

Large jump in homes for sale

REAL ESTATE IN METRO DENVER

Inventory is up 10.3%, tying for the nation's second-largest bump

By Aldo Svaldi

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The supply of homes available for sale is rising across the country this summer, and metro Denver is seeing some of the biggest increases anywhere, according to a survey from Zillow. Nationally, the inventory of homes available for sale jumped 3.1% in June from May, Zillow found. But in Denver, the inventory rose 10.3%, which tied for the second-largest increase with Buffalo, N.Y. The biggest gain came in Milwaukee, which saw its inventory spike 24.2% in June.

“Another month of rising housing inventory gives buyers some additional options and a little more bargaining power,” said Jeff Tucker, senior economist at Zillow, in the report. “While the level of inventory remains incredibly low by historic norms, it is now on a trajectory that should give buyers reason to hope for a cooldown in price growth this winter, consistent with normal seasonal trends.”

Demand still outweighs supply and the extra inventory has yet to bend the skyward trajectory in home prices, which was rising at a 17.9% annual rate in June in Denver and 15% nationally, according to the Zillow Home Price Index.

Denver's above-average increase reflects, in part, just how tight the supply became. The inventory of homes for sale remains down by nearly half from June 2020 levels, according to Zillow.

With COVID-19 vaccines more common and cases down significantly, sellers have become more comfortable listing their homes and opening them up for open houses and tours.

Also, the share of U.S. mortgages in a forbearance agreement, which allowed borrowers to skip payments because of the pandemic, dropped from 3.75% on July 5 to 3.5% on July 11. It is down from 7.7% a year earlier, according to the Mortgage Bankers Association. One way some people try to catch up on missed payments, about 7.5% of the total, is by selling their homes or refinancing their mortgages, according to the MBA. But that likely isn't what is moving the supply needle.

“From everything we've seen, inventory gains are primarily coming from more people being comfortable putting their home on the market (post-COVID restrictions), more homeowners looking to take advantage of the hot market, and/or homeowners trading up to a larger home/moving to another area,” said Adam DeSanctis, a spokesman for the MBA, in an email.

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