

# 2023 Year in Review



## Denver, CO

“The Denver County market, from as far back as we measure, can be summed up in one word: volatile. Explosive growth, prices, and previously considered impossible metrics have finally reached the trailing edge of a bell curve that signifies not a downturn, but rather a simmer, for now. With supply finally reaching points not seen since the end of the Great Recession and early 2010s, prices have stabilized, though statistically speaking, have not dropped. This last suggestion is an interesting development as the main tenant of supply and demand has always been an inverse reaction - not the case in Denver or again, not yet. As supply has increased, prices have stabilized which helps our prediction going into 2024's spring and early summer market. Should prices begin to rise again, they will push supply down. On the other hand, a still-increasing supply would certainly usher in a lower price and while it would be logical to ask which of these is going to happen and in what order, external factors such as interest rates, general economic conditions, and the reality that this is a major election year all act as main ingredients to what the overall 2024 recap will be.

“If interest rates decline, that doesn't necessarily mean that sales go up, and if the corresponding supply decreases, price increases will occur. Denver may be at or near the end of its real estate boom as crime, homelessness, congestion, and overall quality of life has changed since this explosive growth began. We just may be in a place of flat or negative growth as net migration is showing decreases throughout the state. When this happens, the main catalyst for price being demand will go down and bring prices along with it.

“Circling back on volatility, the year-over-year median price changes have almost certainly worn out those would-be homebuyers in the next handful of years who have next to no desire to enter the homebuying race again. During six months in 2021, the median price rose over 20% from the same months in 2020, eight in 2022 were north of 10% yearly gains and, in stark comparison with last year, in 2023 all but two were *negative* price growth months as compared to the previous year.

“The unsustainable, unpredictable, and indeed volatile time seems to be past us and also having a little bit of an overcorrection. There will always be price growth when we look at stats on a larger scale but the rubberbanding between years will ultimately become the undoing of skyrocketing prices. I've heard it accurately described as *'the enemy of high prices is high prices'* and that is exactly what played out as we ushered in 2023. Between the months of February and March, Denver saw its first instance since the Colorado Association of REALTORS® has tracked the data of consecutive months experiencing price decreases. At -6.5% in February and a whopping -12.6% decline in March, if real estate eras had headstones, that is when Denver's would have gone up.

“With an averaged month's supply of inventory in Denver within the freestanding category being 1.58 during 2023, 2021 saw a combined average of .45 - increasing buyer choice by three times. With more choices come lower prices due to the lessened negotiation power of the buyer.

“From my chair, 2024 looks to be a cruise control year. Every graph and metric shows a flattening of all numbers except supply. Trendlines show a reverse of growth and the ever-present volatility looks something like predictability. Remembering that prices always increase in the long run and with trends

coming and going with time, buyers should be paying very close attention to entering the market. Sellers will still benefit from demand for Denver though certainly substantially less than they have. Marketing will return to individual properties and hunger from the brokerage force will return. Houses will not sell as quickly as they have, and all parties are now welcoming back patience to their process. Buyers will have to wrap their heads around rates not being as low as previous years but still being very low from a historical perspective. Overall and in the long-run, prices won't go down and so the best time to buy is always today - high prices or not. The only thing that changes is how long it will take to see a return. Being that prices will statistically be the same, more or less, this time next year, buyers will be safer than they've been in years, parking their money in real estate and hoping for longer term gains," **asks Denver-area REALTOR® and Spokesperson Matthew Leprino.**

# 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!



## Denver County

Contact the Denver Metro Association of REALTORS® or South Metro Denver REALTOR® Association for more detailed local statistics or to find a REALTOR® in the area.

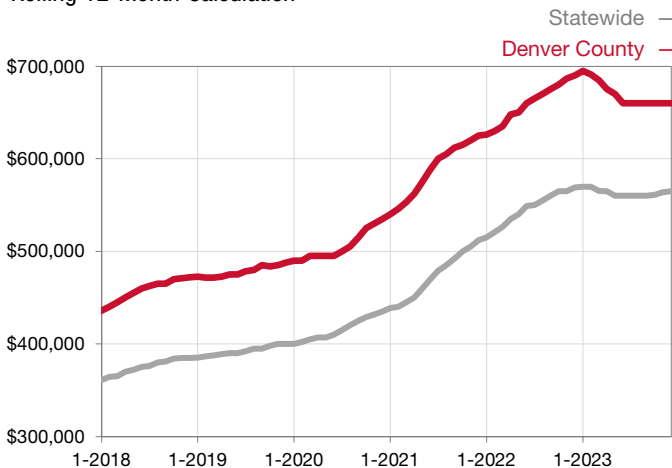
| Single Family                   | December  |                  |                                   | Year to Date |                  |                                   |
|---------------------------------|-----------|------------------|-----------------------------------|--------------|------------------|-----------------------------------|
|                                 | 2022      | 2023             | Percent Change from Previous Year | Thru 12-2022 | Thru 12-2023     | Percent Change from Previous Year |
| <b>Key Metrics</b>              |           |                  |                                   |              |                  |                                   |
| New Listings                    | 212       | 198              | - 6.6%                            | 7,827        | 6,424            | - 17.9%                           |
| Sold Listings                   | 318       | 309              | - 2.8%                            | 6,462        | 5,065            | - 21.6%                           |
| Median Sales Price*             | \$610,000 | <b>\$610,000</b> | 0.0%                              | \$690,000    | <b>\$660,000</b> | - 4.3%                            |
| Average Sales Price*            | \$809,695 | <b>\$788,799</b> | - 2.6%                            | \$878,739    | <b>\$857,480</b> | - 2.4%                            |
| Percent of List Price Received* | 98.4%     | <b>98.2%</b>     | - 0.2%                            | 103.1%       | <b>99.5%</b>     | - 3.5%                            |
| Days on Market Until Sale       | 39        | 40               | + 2.6%                            | 16           | 28               | + 75.0%                           |
| Inventory of Homes for Sale     | 804       | 603              | - 25.0%                           | --           | --               | --                                |
| Months Supply of Inventory      | 1.5       | 1.4              | - 6.7%                            | --           | --               | --                                |

\* 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                    | 183       | 161              | - 12.0%                           | 6,239        | 5,384            | - 13.7%                           |
| Sold Listings                   | 238       | 238              | 0.0%                              | 5,496        | 4,096            | - 25.5%                           |
| Median Sales Price*             | \$421,995 | <b>\$421,945</b> | - 0.0%                            | \$450,454    | <b>\$435,000</b> | - 3.4%                            |
| Average Sales Price*            | \$564,273 | <b>\$559,847</b> | - 0.8%                            | \$566,010    | <b>\$547,181</b> | - 3.3%                            |
| Percent of List Price Received* | 98.4%     | <b>97.9%</b>     | - 0.5%                            | 102.1%       | <b>99.3%</b>     | - 2.7%                            |
| Days on Market Until Sale       | 41        | 53               | + 29.3%                           | 20           | 33               | + 65.0%                           |
| Inventory of Homes for Sale     | 691       | 593              | - 14.2%                           | --           | --               | --                                |
| Months Supply of Inventory      | 1.5       | 1.7              | + 13.3%                           | --           | --               | --                                |

\* 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

