

THE WINDERMERE REPORT

WINDERMERE REAL ESTATE | DENVER

MAY 2021

CAN THIS LAST?

How long can the current pace keep up?

AT LEAST LIST

This key stat tells the story

THE APPRAISAL GAP

The new challenge in the market

TAX PROTEST HELP

Complimentary webinar for you

NEW PODCAST

Take a listen

HISTORY OF LUMBER PRICES

(prices are per 1,000 board feet as of March of each year)



CAN THIS LAST?

Buyers, sellers, and real estate professionals all seem to be asking the same question lately... **Can this last?** They want to know if the current pace of the market is sustainable. The answer is... **No.**

Here's the thing. All markets seek balance over time. Equilibrium Theory comes from basic economics and states that over time, a market will 'regress to the mean' and perform similarly to its long-term average.

What is happening in the market today is nothing close to average. One example is the inventory of homes for sale being essentially **70% below** what it was a year ago. Another example is average price increases being close to **20% above** last year in some places.

So, here's what we see based on our research. The pace of this market is not sustainable and will eventually slow down. However, that does not mean that prices will come down, it only means the rate at which they are increasing will slow. We also see that there is no slowdown on the immediate horizon and the current conditions in the market will last well into next year, at least.



AT LEAST LIST

One of our favorite statistics to track is called "At least list." It measures the number of properties that close at a sales price which is at least the listing price. **The latest research puts this number at 88% along the Front Range.** Just five months ago in January it was 60%. We actually believe this number will keep going up over the next few months.



TAX PROTESTS

You should have recently received your new Assessed Value from your County Assessor. If you have questions about this valuation and if you would like to protest the value, you can reach out to us to receive a complimentary webinar we have on this exact topic.

THE APPRAISAL GAP

We are helping our clients with this latest challenge... It is called the Appraisal Gap. Given the pace of price increases along the Front Range, many properties are not appraising for the sales price. When a property goes under contract for \$X and then appraises for something less than \$X, this can potentially cause a problem. We are working with our clients ahead of time to ensure that if this does occur, they are prepared and protected.

NEW PODCAST

There is a brand-new podcast made just for you. The Colorado Living Podcast gives you real, raw, and authentic real estate insights. Take a listen by visiting ColoradoLivingPodcast.com.

