



### GENERAL

We expect appreciation levels to be at 6%-8% during 2018, down from 8%-10% during 2017, particularly due to a slight net-migration slowdown. According to statistics just released from the US Census Bureau, 2017 experienced 30,000 net-migration (meaning 30,000 more people moved into Colorado than moved out.) The prior year had about 45,000. The net inflow of people, coupled with the cost and backlog of building efforts will continue an upward pressure on the real estate market through 2018 and most likely 2019.

### Average Sold Price

Denver Metro Single Family: \$479,000 (up 8.7% from last year)  
Denver Metro Multifamily: \$325,000 (up 9.8% from last year)

### Average Days on Market

Denver Metro Single Family: 38 days (7.3% fewer days than last year)  
Denver Metro Multifamily: 44 days (37.5% more days than last year)

### INTERESTING TRENDS

- New home builders report that demand for new homes in the Denver area exceeds 16,000 units. New construction for 2018 is estimated at 13,000 units, leaving a gap in demand versus supply.
- If you are living in a condo complex measuring over 25,000 sq ft, expect to have a possible HOA assessment if you need a roof replacement. The Denver Green Roof initiative passed in November, meaning all existing and new buildings over 25,000 total square feet in Denver will need rooftop gardens and/or solar panels on top of their roofs. Many HOA's have money put aside for new roofs, but few have made ample reserves for the incremental costs associated with this new initiative.
- The luxury market (\$1MM+) was very active in 2017 with a year over year sales transaction volume increase of 23%.

### WHAT'S GOING ON IN GRAND COUNTY (WINTER PARK, FRASER, GRANBY, ETC)?



Recently I worked with family friends – a young couple wanting to buy a mountain condo retreat for family weekend trips and as an Airbnb investment property. We narrowed down our search to Granby, which offers very good value with Rocky Mountain National Park, Granby Ranch ski resort, and Lake Granby all nearby. Upon further research, we discovered the most affordable condo community in Granby is the Inn at Silver Creek – a 247 unit complex with studio, one and two bedroom units selling for \$85K-\$125K. Our analysis into property values showed that this complex is one of the fastest appreciating complexes in Grand County with studio units that were selling at \$25K in early 2016, now selling at around \$85K – appreciation of 240% in less than two years. We ran the investment financials and found that the complex is fantastic for investment purposes with cap rates in the high 8%; something that is unheard of in metro Denver. As with any HOA, the financial health of the association is an important part to our investment analysis and is something we carefully research and monitor to mitigate the risk of large special assessments. This ongoing due diligence is certainly an important part of this investment.

### NOTES

Above statistics are based on information from REColorado for the period 1/1/2016 - 12/31/17. The representations herein are based in whole or in part on content supplied by REColorado which does not guarantee nor is in any way responsible for its accuracy. Content may not reflect all market activity.



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