

METRO DEEP DIVE

Has Denver's housing market taken a turn?

By Patrick Kearns | Sep 30, 2021

Data shows inventory is on the upswing, while fewer homes are selling over list price

Despite Denver boasting some of the nation's most unpredictable weather, the housing market in Colorado's largest city has been reliably consistent over the past year: pricey and competitive. New data released Thursday by real estate technology company [OJO Labs](#) shows that might finally be changing.

The analysis, using data from the OJO Labs real estate search site [Movoto by OJO](#), shows Denver remains one of the nation's most unaffordable metropolitan areas — and that really isn't changing much —but total inventory has steadily increased over the past three months and the percentage of homes selling above asking price is on a downward trend.

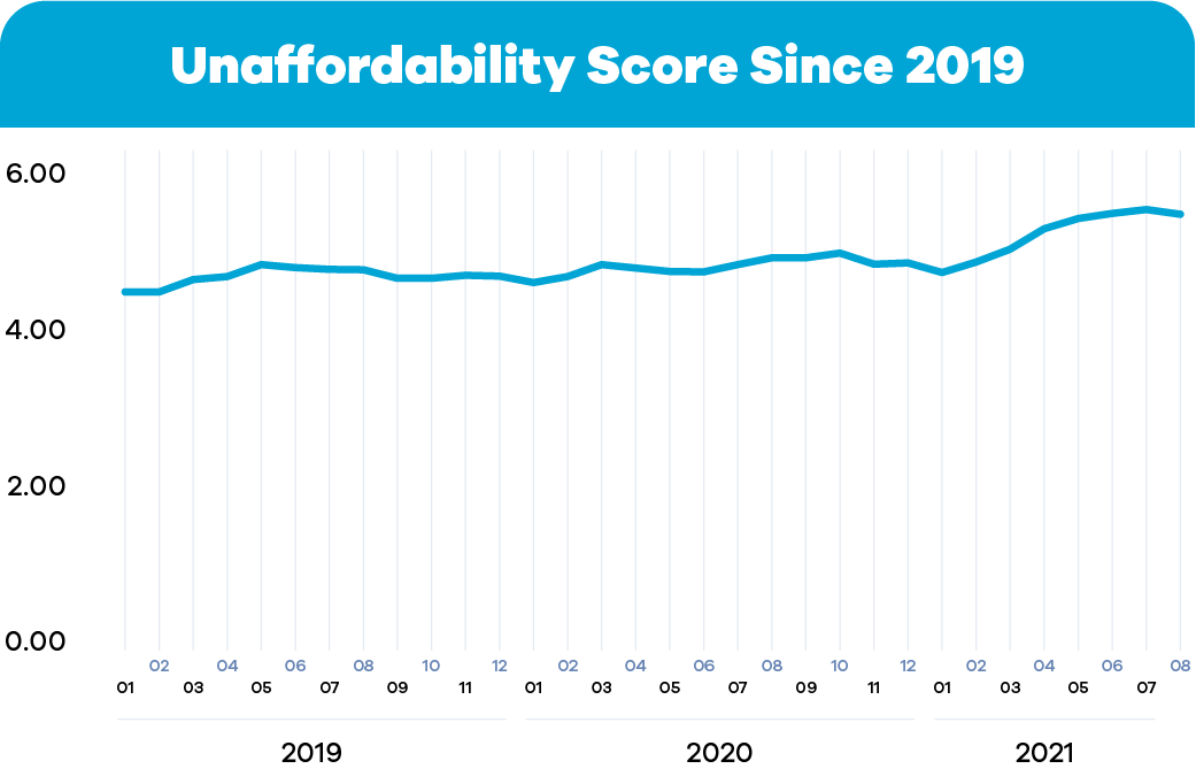
Affordability

Affordability challenges are nothing new for the Denver housing market, with the city's unaffordability score — a ratio derived from median home sold price and median household income — routinely outpacing the national average and finishing in the upper echelon of the nation's least affordable markets. The pandemic has only exacerbated these challenges.

Denver's unaffordability score reached 5.49 in August 2021, which was the third highest it's been since the start of 2019, meaning it was the third hardest month to afford a home for a household making the median income in the past two-and-a-half years. Only the preceding two months had a higher unaffordability score.

The median home sold price in Denver hit \$512,000 in August 2021, down slightly from \$515,887 the month prior but up 16.4% from August 2020.

Nationally, the median home sold price hit \$335,881 in August 2021, while the national unaffordability score ticked up slightly to 4.73, meaning it was harder to afford a home in Denver than it was on a national level.



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Competition

Competition for homes may have peaked in June, according to the data, but it could also be an indicator that seasonality is returning to the housing market. In August 2021, 55% of homes sold above initial asking price, down from 61.8% the month prior and the early summer high of 63.1% in June.

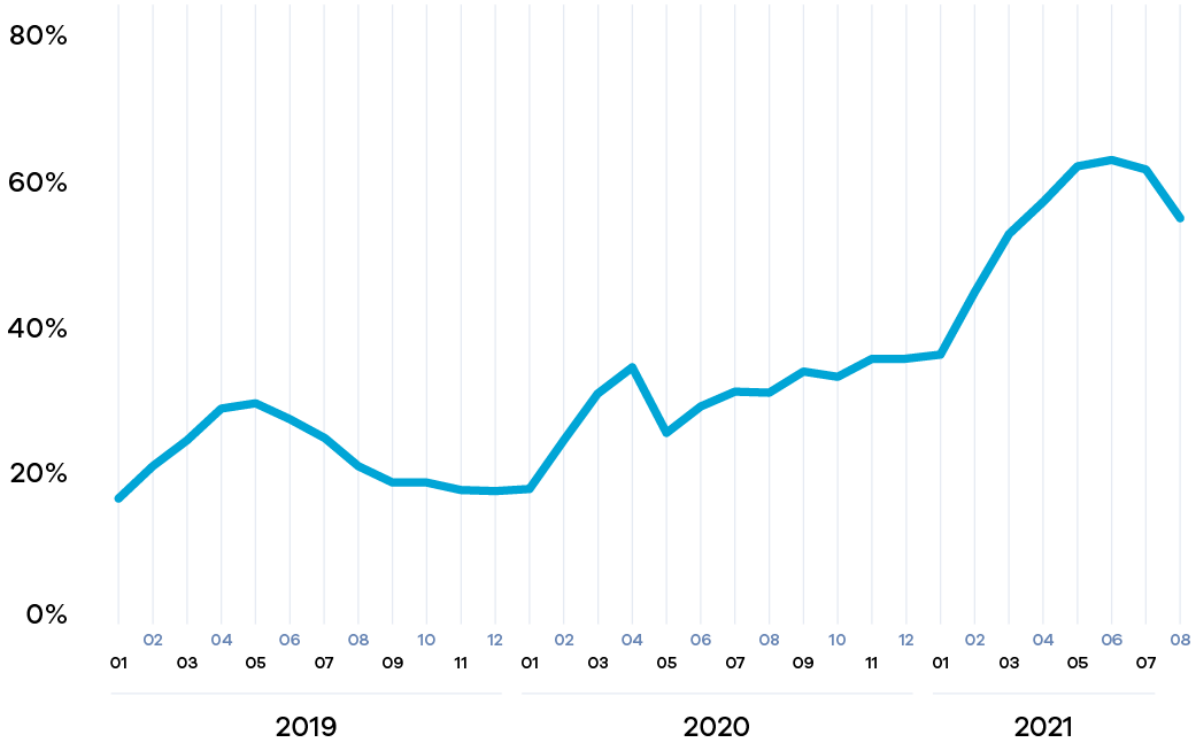
In dollar amount, homes sold for, on average, \$8,966 above list price in August, down from \$15,258 in July. It's the lowest premium over list price that buyers have paid since March 2021, and the fourth consecutive month of month-over-month declines.

In August 2020, only 30.9% of homes were selling for more than initial list price and the average home was actually selling at a discounted price, landing \$6,474 below initial asking. It was even less competitive two years ago, when 20.4% of homes were selling below list

price and for an average of \$7,796 below list price.

Nationally, 46.1% of homes sold for more than list price in August 2021, with the average home selling for \$5,681 above initial asking price.

% of Homes Sold Over Asking Since 2019



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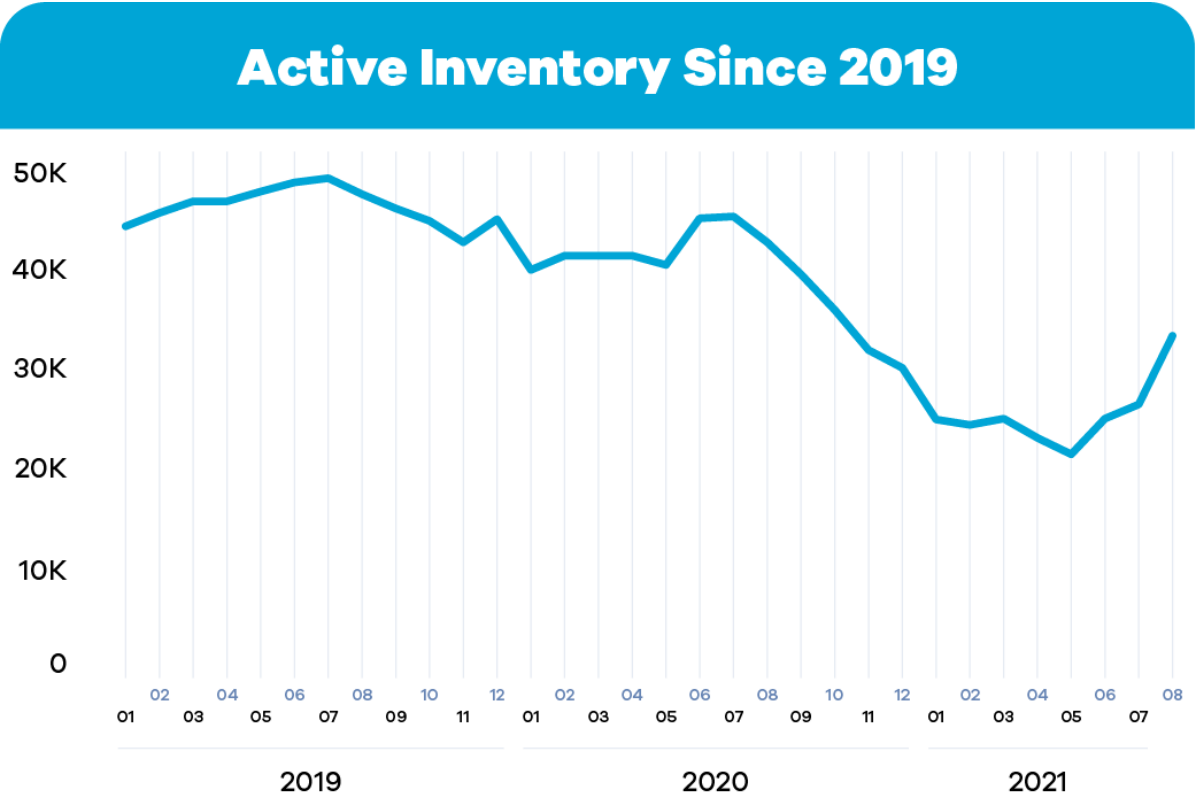
Inventory

As buyers began to flock to the market as the world first began to open back up in summer 2020, inventory plummeted nationwide and Denver was no exception. The number of total active listings has been on a steady month-over-month decline since July 2020, dropping precipitously over that period. But for the first time in more than a year, inventory has now increased for three straight months and the trend has been reversed.

In August 2021, there were 33,909 active listings in Denver, an increase of 27% month

over month. Total active listings in August 2021 were at the highest they have been since October 2020.

August's inventory numbers were still significantly below last year's totals of 43,113 active listings — and looking at two years of trend data shows around 45,000 active listings has been typical since the start of 2019 and pre-COVID-19 — but at least trending in the right direction, which is welcome news for an inventory-starved housing market.



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Median home price data is drawn from local multiple listing service sold data on residential search site Movoto by OJO, and median household income is derived from 2016-19 census data. Unaffordability score is a ratio that's derived from monthly median housing prices and median household income. The higher the score, the more unaffordable a metro area is for a household making the median income.

Want OJO to conduct a deep dive in your market? Contact pkearns@ojolabs.com.



Patrick Kearns is the Director of Storytelling at OJO Labs. Prior to joining OJO Labs, Patrick worked as a journalist for more than a decade, most recently covering housing and real estate at Inman News. He's also written for The Guardian, The Washington Post, Sports Illustrated, Vice, and others.



OJO is a real estate platform that provides support and guidance to match each moment of the home journey, so everyone feels ready, equipped, and inspired to take the next step. [Learn more.](#)