

THE WINDERMERE REPORT

WINDERMERE REAL ESTATE | DENVER

MARCH 2021

TOPPED OUT?

Is the market at its peak?

SELLERS' RISK

Rising rates will hurt sellers

BEST PERFORMING

How Denver and FoCo rank

TAX PROTESTS

Your new valuation is coming

LATEST RANKING

for 1-Year Home Price Appreciation

1. Idaho 21.08%	4. Arizona 14.1%
2. Montana 15.5%	5. Connecticut 14.1%
3. Utah 15.4%	27. Colorado 10.7%

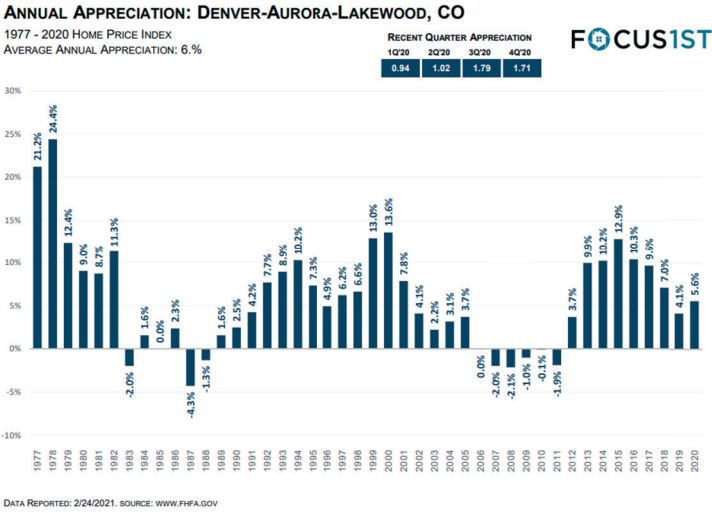
Source: Federal Housing Finance Authority

TOPPED OUT

“Am I buying at the top of the market?” is a question we sometimes hear from buyers. Here’s a visual that is helpful to answer that question. This graph shows the yearly home price appreciation for our market. Each blue bar represents that particular year’s appreciation.

Here’s a fun question for you... Looking at the period before 2008, when was the top of the market? It might be tempting to say 1994 based on what you see. However, the top was 2007 because the market still went up, albeit only 0.2%. So, even though the pace of appreciation slowed down, the market was still going up.

Now, consider the market in recent years and what we expect in the future. We believe the current pace of appreciation is not sustainable and will eventually slow. However, a declining market is extremely rare along the Front Range and requires a glut of supply combined with an erosion of demand -- two conditions that show no signs of developing in the foreseeable future.



SELLERS' RISK

Rising interest rates pose an obvious risk to buyers. A higher rate means a higher payment. **Using the 1%/10% rule**, a buyer can predict their payment being 10% higher if mortgage rates go up 1%. What isn’t as obvious is the risk rising rates pose to sellers. A higher rate means a lower potential sales price for sellers. So, any seller thinking about selling in the future is faced with the risk of waiting too long to sell if rates continue to rise.



BEST PERFORMING

The Milliken Institute periodically produces their *Best Performing Cities Index*. It is based on extensive research on each market’s jobs, wages, growth, housing affordability, and also broadband access. In the most recent report, **Denver ranked 11th and Fort Collins 12th out of 201 cities**. Provo, Utah ranked first.

TAX PROTESTS

In the coming days you will receive your Notice of Valuation in the mail which shows your county’s new appraised value of your home. It’s likely you will have questions about this notice, and you may want to know how to protest their valuation. You can join a complimentary webinar on April 15th at 10:00 a.m. and see everything you need to know. To join live or get the recording, visit www.WindermereWorkshop.com

