

Home, condo sales drop 30% in metro area

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Metro Denver's housing market experienced a surge in new listings last month as sellers rushed the field ready to make a deal. But buyers, hobbled by a lack of affordability, increasingly stayed on the sidelines, causing closings to fall and the inventory to rise, according to a monthly update from the Denver Metro Association of Realtors.

Activity typically rises between December and January as buyers and sellers alike, free of holiday obligations, shift into a dealmaking mindset. The 2,259 sales completed represented a 30.6% decline between December and January and compared to January 2024, sales were 2.3% higher.

"At the beginning of the month, many buyers found themselves in the same place as they were this time last year — seeking to purchase a new home and hopeful for friendlier market conditions," said Amanda Snitker, chairwoman of the DMAR Market Trends Committee and a local Realtor, in comments accompanying the report.

At the start of 2024, buyers were struggling with 30-year mortgage rates near or above 7%. At the start of 2025, they faced the same headwind, minus the hope that rates would change after Federal Reserve rate cuts in the fall failed to make a dent.

Sellers, by contrast, were ready to make a move. They placed 4,339 homes and condos on the market in January, which represents a 135.4% increase from December and a 32% increase in new listings from January 2024. *

Normally, active listings decline an average of 3.8% between December and January, but this year the number of listings rose 11.6% to 7,688 due to increased supply meeting reduced demand. While that total is still well below the historical average of 12,032 for January, buyers have a lot more options than they have had in a long time at the start of the year.

Sellers face tougher conditions than a year ago. Condo and townhomes are spending a median 48 days on the market, up from 44 days in December and 35 days in January 2024. For detached homes, the median time on the market is 43 days compared to 38 days in December and 36 days a year ago.

The last time turnover was this sluggish was in 2015, according to the DMAR report.

"Sellers in this market need to be realistic about pricing," Snitker said. Testing the market by over-pricing a home has become a riskier proposition that often leads to more time spent on the market and price reductions. *

Despite the downward pressure on demand, home prices didn't budget much. The median price of a single-family home rose 0.5% to \$638,000 and is up 2.1% on the year. The median price of a condo/townhome rose to \$398,000, which represents a 2% gain monthly and a 0.76% annual gain. *