



OCTOBER 2013 MARKET REPORT

Included:

Metro Denver Monthly Market Stats YTD (RES and CONDO)

Inventory Movement

Interest Rate Averages

Metro Denver Vacancy Rates & Rental Rates

Case Shiller Index Graphs

FHFA HPI (Home Price Index) Graphs

Market News

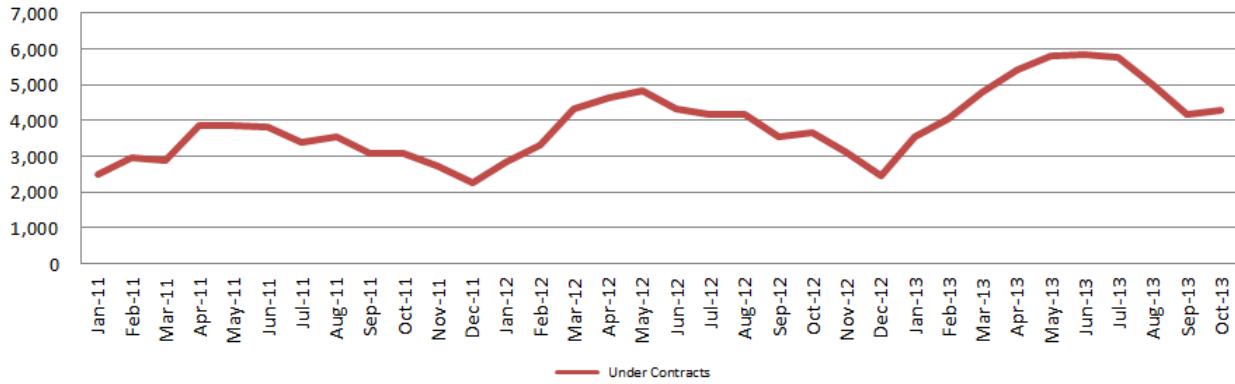
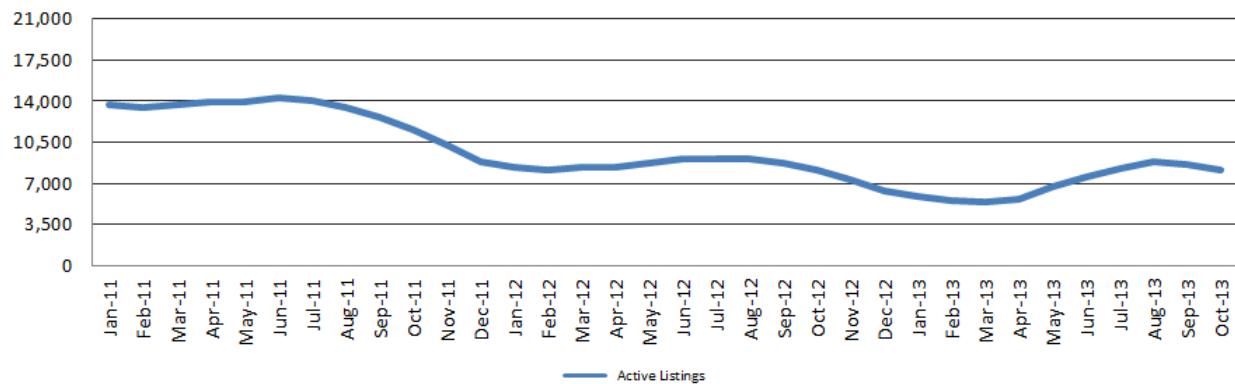
Kentwood Real Estate vs. MLS

Luxury Market Statistics

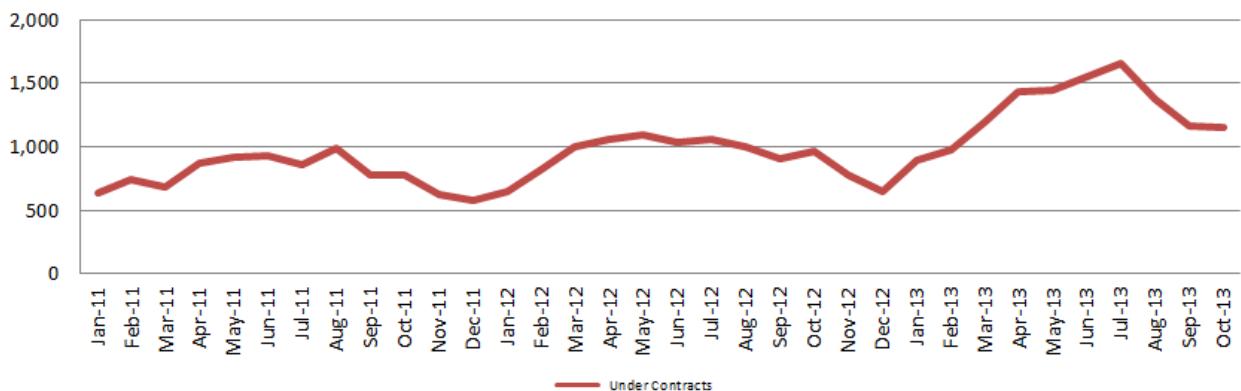
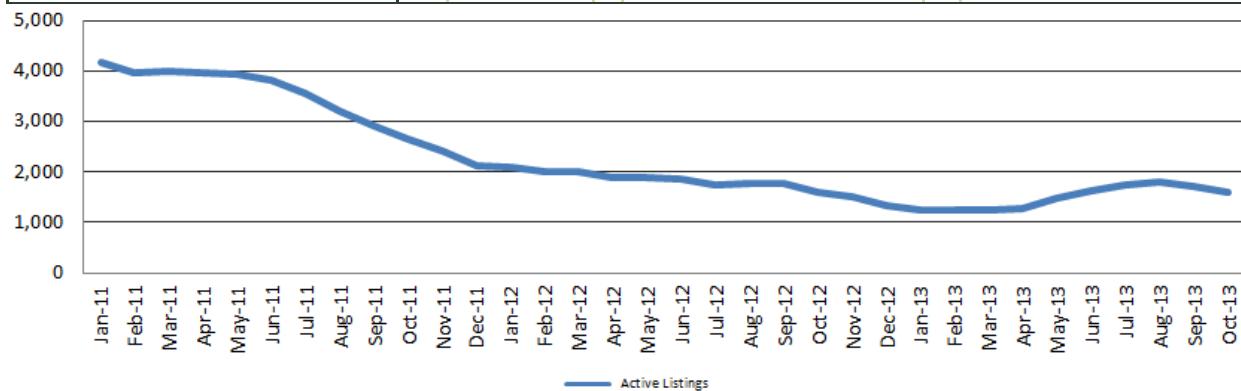
Market Report Wrap-Up Infographic



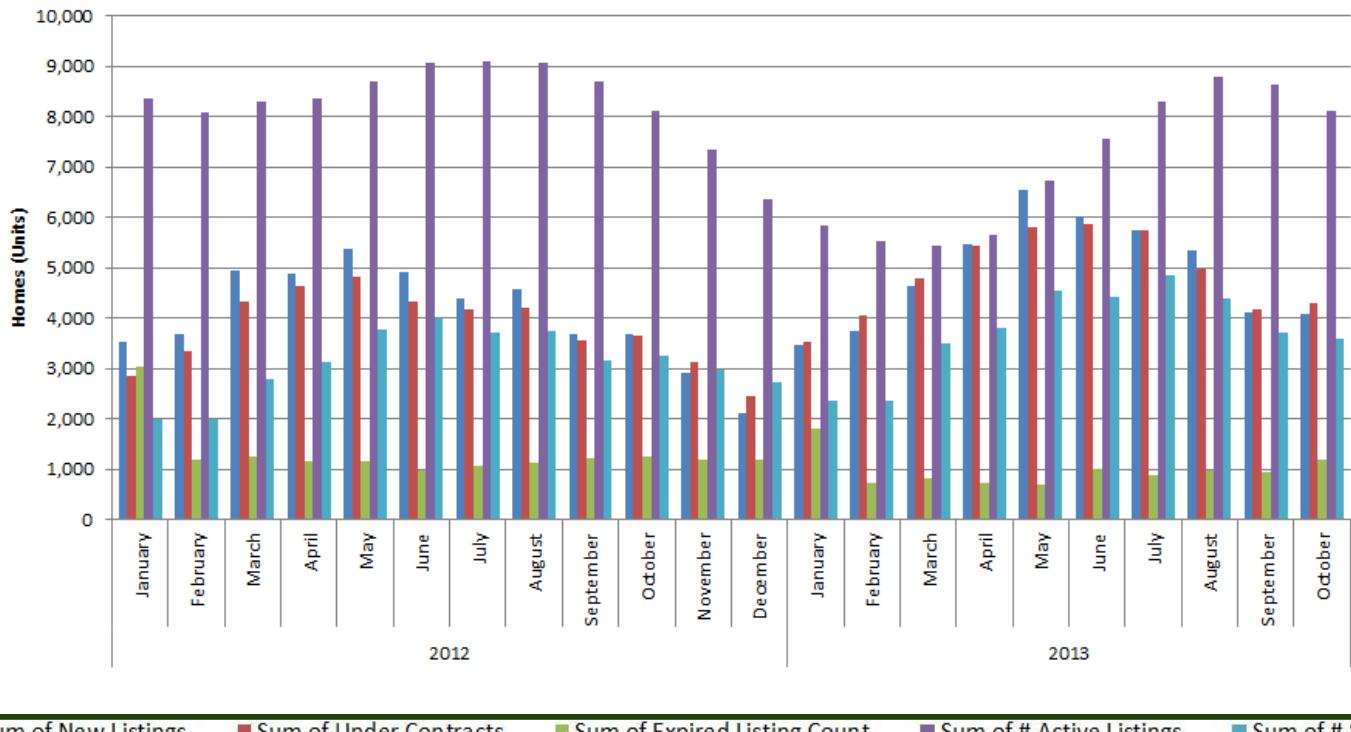
Single Family Homes	2011	2012	% Change from 2011	2013	% Change from 2012
Average Sales Price	\$280,629	\$302,956	8.0%	\$333,381	10.0%
Units Sold	26,438	31,464	19.0%	37,525	19.3%
Units Placed Under Contract	32,999	39,849	20.8%	48,674	22.1%
Average Days to Sell	106	78	-26.4%	51	-34.6%
Active Listings End of Period	11,504	8,108	-29.5%	8,121	0.2%
Expired Listings	15,892	13,378	-15.8%	9,720	-27.3%
Total Sales Volume	\$7.4 Billion	\$9.5 Billion	28.5%	\$12.5 Billion	31.2%
Absorption Rate	4.4 Months	2.6 Months	-40.8%	2.2 Months	-16.0%
Percentage Off of List	4%	3%	1.0%	1%	2.1%



Condo/Town Homes	2011	2012	% Change from 2011	2013	% Change from 2012
Average Sales Price	\$158,965	\$177,273	11.5%	\$196,969	11.1%
Units Sold	6,725	7,743	15.1%	9,770	26.2%
Units Placed Under Contract	8,177	9,580	17.2%	12,841	34.0%
Average Days to Sell	118	79	-33.1%	46	-41.8%
Active Listings End of Period	2,652	1,611	-39.3%	1,613	0.1%
Expired Listings	4,909	3,378	-31.2%	2,361	-30.1%
Total Sales Volume	\$1.1 Billion	\$1.3 Billion	28.4%	\$1.9 Billion	40.2%
Absorption Rate	3.9 Months	2.1 Months	-47.2%	1.7 Months	-20.6%
Percentage Off of List	4%	3%	1.0%	2%	1.0%

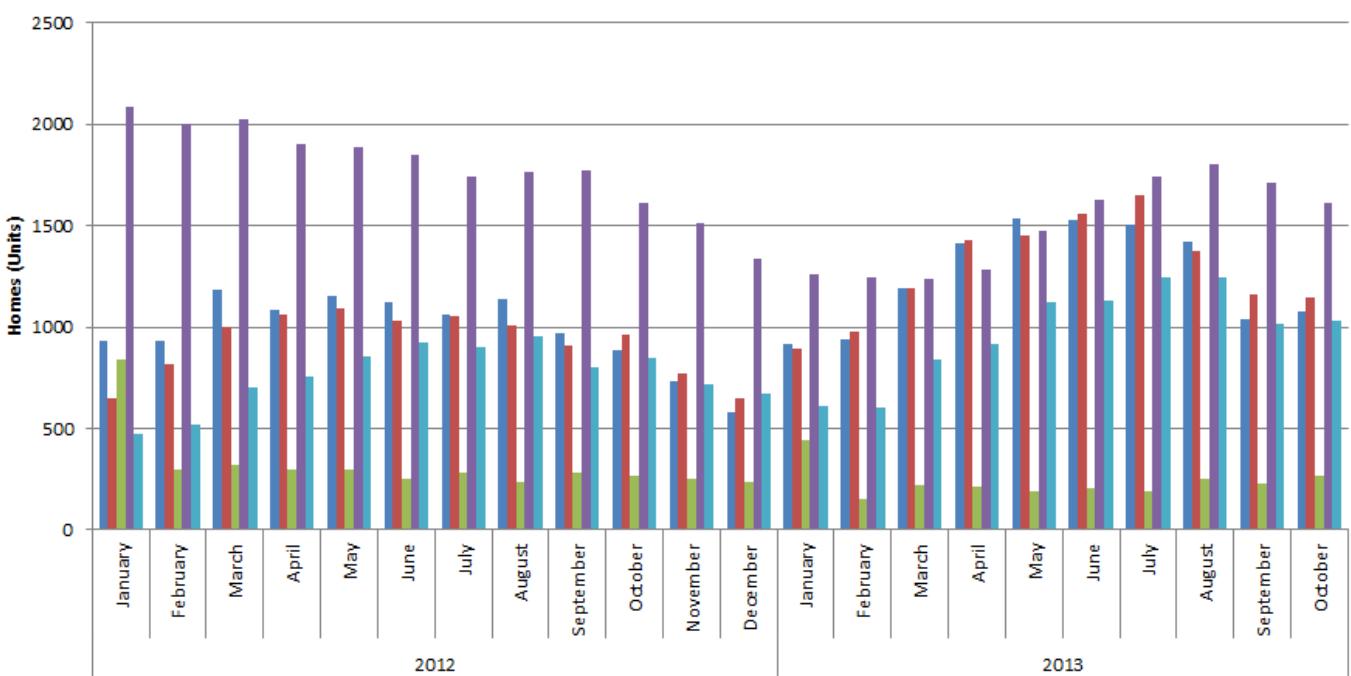


Inventory Movement Single Family Homes



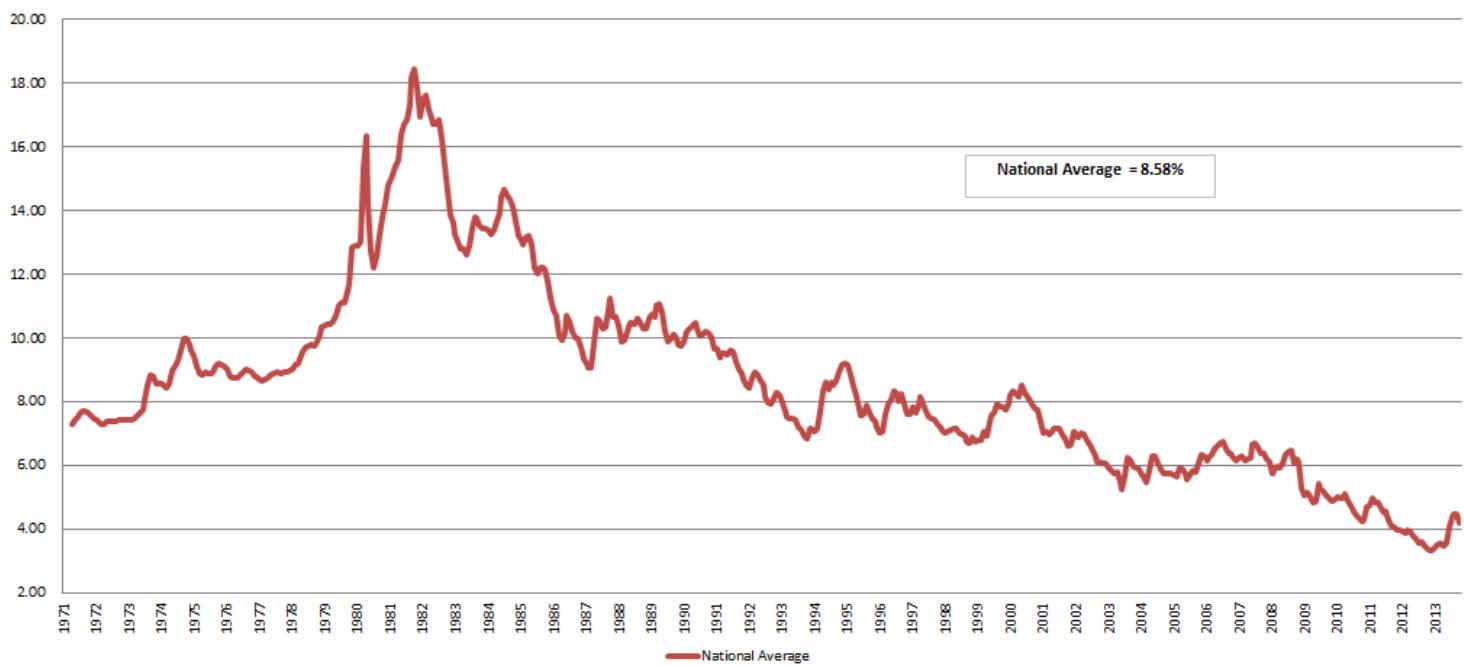
■ Sum of New Listings ■ Sum of Under Contracts ■ Sum of Expired Listing Count ■ Sum of # Active Listings ■ Sum of # Sales

Inventory Movement Condo/Town Homes



Average Interest Rate by Month	
October 2013	4.19%
September 2013	4.49%
August 2013	4.46%
July 2013	4.37%
June 2013	4.07%
May 2013	3.54%
April 2013	3.45%
Average Interest Rate by Month	
March 2013	3.57%
February 2013	3.53%
January 2013	3.41%
December 2012	3.35%
November 2012	3.35%
October 2012	3.38%
September 2012	3.47%

30-YEAR FIXED RATE MORTGAGES SINCE 1971



SOURCE: FREDDIE MAC PRIMARY MORTGAGE MARKET SURVEY (PMMS)

Vacancy Rate (Prior 2 Years)	
2nd Quarter 2013	2.2%
1st Quarter 2013	0.9%
4th Quarter 2012	1.7%
3rd Quarter 2012	2.3%
2nd Quarter 2012	2.0%
1st Quarter 2012	1.6%
4th Quarter 2011	2.1%
3rd Quarter 2011	3.4%
2nd Quarter 2011	2.6%

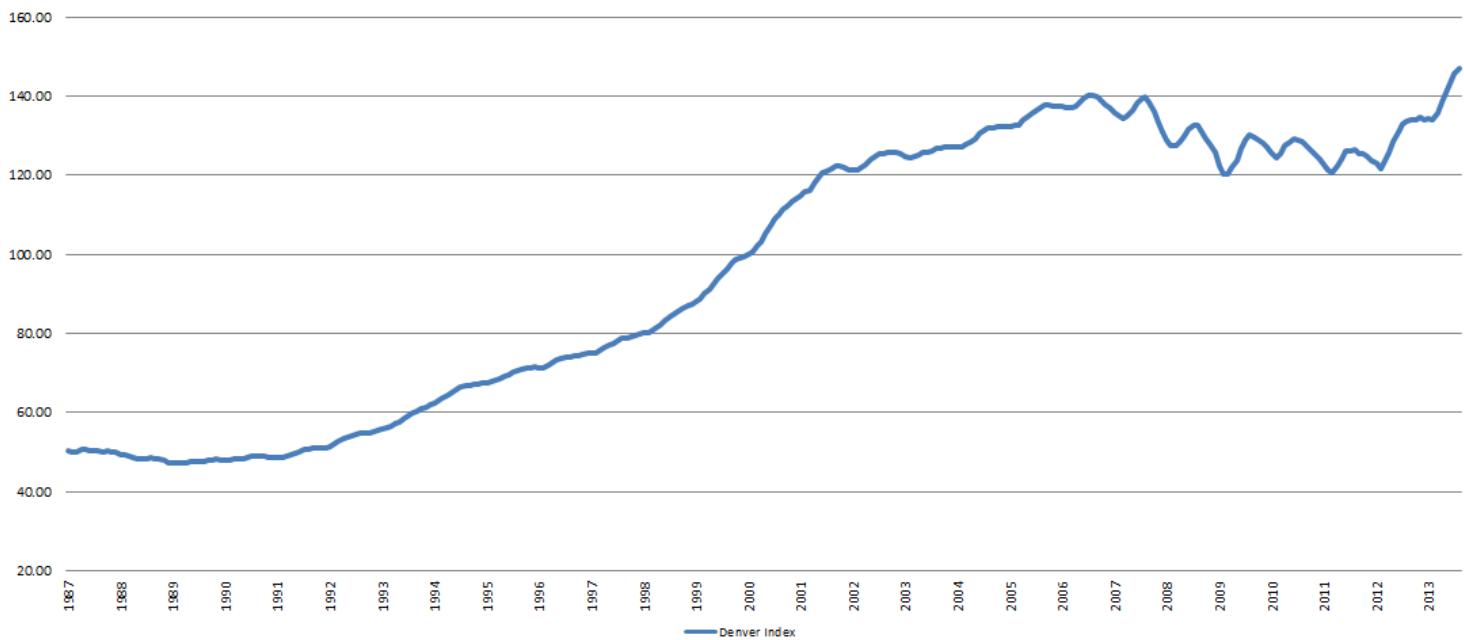
Average Rental Rates (Prior 2 Years)	
2nd Quarter 2013	\$1,123
1st Quarter 2013	\$1,089
4th Quarter 2012	\$1,084
3rd Quarter 2012	\$1,090
2nd Quarter 2012	\$1,060
1st Quarter 2012	\$1,056
4th Quarter 2011	\$1,062
3rd Quarter 2011	\$1,049
2nd Quarter 2011	\$1,063

Vacancy Rate By County (Q1 2013 vs. Q2 2013)		
Adams County	Q1 = 0.0%	Q2 = 1.6%
Arapahoe County	Q1 = 1.4%	Q2 = 1.3%
Boulder/Broomfield County	Q1 = 0.0%	Q2 = 2.6%
Denver County	Q1 = 1.2%	Q2 = 3.2%
Douglas County	Q1 = 1.8%	Q2 = 1.7%
Jefferson County	Q1 = 0.5%	Q2 = 2.3%

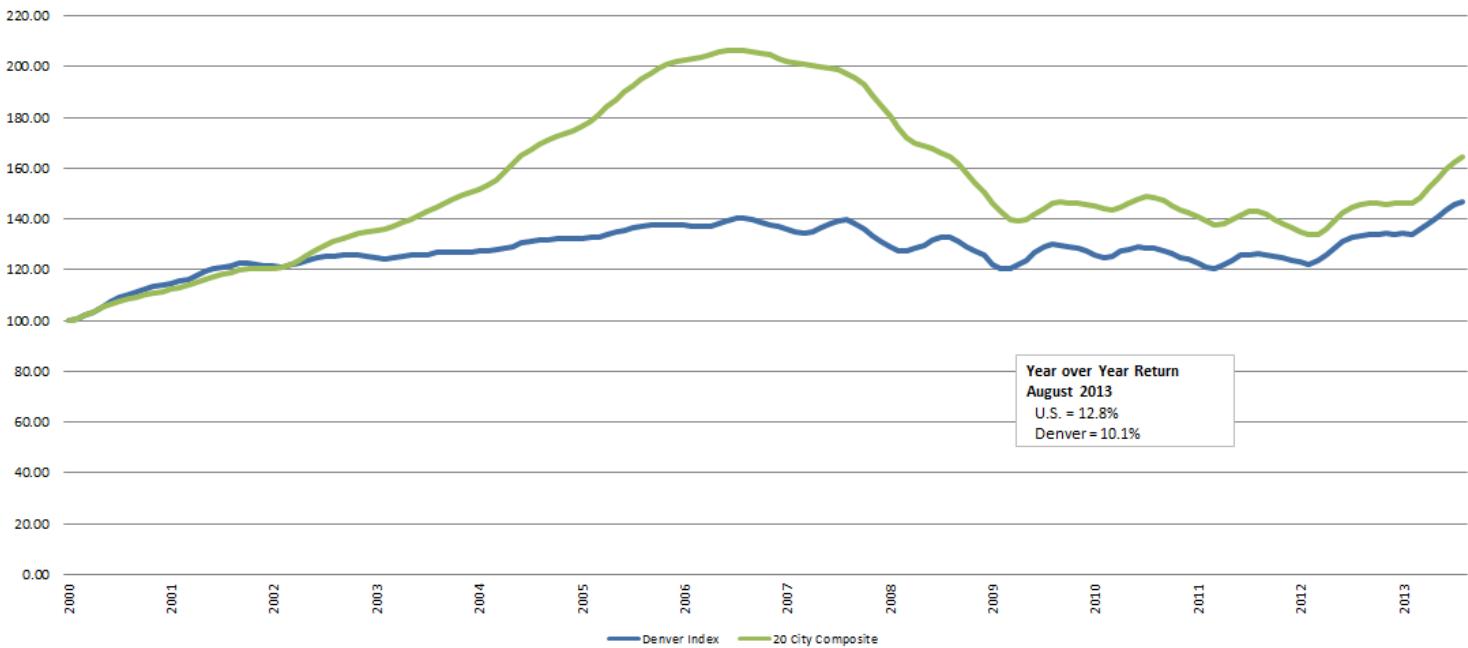
Avg. Rental Rates By County (Q1 2013 vs. Q2 2013)		
Adams County	Q1 = \$1,097	Q2 = \$1,181
Arapahoe County	Q1 = \$1,035	Q2 = \$1,063
Boulder/Broomfield County	Q1 = \$1,422	Q2 = \$1,645
Denver County	Q1 = \$1,034	Q2 = \$1,052
Douglas County	Q1 = \$1,456	Q2 = \$1,504
Jefferson County	Q1 = \$1,082	Q2 = \$1,079

* data for the 3rd Quarter of 2013 has not been released as of this market report date

Case-Shiller Metro Denver Index (1987 - AUGUST 2013)



Case-Shiller Metro Denver Index vs 20 City Composite Index (2000 - AUGUST 2013)



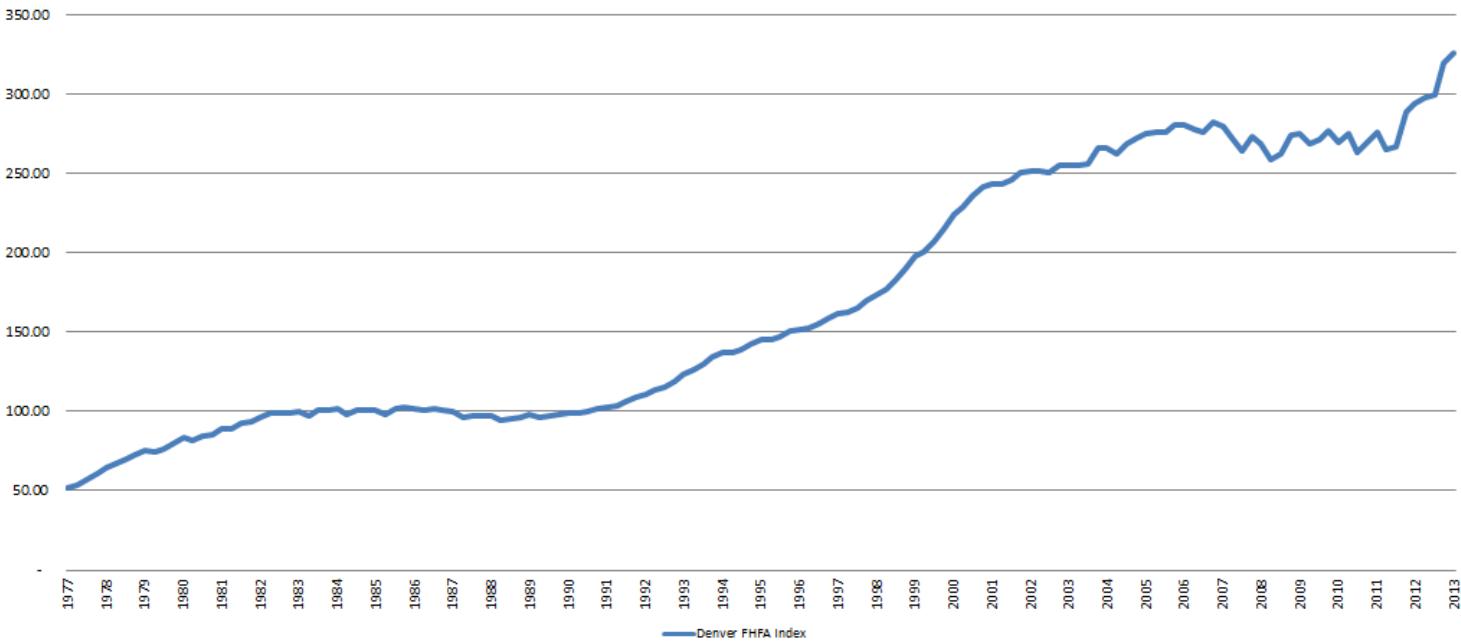
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The Case-Shiller Index is one of the most closely watched housing price reports. It is comprised of 20 city indices that calculate data based on repeat sales of single-family homes (excluding condos and town homes), an approach developed by economists Karl Case, Robert Shiller and Allan Weiss. Case developed a method for comparing repeat sales of the same homes in an effort to study home pricing trends.

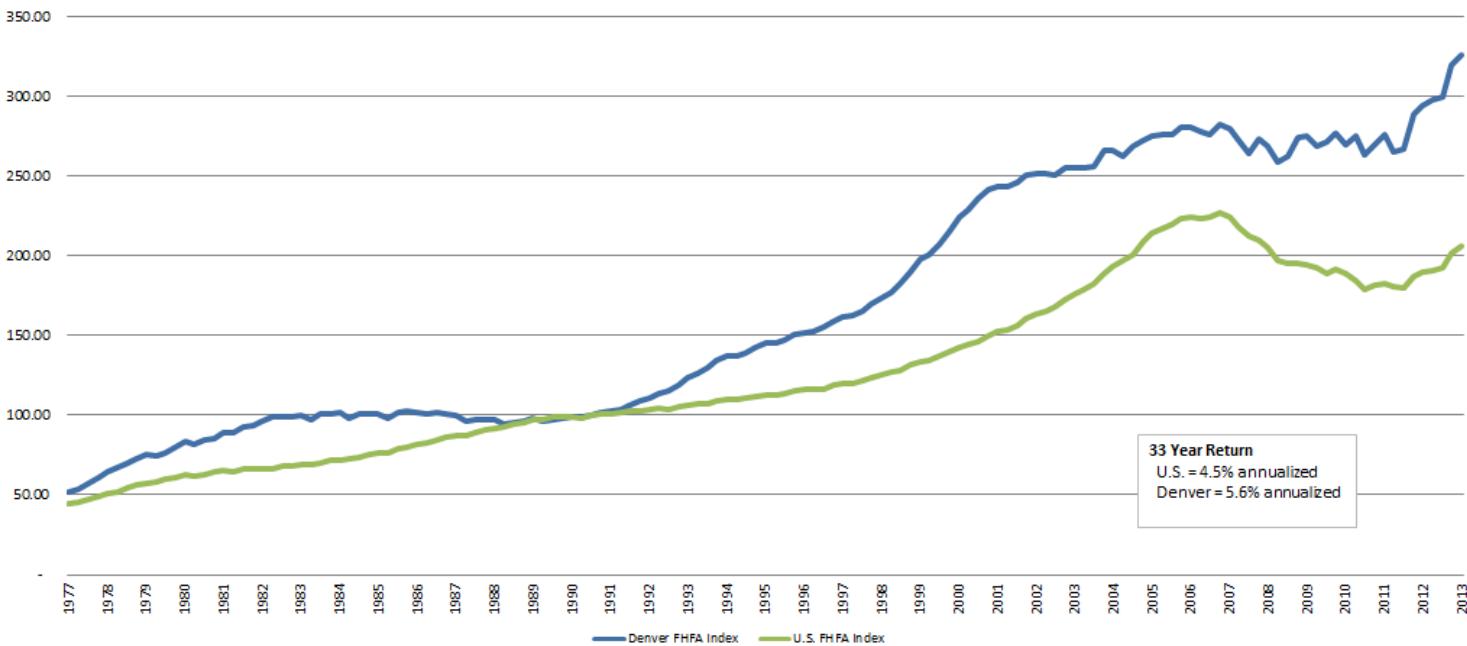
Cities included in the 20 City Composite are: Phoenix (AZ) | Los Angeles (CA) | San Diego (CA) | San Francisco (CA) | Denver (CO) | Washington (DC) | Miami (FL) | Tampa (FL) | Atlanta (GA) | Chicago (IL) | Boston (MA) | Detroit (MI) | Minneapolis (MN) | Charlotte (NC) | Las Vegas (NV) | New York (NY) | Cleveland (OH) | Portland (OR) | Dallas (TX) | Seattle (WA)

SOURCE: STANDARD & POOR'S/CASE-SHILLER INDEX

FHFA Home Price Index (HPI) Denver (1977 - Q3 2013)



FHFA Home Price Index (HPI) Denver vs U.S. Index (1977 - Q3 2013)



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The HPI is a broad measure of the movement of single-family house prices. The HPI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancing on the same properties. This information is obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975.

SOURCE: FEDERAL HOUSING FINANCE AGENCY HOME PRICE INDEX (HPI)

Market News

While the temperature outside is cooling, Denver-area's housing market is hotter than normal.

While not crazy red hot as it was in the Spring, the market so far has not shown signs of its typical seasonal cooling. While housing markets in cities such as Phoenix and Las Vegas, were crushed during the Great Recession, recently they have been showing year-over-year appreciation north of 20 percent — roughly twice Denver's appreciation. Last month was arguably the best October ever for Denver-area housing.

October records included:

- The number of homes placed under contract
- The number of closings
- The average price of a home sold
- The median price of a sold home
- The weekly sales rate, which was 17.7 percent higher than in October 2012.

For seasonal reasons, under contracts typically decline on a month-to-month basis during the Fall, but in a rare move, the number of under contracts in October not only rose from a year earlier, but from September. The increase is a leading indicator that sales activity will continue through the remainder of the year.

Homes are being placed under contract faster than they are being added to the market through new listings, and the number of homes placed under contract in October was almost 6 percent higher than the number of new homes that came on the market last month. In other words for every home that came on the market, slightly more than one home sold, which is a sign that demand is out-stripping the supply.

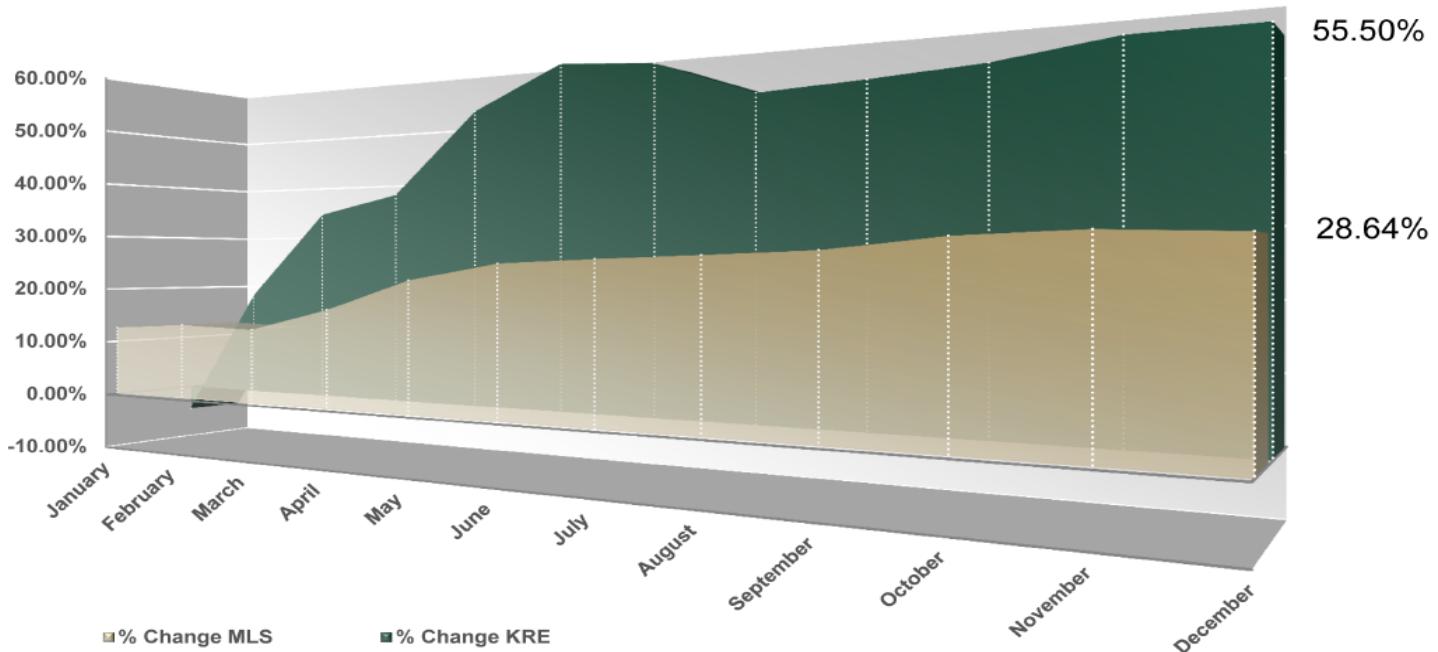
There was only a 2.25 month supply of unsold homes on the market in October, basically where the market was in June. The market was helped in October by a drop in mortgage rates, following a big spike in previous months. Consumers realize it is unlikely we will ever see the historically low rates we saw in the Spring, and going forward they are more likely to rise than fall. Every dip in interest rates provides a buying opportunity!

Given the stronger than expected economy, the odds are that the Federal Reserve at some point in 2014 will slow its \$95 billion a month in bond buying, driving up interest rates next. Taken together, the October data means this fall will be a good time to buy and sell a home.

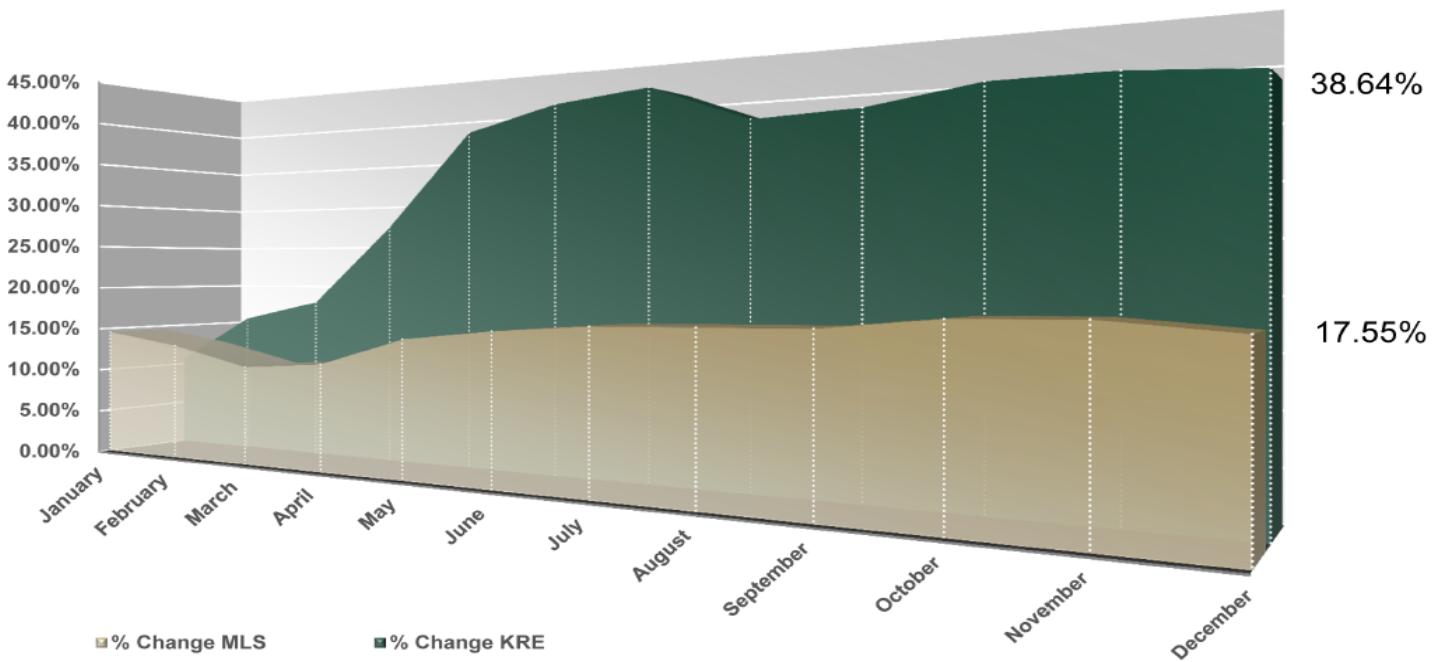
For sellers, there will be more buyers competing for a limited supply of homes. For buyers, there is a current window of opportunity to lock in interest rates that are still at extraordinary low levels by historic standards.

If you are a buyer or seller, now is the time to contact a Realtor and take advantage of these unusual seasonal conditions.

Sales Volume 2011 vs 2012 - Single Family Residential and Condo



Closed Transactions 2011 vs 2012 - Single Family Residential and Condo



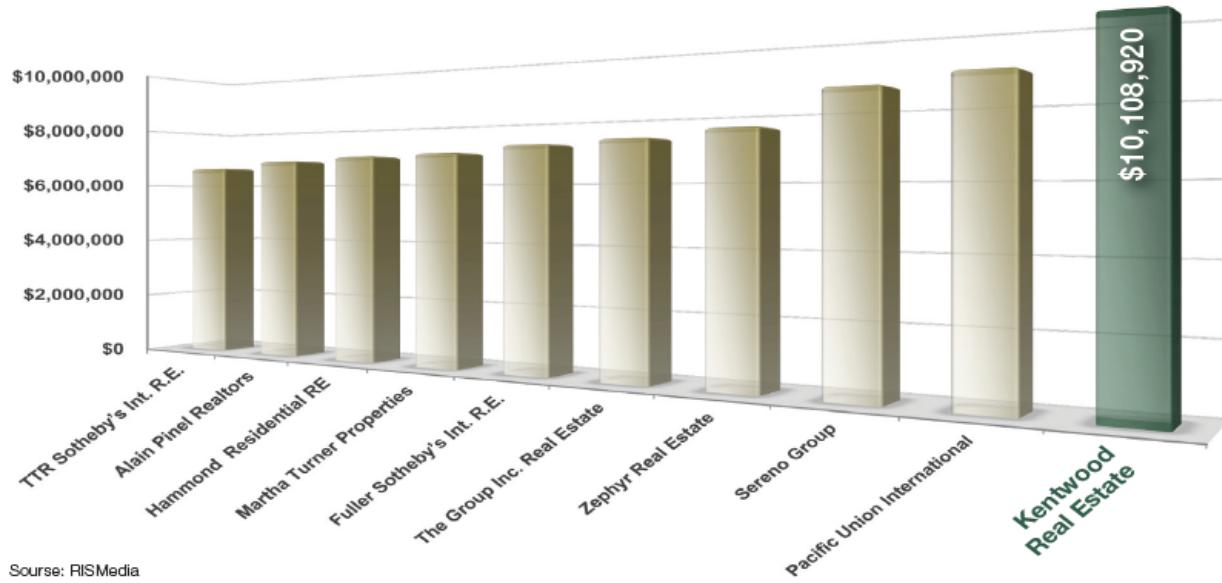
Kentwood Real Estate Ranks #1 Nationally in Sales Volume per Associate for 2012

According to RISMedia (National Real Estate Media Publishing Company), Kentwood Real Estate ranked #1 as a market leader for highest average volume sold per associate. Kentwood is comprised of three Denver real estate offices, located in Downtown Denver, Cherry Creek and The Denver Tech Center with a total of 170 agents. Kentwood Real Estate's total production for 2012 was a record-breaking \$1,718,516,376 for the company.

Real Estate Magazine Top Firms Ranked by Closed Volume Per Sale Associate

Company	State	Sales Associates	Sales Volume	Sales Volume Per Associate
1. Kentwood Real Estate	Colorado	170	\$1,718,516,376	\$10,108,920
2. Pacific Union International	California	450	\$3,897,794,852	\$8,661,766
3. Sereno Group	California	210	\$1,800,000,000	\$8,571,429
4. Zephyr Real Estate	California	200	\$1,511,490,000	\$7,557,450
5. The Group Inc. Real Estate	Colorado	148	\$1,085,011,830	\$7,331,161
6. Fuller Sotheby's Int. Real Estate	Colorado	158	\$1,140,850,092	\$7,220,570
7. Martha Turner Properties	Texas	228	\$1,598,902,635	\$7,012,730
8. Hammond Residential Real Estate	Massachusetts	320	\$2,225,489,698	\$6,954,655
9. Alain Pinel Realtors	California	1288	\$8,816,730,672	\$6,845,288
10. TTR Sotheby's Int. Real Estate	DC	190	\$1,258,553,437	\$6,623,965

Real Estate Magazine Top Firms Ranked by Closed Volume Per Sales Associate



2013 LUXURY MARKET CONTINUES TO STAY STRONG

Through October 2013, buyers purchased \$896,563,549 in single-family Million Dollar properties comprised of 591 transactions compared to \$674,587,675 in sales and 439 transactions in 2012. This resulted in an increase of 32.9% in volume and an increase of 34.6% in transactions respectively. Year to date in 2013 the highest sold property was \$8,691,000 (April) which is 15.9% more than the 2012 highest priced sale of \$7,500,000 (July). The number of days on the market is now 16.0% less at 158 days versus 188 days in 2012.

Million Dollar Real Estate Market Recap:

October Year Over Year	2013	2012	% change
Closed Sales	52	56	- 7.1%
Closed Sales Volume	\$77,182,970	\$82,184,114	- 6.1%
Average Sales Price	\$1,484,288	\$1,467,573	+ 1.1%
Highest Price Sold	\$2,900,000	\$3,900,000	- 25.6%
Average Days on the Market	108	108	No Change

*Denver Metro: Adams, Arapahoe, Broomfield, Denver, Douglas, Elbert, Jefferson. ** Source: Metrolist, Inc. Note: Highest price sold includes listings not entered into MLS.

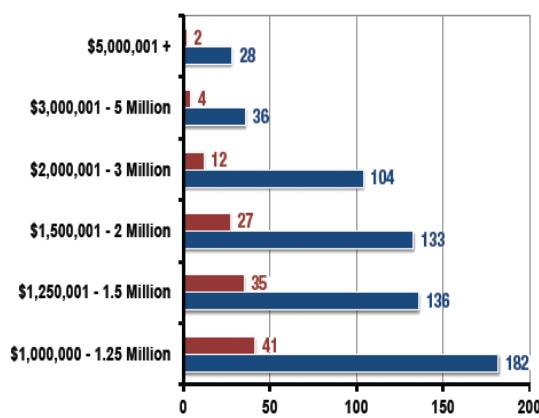
ACTIVE & UNDER CONTRACT LISTINGS

Active

Under Contract

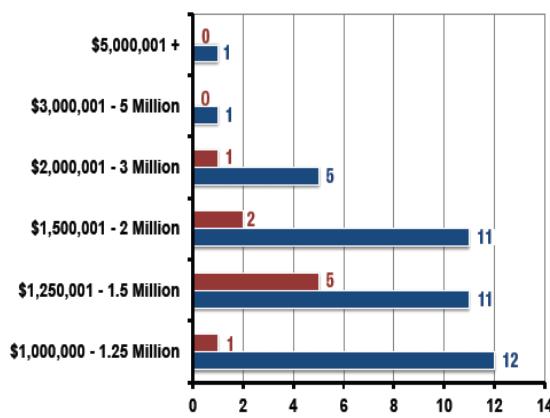
Residential

Total Active - 561 Total Under Contract - 85



Condominium

Total Active - 41 Total Under Contract - 15



*Excludes Land Listings. ** Source: Metrolist, Inc.

OCTOBER 2013 MARKET REPORT WRAP-UP

(RES + CONDO) | △ CHANGE FROM LAST MONTH



44

AVERAGE
DAYS ON
MARKET
△ 12.82%



8,121

NUMBER OF SINGLE
FAMILY HOMES FOR
SALE
△ -5.95%



\$303,836

AVERAGE SOLD PRICE

△ -0.37%



9.12%

AVERAGE SOLD PRICE
INCREASE VS OCTOBER 2012



5,452

TOTAL HOMES UNDER
CONTRACT
△ 2.15%



4,628

HOMES SOLD IN
OCTOBER 2013
△ -2.16%



SELLER'S MARKET

DECREASED INVENTORY AND INCREASE IN AVERAGE SALES PRICE

LESLIE MONACO

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