

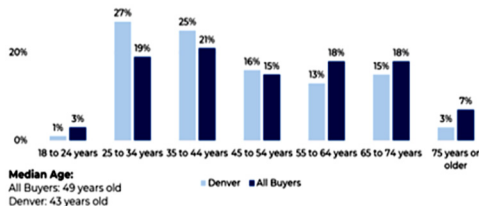
# NAR Releases Profile of Denver Metro Area Buyers and Sellers

Last week I reported on the real estate market in metro Denver. This week, I'm providing information from a National Association of Realtors (NAR) survey of buyers and sellers that was released in December. In addition to the national stats, local data was derived from 169 Denver area respondents who had purchased a home in the 12-month period from July 2022 to June 2023. To be as complete as possible, sales were from public records, not from MLS data. The buyers who had also sold a home constituted the database for the survey of sellers. The survey was limited to buyers of primary residences, not investment properties. Here's my editing of the report released for Denver via the Denver Metro Association of Realtors.



## Characteristics of Home Buyers

In Denver, the median age of recent home buyers was 43, compared to 49 nationally. The largest share of home buyers in Denver this year were in the 25 to 34 years age group (27 percent) and the 35 to 44 years age group (25 percent). This graph shows both the Denver and national breakdowns:



- Denver buyers had a median 2022 income of \$146,900.
- 60 percent of buyers were married couples, 16 percent were single females, ten percent were single males, and ten percent were unmarried couples.
- 34 percent were first-time buyers.
- 27 percent of buyers had children under the age of 18 living at home.
- 11 percent of home buyers purchased a multi-generational home, either to take care of aging parents, or because of children or relatives

over the age of 18 moving back home, or for cost-savings.

- 82 percent of buyers were White/Caucasian, 9 percent were Hispanic/Latino, 2 percent were Black/African American, 8 percent were Asian/Pacific Islander, and 3 percent identified as "other."

## Characteristics of Homes Purchased

- 16 percent of buyers purchased a new home, and 84 percent of buyers purchased a previously-owned home.
- Detached single-family homes continued to be the most common home type for recent buyers at 79 percent, followed by townhouses at 11 percent. 7% purchased units in multi-family buildings, including half-duplexes, triplexes and four-plexes.

- 68% of buyers purchased in a suburb/subdivision, 20% purchased in an urban area/center city, and 11 percent in a rural area or small town.

- When it came to sustainability features, windows, doors and siding were "very important" to 34% of Denver buyers. Coming in second was energy-efficient lighting at 28%, heating and cooling costs at 27%, with solar panels being "very important" to only 9% of buyers. (Nationally, solar panels were only "very important" to 6% of buyers.)

## Home Buying and Real Estate Professionals

- 89 percent purchased through a real estate agent, and two percent purchased directly from the previous owner.

## Financing the Home Purchase

- For 42 percent of buyers, the source of the downpayment was their savings, and 35% of buyers cited using the proceeds from the sale of a primary residence for their downpayment. 10% sold stocks or bonds, and 10% used gifts from friends/family.

- The median percent financed for first-time buyers was 91 percent compared to 75 percent for repeat buyers.

- 82% of buyers reported that they view a home purchase as a good investment.

## Home Sellers and Their Selling Experience

- For Denver sellers, the most commonly cited reason for selling their home was the desire to move closer to friends and family (17 percent), their prior neighborhood had become less desirable (9 percent), or they moved due to retirement (8%).
- On average, sellers lived in their home for 10 years before selling.

## Home Selling and Real Estate Professionals

- 80 percent of Denver sellers reported that their agent provided a broad range of services and management of most aspects of the home sale.

- 67 percent said that they would definitely or probably (19 percent) recommend their agent for future services.

## Consider These Tasks to Make a Home Market Ready

**First, only make improvements that eliminate a defect or an issue which might turn off a prospective buyer.** I call these "eyesores," things that stand out like a sore thumb, and not things that are simply "dated" or out of style.

Here are some examples:  
**Do** refinish hardwood floors that are seriously and obviously in need of refinishing.

**Do** replace carpeting that is seriously old, such as 1970s shag carpeting, or carpeting that is seriously worn or stained. (Again, think "eyesore.")

**Do** replace damaged countertops.  
**Do** repair damaged walls and replace damaged doors that can't be repaired.

**Do** replace those 1990s glass-and-brass lighting fixtures. (They're so unappealing that Habitat's thrift store won't accept them as donations!)

**Do** replace burned out light bulbs. Now that LED replacement bulbs are so cheap (under a dollar in bulk at many stores), I suggest replacing **all** your incandescents or CFLs with LED "daylight" equivalents.

**Do** repaint where there is peeling or discolored paint. (Think "eyesore.")

**Do** replace rotted timbers on your deck, then power wash and re-stain or repaint as necessary.

**Do** improve curb appeal (always buyers' first impression), including weeding and pruning and freshening the front door. (It's true that red

front doors do help to sell a home...)

**Do** have someone with "fresh eyes" walk through your house and identify other turn-offs. (Our free staging consultant performs that function.)

**Do not** replace undamaged countertops or bathroom fixtures just because they are "dated" — even those pastel colored bathtubs and sinks. (I tell buyers "You can't buy those anymore!") The exception would be the toilets. A white chair height low-flow toilet can be replaced for a couple hundred dollars and installed by any handyman. (We have a \$25/hour handyman for our clients.)

Beyond the above advice, I tell my sellers to be **strategic** about major issues which they know need to be done. If these are likely to become inspection issues, don't fix them prior to listing your home if they're not the kind of eyesore which would deter a buyer from making an offer.

For example, I had a listing with damage to the concrete driveway. The seller was thinking he should repair it before putting the home on the market. We knew it would be an inspection issue, but by leaving it undone we could use it as a bargaining chip. Sure enough, we got under contract and the inspection demands included repairing the driveway. Since it was the most expensive item on a long list of repairs, we said we'd repair that but nothing else, and the buyer accepted it.

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"I cannot do all the good the world needs, but the world needs all the good I can do." —Jana Stanfield



This week Rita and I are in New Zealand on our Viking cruise. I'm easy to reach by cell phone and email. Just know that we arise at 2 pm Denver time! Calls are free, so feel free to reach out after 2!