

# THE WINDERMERE REPORT

WINDERMERE REAL ESTATE | DENVER

JANUARY 2019

## EXTRA! EXTRA!

2019 Headlines

### LOAN NEWS

Big mortgage changes

### NEW HOME REPORT

How's the new market?

### NOT A LOTTA LOTS

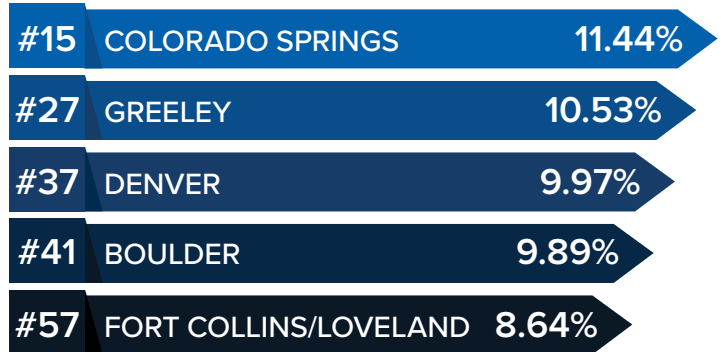
Annual lot deliveries are down 13%

### SAVE YOUR SEAT

Register for our Forecast

## THE LATEST RANKINGS

Here is the latest from the Federal Housing Finance Authority who tracks annual home price appreciation in 243 markets all across the country:



WindermereColorado.com

## THE REAL ESTATE HEADLINES OF 2019!

Here are the four real estate stories we expect to dominate the news this year. To see all the details, plus our predictions for the market, be sure to join us live at our annual Market Forecast (see article below).



- ▶ **PRICES.** Appreciation in our market has averaged close to 5.5% over the last 40 years. In 2019 we will see the end of double-digit price growth and a return to numbers that resemble the long-term average.

- ▶ **MORE NORMAL?** After being in business for over four decades, one thing we've learned is there is no such thing as "normal" when it comes to a real estate market. What we've noticed over the last 15 years is a market out of balance — especially related to new home construction and availability of inventory. While 2019 won't necessarily be "normal," we do see a market getting back into balance.
- ▶ **RISING RATES.** Interest rates today are roughly 1.5% higher than their all-time lows. Most experts agree that they will continue to rise, at least slightly. As consumers adjust their mindset to get used to rates in the 5's as opposed to the 3's, lenders will help by providing products that can offer a lower rate for the initial years of the loan.
- ▶ **INCREASED INVENTORY.** Relief from the extremely low inventory levels of the last three years will finally occur so that buyers have more choice and more time to consider their options.

## LOAN NEWS

Two pieces of big news were announced at the end of 2018 which will have a positive impact on home buyers.

- ▶ The Colorado Housing Finance Authority increased maximum income limit to \$115,600 for their down payment assistance program, which is a tremendous benefit to first-time home buyers.
- ▶ Fannie Mae and Freddie Mac increased their conforming loan limits for the third straight year, which means more buyers can get a conforming loan as opposed to a jumbo loan. The limit for most Metro Denver counties is \$561,200.

## NEW HOME REPORT

Here are the latest numbers from Metrostudy, the leading research firm for the new home market:

- ▶ New Home Starts are up 13% year-over-year
- ▶ New Home Closings are up 14% year-over-year — the most since 2007
- ▶ Of the homes started in the last 12 months, 68% were for single-family detached homes, 25% were for townhomes/duplexes, and 7% were condominiums.

## NOT A LOTTA LOTS

According to Metrostudy, months of supply for lots is at the lowest level since they began tracking the market in 2001. Lot supply has been a consistent challenge for builders trying to balance rising demand without building through available lots before more can be replaced. Annual lot deliveries are down 13% for the year and have fallen below the pace of new home starts once again, which should keep lot supply relatively tight for the immediate future.

## SAVE YOUR SEAT

It's time to RSVP for our annual Market Forecast. Join us live at the Wellshire Events Center on January 16th at 5:30pm so you can see where the market has been and where it is going. Back by popular demand is our Chief Economist, Matthew Gardner, who will educate and entertain you. Save your seat at [www.windermereforecast.com](http://www.windermereforecast.com)

**MATTHEW GARDNER**  
January 16, 2019

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