The Seller’s Market May Be Cooling, But Not As Dramatically As Reported

It was reported last Wednesday that the 11-county Denver metro area real estate market had cooled dramatically in September. However, my research of the 5-county metro area on REcolorado.com (Denver’s MLS) did not confirm that.

The article, which was based on a market trends report from the local Realtor association, reported that the high-end market had experienced the largest decline, yet I found the opposite to be the case.

Comparing this September to September 2017, sales of homes over $500,000 increased slightly from 989 to 993 in the 5-county metro area. The number of active listings in that price range at the end of September was up 5% from September 2017, at 3,605 vs. 3,434.

The article reported that the number of homes that sold for over $1 million plummeted by 44.4% in September vs. August, but my research indicated that the number of sales was nearly identical to that of September 2017 — 104 vs. 105 sales.

The number of active listings was also nearly identical to Sept. 2017 — 860 this year vs. 870 last year. I computed the decline in million-dollar home sales from August of this year at 37.8% for the 5-county metro area. Last year the August-to-September drop was 14%.

The fact is that the summer months this year were significantly hotter than last year, with July and August sales up more than 30% from last year. I would suggest that what we saw in September was really a return to the levels of last year, not a sign that the seller’s market has ended.

In the sub-$500,000 metro market, we did see a 20.6% decline in sales, from 3,516 in Sept. 2017 to 2,793 this year. Active listings at the end of September were up 12% from 2017, giving buyers more listings from which to choose.

In the 5-county metro area, the median sold price for detached single family homes hit a high of $450,000 in April then declined over the summer to $425,000 in September. This might sound troubling until you realize that, even with the summer slow-down, this represents a 5% increase over September 2017, which also had lower numbers than every month since March 2017.

The median days on market this September for the sub-$500,000 sales was 13, compared to 11 days in September 2017.

Metro area homes priced over $500,000 sold more quickly and for more money than in September 2017 — 19 days vs. 24 days on market, with an increase in median sold price to $630,000 from $618,500 a year ago.

Unlike the single-family homes, condos and townhomes took a little longer to sell this September — 11 days vs. only 7 last year — but the median sales price jumped by 14.7%, from $260,760 to $299,000. This also represented an increase of 2.7% over August 2018.

In conclusion, although our seller’s market may be getting old, reports of its demise are, shall we say, exaggerated.

Habitat for Humanity Fundraiser on Oct. 20th

If you like good theatre and also want to support Habitat for Humanity, consider buying tickets to the Oct. 20th matinee performance of “Educating Rita” at the Arvada Center. Purchase the $40-45 tickets online at https://arvadacenter.org/educating-rita.

Thanks for supporting Habitat for Humanity of Metro Denver!