

What Do the Year-End Stats Tell Us About Denver's Real Estate Market?

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REAL ESTATE TODAY



By JIM SMITH, Realtor®

apply to where you live. I don't have the space to provide the stats for your subdivision, but I can certainly provide them for Denver and for the metro area using data from REcolorado, our MLS.

The charts at right contain what I consider to be the most useful statistics for assessing the health of the real estate market in the City & County of Denver compared to the rest of the metro area, which I'm defining as within a 17-mile radius of the state capital.

That radius includes Aurora but not Parker on the east and southeast, Highlands Ranch but not Castle Rock to the south, Golden to the west, and Broomfield and Thornton but not Brighton or Boulder to the north. Basically, it includes most of what I consider urban and suburban Denver.

What we learn from these statistics covering the last five years is that the median sales price has continued to rise by a significant amount every year, both in Denver and the rest of the metro area. The same was true for the price per square foot except for a slight dip between 2017

City & County of Denver Statistics

	Median	Ave. Price	Percentage of	Median Days	Total	Expired
Year	Sales Price	per Total SF	Listing Price	on MLS	Sales	Listings
2015	\$335,000	\$233	100.40%	7	13,296	2,498
2016	\$365,000	\$261	100.00%	8	13,423	2,477
2017	\$395,000	\$301	99.90%	8	13,346	2,523
2018	\$435,000	\$297	99.70%	8	12,888	2,741
2019	\$442,000	\$309	99.00%	13	13,403	3,416

and 2018 in Denver (and, by the way, in Jeffco) but not for the rest of the metro area as a whole.

The ratio of selling price to listing price has been on a steady decline in both charts, but the drop in 2019 was much sharper, sinking below full price. Meanwhile, the median days that it took listings to go under contract was pretty steady until 2019, when it surged by over 50% both in Denver and the rest of the metro area. The number of sold listings has remained steady for all five years, but notice the surge in expired (unsold) listings in both 2018 and 2019.

Now let's look at how this December in Denver compared to previous Decembers:

Denver Statistics - Last 5 Decembers

	Median	Ave. Price	Percentage of	Median Days	Total	Expired
Month	Sales Price	per Total SF	Listing Price	on MLS	Sales	Listings
Dec-15	\$335,000	\$232	99.1%	14	1,114	351
Dec-16	\$369,000	\$259	99.0%	13	1,033	317
Dec-17	\$400,000	\$287	99.2%	16	1,081	330
Dec-18	\$401,250	\$297	98.5%	20	790	412
Dec-19	\$430,000	\$331	98.6%	22	1,047	451

Metro Area Stats (excluding Denver)

	Median	Ave. Price	Percentage of	Median Days	Total	Expired
Year	Sales Price	per Total SF	Listing Price	on MLS	Sales	Listings
2015	\$290,000	\$159	100.6%	6	32,495	4,087
2016	\$325,000	\$166	100.5%	6	32,012	3,824
2017	\$353,650	\$189	100.3%	7	32,885	3,756
2018	\$380,000	\$194	100.2%	7	30,877	4,452
2019	\$394,950	\$201	99.4%	11	32,008	5,297

In that chart you see that there has been an improvement over past years in every indicator except days on market and the number of listings that expired without selling. Median sold price and price per square foot are at record highs for December. The ratio of sold price to listing price is slightly higher than in 2018, although still under listing price. It will be interesting to see how January shapes up. As I write this on Monday evening, there have already been 125 closings of Denver listings and there were only 907 Denver listings under contract, so it's not looking good for matching last January's number of 1,665 sold listings.

You can find this same analysis of Jeffco's market online at www.JimSmithColumns.com.

Coming: Big Changes to Our MLS

It won't be that obvious to consumers accessing our MLS at www.REcolorado.com, but agents who login to it will need to adjust to many changes that will take effect this coming Monday, January 13th. We at Golden Real Estate are studying the 45-minute instructional video provided to us by REcolorado.

The reason for the overhaul is to make the MLS database 100% compatible with national standards promulgated by the National Association of Realtors.

Another change coming within the next couple of months is an MLS rule restricting the use of "pocket listings" and "coming soon" listings, which are kept off the MLS, often to benefit the listing agent, not the seller. In a nutshell, the rule will say that any listing by an MLS member must be made active on the MLS within one day of any promotion of the listing, which includes putting a sign in the yard, promoting it online or on social media, or in any other way.

Look for more details in this space on the rollout of this rule when we get closer to its implementation. This rule was mandated in November by a nearly unanimous vote of the National Association of Realtors' board of directors.

January Is Radon Action Month. Here's What You Need to Know:

Here in Colorado, about half our homes have elevated levels of radon, a naturally occurring gas created by the decay of radioactive radium in our soils. It is the leading cause of lung cancer in non-smokers. I urge you to look on YouTube, as I did, for some excellent videos about radon.

Most real estate professionals, including the agents at Golden Real Estate, are well aware of this issue and will always advise the buyers we represent to have the home they are buying tested for the level of radon gas as part of the home inspection process.

Notice that I didn't say to test for the *presence* of radon gas, but rather the *level* of radon gas. That's because radon gas is present even in "fresh" air. But it can concentrate when it seeps into your basement, crawl space and even your above-grade living areas.

Since a high level of this gas is considered a "health and safety" issue, a seller is essentially obligated to accept responsibility for having the radon level mitigated or to compensate the buyer for doing it after closing.

At Golden Real Estate, we have a hand-held device smaller than a TV remote which we can lend to sellers prior to listing their home so they'll know in advance what level of radon a buyer's inspector is likely to discover. Ace Hardware has this same device for sale for \$199.

There are less expensive mail-in radon tests that you can purchase at Home Depot or Lowe's, but they're also free at multiple locations — in

cluding from our office at 17695 S. Golden Road in Golden.

During the home sale, it's best to have a certified radon measurement contractor do the official test. You can find a list at ColoradoRadon.info. The test utilizes an electronic device which samples the air every hour over a 48-hour period. It can detect whether the device has been disturbed and whether there have been changes in atmospheric conditions which might suggest that windows or doors have been opened to allow fresh air into the house. Inspectors charge between \$100 and \$150 for this test, but it's well worth the expense, especially if the results of the test show that the level of radon gas exceeds the EPA action level of 4 picocuries per liter of air. If the test shows a level greater than that, the buyer can demand that the seller have radon mitigated. That typically costs about \$1,000, so the testing is well worth the additional inspection cost.



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The charts at right contain what I consider to be the most useful datapoints for assessing the health of the real estate market in Jefferson County compared to the rest of the metro area, which I'm defining as within a 17-mile radius of

the state capitol. That radius includes Aurora but not Parker on the east and southeast, Highlands Ranch but not Castle Rock to the south, and Broomfield and Thornton but not Brighton or Boulder to the north. Basically, that 17-mile radius encompasses most of what I consider urban and suburban Denver.

What we learn from these statistics covering the last five years is that the median sales price has continued to rise by a significant amount every year, both in Jeffco and the rest of the metro area. The same was true for the price per square foot except for a decline between 2017

Jefferson County Statistics

	Median	Ave. Price	Percentage of	Median Days	Total	Expired
Year	Sales Price	per Total SF	Listing Price	on MLS	Sales	Listings
2015	\$320,000	\$161	100.4%	6	10,536	1,592
2016	\$360,000	\$179	100.3%	7	10,526	1,462
2017	\$389,000	\$222	100.1%	7	10,643	1,349
2018	\$416,000	\$212	100.1%	7	10,041	1,563
2019	\$432,000	\$219	99.4%	10	10,245	1,729

and 2018 in Jeffco (and, by the way, in Denver) but not for the rest of the metro area as a whole.

The ratio of selling price to listing price has been on a steady decline in both charts, but the drop in 2019 was much sharper, sinking below full price. Meanwhile, the median days that it took listings to go under contract was pretty steady until 2019, when it surged by about 50% both in Jeffco and the rest of the metro area. The number of sold listings has remained steady for all five years, but notice the surge in expired (unsold) listings in both 2018 and 2019.

Now let's look at how this December in Jefferson County compared to previous Decembers:

	Median	Ave. Price	Percentage of	Median	Total	Expired
Month	Sales Price	per Total SF	Listing Price	DOM	Sales	Listings
Dec-15	\$335,000	\$167	99.2%	14	885	201
Dec-16	\$360,000	\$202	99.2%	13	856	212
Dec-17	\$407,750	\$208	99.1%	15	758	160
Dec-18	\$414,950	\$216	98.6%	21	684	234
Dec-19	\$435,000	\$274	98.8%	21	698	210

Metro Area Statistics (excluding Jeffco)

	Median	Ave. Price	Percentage of	Median Days	Total	Expired
Year	Sales Price	per Total SF	Listing Price	on MLS	Sales	Listings
2015	\$295,000	\$187	100.6%	6	36,206	5,367
2016	\$325,000	\$200	100.4%	7	35,957	5,127
2017	\$354,826	\$224	100.2%	7	36,614	5,170
2018	\$385,000	\$230	100.0%	8	34,640	5,833
2019	\$395,000	\$239	99.3%	12	36,090	7,243

In that chart you see that there has been an improvement over past years in every indicator, including a drop in the number of listings that expired without selling. Median sold price and price per square foot are at record highs for December. The ratio of sold price to listing price is slightly higher than in 2018, although still under listing price. It will be interesting to see how January shapes up. As I write this on Monday evening, there have already been 93 closings of Jeffco listings and there were 549 Jeffco listings under contract, so it's looking pretty certain that we'll beat January 2018's number of 553 sold listings.

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