

Lower rates didn't do much for housing market

Number of homes, condos sold in metro Denver in September is down 8.8% from August

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Lower mortgage rates were expected to put some momentum back into home sales, but September brought more of the same for metro Denver's listless housing market.

The average rate on a 30-year mortgage loan has decreased from above 7% early in the year to 6.76% in early July to about 6.36% in late September, according to Bankrate. The move lower accelerated this summer after the Federal Reserve signaled it would lower rates, which it did for the first time this year on Sept. 17.

Buyers, however, remain cautious, "balancing inflation and employment concerns with the promise of potential further rate cuts," noted Amanda Snitker, chairwoman of the Denver Metro Association of Realtors' Market Trends Committee in comments accompanying the group's monthly report.

Despite improving affordability, the number of homes and condos that sold in metro Denver in September is down 8.8% from August and about flat with last year, according to the update. Pending sales, a measure of future activity, were also down.

Sellers seemed more enthusiastic about the rate cuts than buyers, bringing 4,968 new listings to market last month, a 6.2% increase from August. The number of listings active on the market didn't change much, going from 13,059 in August to 13,074 in September.

"The seasonality and economic conditions of our market today are micro adjustments compared to a market where we saw large swings in demand and prices during 2020 through 2022," Snitker said. "These variations in the market may seem uneventful compared to the extremes of the previous cycle, but they are no less meaningful."

Snitker, who is a metro-Denver Realtor, said September usually signals the start of a slower pace for the region's housing market, but added that lower mortgage rates could signal a period of recalibration.

The median price of a single-family home that sold in September was \$638,250, down 1.8% from the \$649,900 seen in August and up 1.3% over the past year. The median price of a condo or townhome that sold last month was \$390,000, up 1.2% from August and down 3.35% from September 2024.

Half of the homes and condos that sold last month did so within 35 days or fewer of hitting the market. That is up from a median of 30 days in August and 25 days last year.