



Sara B. Hansen

reveals the toll this slowdown is taking on everyone involved.

The numbers you need to know

The median home price hit \$615,000 in May, up 2% from April.

Sounds healthy, right? But closed sales fell 4.32% month over month and nearly 7% year over year compared to May 2025.

New listings dropped 9% from April. Active listings grew 6% to 12,259, but that's due to homes sitting longer.

It's not the price. It's the rate.

Here's what might surprise you.

Denver home prices have followed a normal trajectory. Since May 2017, the median price grew at roughly 6% annually. That's not a runaway market. That's history repeating itself.

So, what broke affordability? Interest rates.

Amanda Snitker, DMAR market trends committee chair, says a buyer who purchased at Denver's median price in March 2020 with a 3.8% rate had a monthly payment of about \$1,866.

If rates stayed flat, normal appreciation would push that payment to around \$2,580 today. Instead, at 6.5%, the payment on today's median home price of \$615,000 is \$3,498. That's an 87% increase in six years.

"The rate isn't compounding the affordability problem," Snitker said. "It is the affordability problem."

Denver's once red-hot housing market has hit a wall: buyers are worn out, sellers are trapped, and the May report from the Denver Metro Association of Realtors

Rate lock is real, and it cuts both ways

Inventory remains low because many sellers are stuck. Homeowners with low-rate mortgages face monthly payment hikes of \$1,500 to \$2,000 if they move, leaving even eager sellers hesitant.

Still, some are selling due to job moves, life changes, or downsizing, especially if they have strong equity. Buyers hoping to win over these sellers can offer flexible closings, waive minor repairs, or propose rent-backs to seal the deal.

Entry-level homes, especially condos and townhomes, are under severe pressure. Closed sales dropped nearly 18% year over year.

First-time buyers should consider less competitive locations, fixer-uppers, or alternate property types, and watch for quieter market periods to gain negotiating power.

Where are buyers landing?

The \$500,000 to \$749,999 range remains the market's sweet spot.

Detached homes in that range show just 2.25 months of inventory, meaning sellers still hold some leverage.

Realtor Andrew Abrams said buyers in this segment are being intentional and strategic, aligning life milestones with market timing to land the right home at the right moment.

Meanwhile, the \$1 million-plus market is bucking the fatigue trend entirely.

Closed sales in that segment rose 5% month-over-month and 6% year-over-year.

Buyers are less sensitive to rate swings and more insulated from economic headwinds.

"While this is speculative, it's a reasonable explanation for the relative resilience we're seeing in pending and closed activity at

DENVER METRO
ASSOCIATION OF REALTORS

MARKET TRENDS REPORT

MAY 2026

The following statistics are for residential (detached and attached) properties.



Median Close Price

\$615,000 ↑ 2.24%



Closed Homes

4,004 SALES
↓ 4.32%



Sales Volume

\$2.98 BILLION
↓ 1.31%



Months of Inventory

3.06 MONTHS
↑ 4.08%



Median Days in MLS

14 DAYS
↔ 0.00%

Data Source: REcolorado
May 2026 Data | Month-Over-Month

Active Listings

12,259 ↑ 6.24%

New Listings

6,006 ↓ 9.49%

Pending Sales

4,134 ↑ 1.17%

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the top end of the market."

What comes next?

Every 1% drop in mortgage rates reduces the monthly payment on today's median home by about \$315.

That's the lever buyers and sellers are both watching.

Experts expect mortgage rates to gradually decline later this year, but not

by much, with rates likely to remain above recent historic lows.

Sara B. Hansen has been an editor and writer for more than 20 years. Her professional background includes editing positions at The Denver Post, The Des Moines Register, The Fort Collins Coloradoan, and At Home with Century 21. She's also the founder and editor of DogsBestLife.com and the author of "The Complete Guide to Cocker Spaniels."