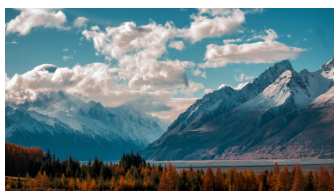


June 2017

# DENVER REAL ESTATE

## High water system costs a drain on housing affordability along northern Front Range

The northern Front Range houses and apartment costs include some of the highest water infrastructure costs in country. Some contributors to the costs include, scarcity of water and the fact that most residents use water from the other side of the Rocky Mountains from which they live. Another contributor is the upfront fees local utilities charge to connect water and sewer lines to homes and other buildings. These upfront costs are usually in the form of higher home prices and apartment rents. Although water utilities say they are willing to change models, they want to make sure there won't be a shortage of water for buildings that will cause water-pressure problems and increase the number of complaints to water utility companies. The high costs on top of the rising land prices have decreased the number of housing projects therefore the amount of affordable housing as also declined. The average water connection fees in Colorado are approximately \$12,400, which is well above the cost in other states in the US. These costs are hidden in monthly mortgage payments or rent, making single-family housing less affordable



(Source: Denver Post)

## Landlords are struggling to price their apartments at the right rate in metro Denver

The Denver metro area has seen some large rent reductions in the past month, but that doesn't necessarily make Denver a cheaper area to live. Denver metro is still considered to have one of the highest rents of any interior city in the US. Nationally, rent increases have plateaued and as a result, there should be fewer price decreases and a more stable market. Home sellers are better at getting the price right in the market. The supply imbalance could be the reason behind the disconnect in home and apartment prices. The supply of apartments in the Denver metro area are increasing rapidly, while the supply of homes is increasing at a slower pace as demand increases. There is an issue with affordability in Denver because houses are being built on the more expensive end of the market, while the jobs that are created are on the lower wage scale.

(Source: Denver Post)

## EVENTS

Film on the

Rocks:

Bridesmaids

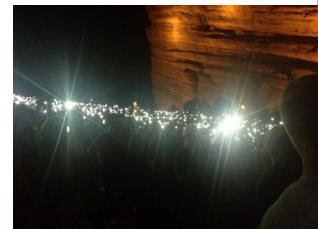
Location:

Red Rocks

Amphitheater— 18300 W. Alameda Pkwy, Morrison, CO

Price: \$15

Time: June 12th, 7:00-11:00pm



## Colorado Shakespeare Festival

Location: Department of Theatre and Dance, Boulder, CO 80309

Price: Varies

Time: Starts June 11th, Time varies with day

## Haunted Denver Dinners

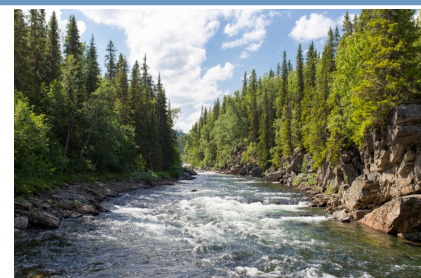
Location: 9755 E. Hampden Ave, Denver, CO

Price: \$42

Time: June 19th, 6:00PM

## This Month's Trivia :

What river runs through the town known as "The Choice City?"



Send an email with the correct response for a chance to win this month's gift card!

## Denver and Colorado Real Estate Market at a Glance (June 2017)



### Residential (Single Family plus Condo)

		Prior Month	Year-Over-Year
Active Inventory	5,895	9.96%	7.91%
Sold Homes	5,320	11.48%	1.90%
Average Sold Price	\$449,736	2.84%	9.83%
Median Sold Price	\$382,475	0.59%	6.24%
Average Days on Market	29	-12.12%	-6.45%

### Takeaway Points From Denver Metro Association of Realtors:

- Average active listings for May is 16,296.
- The historical average increase in active listing from April to May is 4.43 percent. 2017 represents a significant increase of 9.96 percent.
- There is hope of more condo development hitting the market as a plan was recently announced to build 50 condos near the University of Denver.
- Areas of Denver Metro were recognized by Housing-Wire as markets that sell within 50 days listing to close.
- The market continues to appreciate at a slow and steady pace. With many moving during the summer-time, the market has nowhere to go but up for the foreseeable future

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