



THE Q1 2020 | METRO DENVER & NORTHERN COLORADO

GARDNER

REPORT

presented by



Windermere
REAL ESTATE

windermere.com

A MESSAGE FROM MATTHEW GARDNER

Needless to say, any discussion about the U.S. economy, state economy, or housing markets in the first quarter of this year is almost meaningless given events surrounding the COVID-19 virus.

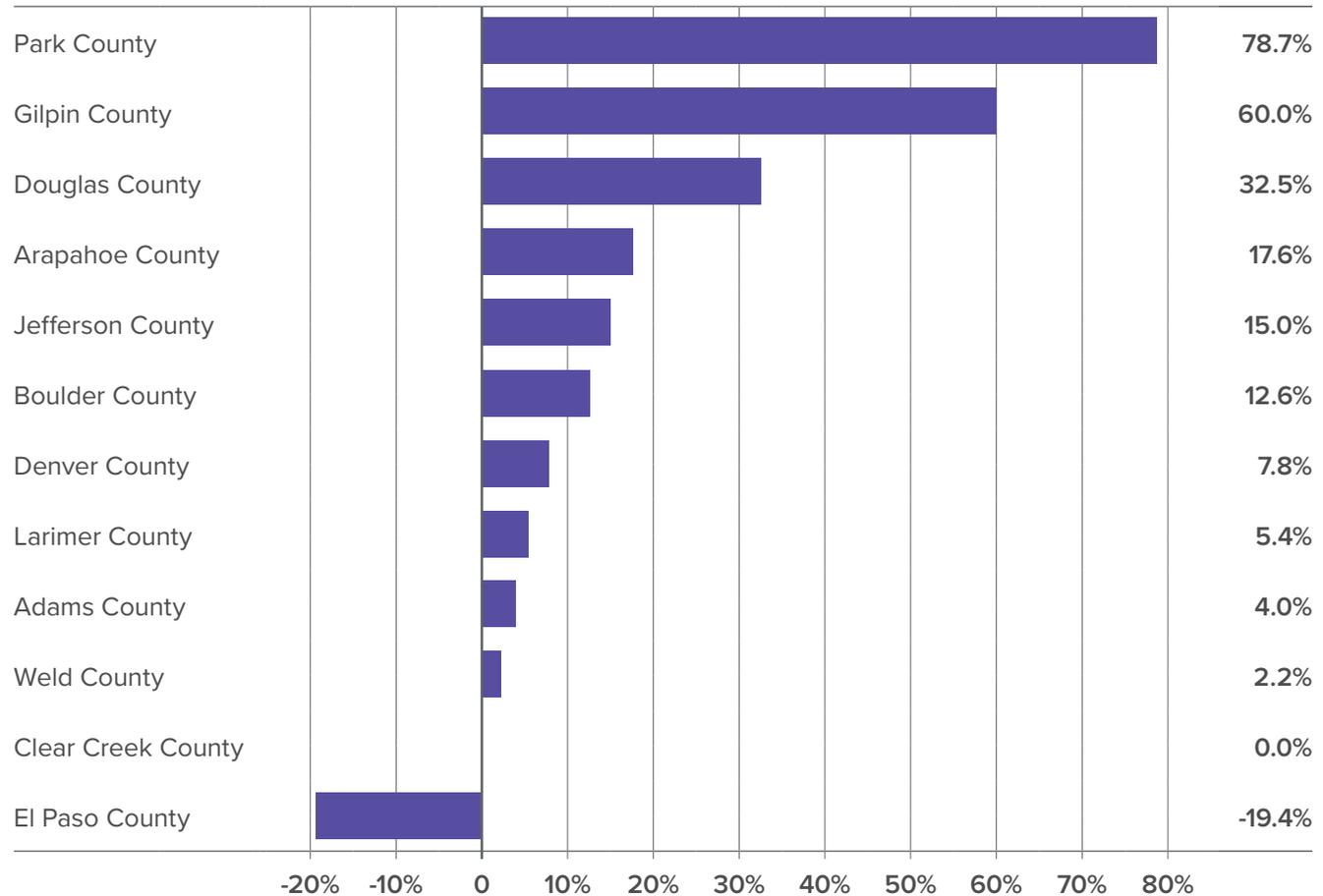
Although you will see below data regarding housing activity in the region, many markets came close to halting transactions in March and many remain in some level of paralysis. As such, drawing conclusions from the data is almost a futile effort. I would say, though, it is my belief that the national and state housing markets were in good shape before the virus hit and will be in good shape again, once we come out on the other side. In a similar fashion, I anticipate the national and regional economies will start to thaw, and that many of the jobs lost will return with relative speed. Of course, all of these statements are wholly dependent on the country seeing a peak in new infections in the relatively near future. I stand by my contention that the housing market will survive the current economic crisis and it is likely we will resume a more normalized pattern of home sales in the second half of the year.

HOME SALES

- ▶ In the first quarter of 2020, 9,189 homes sold. This is an increase of 9.5% compared to the first quarter of 2019.
- ▶ Ten counties contained in this report saw sales grow, one remained static, and one saw fewer transactions. Sales rose most in the small Park County area. There was a small drop in sales in El Paso County.
- ▶ The average number of homes for sale in the quarter was down 12.9% from the same period in 2019.
- ▶ Inventory levels have not improved and, given the fallout from COVID-19, it is hard to put a date on when we will see a resumption of normal activity in the housing market. Though sales are sure to return, we may well see a gradual increase in listings rather than a surge.

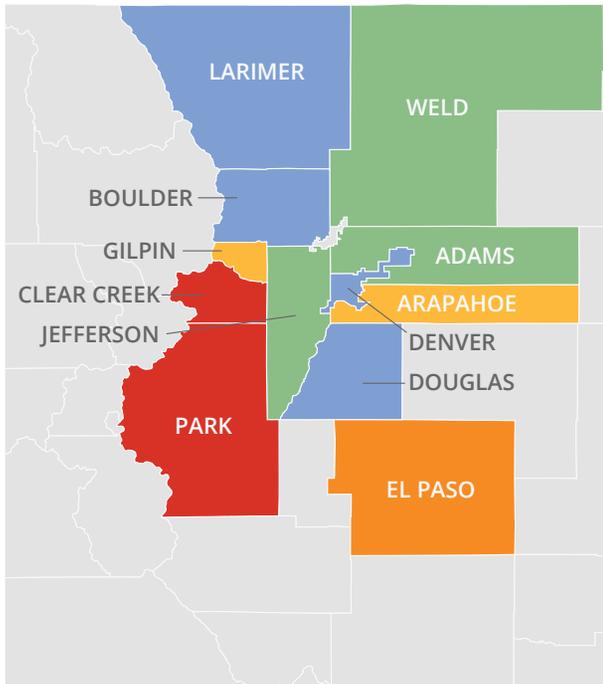
ANNUAL CHANGE IN HOME SALES

Q1-2019 TO Q1-2020



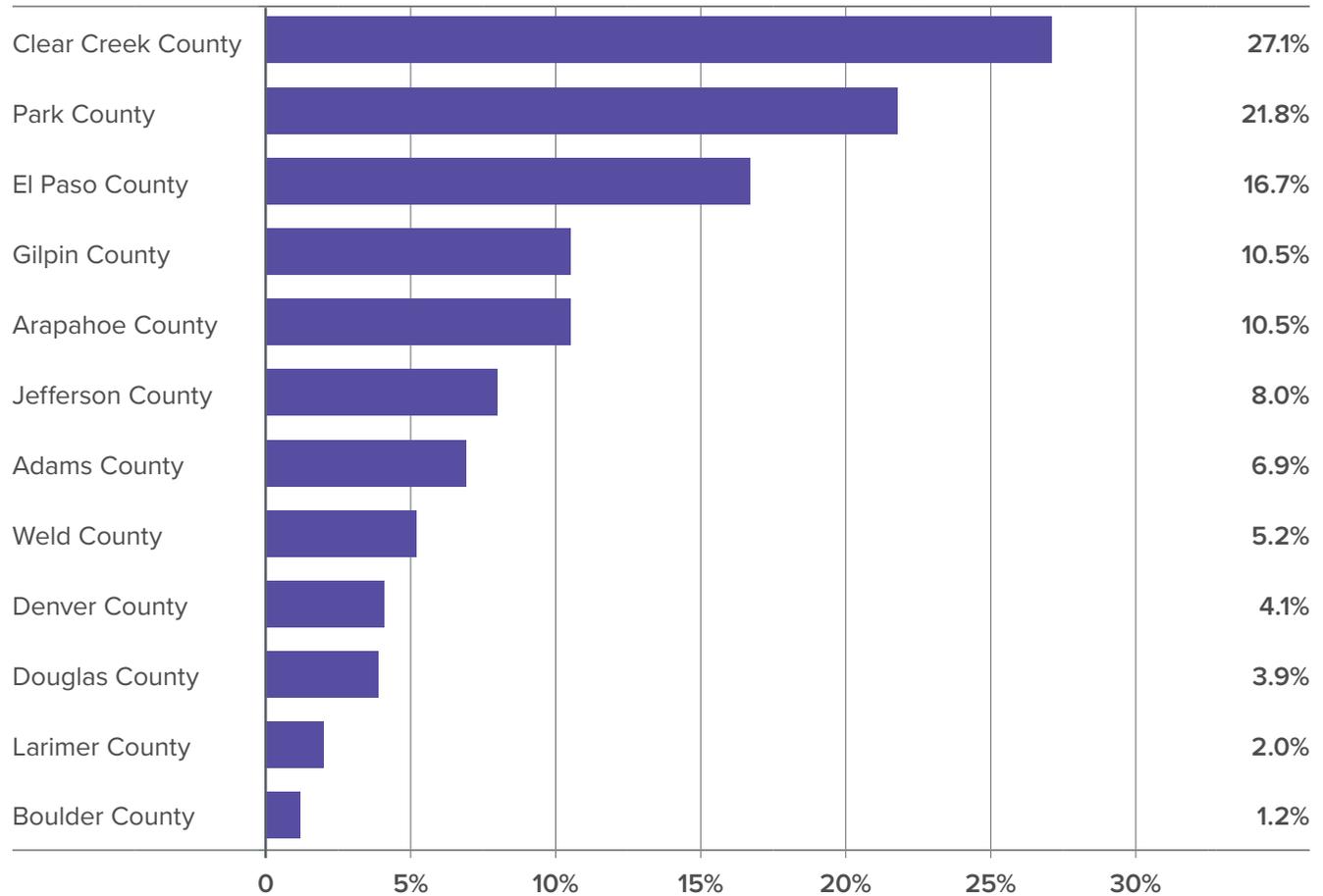
HOME PRICES

- Home prices continue to trend higher, with the average home price in the region rising 6.7% year-over-year to \$477,495.
- Interest rates remain at very competitive levels and are certain to remain well below 4% for the balance of the year. This can allow prices to continue to rise but much will be dependent on the fallout of COVID-19.
- Appreciation was again strongest in Clear Creek County, where prices rose a remarkable 27.1%. This market is small though and subject to wild swings, so this jump is not surprising. We also saw strong growth in Park County, which rose 21.8%. Home prices rose by double digits in an additional three counties.
- Affordability remains an issue in many Colorado markets, which could act as a modest headwind to ongoing price growth.



ANNUAL CHANGE IN HOME SALE PRICES

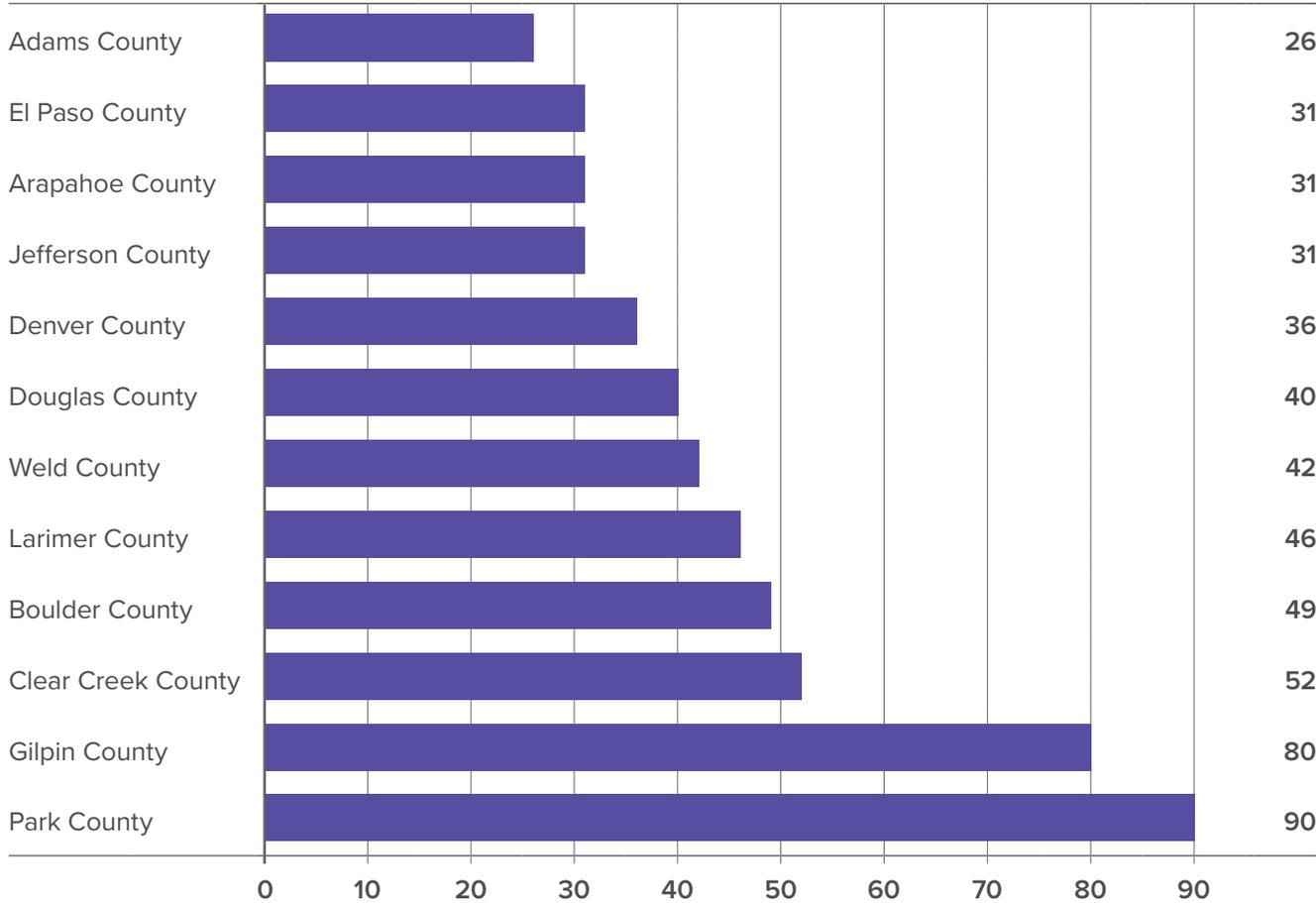
Q1-2019 TO Q1-2020



DAYS ON MARKET

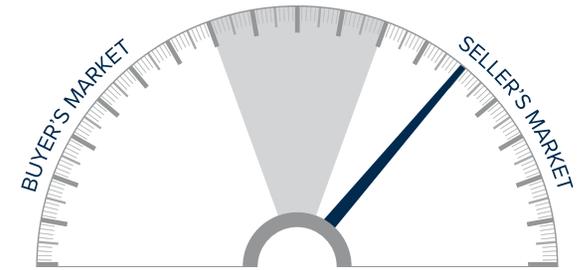
- › The average number of days it took to sell a home in the markets contained in this report rose by only one day compared to the first quarter of 2019.
- › The amount of time it took to sell a home dropped in six counties and rose in six counties compared to the first quarter of 2019.
- › It took an average of 46 days to sell a home in the region.
- › The Colorado housing market was performing well before the onset of the pandemic and is likely to resume reasonable performance once we resume normal operations. That said, it will be interesting to see if home sellers or buyers are the first to reengage.

AVERAGE DAYS ON MARKET



Q1-2020

CONCLUSIONS



This speedometer reflects the state of the region's real estate market using housing inventory, price gains, home sales, interest rates, and larger economic factors.

Given the current economic environment, I have decided to freeze the needle in place until we see a restart in the economy. Once we have resumed "normal" economic activity, there will be a period of adjustment with regard to housing. Therefore, it is appropriate to wait until later in the year to offer my opinions about any quantitative impact the pandemic will have on the housing market.

ABOUT MATTHEW GARDNER

As Chief Economist for Windermere Real Estate, Matthew Gardner is responsible for analyzing and interpreting economic data and its impact on the real estate market on both a local and national level. Matthew has over 30 years of professional experience both in the U.S. and U.K.

In addition to his day-to-day responsibilities, Matthew sits on the Washington State Governors Council of Economic Advisors; chairs the Board of Trustees at the Washington Center for Real Estate Research at the University of Washington; and is an Advisory Board Member at the Runstad Center for Real Estate Studies at the University of Washington where he also lectures in real estate economics.