

Why Colorado's massive home inventory failed to spark buyer interest in May



Sara B. Hansen

Despite soaring inventory, at its highest level statewide in Colorado since 2019, sales remain stagnant as

buyers grapple with high interest rates.

Sellers continue to list their homes, knowing interest rates are unlikely to drop soon.

According to the Colorado Association of Realtors' monthly market trends housing report, buyers, some of whom have been waiting for years for more options, either negotiate concessions and buy-downs or stay on the sidelines.

"The past five years have left us wondering when the market would balance or be more buyer friendly and, without a doubt, it is now," said Aurora-area realtor Sunny Banka.

Colorado recorded 31,268 active listings in May, up 27% from May 2024. Statewide, sold listings slipped 1.8% from a year ago, while pending or under contract sales were up 11% from last year.

Cooper Thayer, a broker associate with the Thayer Group in Castle Rock, said higher costs keep homes on the market longer, causing a "pile-up" effect.

"The result is a whopping 4.2 months' supply of inventory, setting a near-15-year record high," Thayer said.

"For the first time in many years, it appears we've entered a bona fide buyer's market, giving homebuyers the upper hand in negotiations," Thayer said.

He said buyers who can afford higher interest rates, insurance costs, HOA dues, and property taxes can reap the market's benefits.

Sellers will continue to compete. *

"Prices have remained stable, inventory is still moving (albeit slower), and many prospective homebuyers still have a strong underlying desire to own a Denver metro home," Thayer said.

"It just may take a little more strategy, preparation, and patience to find the right buyer for your home at a price that makes sense."

Statewide, the median price of a single-family home fell 1.5% to \$590,000 from April to May, and it is also down 1.2% from a year ago.

Condo-townhome median pricing rose 3.3% to \$420,000 from April to May, returning to the same level a year ago.

Kelly Moye of Compass compared the market to running on a treadmill: "Active but not going anywhere."

Julia Purrington Paluck, an Evergreen realtor, said the mountain metro market is experiencing its highest inventory in a decade.

"In the foothills, we usually see peak inventory in August or September. But, as of the end of May 2025, we're experiencing the highest level of active listings in over a decade



REAL ESTATE SNAPSHOT

MAY 2025



For more data, visit [ColoradoREALTORS.com](https://coloradorealtors.com)

MEDIAN SALES PRICE STATE OF COLORADO



HISTORICAL MEDIAN SALES PRICE



STATEWIDE DATA ALL PRODUCT TYPES



Percent changes calculated using year-over-year comparisons. All data from the multiple listing services in the state of Colorado. Powered by ShowingTime.

- about 36% more homes on the market compared to May 2024, and more than double what we saw in May 2023."

Despite the jump in inventory, demand remains low.

"Not many people are willing to give up their 2.5%-3.5% mortgage rates to purchase with a 6% rate," she said.

That may indicate home prices will begin dropping.

"High supply and low demand indicate this won't last," she said.

"The laws of supply and demand suggest we're headed for some price adjustments."

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."*