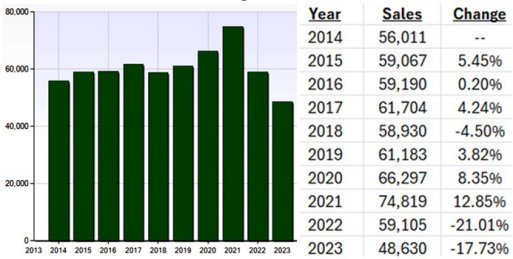


# How Much Did Home Sales Fall in 2023, and Was It a Record Drop?

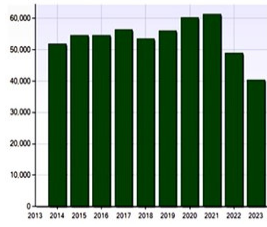
In the middle column is a chart showing the number of residential sales within a 25-mile radius of downtown Denver over the past 10 years. I was inspired to do this research by a news report that the nationwide drop in sales for 2023 versus 2022 was the biggest drop in 30 years. As you can see, however, here in the Denver metro area, the 2023 drop in sales was the biggest drop since... 2022! Moreover, the drop in 2022 was only as big as it was because of the high level of sales in 2020 and 2021, the first 2 years of the pandemic.

As I said, my statistics were for the area within 25 miles of downtown Denver, which I consider to be a reasonable definition of "metro Denver." The Market Trends Committee of the Denver Metro Association of Realtors uses the same data source as me, namely REcolorado.com, but they define "metro Denver" as 11 counties, many of which extend far from downtown Denver. Here's what the data looks like using those 11 counties:

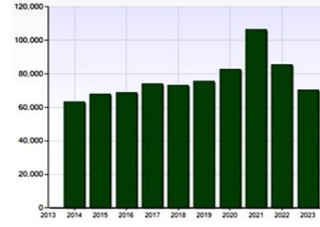


I have been trying for years to get the Market Trends Committee and other real estate statisticians to switch from using the county definition to using the radius definition of the metro area. At right I have overlaid the 25-mile radius of downtown Denver over the 11 counties used by DMAR and other statisticians. As you can see, the rural components of several counties are big enough to distort the picture of the Denver metro market.

I've added a third chart (top right) using the full REcolorado database, which covers much of the state. It's common to refer to REcolorado as the "Denver MLS," but it can and does include listings from all over the state. There are other



Year	Sales	Change
2014	63,241	--
2015	67,976	7.48%
2016	68,798	1.20%
2017	74,157	7.78%
2018	73,116	-1.41%
2019	75,715	3.55%
2020	82,931	9.53%
2021	106,674	28.62%
2022	85,522	-19.83%
2023	70,433	-17.65%



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MLSs in the state, but if a listing agent wants to reach Denver buyers, as he or she should, then entering those distant listings on REcolorado is a must.

The third chart tells an important story. If you recall the beginning of the Covid-19 pandemic, workers were forced to work from home. When it looked like the pandemic was going to linger, many metro area workers decided that working at home could work for them long-term. Moreover, they wanted to move somewhere less populated, so they wouldn't be rubbing shoulders with possibly infected neighbors. That caused a huge

surge in out-migration from Denver, which is best reflected in the third chart, where the slow market in rural listings pulled down the statewide average — until the pandemic. Looked at statewide, you'd think that the big drop in 2023 sales was more of a return to pre-pandemic levels than an absolute drop — as it was if looked at on the metro Denver level.

*I'm on a world cruise until May 6 (which you can follow at <http://WhereAreJimandRita.substack.com>), but it's a "working vacation." I answer my cell phone and return emails, so reach out to me with your real estate needs and questions!*

## 'Private Exclusive' Status Intended to Combat Pocket Listings

REcolorado has released the rules for a new kind of listing called "Private Exclusive." It replaces an earlier status called "Office Exclusive," which made listings by individual brokers only visible to fellow agents in their office, which I felt discriminated against brokerages with fewer agents, like Golden Real Estate.

The new status is intended for sellers who desire a higher level of privacy, by not publicizing widely that they are selling their home and for how much. Under this status, the listing agent cannot put a sign in front of the house and can only promote the listing one-on-one to other agents or to prospective buyers in his or her sphere of influence. That means that the listing may not be promoted on social media or be mass emailed, and will not be displayed on the MLS or consumer-facing websites like Zillow until it has sold.

The problem with "private exclusive," of course, is that it severely limits the number of potential buyers who will see the listing. The advantage for the listing agent of off-MLS listings or "pocket listings" is that he or she is more likely to "double-end" the sale and not have to give half his or her listing commission to the buyer's agent.

That's why the listing agent is required to affirm during the listing entry process that the seller *requested* keeping the listing private, and that the seller was *informed* of the negative effects of not being displayed on the full MLS. With such an affirmation, it's hard to imag-

ine that an *informed* seller would want to limit the exposure of his or her listing so drastically. When a listing is active on the MLS, it is displayed not only on REcolorado and other regional MLSs, it is displayed on Zillow, Redfin and every other consumer website, including the websites of virtually every brokerage including Re/Max, Coldwell Banker, Century 21 — and, yes, Golden Real Estate.

The one likely/appropriate application for this non-public status would be if the home is in a multi-million dollar neighborhood and is owned by a celebrity or sports star who values his or her privacy, and the listing agent has sold scores of such homes and has a huge network of prospective buyers, including other celebrities and ultra-rich persons.

The motivation of our MLS to create this new status was to maximize the accuracy of its sold database. When a home is sold off-MLS or as a pocket listing, it's less likely to be posted on the MLS once it has sold, thereby limiting its visibility to appraisers and other agents looking for comparable sales. When a private exclusive listing is sold, it remains on the MLS and must be updated with the sold price and terms. It then becomes fully visible as a sold listing for all to see, including on those consumer websites like Zillow, Homes.com and others.

Large brokerages still have an advantage over us smaller brokerages, because other agents within the brokerage can search for and find those listings. They must obey the same limitations as the listing broker regarding promotion of the listing.

**No Real Estate Brokerage Exposes Your Home to As Many Buyers As Golden Real Estate Does**

If you choose one of our broker associates or me to list your home, it will be featured in this weekly ad. But did you know how many newspapers this column appears in? It appears every Thursday in all editions of the Denver Post's YourHub section, plus the following weekly newspapers: Arvada Press, Brighton Standard Blade, Canyon Courier, Castle Pines News-Press, Castle Rock News-Press, Centennial Citizen, Clear Creek Courant, Commerce City Sentinel Express, Denver Herald-Dispatch, Douglas County News Press, Elbert County News, Englewood Herald, Fort Lupton Press, Golden Transcript, Highlands Ranch Herald, Hustler 285, Jeffco Transcript, Littleton Independent, Lone Tree Voice, MetroWest Advertiser, Northglenn-Thornton Sentinel, Parker Chronicle, South Platte Independent & Westminster Window. **The combined circulation of the Denver Post plus the 24 weekly newspapers is over 300,000!**

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Promoting and Modeling Environmental Responsibility  
*"The time is always right to do what is right." — Martin Luther King, Jr.*