

DENVER METRO

Home sales dip to lowest levels since 2008

Translate

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Metro Denver home sales reached a monthly low not seen since September 2008, when the U.S. financial system was on the verge of collapsing. - Note

The cost of a 30-year mortgage spiked to 7.5% as the month came to an end. But the full weight of more expensive debt may not show up in the market until October and November, according to a monthly update from the Denver Metro Association of Realtors (DMAR).

The number of homes sold in an 11-county region encompassing Denver fell to 2,849 in September, down 11.7% from August and 21.4% from a year earlier, according to the report. - Note

Pending sales, a measure of future activity, fell 6.1% from August and 13.4% from year-ago levels, indicating a softening is ahead over the next couple of months.

"After months of drifting, rates finally picked a direction in September, and it wasn't the one buyers wanted. The 30-year fixed rate climbed each week, topping out at about 7.5% by the end of the month," Amanda Snitker, chairwoman of the DMAR Market Trends Committee and a local Realtor, said in comments accompanying the report.

The Federal Reserve raised interest rates on Sept. 16, ending a 37-month streak of either lowering rates or holding them steady. That dashed the hopes of buyers who were holding out for a rate cut in 2026 that would boost affordability.

"It's important to note that September's closings don't yet reflect that shift. Most homes that closed in September went under contract in August, when rates were still hovering around 6.7%," Snitker said. - Note

The median price of a single-family home sold last month was \$635,000, down 2.1% from August and flat with year-ago prices.

Condo and townhome prices fell 1.2% on the month and 6.3% on the year to \$365,500. Higher association fees and deferred maintenance costs continue to drive those declines.

Measured across the first three quarters of the year going back to 2022, the median sales price of single-family homes in metro Denver has held eerily steady at \$650,000, according to the DMAR report. - Note

The one exception was in 2023, when it dipped down to \$635,000 across the first three quarters.

Condo prices, by contrast, have gone from a YTD median of \$405,000 two years ago to \$385,000 this year. As rate shocks shook up would-be buyers, sellers stayed in the game, with new listings staying flat between August and September and dropping only 1.5% from year-ago levels.

But that doesn't mean sellers aren't sacrificing to reach the closing table, said Cooper Thayer, a Realtor with Keller Williams Action Realty in Castle Rock.

In August, 36.1% of listings in the Denver region had a price reduction, and in Colorado that share was ~~32.3%~~ ^{Not} the highest ratio of any state in the country and above the U.S. rate of 26.3%, Thayer noted on his real estate blog.

Colorado, which for years had tighter than average inventory, is now looser. August had 4.5 months of listings available given the pace of sales compared to a 3.9-month supply nationally, he said.

The inventory of homes and condos for sale in metro Denver, at 13,567, represents the highest total for a September in 15 years, and is up 3.7% both monthly and annually, according to DMAR.