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METRO DENVER

Housing market heats up in October

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Metro Denver's housing market heated up instead of cooling down last month as buyers defied expectations they would take a wait-and-see approach until the election was over. If anyone was hitting the pause button, it seemed to be sellers.

Buyers closed on 3,443 residential properties last month, a 2.3% increase from September and a nearly 8% bump up from October 2023. The sales volume, or value of properties sold, jumped 7.4% month over month to \$2.4 billion and is up nearly 12% on the year, according to a monthly update from the Denver Metro Association of Realtors.

In a year where the number of listings is up by about half, active listings shrank in October to 10,940, down 1.6% from the 11,115 available at the end of September. The decline came about mostly because sellers were holding back, not buyers. Metro Denver had 4,691 new listings last month, a 7.2% decline from September's count.

That runs counter to a Redfin survey where a quarter of first-time buyers said they were holding off on a purchase until after the election.

"Presidential election seasons are unique. They heighten normal buyer and seller uncertainty and hesitation. It is not a huge difference, but it is an amplification," said Michelle Schwinghammer, a member of the DMAR Market Trends Committee and Denver-area Realtor.

Schwinghammer compiled 11-county metro Denver home price statistics for the 24 months before a presidential election and the 24 months after, going back to 2012. Home prices show more volatility in the months leading up to an election, but once it passes, price stability returns along more traditional seasonal patterns.

As to wholesale slamming on the brakes, the statistics don't support that despite the anecdotes that circulate of buyers and sellers alike saying they are holding off. Also at play this fall — the Fed's cut in its key benchmark rate. Initially, the move caused mortgage rates to fall, improving affordability for buyers. But by the second half of October rates were moving higher again. Single-family home prices in metro Denver rebounded after falling in September, but they continued to soften for townhomes and condos.

The median price of a stand-alone or detached home rose to \$650,000 in October, a 3.2% gain from September's median price of \$629,950. The median price of a townhome or condo that sold last month was \$401,000, down 1% from the median of \$405,000 and down 5.5% on the year.

Listings took longer to sell, a median of 26 days instead of 25 days in September and 16 days a year ago. Sellers are also getting slightly less on average from the listing price, 98.66%, than was the case earlier in the year.

"I am still a huge believer in the premise that the housing market is complex. It does march to its own tune. The real impact of any presidential election is going to be expressed through changes in federal law and policy," Schwinghammer said.