

APRIL 2015 MARKET REPORT

presented by:
Leslie Monaco

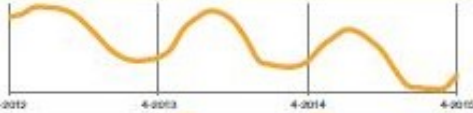



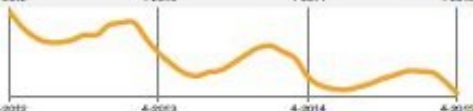



TABLE OF CONTENTS

PAGE 3	METRO DENVER MONTHLY MARKET STATS
PAGE 4	INVENTORY MOVEMENT
PAGE 5	30 YEAR FIXED RATE MORTGAGES
PAGE 6	METRO DENVER VACANCY RATES
PAGE 7	METRO DENVER RENTAL RATES
PAGE 8	COUNTY VACANCY & RENTAL RATES
PAGE 9	CASE-SHILLER DENVER INDEX
PAGE 10	CASE-SHILLER DENVER VS 20 CITY INDEX
PAGE 11	FHFA (HPI) DENVER INDEX
PAGE 12	FHFA (HPI) DENVER VS U.S. INDEX
PAGE 13	MARKET NEWS
PAGE 16	LUXURY MARKET RECAP
PAGE 17	DENVER BY THE NUMBERS

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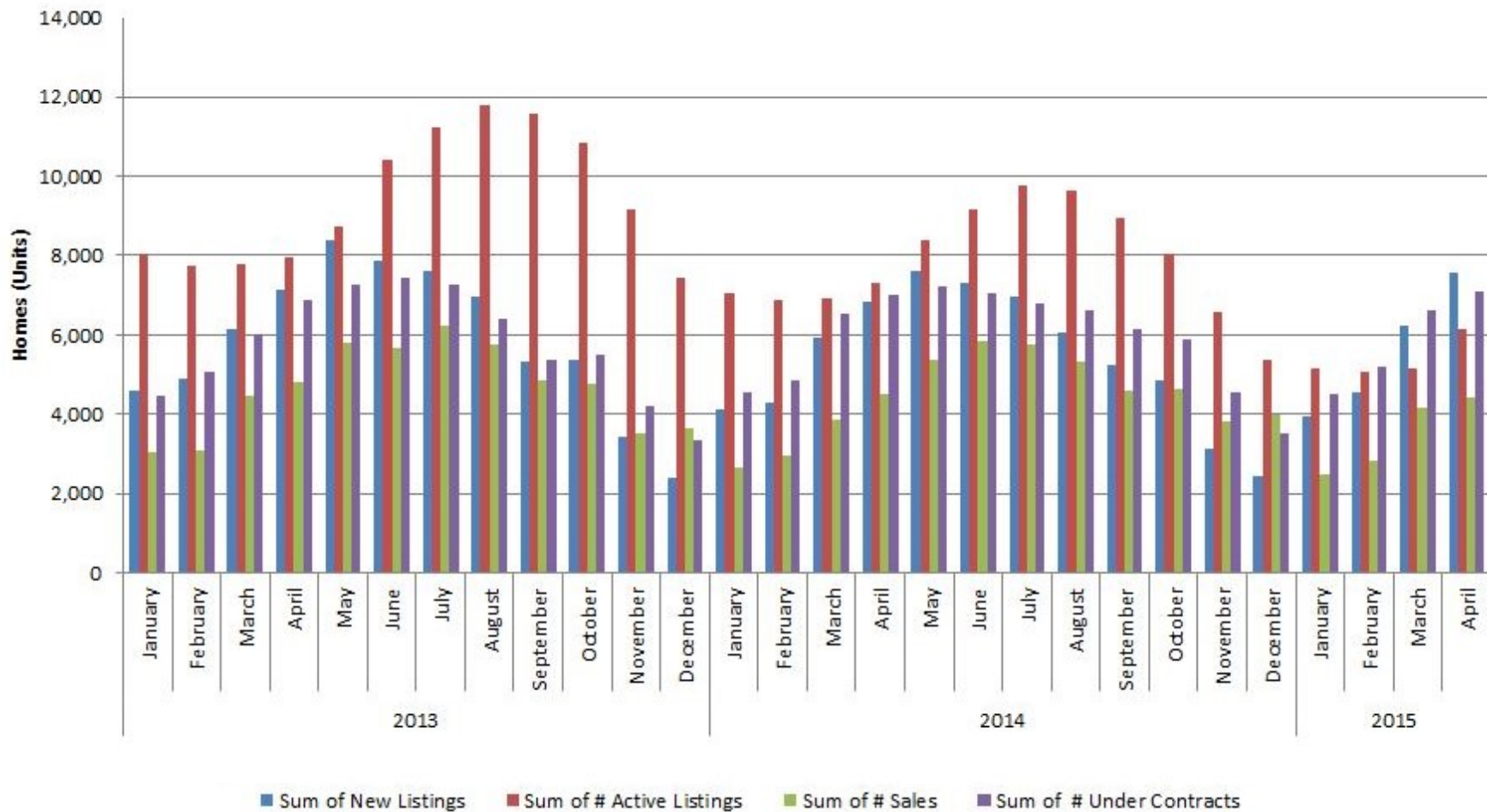
METRO DENVER MONTHLY MARKET STATS (APR '15)

Key Metrics	Historical Sparklines	4-2014	4-2015	+ / -	Last Year YTD	This Year YTD	+ / -
Active Listings		7,266	6,149	- 15.4%	--	--	--
Under Contract Listings		7,014	7,103	+ 1.3%	22,940	23,392	+ 2.0%
New Listings		6,992	7,566	+ 8.2%	21,563	22,332	+ 3.6%
Sold Listings		4,798	4,416	- 8.0%	14,865	15,008	+ 1.0%
Total Days on Market		35	24	- 30.6%	46	33	- 29.3%
Median Sold Price*		\$273,250	\$314,000	+ 14.9%	\$262,000	\$301,000	+ 14.9%
Average Sold Price*		\$326,101	\$361,953	+ 11.0%	\$309,896	\$349,207	+ 12.7%
Percent of Sold Price to List Price*		99.5%	101.0%	+ 1.5%	98.9%	100.1%	+ 1.2%

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INVENTORY MOVEMENT (SINCE 2013)



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30 YEAR FIXED RATE MORTGAGES (SINCE 1971)



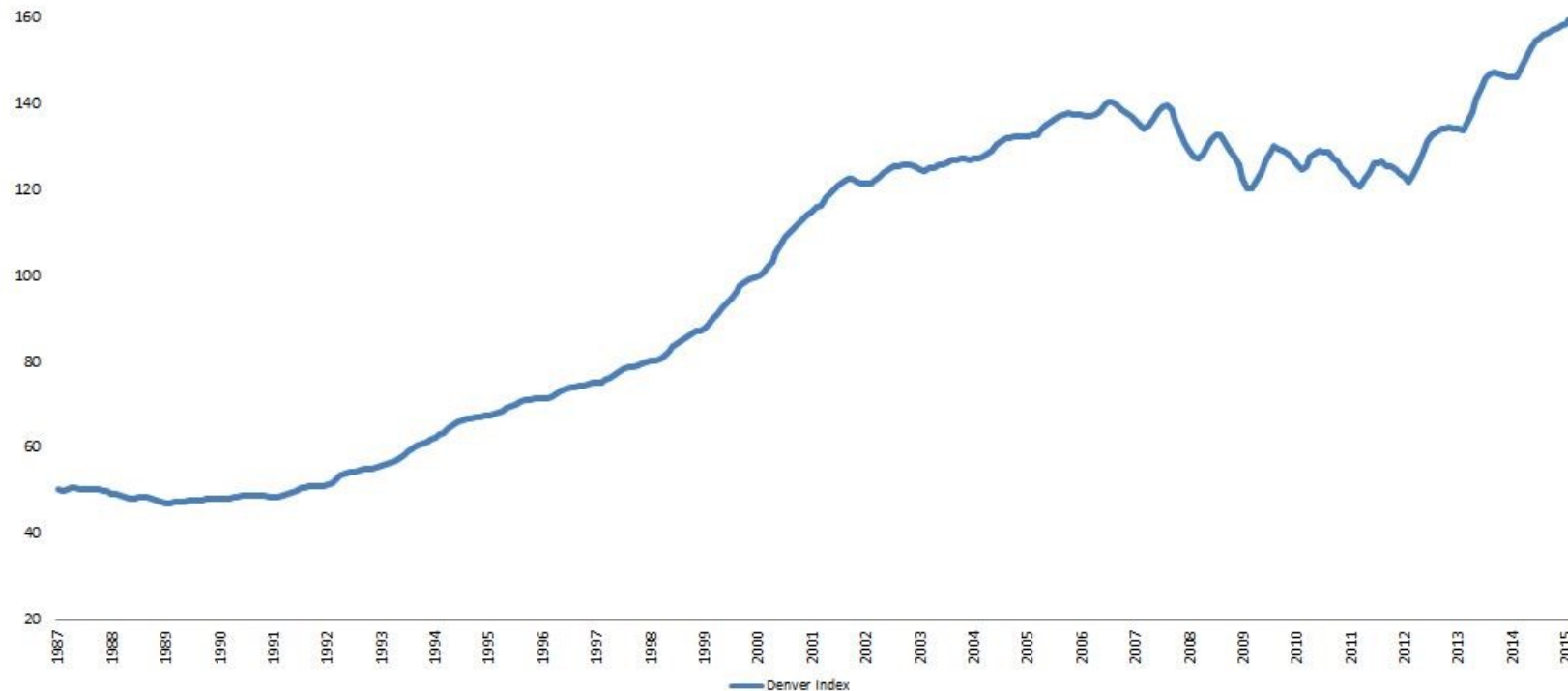
AVERAGE INTEREST RATE BY MONTH

APR 2015	3.67%	JAN 2015	3.67%	OCT 2014	4.04%	JUL 2014	4.13%
MAR 2015	3.77%	DEC 2014	3.86%	SEP 2014	4.12%	JUN 2014	4.16%
FEB 2015	3.72%	NOV 2014	4.00%	AUG 2014	4.12%	MAY 2014	4.19%

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CASE-SHILLER DENVER INDEX (1987–FEB 2015)



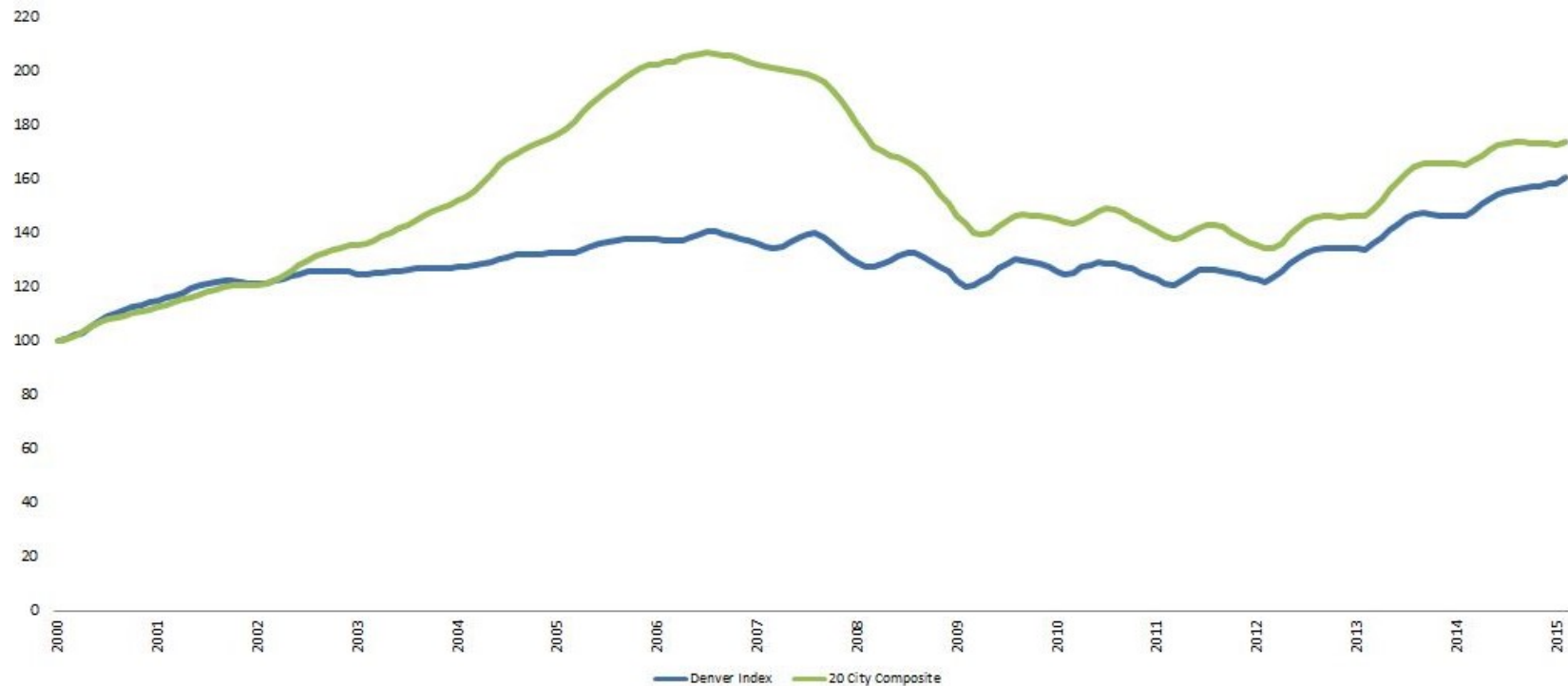
The Case-Shiller index is compiled by comparing matched-price pairs for thousands of single-family homes in each market. Prices are for re-sales of stand-alone single-family homes only, not for new construction or condominiums, and are meant to reflect price changes for comparable home inventory. Case-Shiller does not report actual home sales prices.

Case-Shiller is one of several popular measures of home prices, using different methodologies, covering different housing types and geographical areas, and giving somewhat different results. The index report is produced by S&P Dow Jones Indices LLC, a subsidiary of McGraw-Hill Financial. Yale University professor Robert Shiller, who co-founded the index, was co-winner of this year's Nobel Prize in economics.

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CASE-SHILLER DENVER VS 20 CITY INDEX (2000–FEB 2015)



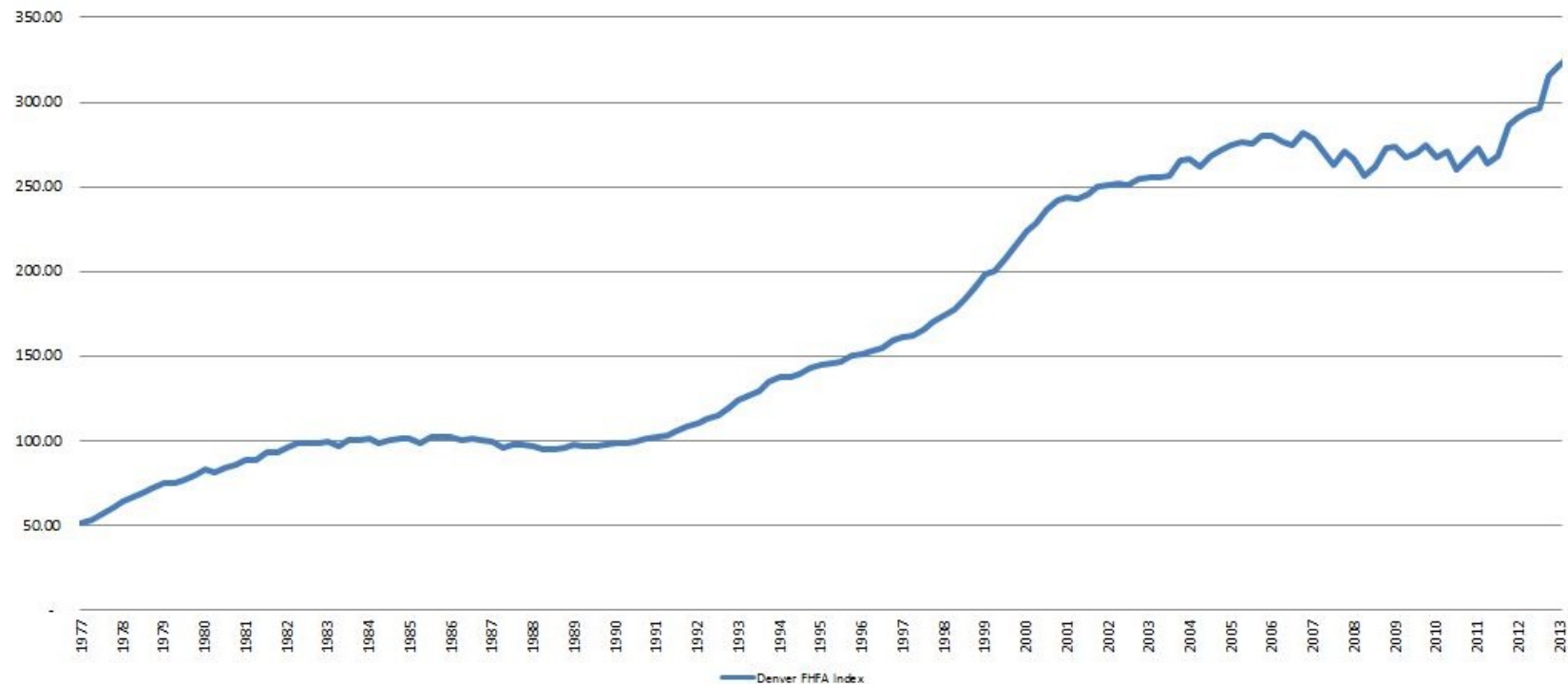
Cities included in the 20 City Composite are:

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)

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FHFA (HPI) DENVER INDEX (1977-Q1 2015)

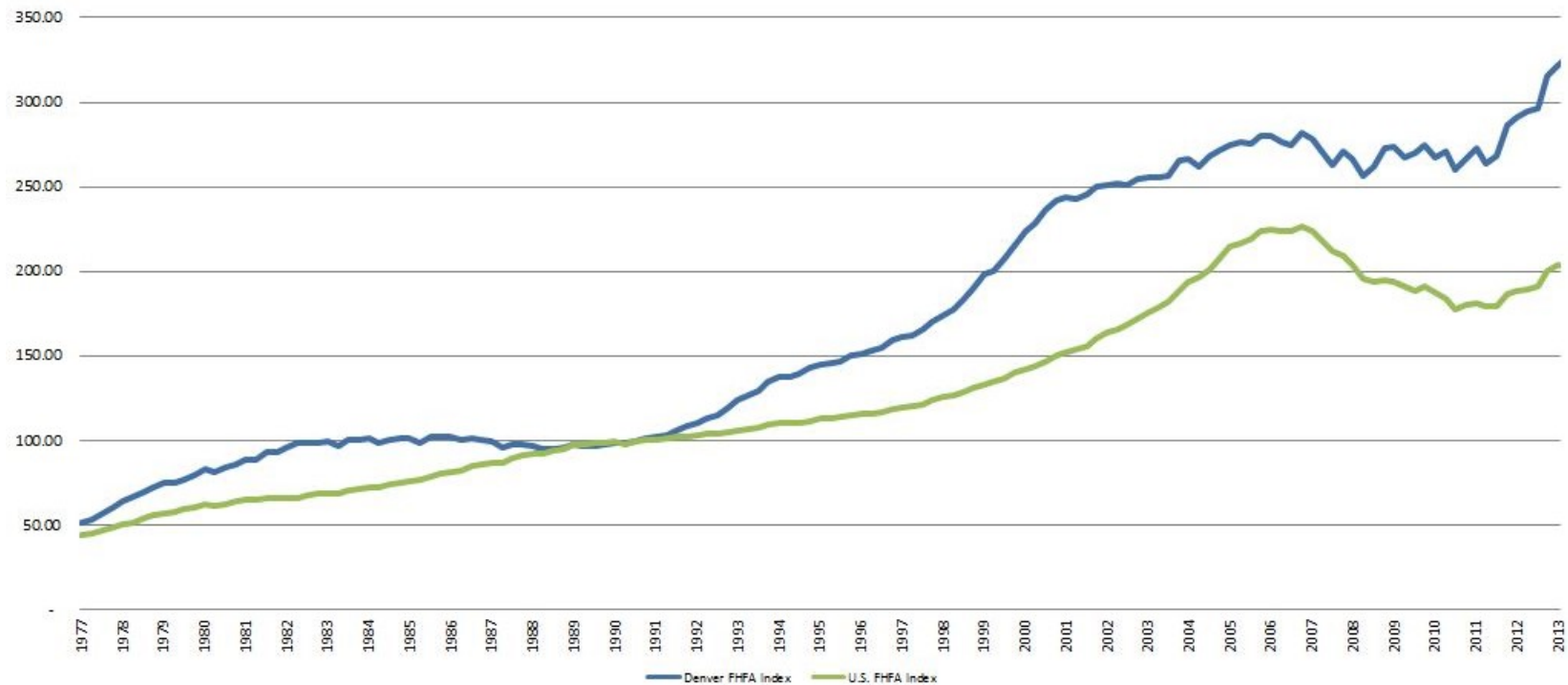


The HPI is a broad measure of the movement of single-family house prices. The HPI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties. This information is obtained by reviewing repeat mortgage transactions on single-family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

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FHFA (HPI) DENVER VS U.S. INDEX (1977-Q1 2015)



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MARKET NEWS

DENVER BUYERS UP THEIR GAME TO BE THE LAST BIDDER STANDING IN REAL ESTATE DEALS

By Aldo Svaldi
The Denver Post

POSTED: 03/25/2015 12:01:00 AM MDT

Denver's tight housing market has morphed into a version of "The Hunger Games," with buyers scrounging for whatever weapons they can find to remain the last bidder standing. "Everything is flying off the shelf," said Chad Ochsner, a broker with Re/Max Alliance in Arvada. "We are used to a market where the buyer has a house to sell. It is now a market where a seller does not have a house to buy."

The National Association of Realtors considers a six-month supply of homes available for sale a "balanced" market and the national average is at about 4.6 months. Metro Denver's supply, by contrast, is now under a month. And for homes under \$400,000, it can be measured in days. "Denver is an extreme case," said Danielle Hale, director of housing statistics with the National Association of Realtors in Washington, D.C. How extreme? About half of homes getting listed sell within seven days, said Heather Heuer, managing broker with PorchLight Real Estate Group in Denver. "If a property is on a market for three weekends in this market at any price point under \$400,000, then it is overpriced," she said.

A balanced market would call for 7,332 detached homes available for sale in the \$200,000-\$399,000 price range in the metro Denver area, PorchLight estimates. But at the end of February, there were only 723 available in a seven-county area that includes Elbert County but excludes Boulder County. In the under-\$199,000 market for attached homes, primarily condos and townhomes, metro Denver had 181 listings for sale in February versus the 2,652 that a "balanced" market would dictate. By some estimates, as many as a fifth of metro Denver home sales may be happening outside the multiple listing service, REColorado, as buyers and their agents hunt down prospective sellers before they list.

Of those that do list, a new sales approach, which looks more like an auction, is becoming the norm, especially for the most affordable homes. "Sellers are creating a time window to accept and evaluate offers, and sellers aren't always basing their choices on what was the highest price," said Eric Thompson, president of Windermere Real Estate Services in Colorado, which has offices in Fort Collins and the Denver Tech Center. Homes expected to move quickly will typically list on Thursday with buyers getting to tour on Friday and Saturday. After offers are collected, listing agents present them to sellers and help cull them, with winners often announced on Monday.

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MARKET NEWS

DENVER BUYERS UP THEIR GAME TO BE THE LAST BIDDER STANDING IN REAL ESTATE DEALS (cont.)

In spring 2013 — the last time mortgage rates dipped below 4 percent and buyers went into a frenzy — the local housing market was still recovering. Presenting the first and best offer often won the day. With 30-year mortgages averaging about 3.78 percent today, the newer game still requires speed, but a buyer must outsmart and outlast 10, 15 or 20 or more contenders.

That typically starts by bidding above the list price, assuming a home is reasonably priced to begin with. In a normal market, a seller gets the listing price or better about 5 to 10 percent of the time, said Thompson. In metro Denver, they are now getting it 56 percent of the time. Seller agents have learned that the highest-priced offer isn't always the strongest and that the heated competition can trigger buyer's remorse and broken contracts. Sellers look for the offer most likely to end up in a closing and accept backup offers to avoid a second round of bidding. Some agents take it another step, asking the runners-up to match or beat the highest-priced offer, which is allowed under current rules. Full-price cash offers still typically move to the front of the pack. Next in line are those who have prequalified for a mortgage and have the cash on hand to cover any shortfall between what they offer and the appraisal.

Listing agents say that they look closely at a buyer's source of financing — bank, mortgage lender or broker. Within that, they weigh the reputation of the lender, downgrading those known for stringing out the approval process or stranding buyers at the closing table. "Reputation does precede you in this market, especially if the lender has been a jerk in the past," said Amanda DiVito Parle, a real estate agent with Re/Max Alliance in Arvada. Conventional loans rank above FHA and VA financing, and buyers using down-payment assistance programs have the slimmest chances in competitive situations, agents said.

To tip the odds in their favor, some buyers write "love letters" or send videos pleading their case. Others bake cookies or send flowers. But agents give those tactics mixed reviews, and some don't present the offerings to clients. For some sellers, the pleas risk creating unnecessary emotional anguish and can even backfire by coming across as creepy and desperate, DiVito Parle said. One example includes prospective buyers who purchase flowers to leave behind before they even tour a home.

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MARKET NEWS

DENVER BUYERS UP THEIR GAME TO BE THE LAST BIDDER STANDING IN REAL ESTATE DEALS (cont.)

The new approach is more subjective, which can open the door to allegations of bias. And while agents said fair housing law violations haven't come up, it probably is only a matter of time. "We have cautioned our agents to be careful about crossing that gray area into protected classes," Ochsner said. Would a 65-year old Latino widow have a case if her technically superior offer is rejected because the seller was swayed by a video from a white family with cute children?

Given how tight the market is, one way that buyers can get the upper hand is by allowing sellers to rent their former homes for a few months until they find a replacement. In fast-moving markets, sellers usually downgrade buyers who make a purchase contingent on unloading their current home. Now some favor such clauses, if only to buy themselves more time in their house hunt. Buyers also can improve an offer's chances by waiving their right to demand sellers repair problems found on inspection, a common practice in a buyer's market.

Still, many contracts continue to blow up after an inspection and Thompson said Windermere now encourages its sellers to pay for their own inspections on major systems, which can help buyers get more comfortable with making on-the-spot decisions. "The second they sign the contract, their power goes away," Thompson said of sellers. "They are at mercy of a buyer performing."

Two years ago, agents said higher home prices would restore balance to the market by bringing out more sellers. Prices did rise substantially, but the inventory of homes for sale remains tighter than ever. As of 2:54 p.m. Tuesday, there were 4,145 active listings in an 11-county area surrounding Denver, down from 4,175 five hours earlier, said Anthony Rael of the Denver Metro Association of Realtors. Rael said 2,607 sales have closed this month, and 4,102 have gone under contract. Of the active listings, only 1,212 were priced under \$400,000, the part of the market in highest demand among buyers. Most are existing homes offered for sale.

The volume of listings normally doubles in April versus January in metro Denver. But buyers this year have been out in force since mid-January after a sharp drop in mortgage rates. Buyers entering the arena in coming weeks need to realize they will drop into hand-to-hand combat with battle-scarred competitors who are frustrated and still hungry for a home.

Source: http://www.denverpost.com/business/ci_27780191/denver-buyers-up-their-game-be-last-bidder-standing-real-estate-deals

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LUXURY MARKET RECAP (APRIL 2015)

Currently there are 683 Million Dollar residential and condo properties in the Denver Metro. Kentwood Real Estate has a 17% market share with 114 Million Dollar active listings.

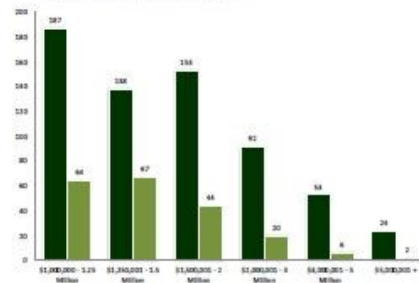
RESIDENTIAL

Residential Solds

APRIL	2015	2014	% CHANGE
Closed Sales	64	67	-4.5%
Closed Sales Volume	\$97,784,569	\$105,174,216	-7.0%
Average Sales Price	\$1,527,884	\$1,566,764	-2.5%
Highest Price Sold	\$4,200,000	\$4,450,000	-5.6%
Average Days on the Market	94	161	-41.6%

YEAR OVER YEAR	2015	2014	% CHANGE
Closed Sales	215	174	+23.6%
Closed Sales Volume	\$320,663,861	\$266,280,679	+20.4%
Average Sales Price	\$1,491,460	\$1,530,349	-2.5%
Highest Price Sold	\$4,200,000	\$5,850,000	-28.2%
Average Days on the Market	120	135	-11.1%

Active & Under Contracts



● TOTAL ACTIVE - 647 ● TOTAL UNDER CONTRACT - 204

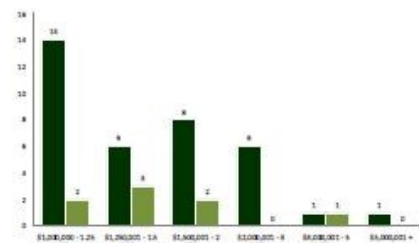
CONDO

Condo Solds

APRIL	2015	2014	% CHANGE
Closed Sales	5	2	+150.0%
Closed Sales Volume	\$11,645,000	\$2,165,000	+437.9%
Average Sales Price	\$2,329,000	\$1,082,500	+115.2%
Highest Price Sold	\$4,550,000	\$1,125,000	+304.4%
Average Days on the Market	400	156	+156.4%

YEAR OVER YEAR	2015	2014	% CHANGE
Closed Sales	12	9	+33.3%
Closed Sales Volume	\$20,270,000	\$15,895,000	+27.5%
Average Sales Price	\$1,689,167	\$1,766,111	-4.4%
Highest Price Sold	\$4,550,000	\$4,925,000	-7.6%
Average Days on the Market	27	136	-80.1%

Active & Under Contracts



● TOTAL ACTIVE - 36 ● TOTAL UNDER CONTRACT - 8

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DENVER REAL ESTATE BY THE NUMBERS (APRIL 2015)

TOTAL ACTIVE HOMES ON THE MARKET



6,140

△ -15.5% from April 2014

NEW LISTINGS TO THE MARKET



7,566

△ 8.2% from April 2014

UNDER CONTRACT LISTINGS



7,103

△ 1.3% from April 2014

SOLD LISTINGS



4,416

△ -8.0% from April 2014

TOTAL DAYS ON MARKET



24 DAYS

△ -30.6% from April 2014

AVERAGE SOLD PRICE



361,953

△ 11.0% from April 2014

PERCENT OF SOLD PRICE TO LIST PRICE



101.0%

△ 1.5% from April 2014

AVERAGE SOLD PRICE INCREASE



11.0%

△ from April 2014

CASE-SHILLER INDEX



10.0%

△ from February 2014

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