




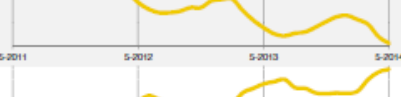

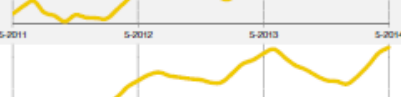




MAY 2014 MARKET REPORT

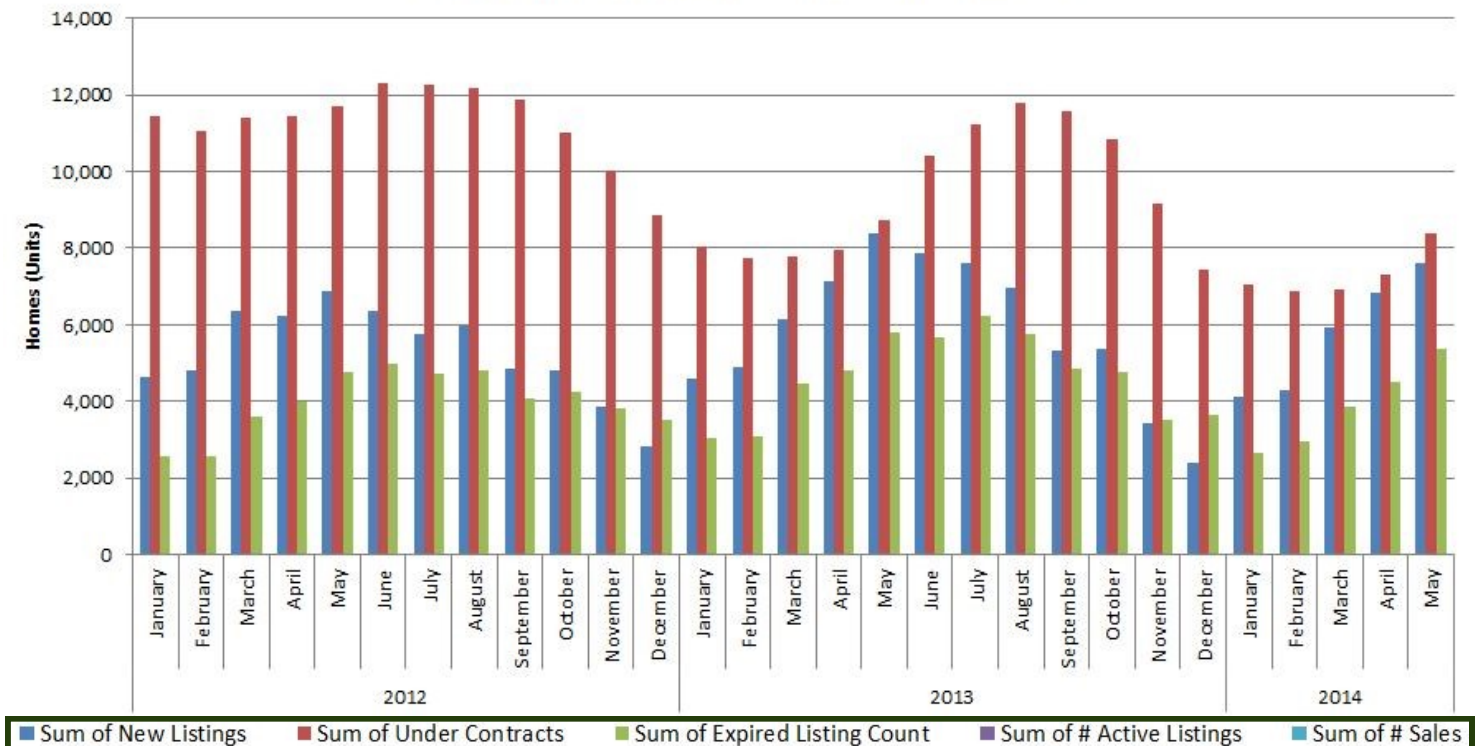
Included:

Metro Denver Residential Monthly Market Stats YTD
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
Market Report Wrap-Up Infographic



Key Metrics	Historical Sparklines	5-2013	5-2014	+ / -	Last Year YTD	This Year YTD	+ / -
Active Listings		6,023	8,401	+ 39.5%	--	--	--
Under Contract Listings		6,475	7,228	+ 11.6%	26,734	30,187	+ 12.9%
New Listings		8,035	7,617	- 5.2%	29,690	29,073	- 2.1%
Sold Listings		5,827	5,349	- 8.2%	21,241	20,043	- 5.6%
Total Days on Market		44	29	- 34.6%	57	41	- 27.7%
Median Sold Price*		\$260,000	\$276,500	+ 6.3%	\$249,900	\$265,000	+ 6.0%
Average Sold Price*		\$308,983	\$333,955	+ 8.1%	\$296,851	\$316,297	+ 6.6%
Percent of Sold Price to List Price*		99.5%	99.7%	+ 0.2%	99.1%	99.1%	0.0%

Inventory Movement Residential Homes



SOURCE: DENVER METROLIST

Average Interest Rate by Month	
May 2014	4.19%
April 2014	4.34%
March 2014	4.34%
February 2014	4.30%
January 2014	4.43%
December 2013	4.46%
November 2013	4.26%

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%

30-YEAR FIXED RATE MORTGAGES SINCE 1971



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SOURCE: FREDDIE MAC PRIMARY MORTGAGE MARKET SURVEY (PMMS)

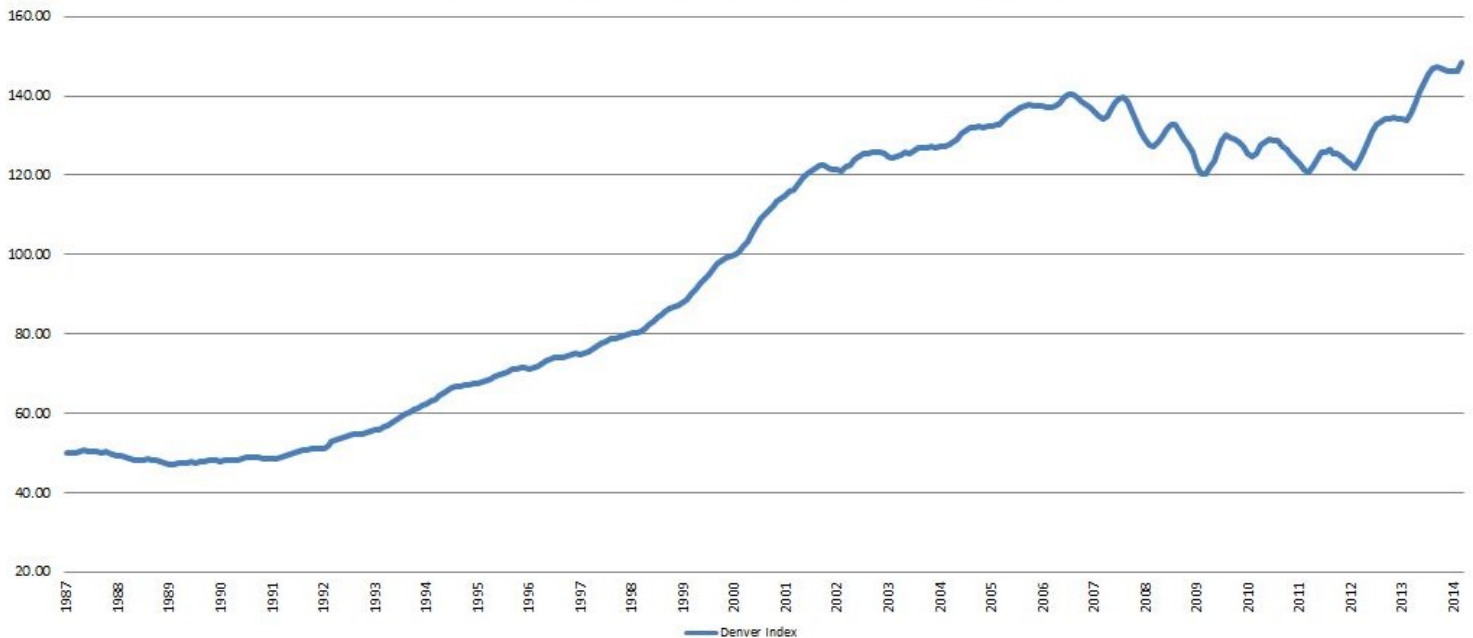
Vacancy Rate (Prior 2 Years)	
1st Quarter 2014	1.5%
4th Quarter 2013	2.0%
3rd Quarter 2013	2.9%
2nd Quarter 2013	2.2%
1st Quarter 2013	0.9%
4th Quarter 2012	1.7%
3rd Quarter 2012	2.3%
2nd Quarter 2012	2.0%
1st Quarter 2012	1.6%

Average Rental Rates (Prior 2 Years)	
1st Quarter 2014	\$1,131
4th Quarter 2013	\$1,146
3rd Quarter 2013	\$1,140
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

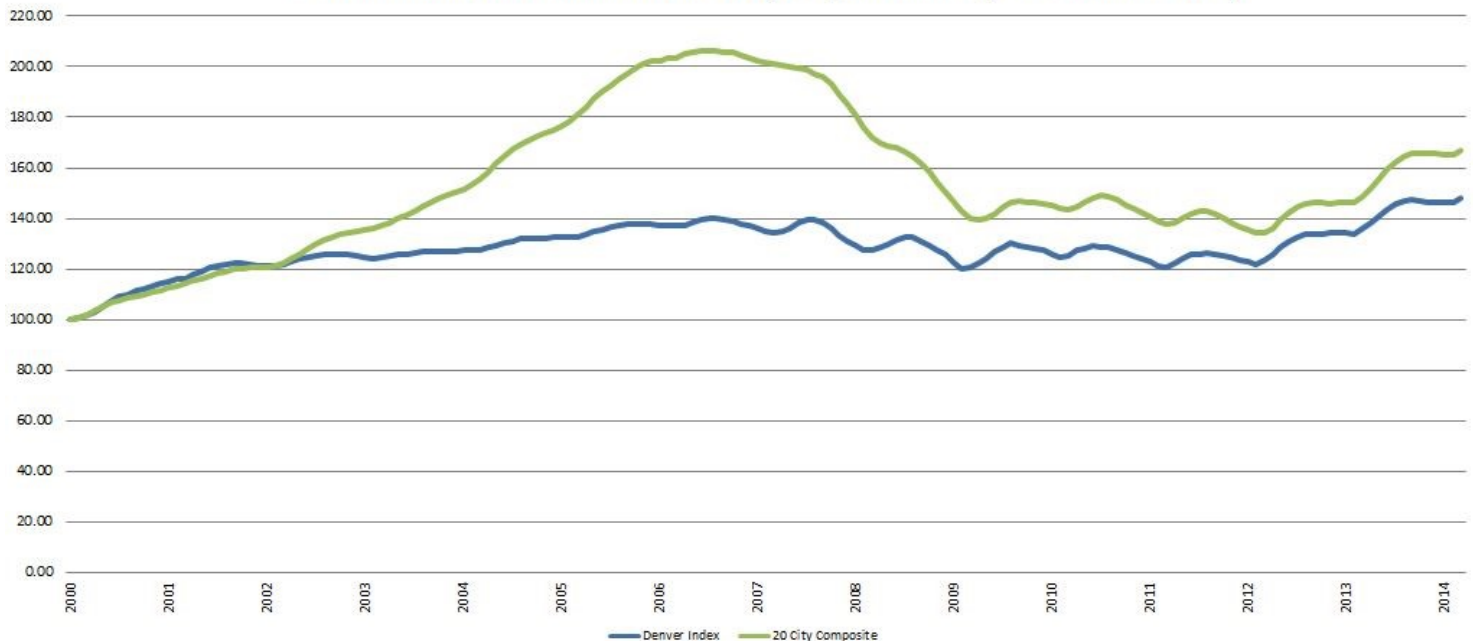
Vacancy Rate By County (Q4 2013 vs. Q1 2014)		
Adams County	Q4 = 1.6%	Q1 = 1.5%
Arapahoe County	Q4 = 0.6%	Q1 = 1.9%
Boulder/Broomfield County	Q4 = 2.9%	Q1 = 0.0%
Denver County	Q4 = 3.1%	Q1 = 2.6%
Douglas County	Q4 = 2.2%	Q1 = 0.0%
Jefferson County	Q4 = 2.1%	Q1 = 1.0%

Avg. Rental Rates By County (Q4 2013 vs. Q1 2014)		
Adams County	Q4 = \$1,209	Q1 = \$1,121
Arapahoe County	Q4 = \$1,060	Q1 = \$1,056
Boulder/Broomfield County	Q4 = \$1,474	Q1 = \$1,627
Denver County	Q4 = \$1,104	Q1 = \$1,105
Douglas County	Q4 = \$1,536	Q1 = \$1,522
Jefferson County	Q4 = \$1,113	Q1 = \$1,098

Case-Shiller Metro Denver Index (1987 - MARCH 2014)



Case-Shiller Metro Denver Index vs 20 City Composite Index (2000 - MARCH 2014)

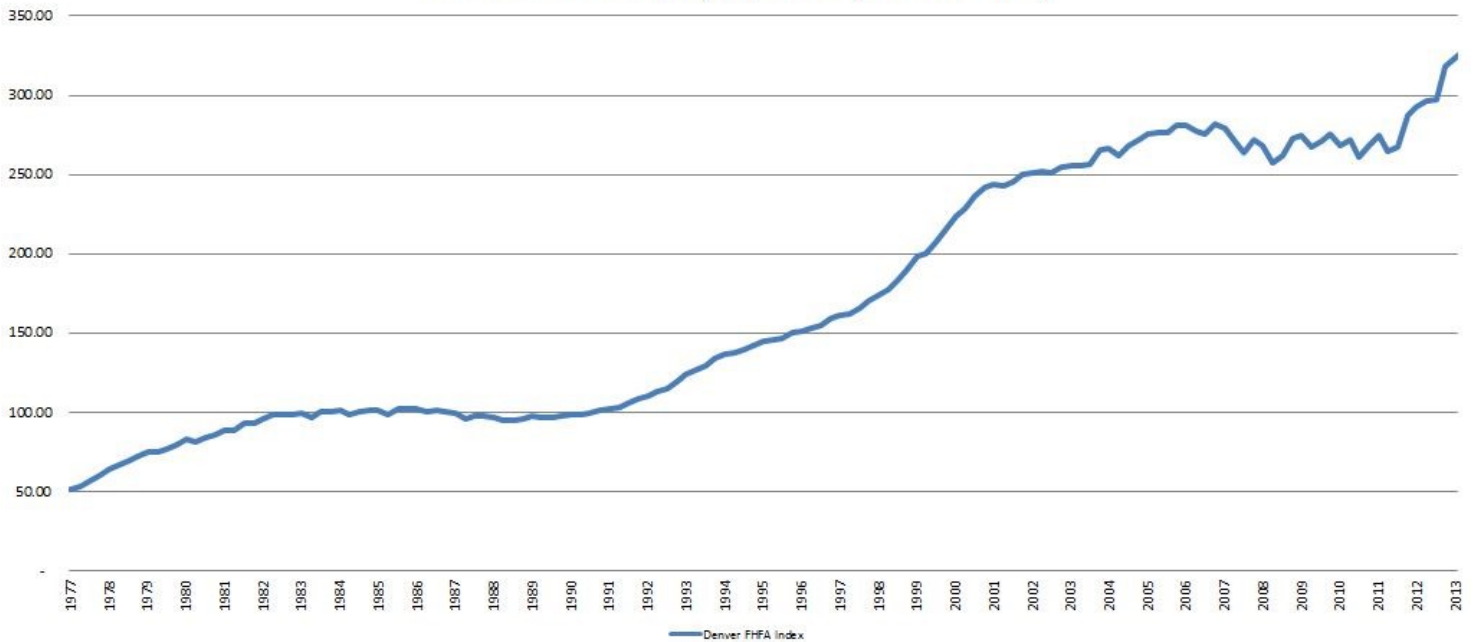


The Case-Shiller Index is one of the most closely watched housing price reports. It is comprised of 20 city indices that calculate data based on repeat sales of single-family homes (excluding condos and town homes), an approach developed by economists Karl Case, Robert Shiller and Allan Weiss. Case developed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

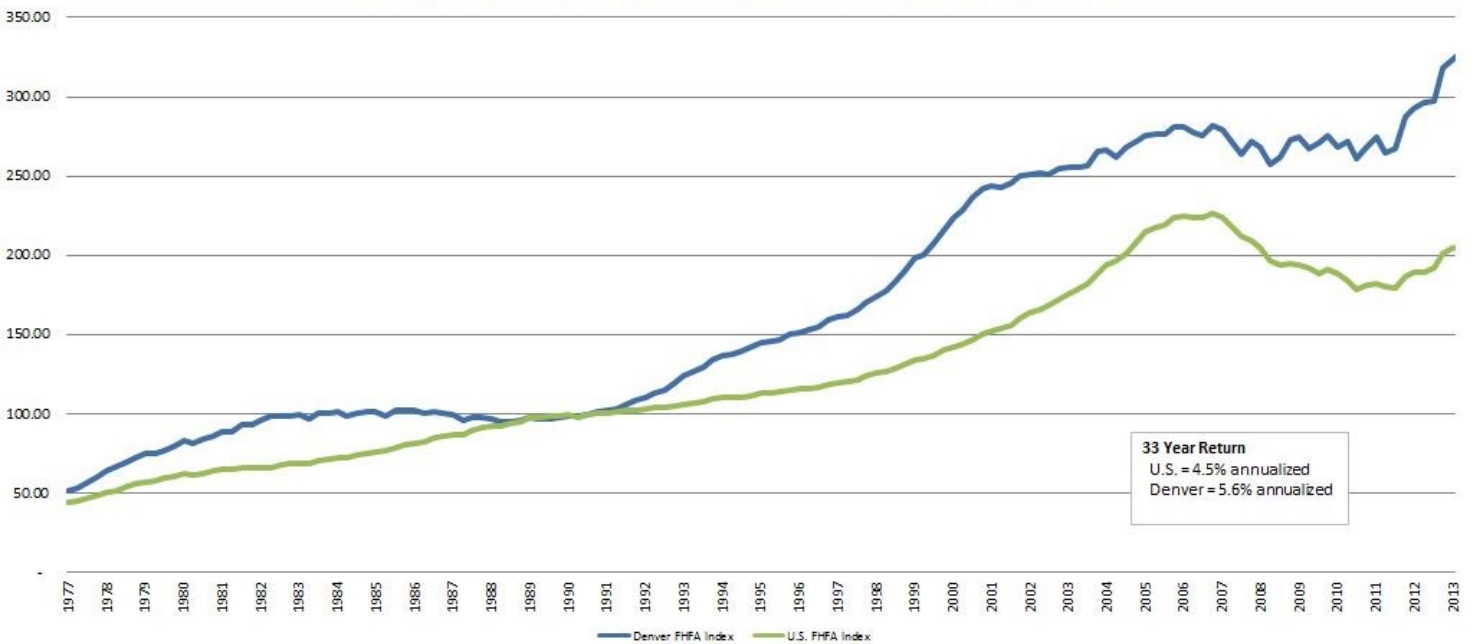
Cities included in the 20 City Composite are: Phoenix (AZ) | Los Angeles (CA) | San Diego (CA) | San Francisco (CA) | Denver (CO) | Washington (DC) | Miami (FL) | Tampa (FL) | Atlanta (GA) | Chicago (IL) | Boston (MA) | Detroit (MI) | Minneapolis (MN) | Charlotte (NC) | Las Vegas (NV) | New York (NY)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

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

FHFA Home Price Index (HPI) Denver (1977 - Q1 2014)



FHFA Home Price Index (HPI) Denver vs U.S. Index (1977 - Q1 2014)



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 refinancings 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

MOST OF US CAN'T AFFORD TO BUY A \$1 MILLION HOME.

Yet, all of us should cheer a recent report by Kentwood Real Estate that shows luxury single-family home sales for May in the Denver area rose by 44 percent from May 2013. Sales of homes priced at \$1 million or more also were up 60 percent since 2012 and far surpassed the tepid luxury sales in 2010 and 2011. A big jump in expensive home sales is good for the entire economy for numerous reasons.

First, it is a strong indicator that well-heeled consumers were able to sell their less expensive home for a profit and that they are feeling confident about the economy. Most importantly, buyers are likely to improve their new home, pumping money into the economy and creating jobs for retailers and people in the construction trades.

"If home prices are going up and people have more equity in their home, things like remodeling and refurbishment will do well, because it's effectively the way of playing the reinvestment game," Joseph LaVorgna, chief U.S. economist for Deutsche Bank AG., recently told the Wall Street Journal.

Nationwide, last year consumers spent \$130 billion on remodeling homes. One rule of thumb is that Denver captures slightly more than two percent of housing related business based on demographics such as housing supply, home ownership rates and home prices. That translates to more than \$2.6 billion spent locally on remodeling last year, and people who buy million dollar homes aren't going to be shopping for rugs, tables and kitchen appliances at a thrift store.

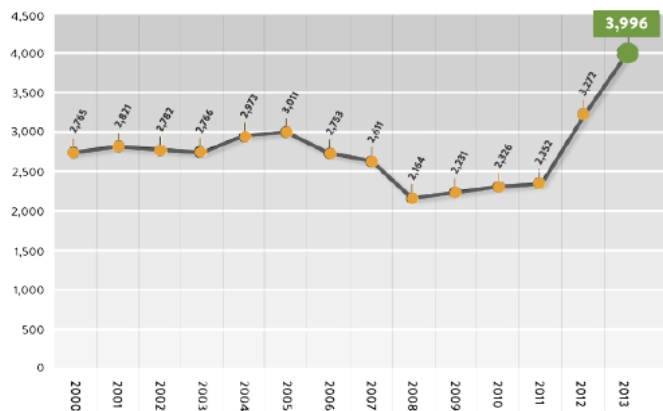
If anything, they are likely to over-improve their dream homes, putting money into the pockets of those who may be looking to buy in other price points, improving the economy for everyone.

With an average of 20 years of experience per agent and average sales volume of almost \$12 million per agent in 2013, Kentwood Real Estate out-performs their competitors.

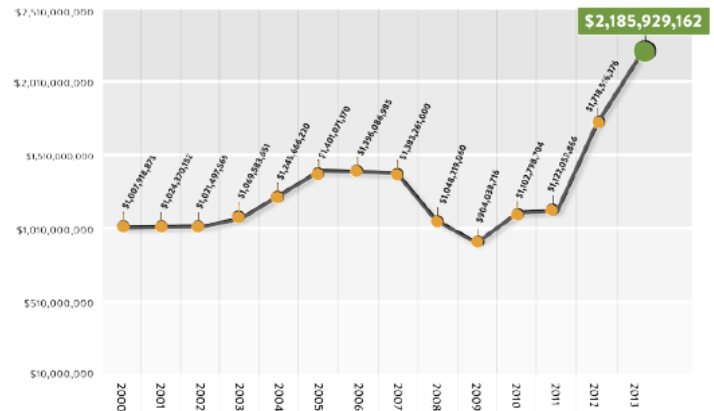


Top Performing Agents

KENTWOOD REAL ESTATE CLOSED TRANSACTIONS IN 2013

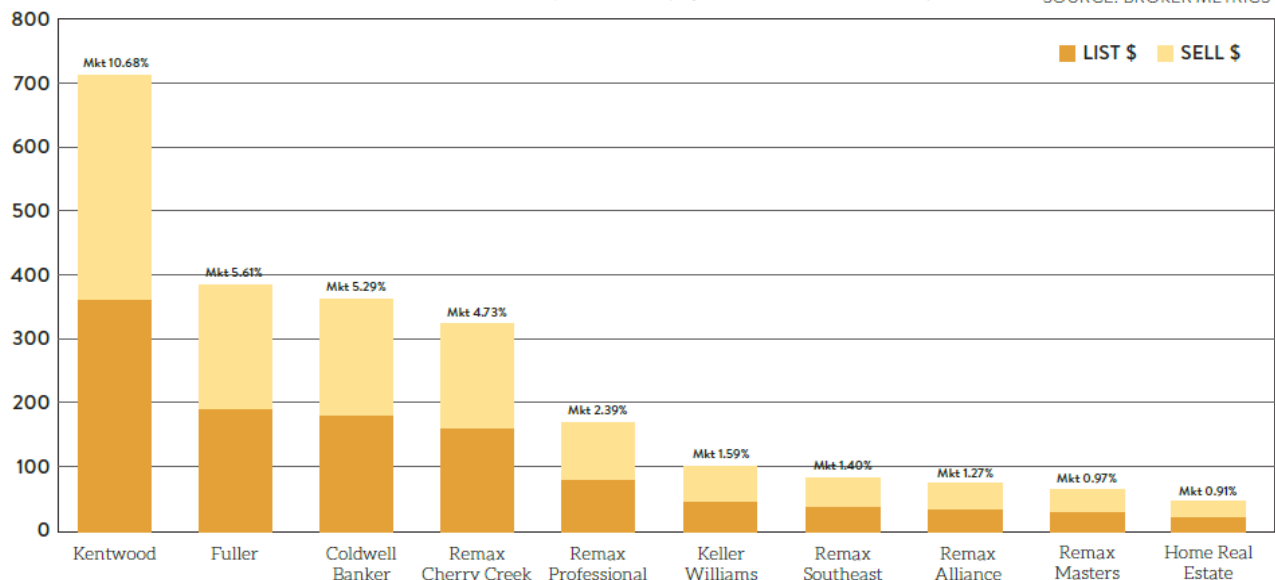


KENTWOOD REAL ESTATE CLOSED SALES VOLUME IN 2013



2013 MARKET SHARE TOTALS Total \$ Volume (By CMS Market Share)

SOURCE: BROKER METRICS



MAY 2014 MARKET REPORT WRAP-UP

(RES + CONDO) | Δ CHANGE FROM LAST YEAR



29

AVERAGE
DAYS ON
MARKET
 Δ -34.6%



8,401

NUMBER OF
RESIDENTIAL HOMES
FOR SALE
 Δ 39.5%



\$333,955

AVERAGE SOLD PRICE
 Δ 8.1%



8.1%

AVERAGE SOLD PRICE
INCREASE VS MAY 2013



7,228

TOTAL HOMES UNDER
CONTRACT
 Δ 11.6%

SOLD

5,349

HOMES SOLD IN
MAY 2014
 Δ -8.2%



SELLER'S MARKET

DECREASED INVENTORY AND INCREASE IN AVERAGE SALES PRICE

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