

# THE WINDERMERE REPORT

WINDERMERE REAL ESTATE | DENVER

AUGUST 2016

## NOW VS. NORMAL

Putting Today in Context

## OUR TAKE ON RATES

Will rates ever rise?

## WINDERMERE GROWING

New Metro Denver Office

## MISS-MATCH

New Homes vs. Demand

## APARTMENTS SHRINK

Smaller Size, Higher Rent

## VITAL SIGNS

Here are the key stats for the Denver Metro market:

	LAST YEAR	THIS YEAR	CHANGE VS. 2015
<b>MEDIAN SOLD PRICE</b>	\$312,000	\$343,423	+10.1%
<b>AVERAGE SOLD PRICE</b>	\$359,773	\$393,163	+9.3%
<b>SOLD LISTINGS</b>	27,844	27,217	-2.3%

Source: REcolorado YTD through 6/30/16



WINDERMERE5280.COM

## NOW VS. NORMAL *Part 2 of a 2-Part Series*

The Chief Economist for the National Association of REALTORS®, Dr. Lawrence Yun, recently stated that 2000 was the most “normal” market in recent memory. Last month we looked at the 2015 national market versus 2000. The fascinating takeaway nationally was that, despite higher population, there were fewer sales nationally in 2015 compared to 2000. This month we examine local numbers for the Denver metro area:

	SALES OF SINGLE-FAMILY HOMES	POPULATION	EMPLOYMENT
2000	47,242	2,581,506	1,203,800
2015	52,213	2,814,330	1,386,400

What’s the takeaway? The local numbers certainly buck the national trend. While sales for all of 2015 nationally were 7% lower, local sales were 10.5% higher, which is just another example of the Denver metro market outperforming the nation.

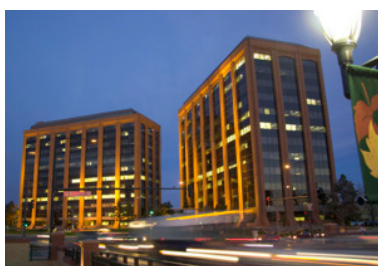
Source: U.S. Census Bureau & REcolorado

## OUR TAKE ON RATES

Interest rates for mortgages continue to bounce along the bottom. Just recently they hit near all-time lows. For 4½ years mortgage rates have been roughly half of the long-term average. Mortgage rates over the last 40 years have averaged about 8%. Today they hover around 3.5%. Money is on sale! Half-off!

Will they ever increase? Absolutely! Rates are artificially low today and over time they will gravitate back toward the long-term average. What will cause it? Although the U.S. economy has been growing (slowly), the global economy stinks—woes in Europe and slowing in China are just two examples. Did you know that today 500 million people around the globe live in countries where interest rates are negative?

So, rates must go up in the long term and the global economy must improve before they do. In the meantime, take advantage of the money sale!



## WINDERMERE IS GROWING

We are proud to announce the addition of Windermere Metro Denver to our growing network of offices and agents in Colorado. Located at 600 S. Cherry Street, the team has over 30 REALTORS® and support staff to serve customers across the metro area.



## NEW HOME MISS-MATCH

New homes being built in Denver Metro do not match the demand of the market. Here are the facts:

- 63.8% of all sales in Denver Metro are below \$400,000
- 24.6% of all new homes are priced below \$400,000

What gives? High land cost, high labor cost, high materials cost, high permit costs, high water costs and limited condominium construction.

## SHRINKING APARTMENTS

A recent survey by *Rent Café* shows that apartments are continuing to shrink while rents are continuing to rise. Renters are paying more for less!

The average apartment is 934 square feet and 8% smaller than ten years ago. Studio apartments showed the biggest 10-year decline with an average today of 504 square feet compared to 614 ten years ago.

And while size is shrinking, rent payments are not. The average rent nationally today is \$1,204 per month which is a record. Locally rents range average from \$1,230 to \$1,269 in Arapahoe and Jefferson County, and from \$1,314 to \$1,479 in Denver and Douglas County.

Source: Rent Café & Colorado Division of Housing

WINDERMERE5280.COM