

Housing market hit the brakes in July, but rose at record rate

METRO DENVER

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The Denver Post

Metro Denver's housing market slowed in July, with closings down from June and the inventory of available homes remaining tight but rising at a record rate, according to the monthly Market Trends Report from the Denver Metro Association of Realtors.

Buyers closed on 5,820 homes and condos in metro Denver last month, down 12.3% from June's count and 21.3% from July 2020. The inventory of residential properties available for sale at the end of July was 4,056, a nearly 30% increase from June.

"As the trends shift away from a hot summer market, the question at the forefront of everyone's mind is 'Are prices going to come crashing down?'" Andrew Abrams, chairman of the association's market trends committee, said in comments accompanying the report. The median price of a singlefamily home sold in July was \$600,000, which matched June's median price and reflects a 20% gain from last July. The average closing price was \$699,795, down 3.5% from June but up 17.2% from a year earlier.

The median price of a condo or townhome sold in July was \$381,250, which was up 0.8%

from June and 14.5% from a year earlier. The average sale price for condos and townhomes last month was \$442,949 — 1.6% more than in June and 15.2% on the year.

Single-family home listings spent an average of eight days on the market last month, while condos and townhome listings spent 12 days.

A tenth of closings last month saw sellers lower the price, compared with a quarter of closings in July 2020.

A typical year in metro Denver sees a 3.1% gain in active listings in June and July. But this year's monthly increase of 29.9% is the largest ever recorded for July, according to the report. That said, July's average was 16,302 active listings, so the supply remains at only a quarter of historic levels.

Tight supply should hold at bay a dramatic drop in prices, Abrams and others argue.

"At a broad level, home prices are in no danger of decline due to tight inventory conditions, but I do expect prices to appreciate at a slower pace by the end of the year," Lawrence Yun, chief economist of the National Association of Realtors, predicted last month.

Yun said he expects home price gains to start rising in line with income gains next year as more listings and newly constructed homes hit the market.

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