

THE WINDERMERE REPORT

WINDERMERE REAL ESTATE | DENVER

NOVEMBER 2017

10-YEAR RHYTHM

Today's market vs. long-term average

NEW HOME AFFORDABILITY

More expensive than ever

GIVING THANKS

Thank you to our clients

CANDID CAMERA

Buyers are being watched

SAVE THE DATE

Market Forecast is January 17th, 2018



HAPPY PLACES

Colorado had three cities make *National Geographic's* list of the 25 happiest cities in the nation.

1. **BOULDER, CO**
2. Santa Cruz, CA
3. Charlottesville, VA
4. **FORT COLLINS, CO**
5. San Luis Obispo, CA
18. **COLORADO SPRINGS, CO**

Source: National Geographic



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THE 10-YEAR RHYTHM

A thorough look at 40 years of data from the Federal Housing Finance Authority (FHFA) reveals a fascinating insight into the Metro Denver market. There is a 10-year cycle that is predictable and rhythmic. FHFA, which tracks nearly 300 markets across the U.S., is the most reliable source we know of for home price appreciation. The specific insight is this—the long-term 40-year home price appreciation for Metro Denver is 5.36% and each of the specific four-decade-long windows over that time frame has never varied more than 0.73% from that average. What this means for today's market is that the recent double-digit appreciation has done nothing more than pull us back to the long-term average. This is further evidence that a housing bubble does not exist today.

TIME FRAME	AVERAGE HOME PRICE APPRECIATION
1978 to 2017	5.36%
1978 to 1987	5.63%
1988 to 1997	6.11%
1998 to 2007	4.69%
2008 to 2017	4.99%

Source: FHFA

NEW HOME AFFORDABILITY

At no time in the Front Range's history has housing been as expensive as it is now with only 28% of new home starts priced below \$400,000. The gap between the average resale home and the average new home is now about \$110,000, which will continue to push prospective buyers to used, single-family homes as a more affordable option. Another option for these buyers are new condominiums. The strongest growth in starts and closings over the year has not been for single-family homes, it has actually been for attached product, which now represents over 30% of all activity, the highest level since 2008.

Source: Metrostudy

CANDID CAMERA

If you are a buyer out shopping for a home, be sure to smile because you may be on candid camera! Now that in-home cameras and other recording devices are so common in our society, buyers need to be aware of what they say while inside of prospective homes. Some home sellers are using their surveillance cameras to 'snoop' on would-be buyers to gauge their interest level and listen in on their negotiation tactics. Some markets across the U.S. now require sellers to disclose if they have in-home cameras. In any case, save the private conversations until you are outside the home!



GIVING THANKS

Windermere Real Estate in Colorado will celebrate its 3rd anniversary on December 1st. We would like to take this opportunity to thank the hundreds of clients all across the state who have entrusted us to help them with the sale and purchase of their home. Happy Thanksgiving from us to you!

SAVE THE DATE

JANUARY 17, 2018 Please save the date for the Windermere Real Estate annual market Forecast. Join us at the Wellshire Event Center near Hampden & Colorado Blvd. at 5:30 p.m. on January 17th for a fun, interactive and informative presentation on the future of Northern Colorado real estate. Matthew Gardner, Windermere's Chief Economist, will once again be our Keynote Speaker.



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