

THE WINDERMERE REPORT

WINDERMERE REAL ESTATE | DENVER

NOVEMBER 2021

DECLINABILITY

When could prices go down?

LISTING PERSPECTIVE

How current inventory compares

LUXURY ACTIVITY

Numbers are way up

GRATEFUL FOR

Thank you to our clients

For perspective on today's interest rates, here is where the 30-year mortgage rate stood at this time each of the last 5 years. As of the writing of this newsletter, rates were at **3.05%**.



DECLINABILITY

What would cause prices to ever go down? This is a common question we hear from clients. This is also a very fair question given the robust price appreciation along the Front Range over the last two years.

It turns out there is a very specific answer to the question. It takes at least 6 months of inventory for prices to have any chance of declining. Even this level of inventory doesn't guarantee that they will.

This answer is based on combining over 30 years of data from the Case-Shiller Home Price Index with inventory levels during that time. The research clearly shows that prices never go down when there is less than 6 months of inventory on the market.

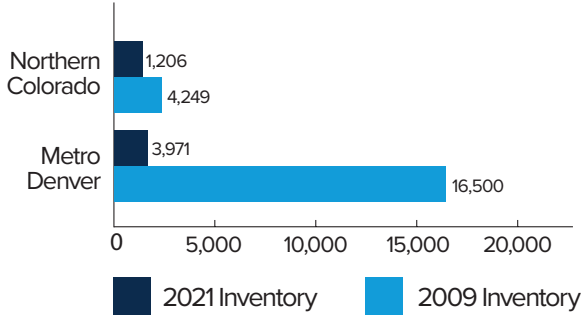
To put this in perspective, today there is between two and three weeks of inventory. So, there would need to be 12 to 8 times as many homes for sale today for prices to have any chance to decline.

This, of course, relates to the simple dynamic of supply and demand. If there is ever a glut of supply, prices will decrease. Today, we have the opposite of a glut of supply!



AFFORDABILITY

Here's a little perspective on today's inventory of homes for sale versus 2009.



LUXURY ACTIVITY

Did you know activity in the price range above \$1 million is much **more than double compared to 2019**? Compared to two years ago, Northern Colorado luxury closing are up **182%**. Metro Denver's closings are up **115%**.



THANK YOU

Thank you to the hundreds of clients who worked with us this year! We are so grateful to all of you!

