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Average metro Denver home price jumps 10% in 2016; sales volume hits record

Slightly fewer homes sold than in 2015, which holds the record

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Matthew Staver, Bloomberg

A “For Sale” sign stands in the yard of a single family home in Denver.

If you sold a home in metro Denver last year, it’s likely you were pleased with the sales price.

The number of metro Denver home sales last year came in just shy of the record reached in 2015, but the sales volume hit a new peak on the back of a 11.4-percent gain in median prices.

“The low inventory is a major driver of these double-digit appreciation rates,” said Steve Danyliw, chairman of the Market Trends Committee at the Denver Metro Association of Realtors.

Last year, sellers listed 64,950 homes versus 65,878 in 2015, according to the latest [market trends report from DMAR](#). Listings spent an average of 34 days on the market last year versus 31 days in 2015, and buyers closed on 55,634 homes, short of the 56,062 homes sold in 2015.

Because the homes that sold were worth more, the sales volume reached a new record of \$22.2 billion, up from \$20.3 billion in 2015 and \$17.6 billion in 2014.

The median price of a single-family home sold in metro Denver ended the year at \$377,450, up 8.5 percent from December 2015. For condos, the median price sold reached \$257,500 in December, up 14.4 percent from a year earlier.

Year-to-date through December, the median price of a home or condo sold in metro Denver was up 11.4 percent, while the average price was up 10 percent, marking the second consecutive year of double-digit price increases.

The lack of affordability weighed more heavily on the market in the second half of the year, and a big jump in mortgage rates following the November election will only add to those pressures.

Last month, 4,151 homes sold in metro Denver, 8.5 percent fewer than the number that sold in November and 9.1 percent below the sales number in December 2015, according to DMAR.

Listings spent an average of 44 days on the market in December, about 10 more days than the average for 2016. And a good share of the listings that carried over into 2017 were in higher price tiers.

Danyliw said that 59 percent of the homes available for sale at the end of last month were priced above \$500,000, but that only 22 percent of sales were for homes above that price point.

While not yet a trend, any cooling in a hot market would likely start at the extremities. The number of \$1 million-plus homes sold in December dropped 26.6 percent from a year earlier and 17.3 percent from November.

While higher mortgage rates could push some buyers on the fence in the short-term, they are likely to drag down the pace of price gains this year.

“That pool of buyers is getting smaller and smaller,” Danyliw said.

Still, the tight supply should support the region’s housing market, especially for properties priced under \$400,000.

Since 1985, metro Denver has ended the year with an average of 13,702 listings for buyers to choose from. Last month ended with 4,265 homes for sale, down 23.6 percent from November and the lowest tally for that month in records going back to 1985.

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I have worked at The Post since late 2000. My beats include residential real estate, economic development and the Colorado economy. Other publications where I have worked include Financial Times Energy, The Denver Business Journal and Arab News. My parents immigrated from northern Italy, although my great grandparents came to Central City in the late 1800s.

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