

Looking past the holidays, Denver real estate agents anticipate a chilly spring.

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A new report about area home sales is adding weight to evidence that home prices have crested and are finally dropping around Denver, three years after mortgage rates soared and buyers turned sour on the market.



Real estate agents are quick to welcome that falloff. And they're noting that December typically sees sales freeze up at a time when buyers have the holidays on their minds, and when discouraged sellers sometimes pull their homes from the market until spring.

But brokers with long experience in Colorado's ups- and- downs are doubting whether the market will improve much after the lights are taken down and the wrapping paper is in the recycle bin.

Interest rates have held stubbornly in the low-to-mid 6% range despite two quarter-point rate cuts by the Federal Reserve this fall.

Record luxury sale

Meanwhile, one segment isn't feeling the pinch as much, according to the latest Market Trends Report by Denver Metro Association of Realtors, covering November sales.

Although buyers and sellers in the low-to-mid price ranges face big challenges, older and wealthier buyers aren't as affected.

"High-end activity shows a functional, not distressed, market," the Trends report said about the luxury end of the market.

During November, a penthouse on a condo tower in Cherry Creek North went under contract for over \$10 million in a single day. And a 22-acre estate property in Cherry Hills Village's Charlou neighborhood west of the DTC closed late in the month at \$17 million — reportedly a Denver area record — after just one price reduction.

"The luxury market is less sensitive to interest rates and affordability," Compass broker Kelly Moye, who reports to DMAR on the pricier market in Boulder and Broomfield Counties, told The Denver Gazette.

"The luxury market in Boulder is pretty strong now — not a lot of appreciation, but selling quickly," she said. Some 52% of sales are completely cash, Moye noted.

Jack O'Connor, who heads up The Denver 100 office in Inverness, said that luxury home sales have continued solidly for the past two years, despite higher rates and growing home inventory across other price ranges.

"If you look at those buyers, their stock portfolios have added wealth," O'Connor told The Denver Gazette. "They have made out."

Across the broader market, the median-priced detached home in the 11-county Denver area stood at \$640,000 in November, down from October's \$649,573 but still up slightly from a year ago. (Median prices are seen as a more accurate marker than average prices, which can be skewed upward by a few very pricey sales.)

Meanwhile, attached homes and condos showed a median price of \$380,000 last month, down 2% from October and down 7% from a year back.

November home sales volume, \$1.933 billion, was down a marked 25% from October's volume and was off by over 11% from the volume in November 2024.

Also trending down was the supply of homes for sale, falling from 12,500 in October to 10,500 last month. However, the supply stands 13% higher than a year back. The average time required for a home to sell stood at 58 days.

Agents see the drop in inventory as a seasonal effect partially from those dropped listings, not a favorable sign that homes are disappearing to buyers.

"These patterns reflect typical seller behavior during the holiday season: homes come off the market in November and December, often relisting after the new year," said Amanda Snitker, chair of DMAR's Market Trends Committee, in the report.

"The consistency with prior-year patterns suggests the market is following normal seasonal rhythms rather than fundamental deterioration," she said.

Lack of optimism

Although hopes had risen that mortgage rates could drop at year-end and spark a wider market recovery, individual agents aren't feeling optimistic that early 2026 will see much more life return.

"Right now, it's achingly slow," said Moye about her U.S. 36 corridor market. The added holiday slow-down seems even more pronounced, she added, in light of how lackluster 2025 proved to be.

"The stats are literally flat," she said. Although prices still lie close to where they were a year back, next month's report could tip the balance and yield a year-over-year decrease.

"We have one more month," she said, "but I have a feeling we'll see that number down just a little."

"Inventory has not decreased as much as I would have hoped," O'Connor said. Although inventory is down over the month, the decrease hasn't been enough to overcome the lack of overall sales volume.

"Even though inventory has dropped, so has the number of buyers in the buyer pool," he said.

All agents say that to sell, properties need to be priced right and well promoted; and that although activity drops during the holidays, buyers who remain in the market in December are serious about

buying.

O'Connor said that behind the numbers, the market really is changing.

"The stats published don't take into consideration sellers' willingness to make concessions, to pay for discount points, or to accommodate inspections," he said.

In strategizing pricing, agents are already assuming some broader reductions that wouldn't have happened three years ago.

"We factor in another 3% to assume that sellers will make a level of concession," O'Connor said.

Despite that, he doesn't see a substantial pickup early in 2026.

"Everybody talks about the rate, but I don't see much reduction in the first 120 days," O'Connor said.

"The reality is that we'll maybe see a quarter-point difference; a 30-year at 6%. But I don't see buyers jumping in until their incomes go up."

"Incomes haven't gone up hardly at all, but rates have doubled," he added. "It will take a while for incomes to catch up. But I do see incomes rising and see that making a difference by June."

