



For Immediate Release

Denver-Area's Fierce Housing Market has No Indication of Housing Bubble on Horizon

"Seller Protection" New Trend as Denver Home Prices have Edged Up for 38-Straight Months

DENVER – May 5, 2015 – [Denver Metro Association of REALTORS®](#) (DMAR) - an organization comprised of over 5,000 real estate professionals - released its May Denver Metro Real Estate Market Trends Report today. Findings are interesting considering recent news that the Denver housing market is number one in the U.S.

“Denver’s sub-\$300,000 residential real estate market is blistering hot this spring,” said Anthony Rael, Chairman of the Denver Metro Association of REALTORS® Market Trends Committee. “As pent-up demand for housing in this price range continues to outpace inventory of available homes, the term ‘seller protection’ has made its way into the vocabulary.”

The term, seller protection, contractually obligates a homebuyer to pay the difference between the appraised value of a home versus the contract price – thus protecting the seller. “This strategy has become an unwelcome thorn in the backsides of real estate agents and their buyers, and not one I advocate,” Rael adds.

Homebuyers motivated enough, and who have the financial means, are writing offers significantly above the list price and opting to waive the appraisal contingency. Hedging this bet has proven to be a beneficial strategy for buyers as consumers have watched home prices edge up for 38-straight months.

According to the report, the inventory of available homes (single family and condos) for sale was 5,025 at April month end – accounting for a 22 percent increase from the previous month, but 20 percent decrease year over year. Even though Denver-area’s housing inventory was replenished with 7,059 new listings that came on the market in April, 5,605 homes were placed under contract rather quickly and 4,465 homes closed. The median sold price was \$315,000 and the average sold price of \$361,915, resulting in a closed dollar volume of \$1.62 billion.

“Today’s higher prices have been expected as the economy improves and the first-time and boomerang buyers return to the market,” states Rael. “While demand outpaces supply, there is no indication that a housing bubble is on the horizon.”

DMAR’s monthly report also includes statistics and analyses in its supplemental “**Luxury Market Report**” (properties sold for \$1 million or greater), “**Signature Market Report**” (properties sold between \$750,000 and \$999,999) and “**Premier Market Report**” (properties sold between \$500,000 and \$749,999). Seventy homes closed in April 2015 for \$1 million or greater and the closed dollar volume last month in this segment was \$106.7 million.

"In past months, the news has been about the properties priced under \$400,000 selling at the speed of light," said Jill Schafer, member of the Denver Metro Association of REALTORS® Market Trends Committee. “Now all homes under \$1,000,000 are selling fast.”

The hot real estate market has raced up to include the Premiere (\$500,000-\$749,999) and the Signature (\$750,000-999,999) price ranges.

“Months of inventory” is the measure used to determine the strength of the real estate market. When the inventory is between five and six months, neither the homebuyer nor seller has the advantage. More months of inventory places the homebuyer at the advantage, but fewer than five months inventory puts the power in the seller’s hands. In April, there was only a little more than two months of single family inventory priced between \$500,000-\$749,999 and about four months between \$750,000-\$999,999. The condo market had a little more than three months of inventory in the Premiere market and 3.67 months in the Signature market. That means the seller is firmly at an advantage in these price ranges.

The number of Premiere (\$500,000-\$749,999) home sales increased 5.56 percent in April compared to the previous month. Year over year, single family homes sold in this price range increased 37 percent and condo sales increased a notable 71 percent.

“It doesn’t stop there,” adds Schafer. “Move up a price range and it's growing stronger and stronger. The number of homes sold in the Signature Market (\$750,000-\$999,999) is nearly 15 percent higher in April than the month before. Year to date, we saw nearly 54 percent more

homes sold. Meanwhile, sellers in this price range are selling an average of a couple of weeks faster. That means buyers looking at homes in this price range, will have to move quickly, as well as bring their highest and best offers from the beginning.”

Things down shift when the price goes over \$1 million. Luxury homebuyers found themselves with more power over sellers in April. There was 11.5 months of inventory in the single-family home market and 6.8 months inventory of condos in this price segment.

According to Schafer, that may not last for long. The number of sales in this price range was down from March to April, but still up 21 percent compared to this time last year.

The highest priced home sale in April was a condo that sold for \$4,550,000 representing four bedrooms, five bathrooms and 5,193 above ground square feet in Four Seasons Denver.

The DMAR Market Trends Committee releases reports monthly, highlighting important trends and market activity emerging across the Denver metropolitan area. Reports include data for Adams, Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park counties. Data for the report was sourced from REcolorado® (May 2, 2015) and interpreted by DMAR. **To view the Denver Metro Market Update, please [click here](#).**

For more information, please visit dmarealtors.com. Follow the latest updates from the Denver Metro Association of REALTORS® on [Twitter](#) (@DMARealtors using #dmarstats), [Facebook](#) and [Google+](#).

About Denver Metro Association of REALTORS®

Denver Metro Association of REALTORS® is a membership-based organization comprised of over 5,000 real estate professionals in the Denver metropolitan area. The association offers continuing education, advocacy for the real estate community and is a resource for industry news and market statistics. DMAR launched its new brand identity in November 2014 to reflect that the association is “part of a united community defined by its powerful connections and passion to thrive as individuals.” For more information, visit www.dmarealtors.com or call (303) 756-0553.

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