

DMAR Real Estate Market Trends Report | AUG. '21

July 2021 data demonstrates that the pool of buyers continues to shrink in terms of affordability while sellers continue to list their homes in expectations of it selling higher.

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While still in a robust seller's market, the July 2021 report indicates that as we head into fall, buyers will start to have more time to review properties and less competition on the number of offers overall. The July residential real estate market reported an increased inventory of 29.92 percent, while it also represented a decrease in closings of 12.30 percent compared to the previous month, indicating a supply increase and demand decrease.

While the average closed price was 16.40 percent higher this July than July 2020 and July represented the lowest number of active properties at month's end in July's history, with an inventory of only 4,056 properties, this number actually increased from June to July, reflecting the flow of the market.

“The real estate market continuously changes,” said Andrew Abrams, Chair of the DMAR Market Trends Committee and Metro Denver REALTOR®. “It appears that, for now, we are back to drawing within the lines. For buyers, this can be beneficial by having more normal expectations of what it takes to buy. For sellers with grandiose dreams of what their house could be worth, now is the time to come back to reality and use the data to help make an educated decision.”

Overall, historical perspective in the Denver market indicates that an increase in inventory and a decrease in sales volume is not uncommon in the transition from June to July. With the relative lack of inventory, it can be expected that the balance between supply and demand will stay steady through the remainder of the year.

Our 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), “Premier Market Report” (properties sold between \$500,000 and \$749,999), and “Classic Market” (properties sold between \$300,000 and \$499,999).

The July 2021 Luxury Market reports that it is quickly moving and remains strong overall. Both the attached and detached segments showed close-price-to-list-price ratio averages at 101.39 and 103.40 percent, respectively.

In the attached segment, the Luxury Market had slightly more inventory month-over-month, more pending sales, less closings, a lower sales volume and less days in the MLS. There was also an increase in the close-price-to-list-price ratio and in the price-per-square-foot. Meanwhile, month-over-month in the detached segment reported less inventory, less pending, less closed homes, a lower sales volume and a lower average days in MLS.

“Buyers are facing harder decisions by the day,” said Jenny Usaj, DMAR Market Trends Committee member and metro Denver REALTOR®. “If you do not go higher, can you sleep at night? If you pay over the list price, can you sleep at night? Historical financial data is the basis of many real estate decisions, but so are feelings in this market and feelings cannot be calculated.”

While 2020 was an anomaly, there have been massive jumps in the year-over-year data. The Luxury Market has had a 108.05 percent increase in closed sales. Year-to-date, the market is at 3,048 sold residences as compared to 2017 when there were 1,075, and 2020 when there were 1,465 sold homes. Regardless of the pandemic, the Luxury Market is seeing tremendous growth.