



Home sale prices in June set record

Expensive houses sell even as unsold units clog market

By John Rebchook
ROCKY MOUNTAIN NEWS

Home sale prices soared to record levels in June, as buyers continue to snap up expensive houses in the Denver area, even while the number of unsold houses on the market also set a record, according to reports released on Thursday.

"The average price and median price of a single-family home jumped dramatically," said Steve McGuire of RE/MAX Professionals, who issued one of three reports on the market based on MetroList data.

The average price of a single-family home sold and closed last month rose to \$335,111, almost \$20,000 more than the \$315,257 in May and about \$16,000 more than the \$319,197 average in June 2005.

The median, or middle-priced, home rose to \$261,750, from \$250,943 in May and \$254,000 in June 2005, according to reports from McGuire, independent broker Gary Bauer and Coldwell Banker Colorado.

However, the number of unsold homes rose to 31,900, a 23 percent increase from the 25,934 in June 2005 and a 4.7 percent increase from the record of 30,457 set in May.

The supply is rising along with interest rates, which makes it more difficult for first-time buyers to qualify for mortgages.

Also, the number of foreclosed homes is rising near record territo-



KEN PAPALED/ROCKY MOUNTAIN NEWS

The atrium of a penthouse at One Wynkoop Plaza near Coors Field offers views of downtown. The 4,700-square-foot property is listed at \$2.7 million. Such high-end properties are driving the Denver market.

ry, adding to the supply of unsold homes clogging the market.

Typically, this would mean that prices would drop because sellers would be forced to lower their prices.

But sales activity at the top of the market remains brisk, skewing the overall average and median prices,

Flip to HOMES on 5B

Average price nearly \$16,000 more than June 2005

\$335,111

The average price of a single-family home sold last month in the metro area.

\$261,750

The median, or middle-priced, home sold last month.

Reason for the sale-price records: Sales activity at the top of the market remains brisk, skewing the overall average and median prices. Lower-priced homes continue to go unsold.



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Homes: Low end of market 'tougher'

Continued from 1B
Realtors agree.

For example, in the southeast suburban area — which includes Cherry Hills Village, Greenwood Village and Glenmoor — last month 152 home sales closed, at an average price of \$711,000 each, McGuire said. Of the 152 sales, 22 of them, or 14.5 percent, sold for \$1 million or more, he said.

By comparison, in May, the average price along that corridor was \$566,996, and in June 2005, the average price was \$613,032.

"The law of supply and demand have to be taking over at some point," McGuire said. "You have these ultra-high properties carrying the market for the past few years. I think the lower end of the market is going to just get tougher and tougher for sellers."

Real estate broker Jan Nelsen, who recently sold a condo in Cherry Creek for a record \$911 per square foot, said "it looks to me that people are just not lowering their prices. . . . Everyone has so much to choose from, but they are still willing to pay a premium for something that is just perfect."

On average, it is taking 102 days to sell a home, compared with 92 days a year ago, according to the reports.

Nelsen is about to start marketing a 4,700-square-foot-plus penthouse condo at One Wynkoop Plaza next to Coors Field for \$2.7 million. John Hamilton, the owner who never occupied it, is spending about \$400,000 renovating the shell.

"I think it will take four to six months to sell," Nelsen said while touring the penthouse with the contractor, Patrick Smith of HW Design of Boulder. Smith said the work should be completed around the end of August.

"On the other hand, this is pushing \$3 million, and there aren't that many units downtown in the price range ready to move into, so you never know if someone will snap it up immediately," she said.

Independent broker Bauer said the market was going to perform better in June "even though a lot of records were broken."

But the number of unsold homes was expected, he said.

"I still think it is close to its peak, but it would not surprise me if they don't creep up by another 1,000 homes or so in July," Bauer said.

Darrel Evangelista of Metro Brokers of Cherry Creek said that with a half-year's data to analyze, "The market is a little slower than last year. The inventory is increasing, and there are not quite as many buyers in the market. Hopefully, inter-



KEN PAPALED/ROCKY MOUNTAIN NEWS

Patrick Smith of HW Design of Boulder and **Jan Nelsen** of Kentwood City Properties go into the living room of a penthouse at One Wynkoop Plaza near Coors Field. The owner, who never lived there, is spending \$400,000 to renovate the shell. Nelsen predicts it will take four to six months to sell but adds, "You never know."

Metro-area home sales

Properties under contract

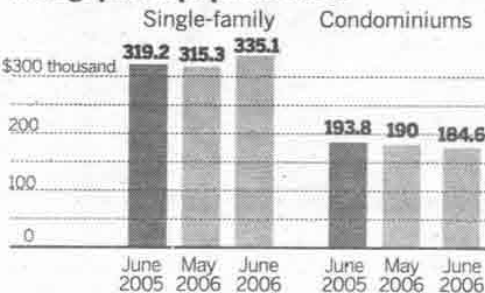
This month	6,049
Last month	6,459
This month last year	6,660

YEAR TO DATE

Unsold homes on the market

This month	31,900
Last month	30,457
This month last year	25,934

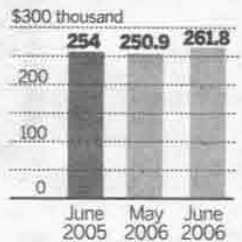
Average price of properties closed



YEAR-TO-DATE AVERAGE

This year	\$317,761	\$185,693
Last year	\$304,080	\$188,041

Median price of single-family properties closed



YEAR-TO-DATE AVERAGE MEDIAN

This year	\$250,000
Last year	\$244,000

Sources: Steve McGuire of RE/MAX Professionals, independent broker Gary Bauer and Coldwell Banker Colorado

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est rates will not climb much more and stay fairly steady."

He said the record number of unsold homes on the market doesn't trouble him because with the metro area's growing population, he would expect the inventory number to increase.

"I'm not concerned about a housing bubble or prices crashing like

they did in the 1980s," he said.

He said buyers should be realistic and typically expect to live in their homes for at least three years if they hope to sell it for a profit.

Bauer said prospective buyers have no sense of urgency and are looking at a lot of homes.

He said he is working with one couple that is looking at both con-

dos and single-family homes priced from \$100,000 to \$500,000.

They've been looking for about 60 days and still haven't found the right combination of price, location and amenities to persuade them to sign on the dotted line, he said.

rebchookj@RockyMountainNews.com
or 303-892-5207