

Statistics Suggest That Denver's Market May Be Slowing Down, But Only Marginally

A recent report by ShowingTime, one of the nation's biggest showing services, indicated that real estate showing activity in the western states has slowed by 6.9%, while increasing 0.2% nationwide. But that's only one study by one company. And while ShowingTime might be a major player on the national stage, the Denver market is dominated by Centralized Showing Service (CSS). I searched their website for statistics on this subject.

According to CSS, showings of listings in the *City & County of Denver* — based on an analysis of seven diverse ZIP codes — are up by 40% this summer (June 1 through August 21) over the same period in 2017. Jefferson County was nearly as active with showings up 30% over that same period last summer.

Despite that surge in showings, REcolorado, our metro area MLS, shows that sales are not increasing, but are showing barely any let-up from the previous four years, as shown in the chart above right.

The agents at Golden Real Estate *have* observed a slowdown in sales activity in recent weeks, and that slowdown is reflected in the fact that as of this Tuesday there were only half the number of sold listings in Denver County as there were in all of August 2017, suggesting the figure will be down somewhat when this month closes out next week.

I'm often asked whether we're about to see an end to this seller's market, and my reply is in the negative. This is due primarily to the shortage of new homes and

condos being built, while the net in-migration of people moving to Colorado (primarily to Denver) from other states remains quite high. The housing market has no immunity against the law of supply and demand, and as long as there are more people relocating to our area than there are homes being built, we're going to remain in a seller's market. This more-people-than-homes scenario means many would-be buyers have been forced to rent. Rental apartments, which have been built in great numbers throughout the metro area, are absorbing most of these would-be buyers.

Prior to, say, 2012, those apartment buildings would have been built as condominium projects, but condo construction dropped nearly to zero in recent years because of the state's construction defects law. In 2017, new legislation reduced the legal and insurance risks associated with building condos, so that trend toward building apartments instead of condos is gradually abating, and after the mandatory six years of "repose," many of those apartment buildings may be converted to condos.

The MLS is limited in its ability to show how many condos have been built and sold since the change in the construction defects law, because condo sales by builders are not typically reported on the MLS, meaning they can be found only by searching public records.

Even with the coming resurgence of condo construction, the fact remains that many would-be buyers are stuck in rental apartments because of the continuing *overall* shortage of homes for sale. Any increase in the number of homes on the market has been wiped

CITY & COUNTY OF DENVER SALES YEAR-TO-DATE

Month	2013 Sales	2014 Sales	2015 Sales	2016 Sales	2017 Sales	2018 Sales
Jan	638	649	609	723	764	742
Feb	711	768	819	825	790	868
Mar	976	1,014	1,106	1,070	1,120	1,119
Apr	1,150	1,179	1,148	1,194	1,186	1,215
May	1,322	1,287	1,203	1,314	1,280	1,375
Jun	1,326	1,393	1,430	1,289	1,382	1,375
Jul	1,394	1,292	1,390	1,268	1,200	1,163

out by an increase in the number of sales. For this reason, inventory levels have remained at between one and two months since January 2014.

There is a "conventional wisdom" that May through July is the "selling season" for homes, primarily because of families not wanting to move during the school year. However, I would suggest that real estate sales are no longer seasonal and that May - July should be thought of as the *listing* season instead of the *selling* season, if only because so many sellers *believe* that it's the best time of year to list their home.

Note: Despite our name, Golden Real Estate does list and sell homes in Denver.

REAL ESTATE TODAY



By JIM SMITH, Realtor®

'Good Business Colorado' Happy Hour This Friday, August 24th

I have mentioned before that I'm a founding member of this progressive business organization which lobbies for a strong economy, sustainable environment and thriving communities in Colorado. See if Good Business Colorado is a fit for you at a happy hour event this Friday, Aug. 24th, at Illegal Pete's, 270 S. Broadway, 4:00 to 6:30 pm. RSVP to me (contact info below) if you'd like to attend as my guest.

Coming Next Week: Arvada Ranch With Walkout Basement

This home at 6535 Balsam Street is in the 1960's neighborhood known as Scenic Heights. It is a well deserved name for this home which is on a south facing slope with great glimpses of the Front Range amid mature trees. A 1959 example of "mid-century modern" architecture, this home has refinished original hardwood floors, as well as additional hardwood and tile on the main level, plus a large deck and an updated kitchen with stainless steel appliances and granite countertops. The sunny walkout basement is fully finished with its own full kitchen, making it suitable for a mother-in-law unit. The 2-car garage is extra long, accommodating a nice size workshop and doors to both the backyard and basement. My co-listor, David Dlugasch, and I will be making this home active on the MLS in the next week or two. More information can be found at www.ArvidaRanch.info, or call David at 303-908-4835. Also coming next week: a 1902 stone bungalow at 401 Illinois St. in downtown Golden.



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'Drive Electric Week' Returns to Golden on September 8th

National Drive Electric Week, September 8-16, 2018, is a nationwide celebration to heighten awareness of plug-in vehicles and to highlight the benefits of all-electric and plug-in hybrid-electric cars, trucks, motorcycles, and more.



If you've ever considered going electric you should come meet and talk to owners (including three Realtors at Golden Real Estate) who have successfully done so. For the past five years, the Golden Real Estate parking lot at 17695 S. Golden Road has been the Jeffco venue for this event. It's one of nearly 300 events happening this year in all 50 states and in eight of Canada's 10 provinces. Register at www.DriveElectricWeek.info to be a spectator or to exhibit your own EV at our Golden event. As of now, 21 owners are bringing 12 different models of plug-in hybrids and EVs, including a few Tesla Model 3s. Our Golden event is Sept. 8, 10am to 3pm. I'll be there with my Tesla Model X.