



# YOUR CASTLE NEWSLETTER JUNE/JULY 2021

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## REAL ESTATE NEWS

### PEOPLE ARE ON THE MOVE! WELL, SOME OF THEM...

Things are heating up! Both literally, because as I write this it is 100 degrees outside, but also figuratively when it comes to the pressure cooker that is the real estate market this year. Unprecedented low housing inventory has persisted into summer, despite the mask mandate being lifted for vaccinated citizens. As of June 1st, there were only 2,075 houses on the market in Metro Denver, down a whopping 71% from last May. This extremely low inventory

has driven up average home prices. If you look at the Monthly Market Snapshot in this newsletter, you can see that the average sales price is up 26% from this time last year. Some of that price increase is due to the lack of entry-level inventory on the market. Although, if you look at the median sold price, which removes some of the extreme luxury outliers, it is still up about 22% over last year.

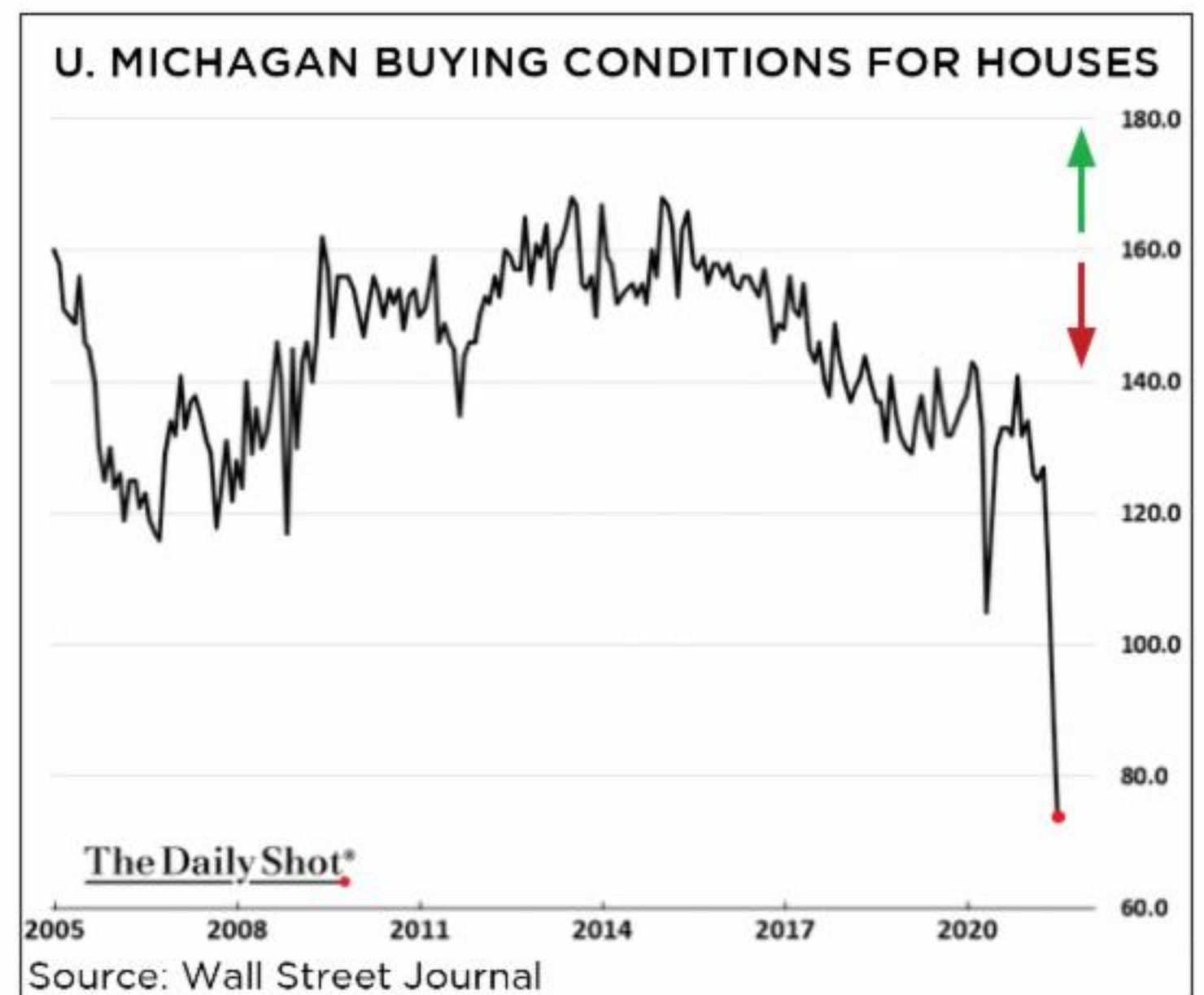


As you can imagine, many homeowners are ecstatic to sell their homes and cash out, sometimes moving to cheaper parts of Colorado or even out of state. Others I have talked with are afraid to sell their homes because they are fearful that they may not be able to find another home to move into with so much competition out there. Many are content to stay put because they have seen an average equity increase of \$47K in Colorado since last June (Source: CoreLogic). These high prices are also pushing some would-be buyers out of the market.

At Your Castle, we were curious how the pandemic had affected migration within the state. These charts show the net migration per county over the past 3 years. One thing to keep in mind is that these percent changes are based on the overall population of that county, which does vary. However, you can see that 2020 negatively impacted the net migration to Denver, Boulder, and to a minor degree, Arapahoe County. In contrast, Weld County (e.g. Fort Collins) and Douglas County (e.g. Highlands Ranch and Castle Rock) have experienced an inflow of residents. Some of the mountain counties also had a positive net migration, such as Grand

County (e.g. Granby) and Summit County (e.g. Breckenridge).

Another interesting development is that buyer demand may finally be softening. According to the Wall Street Journal, the University of Michigan's national "Buying Conditions for Houses" metric fell to its lowest level since the height of the pandemic shutdown, dropping even lower than April 2020. This will most likely lead to a gradual reduction in the buyer pool. Fewer buyers will likely lead to an eventual slowdown on average price increases. If you are a seller



PERCENT CHANGE IN POPULATION FROM MIGRATION



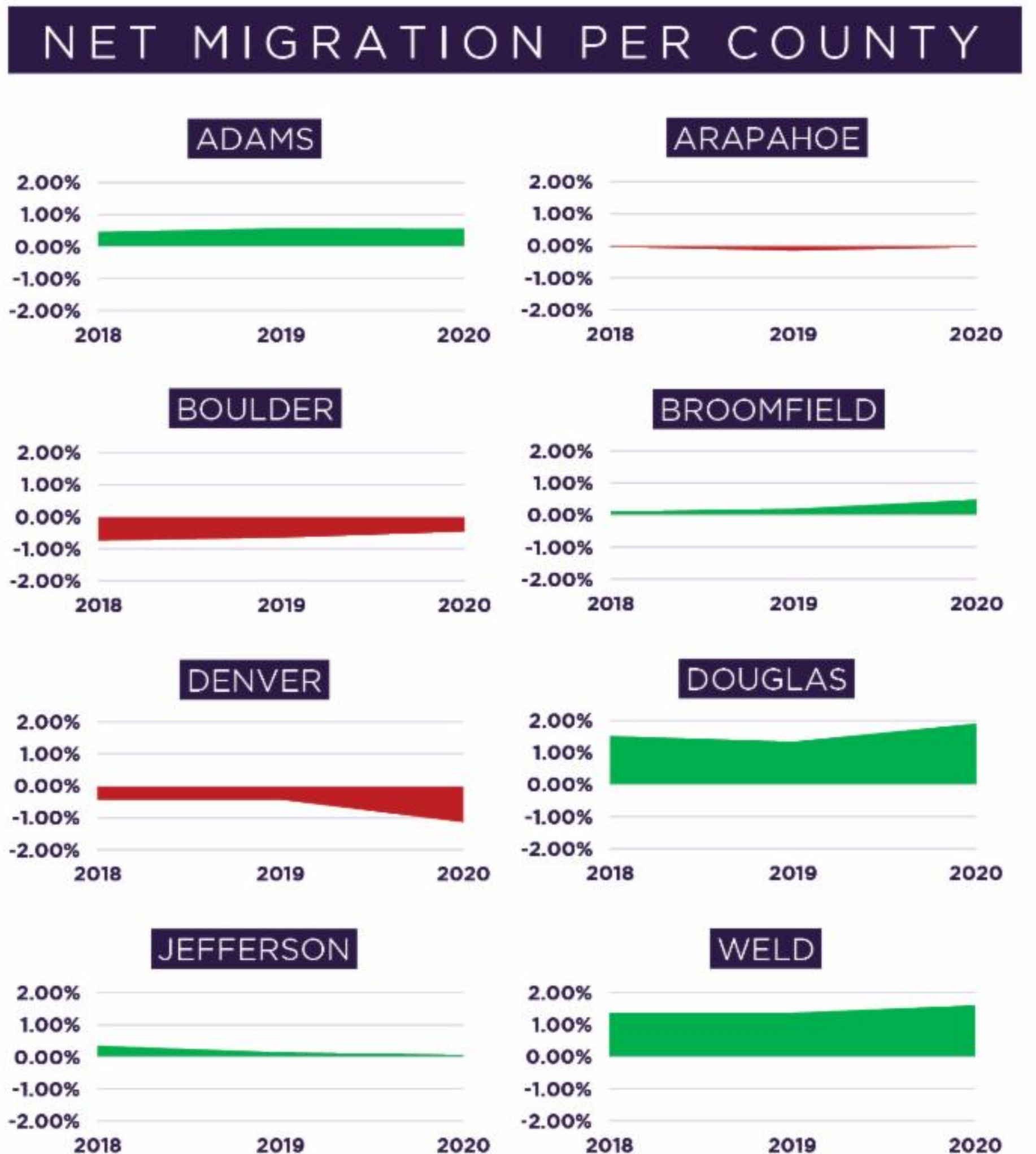
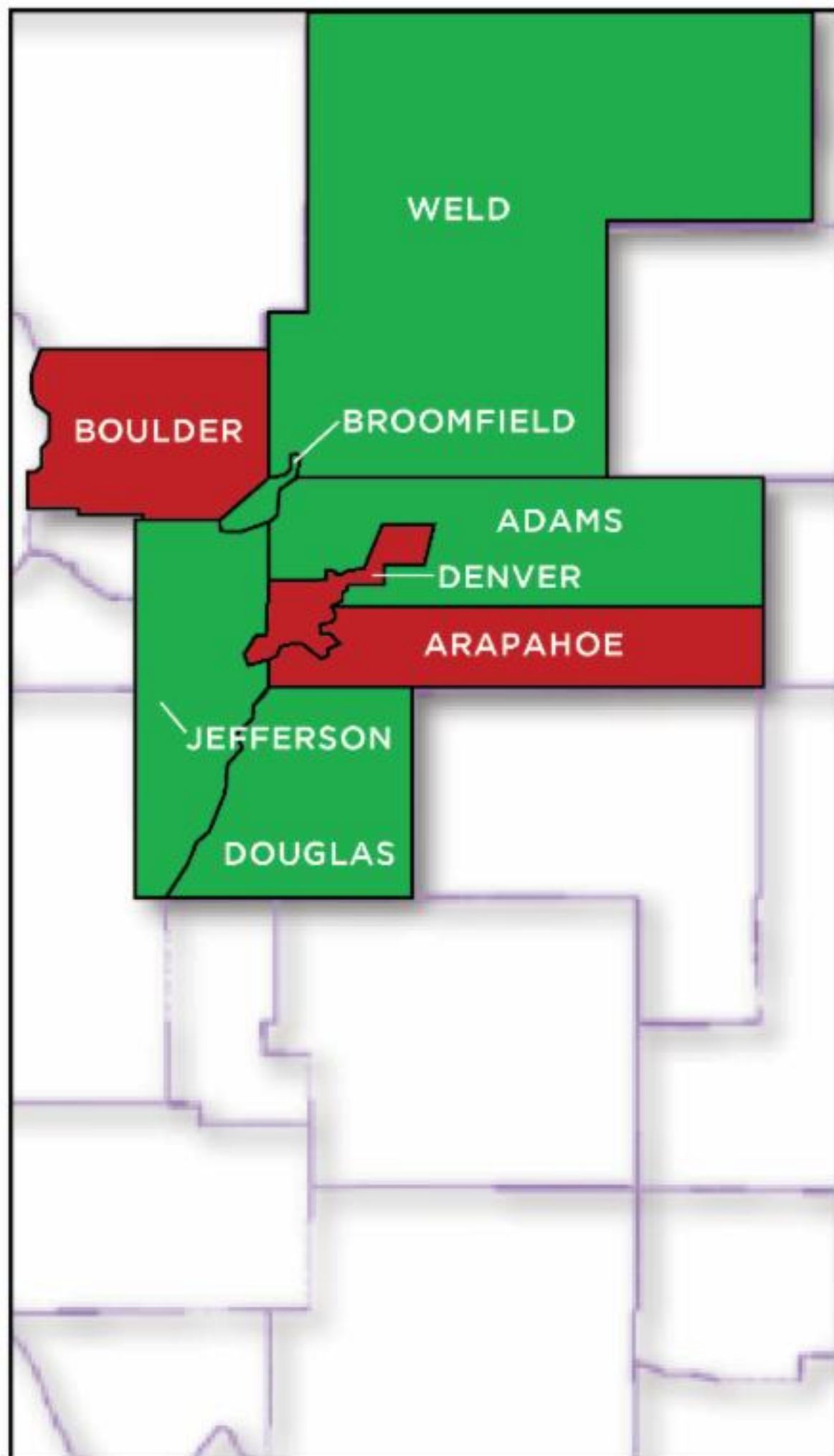


looking to capitalize on the current market, now would be a good time to list your house before this new trend takes full effect. If you are a buyer, this may herald a bit less competition in the future.

Even with fewer buyers looking for homes, there are still major obstacles to completely fixing the low housing inventory. These will most likely keep Metro Denver a seller's market for some time. Commodity prices are one major concern since the materials to build new houses saw huge spikes due to Covid. Lumber is a dramatic example. Prices per/yard have tripled since the pandemic hit. Part of this is due to shipping complications, an increase in home renovations when people were stuck at home, and in the case of lumber, there is also a European pine beetle

running amok and causing supply shortages. On the bright side, measures are being taken by the state to apply some of the Covid stimulus to affordable housing and new developments are being built. However, the scarcity of homes for sale is not likely to fully dissipate for years to come.

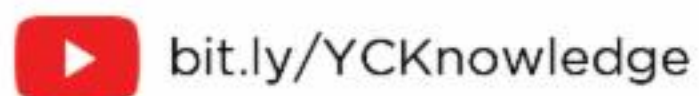
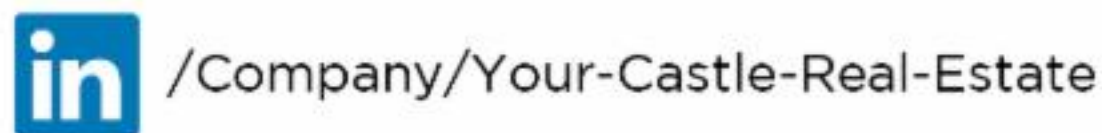
Are you curious to learn more about the real estate market in Colorado? Come to one of our many classes! Your Castle is all about education & training, both for our agents, and for their clients. We have in-person and/or virtual formats available, and would be happy to have you attend. Check out our training calendar link here for the most up-to-date offerings: [www.YourCastle.com/Training](http://www.YourCastle.com/Training)





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## STAY UP-TO-DATE ON THE MARKET



## MONTHLY MARKET SNAPSHOT SINGLE FAMILY + CONDO/TOWNHOME (STATS FROM MAY 2021)

	May '20	May '21	%Change
<b>Active Listings at Month End</b>	7,170	2,075	-71.06%
<b>Under Contract Listings</b>	6,521	6,719	+3.04%
<b>New Listings</b>	7,337	6,311	-13.98%
<b>Sold Listings</b>	3,578	5,322	+48.74%
<b>Average Days in the MLS</b>	24	11	-54.17%
<b>Median Sold Price</b>	\$439,700	\$540,000	+22.81%
<b>Average Sold Price</b>	\$494,165	\$623,279	+26.13%
<b>Percent of Sold Price to List Price</b>	99.39%	105.20%	+5.85%

Source: DMAR (Denver Metro Association of Realtors)