

THE WINDERMERE REPORT

WINDERMERE REAL ESTATE | DENVER

DECEMBER 2016

INTEREST RATES SPIKE

The Train is Leaving the Station

CASE-SHILLER

How Denver Stacks Up

HOW'S THE RENTAL MARKET?

Vital Signs for Rentals

NEW WINDERMERE OFFICE

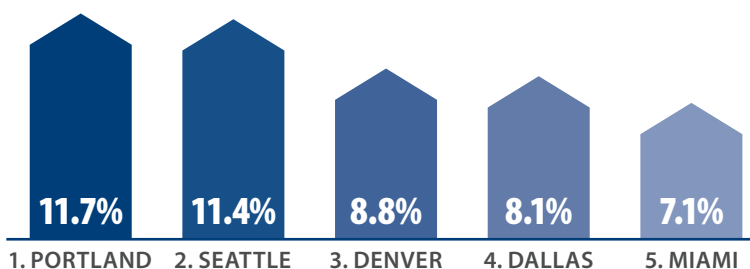
Aurora Branch is Now Open

YOU ARE INVITED

Market Forecast is January 18th

QUICK FACTS

The latest home price appreciation rankings from the Case-Shiller Home Price Index:

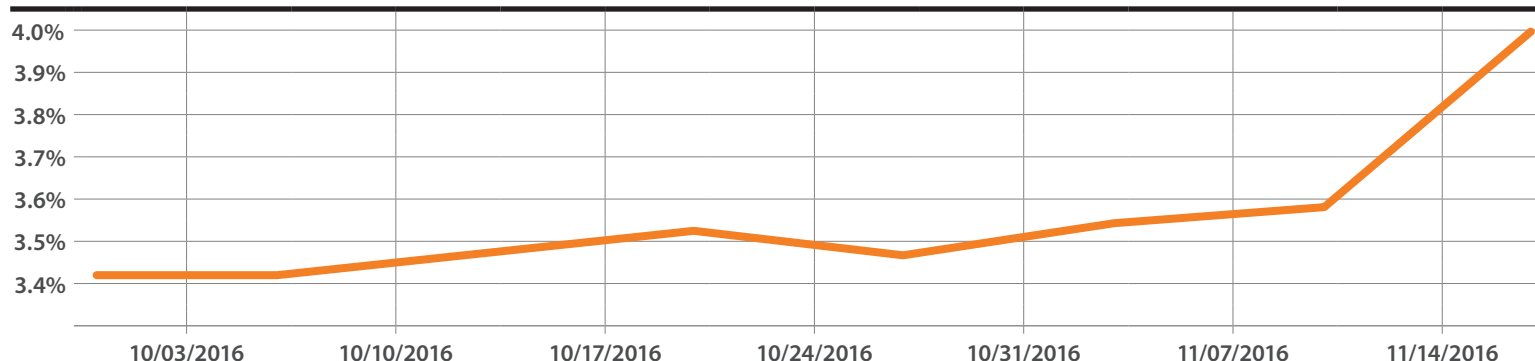


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INTEREST RATES SPIKE

Since the Presidential election, mortgage interest rates have jumped up approximately 0.5% putting November 2016 on a short list of the worst months for mortgage rate increases in more than a decade. Many economists believe that this is more than post-election jitters. Financial markets are fully re-pricing their expectations of the future. Most likely we are seeing the beginning of a long-term rise in rates.

30-YEAR FIXED RATE MORTGAGE AVERAGE



As rates rise, it's important to remember the 1%/10% rule. For every 1% rise in interest rates, monthly payments increase 10%. There is obvious impact to buyers. There is also impact to sellers in that a higher rate influences the price they can achieve for their home. We believe the greatest risk for potential buyers and for potential sellers is to wait.

Source: Freddie Mac

CASE-SHILLER

The latest research from the Case-Shiller national home price index tells an interesting story. Ten years after the peak of the housing bubble, national home prices are still **9.1% below** where they peaked in April 2006. This is true even despite huge gains in the market in recent years. It's important to note that this stat is a collective look at the 20 cities tracked by Case-Shiller. Some major markets, including Denver, are well above their bubble peaks. Also of note is that national home prices, according to the Index, are **37.4% above** the absolute bottom which occurred in February 2012.

HOW'S THE RENTAL MARKET?

Here are some vital signs from the Denver Metro Rental Market:

	2016	2015
Vacancy Rate	5.4%	6.1%
Average Rent	\$1371	\$1315
Rent/SqFt	\$1.60	\$1.55

Source: Colorado Division of Housing



NEW AURORA OFFICE

We are excited to announce our newest Windermere branch location in Aurora! The office is conveniently located in the Southlands Shopping Center near the intersection of E-470 and Smoky Hill Road. Come visit us and enjoy the rooftop deck!

YOU ARE INVITED!



Registration for the 2017 Real Estate Market Forecast is now open. From 5:30 p.m. to 7:00 p.m. on January 18th we will host a fun, informative and interactive presentation featuring our Chief Economist Matthew Gardner. United Artist Theater at Colorado Boulevard & I-25. A reception will follow. Seating is limited!

Reserve your seat at windermeredenverforecast.com

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