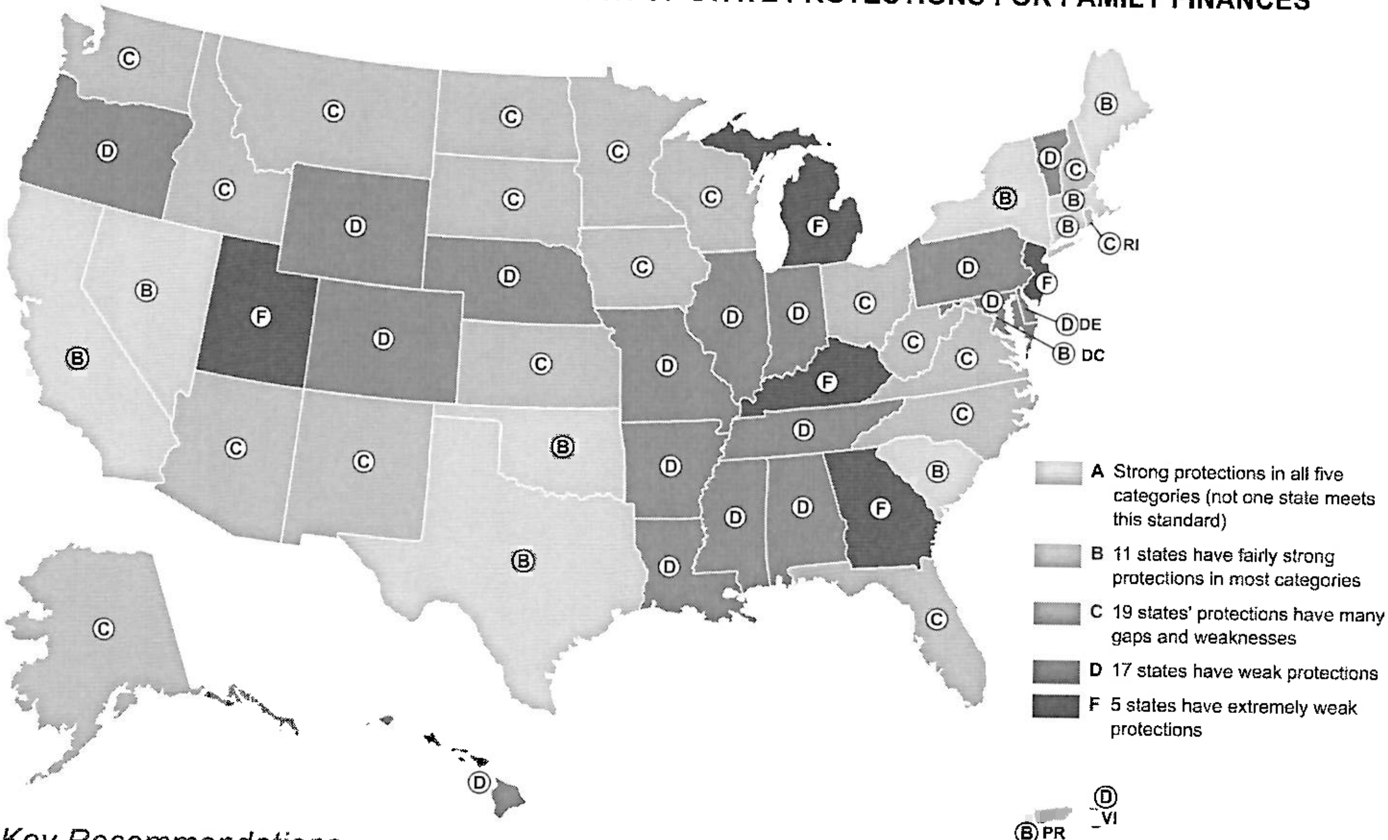
http://bit.ly/rpt-no-fresh-start

NO FRESH START 2021

WILL STATES LET DEBT COLLECTORS PUSH FAMILIES INTO POVERTY AS PANDEMIC PROTECTIONS EXPIRE?

Every state has a set of exemption laws, intended to prevent creditors from pushing families into destitution. But a report from the National Consumer Law Center, No Fresh Start 2021: Will States Let Debt Collectors Push Families into Poverty as Pandemic Protections Expire? finds that few states' exemption laws meet even the most basic standards. With weak exemption laws, families struggling to get back on their feet after the COVID-19 pandemic will face seizure of wages and essential property due to a wave of debt collector lawsuits. Weak exemption laws will impede economic recovery and exacerbate the racial wealth gap.

MAP 1 **OVERALL RATINGS: THE STRENGTH OF STATE PROTECTIONS FOR FAMILY FINANCES**



Key Recommendations

State exemption laws should be reformed to:

- Protect a **living wage** from seizure by creditors.
- **Automatically protect a reasonable amount of money on deposit** so that families can meet several months of basic needs such as rent, daycare, utility bills, and commuting expenses.
- **Preserve the debtor's ability to work**, by protecting a working car, work tools and work equipment.
- **Protect the family's housing and necessary household goods.**
- **Protect retirees from destitution** by restricting creditors' ability to seize retirement funds.
- **Be automatically updated for inflation.**
- **Close loopholes that enable some lenders to evade exemption laws.**
- **Be self-enforcing to the extent possible.**

Overall | Medical | Student | Auto

Debt in America: An Interactive Map

Last updated March 31, 2021; credit data from December 2020

Credit can be a lifeline during emergencies and a bridge to education and homeownership. But debt, which can stem from credit or unpaid bills, often burdens families' and communities' financial well-being. This map shows the geography of debt in America and the debt differences that can reinforce the wealth gap between white communities and communities of color.

Click on the variables below to see how debt affects communities across the US [a]

	All	White communities	Communities of color
Share with any debt in collections	23%	19%	39%
Median debt in collections	$1,645	$1,689	$1,396
Share with medical debt in collections	13%	11%	22%
Share of student loan holders with student loan debt in default	9%	8%	13%
Auto/retail loan delinquency rate	2%	2%	5%
Credit card debt delinquency rate	3%	2%	4%
Median credit card delinquent debt	$600	$604	$556
Share of people of color	32%		
Average household income	$96,218	$103,075	$76,117

[a] *White communities and communities of color are based on zip codes where most residents are white (at least 60 percent of the population is white) or most residents are people of color (at least 60 percent of the population is of color).*

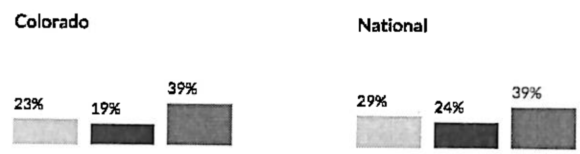
[b] *Not available because sample size is too small.*

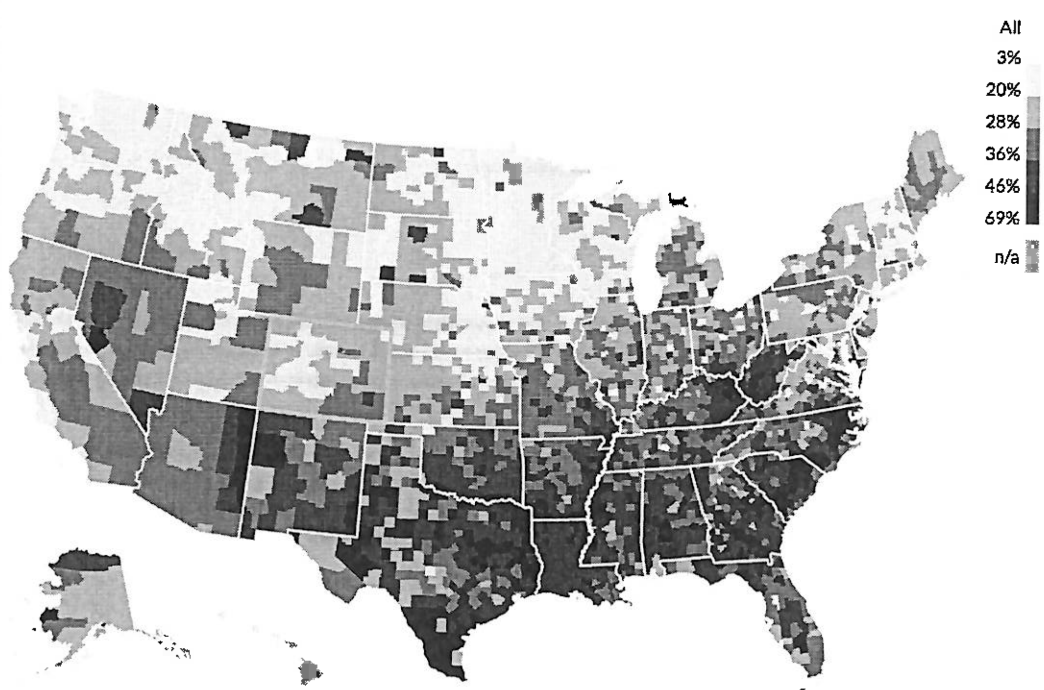
Debt Delinquency

PRINT

Currently viewing **Share with any debt in collections**

All | White communities | Communities of color





Overall | Medical | Student | Auto

ABOUT THE DATA

Download data | Appendix

This dashboard contains information derived from a 2 percent nationally representative panel of deidentified, consumer-level records from a major credit bureau. The credit bureau data are from December 2020 and contain more than 5 million records. We also incorporate estimates from summary tables of the US Census Bureau's American Community Survey (ACS). We use ACS one-year estimates (2018) where possible, but for areas with smaller populations and for metrics that incorporate zip code–level information, we use the ACS five-year estimates (2014–18).

We define people of color as those who are African American, Hispanic, Asian or Pacific Islander, American Indian or Alaska Native, another race other than white, or multiracial. Debt in collections includes past-due credit lines that have been closed and charged-off on the creditor's books as well as unpaid bills reported to the credit bureaus that the creditor is attempting to collect. For example, credit card accounts enter collections once they are 180 days past due. Retail installment loans are retail purchases with installment terms—for example, a loan from a furniture store to buy a couch. The map breaks are determined using the Jenks Natural Breaks method.

Please contact externalaffairs@urban.org for more information about this dashboard.

ADDITIONAL RESOURCES

Credit Health during the COVID-19 Pandemic

Native Communities Face Sustained Challenges to Building Financial Resilience

Nine Charts about Wealth Inequality in America

50 Years after Martin Luther King's Death, Structural Racism Still Drives the Racial Wealth Gap

Before COVID-19, 68 Million US Adults Had Debt in Collections. What Policies Could Help?

Past-Due Medical Debt a Problem, Especially for Black Americans

Where Is Student Debt Highest?

What Regions Have More Delinquent Auto Loan Debt?

PROJECT CREDITS

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DESIGN

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DEVELOPMENT

Overview of Homestead Exemption & Practical Applications

Basic Formula to Determine Equity and Apply Homestead:

Value of House
- Cost of Sale (6%)
- Mortgages, Tax or HOA liens, Judgments
= Equity

The portion of the equity that is protected by the exemption is called the "exempt equity." The portion that is NOT protected by the exemption is called "non-exempt equity."

Practical Example #1: Joe and Jane Homeowner purchased their single-family Denver home in 2012 for $250,000 (median price in 2012). They put 10% down and took a 30-year mortgage with a payment of $1,140 per month. The current balance on their loan is $180,000.00. They also have a HELOC with a balance of $75,000.00. The value of their home has increased to $650,000. The Homeowners have $95,000 in unsecured credit card debt.

Under the current homestead exemption:

	$620,000	Value of Home
-	$ 39,000	Less Cost of Sale
-	$255,000	Less Mortgage Balance
-	$336,000	Equity

$75,000 is exempt equity, $261,000 is non-exempt equity.

If the Homeowners filed Chapter 7 Bankruptcy, the Trustee would sell their home to liquidate the non-exempt equity to pay unsecured creditors. The Homeowners would be left with their $75,000 in exempt equity, and approximately $142,000 in non-exempt equity after paying creditors and the Trustee.

To purchase a single-family home of roughly the same size in Denver post-bankruptcy, they would have to take out a mortgage of approximately *$403,000*, with a monthly payment of *$2,041.94.*

If the Homeowners filed Chapter 13 Bankruptcy, they would be able to keep their home, but would have to pay 100% of the unsecured creditors over 60 months in the Chapter 13 Plan. They also have to pay an average of $4,600 in attorney fees and costs to file and 10% of the total payments into the plan to the Chapter 13 Trustee for administrative costs ($11,066 over the life of the plan). The monthly Chapter 13 Plan payment would be: **$1,844 for 60 months.**

With a higher homestead exemption, Joe and Jane would be able to file a Chapter 7 Bankruptcy to discharge the credit card debts and keep their home.

Practical Example #2: Jim and Susan Retiree purchased their single-family Denver home in 1995 for $115,000 (median home price in 1995). They put 10% down and took a 30-year mortgage with a monthly payment of $525 per month. The remaining balance is $17,600. The value of the home is $622,950 (2021 median price). The Retirees have a HELOC loan with a present balance of $45,000, and a payment of $277 per month. Jim died in 2021 and Susan has $30,000 in unsecured credit card debt. She receives $1,500 per month in Social Security benefits.

Under the current homestead exemption:

	$622,950	Value of Home
-	$ 37,377	Less Cost of Sale
-	$ 62,600	Less Mortgage Balances
-	$522,973	Equity

$105,000 is exempt equity, $417,973 is non-exempt equity.

If Susan filed Chapter 7 Bankruptcy, the Trustee would sell her home to liquidate the non-exempt equity. The Trustee would pay off the mortgage balance and HELOC on sale, and receive compensation of $24,268 from the sale, the unsecured creditors would receive $30,000 and Susan would receive the **$363,705** remaining.

Susan would need to find a property that costs nearly 50% less than her current home if she were to pay cash. It is unlikely that she will qualify for a new mortgage due to her lack of income and recent bankruptcy.

If Susan filed Chapter 13 Bankruptcy, she would be able to keep her home, but would have to pay 100% of the unsecured creditors over 60 months in the Chapter 13 Plan. She would also have to pay an average of $4,600 in attorney fees and costs to file and 10% of the total payments into the plan to the Chapter 13 Trustee for administrative costs ($3,844) over the life of the plan). The monthly Chapter 13 Plan payment would be: **$640 for 60 months**. After paying the mortgage, HELOC and Chapter 13 plan payment, Susan would have approximately $58 per month for food, utilities, medical care and transportation.

With a higher homestead exemption, Susan could discharge the $30,000 in credit card debt, stay in her current home, and live on the $1,500 monthly Social Security benefit.

colorado association of REALTORS®

HOUSING REPORTS

Research tools provided by the Colorado Association of REALTORS®

Make Sure Your Agent is a REALTOR®

Not all agents are the same!

Statewide Report
Single Family and Townhouse-Condo
December 2021

Single Family Market Overview

Key metrics by report month and for year-to-date (YTD) starting from the first of the year.

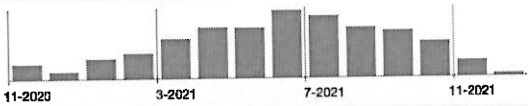
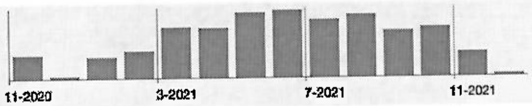
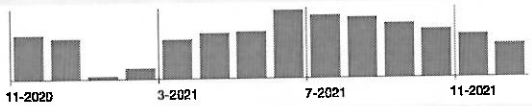
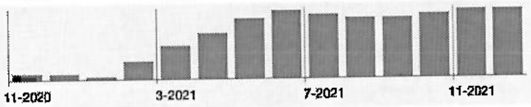
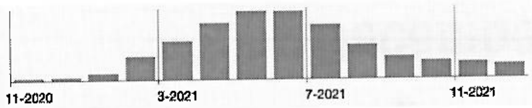
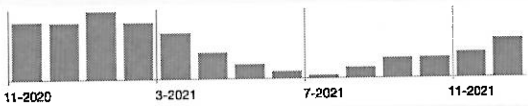
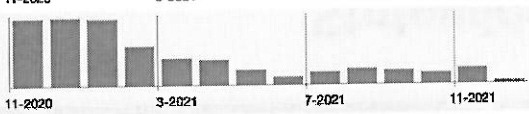
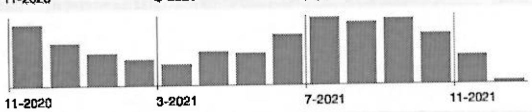
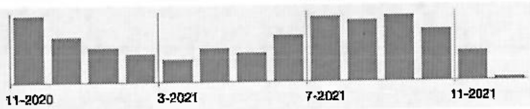
December 2021

Statewide Report

Make Sure
Your Agent is a REALTOR®

Not all agents are the same!

REALTORS

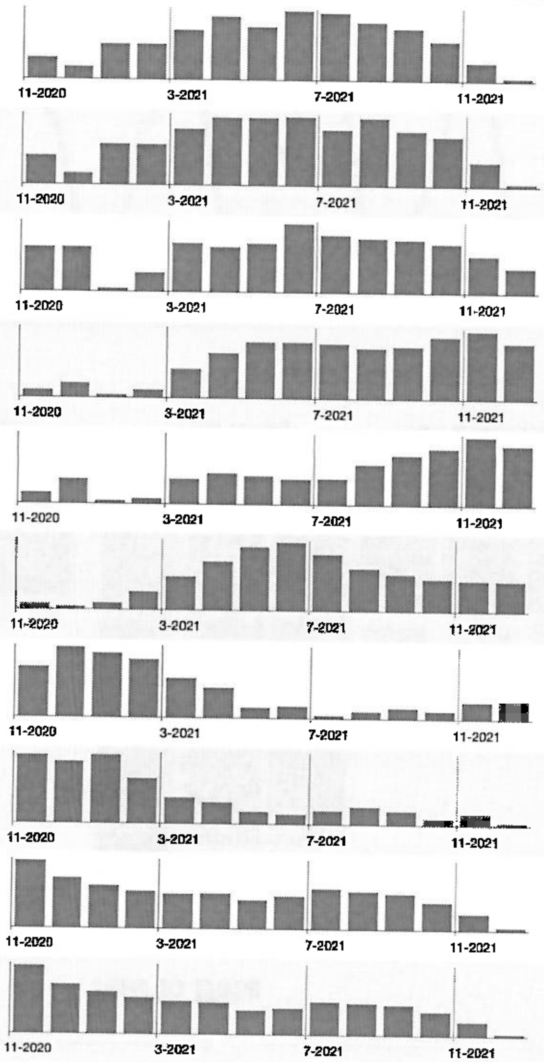
Key Metrics	Historical Sparkbars	12-2020	12-2021	Percent Change	YTD-2020	YTD-2021	Percent Change
New Listings		4,902	**4,329**	- 11.7%	105,160	**104,594**	- 0.5%
Pending / Under Contract		5,343	**5,348**	+ 0.1%	97,599	**97,684**	+ 0.1%
Sold Listings		7,956	**7,406**	- 6.9%	96,273	**97,625**	+ 1.4%
Median Sales Price		$449,000	**$529,995**	+ 18.0%	$435,000	**$512,000**	+ 17.7%
Average Sales Price		$588,321	**$697,762**	+ 18.6%	$550,703	**$653,427**	+ 18.7%
Percent of List Price Received		100.0%	**100.8%**	+ 0.8%	99.6%	**102.3%**	+ 2.7%
Days on Market Until Sale		40	**34**	- 15.0%	43	**29**	- 32.6%
Housing Affordability Index		90	**71**	- 21.1%	93	**74**	- 20.4%
Inventory of Active Listings		8,356	**4,883**	- 41.6%	--	--	--
Months Supply of Inventory		1.0	**0.6**	- 40.0%	--	--	--

Townhouse-Condo Market Overview

Key metrics by report month and for year-to-date (YTD) starting from the first of the year.

December 2021

Statewide Report



Key Metrics	Historical Sparkbars	12-2020	12-2021	Percent Change	YTD-2020	YTD-2021	Percent Change
New Listings		1,773	**1,495**	- 15.7%	34,484	**33,327**	- 3.4%
Pending / Under Contract		1,985	**1,822**	- 8.2%	30,632	**32,505**	+ 6.1%
Sold Listings		2,721	**2,315**	- 14.9%	29,831	**32,142**	+ 7.7%
Median Sales Price		$348,000	**$385,000**	+ 10.6%	$330,000	**$377,000**	+ 14.2%
Average Sales Price		$483,109	**$539,776**	+ 11.7%	$438,387	**$501,156**	+ 14.3%
Percent of List Price Received		99.5%	**101.1%**	+ 1.6%	99.3%	**101.7%**	+ 2.4%
Days on Market Until Sale		51	**29**	- 43.1%	46	**31**	- 32.6%
Housing Affordability Index		116	**98**	- 15.5%	122	**100**	- 18.0%
Inventory of Active Listings		3,513	**1,292**	- 63.2%	--	--	--
Months Supply of Inventory		1.4	**0.5**	- 64.3%	--	--	--

New Listings

December 2021
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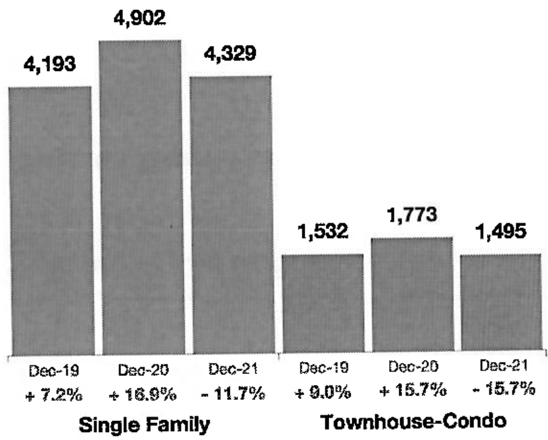
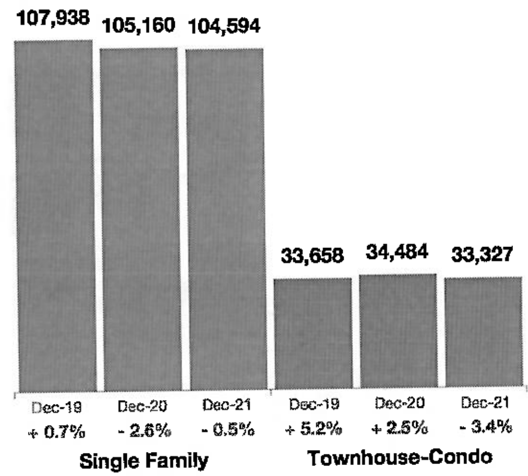
December

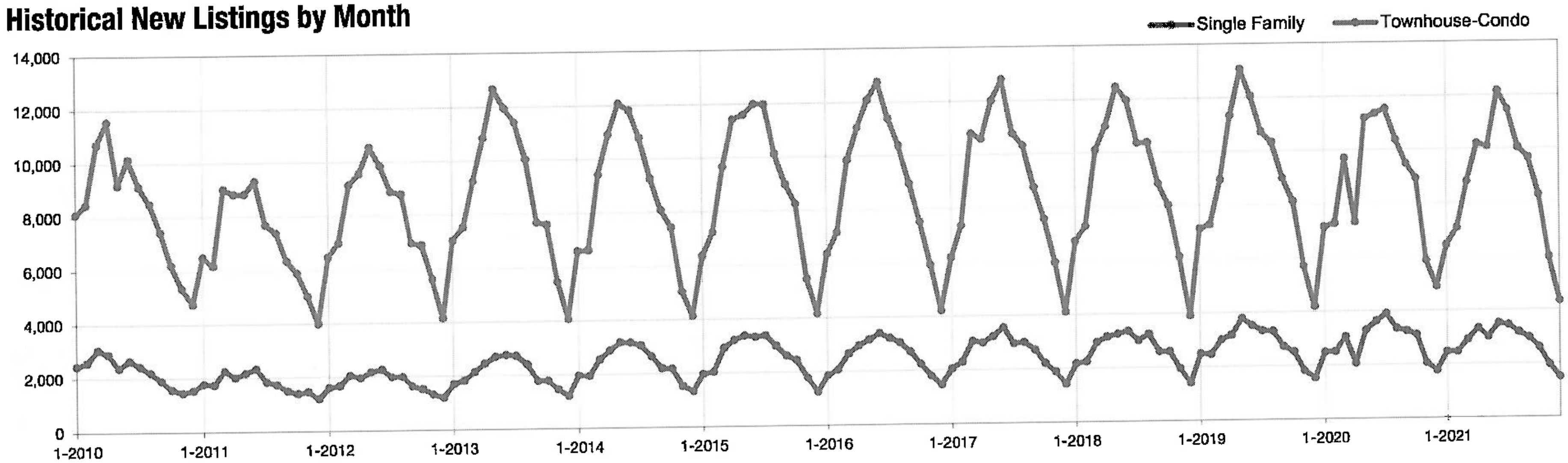


Year to Date



New Listings	Single Family	% Change from Prior Year	% Change from Prior Month	Townhouse-Condo	% Change from Prior Year	% Change from Prior Month
Jan-2021	6,437	-10.0%	+31.3%	2,467	-1.4%	+39.1%
Feb-2021	7,068	-2.9%	+9.8%	2,470	-1.7%	+0.1%
Mar-2021	8,807	-9.2%	+24.6%	2,908	-4.7%	+17.7%
Apr-2021	10,206	+39.3%	+15.9%	3,324	+60.8%	+14.3%
May-2021	10,098	-9.8%	-1.1%	3,012	-8.6%	-9.4%
Jun-2021	12,166	+7.0%	+20.5%	3,508	-3.2%	+16.5%
Jul-2021	11,482	-0.6%	-5.6%	3,446	-11.6%	-1.8%
Aug-2021	10,053	-3.2%	-12.4%	3,170	-5.2%	-8.0%
Sep-2021	9,669	+1.9%	-3.8%	2,973	-8.6%	-6.2%
Oct-2021	8,301	-7.1%	-14.1%	2,599	-16.5%	-12.6%
Nov-2021	5,978	+1.9%	-28.0%	1,955	-4.9%	-24.8%
Dec-2021	**4,329**	**-11.7%**	**-27.6%**	**1,495**	**-15.7%**	**-23.5%**

Historical New Listings by Month



Pending / Under Contract

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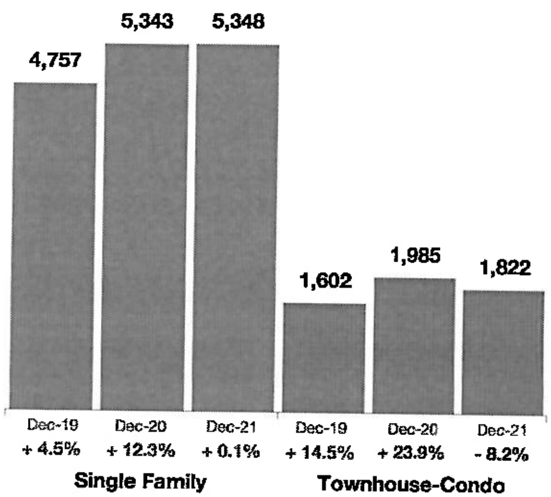
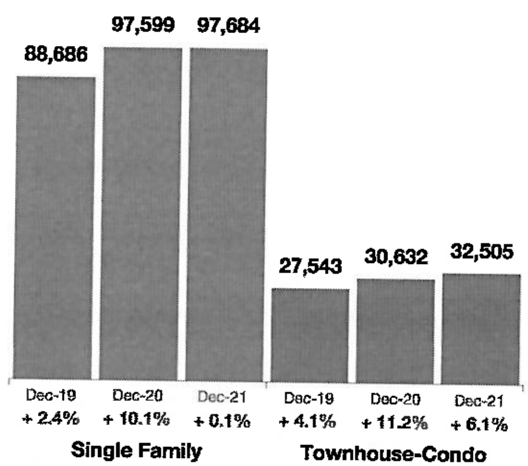
December

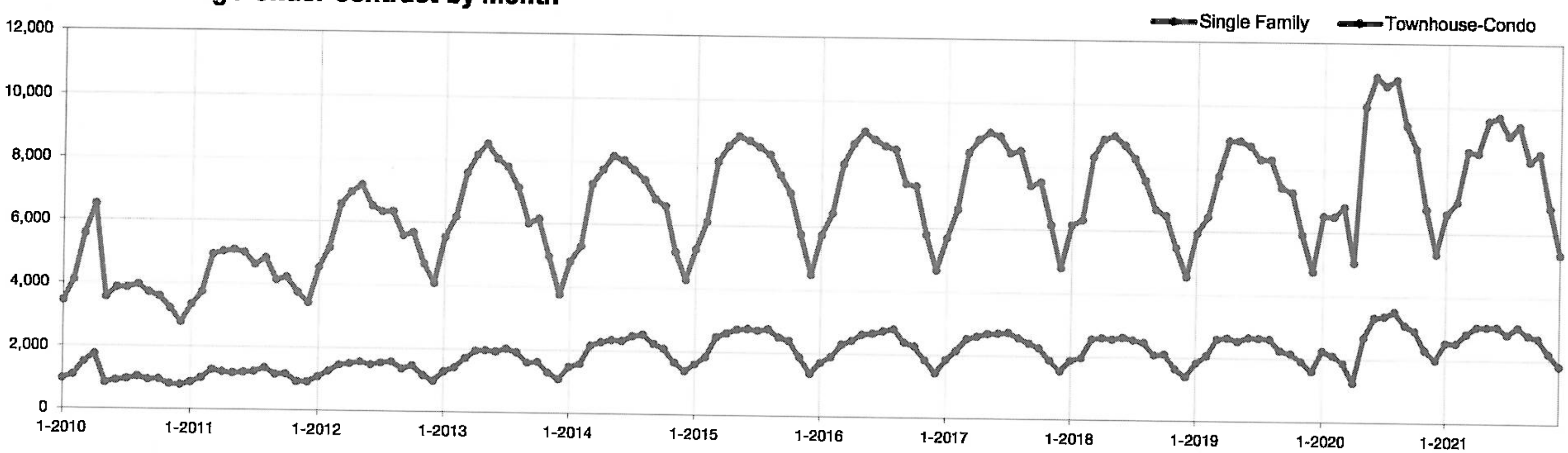


Year to Date



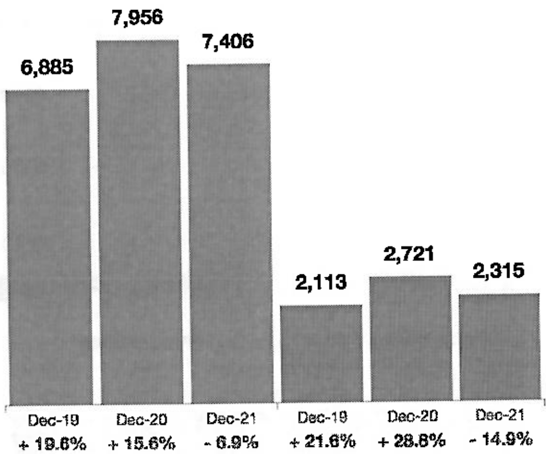
Pending / Under Contract	Single Family	% Change from Prior Year	% Change from Prior Month	Townhouse-Condo	% Change from Prior Year	% Change from Prior Month
Jan-2021	6,628	+1.6%	+24.1%	2,540	+12.6%	+28.0%
Feb-2021	7,009	+7.7%	+5.7%	2,531	+19.8%	-0.4%
Mar-2021	8,615	+26.4%	+22.9%	2,836	+52.4%	+12.1%
Apr-2021	8,562	+69.9%	-0.6%	3,050	+145.6%	+7.5%
May-2021	9,587	-4.3%	+12.0%	3,050	+13.7%	0.0%
Jun-2021	9,708	-11.4%	+1.3%	3,061	-7.7%	+0.4%
Jul-2021	9,111	-14.6%	-6.1%	2,829	-15.8%	-7.6%
Aug-2021	9,422	-13.3%	+3.4%	3,050	-13.0%	+7.8%
Sep-2021	8,313	-11.8%	-11.8%	2,803	-9.5%	-8.1%
Oct-2021	8,553	-1.5%	+2.9%	2,699	-7.2%	-3.7%
Nov-2021	6,828	+0.8%	-20.2%	2,234	-3.2%	-17.2%
Dec-2021	**5,348**	**+0.1%**	**-21.7%**	**1,822**	**-8.2%**	**-18.4%**

Historical Pending / Under Contract by Month

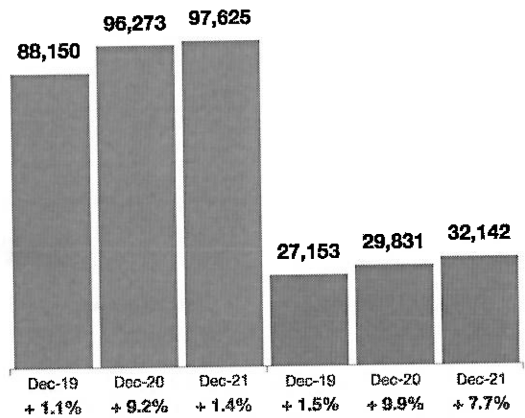


Sold Listings

December

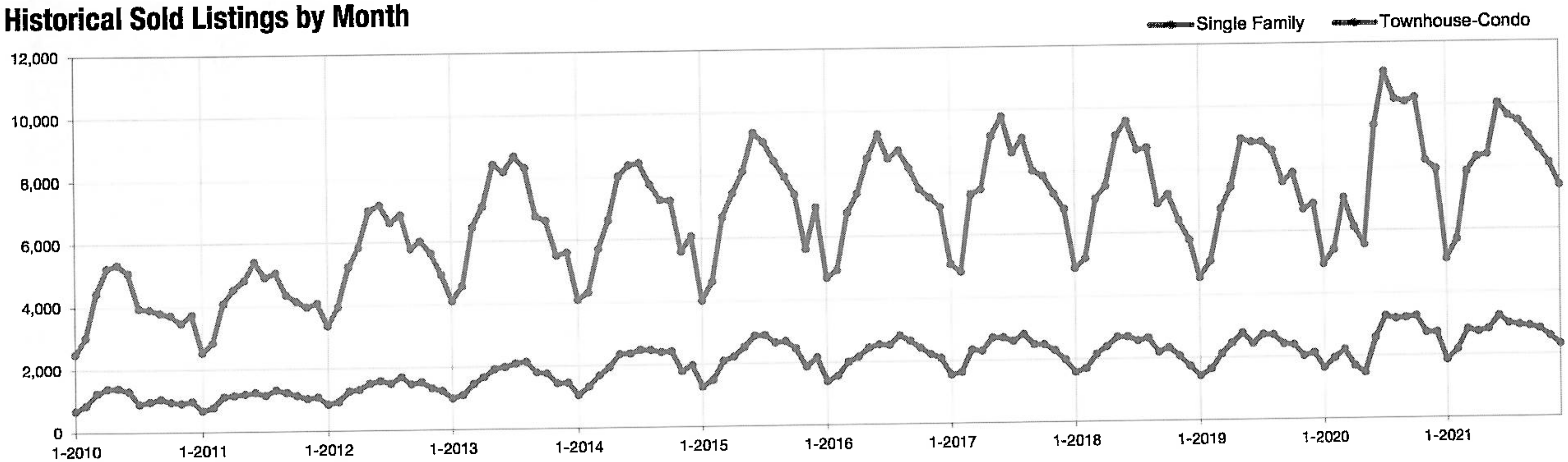


Year to Date



Sold Listings	Single Family	% Change from Prior Year	% Change from Prior Month	Townhouse-Condo	% Change from Prior Year	% Change from Prior Month
Jan-2021	5,085	+2.8%	-36.1%	1,847	+13.5%	-32.1%
Feb-2021	5,692	+5.4%	+11.9%	2,176	+11.9%	+17.8%
Mar-2021	7,851	+11.2%	+37.9%	2,814	+27.6%	+29.3%
Apr-2021	8,327	+36.0%	+6.1%	2,735	+62.2%	-2.8%
May-2021	8,406	+51.2%	+0.9%	2,815	+92.8%	+2.9%
Jun-2021	10,034	+7.1%	+19.4%	3,224	+25.3%	+14.5%
Jul-2021	9,647	-12.8%	-3.9%	2,994	-8.1%	-7.1%
Aug-2021	9,477	-7.1%	-1.8%	2,931	-7.7%	-2.1%
Sep-2021	9,022	-10.8%	-4.8%	2,902	-9.5%	-1.0%
Oct-2021	8,564	-16.4%	-5.1%	2,818	-13.4%	-2.9%
Nov-2021	8,114	-1.5%	-5.3%	2,571	-5.5%	-8.8%
Dec-2021	**7,406**	**-6.9%**	**-8.7%**	**2,315**	**-14.9%**	**-10.0%**

Historical Sold Listings by Month



Median Sales Price

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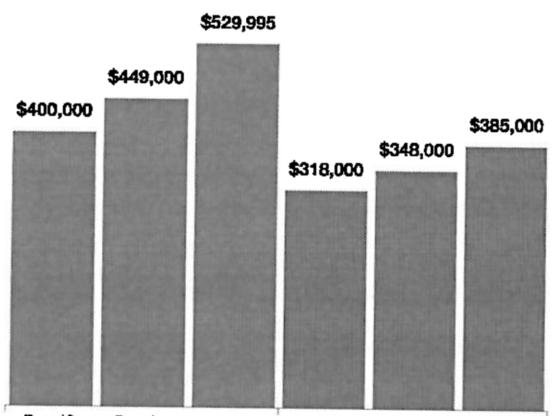
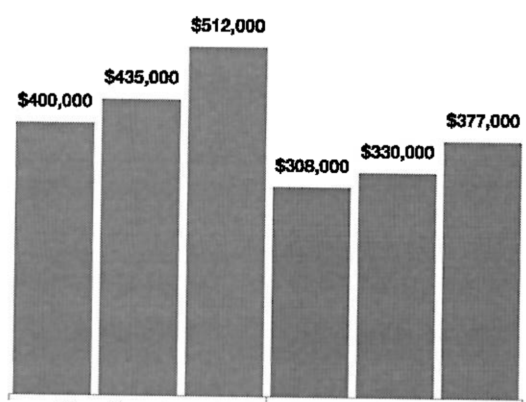
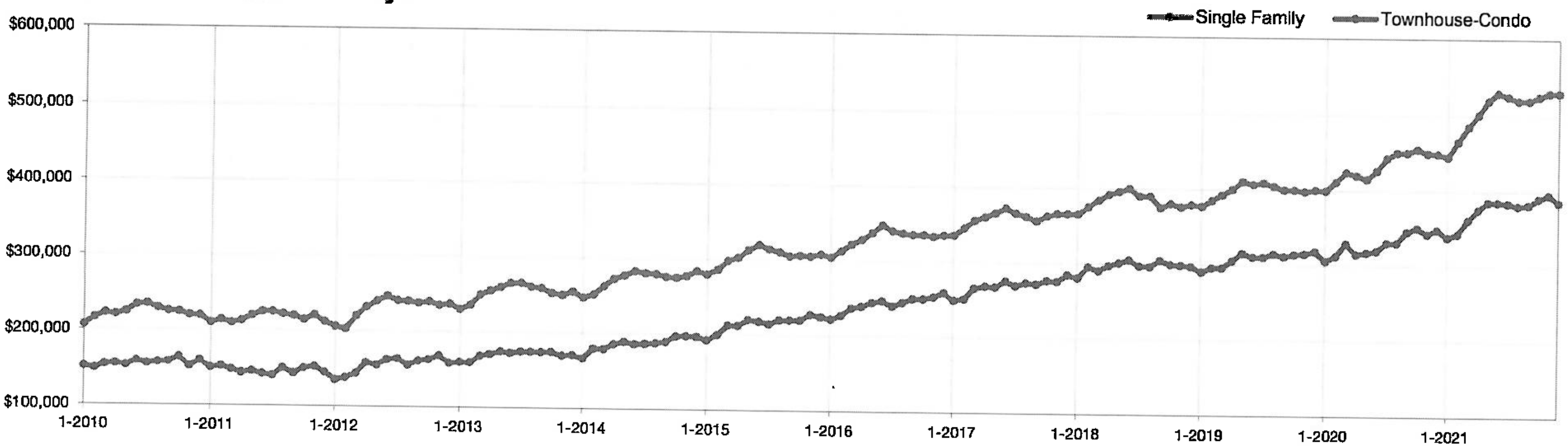


Year to Date



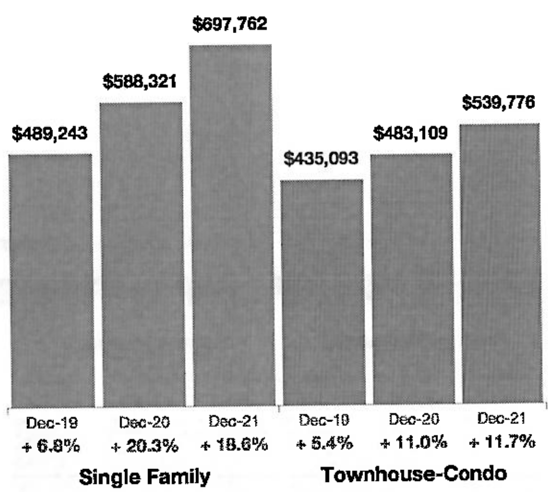
Median Sales Price	Single Family	% Change from Prior Year	% Change from Prior Month	Townhouse-Condo	% Change from Prior Year	% Change from Prior Month
Jan-2021	$445,000	+11.5%	-0.9%	$338,017	+10.6%	-2.9%
Feb-2021	$465,000	+13.1%	+4.5%	$342,500	+9.8%	+1.3%
Mar-2021	$484,990	+14.4%	+4.3%	$361,000	+9.7%	+5.4%
Apr-2021	$501,000	+19.3%	+3.3%	$375,000	+19.0%	+3.9%
May-2021	$520,000	+25.3%	+3.8%	$385,000	+21.5%	+2.7%
Jun-2021	$530,000	+24.4%	+1.9%	$385,000	+20.7%	0.0%
Jul-2021	$525,000	+18.6%	-0.9%	$383,730	+16.3%	-0.3%
Aug-2021	$520,000	+15.6%	-1.0%	$380,000	+15.2%	-1.0%
Sep-2021	$520,000	+15.6%	0.0%	$381,500	+10.6%	+0.4%
Oct-2021	$525,000	+15.4%	+1.0%	$390,000	+11.4%	+2.2%
Nov-2021	$530,000	+17.9%	+1.0%	$395,000	+15.4%	+1.3%
Dec-2021	**$529,995**	**+18.0%**	**-0.0%**	**$385,000**	**+10.6%**	**-2.5%**

Historical Median Sales Price by Month

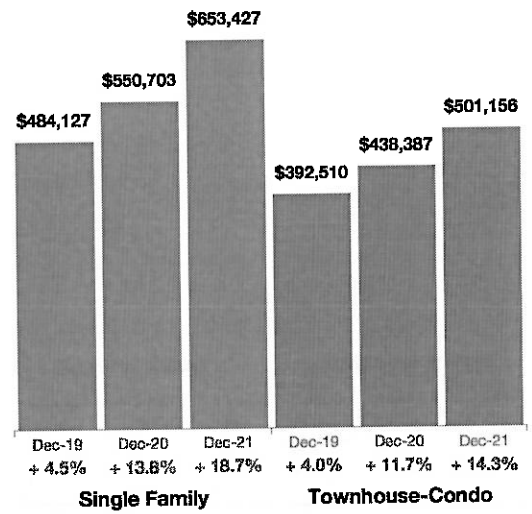


Average Sales Price

December

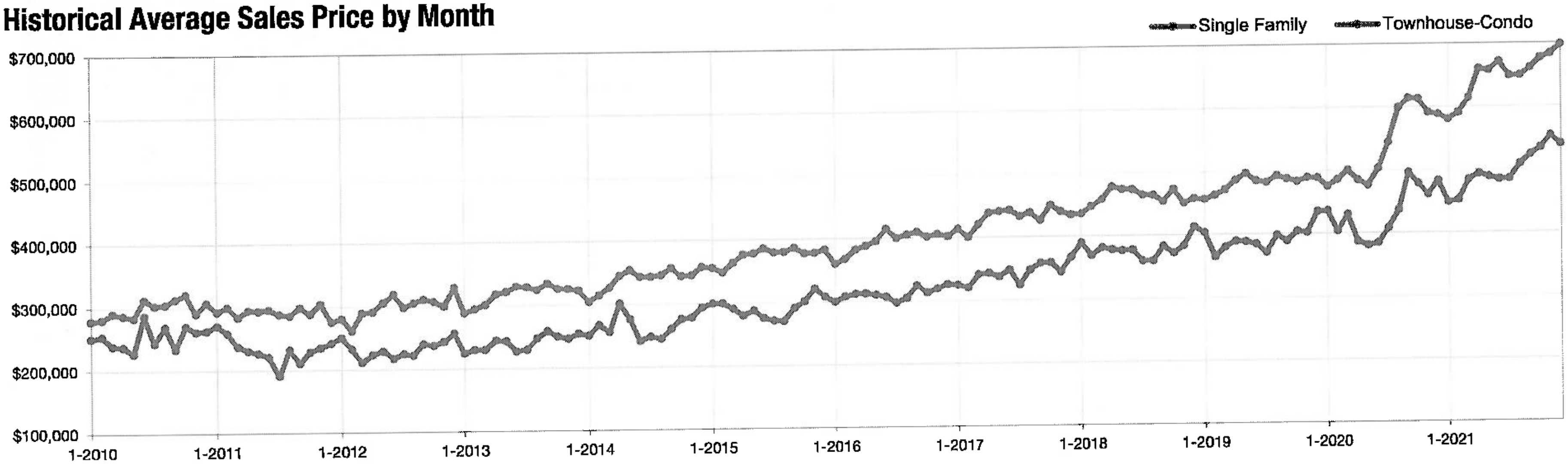


Year to Date



Average Sales Price	Single Family	% Change from Prior Year	% Change from Prior Month	Townhouse-Condo	% Change from Prior Year	% Change from Prior Month
Jan-2021	$580,608	+22.1%	-1.3%	$448,783	+2.9%	-7.1%
Feb-2021	$591,298	+21.7%	+1.8%	$452,268	+12.0%	+0.8%
Mar-2021	$614,281	+22.7%	+3.9%	$484,488	+12.6%	+7.1%
Apr-2021	$659,887	+36.1%	+7.4%	$493,738	+27.5%	+1.9%
May-2021	$657,566	+38.0%	-0.4%	$488,978	+28.4%	-1.0%
Jun-2021	$671,248	+33.5%	+2.1%	$484,544	+25.9%	-0.9%
Jul-2021	$648,892	+19.3%	-3.3%	$485,638	+19.1%	+0.2%
Aug-2021	$649,591	+8.4%	+0.1%	$508,981	+16.6%	+4.8%
Sep-2021	$661,321	+7.7%	+1.8%	$523,458	+5.5%	+2.8%
Oct-2021	$677,120	+10.5%	+2.4%	$534,409	+11.6%	+2.1%
Nov-2021	$683,166	+15.4%	+0.9%	$553,217	+20.0%	+3.5%
Dec-2021	**$697,762**	**+18.6%**	**+2.1%**	**$539,776**	**+11.7%**	**-2.4%**

Historical Average Sales Price by Month



Percent of List Price Received

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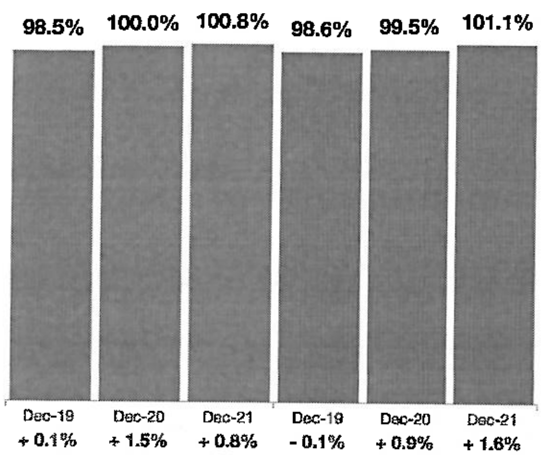
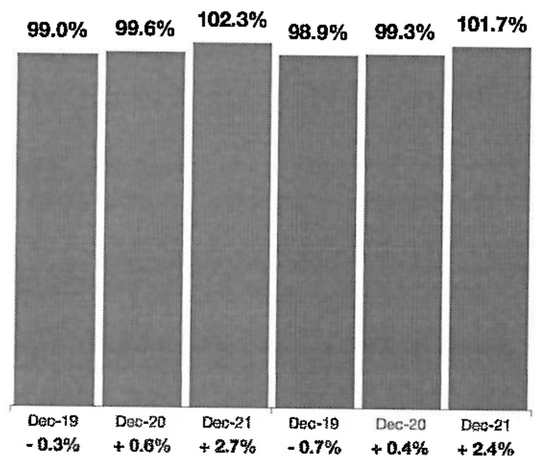
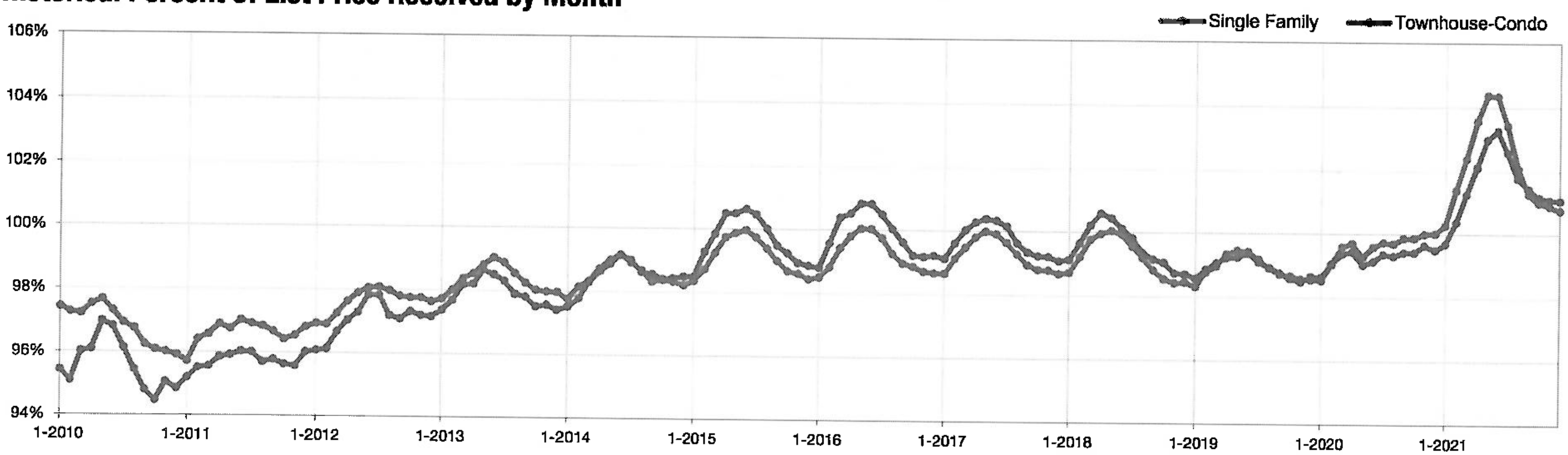


Year to Date



Pct. of List Price Received	Single Family	% Change from Prior Year	% Change from Prior Month	Townhouse-Condo	% Change from Prior Year	% Change from Prior Month
Jan-2021	100.3%	+1.8%	+0.3%	99.7%	+1.1%	+0.2%
Feb-2021	101.4%	+2.4%	+1.1%	100.4%	+1.4%	+0.7%
Mar-2021	102.4%	+2.8%	+1.0%	101.3%	+1.9%	+0.9%
Apr-2021	103.6%	+3.9%	+1.2%	102.1%	+2.7%	+0.8%
May-2021	104.4%	+5.1%	+0.8%	103.0%	+4.0%	+0.9%
Jun-2021	104.4%	+4.8%	0.0%	103.3%	+4.2%	+0.3%
Jul-2021	103.4%	+3.7%	-1.0%	102.6%	+3.2%	-0.7%
Aug-2021	102.1%	+2.4%	-1.3%	101.8%	+2.5%	-0.8%
Sep-2021	101.3%	+1.4%	-0.8%	101.4%	+2.0%	-0.4%
Oct-2021	101.0%	+1.1%	-0.3%	101.2%	+1.8%	-0.2%
Nov-2021	100.9%	+0.9%	-0.1%	101.1%	+1.5%	-0.1%
Dec-2021	**100.8%**	**+0.8%**	**-0.1%**	**101.1%**	**+1.6%**	**0.0%**

Historical Percent of List Price Received by Month



Days on Market Until Sale

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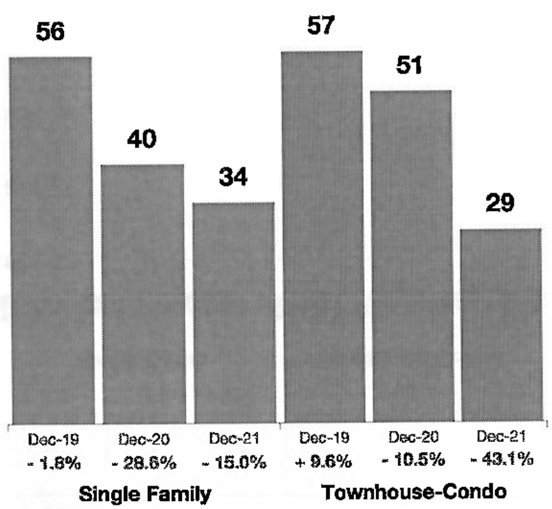
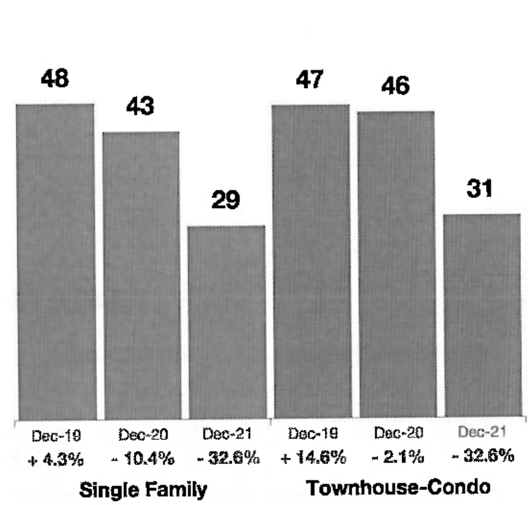
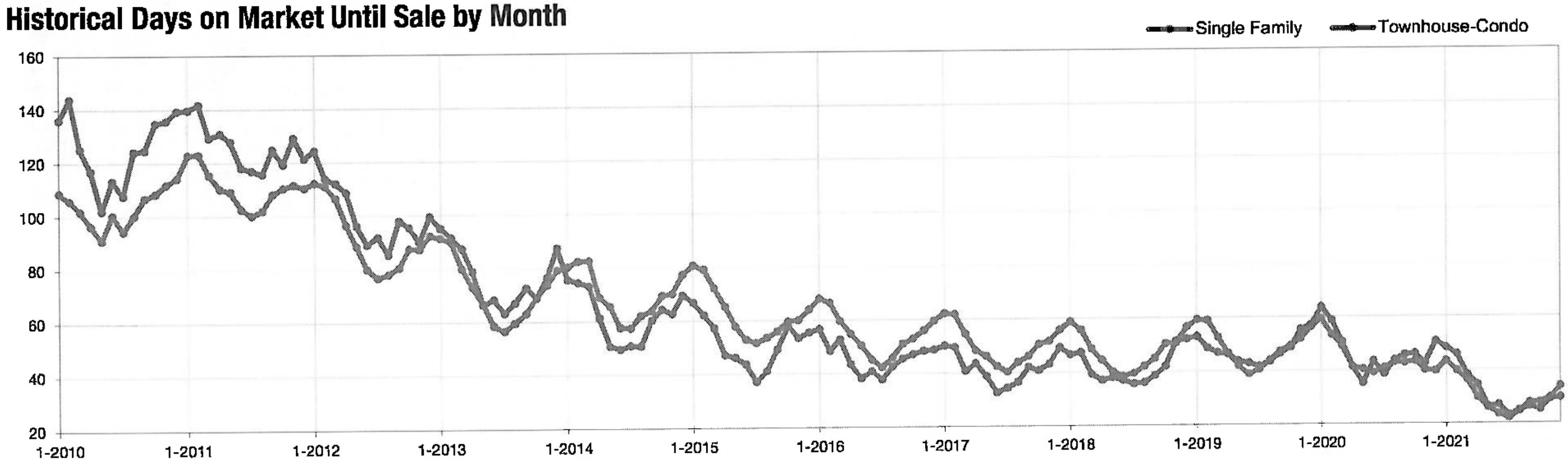


Year to Date



Days on Market Until Sale	Single Family	% Change from Prior Year	% Change from Prior Month	Townhouse-Condo	% Change from Prior Year	% Change from Prior Month
Jan-2021	43	-27.1%	+7.5%	48	-25.0%	-5.9%
Feb-2021	40	-24.5%	-7.0%	46	-22.0%	-4.2%
Mar-2021	36	-26.5%	-10.0%	38	-25.5%	-17.4%
Apr-2021	30	-26.8%	-16.7%	34	-17.1%	-10.5%
May-2021	26	-35.0%	-13.3%	26	-25.7%	-23.5%
Jun-2021	23	-41.0%	-11.5%	27	-37.2%	+3.8%
Jul-2021	22	-46.3%	-4.3%	23	-41.0%	-14.8%
Aug-2021	24	-44.2%	+9.1%	25	-43.2%	+8.7%
Sep-2021	28	-34.9%	+16.7%	26	-43.5%	+4.0%
Oct-2021	28	-34.9%	0.0%	25	-45.7%	-3.8%
Nov-2021	29	-27.5%	+3.6%	29	-32.6%	+16.0%
Dec-2021	**34**	**-15.0%**	**+17.2%**	**29**	**-43.1%**	**0.0%**

Historical Days on Market Until Sale by Month



Housing Affordability Index

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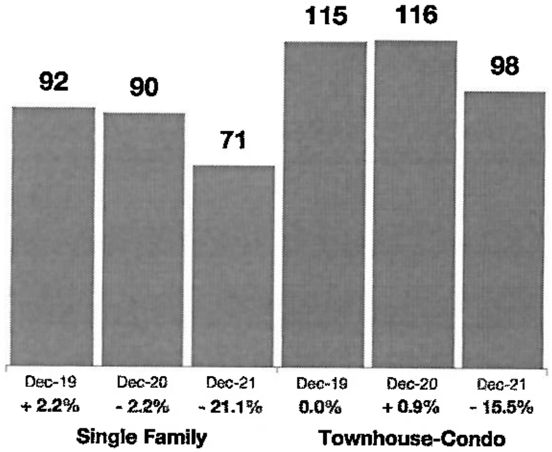
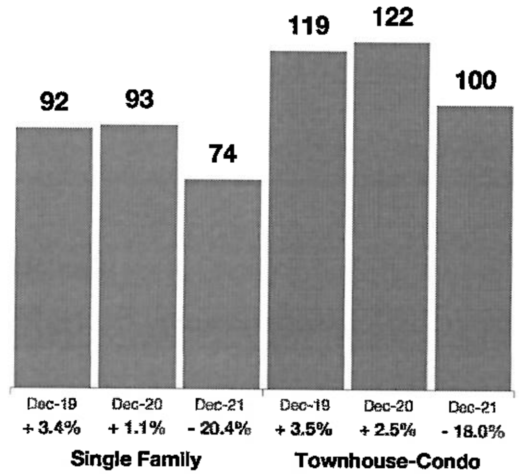
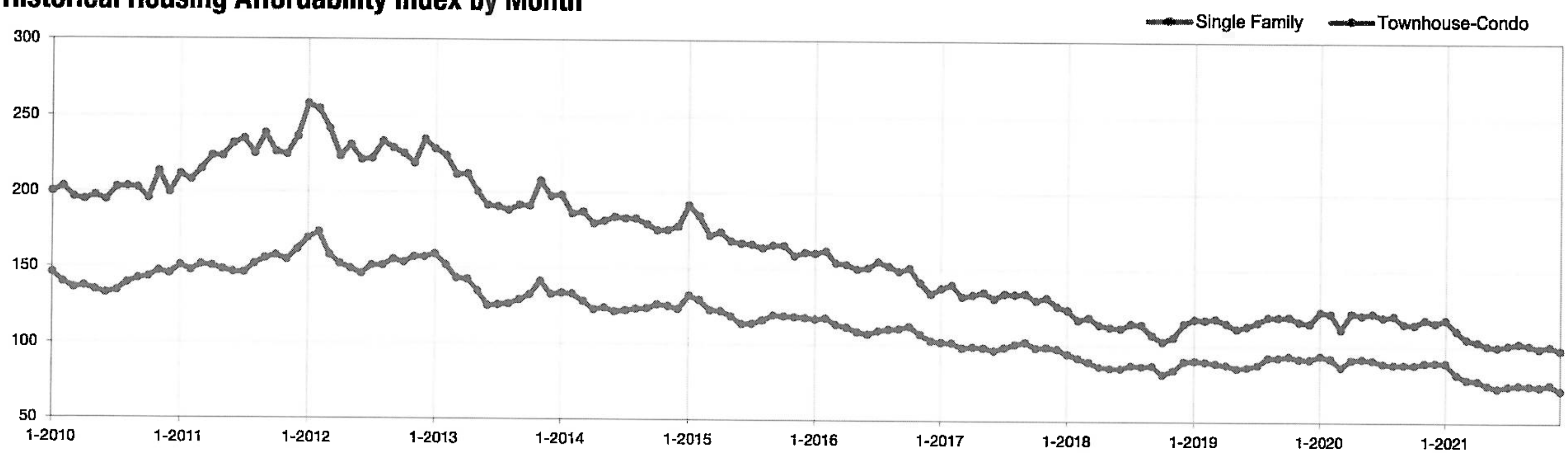


Year to Date



Housing Affordability Index	Single Family	% Change from Prior Year	% Change from Prior Month	Townhouse-Condo	% Change from Prior Year	% Change from Prior Month
Jan-2021	90	-4.3%	0.0%	118	-4.1%	+1.7%
Feb-2021	82	-10.9%	-8.9%	111	-9.0%	-5.9%
Mar-2021	78	-9.3%	-4.9%	105	-5.4%	-5.4%
Apr-2021	78	-14.3%	0.0%	104	-14.8%	-1.0%
May-2021	75	-18.5%	-3.8%	101	-16.5%	-2.9%
Jun-2021	73	-19.8%	-2.7%	100	-18.0%	-1.0%
Jul-2021	74	-16.9%	+1.4%	101	-15.1%	+1.0%
Aug-2021	75	-14.8%	+1.4%	103	-14.2%	+2.0%
Sep-2021	74	-15.9%	-1.3%	101	-12.2%	-1.9%
Oct-2021	74	-15.9%	0.0%	99	-13.9%	-2.0%
Nov-2021	75	-16.7%	+1.4%	101	-14.4%	+2.0%
Dec-2021	**71**	**-21.1%**	**-5.3%**	**98**	**-15.5%**	**-3.0%**

Historical Housing Affordability Index by Month

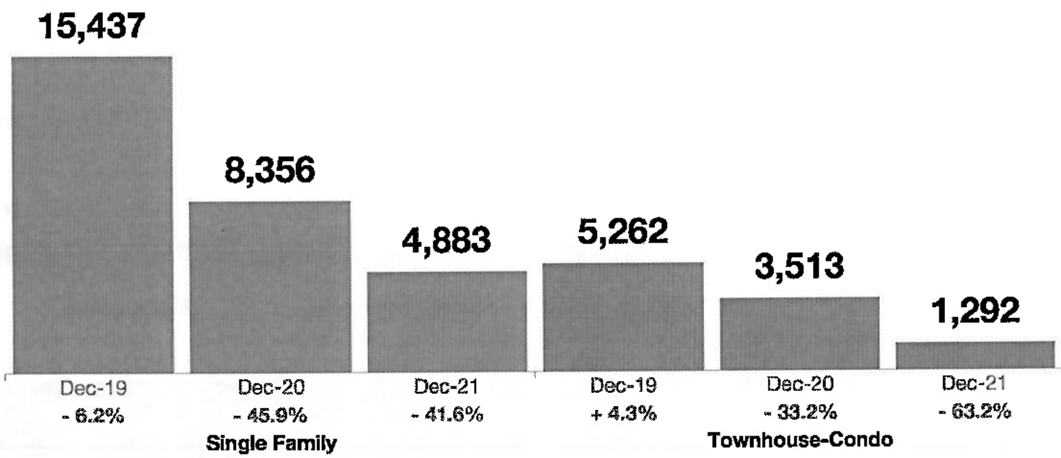


Inventory of Active Listings

December 2021
Statewide Report

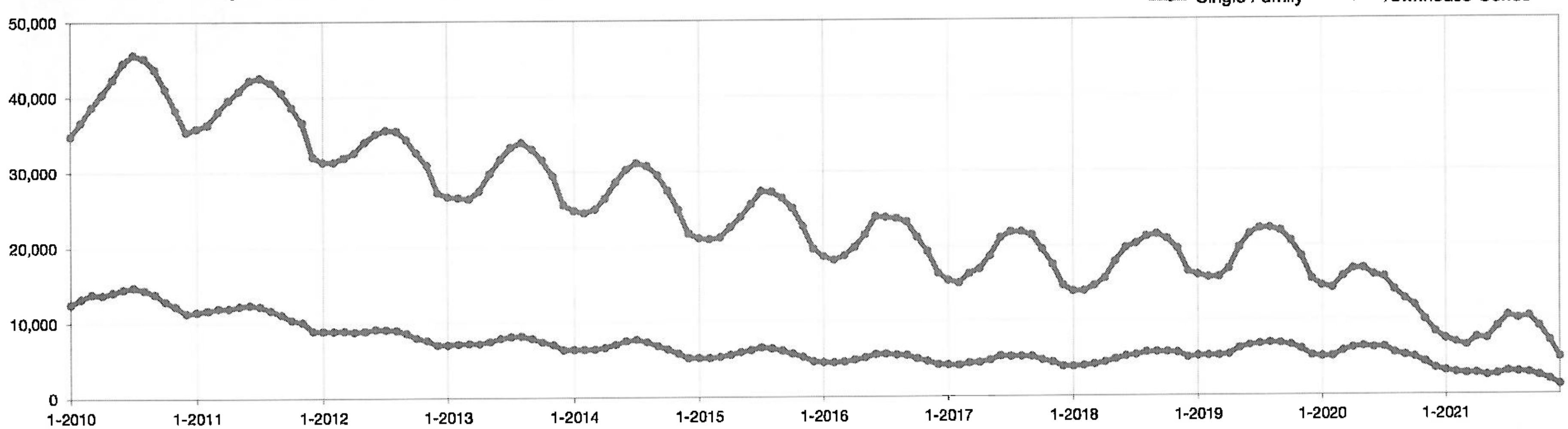
Make Sure Your Agent is a REALTOR®
Not all agents are the same!

December



Active Listings	Single Family	% Change from Prior Year	% Change from Prior Month	Townhouse-Condo	% Change from Prior Year	% Change from Prior Month
Jan-2021	7,451	-48.7%	-10.8%	3,163	-37.9%	-10.0%
Feb-2021	6,923	-51.4%	-7.1%	2,911	-43.2%	-8.0%
Mar-2021	6,533	-58.5%	-5.6%	2,781	-52.5%	-4.5%
Apr-2021	7,600	-54.6%	+16.3%	2,807	-55.1%	+0.9%
May-2021	7,439	-55.7%	-2.1%	2,516	-60.8%	-10.4%
Jun-2021	9,015	-43.5%	+21.2%	2,717	-56.7%	+8.0%
Jul-2021	10,493	-32.9%	+16.4%	3,069	-51.4%	+13.0%
Aug-2021	10,094	-27.6%	-3.8%	2,956	-46.9%	-3.7%
Sep-2021	10,377	-18.7%	+2.8%	2,844	-45.7%	-3.8%
Oct-2021	9,046	-23.8%	-12.8%	2,457	-50.5%	-13.6%
Nov-2021	7,132	-28.7%	-21.2%	1,934	-55.2%	-21.3%
Dec-2021	**4,883**	**-41.6%**	**-31.5%**	**1,292**	**-63.2%**	**-33.2%**

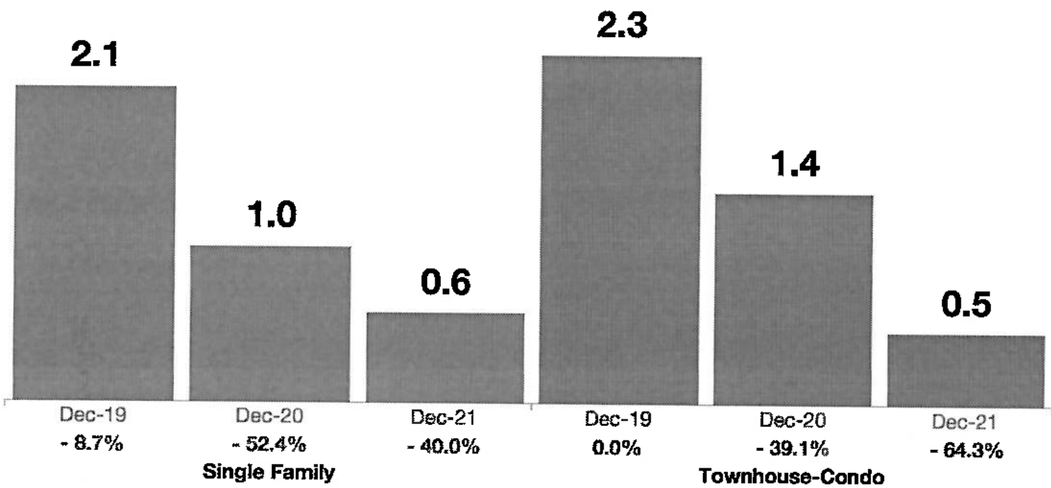
Historical Inventory of Active Listings by Month



Months Supply of Inventory

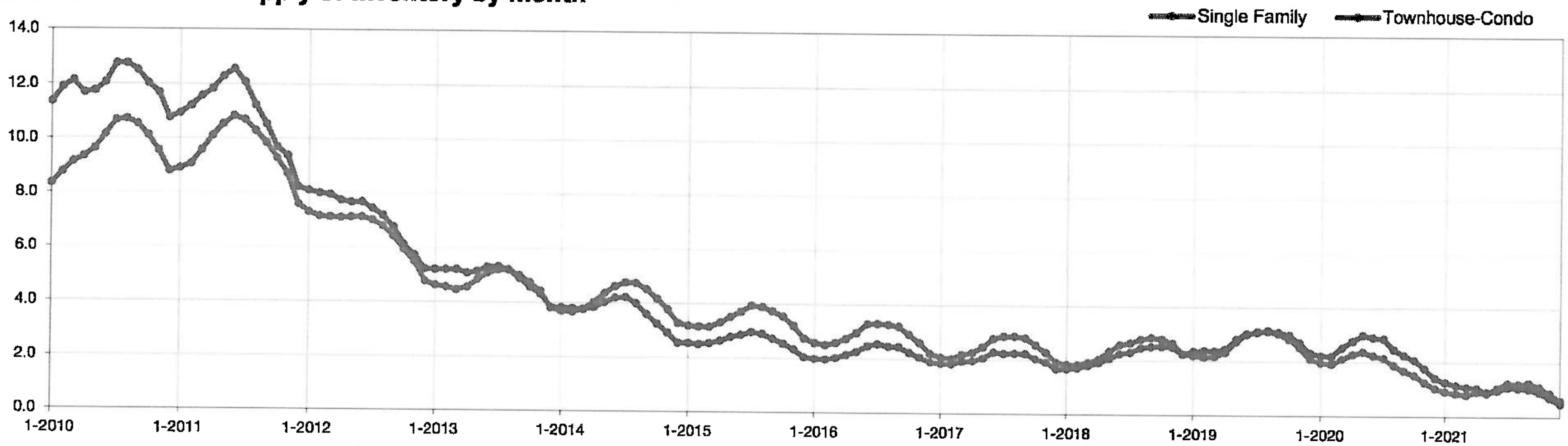
December 2021
Statewide Report

December



Months Supply	Single Family	% Change from Prior Year	% Change from Prior Month	Townhouse-Condo	% Change from Prior Year	% Change from Prior Month
Jan-2021	0.9	-55.0%	-10.0%	1.3	-40.9%	-7.1%
Feb-2021	0.9	-52.6%	0.0%	1.2	-45.5%	-7.7%
Mar-2021	0.8	-61.9%	-11.1%	1.1	-56.0%	-8.3%
Apr-2021	0.9	-60.9%	+12.5%	1.1	-60.7%	0.0%
May-2021	0.9	-62.5%	0.0%	0.9	-70.0%	-18.2%
Jun-2021	1.0	-56.5%	+11.1%	1.0	-65.5%	+11.1%
Jul-2021	1.2	-45.5%	+20.0%	1.1	-62.1%	+10.0%
Aug-2021	1.2	-36.8%	0.0%	1.1	-56.0%	0.0%
Sep-2021	1.2	-29.4%	0.0%	1.0	-56.5%	-9.1%
Oct-2021	1.1	-26.7%	-8.3%	0.9	-57.1%	-10.0%
Nov-2021	0.9	-30.8%	-18.2%	0.7	-61.1%	-22.2%
Dec-2021	**0.6**	**-40.0%**	**-33.3%**	**0.5**	**-64.3%**	**-28.6%**

Historical Months Supply of Inventory by Month



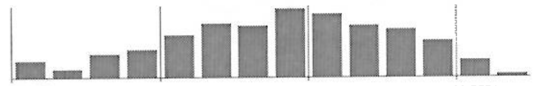
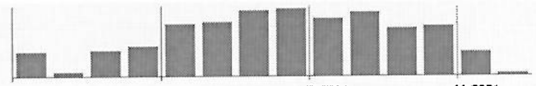
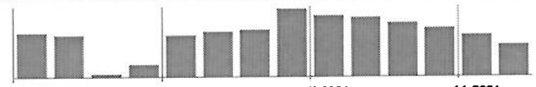
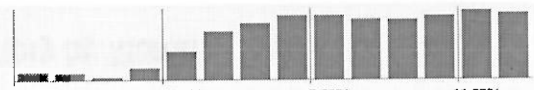
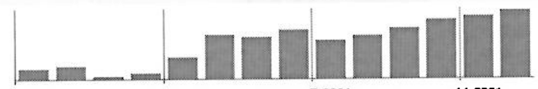
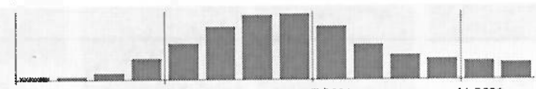
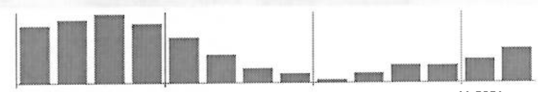
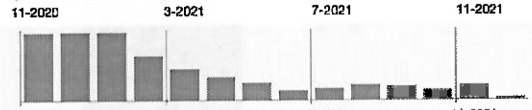
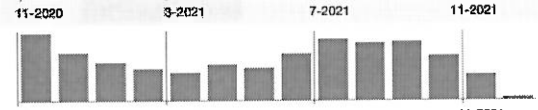
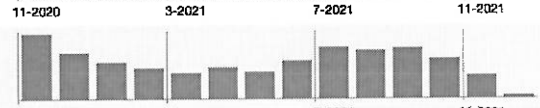
Total Market Overview Report

Key metrics by report month and for year-to-date (YTD) starting from the first of the year.

December 2021

Statewide Report

Make Sure
Your Agent is a REALTOR®
Not all agents are the same!

Key Metrics	Historical Sparkbars	12-2020	12-2021	Percent Change	YTD-2020	YTD-2021	Percent Change
New Listings		6,730	**5,886**	- 12.5%	140,790	**139,212**	- 1.1%
Pending / Under Contract		7,378	**7,246**	- 1.8%	129,137	**131,242**	+ 1.6%
Sold Listings		10,770	**9,824**	- 8.8%	126,999	**130,810**	+ 3.0%
Median Sales Price		$425,000	**$497,000**	+ 16.9%	$415,000	**$480,000**	+ 15.7%
Average Sales Price		$564,030	**$661,591**	+ 17.3%	$524,920	**$616,092**	+ 17.4%
Percent of List Price Received		99.9%	**100.8%**	+ 0.9%	99.5%	**102.1%**	+ 2.6%
Days on Market Until Sale		43	**33**	- 23.3%	45	**30**	- 33.3%
Housing Affordability Index		95	**76**	- 20.0%	97	**79**	- 18.6%
Inventory of Active Listings		12,234	**6,408**	- 47.6%	--	--	--
Months Supply of Inventory		1.2	**0.6**	- 50.0%	--	--	--

Glossary of Terms

A research tool provided by the Colorado Association of REALTORS®.

New Listings
A measure of how much new supply is coming onto the market from sellers.

Pending/Under Contract
A count of all the listings that went into Pending / Under Contract during the reported period. Pending / Under Contract listings are counted at the end of the reported period. Each listing can only be counted one time. If a listing goes into Pending / Under Contract, out of Pending / Under Contract, then back into Pending / Under Contract all in one reported period, this listing would only be counted once. This is the most real-time measure possible for home buyer activity, as it measures signed contracts on sales rather than the actual closed sale. As such, it is called a "leading indicator" of buyer demand.

Sold Listings
A measure of home sales that were closed to completion during the report period.

Median Sales Price
A measure of home values in a market area where 50% of activity was higher and 50% was lower than this price point.

Average Sales Price
A sum of all home sales prices divided by total number of sales.

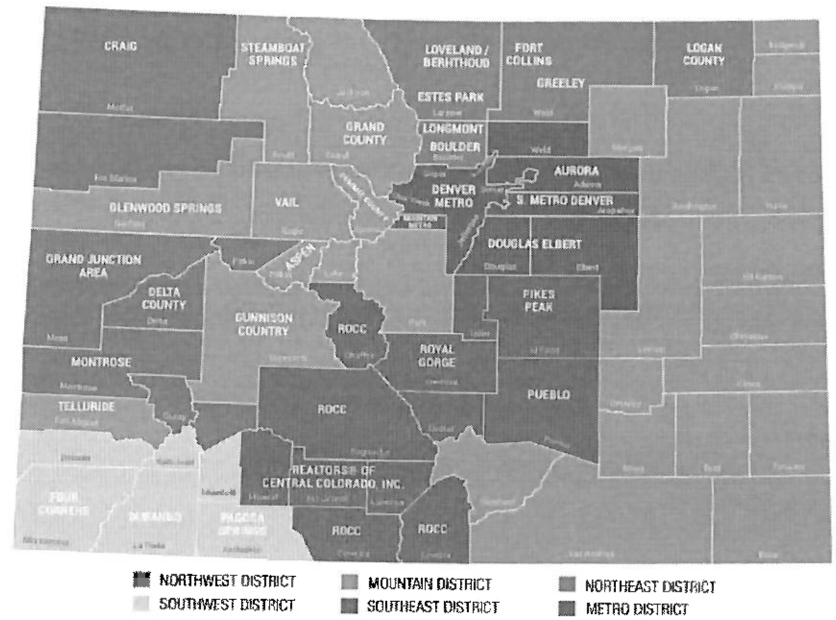
Percent of List Price Received
A mathematical calculation of the percent difference from last list price and sold price for those listings sold in the reported period.

Days on Market Until Sale
A measure of how long it takes homes to sell, on average.

Housing Affordability Index
A measure of how affordable a region's housing is to its consumers. A higher number means greater affordability. The index is based on interest rates, median sales price and median income by county.

Inventory of Active Listings
A measure of the number of homes available for sale at a given time. The availability of homes for sale has a big effect on supply-demand dynamics and home prices.

Months Supply of Inventory
A measure of how balanced the market is between buyers and sellers. It is expressed as the number of months it would hypothetically take to sell through all the available homes for sale, given current levels of home sales. A balanced market ranges from 4 to 7 months of supply. A buyer's market has a higher number, reflecting fewer buyers relative to homes for sale. A seller's market has a lower number, reflecting more buyers relative to homes for sale.



Colorado Association of REALTORS® Board Map
Associations/Boards by District

Metro
Aurora Association
Denver Metro Association
Denver Metro Commercial Assn.
Douglas Elbert Association
Mountain Metro Association
South Metro Association

Mountain
Aspen Board
Glenwood Springs Association
Grand County Board
Gunnison Country Association
Steamboat Springs Board
Summit Association
Telluride Association
Vail Board

Northeast
Boulder Area Association
Estes Park Board
Fort Collins Board
Greeley Area Association
Logan County Board
Longmont Association
Loveland/Berthoud Association
Northern Colorado Commercial Assn.

Northwest
Craig Association
Delta Board
Grand Junction Area Association
Montrose Association

Southeast
Pikes Peak Association
Pueblo Association
REALTORS® of Central Colorado, Inc. (ROCC)
Royal Gorge Association

Southwest
Durango Area Association
Four Corners Board
Pagosa Springs Area Association

The gray areas are not represented by a local association/board of REALTORS® or Multiple Listing Service. Transaction numbers in those areas are few and would not affect the overall state statistics.

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 2022

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	1,477	-34.30%	-41.87%
Closed Homes	4,504	-15.13%	-13.88%
Close Price - Average	$626,573	-0.35%	15.82%
Close Price - Median	$545,000	0.93%	19.78%
Days in MLS - Average	18	20.00%	-26.00%
Detached			
Active Listings at Month End	968	-32.96%	-26.44%
Closed Homes	3,155	-16.40%	-12.26%
Close Price - Average	$705,753	0.25%	15.61%
Close Price - Median	$599,990	0.00%	19.34%
Days in MLS - Average	19	26.67%	-5.00%
Attached			
Active Listings at Month End	509	-36.69%	-58.45%
Closed Homes	1,349	-12.00%	-17.44%
Close Price - Average	$441,390	-0.51%	13.72%
Close Price - Median	$381,500	-1.93%	15.61%
Days in MLS - Average	17	6.25%	-46.88%

MARKET INSIGHTS

✓ **Realtor® Tidbits:**

- Some good news for homebuyers: on average, 2.8 percent of homes for sale during the four-week period that ended December 26, 2021 had a price drop each week, up 0.5 percentage points from a year ago.
- Investors appear to be releasing some of their inventory helping to bolster inventory levels.
- With the start of a new year, look at your homeowners insurance to make sure you have the proper coverage on your home.
- As of January 1, 2022, agents are required to use the new 2022 contracts and forms. Make sure you are using them and check the offers you get to ensure they are the updated contracts and forms.
- Many E&O insurance policies expired on January 1, 2022. A failure to renew your insurance policy could result in license inactivation and/or loss of prior acts coverage.

✓ **Local News:**

- Approximately 991 homes were destroyed after the Marshall and Middle Fork fires blanketed the Denver suburbs and Boulder County. An additional 127 homes were damaged by fire. Officials continue to assess the full extent of the damage but have said there were 1,778 homes within the burn area with a total value of $825 million. Most of the damage took place in just half a day.
- With the Marshall Fires in Boulder County happening on December 31st, we may see our housing market get tighter than it already was as people need to find other housing.
- In Denver, investors bought 17 percent of all homes in the third quarter of 2021, up from nine percent. This equates to 2,831 homes with a value of $1.7 billion. Buyers of these homes are both Institutional investors and smaller, local investors.
- Federal Heights was named the most affordable municipality in Colorado by the money management site, SmartAsset.
- The median rent nationwide increased 19.7 percent year-over-year. That's six times faster than pre-pandemic. Denver's rent is up 17.7 percent, which is almost a $300/month jump. That same $300 would give a buyer $70,000 more in purchasing power.

✓ **National News:**

- The median home sale price closed out the year at an all-time high nationally. In addition, the median asking price of newly listed homes increased 12.9 percent from a year ago to $345,348.
- Demand for homeownership hit historic highs across the country in 2021.
- According to the zavvie Seller Preferences Report, many consumers have turned to "Power Buyer" companies that essentially increase their buying power through services like cash offers, bridge financing and trade-in programs.
- Seventy-one percent of moving companies reported delays in 2021, blaming high demand and a labor shortage, according to a new survey of 63 moving firms. Nearly half of companies are booked out at least three weeks further than in previous seasons and 16 percent say they're booked up more than six weeks out than in previous peak seasons.
- Even though Opendoor's buy-to-list premium is rising in Q4, its home price appreciation will be quite low for the quarter due to the intense pricing pressure of the previous quarter.
- As the Zillow Offers collapse has demonstrated, pricing is a true potential competitive advantage for iBuyers. Getting it right is a prerequisite for success while getting it wrong can lead to catastrophic failures.
- Supply chain issues have plagued manufacturers and retailers across industries, from home builders to toy stores. Appliance sellers are no exception and many buyers are waiting more than six months for new appliances to be delivered.
- With shipping costs up 44 percent, wholesales prices up 9.6 percent, and 3.9 million fewer jobs than a year ago, new home prices will continue to have both inflationary price pressure and market appreciation, making entry-level homes even harder to come by.

✓ **Mortgage News:**

- According to preliminary data from the Mortgage Bankers Association, mortgage lenders issued $1.61 trillion in purchase loans last year.
- Conforming loan limits for mortgages backed by Fannie Mae and Freddie Mac have jumped in most of the country to $647,200, an increase of $98,950 from 2021's limit of $548,250.
- As 2022 kicks off, we are already getting a taste of the volatility we should come to expect. Fears of inflation and fewer purchases of mortgage-backed securities and treasuries by the Fed gave rates a quick 0.25 percent jump between December 31, 2021 and January 3, 2022.

✓ **Quick Stats:**

- The average active listings for December is 12,652 (1985-2020).
- Record-high December was 2007 with 24,603 listings and the record-low was set this year with 1,477 listings.
- The historical average decrease in active listings from November to December is 15.06 percent. This December, a decrease of 34.3 percent represents the largest percentage decrease on record.

EXPERT OPINION

ANDREW ABRAMS

Chair of the DMAR Market Trends Committee and Denver Realtor®

"

Through hardship and perseverance, the Denver Metro real estate market has been the backbone of our economy. It has been a stable force creating equity for those who currently own and a future opportunity for those who do not. Will we see significant changes in the real estate market from last year? At the beginning of 2021 and through much of the summer, the common theme was perseverance. It was unlikely to have one's bid accepted on the first try and even more unlikely to get under contract at asking price. We saw median prices appreciate 19.78 percent. If you waited a year to buy the same house, the price would have gone from $455,000 a year ago to $545,000 today. In the real estate market, time is money - *a lot of money.*

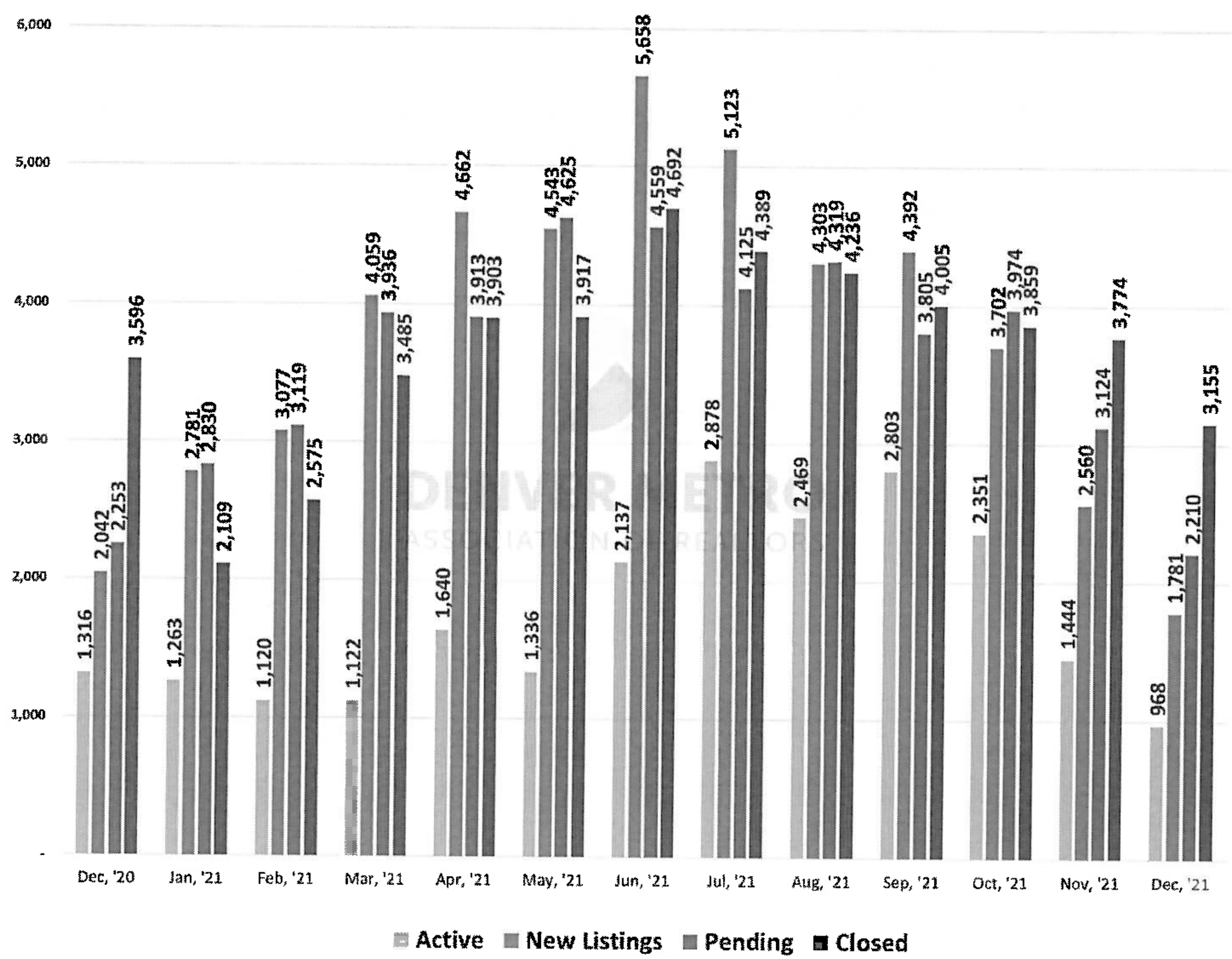
Throughout the ebbs and flows of the year, there was one common denominator: interest rates. As rates remained low, buyer demand stayed high. While it was common to hear individuals intimidated by the real estate market say there was "nothing to buy," the stats showed otherwise. More homes were purchased in 2021 - 63,684 more than any previous year. While demand was at an all-time high, the number of new listings that hit the market throughout the year was down 5.26 percent, which is one of the reasons we ended the year with another historic indicator, month-end active listings. There were only 1,477 active properties on the market in the entire Denver Metro area at the start of 2022. That represents 11,175 fewer houses on the market than normal. Imagine walking into a clothing store looking for the perfect clothes and having eight to nine times fewer options. Since 1991, the Denver Metro area has appreciated around 7.5 percent a year. The question that was asked this past year will be similar to what will be asked in the upcoming year: when will appreciation slow down to more normal times?

Based on the sustained demand for housing and lack of inventory, it is likely to see double-digit appreciation this year. We have seen back-to-back years of double-digit appreciation in 2015-2016 and 1998-2000. A few factors will dictate this continued acceleration in house prices. The first is supply and demand. There were currently 41.87 percent fewer houses on the market at the beginning of January 2022 than at the beginning of January 2021. There were 13.88 percent fewer homes purchased than last year at this time. While this is a decrease, it shows that demand is outpacing supply and therefore increasing prices. The second factor is that conforming loan limits increased to $684,250 in the Denver Metro indexing $37,050 higher than the nationwide conforming limits. This means that the majority of buyers can purchase a home for $750,000, putting down 10 percent without it turning into a jumbo loan. Even with inflation picking up steam and therefore increasing the potential of interest rates, I do not believe interest rates will have a material impact on housing until after the summer of 2023.

Last year, when comparing year-over-year data, it felt easy to call 2020 an outlier year. As we look into our 2022 crystal ball, it is fair to assume that what was previously an outlier is quickly becoming the norm. What can be done with the historic lack of supply and continued demand? While cities may start to change their policies, that won't solve the problem in the short term. Builders and building materials are backlogged, making change a slow process. If you are a buyer in this market, setting the right mindset is incredibly important. You should be buying because you want all of the qualities that homeownership has to offer - stability, equity building, aging in place and a sense of self. You may have to look at houses five to 10 percent below your budget, knowing that you will have to compete on every listing. In such a demanding and stressful process, working with a professional to help you navigate is imperative. Intuition and insight cannot be quantified like commission fees but can make that subtle difference between homeownership and not.

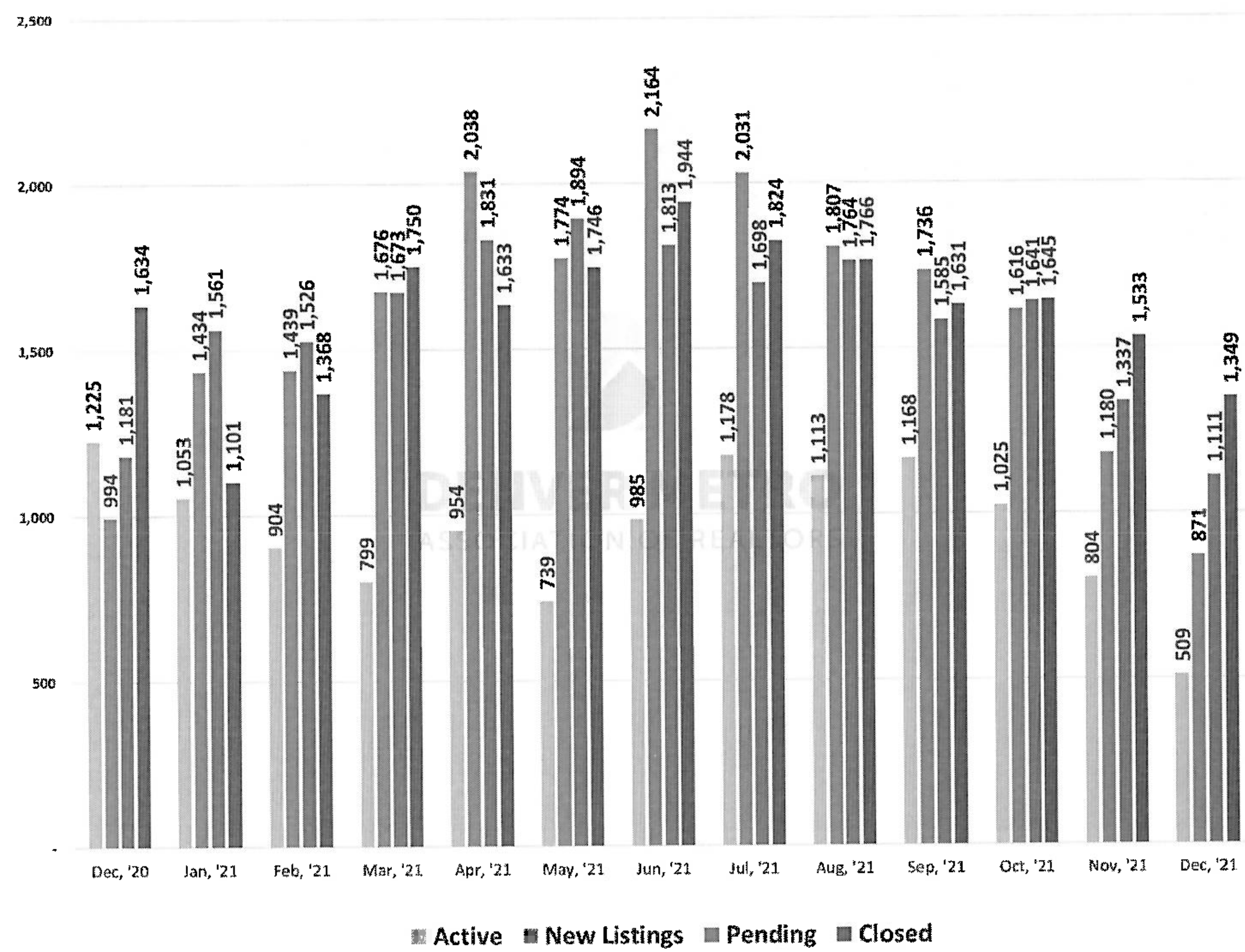
Detached Single-Family

DMAR Market Trends | December 2021 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com



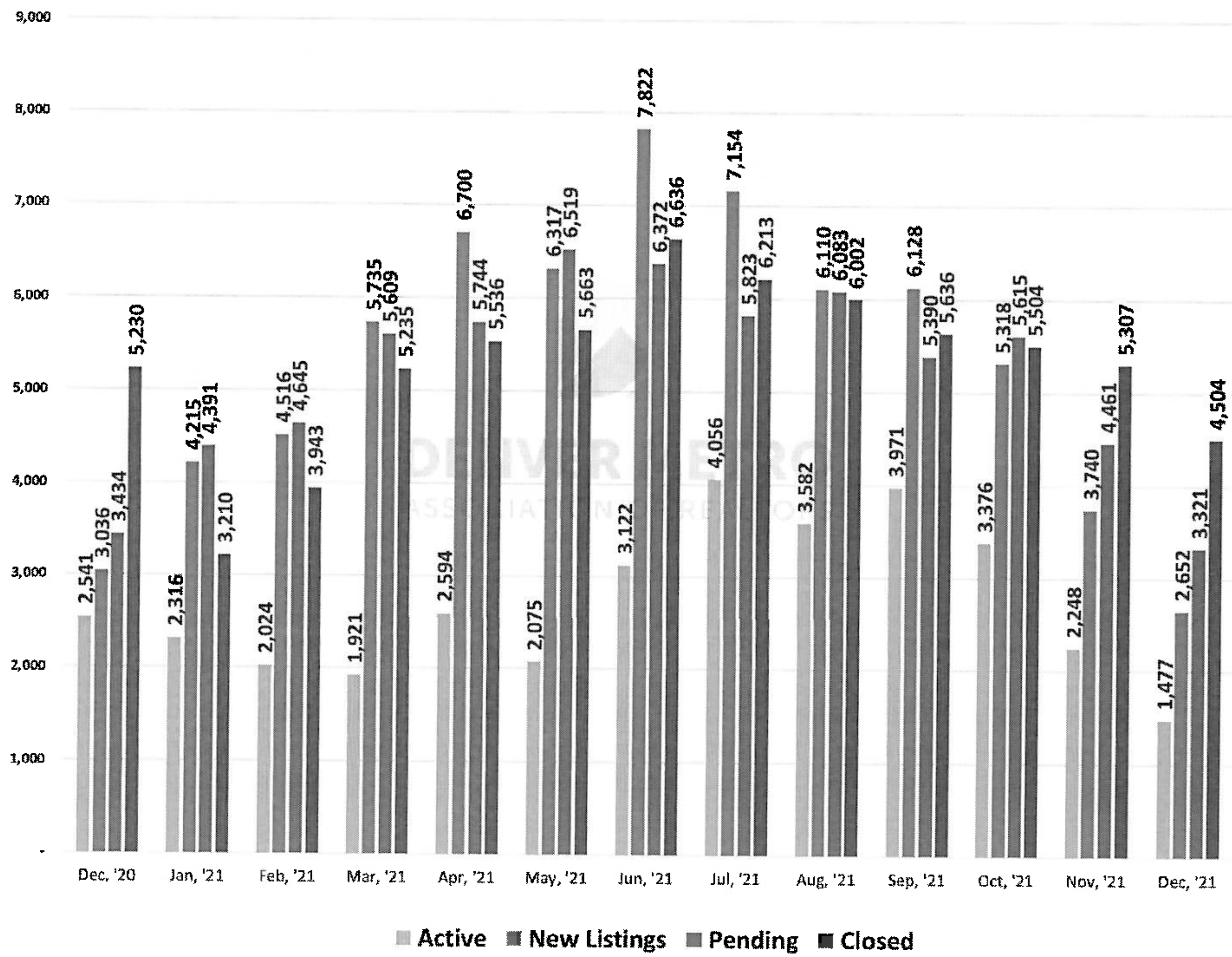
Attached Single-Family

DMAR Market Trends | December 2021 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com



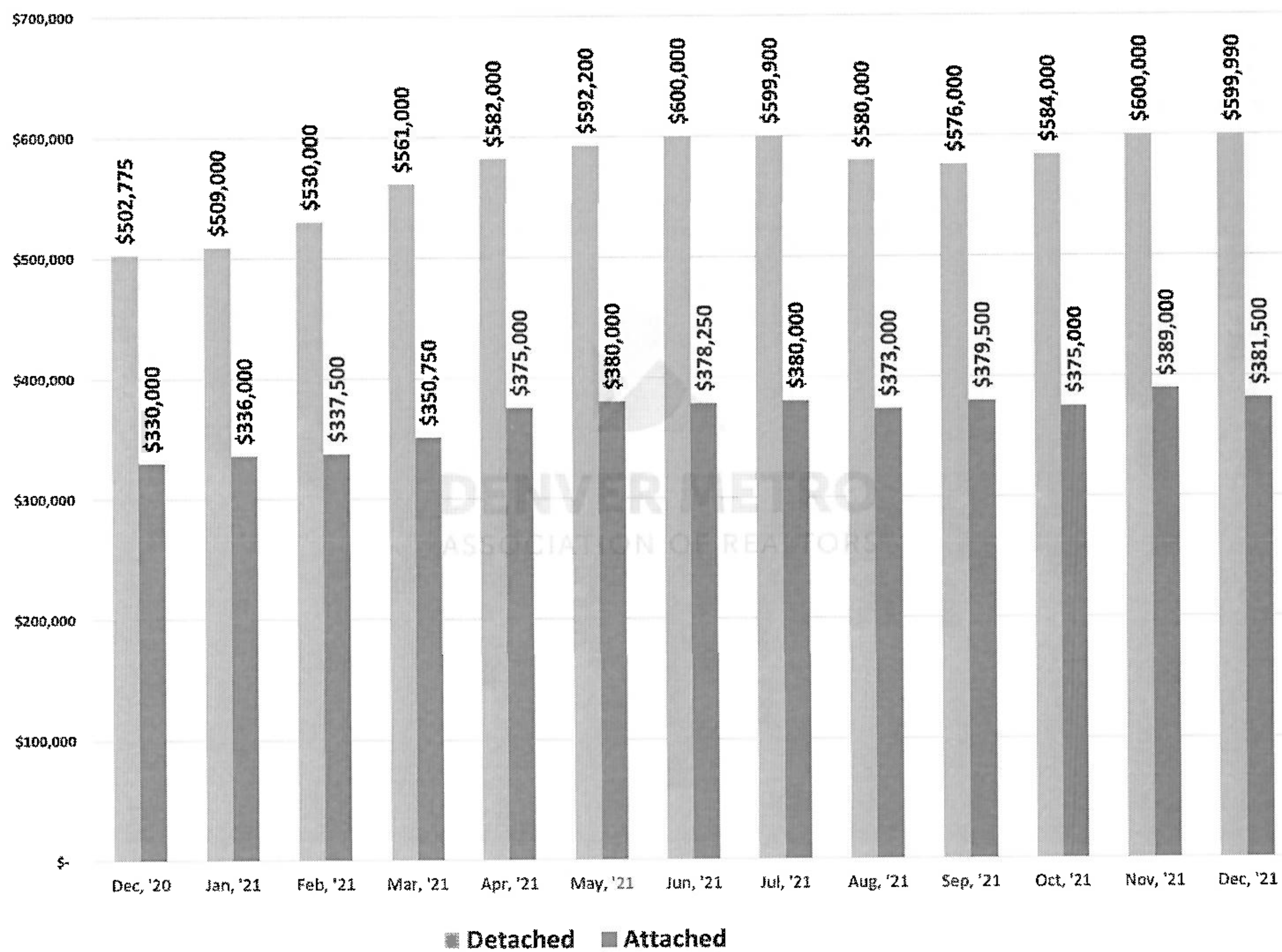
Residential (Detached + Attached)

DMAR Market Trends | December 2021 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com



Median **Close** Price

DMAR Market Trends | December 2021 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com

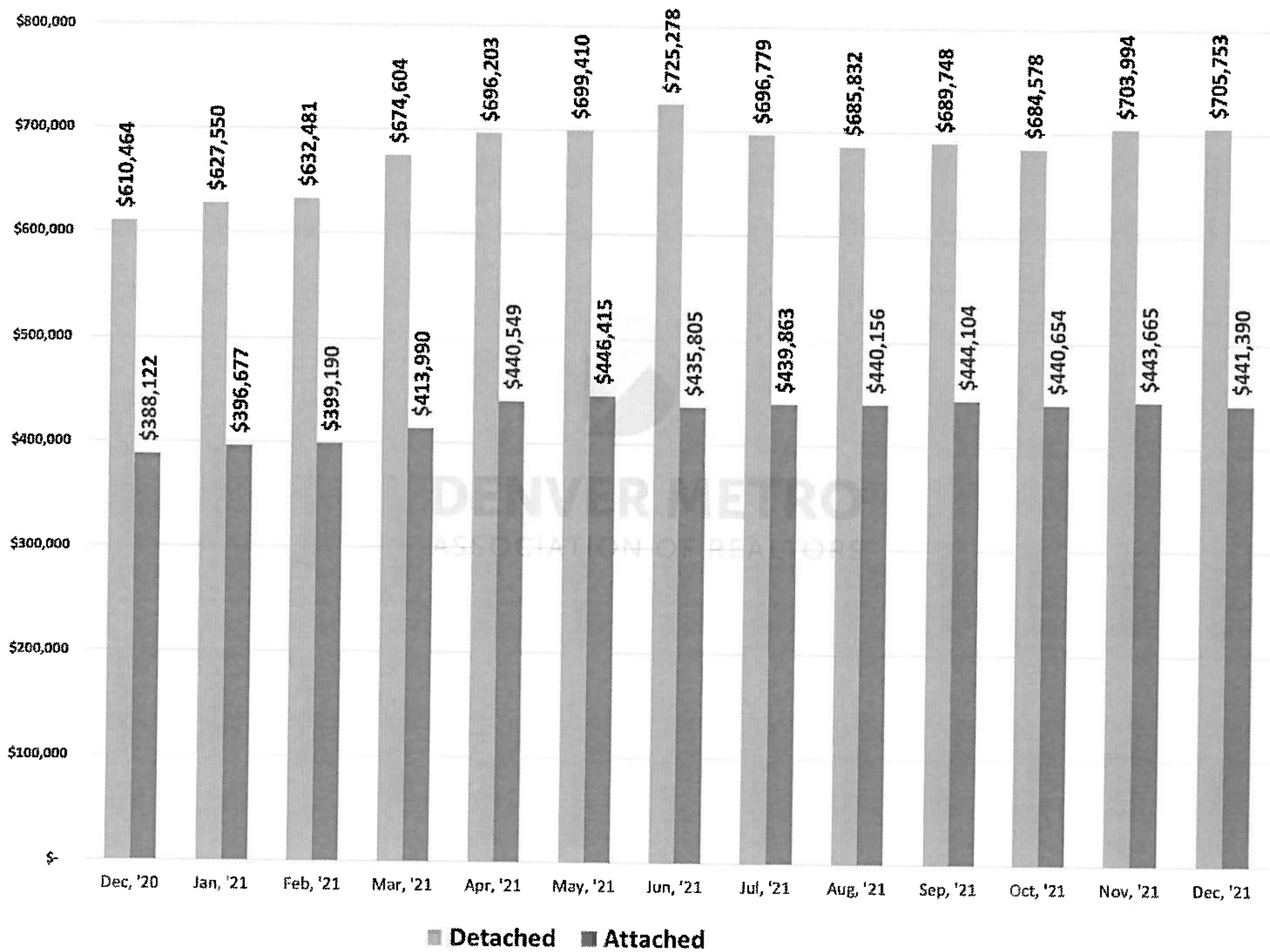


DENVER METRO
ASSOCIATION OF REALTORS®

#dmarstats

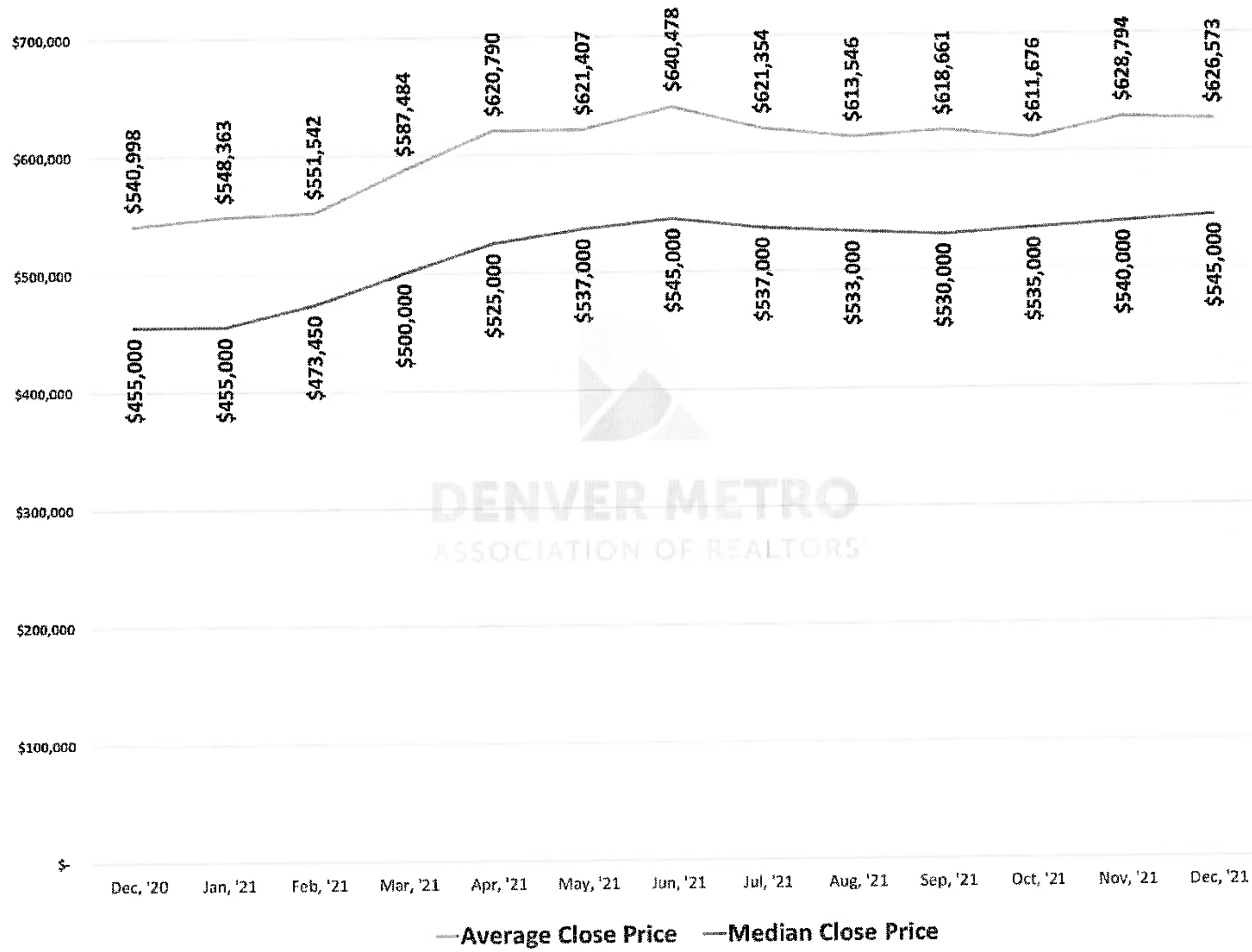
Average Close Price

DMAR Market Trends | December 2021 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com



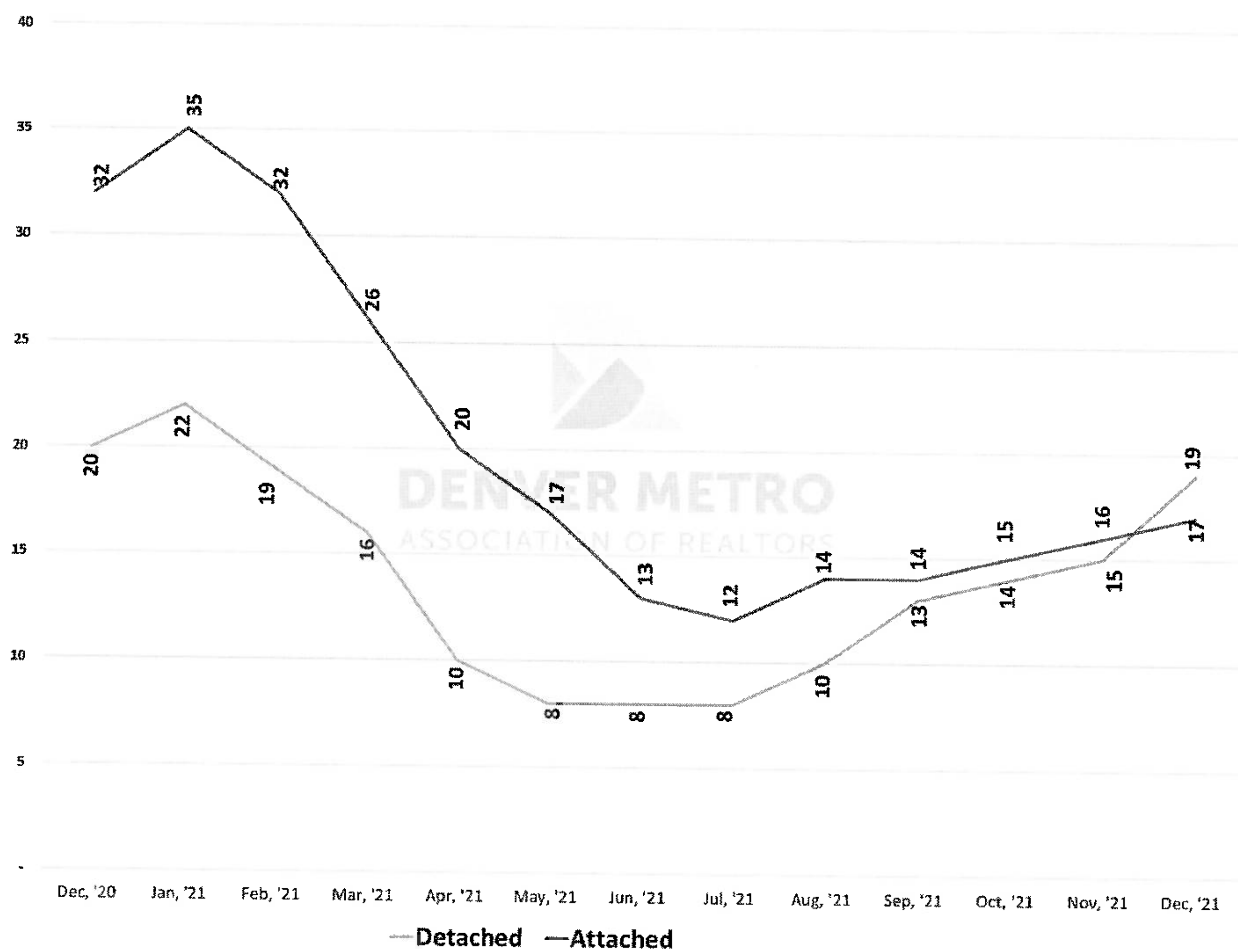
Residential Close Price

DMAR Market Trends | December 2021 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com



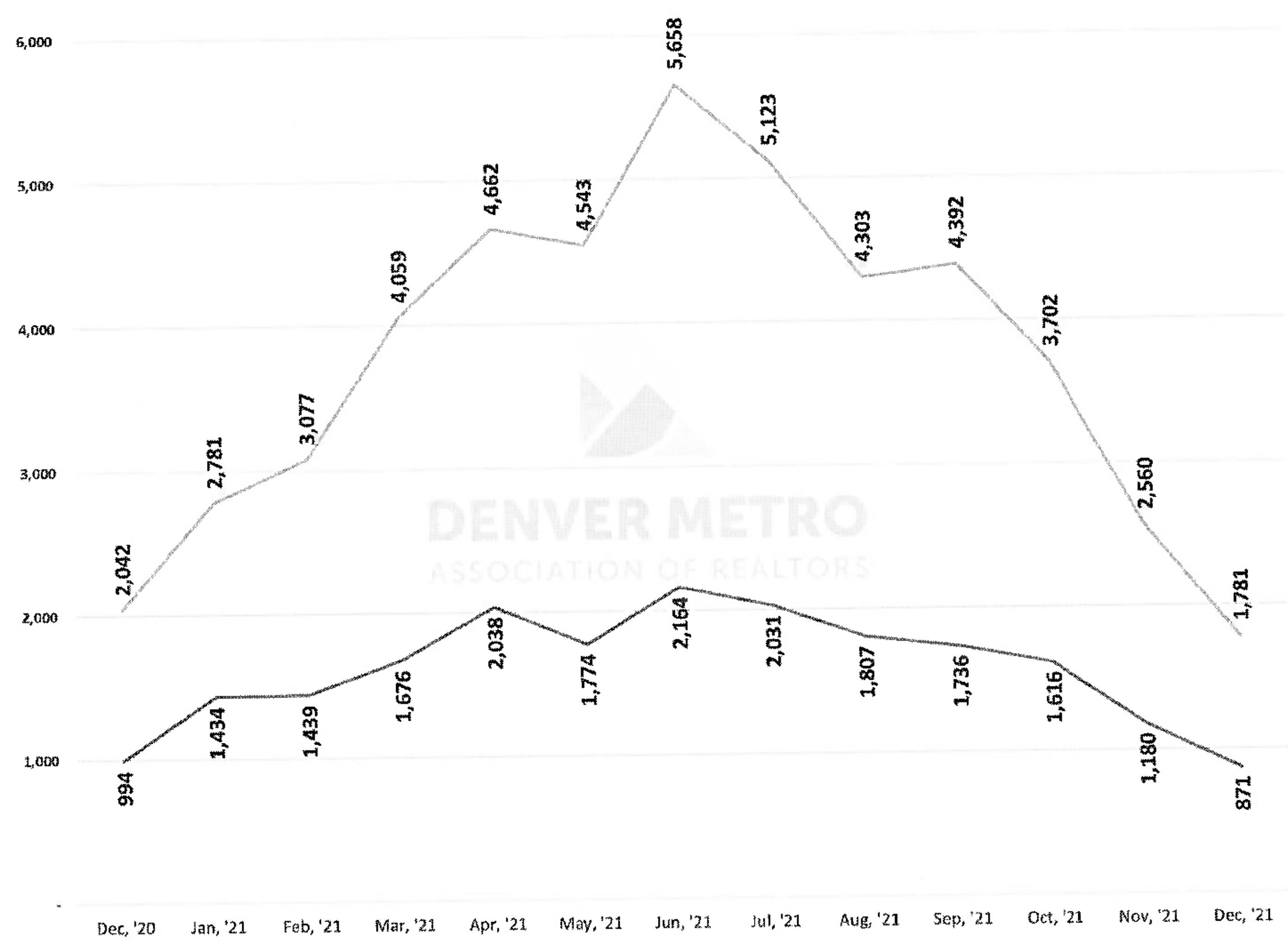
Average Days in MLS

DMAR Market Trends | December 2021 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com



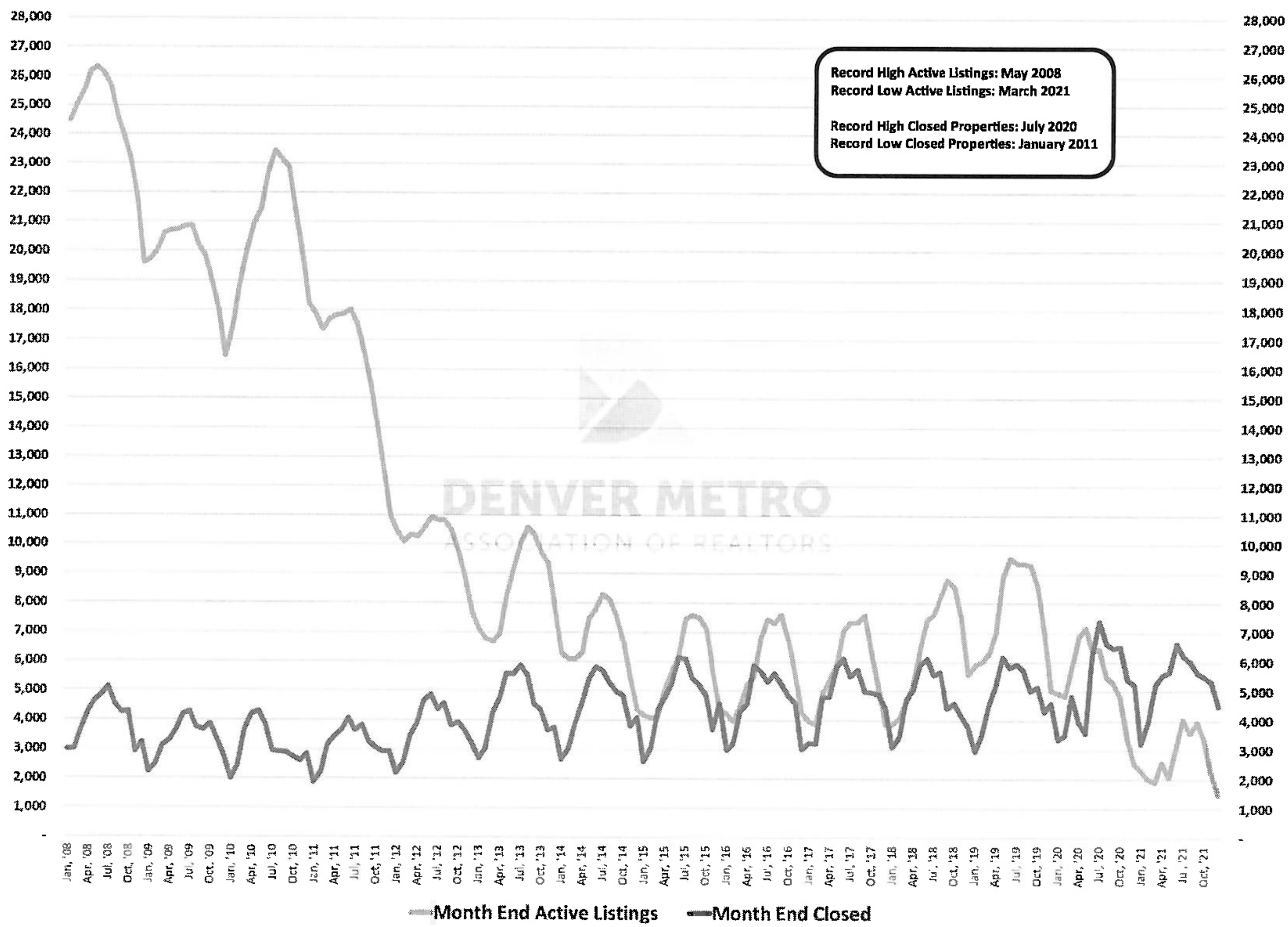
New Listings

DMAR Market Trends | December 2021 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 2021 Data
Denver Metro Association of Realtors®
Source of MLS Data: REcolorado.com



DATA SNAPSHOT

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

	Dec, '21	Prior Month	Year Ago	Prior Month	Year Ago
Residential (Detached + Attached)					
Active Listings at Month End	1,477	2,248	2,541	-34.30%	-41.87%
New Listings	2,652	3,740	3,036	-29.09%	-12.65%
Pending	3,321	4,461	3,434	-25.55%	-3.29%
Closed	4,504	5,307	5,230	-15.13%	-13.88%
Close Price - Average	$ 626,573	$ 628,794	$ 540,998	-0.35%	15.82%
Close Price - Median	$ 545,000	$ 540,000	$ 455,000	0.93%	19.78%
Sales Volume	$ 2,822,086,312	$ 3,337,012,306	$ 2,829,418,585	-15.43%	-0.26%
Days in MLS - Average	18	15	24	20.00%	-25.00%
Days in MLS - Median	5	5	7	0.00%	-28.57%
Close Price/List Price	101.53%	101.62%	100.37%	-0.09%	1.16%
Detached					
Active Listings at Month End	968	1,444	1,316	-32.96%	-26.44%
New Listings	1,781	2,560	2,042	-30.43%	-12.78%
Pending	2,210	3,124	2,253	-29.26%	-1.91%
Closed	3,155	3,774	3,596	-16.40%	-12.26%
Close Price - Average	$ 705,753	$ 703,994	$ 610,464	0.25%	15.61%
Close Price - Median	$ 599,990	$ 600,000	$ 502,775	0.00%	19.34%
Sales Volume	$ 2,226,650,973	$ 2,656,873,445	$ 2,195,227,979	-16.19%	1.43%
Days in MLS - Average	19	15	20	26.67%	-5.00%
Days in MLS - Median	5	5	6	0.00%	-16.67%
Close Price/List Price	101.66%	101.69%	100.71%	-0.03%	0.94%
Attached					
Active Listings at Month End	509	804	1,225	-36.69%	-58.45%
New Listings	871	1,180	994	-26.19%	-12.37%
Pending	1,111	1,337	1,181	-16.90%	-5.93%
Closed	1,349	1,533	1,634	-12.00%	-17.44%
Close Price - Average	$ 441,390	$ 443,665	$ 388,122	-0.51%	13.72%
Close Price - Median	$ 381,500	$ 389,000	$ 330,000	-1.93%	15.61%
Sales Volume	$ 595,435,339	$ 680,138,861	$ 634,190,606	-12.45%	-6.11%
Days in MLS - Average	17	16	32	6.25%	-46.88%
Days in MLS - Median	5	5	13	0.00%	-61.54%
Close Price/List Price	101.24%	101.45%	99.62%	-0.21%	1.63%

DECEMBER DATA YTD 2021 to 2017

	YTD 2021	YTD 2020	YTD 2019	YTD 2018	YTD 2017	'21 vs '20	'20 vs '19	'19 vs '18	'18 vs '17
Residential (Detached + Attached)									
Active Listings at Month End	1,477	2,541	5,037	5,577	3,854	-41.87%	-49.55%	-9.68%	44.71%
New Listings	66,308	69,986	71,202	68,398	67,311	-5.26%	-1.71%	4.10%	1.61%
Closed	63,684	63,501	58,899	56,509	59,253	0.29%	7.81%	4.23%	-4.63%
Close Price - Average	$ 612,274	$ 524,753	$ 486,527	$ 473,284	$ 437,149	16.68%	7.86%	2.80%	8.27%
Close Price - Median	$ 525,000	$ 450,000	$ 420,000	$ 409,900	$ 380,000	16.67%	7.14%	2.46%	7.87%
Sales Volume	$ 38,992,031,397	$ 33,322,319,173	$ 28,655,932,910	$ 26,744,784,239	$ 25,902,374,765	17.01%	16.28%	7.15%	3.25%
Days in MLS - Average	14	26	31	26	26	-46.15%	-16.13%	19.23%	0.00%
Days in MLS - Median	4	7	13	9	8	-42.86%	-46.15%	44.44%	12.50%
Close Price/List Price	103.04%	99.96%	99.20%	99.86%	99.99%	3.08%	0.77%	-0.66%	-0.13%
Detached									
Active Listings at Month End	968	1,316	3,360	3,892	2,792	-26.44%	-60.83%	-13.67%	39.40%
New Listings	46,536	48,327	50,201	48,901	48,097	-3.71%	-3.73%	2.66%	1.67%
Closed	44,297	45,183	41,989	40,180	42,290	-1.96%	7.61%	4.50%	-4.99%
Close Price - Average	$ 690,456	$ 583,738	$ 535,472	$ 522,675	$ 483,977	18.28%	9.01%	2.45%	8.00%
Close Price - Median	$ 580,000	$ 495,000	$ 454,500	$ 441,000	$ 412,000	17.17%	8.91%	3.06%	7.04%
Sales Volume	$ 30,585,122,996	$ 26,375,045,006	$ 22,483,923,132	$ 21,001,061,971	$ 20,467,391,069	15.96%	17.31%	7.06%	2.61%
Days in MLS - Average	13	25	31	27	28	-48.00%	-19.35%	14.81%	-3.57%
Days in MLS - Median	4	7	13	9	9	-42.86%	-46.15%	44.44%	0.00%
Close Price/List Price	103.46%	100.11%	99.20%	99.75%	99.85%	3.35%	0.92%	-0.55%	-0.10%
Attached									
Active Listings at Month End	509	1,225	1,677	1,685	1,062	-58.45%	-26.95%	-0.47%	58.66%
New Listings	19,772	21,659	21,001	19,497	19,214	-8.71%	3.13%	7.71%	1.47%
Closed	19,387	18,318	16,910	16,329	16,963	5.84%	8.33%	3.56%	-3.74%
Close Price - Average	$ 433,636	$ 379,259	$ 364,992	$ 351,750	$ 320,402	14.34%	3.91%	3.76%	9.78%
Close Price - Median	$ 372,000	$ 327,500	$ 309,000	$ 300,000	$ 270,000	13.59%	5.99%	3.00%	11.11%
Sales Volume	$ 8,406,908,401	$ 6,947,274,167	$ 6,172,009,778	$ 5,743,722,268	$ 5,434,983,696	21.01%	12.56%	7.46%	5.68%
Days in MLS - Average	19	29	32	23	22	-34.48%	-9.38%	39.13%	4.55%
Days in MLS - Median	5	11	14	8	6	-54.55%	-21.43%	75.00%	33.33%
Close Price/List Price	102.08%	99.59%	99.18%	100.11%	100.36%	2.50%	0.41%	-0.93%	-0.25%

MARKET TRENDS

Months of Inventory

Price Range	Detached Closed	Detached Active	Detached MOI	Attached Closed	Attached Active	Attached MOI
$0 to $99,999	1	-	0.00	-	-	
$100,000 to $199,999	5	7	1.40	91	20	0.22
$200,000 to $299,999	24	11	0.46	233	67	0.29
$300,000 to $399,999	169	44	0.26	414	91	0.22
$400,000 to $499,999	602	93	0.15	270	71	0.26
$500,000 to $749,999	1,548	395	0.26	233	147	0.63
$750,000 to $999,999	493	181	0.37	53	46	0.87
$1,000,000 and over	313	237	0.76	55	67	1.22
TOTALS	3,155	968	0.31	1,349	509	0.38

Month-Over-Month

Price Range	Detached Closed Dec, '21	Detached Closed Nov, '21	% change	Attached Closed Dec, '21	Attached Closed Nov, '21	% change
$0 to $99,999	1	1	0.00%	-	-	
$100,000 to $199,999	5	1	400.00%	91	73	24.66%
$200,000 to $299,999	24	29	-17.24%	233	285	-18.25%
$300,000 to $399,999	169	182	-7.14%	414	451	-8.20%
$400,000 to $499,999	602	791	-23.89%	270	331	-18.43%
$500,000 to $749,999	1,548	1,804	-14.19%	233	282	-17.38%
$750,000 to $999,999	493	589	-16.30%	53	59	-10.17%
$1,000,000 and over	313	377	-16.98%	55	52	5.77%
TOTALS	3,155	3,774	-16.40%	1,349	1,533	-12.00%

Year-Over-Year

Price Range	Detached YTD Dec, '21	Detached YTD Dec, '20	% change	Attached YTD Dec, '21	Attached YTD Dec, '20	% change
$0 to $99,999	16	29	-44.83%	-	7	-100.00%
$100,000 to $199,999	52	119	-56.30%	1,196	1,605	-25.48%
$200,000 to $299,999	397	1,150	-65.48%	4,098	5,555	-26.23%
$300,000 to $399,999	2,909	8,410	-65.41%	5,643	5,288	6.71%
$400,000 to $499,999	9,815	13,353	-26.50%	3,722	2,697	38.01%
$500,000 to $749,999	20,267	15,282	32.62%	3,262	2,285	42.76%
$750,000 to $999,999	6,169	3,806	62.09%	836	618	35.28%
$1,000,000 and over	4,672	3,034	53.99%	630	263	139.54%
TOTALS	44,297	45,183	-1.96%	19,387	18,318	5.84%

EXPERT OPINIONS

Luxury Market (properties sold for $1 million or more): As prices continue to climb across the Denver Metro area, more homes enter the ranks of the Luxury Market every month as demand continues at a rapid pace. Within the past two years, the number of homes that sold within the Luxury Market more than doubled. The single-family segment of the market closed 4,672 single-family homes, a 53.99 percent gain year-over-year, while the attached segment experienced a 140.46 percent gain with 630 homes sold.

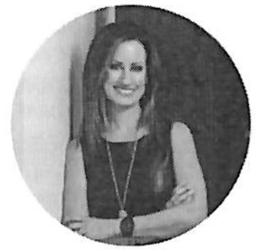
Over the holidays, the seasonal slowdown is palpable, with many homeowners opting to spend time with loved ones as opposed to focusing on selling their homes. As a result, the number of new listings and pending and closed properties traditionally shows a sharp drop off with the focus off real estate. Because of this, I find comparing year-over-year stats is more telling this time of year.

While active homes on the market dropped 41.87 percent market-wide, the Luxury Market continued to outperform with a five percent increase in December for new listings. To drill down the data a bit, the number of new listings for detached homes climbed slightly by 1.40 percent from last December, while closed listings increased 9.06 percent. Even with a seasonal shift, the average days in MLS fell 30.19 percent to 37 days and median days in MLS dropped 59.09 percent from 22 days to nine compared to last December.

The attached market continued to shine as people felt more comfortable living in closer proximity to their neighbors. As a reminder, the attached market took a hit in 2020 when many Denver residents made the preferential shift for single-family homes over attached as COVID-19 cases grew, with downtown Denver being hit the hardest in town.

While it may be premature to say the attached market is having a renaissance, the numbers are staggering. New listings climbed 35.29 percent year-over-year with 23 new listings. The most interesting data point is reflected in closed sales, which came in at a staggering 89.66 percent gain with sales volume following closely with a 75.36 rise with $75,932,105 closed volume.

As we head into 2022, the Luxury Market will continue to stay strong. As home prices continue to soar coupled with increased conforming loan limits, I expect to see very similar numbers next December. Additionally, we lost almost 1,000 homes in the Marshall and Middle Fork fires, with many of those homes falling within the Luxury Market. The loss of those homes puts further pressure on an already tight real estate market. Until then, we desperately need more inventory to even out demand. **— Libby Levinson-Katz, DMAR Market Trends Committee member and Denver Realtor®**



Signature Market (properties sold between $750,000 and $999,999): I hope your holidays were merry and bright and cheers to the new year! The Signature Market was bright for 2021 as new listings were up 35.19 percent in 2021; however, with 7,291 new listings hitting the market in 2021, those homes quickly went to pending status and closed just as fast. We saw pending homes increase 47.87 percent, closed homes increase 58.34 percent and the median days in MLS was five. It was a sweet sight for sellers, as the close-price-to-list-price ratio increased 3.61 percent to 102.97 percent. It's no surprise, but sales volume for the Signature Market increased 58.51 percent to $5,938,249,246 - that's almost $6 billion!

With the Signature Market gleaming with over 1,800 new homes from 2020-2021, the detached market was the most robust with a 43.05 percent increase in inventory. Buyers still had to make decisions quickly as the median days in MLS were down 58.33 percent to five days. Buyers were shopping quickly and had to compete, as Sgnature single-family homes sold for 103.24 percent close-price-to-list-price. For 2021, the detached homes increased 10.59 percent to $261 price per square foot.

The attached Signature Market was a different sight. Inventory was down 0.83 year-over-year, so buyers had to act fast and pay a little over list price with the median days in MLS down 60.00 percent year-over-year and the close-price-to-list-price ratio at 100.98 percent. Sellers were jumping for joy with the sales volume increasing 36.20 percent year-over-year to $714,070,377.

The market has been tight for years, demand is high, supply chains are causing problems and now with the Marshall fires burning almost 1,000 homes and damaging over 120, our market will continue to be challenging. With the recent events, I think we're all going to look at things in a different light. Some people don't have homes and now need to find new ones. So, if you're competing against multiple offers, just remember what these people who are impacted by the Marshall fires are going through, and this may put things in a different perspective when you're making a competitive offer. **— Brigette Modglin , DMAR Market Trends Committee member and Denver Realtor®**

EXPERT OPINIONS

Premier Market (properties sold between $500,000 and $749,999): As the door closes on 2021, and before we look ahead to what may be in store for 2022, let's first look at the year in review - and what a year it was! We're wrapping up our second year of a pandemic, and although so much has changed, it's probably not in a way we all thought it would have evolved when the pandemic first hit. The data does depict what we were all feeling this past year - real estate is a backbone of our economy. While our job as Realtors® to help people to build wealth through real estate has its challenges, it can be very rewarding.

We all had clients, friends, neighbors or even the media say things like "there's nothing to buy," but the numbers show that is simply not the case. In fact, the residential market (detached and attached) saw new listings jump from 18,605 to 22,869 year-over-year, an increase of 22.92 percent. And that is just in the Premier Market!

The detached segment saw an increase of every metric year-over-year, except for the days in MLS - both average and median - were both down 59.26 percent and 50.00 percent, respectively. The increases in all other areas, from new listings to price per square foot, reflect that there was more to sell at a higher price per square foot, in a shorter amount of time.

The attached segment had a similar story. While new listings only increased 9.34 percent from 2,955 to 3,231, the price per square foot was up 6.21 percent, from $338 to $359. That changes the purchase price on an average 1,200 square foot attached home from $405,600 to $430,800. One of the biggest swings in this segment was the median days in MLS, which was down a substantial 68.75 percent from 16 days to only five. This proves how quickly buyers needed to make a decision and submit an offer.

New year, same game? Well, that remains to be seen. For those of you who have had the thrill of helping a first-time homebuyer through the scary process of buying a home or a family turn the dream of owning their first home into a reality, you know how rewarding our job can be. Knowing that you had a part in helping that person build not only their wealth but their family's wealth as well, can be very heartwarming. **— Jessica Reinhardt, DMAR Market Trends Committee member and Denver Realtor®**

Classic Market (properties sold between $300,000 and $499,999): The Classic Market, homes priced between $300,000 and $499,999, makes up the largest segment of the market and it ended the year - like all of the other price ranges - low on choices. Buyers were snapping up everything that came on the market. A total of 22,089 Classic Market homes sold in 2021. That is a lot of homes, but it's 25.75 percent fewer sold than in 2020. Why? Buyers can't buy what isn't there. We ended 2021 with only 295 Classic Market homes for sale. The number of new listings added in December was down 28.18 percent from November and down 33.66 percent from December 2020. Fewer homes for sale meant fewer pending sales, fewer closed sales and a lower sales volume.

The data point that I think gives you the best indication of the state of the Classic Market is the price per square foot (PSF). Those who purchased in 2020 paid an average of $228 PSF. Those who were lucky to buy in 2021 paid $54 more PSF or, $282 PSF. That's a 23.68 percent increase in a year. What other investment gives you that kind of return as well as a place to lay your head and store your stuff? No wonder there are so many buyers trying to buy.

What does this mean for 2022? If we do 20,000+ Classic Market sales again this year, agents need to start writing a lot of listing contracts. Buyers need to be patient and when the right one comes along, be willing to put it all on the table. Buyers, unfortunately, have even less power this year than they've ever had. **— Jill Schafer, DMAR Market Trends Committee member and Denver Realtor®**

LUXURY MARKET | Properties Sold for $1 Million or More

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

	Dec, '21	Prior Month	Last Year	Prior Month	Last Year
Residential (Detached + Attached)					
New Listings	168	251	160	-33.07%	5.00%
Pending	218	318	220	-31.45%	-0.91%
Closed	368	429	316	-14.22%	16.46%
Sales Volume	$ 607,414,535	$ 704,494,641	$ 518,565,348	-13.78%	17.13%
Days in MLS - Average	39	24	53	62.50%	-26.42%
Days in MLS - Median	10	5	22	100.00%	-54.55%
Close Price/List Price	100.65%	101.52%	97.95%	-0.86%	2.76%
PSF Total	$ 382	$ 383	$ 339	-0.26%	12.68%
Detached					
New Listings	145	217	143	-33.18%	1.40%
Pending	189	277	193	-31.77%	-2.07%
Closed	313	377	287	-16.98%	9.06%
Sales Volume	$ 531,482,430	$ 628,205,056	$ 475,265,668	-15.40%	11.83%
Days in MLS - Average	37	22	53	68.18%	-30.19%
Days in MLS - Median	9	5	22	80.00%	-59.09%
Close Price/List Price	100.55%	101.57%	98.10%	-1.00%	2.50%
PSF Total	$ 356	$ 362	$ 323	-1.66%	10.22%
Attached					
New Listings	23	34	17	-32.35%	35.29%
Pending	29	41	27	-29.27%	7.41%
Closed	55	52	29	5.77%	89.66%
Sales Volume	$ 75,932,105	$ 76,289,585	$ 43,299,680	-0.47%	75.36%
Days in MLS - Average	50	34	57	47.06%	-12.28%
Days in MLS - Median	13	8	37	62.50%	-64.86%
Close Price/List Price	101.25%	101.13%	96.53%	0.12%	4.89%
PSF Total	$ 526	$ 530	$ 489	-0.75%	7.57%

LUXURY MARKET | Properties Sold for $1 Million or More

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

	YTD 2021	YTD 2020	YTD 2019	YTD 2018	YTD 2017	'21 vs '20	'20 vs '19	'19 vs '18	'18 vs '17
Residential (Detached + Attached)									
New Listings	5,256	4,459	3,892	3,324	3,070	17.87%	14.57%	17.09%	8.27%
Pending	4,716	3,438	2,537	2,186	1,835	37.17%	35.51%	16.06%	19.13%
Closed	5,302	3,296	2,435	2,165	1,824	60.86%	35.36%	12.47%	18.70%
Sales Volume	$ 8,477,125,833	$ 5,127,200,594	$ 3,764,155,058	$ 3,301,088,383	$ 2,783,559,242	65.34%	36.21%	14.03%	18.59%
Days in MLS - Average	30	55	60	68	82	-45.45%	-8.33%	-11.76%	-17.07%
Days in MLS - Median	5	20	25	27	38	-75.00%	-20.00%	-7.41%	-28.95%
Close Price/List Price	101.88%	97.79%	97.30%	97.27%	96.88%	4.18%	0.50%	0.03%	0.40%
PSF Total	$ 368	$ 337	$ 341	$ 308	$ 305	9.20%	-1.17%	10.71%	0.98%
Detached									
New Listings	4,568	3,941	3,419	2,991	2,728	15.91%	15.27%	14.31%	9.64%
Pending	4,150	3,140	2,247	1,974	1,631	32.17%	39.74%	13.83%	21.03%
Closed	4,672	3,034	2,147	1,980	1,637	53.99%	41.31%	8.43%	20.95%
Sales Volume	$ 7,555,391,491	$ 4,742,317,109	$ 3,323,747,607	$ 3,022,332,989	$ 2,511,966,320	59.32%	42.68%	9.97%	20.32%
Days in MLS - Average	28	55	62	68	82	-49.09%	-11.29%	-8.82%	-17.07%
Days in MLS - Median	5	20	26	27	39	-75.00%	-23.08%	-3.70%	-30.77%
Close Price/List Price	102.10%	97.86%	97.25%	97.34%	96.82%	4.33%	0.63%	-0.09%	0.54%
PSF Total	$ 343	$ 319	$ 307	$ 292	$ 285	7.52%	3.91%	5.14%	2.46%
Attached									
New Listings	688	518	473	333	342	32.82%	9.51%	42.04%	-2.63%
Pending	566	298	290	212	204	89.93%	2.76%	36.79%	3.92%
Closed	630	262	288	185	187	140.46%	-9.03%	55.68%	-1.07%
Sales Volume	$ 921,734,342	$ 384,883,485	$ 440,407,451	$ 278,755,394	$ 271,592,922	139.48%	-12.61%	57.99%	2.64%
Days in MLS - Average	47	55	46	70	75	-14.55%	19.57%	-34.29%	-6.67%
Days in MLS - Median	8	26	17	39	35	-69.23%	52.94%	-56.41%	11.43%
Close Price/List Price	100.28%	97.00%	97.66%	96.54%	97.41%	3.38%	-0.68%	1.16%	-0.89%
PSF Total	$ 550	$ 545	$ 589	$ 487	$ 474	0.92%	-7.47%	20.94%	2.74%

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

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

	Dec, '21	Prior Month	Last Year	Prior Month	Last Year
Residential (Detached + Attached)					
New Listings	265	412	189	-35.68%	40.21%
Pending	362	528	222	-31.44%	63.06%
Closed	546	648	360	-15.74%	51.67%
Sales Volume	$ 462,681,671	$ 549,924,038	$ 305,017,230	-15.86%	51.69%
Days in MLS - Average	23	17	38	35.29%	-39.47%
Days in MLS - Median	7	5	14	40.00%	-50.00%
Close Price/List Price	101.33%	101.72%	99.65%	-0.38%	1.69%
PSF Total	$ 279	$ 275	$ 257	1.45%	8.56%
Detached					
New Listings	217	357	158	-39.22%	37.34%
Pending	304	461	181	-34.06%	67.96%
Closed	493	589	312	-16.30%	58.01%
Sales Volume	$ 418,211,400	$ 499,791,623	$ 264,154,503	-16.32%	58.32%
Days in MLS - Average	22	17	35	29.41%	-37.14%
Days in MLS - Median	7	5	12	40.00%	-41.67%
Close Price/List Price	101.38%	101.78%	99.73%	-0.39%	1.65%
PSF Total	$ 266	$ 261	$ 240	1.92%	10.83%
Attached					
New Listings	48	55	31	-12.73%	54.84%
Pending	58	67	41	-13.43%	41.46%
Closed	53	59	48	-10.17%	10.42%
Sales Volume	$ 44,470,271	$ 50,132,415	$ 40,862,727	-11.29%	8.83%
Days in MLS - Average	25	20	56	25.00%	-55.36%
Days in MLS - Median	8	5	29	60.00%	-72.41%
Close Price/List Price	100.90%	101.11%	99.13%	-0.21%	1.79%
PSF Total	$ 401	$ 419	$ 363	-4.30%	10.47%

DENVER METRO ASSOCIATION OF REALTORS®

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

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

	YTD 2021	YTD 2020	YTD 2019	YTD 2018	YTD 2017	'21 vs '20	'20 vs '19	'19 vs '18	'18 vs '17
Residential (Detached + Attached)									
New Listings	7,291	5,393	4,649	4,121	3,548	35.19%	16.00%	12.81%	16.15%
Pending	6,762	4,573	3,502	3,047	2,623	47.87%	30.58%	14.93%	16.16%
Closed	7,005	4,424	3,297	3,025	2,561	58.34%	34.18%	8.99%	18.12%
Sales Volume	$ 5,938,249,246	$ 3,746,339,717	$ 2,792,837,214	$ 2,568,972,151	$ 2,170,384,674	58.51%	34.14%	8.71%	18.36%
Days in MLS - Average	17	39	45	44	56	-56.41%	-13.33%	2.27%	-21.43%
Days in MLS - Median	5	13	18	15	27	-61.54%	-27.78%	20.00%	-44.44%
Close Price/List Price	102.97%	99.38%	98.82%	99.10%	98.49%	3.61%	0.57%	-0.28%	0.62%
PSF Total	$ 278	$ 254	$ 248	$ 243	$ 229	9.45%	2.42%	2.06%	6.11%
Detached									
New Listings	6,333	4,427	3,906	3,422	3,008	43.05%	13.34%	14.14%	13.76%
Pending	5,879	3,913	2,989	2,581	2,245	50.24%	30.91%	15.81%	14.97%
Closed	6,169	3,806	2,790	2,568	2,218	62.09%	36.42%	8.64%	15.78%
Sales Volume	$ 5,224,178,869	$ 3,222,063,974	$ 2,361,527,870	$ 2,182,289,752	$ 1,882,543,127	62.14%	36.44%	8.21%	15.92%
Days in MLS - Average	14	38	43	44	56	-63.16%	-11.63%	-2.27%	-21.43%
Days in MLS - Median	5	12	18	15	28	-58.33%	-33.33%	20.00%	-46.43%
Close Price/List Price	103.24%	99.47%	98.83%	99.07%	98.43%	3.79%	0.65%	-0.24%	0.65%
PSF Total	$ 261	$ 236	$ 227	$ 225	$ 214	10.59%	3.96%	0.89%	5.14%
Attached									
New Listings	958	966	743	699	540	-0.83%	30.01%	6.29%	29.44%
Pending	883	660	513	466	378	33.79%	28.65%	10.09%	23.28%
Closed	836	618	507	457	343	35.28%	21.89%	10.94%	33.24%
Sales Volume	$ 714,070,377	$ 524,275,743	$ 431,309,344	$ 386,682,399	$ 287,841,547	36.20%	21.55%	11.54%	34.34%
Days in MLS - Average	34	43	58	43	58	-20.93%	-25.86%	34.88%	-25.86%
Days in MLS - Median	6	15	25	13	25	-60.00%	-40.00%	92.31%	-48.00%
Close Price/List Price	100.98%	98.82%	98.79%	99.25%	98.85%	2.19%	0.03%	-0.46%	0.40%
PSF Total	$ 397	$ 359	$ 362	$ 340	$ 329	10.58%	-0.83%	6.47%	3.34%

DENVER METRO ASSOCIATION OF REALTORS®

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

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

	Dec, '21	Prior Month	Last Year	Prior Month	Last Year
Residential (Detached + Attached)					
New Listings	1,025	1,439	821	-28.77%	24.85%
Pending	1,282	1,700	903	-24.59%	41.97%
Closed	1,781	2,086	1,458	-14.62%	22.15%
Sales Volume	$ 1,072,673,912	$ 1,262,189,131	$ 871,512,399	-15.01%	23.08%
Days in MLS - Average	16	15	25	6.67%	-36.00%
Days in MLS - Median	5	5	7	0.00%	-28.57%
Close Price/List Price	101.91%	101.72%	100.64%	0.19%	1.26%
PSF Total	$ 262	$ 269	$ 230	-2.60%	13.91%
Detached					
New Listings	881	1,229	684	-28.32%	28.80%
Pending	1,090	1,464	732	-25.55%	48.91%
Closed	1,548	1,804	1,239	-14.19%	24.94%
Sales Volume	$ 935,130,211	$ 1,096,110,387	$ 739,061,907	-14.69%	26.53%
Days in MLS - Average	16	14	21	14.29%	-23.81%
Days in MLS - Median	5	5	6	0.00%	-16.67%
Close Price/List Price	102.02%	101.80%	100.83%	0.22%	1.18%
PSF Total	$ 250	$ 255	$ 213	-1.96%	17.37%
Attached					
New Listings	144	210	137	-31.43%	5.11%
Pending	192	236	171	-18.64%	12.28%
Closed	233	282	219	-17.38%	6.39%
Sales Volume	$ 137,543,701	$ 166,078,744	$ 132,450,492	-17.18%	3.85%
Days in MLS - Average	18	21	33	-14.29%	-45.45%
Days in MLS - Median	5	5	14	0.00%	-64.29%
Close Price/List Price	101.16%	101.22%	99.53%	-0.06%	1.64%
PSF Total	$ 341	$ 357	$ 323	-4.48%	5.57%

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

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

	YTD 2021	YTD 2020	YTD 2019	YTD 2018	YTD 2017	'21 vs '20	'20 vs '19	'19 vs '18	'18 vs '17
Residential (Detached + Attached)									
New Listings	22,869	18,605	16,981	14,964	12,782	22.92%	9.56%	13.48%	17.07%
Pending	21,604	17,055	13,778	11,937	10,316	26.67%	23.78%	15.42%	15.71%
Closed	23,529	17,567	13,401	12,069	10,414	33.94%	31.09%	11.04%	15.89%
Sales Volume	$ 14,136,905,779	$ 10,459,716,306	$ 7,953,180,915	$ 7,179,232,629	$ 6,161,632,581	35.16%	31.52%	10.78%	16.52%
Days in MLS - Average	12	29	38	35	40	-58.62%	-23.68%	8.57%	-12.50%
Days in MLS - Median	4	9	18	14	17	-55.56%	-50.00%	28.57%	-17.65%
Close Price/List Price	103.60%	100.01%	99.12%	99.55%	99.28%	3.59%	0.90%	-0.43%	0.27%
PSF Total	$ 261	$ 223	$ 214	$ 210	$ 199	17.04%	4.21%	1.90%	5.53%
Detached									
New Listings	19,638	15,650	14,447	12,820	10,989	25.48%	8.33%	12.69%	16.66%
Pending	18,533	14,704	11,937	10,315	8,959	26.04%	23.18%	15.72%	15.14%
Closed	20,267	15,282	11,578	10,381	9,093	32.62%	31.99%	11.53%	14.16%
Sales Volume	$ 12,205,318,478	$ 9,106,278,648	$ 6,877,895,524	$ 6,175,187,756	$ 5,373,160,736	34.03%	32.40%	11.38%	14.93%
Days in MLS - Average	11	27	37	34	38	-59.26%	-27.03%	8.82%	-10.53%
Days in MLS - Median	4	8	17	13	16	-50.00%	-52.94%	30.77%	-18.75%
Close Price/List Price	103.88%	100.11%	99.12%	99.55%	99.29%	3.77%	1.00%	-0.43%	0.26%
PSF Total	$ 245	$ 205	$ 196	$ 191	$ 183	19.51%	4.59%	2.62%	4.37%
Attached									
New Listings	3,231	2,955	2,534	2,144	1,793	9.34%	16.61%	18.19%	119.58%
Pending	3,071	2,351	1,841	1,622	1,357	30.63%	27.70%	13.50%	19.53%
Closed	3,262	2,285	1,823	1,688	1,321	42.76%	25.34%	8.00%	27.78%
Sales Volume	$ 1,931,587,301	$ 1,353,437,658	$ 1,075,285,391	$ 1,004,044,873	$ 788,471,845	42.72%	25.87%	7.10%	27.34%
Days in MLS - Average	23	41	46	43	50	-43.90%	-10.87%	6.98%	-14.00%
Days in MLS - Median	5	16	22	17	21	-68.75%	-27.27%	29.41%	-19.05%
Close Price/List Price	101.83%	99.36%	99.10%	99.56%	99.19%	2.49%	0.26%	-0.46%	0.37%
PSF Total	$ 359	$ 338	$ 329	$ 328	$ 309	6.21%	2.74%	0.30%	6.15%

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

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

	Dec, '21	Prior Month	Last Year	Prior Month	Last Year
Residential (Detached + Attached)					
New Listings	948	1,320	1,429	-28.18%	-33.66%
Pending	1,141	1,566	1,582	-27.14%	-27.88%
Closed	1,455	1,755	2,390	-17.09%	-39.12%
Sales Volume	$ 597,656,161	$ 728,282,670	$ 965,922,533	-17.94%	-38.13%
Days in MLS - Average	13	13	18	0.00%	-27.78%
Days in MLS - Median	5	5	6	0.00%	-16.67%
Close Price/List Price	101.72%	101.67%	100.99%	0.05%	0.72%
PSF Total	$ 298	$ 298	$ 240	0.00%	24.17%
Detached					
New Listings	521	735	998	-29.12%	-47.80%
Pending	605	896	1,086	-32.48%	-44.29%
Closed	771	973	1,675	-20.76%	-53.97%
Sales Volume	$ 334,227,282	$ 424,752,729	$ 695,084,802	-21.31%	-51.92%
Days in MLS - Average	14	13	12	7.69%	16.67%
Days in MLS - Median	5	5	5	0.00%	0.00%
Close Price/List Price	101.86%	101.55%	101.40%	0.31%	0.45%
PSF Total	$ 294	$ 295	$ 232	-0.34%	26.72%
Attached					
New Listings	427	585	431	-27.01%	-0.93%
Pending	536	670	496	-20.00%	8.06%
Closed	684	782	715	-12.53%	-4.34%
Sales Volume	$ 263,428,879	$ 303,529,941	$ 270,837,731	-13.21%	-2.74%
Days in MLS - Average	13	13	32	0.00%	-59.38%
Days in MLS - Median	5	5	14	0.00%	-64.29%
Close Price/List Price	101.57%	101.83%	100.02%	-0.26%	1.55%
PSF Total	$ 302	$ 301	$ 259	0.33%	16.60%

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

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

	YTD 2021	YTD 2020	YTD 2019	YTD 2018	YTD 2017	'21 vs '20	'20 vs '19	'19 vs '18	'18 vs '17
Residential (Detached + Attached)									
New Listings	24,628	31,932	34,167	33,257	31,090	-22.87%	-6.54%	2.74%	6.97%
Pending	23,953	30,132	30,358	28,426	28,498	-20.51%	-0.74%	6.80%	-0.25%
Closed	22,089	29,748	29,888	28,495	28,984	-25.75%	-0.47%	4.89%	-1.69%
Sales Volume	$ 9,083,730,175	$ 11,977,177,980	$11,802,304,880	$ 11,152,680,741	$ 11,204,111,101	-24.16%	1.48%	5.82%	-0.46%
Days in MLS - Average	11	20	26	21	21	-45.00%	-23.08%	23.81%	0.00%
Days in MLS - Median	4	6	11	8	7	-33.33%	-45.45%	37.50%	14.29%
Close Price/List Price	103.27%	100.47%	99.55%	100.19%	100.26%	2.79%	0.92%	-0.64%	-0.07%
PSF Total	$ 282	$ 228	$ 210	$ 204	$ 188	23.68%	8.57%	2.94%	8.51%
Detached									
New Listings	15,469	22,871	26,094	26,314	25,387	-32.36%	-12.35%	-0.84%	3.65%
Pending	14,965	22,088	23,689	22,726	23,590	-32.25%	-6.76%	4.24%	-3.66%
Closed	12,724	21,763	23,484	22,625	24,021	-41.53%	-7.33%	3.80%	-5.81%
Sales Volume	$ 5,485,497,999	$ 8,976,055,251	$ 9,407,659,855	$ 8,943,986,949	$ 9,332,524,878	-38.89%	-4.59%	5.18%	-4.16%
Days in MLS - Average	9	17	25	20	20	-47.06%	-32.00%	25.00%	0.00%
Days in MLS - Median	4	5	11	8	7	-20.00%	-54.55%	37.50%	14.29%
Close Price/List Price	103.57%	100.67%	99.59%	100.19%	100.30%	2.88%	1.08%	-0.60%	-0.11%
PSF Total	$ 273	$ 216	$ 198	$ 191	$ 175	26.39%	9.09%	3.66%	9.14%
Attached									
New Listings	9,159	9,061	8,073	6,943	5,703	1.08%	12.24%	16.28%	21.74%
Pending	8,988	8,044	6,669	5,700	4,908	11.74%	20.62%	17.00%	16.14%
Closed	9,365	7,985	6,404	5,870	4,963	17.28%	24.69%	9.10%	18.28%
Sales Volume	$ 3,598,232,176	$ 3,001,122,729	$ 2,394,645,025	$ 2,208,693,792	$ 1,871,586,223	19.90%	25.33%	8.42%	18.01%
Days in MLS - Average	14	27	31	25	25	-48.15%	-12.90%	24.00%	0.00%
Days in MLS - Median	4	10	14	9	8	-60.00%	-28.57%	55.56%	12.50%
Close Price/List Price	102.86%	99.92%	99.40%	100.16%	100.07%	2.94%	0.52%	-0.76%	0.09%
PSF Total	$ 294	$ 261	$ 255	$ 256	$ 248	12.64%	2.35%	-0.39%	3.23%

Looking Back at 2021 & What to Expect in 2022

STEVE DANYLIW

Past Chair of the DMAR Market Trends Committee and Denver Realtor®

2021 in Review

2021 was a special year for housing. Not only were old records broken and new ones set, but many were completely smashed. We all know 2020 brought with it a major global pandemic that had a significant impact on housing and 2021 represented year two of that global disruption. So, did 2021 return to something that looked normal? Or did COVID continue to influence? Let us see if we can answer that question as we look at some key metrics from our local housing market, starting with the huge growth in prices.

Two numbers stood out most: low inventory and skyrocketing prices. Let's start with prices. In 2021, we averaged $612,274, an increase of 16.68 percent from 2020. 2021 established a new historical high and marked the 10th consecutive year of positive price growth. The previous record for percentage increase was 2000 when we hit 15.77 percent. Better yet, the average homeowner of an attached single-family home made $54,377 in equity, while the average homeowner of a detached single-family home made $106,718 in equity. Both are the largest dollar gains on record. Those who tracked median price growth saw 2021 grew at 16.67 percent, almost matching the change in average closed price.

The second number that jumps out is the number of available homes for sale. We finished 2021 with only 1,477 active homes for sale. I will attempt to quantify the meaning of such a small number, how we got here and how this will affect us moving forward. First, let's take a look at our history. At this same point in 2020, we had 2,541 homes for sale and in 2019 that number was 5,037. That is a 70.7 percent drop in just two years. Since 1985, we have averaged 12,652 at year-end.

So, why is inventory so low? The culprit: a decline of homeowners looking to sell. As we track new listings entering the market, 2021 saw a significant drop of 5.26 percent from 2020. In 2019, 71,202 homes entered the market with 2020 dropping slightly to 69,986. We tallied only 66,308 in 2021. We saw supply chain issues throughout the economy. If homes were sold at the local supermarket, the shelves would be sparse. At the end of the day, homeowners are reluctant to sell, not because it will be difficult but because those sellers will have to become buyers and compete for a home in an already thin inventory market.

Months of inventory (or MOI) is another excellent indicator of market direction as it looks at active and closed listings. The yearly average for 2021 was 0.56 MOI. A new record low besting 2020's 1.21 MOI. To put this record small number into perspective, in February of 1988, we had a whopping 17.69 MOI with 19,196 actives and only 1,085 closings. 2012 was the last year we averaged over 2.0 MOI forcing us to ask, what does a balanced market look like? The old standard of four to five months is not appropriate given current trends. As we embrace the new normal, the current market is significantly weighted to favor the home seller.

2021 finished with the lowest average 30-year fixed rate of 2.96 percent in history, according to Freddie Mac's primary mortgage market survey. This was down slightly from 2020's 3.11 percent. Mortgage rates function as oxygen to a fire - a low rate equals more oxygen causing the fire to burn hotter and a higher rate starves the fire of the fuel it needs. Having the last two years being the lowest on record in the last 51 helped fuel strong buyer demand.

2021 represented a new record high for closings in Denver metro history. We finished with 63,664 closed transactions, representing a slight increase of 0.29 percent from 2020. 2021 also represented the seventh year in a row exceeding 56,000 transactions. In 1990, we closed only 25,619 transactions, which means in 2021 we closed 148.5 percent more homes. Another momentous year demonstrated continued robust buyer demand.

Comparing 2021 to our historical housing market illustrates the extreme times. Extreme is an appropriately descriptive term for 2021. It seemed that new records, high and low, were set each month. With all the adversity buyers and sellers face, it is quite remarkable how we finished 2021.

2022 Outlook

With 2021's door firmly closed behind us, we now can open the door to 2022. So, what will our local 2022 housing market look like? Let us start with the 30,000 foot perspective. Based upon current trends the current bullish housing market will continue in 2022 as solid demand will continue to outpace an already thin supply.

Let us begin by taking a deep dive into active listings and why available homes for sale will remain at razor-thin levels throughout 2022. Over the last year, new record lows were set every month. That trend will continue into 2022. Active inventories rise and fall based upon the flow of homes entering and exiting the market. In 2021, we had 5.26 percent fewer new listings entering the market compared to 2020. I expect that trend of fewer new listings to continue into 2022. Would-be sellers may be reluctant to sell. While selling will be the easy part, transitioning to a buyer in this market may function as a good deterrent to selling in the first place. Additionally, do not expect relief from the builders, as supply chain issues, labor shortages and material costs will deliver fewer than needed new housing units.

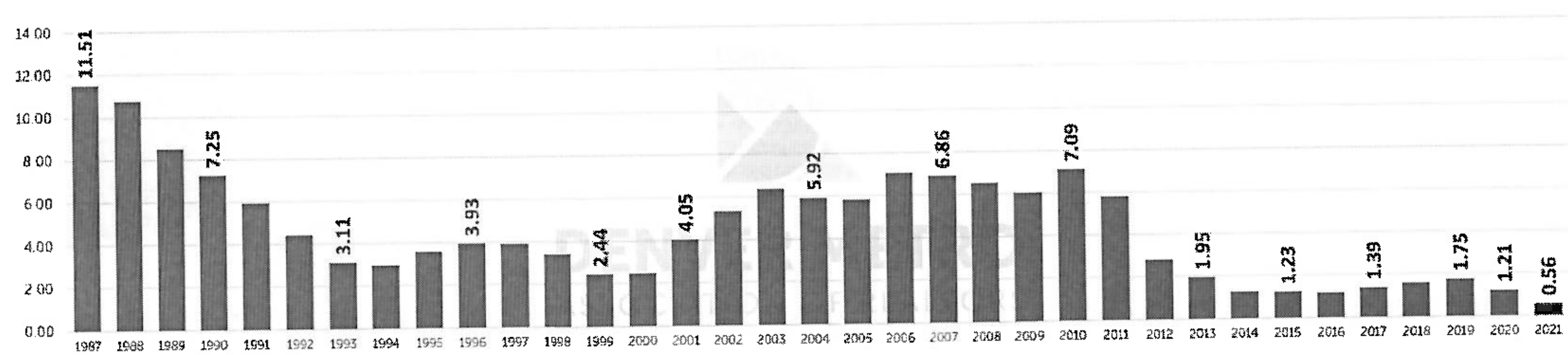
In 2020 we closed a record number of transactions topping 63,501. 2021 came in just above that at 63,684, establishing a new record. 2022 should see that trend reverse. While demand will be strong, this will be outweighed by affordability pressure and a thin inventory. Do not be surprised to see four to five percent fewer closings in 2022.

Mortgage interest rates should continue to inch upward but remain favorable to buyers. This should have minimal effect in 2022. The first half of 2022 will see hyper-competition as too many buyers fight for too few homes. We saw the same market conditions in 2021 and like 2021, this will continue to push home prices upward.

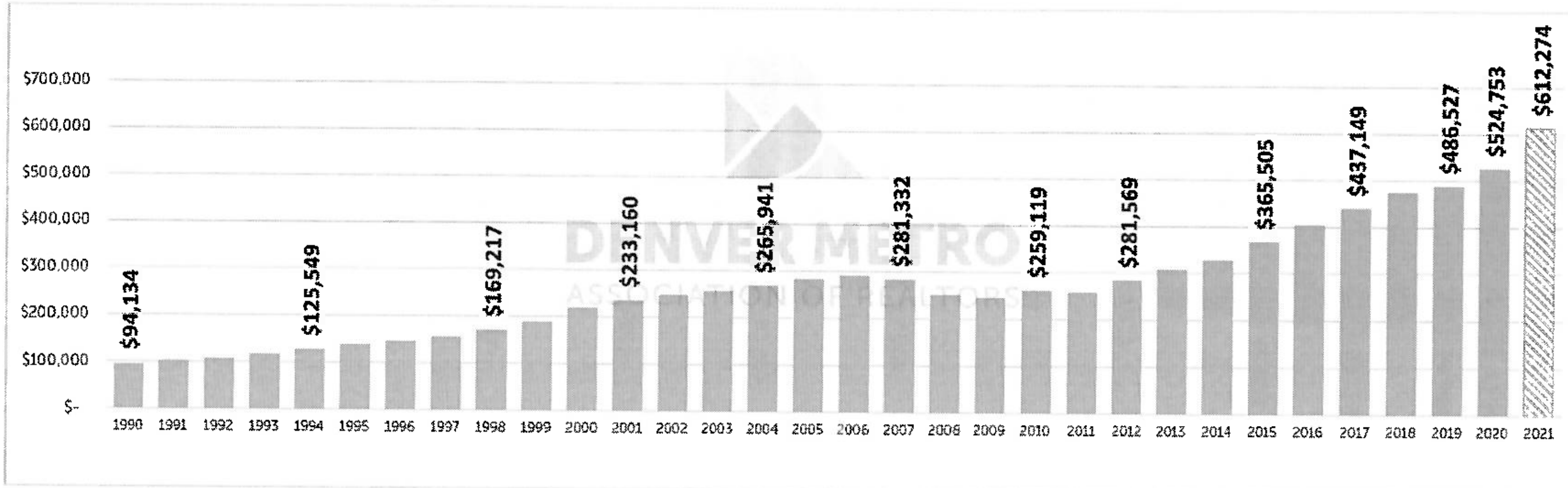
Expect brisk price growth of 11 to 13 percent in 2022. That growth will be higher in the first half of the year then balance out in the second half. 2022 will be a robust year as homeowners see their equity continue to swell.

So, what could cause a forecast to go sideways? Our housing market could backtrack if our economy starts moving outside of normal thresholds. One example would be inflation. Some economists believe the current rise in inflation is transitory (short in duration), but if they're wrong and the period of high inflation is prolonged, then inflation will have a significantly negative impact on housing. Also, be mindful of substantial geopolitical events like wars or terrorist attacks. Lastly, we should be aware of COVID-19. A new and more dangerous strain could emerge, bringing more lockdowns and restrictions. With almost two years of experience under our belt, I believe our industry can overcome any new restrictions and continue to help our clients navigate an already complex real estate transaction.

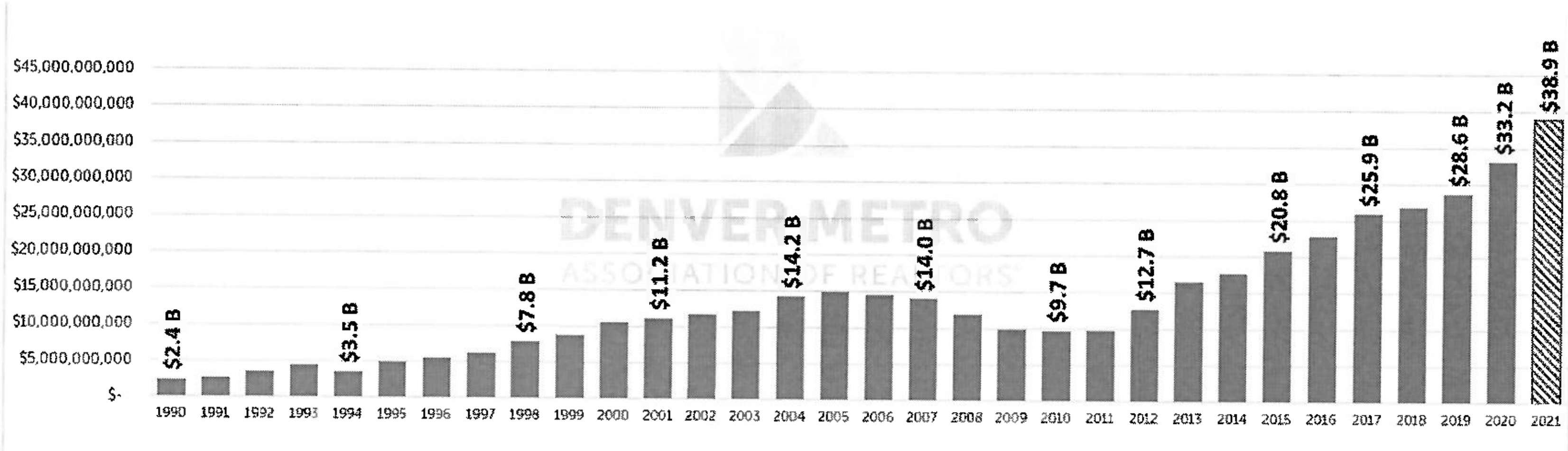
Average Months of Inventory by Year



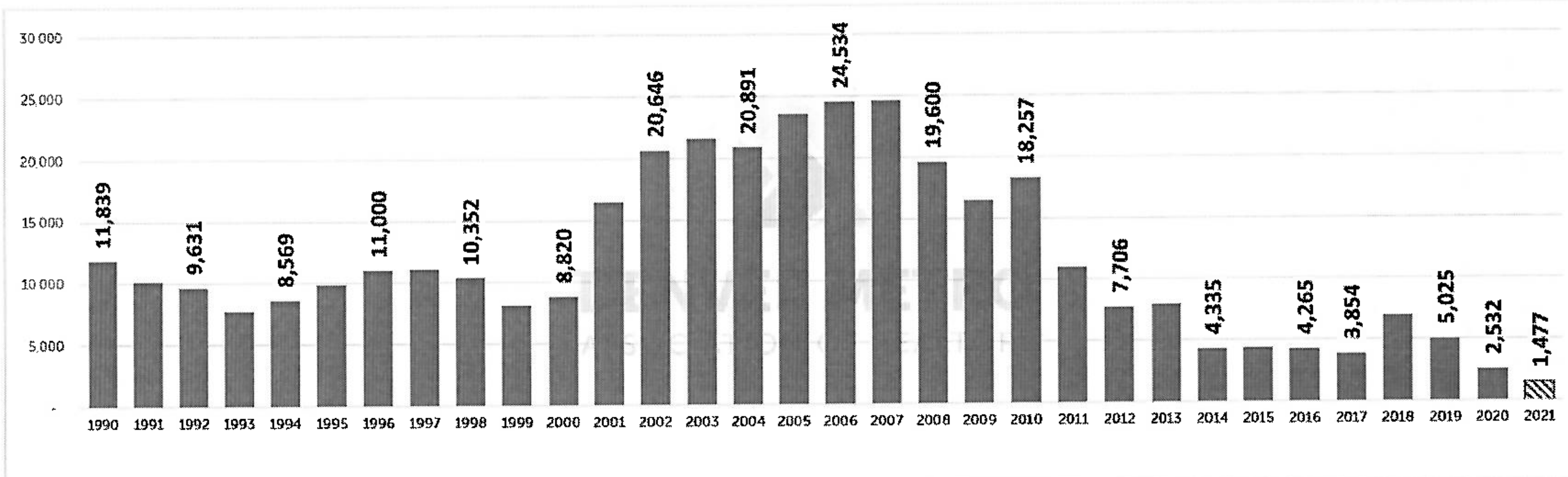
Average Close Price by Year



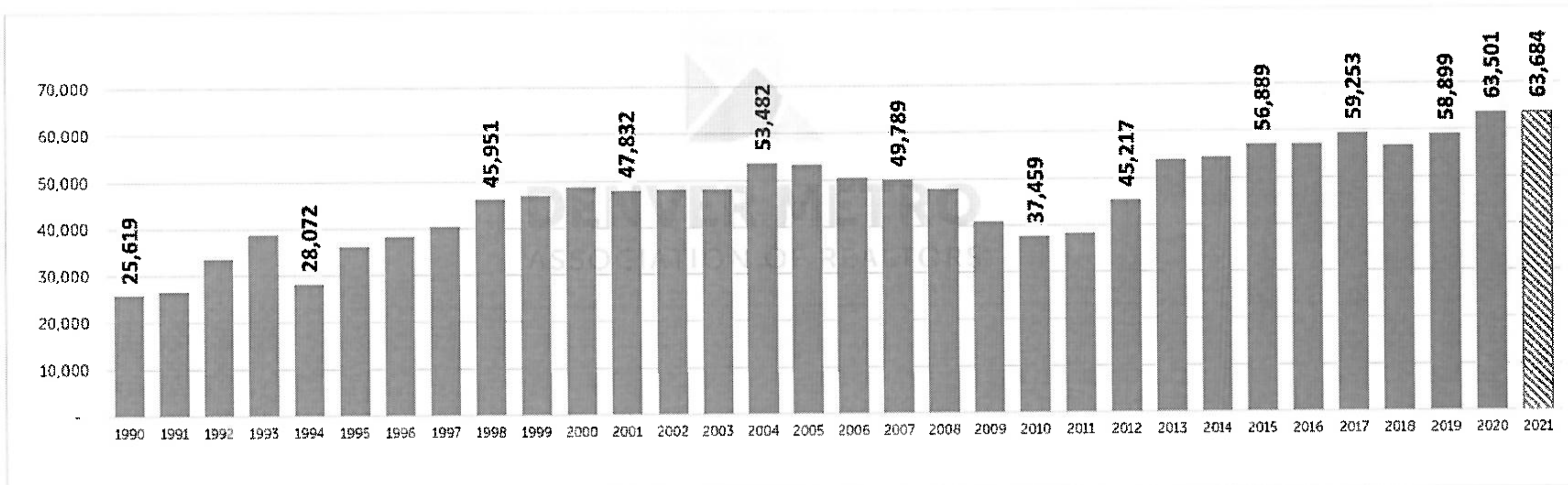
Closed Dollar Volume by Year



Active Listings at Year End



Closed Homes by Year



2022: Four Things to Look for in the Denver Metro Area

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Double-digit price appreciation, low mortgage rates and strong homebuying activity are the three key phrases that can sum up the state of housing in 2021. Home purchases abnormally surged over the past year. Even though home prices hit record highs eroding affordability, the housing market outperformed. It was the best year since 2006. Low mortgage rates, pent-up demand and lifestyle shifts during the pandemic were some of the main drivers of the booming housing market. In the Denver Metro area, homebuying activity in 2021 was also very strong. Nevertheless, there are signs of a more normal and predictable real estate market ahead. The market will likely settle down but at above pre-pandemic levels. With higher mortgage rates and more housing inventory to hit the market, the intense multiple offers will ease. Home prices will continue to rise but at a slower rate.

1. Higher Mortgage Rates
Mortgage rates are expected to rise this year. With lingering inflation, the Fed will raise interest rates three times during the year to control elevated inflation starting likely in mid-2022. When the Fed increases its interest rates, banks do, too. And when that happens, mortgage rates go up for borrowers. National Association of Realtors®(NAR) forecasts the 30-year fixed mortgage rate to reach 3.7 percent at the end of 2022. Nevertheless, consumers should have in mind that mortgage rates will continue to be historically low. The historical average rate for the 30-year fixed mortgage is eight percent.

But, how will these higher rates impact households in the local market? There is no doubt that the interest rate on a mortgage directly impacts the size of a mortgage payment. Higher rates increase mortgage payments and typically reduce the amount of money that people can borrow. For instance, take a $500,000 loan: If you borrow $500,000 and put down $55,000 (a 10 percent down payment), a buyer can purchase a $555,000 home. The monthly mortgage payment is estimated to rise by $110 if you buy that home in Q2 2022 and by $165 if you buy that house at the end of next year.

2. Housing Demand Will Remain Strong
Over the last decade, the nation grew by seven percent - the slowest rate since the 1930s. Nevertheless, the Denver Metro area population grew faster than nationwide, by 17 percent since 2010. This translates to approximately 420,000 more people in the area over the last decade. While Denver is one of the favorite destinations, especially for professionals, housing demand will remain robust, higher than the pre-pandemic level, as companies adopt more flexible working policies. With housing inventory at record lows, it may be more important now than ever to build more homes. In fact, there are only one-third as many active listings now compared to a couple of years ago.

3. Strong Property Values Will Stay High

Strong homebuyer demand and limited housing supply led home prices to record highs in the past year. In the Denver Metro area, the median price for a single-family home rose to $585,000 during the summer as housing inventory continued to decline. Nevertheless, home price growth will slow down in 2022 as more supply will be entering the market and the housing inventory shortage will ease. But, don't mistake it for a price drop. In periods with housing shortages, home prices don't fall. It's just that homes will appreciate slower than they did in the past year. NAR forecasts home prices to rise five to seven percent across the country. With more people moving to the area, expect price gains to be even stronger in the Denver metro area.

4. More Homes to Enter the Market

As mortgage forbearance ended, expect some of these homes to be coming to the market. During the pandemic, many homeowners paused or reduced their mortgage payments because they were struggling to make ends meet. Thus, they will have to decide soon whether they want to keep making mortgage payments, modify their loan or cash out in a hot housing market by selling their home. While forbearance exit plans will not be one-size-fits-all, some may decide to sell their home easing the existing housing shortage.

In the meantime, construction is rising in the area. Nearly twenty percent more single-family permits were issued in 2021 compared to 2020. Denver is also one of the areas with good opportunities for homebuilders. In many markets, a new home builder's biggest competition isn't another builder, it's another type of home: an existing home. While there are considerable advantages to buying a brand-new home such as low maintenance, less upkeep and better resale price, there are people who may prefer a resale house, even if it needs extensive work and time for renovations. Thus, in the spirit of getting to know the competition, the Denver Metro area also had fewer investors than nationwide. This translates to less competition for homebuilders. As supply chain disruptions ease and the cost of materials stabilize in 2022, we may see new construction rise even further in the area.

Overall, housing will remain robust in 2022 in the Denver metro area boosting local economic activity. Remember that every home sale generates about $142,000 income for the local economy statewide.

GLOSSARY

Active Listings: The number of properties available for sale at the end of the reported period. The availability of homes for sale has a big effect on supply-demand dynamics and home prices.

New Listings: The number of properties which became available during the reported period.

Pending: The number of listings that were changed status from Active to Pending at the end of the reported period. Pending listings are counted at the end of the reported period. Each listing can only be counted one time. If a listing goes to Pending, out of Pending, then back to Pending all in one reported period, the listing would only be counted once. This is the most real-time measure possible for home buyer activity, as it measures signed contracts on sales rather than the actual closed sale. As such, it is called a "leading indicator" of buyer demand.

Days in MLS: A measure of how long it takes a given property to sell.

Closed Listings: A measure of home sales that sold and closed during the reported period.

Average Close Price: A sum of all home sales prices divided by the total number of sales. Not considered the most accurate gauge since data from the high-end can easily skew the results.

Median Close Price: A measure of home values in a market area where 50 percent of activity was higher and 50 percent was lower than this price point. This method is preferred because it's more insulated from outlying activity occurring at either tail end of the market.

Months Supply of Inventory (MOI): A measure of how balanced the market is between buyers and sellers. It is expressed as the number of months it would hypothetically take to sell through all the available homes for sale currently, given current levels of home sales. A balanced market ranges from four to six months of supply. A buyer's market has a higher number, reflecting fewer buyers relative to homes for sale. A seller's market has a lower number, reflecting more buyers relative to homes for sale.

Residential (RES): Represents the overall housing market which includes activity of detached single-family homes as well as attached homes.

Detached Homes: Activity of Detached Single-Family Homes.

Attached Homes: Activity of Attached Condos & Townhomes.

Classic Market: Properties priced between $300,000 and $499,999.

Premier Market: Properties priced between $500,000 and $749,999.

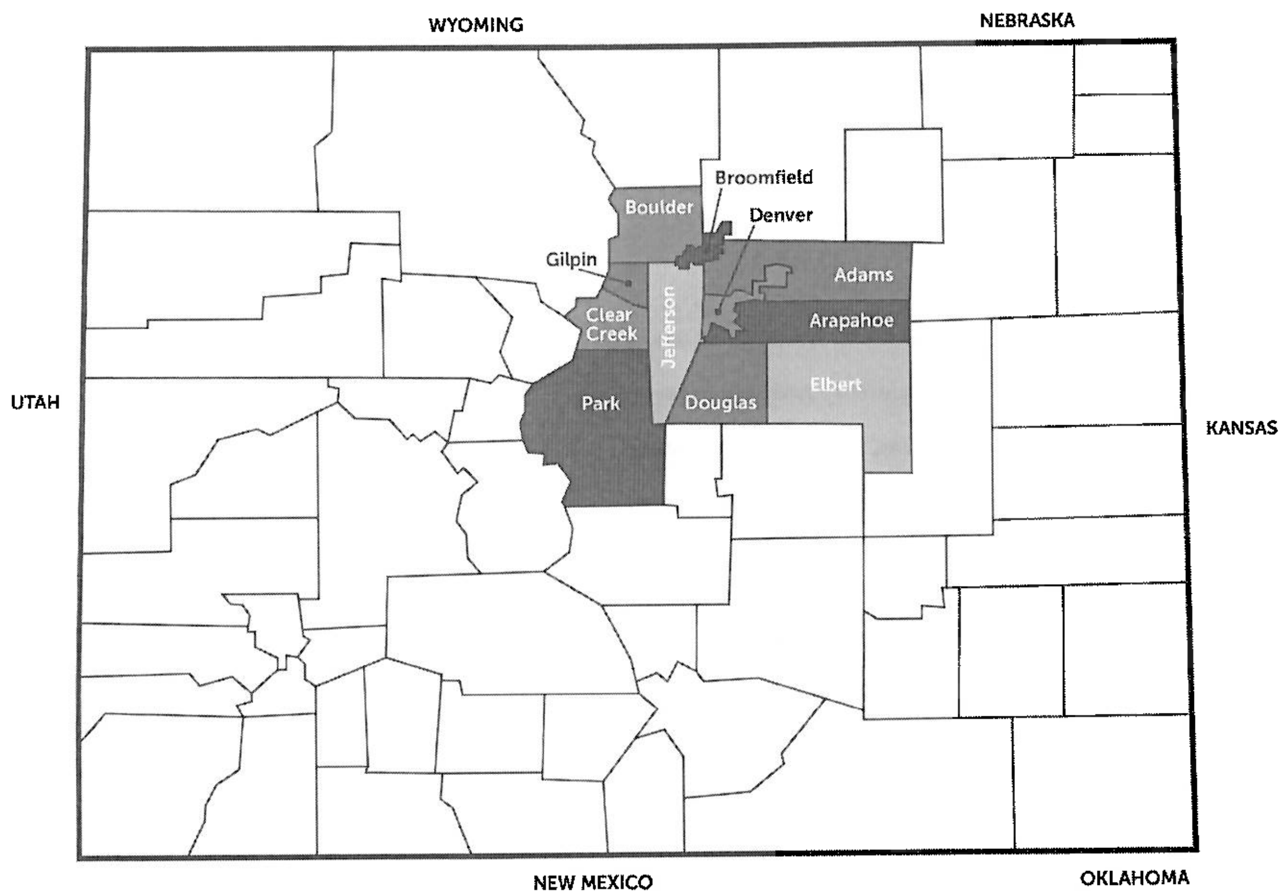
Signature Market: Properties priced between $750,000 and $999,999.

Luxury Market: Properties priced at $1,000,000+ ($1M+).

REcolorado: The source of our MLS listings data.

CLICK HERE TO VISIT DMAR'S GLOSSARY - THE A TO Z OF REAL ESTATE

11 COUNTY MAP



ABOUT

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The DMAR Market Trends Committee, part of the Denver Metro Association of Realtors®, *The Voice of Real Estate® in the Denver Metro Area*, provides timely, consistent and relevant monthly summaries of valuable local real estate market statistical data for both its members and the general public. Statistics from the "Denver Metro Real Estate Market Trends Report" provide data for the following counties: Adams, Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park.

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Data Source: REcolorado, the state's largest network of real estate professionals, serves as the primary source of MLS data for the Market Trends Committee. REcolorado.com provides the most accurate and up-to-date property information for Realtors®, real estate professionals and consumers.

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DISCLAIMER

All data presented in this report was provided by REcolorado. The data was pulled at 8:00 AM (mountain time) on the first day of the month for the preceding month(s).

Denver rent rises again, soars over $2,000 per month

by: Dara Bitler
Posted: Feb 15, 2022 / 12:16 PM MST / **Updated:** Feb 15, 2022 / 01:55 PM MST

https://kdvr.com/news/local/rent-is-up-in-denver-find-out-how-much/

DENVER (KDVR) — The January Rent.com rental report is out and it looks like there's no relief in sight for Denver renters.

Nationwide, rent prices are up 22.1% year-over-year for a one-bedroom, according to Rent.com.

The national average rent price for a one-bedroom is listed as $1,683 per month.

In Colorado, Rent.com said monthly rental prices are up 21.95% year-over-year. In 2020, the average monthly rent for a one bedroom was $1,574, according to the report. In 2021, the average monthly rent for a one bedroom was $1,919.

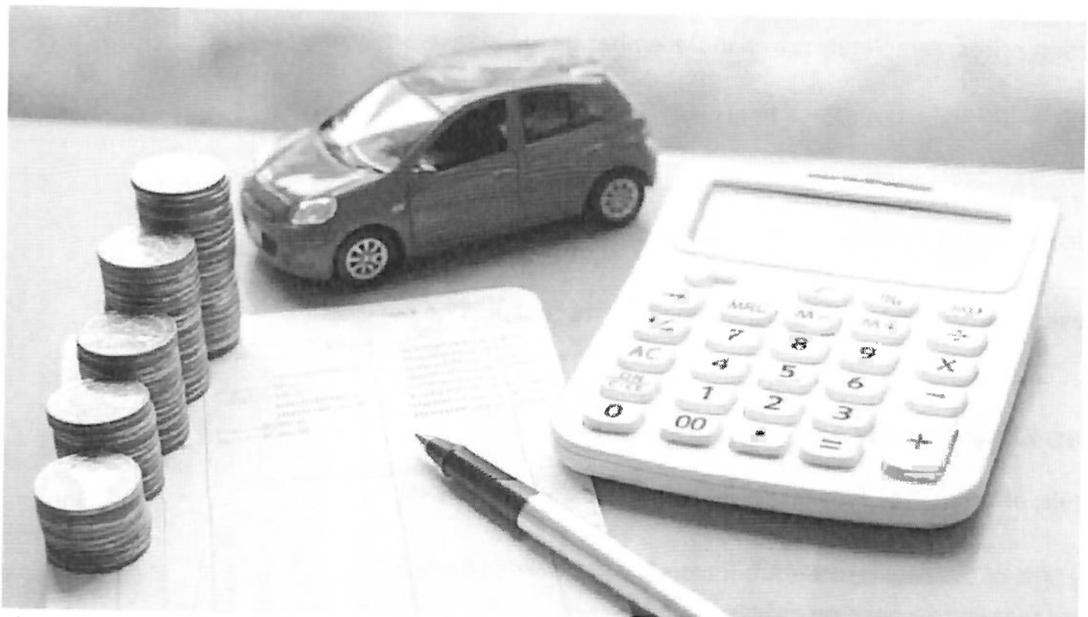
Denver monthly rental prices are an even higher average than that, the report said. The average price for a one bedroom in the city is $2,064, Rent.com said, which is up 4.96% from the same time last year.

The data shows that Denver ranks as 24th overall for average monthly rental price for a one bedroom.

According to Rent.com, the most expensive city for average monthly rent for a one bedroom is Boston, Massachusetts at $3,712. The least expensive city for average monthly rent for a one bedroom is Montgomery, Alabama at $606.

Array

Average New Car Price Tops $47,000



The average price Americans paid for a new car topped $47,000 for the first time in December. The average final transaction price last month was $47,077. The figure caps off a year of unprecedented price increases.

Accelerating Price Increases

During 2019, the price Americans paid for the average new car rose by $1,799.

In 2020, the price Americans paid for the average new car rose by $3,301.

Last year? In 2021, the price Americans paid for the average new car rose by $6,220.

Reduced supply and increased demand explain most of the problem.

The shortage initially was triggered by COVID shutdowns that took out almost three months of vehicle production. A worldwide microchip shortage hit in mid-2021, just as the economy started to get back on its feet after the first phase of the COVID-19 pandemic. Newly vaccinated Americans began spending again, and many sought out new cars. But manufacturers couldn't find the microprocessors they needed to keep up with demand.

Prices hit record highs over and over throughout the year while the sales pace remained low.

MSRP. Incentives sit near a 5-year low.

More Luxury Cars

But prices didn't rise just because of low supply. Americans also bought more luxury cars than they usually do.

"December typically is the best month for luxury vehicle sales, and 2021 followed that trend in a big way," said Kayla Reynolds, an analyst for Cox Automotive. "The result was another record in overall average transaction prices, completely driven in December by the increase in luxury vehicle sales."

The average price paid for a new non-luxury vehicle last month was $43,072, slightly down from the record high set in November 2021 but still more than $900 over sticker price.

But the average luxury buyer paid $64,864 — a record-setting sum more than $1,300 above sticker.

Affordable Sedans Disappearing

At the other end of the scale, affordable sedans made up a small percentage of sales.

In December 2018, nearly 30% of the new vehicles Americans bought were sedans. In December 2021, that figure slipped to a near-record-low 22.7%.

While it was difficult to find a discount on any new vehicle, buyers were most likely to find one on a new sedan. Incentives made up just 3.9% of the average sale, but 4.5% on new passenger car sales.

Cox Automotive is the parent company of Kelley Blue Book.

$29,000 for a used car? Blame inflation.

JANUARY 4, 2022 / 8:04 AM / CBS/AP

A couple of months ago, a woman paid a visit to Jeff Schrier's used car lot in Omaha, Nebraska. She was on a tight budget, she said, and was desperate for a vehicle to commute to work.

She was shown three cars priced at her limit, roughly $7,500. Schrier said the woman was stunned.

- How cars — new, used and rental — are putting inflation into high gear
- Car sales slump as vehicle prices continue to surge

"'That's what I get for $7,500?'" he recalled her saying. The vehicles had far more age or mileage on them than she had expected for something to replace a car that had been totaled in a crash.

The woman eventually settled on a 2013 Toyota Scion with a whopping 160,000 miles on it. Schrier isn't sure he made any profit on the deal. "We just helped her out," he said.

As prices for used vehicles blow past any seemingly rational level, it is the kind of scenario playing out at many auto dealerships across the country. Prices have soared so high, so fast, that buyers are being increasingly priced out of the market.

Consider that the average price of a used vehicle in the United States in November, according to Edmunds.com, was $29,011 — a dizzying 39% more than just 12 months earlier. And for the first time that anyone can recall, more than half of America's households have less income than is considered necessary to buy the average-priced used vehicle.

The days when just about anyone with a steady income could wander onto an auto lot and snag a reliable late-model car or buy their kid's first vehicle for a few thousand dollars have essentially vanished.

"It's craziness"

"I've never seen anything remotely close to this — it's craziness," said Schrier, who has been selling autos for 35 years. "It's quite frustrating for so many people right now."

When the government reported that consumer inflation rocketed 6.8% in the 12 months that ended in November — the sharpest jump in nearly 40 years — the biggest factor, apart from energy, was used vehicles. And while the rate of increase is slowing, most experts say the inflated vehicle prices aren't likely to ease for the foreseeable future.

The blame can be traced directly to the pandemic's eruption in March of last year. Auto plants suspended production to try to slow the virus' spread. As sales of new vehicles sank, fewer people traded in used cars and trucks. At the same time, demand for laptops and monitors from people stuck at home led semiconductor makers to shift production from autos, which depend on such chips, to consumer electronics.

Driving the surge are drivers — American motorists and their wheels are the major culprit pushing consumer prices to the breaking point, CBS MoneyWatch reported in July.

The Consumer Price Index for used cars and trucks in July saw its biggest monthly increase since 1953, when Buick Roadmaster ruled the country's roads. That surge alone was responsible for one-third of the increase of the overall CPI. Meanwhile, new car prices continue to climb. The average new car bought in May cost more than $41,000, according to Kelley Blue Book — a jump of over $2,000 from the year-ago period.

Semiconductor shortage

When a swifter-than-expected economic rebound boosted demand for vehicles, auto plants tried to restore full production. But chip makers couldn't respond fast enough. An ongoing shortage of semiconductor chips, which are essential components of new cars and trucks and most of which are imported, continues to reduce the production of new vehicles, pushing used-car prices to record levels.

Rental car companies and other fleet buyers, unable to acquire new vehicles, stopped off-loading older ones, thereby compounding the shortage of used vehicles.

Bleak as the market is for used-car buyers, the computer chip shortage has also driven new-vehicle prices higher. The average new vehicle, Edmunds.com said, is edging toward $46,000.

Even so, prices of used cars are likely to edge closer to new ones. Since the pandemic started, used vehicle prices have jumped 42% — more than double the increase for new ones. Last month, the average used vehicle price was 63% of the average new vehicle cost. Before the pandemic, it was 54%.

At this point, Schrier has to tell lower-income buyers that he has very few used vehicles to sell them.

"What used to be a $5,000 car," he said, "is now $8,000. What used to be $8,000 is now $11,000 or $12,000."

Including taxes, fees, a 10% down payment, and an interest rate of around 7.5%, the average used vehicle now costs $520 a month, even when financed for the average of nearly six years, Edmunds calculated.

Too expensive for "average person"

To make that payment and afford such other necessities as housing, food and utilities, a household would have to take home about $60,000 a year, or $75,000 before taxes, said Kimberly Palmer, a personal finance specialist at NerdWallet. In 2020, the U.S. median pretax household income was $67,521, the Census Bureau says.

"The average person," Palmer said, "can't afford the average used car right now."

Ivan Drury, a senior manager at Edmunds, said that while he doesn't track used vehicle prices relative to household income, he thinks November marked a record "in the worst way possible for affordability."

Monthly payments for the average used vehicle, he noted, were $413 two years ago, $382 five years ago and $365 a decade ago. The November average payment of $500-plus for a used vehicle, Drury said, is about the average that was needed five years ago for a brand-new vehicle.

"People are going to have to make hard decisions, maybe cut back in other areas," Palmer said. "It means that it's stressful for a lot of families."

Used vehicle prices are so high that Karl Hogan of Canonsburg, Pennsylvania, near Pittsburgh, was able last month to quickly sell his 2007 Toyota Tacoma small pickup truck, with more than 170,000 miles on it. Even with the vehicle's age and mileage, a man from Ohio forked over $6,500 for it.

Hogan didn't have to budge from the asking price. When some would-be buyers offered him less money, he told them: "I've got 12 other guys behind you."

A week before the sale, when he bought his new Tacoma, Hogan had been on the other side of the equation. The dealer wouldn't budge from his $38,000 sticker price.

"If I didn't take it," Hogan said, "there were three people waiting. I couldn't get any off, but I wanted a new truck."

Supplies limited

David Paris, a senior manager at J.D. Power, noted that used vehicle prices are directly tied to the cost of new ones. Though some automakers report that the computer chip supply is gradually improving, prices paid by dealers at used vehicle auctions kept rising through November, Paris said.

"We're not seeing any softening in prices, which is extremely rare for this time of the year," he said.

New vehicle dealers have about 1 million vehicles available nationally — scarcely one-third of the normal supply, Paris said. And the vast majority have already been sold.

Given pent-up demand from consumers, prices for new vehicles are expected to remain historically high until the supply returns to around 2 million or 2.5 million and automakers resume discounting, which could take well into 2023. Once new vehicle prices do ease, the pressure on used-vehicle prices would eventually follow.

Yet even after that, the availability of vehicles will be tight because traditional sources of used vehicles — autos turned in from leases and trade-ins or sold by rental companies — have essentially dried up.

For the past decade, cars returning from two- and three-year leases were a leading source of almost-new used vehicles. But that was when more than one-third of U.S. new vehicle sales were leases, a figure now down to 22%, said Edmunds' Drury. Because there aren't many new autos, people with expiring leases are often buying those cars once their leases end.

Rental companies, another key source of late-model used cars, can't buy new ones now and are holding the ones they have. Some rental companies are even buying used vehicles. Given all those factors, Paris expects the shortage of used cars to worsen through 2024.

Among the few consumers who stand to benefit are those who want to sell a used car and don't necessarily need to replace it. The average trade-in value in October, Paris said, was $9,000 — twice what it was a year earlier.

Deals to be found "if you look hard enough"

But for people who have no vehicles to trade in and only modest incomes, the options are few to none. Palmer of Nerdwallet said lower-income people may simply have to pay for repairs to keep a current vehicle running as long as possible. Even that option, though, can become prohibitively expensive.

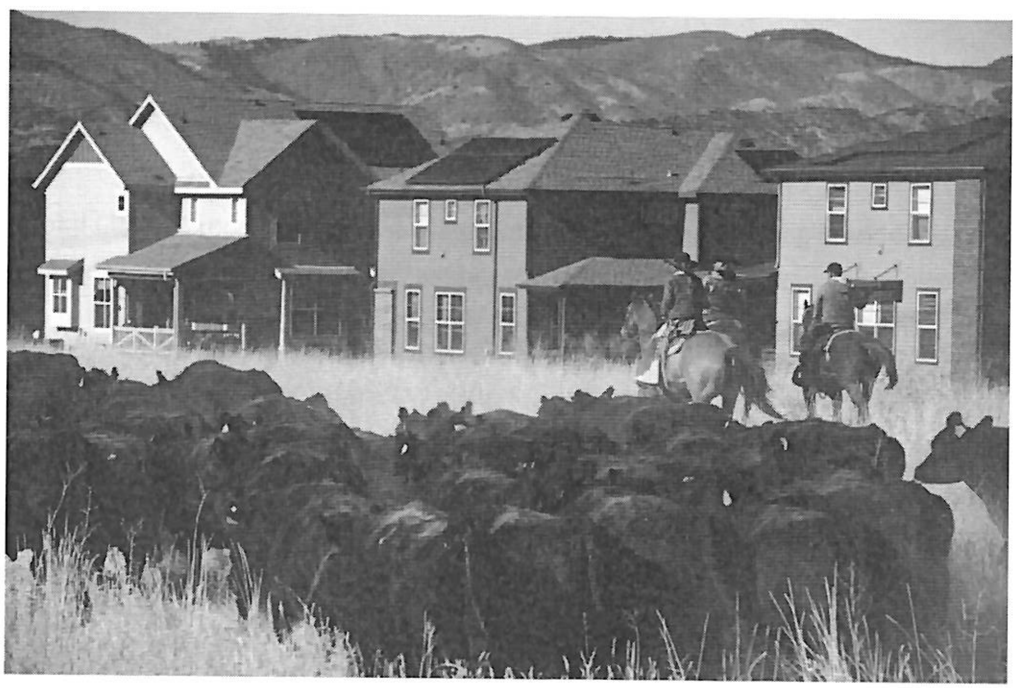
J.D. Power's Paris says that if they can afford it, buyers should consider a new vehicle. He recently managed to get a couple thousand dollars whacked off the sticker price on a new Ram pickup, though he had to travel from the Washington, D.C., area to Philadelphia to reach a willing dealer he had located by searching internet forums.

"If you look hard enough and are willing to wait and travel," he said, "you can find deals across mo

BUSINESS > REAL ESTATE

Colorado homeowner equity surged by $78,000 on average the past year

Home price growth increases the wealth of those who own homes by a record amount



Helen H. Richardson, The Denver Post

Colorado homeowners have seen a stampede in home equity gains the past year, creating an additional $78,000 in wealth on average.

5

The big jump in home values across Colorado during the pandemic is translating into unprecedented gains in homeowner equity in the state, and that added wealth could fuel additional spending in the months ahead.

In Colorado, the average homeowner has gained $78,000 in home equity the past year through Sept. 30, according to a quarterly report from CoreLogic, a real estate data firm based in Irvine, Calif. That increase is up from a $77,000 annual gain in the second quarter and a $47,000 annual gain in the first.

"Home equity is a component of total wealth and it helps stimulate additional spending," said Frank Nothaft, chief economist at CoreLogic during the National Association of Real Estate Editors annual conference in Miami.

Colorado's gains weren't even the highest in the region. Several states with lower median home prices outperformed, including Arizona, up $92,000; Utah, up $91,000; and Idaho up $82.000.

Nationally, homeowner equity rose 31.1% year-over-year in the third quarter, creating $3.2 trillion in additional wealth. That translates into an average gain of $57,000 per homeowner, CoreLogic said.

Average annual gains in home equity nationally have ranged from $30,500 back in the summer of 2013, when U.S. homes values were recovering from a sharp drop during the housing bust, to $5,400 in the summer of 2019.

Equity gains had been actually slowing sharply before the pandemic and early on most analysts were calling for lower or flat home prices because of the pandemic. But a sharp drop in interest rates, the desire for more living space and unprecedented federal support for the economy resulted in the opposite happening.

About 63% of U.S. homes carry a mortgage and equity gains include the paying down of principal. But current gains are being driven primarily by record-setting gains in home values across the country.

That provides borrowers who got behind on their payments during the pandemic a better chance of escaping foreclosure.

Tapping equity can also help fund home improvements, cover the cost of college education for children, and support higher-cost purchases. Even if it isn't accessed, just knowing the equity is there can contribute to a greater willingness to spend, what economists call the "wealth effect," Nothaft said.

But higher home values are also widening the economic gap between those who own a home and those who don't, which could contribute to a more divided society, said Lawrence Yun, chief economist at the National Association of Realtors.

"My concern is really about what will happen to first-time homebuyers. Can they reach the market?" asked Yun, who was also speaking at NAREE.

Popular in the Community