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Drop in Consumer Confidence & Trade War Concerns Not Yet Reflected in Real Estate Statistics

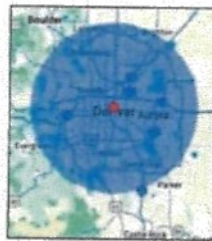
Last Friday, CNN reported on a survey by the University of Michigan about consumer confidence, which showed a significant decline — 30% since December 2024.

"This decline was, like the last month's, pervasive and unanimous across age, income, education, geographic region and political affiliation," Joanne Hsu, the survey's director, said.

According to CNN, "the Federal Reserve and Wall Street are watching closely how souring sentiment translates into consumer spending, which accounts for about 70% of the US economy, and whether Americans lose faith that inflation will return to normal in the coming years."

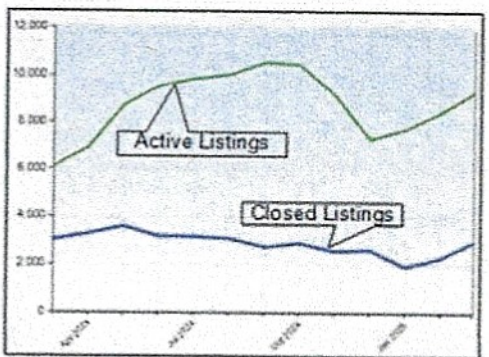
That decline in consumer sentiment is not yet reflected in real estate statistics which I researched on REcolorado, Denver's MLS. The charts shown in this report are for the 13 months from March 2024 through March 2025, so that you can see both year-over-year and month-over-month changes.

Homes are still being put on the MLS and are still selling. I limited my analysis to an 18-mile radius of downtown Denver, as shown in the map at the top of the next column,



not the metro area defined by county boundaries, as preferred by the Market Trends Committee of REcolorado.

First I looked at the count of active versus closed listing by month:



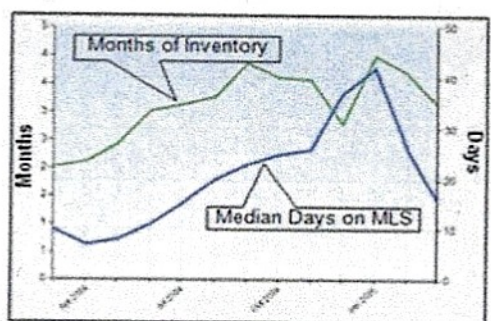
Sales are continuing to rise, and an increasing number of sellers are putting their homes on the MLS. Here are statistics for the past seven days (as of this Tuesday morning):

- ◆ New listings — 1,218
- ◆ Coming soon — 178
- ◆ Price reductions — 1,502
- ◆ Under contract — 963
- ◆ Withdrawn from MLS — 97
- ◆ Back on Market — 199
- ◆ Expired without selling — 187
- ◆ Closed — 687

This is not an easy time to list and sell a home, and I would describe it as a "buyer's market." Even in a buyer's market, however, keep in mind that a home which is

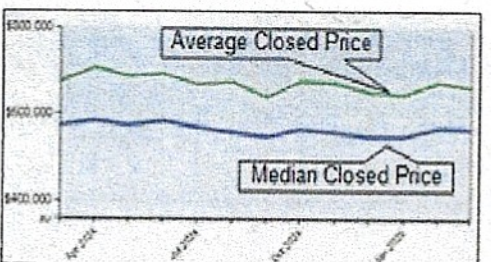
priced correctly and has appealing qualities can sell quickly and even be in a bidding war.

How fast? Here's the change in months of inventory and median days on the MLS:

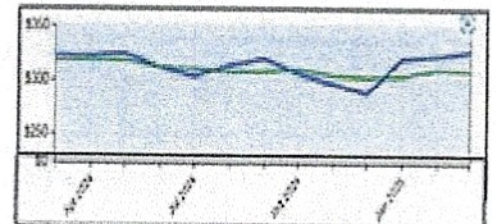


At the current rate of sales, it would take 3 months to sell the number of currently active listings, but the median days on market fell from over 40 in January to 17 in March.

Meanwhile, the average and median sold prices have remained steady. Average is always higher because of the number of million dollar homes sold.



I like to look at the change in price per finished square foot, since the size of homes can vary significantly. Here's that chart:



The blue line is the asking price per square foot, and the green line is the sold price per square foot. In December, that price was bid up, but since then it has fallen, which is a measure of both seller hopes versus what the market will bear.

April statistics will be available in time for my column on May 8th. Since the greatest political and economic disruption is happening this month, it will be interesting to see how this month's real estate activity is affected by current "externalities."

If you are interested in my thoughts about those, you'll want to check out my political blog, <http://TalkingTurkey.substack.com>.

Note to Readers: Next week's column will be published as usual, but we begin a bi-weekly instead of weekly schedule, so there will be no column on May 1st, May 15th, etc.

Redfin Report Highlights Increasing Cost of Buying vs. Renting

The financial gap between purchasing a home and renting a home or apartment has grown significantly, making the dream of homeownership more distant, according to a report released by Redfin last Thursday.

According to the report, the typical American now needs to earn over \$116,600 annually to afford a median-priced home in the U.S., compared to just \$64,160 needed to afford an average apartment. That's an 81.1 percent income gap — the widest it has been in recent years.

Those are national statistics, however. Here in the Denver metro area, the differential is much higher — 131.7 percent — according to Redfin. It takes an income of \$155,717 for a family to afford a median-priced home (\$580,719) and \$67,200 to afford a median-priced apartment (\$1,680 per month). That's a year-over-year income increase of 4% for buying and a 1.1% decrease for renting. That reflects the national pattern

of increased differential between the affordability of buying versus the affordability of renting.

The income needed to afford the typical home is calculated using the prevailing median home sale price and average mortgage interest rate over rolling three-month periods, and assumes a 15% down payment. The typical housing payments noted in Redfin's report include the mortgage principal, interest, property taxes, homeowners' insurance and mortgage insurance.

The income needed to afford the typical apartment is calculated using the prevailing median asking rent over rolling three-month periods. Median asking rent figures cover newly listed units in apartment buildings with five or more units. Asking rents reflect the current costs of new leases during each time period. In other words, the amount shown as the median asking rent is not the median of what all renters are paying, but the

median asking price of apartments that were available for new renters during the report period.

Redfin considers a home affordable if a buyer spends no more than 30% of their income on their housing payment. They use the same threshold for rental affordability.

Cincinnati saw the biggest drop in the homebuying premium. There someone needs an annual income of \$80,752 to afford the typical home for sale. That's 38.9% more than they need to afford the typical rental.

Charities Miss Our Truck.

Our Campaign to 'Bring It Back' Is Off to a Great Start — \$1,600 Raised.

Back in February, I announced that our 2012 Ford box truck needed a new engine and other repairs and that we decided to retire it instead. This was a big loss to such non-profits as Project Feed the Troops, BGoldN, Family Promise, Christian Action Guild, Buffalo Bill Days, and the International Rescue Committee, among others, which used the truck more often than our clients did!

The truck is off the road but still available to be repaired — or replaced, if we raise enough money. If you'd like to contribute, visit www.BringItBack.info. Or send a check to us at 1214 Washington Ave., Golden CO 80401.



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