

THE WINDERMERE REPORT

WINDERMERE REAL ESTATE | DENVER

FEBRUARY 2018

VITAL SIGN

Price growth since 2013

OUR FORECAST

Predictions for 2018

BUBBLE TALK

Too many apartments?

THANK YOU!

A recap of our Forecast events

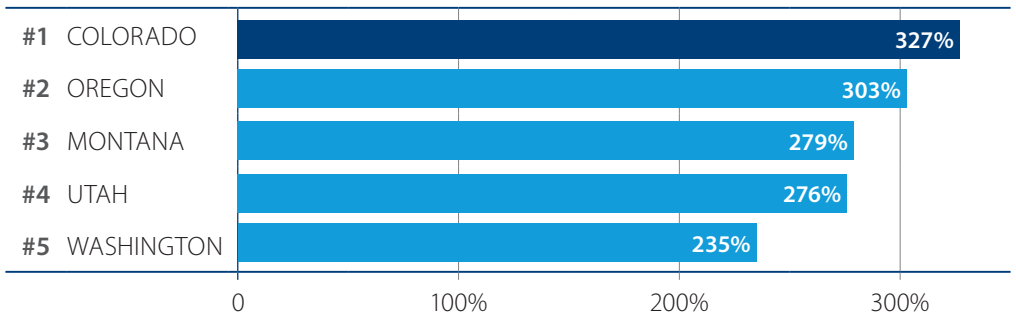
MORE HOUSES?

Reasons for low inventory

STATE RANKING

According to the Federal Housing Finance Authority, these are the top 5 states for home price appreciation since 1991 (when they started tracking the data):

APPRECIATION SINCE 1991

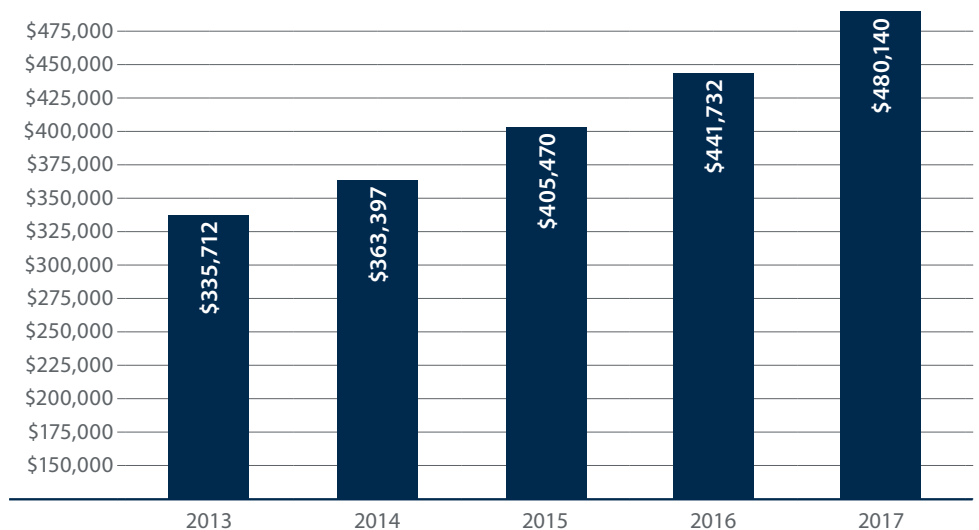


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VITAL SIGN

As we study the Metro Denver market, there are several vital signs which we track. The most vital sign of them all is average price. Over the last five years, the average single-family home price has gone up well over \$140,000 (a 43% increase during that time). In 2015, average prices broke through the \$400,000 barrier, and this year the \$500,000 barrier will be broken. What is fueling this price growth? Most notably it is low supply. *There are 20,000 fewer homes on the market today compared to 10 years ago.* Read the article below for more of our 2018 predictions.

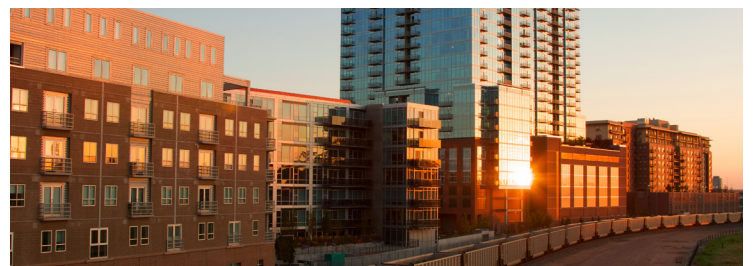
METRO DENVER AVERAGE SINGLE FAMILY HOME SALES PRICE



Source: IRES

OUR FORECAST

Here are our key predictions for 2018...



BUBBLE TALK

Here's a question we hear frequently from clients—"Do you think we have an apartment bubble?" There certainly are many apartments under construction. The data shows that up and down the Front Range, apartment construction is double the long-term average. Is this new apartment having an impact on rental rates and vacancy rates? So far, the answer is "no."

- Average Rents in Denver are **\$1,412**, up 3% from last year
- Vacancy Rates are **5.4%**, a slight increase over last year

Source: Colorado Division of Housing

THANK YOU!

Thank you to all of our clients and friends who attended our annual Market Forecast events. We had **700 people** join us over the course of two nights in Denver and then Fort Collins. Our Chief Economist Matthew Gardner gave us insightful and valuable information, and humored us with his witty personality. If you would like the slides from the presentation or a video recap, please reach out to us.



MORE HOUSES?

Why aren't there more houses for sale? Excellent question! According to our Chief Economist Matthew Gardner there are several reasons why...

- New home construction starts are half of the long-term average
- Homeowners are remodeling instead of selling
- People are living in their homes twice as long compared to 10 years ago



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