



Denver Metro Real Estate 2023 Update



Q3 2023

Q3 2023 Analysis

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The real estate market is changing quickly, not just in the Denver Metro market, but internationally. Our goal at Talaric Real Estate is to turn down the sensationalism, salesmanship, and anecdotal opinions and turn up data-based analysis and trend observations to allow for a more honest and objective viewpoint into residential real estate.

By focusing on thoughtful and measured analysis, we are able to look back at the last quarter of activity in the Denver Metro area and better understand the state of the market.

Please enjoy, and as always, this data is just the starting point to a conversation. Please reach out if you would like to continue it.

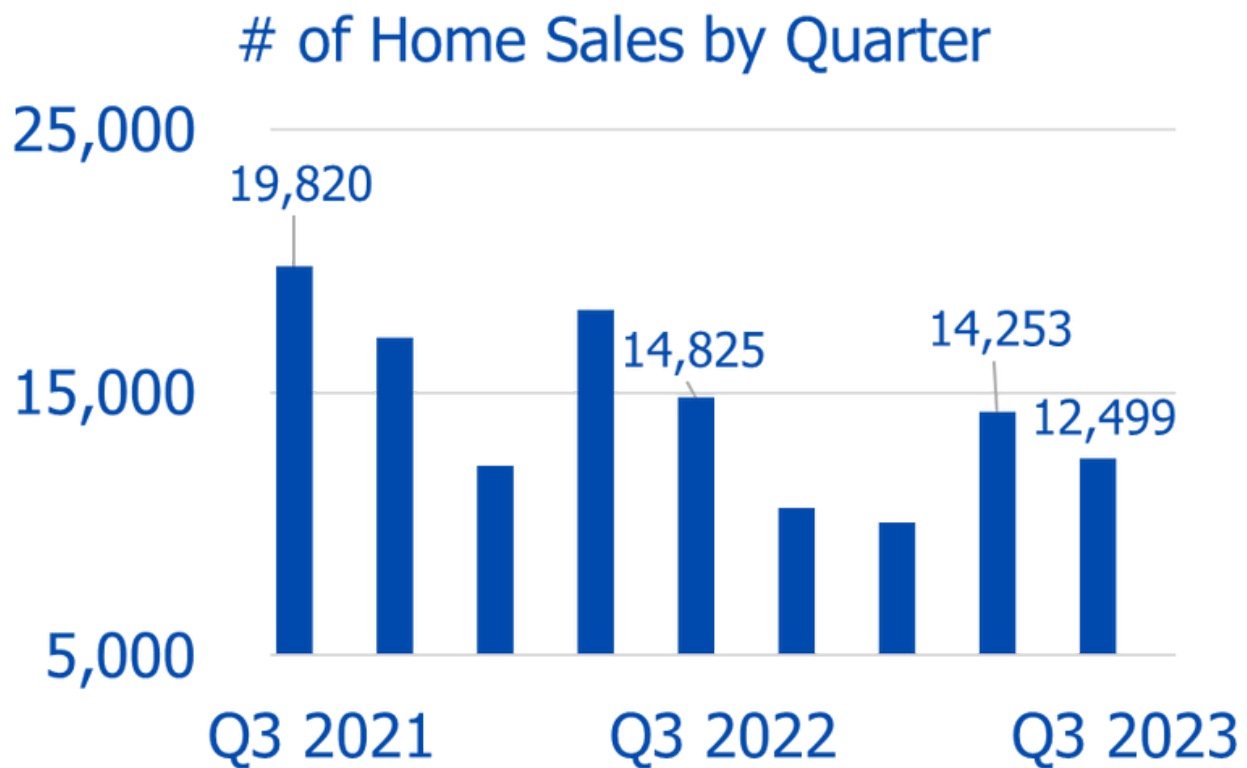
- Travis

Q3 2023

- Consistent with last quarter, the housing correction may now be in the rearview mirror, with metrics indicating equilibrium pricing, despite the low supply
- **Home prices...**
 - Are largely consistent quarter over quarter, having rebounded from the past winter, but still down slightly relative to our all time high in Q2 2022
- **Volume of sales...**
 - Year to date sales are down roughly 23%...but relative to 2020 and 2021 volume, sales are down over 40%
 - While prices remain flat, the most impacted by the volume drop off is real estate service providers (realtors, lenders, etc.) who are now swimming in a much smaller pool
- **Selling metrics...**
 - Price reductions, days on market, and close price relative to asking price, indicate that normal seasonality is taking its course as we head into the fall

Volume of Sales

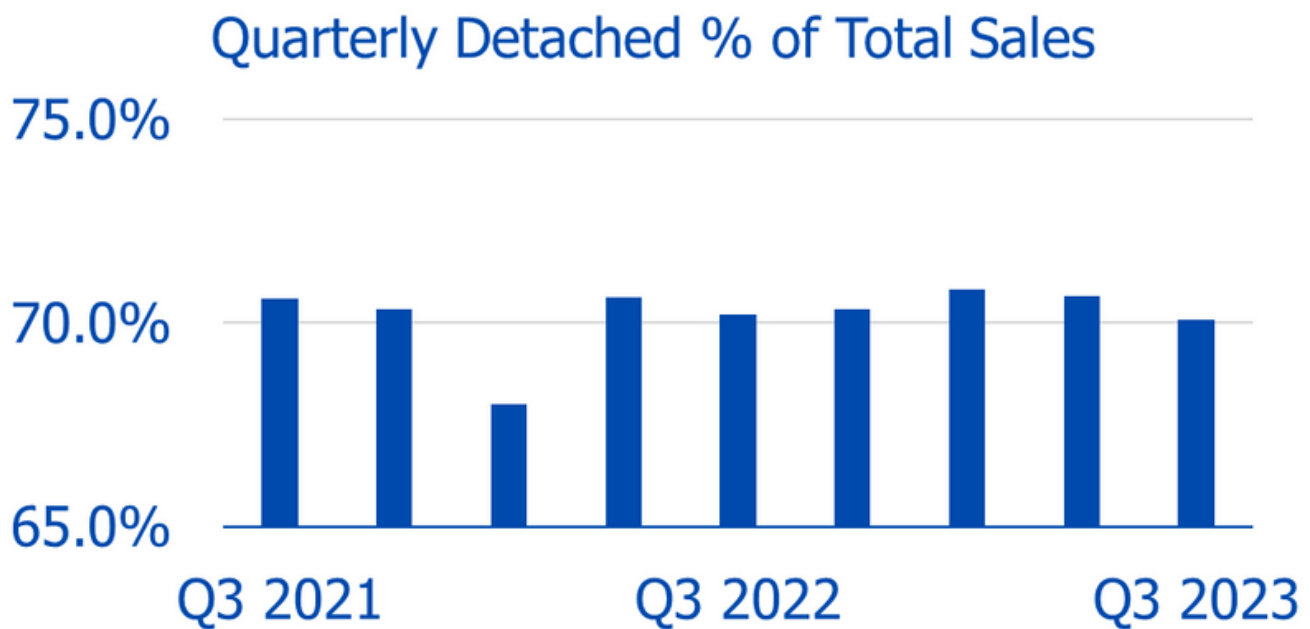
The stark decline in volume of sales, that begun in Q3 2022, continues to be felt through the current quarter.



- The 12,499 sales in Q3 is down 15.7% from Q3 2022 (a quarter that already had deflated sales volume)
- While Q3 2023 is already down 12.3% from the prior quarter, our current trajectory and typical seasonality suggest we'll be going even lower to finish the year
- Even the most optimistic forecast suggests only 10 - 11 thousand more home sales in Q4

Sales Mix

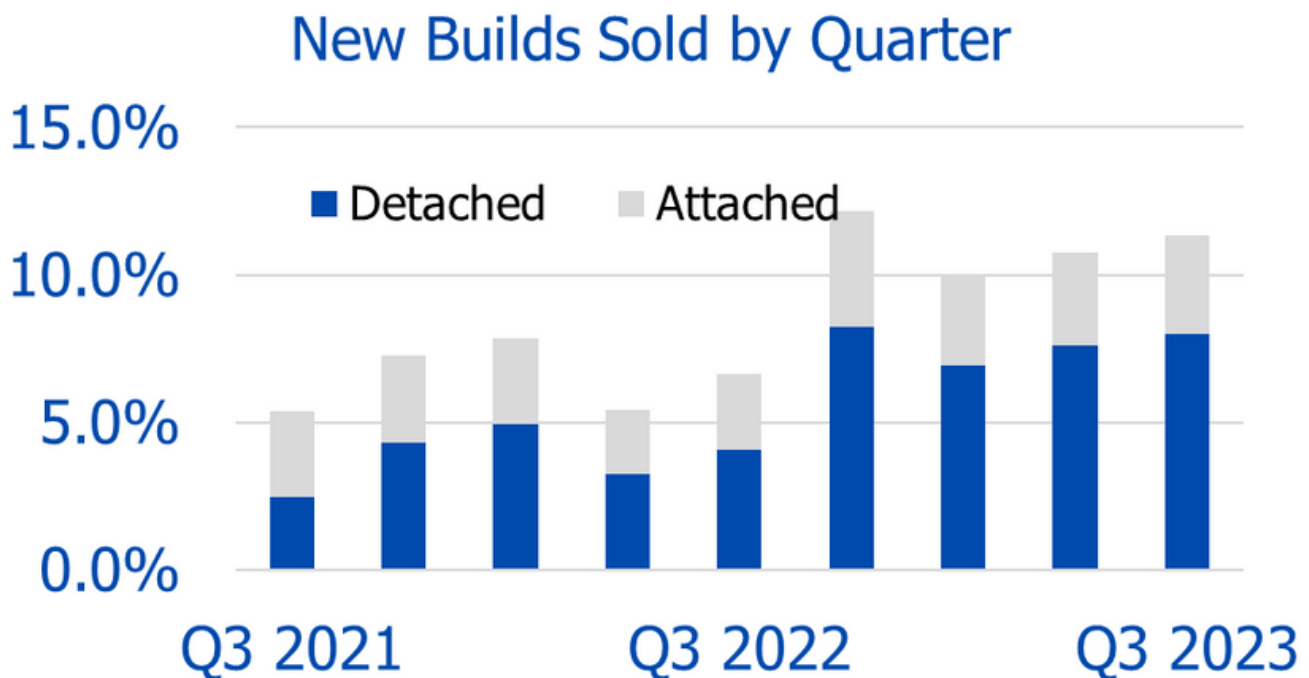
Single family homes (detached) continue to represent roughly 70% of total volume of home sales in the metro.



- Both detached and attached units are now feeling the full force of the volume slowdown in sales

New Build Sales Mix

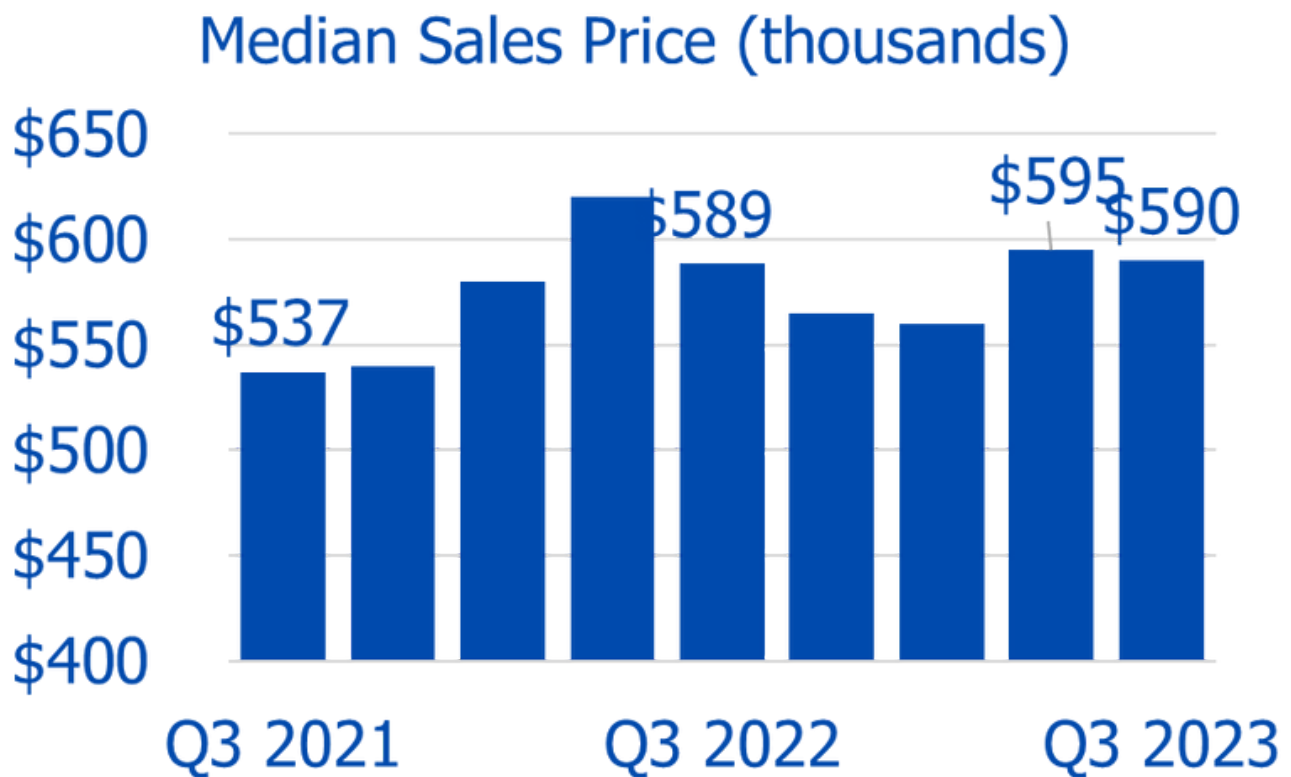
While existing home sellers have largely retreated from our market, builders continue to represent a larger portion of market share.



- New builds continue to represent around 10% of total sales volume, up considerably from 2021 and 2022 levels
- Where new builds used to be roughly equivalent across detached and attached units, detached single family homes now constitute a clear majority of the new home products available in the metro area

Median Sales Price

Median home price dropped slightly to \$590 thousand in Q3 of 2023

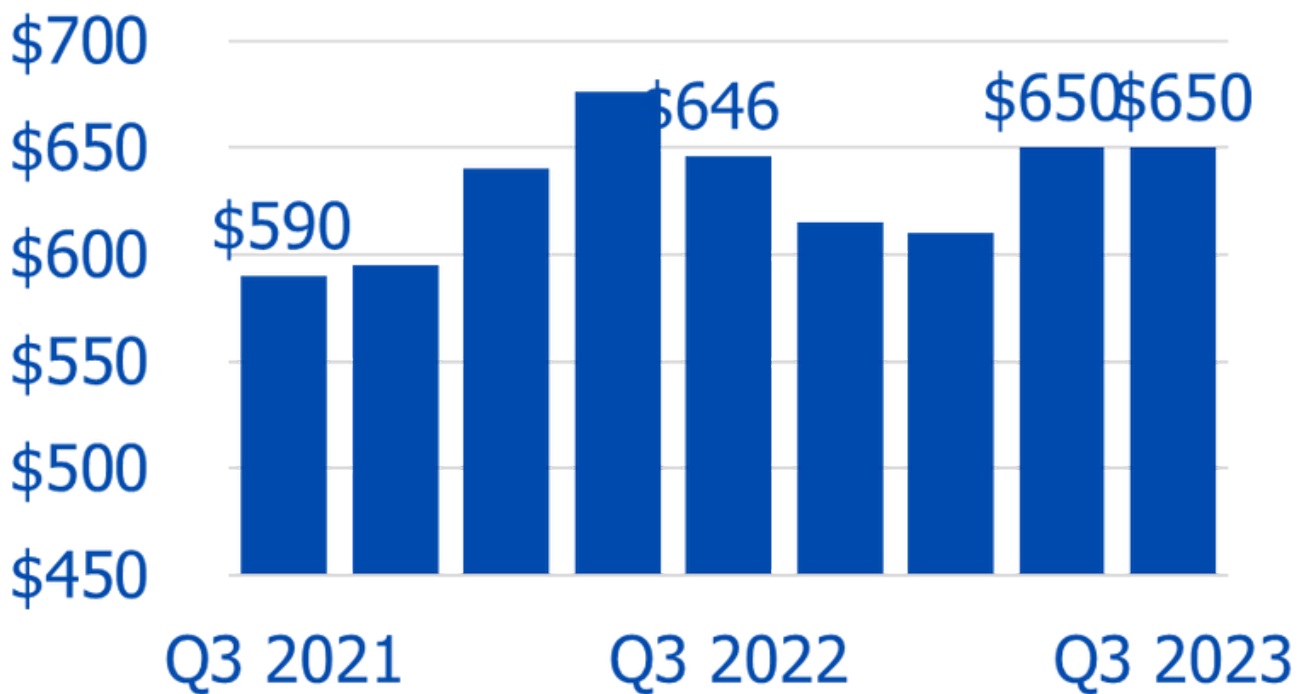


- The overall decrease is mainly a factor of the slight change in the sales mix (more affordable attached homes sold relative to more expensive single family homes)
- Year over year, prices also remain largely unchanged, up 0.3% from Q3 2022, erasing the price declines we encountered this past winter

Detached Sales Price

Detached single family home prices stayed consistent quarter over quarter as well as year over year.

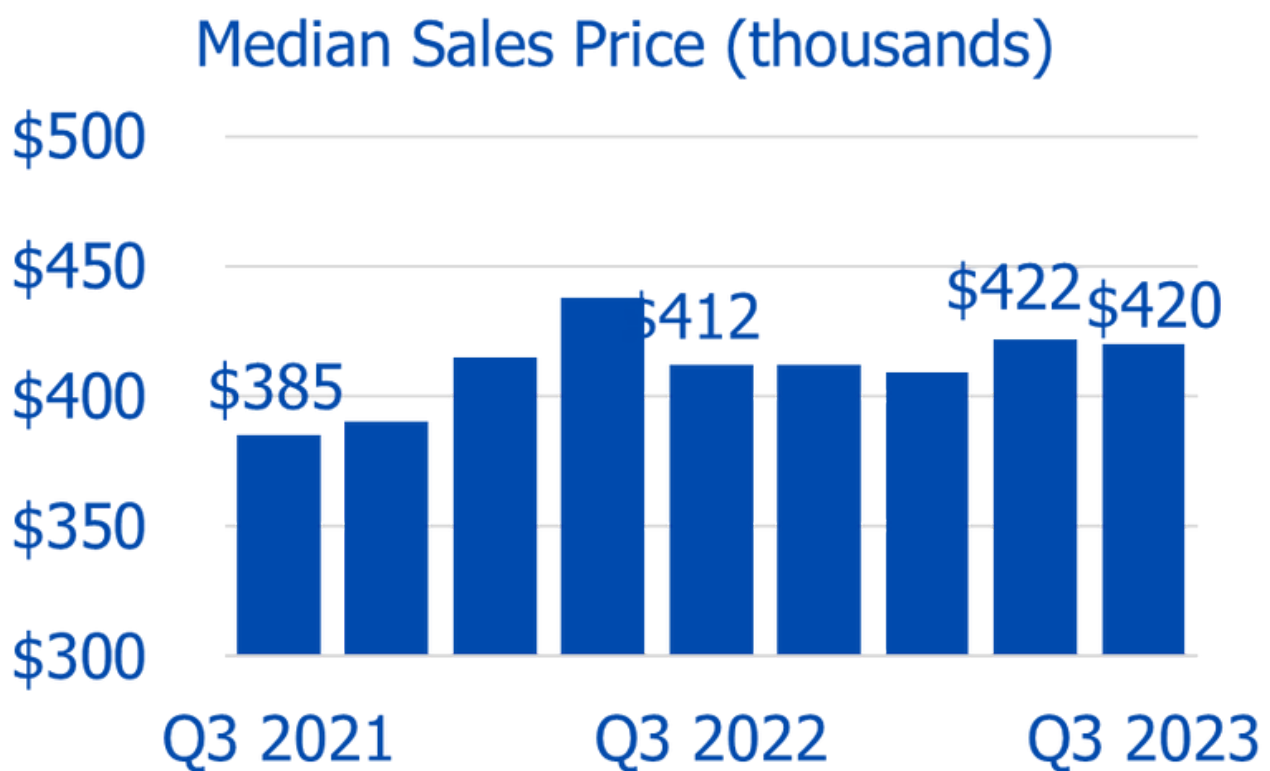
Median Sales Price (thousands)



- **Quarterly...** Q3 2023 detached prices stayed flat from Q2 2023.
- **Annually...** Q3 2023 detached prices are up 0.6% from Q3 2022
 - Prices are still down 3.8% from their all time high in Q2 2022

Attached Sales Price

Attached home prices have experienced a bit more volatility, down slightly from last quarter and up more significantly year over year



- **Quarterly...** Q3 2023 attached prices decreased 0.5% from Q2 2023
- **Annually...** Q3 2023 attached prices are up 1.9% from Q3 2022
 - Prices are still down 4.1% from their all time high in Q2 2022

Sale Price to List Price%*

* %'s based off list price at time of sale (doesn't reflect price reductions)

More buyers and sellers are agreeing to terms at the asking price of homes listed, down slightly from last quarter and well below the historic premiums buyers were paying in 2021 and early 2022.

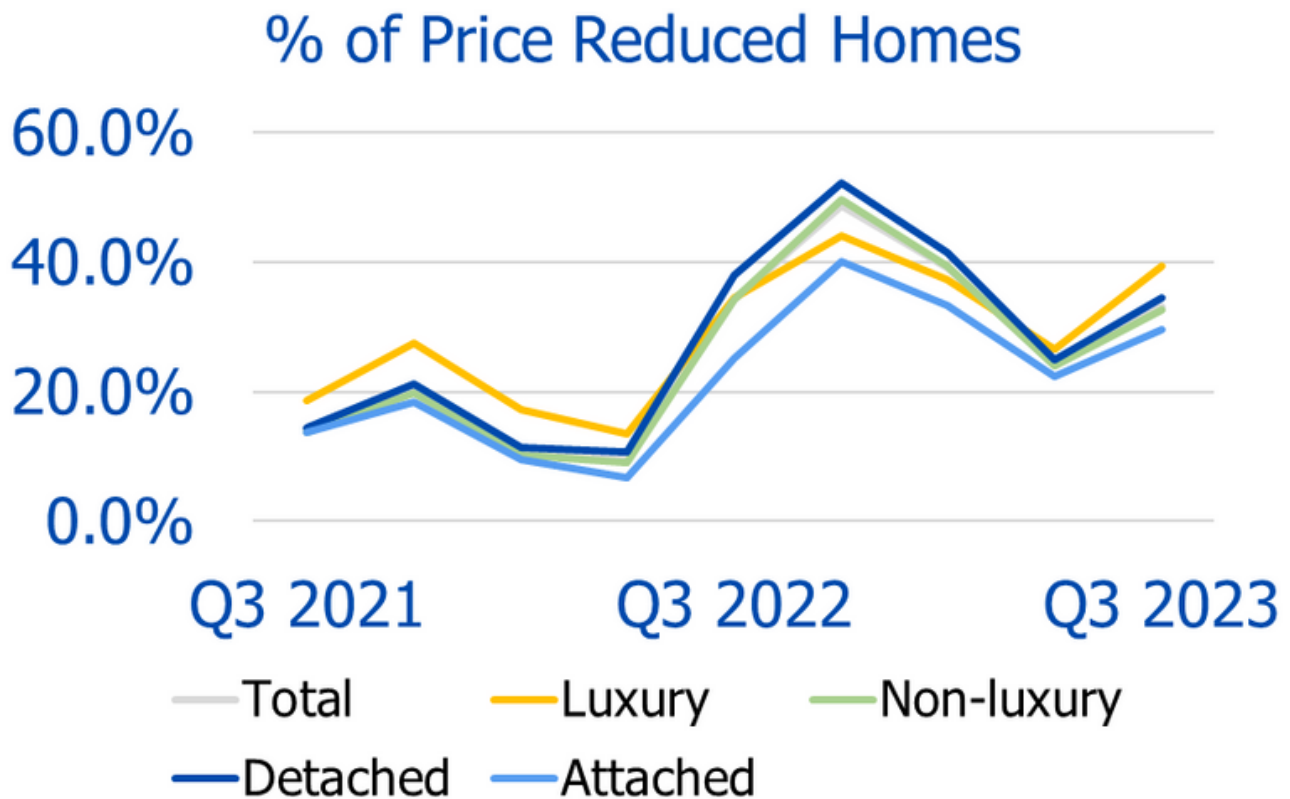


- **Quarterly...** the avg home sold at 99.5% of list price in Q3 2023, down 0.8% from Q2 2023
- **Annually...** this % has dropped only 0.2% from Q3 2022

Price Reductions*

* #'s based only off closed sales (no active or expired listings)

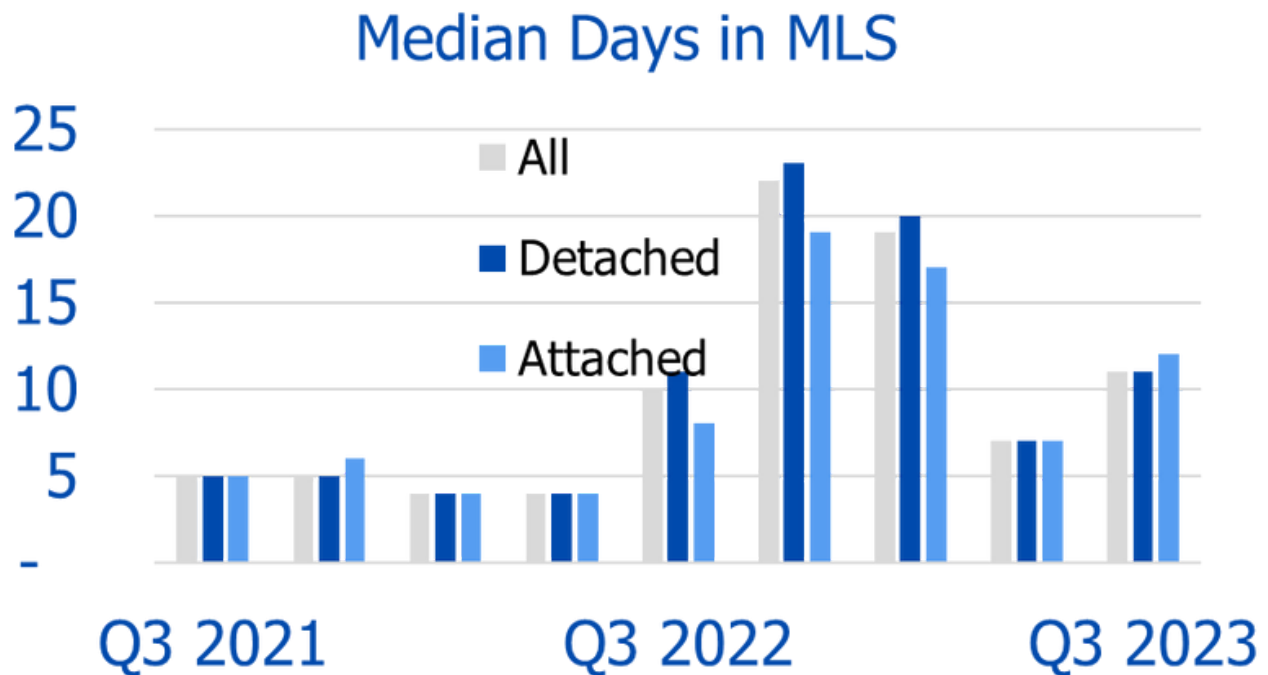
The price reduction data shows a pickup in price reductions quarter over quarter, which is more akin to normal year seasonality and much less severe than the spike in Q3 2022



- **Quarterly...** the % of homes reducing price increased 8.8% from Q2 2023
- **Annually...** this % is down 1.1% from Q3 2022
 - The magnitude of increase is also far less than last year's interest rate shock, when reductions shot up 24.8%

Median Days in MLS

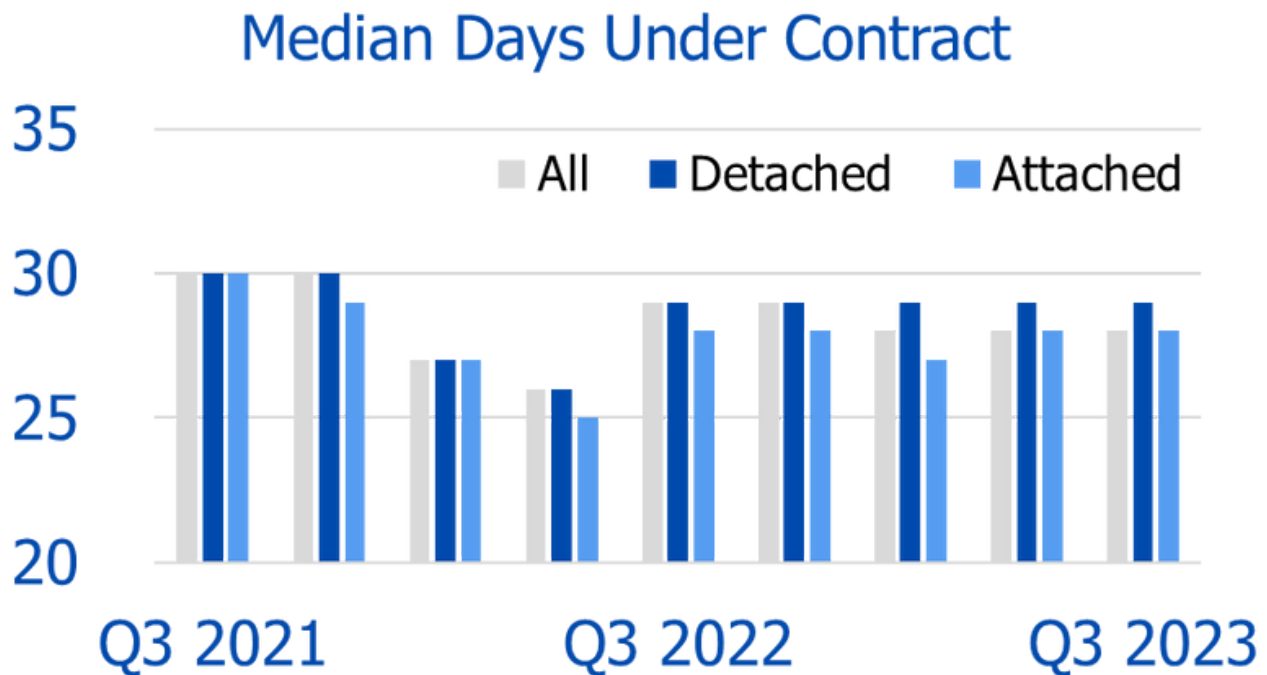
It's all a matter of perspective in evaluating the days on market data, but the biggest takeaway is that an increase from Q2 to Q3 is in-line with normal pre-pandemic seasonality (although the 11 days on market is still well below pre-pandemic levels)



- **Quarterly...** this increased by 4 days, from Q2 2023
- **Annually...** this is just slightly longer than the 10 days on market we were experiencing in Q3 2022

Median Contract Days

With so much changing, its comforting to find one trend with little volatility - and that is deal pace has stayed fairly consistent at around four weeks since early 2021. This is still quicker than pre-pandemic, when deals used to take over a month to close.



- **Quarterly...** deals continue to close in 28 days
- **Annually...** deals are closing slightly quicker, one day less time under contract, relative to Q3 2022

References

- All data obtained from REColorado, ROCC, SSBR, and IRES shared MLS system for closed sales dated between 7/1/2023 - 9/30/2023 (pulled as of 10/12/23)
- Data was scrubbed to remove non-residential sales, duplicate sales, and null value sales
- Data was pulled for the following 107 zip codes representing the greater Denver Metro area: 80010, 80011, 80102, 80229, 80239, 80219, 80621, 80030, 80017, 80260, 80603, 80012, 80221, 80233, 80249, 80223, 80013, 80601, 80501, 80022, 80640, 80421, 80110, 80204, 80014, 80241, 80018, 80232, 80031, 80019, 80003, 80002, 80015, 80236, 80226, 80504, 80020, 80021, 80104, 80214, 80033, 80234, 80004, 80128, 80113, 80227, 80465, 80109, 80120, 80222, 80602, 80231, 80005, 80207, 80107, 80122, 80129, 80123, 80247, 80130, 80134, 80112, 80127, 80224, 80205, 80121, 80228, 80516, 80138, 80215, 80126, 80433, 80212, 80016, 80237, 80125, 80220, 80026, 80211, 80503, 80403, 80007, 80108, 80023, 80124, 80401, 80027, 80238, 80439, 80210, 80111, 80301, 80206, 80303, 80305, 80302, 80209, 80218, 80304, 80520, 80530, 80202, 80203, 80216, 80230, 80235, 80246