

Media Coverage of Our Real Estate Market Can Be Confusing or Even Misleading

About this time each month, the media updates readers and viewers on Denver's real estate market, based on the "market trends" report released by the Denver Metro Association of Realtors (DMAR), derived from data gathered by REcolorado, our local MLS.

The headline last Friday in the Denver Post was, "Metro Denver home sales tumble in November, taking prices down with them."

When I worked for daily newspapers, the reporters did not write their own headlines. That was left to the copy desk, which I also worked on for a while. So, remember to read whole newspaper articles, not just the headlines!

However, headlines are what most people rely on, resulting in

"conventional wisdom" that may be faulty about any given topic.

There are two problems with Friday's headline. First, you need to know that the statistical report for "metro Denver" is based on statistics for an area that is more rural than urban or metropolitan, as I explain below. Second, the statistics are based on month-to-month movement, which is not seasonally adjusted like other statistics.

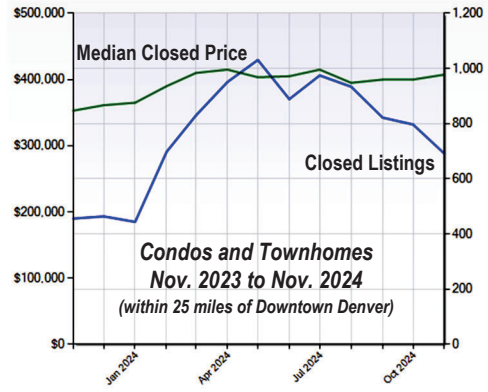
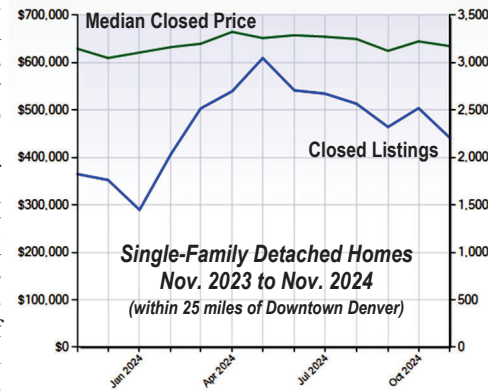
So, look at the two charts I printed at right to correct for those two flaws in the coverage.

Year-over-year, the number of sales is way up, and although the median closed price for detached single-family homes is down a little from October, it's actually up frac-

tionally from the prior November. The median closed price for the attached homes is actually up significantly from a year ago and up slightly from October.

DMAR's statistics for condos and townhomes in its 11-county area were way off from the statistics based on a 25-mile radius of downtown Denver. DMAR reported that the median price of attached listings was down 1.2% from November 2023, but you can see that it's actually up quite a bit — 15.4%. The number of closings was up 51.4%.

According to DMAR, the number of active listings was up 39.3% from October 2023. In the 25-mile radius, they were up only 30%. These are just some examples of how much stats can vary based on the urban/rural mix of DMAR's study area versus looking at a 25-mile radius of Denver.



Understanding Your Home's Exterior

Last week's newsletter from our friends at **Alpine Building Performance** was on this topic, and some of the descriptions below are from them, but I have added my own content and edited theirs.

Brick or Stone Veneer - It has been decades since builders actually built brick or stone structural walls. Nowadays, homes are almost always wood frame with only a veneer of brick or stone. And that "stone" is usually "cultured stone" (example at right), which is made from concrete with additives to create the look of real stone and molded into different shapes. It's fun to look at a wall and see if you can find where different shapes are repeated.

Composite Decking - Trex was probably the original brand name for this product, which is a mostly petroleum product. Its first version over 25 years ago was gray and not at all wood-like in appearance. It also was prone to sagging if your joists were more than 12 inches apart. Now Trex and its several competitors make versions which look quite wood-like. I like TimberTech's line.

Balcony vs. Deck - A balcony is technically a structure that does not have exterior stairs to the ground level and can only be accessed from inside.

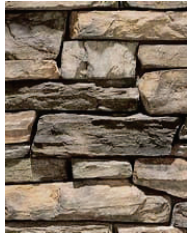
Fiber Cement Siding - If you own a tract home built since, say, 1990, and you think you have wood siding, you quite likely have fiber cement siding that looks like wood. James Hardie® dominates this product line with their "HardieBoard." This exterior cladding is made from a mixture of cement, sand, water, and cellulose fibers. In

addition to wood, it often mimics stucco or masonry, offering superior resistance to moisture, pests, fire, and weather. Fiber cement is a popular siding choice due to its affordability and benefits.

Flatwork - Refers to horizontal surfaces made from materials such as concrete or pavers, including sidewalks, driveways, patios, and slabs, providing functional and decorative flat surfaces in outdoor spaces. **It is not structural!** It is slab-on-gravel, and if the earth under it is not properly prepared, it is prone to settling, which is fixed by "mudjacking," a process in which a concrete slurry is pumped through 4-inch holes in the concrete to raise it. Your basement and garage floors are probably slabs on gravel. I am particularly fond of "stamped concrete," which is typically colored and can resemble flagstone.

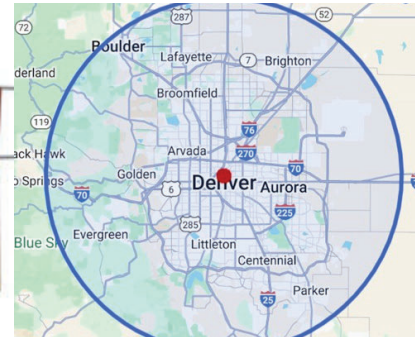
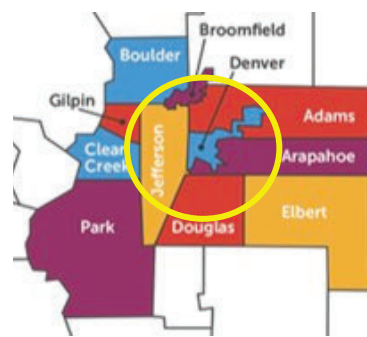
EIFS - (Exterior Insulation and Finish System) is also known as "artificial stucco." It's a multi-layered exterior wall cladding that provides insulation, waterproofing, and a customizable finish. It typically consists of an insulation board, base coat with fiberglass mesh, and a decorative finish coat often referred to as synthetic stucco. While EIFS has a bad reputation for moisture issues (see <http://RealEstateToday.substack.com>), it can be a great product *if* installed properly.

Capillary Break - An air gap between materials that prevent moisture from wicking up and into a building material. This term is generally used to describe the air gap between ground and siding or between roof surface and siding.



What's the Statistical Definition of 'Metro Denver'?

People often want to know, "How's the real estate market?" That question is answered each month by the Denver Metro Association of Realtors using data from the Denver MLS, which is REcolorado. But they define "metro Denver" as the 11 counties that touch on the metro area. That map is below. It would be just as easy to gather statistics (as I do) based on a 25-mile radius of downtown Denver, shown at right. The yellow circle on the left map approximates the 25-mile radius that I use.



Golden Real Estate lists and sells residential properties across the entire metro area.

Jim Smith
 Broker/Owner, 303-525-1851
Jim@GoldenRealEstate.com
 1214 Washington Ave., Golden

Broker Associates:
 JIM SWANSON, 303-929-2727
 CHUCK BROWN, 303-885-7855
 DAVID DLUGASCH, 303-908-4835
 GREG KRAFT, 720-353-1922
 KATHY JONKE, 303-990-7428
 CHRIS SHOLTS, 320-491-6494

Loan Officer: WENDY RENEE, 303-868-1903

GOLDEN REAL ESTATE
 Hometown Service Delivered with Integrity
 Promoting and Modeling Environmental Responsibility