

# THE WINDERMERE REPORT

WINDERMERE REAL ESTATE | DENVER

JANUARY 2017

## BEST BUY

January is the best month to buy

## CAN THIS LAST?

What will prices do?

## PRICE DISCONNECT

Inventory vs. price mismatch

## BROOKLYN BLUES

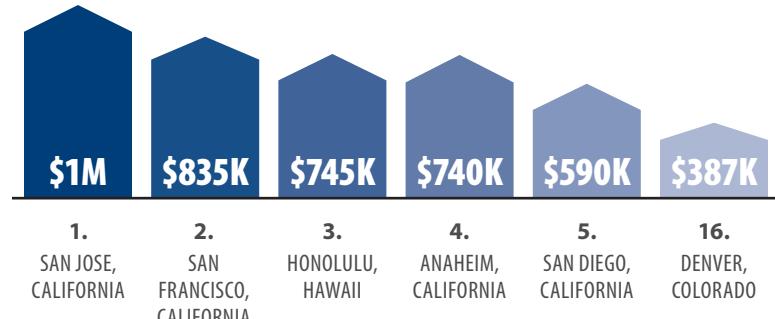
The least-affordable city

## YOU ARE INVITED!

Real Estate Forecast is January 18th

## PRICIEST PLACES

The average price of a home in the most-expensive major metropolitan areas:



Source: N.A.R.

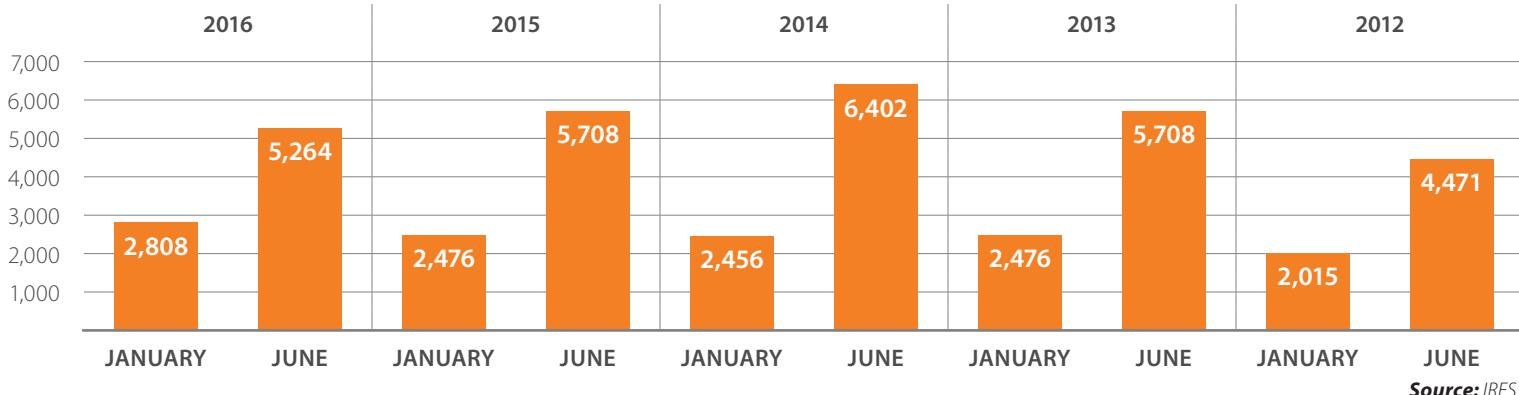


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## THE BEST MONTH TO BUY

If you are looking for the best month to buy based on the least amount of competition, January is the time! Based on our research going back five years, January is the month with the lowest amount of buyer activity. In a typical year, the number of sales in January are only half of the sales in June. Here's a comparison of January and June for Metro Denver:

### JANUARY SALES VS. JUNE SALES



Source: IRES

## CAN THIS LAST?

Lately we get a lot of questions about the "B" word. B stands for Bubble. "Are we in another bubble?" is a fair question considering how prices have rocketed up. First, we don't believe prices will continue at their current pace of increase. They simply can't. Now let's take a history lesson. In 2008, the worst economy of our lifetime, prices went down 2.25% in Denver compared to Phoenix which went down 23%. So even when it's really bad, it isn't so bad. There are fundamentals in place here which protect us from the wild swings experienced in other markets. Because of scarce inventory, prices will continue to increase in the short term, but not as fast as they are now.

## BROOKLYN BLUES

A person making the average salary in Brooklyn couldn't afford a home in the borough, even if they spent an entire salary on the home, and then some, according to an analysis of home prices and local wages in 447 counties by real-estate data firm ATTOM Data Solutions. This is the 15th consecutive quarter that Brooklyn has taken the number one spot on this list. The borough has become a go-to spot for hipsters priced out of Manhattan, causing prices to skyrocket. Roughly 15 years ago, prices for the median home in the area hovered around \$300,000; now they are more than \$700,000. Meanwhile, wages are not rising rapidly. In the past year, they have risen just 2%!

Source: Market Watch

## PRICE DISCONNECT

Here's an interesting dynamic in our local market. What's for sale doesn't line up with what's selling. There are disproportionately more expensive homes on the market compared to the demand in the market. For example, in Denver County 49% of the inventory is priced over \$500,000. Yet only 29% of the sales are over \$500,000. Here's the summary for the three counties on the Front Range:

LISTINGS OVER \$500K	INVENTORY	SALES
Arapahoe	31%	11%
Denver	49%	29%
Douglas	66%	28%

## YOU ARE INVITED!



Save the date for the annual Windermere Real Estate Forecast. It's a fun, interactive, informative presentation featuring Windermere's Chief Economist Matthew Gardner and Windermere Real Estate's Colorado President, Eric Thompson.

**January 18th, 5:30 to 7:00 p.m.  
United Artist Theater at Colorado Boulevard & I-25. Reserve your seat at [windermeredenverforecast.com](http://windermeredenverforecast.com).**

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