

# 2023 Year in Review



## Colorado Springs, CO

"I would begin by saying 2023 was anticlimactic. Home prices held and the stalemate between buyers and sellers remained. In general, buyers opted out in 2023 as shown by the month-over-month declines in sold listings, and sellers didn't budge on pricing. What did sell in 2023 pushed median prices up, but overall, stagnant may be the word of 2023. December's numbers summed this all up. Sold listings were down 11.7% year over year, the median price was up 3.9% while active listings fell 6.3%. A common occurrence throughout the past year. Despite prices holding, overall units sold plummeted in the last few years. In 2021, 6.89 million homes were sold nationwide. In 2022, the total fell to 5.67 million, and by 2023, only 4.79 million homes sold, according to statista.com. And the entire industry, both locally and nationally, felt that.

"Moving forward, we have some strong headwinds on the economy that could really hamper the housing market. Consumer credit debt cleared \$1 trillion with Mastercard recently reporting that 30-day delinquents spiked. Over the past 12 months, we had 1.5 million vehicles seized, up from 1.2 million in 2022. Forty percent of student loan payments were missed and nearly 40% of small businesses failed to pay rent as of November 2023. We are also at a 50-year high on multi-family apartment builds that are coming online and that will put some more down pressure on rents, which are in fact competing with sales. A recent Fannie Mae survey showed that 84% of people thought it was a terrible time to buy, adding to the lack of buyer demand. Germany's economy shrank adding to fears of a European recession. Japan admitted they are in recession now and remains the world's third largest economy. China's housing crisis is escalating, and their form of QE is not slowing that down. Add to that one of their shadow banks, Zhongzhi Enterprise Group, just filed for bankruptcy. China has also lost a few large developers. I mention all of this because we are living in a synchronized world economy. It is very hard to believe that three out of the top four economies can be having such massive issues and America is not.

"If we look at past cycles, it is hard to ignore the fact that it takes two years from the tightening of monetary policy to the point things begin to look worse off than we thought. If 2023 brought the failure of several banks, 2024 will also show us that we have more banking issues in front of us. June of 2024 will be the 2-year mark, and although the Federal Reserve claims we have achieved the 'soft landing' it wanted, we can look back at 40 years of soft landings and realize, none of them were soft.

"In January 2012, then Fed Chair Ben Bernanke was quoted saying, 'I remind you that the Fed has not been terribly successful with soft landings. We have a chance to get one. All else being equal, I think it would be good if we could achieve that.'

"Despite record debt levels at both personal and government levels, is this time different? Does the Fed finally pull off the soft landing that all fairy tales are made of? The fact that Fed Chair Powell is talking about rate cuts on December 13, 2023, just two weeks after saying we were higher for longer, tells me they see something there that they did not tell us about, and it probably isn't good. The coming year should be very interesting, and we should all be hoping the Fed achieves the soft landing they are hoping for," **said Colorado Springs-area REALTOR® and Spokesperson Patrick Muldoon.**

## **COLORADO SPRINGS**

“In Colorado Springs, the single-family/patio homes sales activities in December 2023 were mediocre. The 577 new listings compared to 895 in the previous month and 1,891 active listings compared to 2,397 in November 2023. There were 777 sales compared to 851 in December 2022. The month’s supply of active listings was 2.4, and average days on market was 46 days. The average sales price was \$519,961 compared to \$490,910 in December 2022, representing 5.9% increase, and the median price was \$455,000, a 3.2% year-over-year increase.

“Last month, 29.6% of the single-family homes sold were priced under \$400,000, 30.4% were between \$400,000 and \$500,000, 30.5% were between \$500,000 and \$800,000, and 9.5% were priced over \$800,000. Year-over-year, there was a 29.6% drop in the sale of single-family homes priced between \$300,000 and \$400,000, and 45.8% increase in homes priced over \$1 million.

“In our market, the most outstanding real estate stat of 2023 shows an astounding shift in the percentage of single-family patio homes sold under and over \$400,000 price points. In 2023, 27.9% homes sold were priced under \$400,000 and 72.1% were priced over \$400,00, compared to 2019 when 72.2% homes sold were priced under \$400,000 and 27.8% were priced over \$400,00. The average sales price in 2023 was \$539,155 compared to \$366,371 in 2019, representing a 46.8% increase. Also, in 2023, there were 23% corresponding decreases across all three crucial data points: new listings, sales, and year-to-date sales volume.

“Knowing that almost every expert’s best guess about where the economy is heading changes on an on-going basis is more evidence of just how difficult it is to predict what’s ahead. However, the fact is, people need housing and there is a huge pent-up demand. Buyers who postponed buying decisions expecting prices and interest rates to drop have learned the hard lesson. The rental cost continues to rise with no reason to expect a downturn. In the backdrop of these factors, it is reasonable to expect a modest 10% increase in sales in 2024, barring any significant negative economic changes,” **said Colorado Springs-area REALTOR® and Spokesperson Jay Gupta.**

# Local Market Update for December 2023

A Research Tool Provided by the Colorado Association of REALTORS®

Make Sure Your Agent is a REALTOR®

Not all agents are the same!



## El Paso County

Contact the Pikes Peak Association of REALTORS® for more detailed local statistics or to find a REALTOR® in the area.

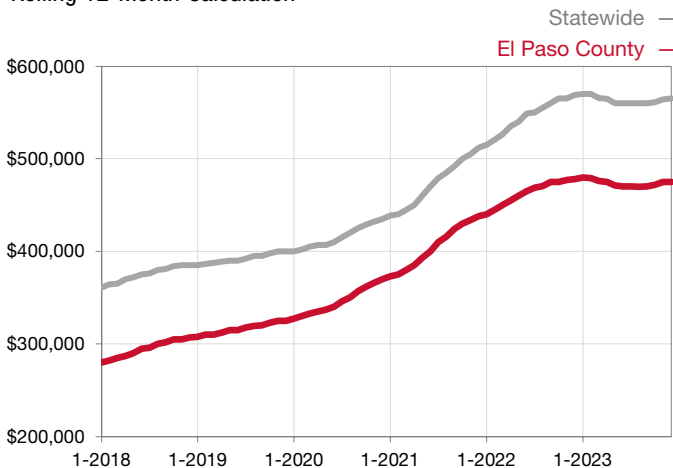
Single Family	December			Year to Date		
	2022	2023	Percent Change from Previous Year	Thru 12-2022	Thru 12-2023	Percent Change from Previous Year
<b>Key Metrics</b>						
New Listings	545	465	- 14.7%	16,359	12,247	- 25.1%
Sold Listings	738	638	- 13.6%	13,296	10,035	- 24.5%
Median Sales Price*	\$444,995	\$467,635	+ 5.1%	\$478,000	\$475,000	- 0.6%
Average Sales Price*	\$499,980	\$520,842	+ 4.2%	\$542,476	\$540,726	- 0.3%
Percent of List Price Received*	98.6%	99.0%	+ 0.4%	101.3%	99.4%	- 1.9%
Days on Market Until Sale	41	45	+ 9.8%	18	36	+ 100.0%
Inventory of Homes for Sale	2,017	1,663	- 17.6%	--	--	--
Months Supply of Inventory	1.8	2.0	+ 11.1%	--	--	--

\* Does not account for seller concessions and/or down payment assistance. | Activity for one month can sometimes look extreme due to small sample size.

Townhouse/Condo	December			Year to Date		
	2022	2023	Percent Change from Previous Year	Thru 12-2022	Thru 12-2023	Percent Change from Previous Year
<b>Key Metrics</b>						
New Listings	97	105	+ 8.2%	2,399	2,088	- 13.0%
Sold Listings	109	113	+ 3.7%	2,142	1,547	- 27.8%
Median Sales Price*	\$315,000	\$330,500	+ 4.9%	\$350,000	\$339,040	- 3.1%
Average Sales Price*	\$352,537	\$344,287	- 2.3%	\$360,242	\$359,105	- 0.3%
Percent of List Price Received*	99.1%	99.2%	+ 0.1%	101.5%	99.4%	- 2.1%
Days on Market Until Sale	32	57	+ 78.1%	16	33	+ 106.3%
Inventory of Homes for Sale	269	311	+ 15.6%	--	--	--
Months Supply of Inventory	1.5	2.4	+ 60.0%	--	--	--

\* Does not account for seller concessions and/or down payment assistance. | Activity for one month can sometimes look extreme due to small sample size.

Median Sales Price – Single Family  
Rolling 12-Month Calculation



Median Sales Price – Townhouse-Condo  
Rolling 12-Month Calculation

