Your Home Sold GUARANTEED Or I'll Pay You $5000 *

# CASTLE PINES

## Real Estate News ~ 3rd Quarter 2024

Serving Castle Pines Since 2004


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## MYTH—The Federal Reserve Controls Mortgage Rates

Over the past month I've received numerous calls from clients asking about mortgage rates because they heard the Federal Reserve lowered interest rates at their September meeting. Many people assume that when the Federal Reserve lowers interest rates it means mortgage rates will drop. Unfortunately, that's not exactly how it works. <u>The Federal Reserve can influence mortgage rates, but it does not control mortgage rates</u>.

The Federal Reserve controls what's called the Federal Funds Rate, which is the interest rate that banks charge each other when they lend money overnight. This happens because banks are required to keep a certain amount of cash (called "liquidity") on hand at the end of each business day. If a bank is short on cash, they will borrow money from another bank overnight. The interest rate on these short-term loans is the Federal Funds Rate. On September 18th, the Federal Reserve lowered the Federal Funds Rate by 0.5%, bringing it to a range of 4.75% to 5.0%. Prior to this, the rate had been set at a range of 5.25% to 5.5% since August 2023.

Now, here's where the confusion often arises: mortgage rates don't follow the Federal Funds Rate directly. While the Federal Funds Rate affects overall economic conditions, mortgage rates are determined by investors and how they feel about the economy. Investors look at a variety of factors, including the Federal Funds Rate, when driving mortgage rates. But just because the Federal Funds Rate goes down (or up), it doesn't mean mortgage rates will change by the same amount or even in the same direction. To illustrate, while the Federal Funds Rate stayed the same for 13 months (August 2023 to September 2024), mortgage rates fluctuated quite a bit. 30 Year mortgage rates hit a high of 7.79% in October 2023 but dropped to 6.2% the week before the September Federal Reserve meeting. In fact, since the Federal Reserve lowered the Federal Funds Rate on September 18 by 0.5%, 30 year mortgage rates have increased 0.35% from 6.09% to 6.44% for the week ended 10/17/24.

Investors tend to adjust mortgage rates based on what they think will happen to the economy in the future. Prior to the September meeting, mortgage rates had been falling because investors expected inflation to come under control and the economy to slow down, which they knew would eventually lead the Federal Reserve to lower the Federal Funds Rate to encourage growth. Mortgage rates are really a reflection of investor sentiment about where the economy is heading, not just what the Federal Reserve does with interest rates.

The Federal Reserve is expected to lower the Federal Funds Rate again at either the November 7 or December 18 meeting. Economists are also expecting another drop at the January 29 meeting. Although mortgage rates did increase after the reduction at the September 18 meeting, the expectation the Federal Reserve will continue to lower the Federal Funds Rate is positive for long term mortgage rates. Economists are expecting mortgage rates to drift lower through the rest of 2024 and throughout 2025. Most forecasts are expecting the 30 year mortgage rate to be around 5.5% to 5.75% by the end of 2025.

## Avoid Costly Mistakes When Selling Your Castle Pines Home!

Are you planning to sell your home? Before you list your home for sale, discover the 7 biggest mistakes that most home sellers make and how you can avoid them. A new industry report reveals these 7 costly mistakes and provides a 9 Step System that can help you sell your home fast and for the most amount of money.

This industry report shows clearly how the traditional ways of selling homes have become increasingly less and less effective in today's market. The fact of the matter is that many home sellers don't get what they want for their homes and become disillusioned and financially disadvantaged after they put their homes on the market.

As this report uncovers, these 7 deadly mistakes literally cost home sellers thousands of dollars. The good news is that each and every one of these mistakes is entirely preventable. This industry report entitled "The 9 Step System to Get Your Home Sold Fast and For Top Dollar" helps you avoid these mistakes and allows you to get top dollar for your home, regardless of the market conditions.

To order a FREE Special Report, visit:

**7SellerMistakes.com**

Don't wait! Knowledge is power and this report could be the difference between a disappointing sale and receiving the most money for your home!

# A FEW OF THE HUTCHINS TEAM SALES AND LISTINGS


**1227 Buffalo Ridge Road**
**Castle Pines**
6 Beds, 5 Baths, 6,117 sq.ft.
Stunning Custom Home Backing To Golf Course with Spectacular City Views!


**761 Briar Ridge Ct**
**Castle Pines**
5 Beds, 4 Baths, 3,318 sq. ft.
Backs to Open Space! New Carpet! Stunning Hardwood Floors and Kitchen!

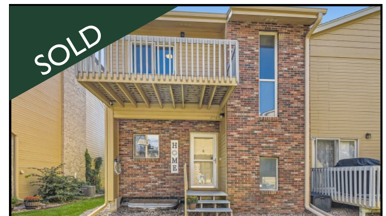

**5824 Los Olivia Pt**
**Parker**
4 Beds, 4 Baths, 4,909 sq. ft.
Full Walkout Basement! Stunning Gourmet Kitchen! Luxurious Master Bath!


**5745 N Mesa Drive**
**Castle Rock**
4 Beds, 4 Baths, 7,663 sq. ft.
Awesome home on a 2 acres. Stunning Mountain Views! Indoor Pool!


**6157 Vacquero Drive**
**Castle Pines**
5 Beds, 4 Baths, 4,367 sq. ft.
Stunning Basement Finish! Unique Rotunda Entry! Spacious Master Suite!


**7196 Campden Place**
**Castle Pines**
4 Beds, 3 Baths, 3,489 sq. ft.
Backs to Open Space! Beautiful Outdoor Space! Stunning Master Bath Remodel!


**4901 Preserve Parkway N**
**Greenwood Village**
6 Beds, 9 Baths, 9,403 sq. ft.
Extraordinary Custom Home Backing To Nature Preserve! Built in 2020!




**224 S Oman Road**
**Castle Rock**
3 Beds, 3 Baths, 1,917 sq. ft.
Perfect Starter Home! Dual Master Suites! Finished Basement!

# CASTLE PINES MARKET COMMENTARY

**Original Communities**
*(neighborhoods built before 2015)*

Home sales picked up substantially in September compared to the prior few months. 13 homes closed in September compared to only 7 closing in August and 8 in July. However, the 13 closed sales were 26% below the 7 year September average of 18 homes closed. Pending homes sales, which are homes that are under contract but not yet closed, also jumped substantially in September. There were 20 pending sales at the end of September, which is the highest level of pending sales since April 2023 when there were also 20 pending home sales. The increase in sales was due to a drop in interest rates in late August and early September. Unfortunately, interest rates rose again at the end of September, slowing buyer activity at the end of the month and into early October.

There were 39 homes for sale at the end of September, which is 31% higher than the 7 year September average of 30 homes for sale at the end of the month. However, based on the 3 month rolling average of closed sales, there is still only a 4.2 month supply of homes for sale. Typically 4 to 5 months is considered a balanced market and prices stay steady. The increased sales activity did not decrease the inventory substantially because there were 18 homes listed for sale in September. This is a pickup in new listings over the last few years and is right in line with the 7 year September average of 18 homes coming on market. Current homeowners are growing tired of waiting for market conditions to change and are choosing to put their homes on the market.

The average sales price in September was $1,048,923, which was a 1.5% decrease from the average sales price in August but essentially unchanged from the 12 month moving average sales price of $1,053,068. Because there are so few home sales, the monthly average sales price can vary substantially. To better understand home pricing trends it is better to look at the 3 month and 12 month rolling averages along with the average sales price per total square feet. The average sales price per total square feet of $237 in September is 4% higher than the 12 month moving average of $227. Overall, home prices are staying relatively steady. Based on current inventory levels, I expect home prices to follow the normal seasonal cycle and fall slightly in the winter months and rebound in the spring months.

**New Communities**
*(neighborhoods built after 2015)*

Homes available for sale have stayed relatively steady since May with between 29 and 33 homes for sale. There were 32 homes for sale at the end of September, which is 66% above the 4 year September average of 19 homes for sale. Only 7 of the 32 active homes are new construction homes. The MLS system, which is the source of this data, does not reflect all builder activity. Therefore, inventory in the New Communities is higher as builders have additional inventory for sale that is not reported in MLS. New construction inventory is growing and builders in The Canyons are slowing the release of new lots to try and match sales activity.

There were only 6 closed home sales in September, which is the fewest homes sold since January 2024, when only 2 homes closed. The 6 closed sales are 41% below the 4 year average of 10 closed sales in September. Of the 71 sales reported in MLS in 2024, only 17 are builder sales. Builders have likely closed 3 to 4 times this amount, but the market stats in MLS are now dominated by resale homes. Inventory would have climbed more with so few sales in September if it were not for only 8 new listings coming on the market in September.

The average sales price in September of $1,140,333 is relatively flat with August and the 12 month moving average of $1,137,672. The average sales price can vary substantially due to the few numbers of homes that sell each month and the variety of homes available. Looking at the 3 month and 12 month moving averages gives a better indication of pricing. In general, prices continue to hold steady in the New Communities. There is 3.7 months in inventory based on the last three months of sales. Based on this level of inventory, I expect home prices to follow the normal seasonal cycle and fall slightly in the winter months and rebound in the spring months.

# CASTLE PINES MARKET STATISTICS—Original Communities

*Excludes new home communities which are The Canyons, Castle Valley and Castle Pines Town Center*

| Single Family Homes | 2022 Jan 1—Dec 31 | 2023 Jan 1– Dec 31 | *% Change from 2022* | 2024 Jan 1– Sept 30 | *% Change from 2023* |
|---|---|---|---|---|---|
| Average Sales Price | $1,088,088 | $1,004,456 | **-7.7%** | $1,139,055 | **13.4%** |
| Average Above Ground Square Ft. Sold Homes | 2,917 | 2,805 | **-3.8%** | 2,894 | **3.2%** |
| Average Price/Square Foot Above Ground | $373 | $360 | **-3.5%** | $393 | **9.2%** |
| Average Days to Sell the Home | 18 | 31 | **72.2%** | 32 | **3.2%** |
| Number of Homes Sold | 168 | 128 | **-23.8%** | 102 | **NA** |

Based on information from REcolorado®, Inc. for the period 01/01/2022 through 9/30/2024 for Single Family Homes. Not all properties were listed and/or sold by Kentwood Real Estate. Content maintained by REcolorado®, Inc. may not reflect all real estate activity in the market.

**NEW!!**
**Monthly**
**Castle Pines**
**Real Estate**
**Updates**

Scan the QR Code to see the latest Castle Pines real estate market updates.

## WHAT THEY ARE SAYING ABOUT DOUG AND HIS TEAM

My husband and I have used Doug twice, once as buyers and most recently as sellers. He has been the most thorough and customer-oriented realtor we have ever had the pleasure of working with. He has a thorough knowledge of the market, especially in Douglas County. Doug went out of his way to ensure we were comfortable with the price we were setting for our sale and communicated with us throughout the process. He is the only realtor we have ever worked with who pays to have your home pre-inspected to avoid surprises later on. He even came over and helped us move a couple of items that were too big to manage on our own. We recommend Doug without reservation to anyone looking to buy or sell a home!

Anne & Adam – Castle Pines

Doug and team helped us successfully sell out property in Castle Pines during the Fall. From start-to-finish, the support we had was outstanding. Doug asked the right questions, understood the area, and always had great ideas. He guided us through the planning and preparation stage, arranged for superb photos and an excellent drone film to support the marketing documents, and was a steady voice through the showing and negotiation stages. So, many thanks to Doug and Claudia, a First Class service and we are pleased to fully recommend Doug Hutchins if you are planning to sell your property.

Mike & Tracy – Castle Pines

| Monthly Average Historical Interest Rates (30 YR fixed Freddie Mac) | |
|---|---|
| 9/30/24 | **6.08%** |
| 6/30/24 | **6.86%** |
| 3/31/24 | **6.79%** |
| 12/31/23 | **6.62%** |
| 9/30/23 | **7.31%** |

# CASTLE PINES MARKET STATISTICS—New Communities

*New Communities include The Canyons, Castle Valley and Castle Pines Town Center*

| Single Family Homes | 2022 Jan 1– Dec 31 | 2023 Jan 1– Dec 31 | *% Change from 2022* | 2024 Jan 1– Sept 30 | *% Change from 2023* |
|---|---|---|---|---|---|
| Average Sales Price | $1,043,344 | $1,194,519 | **14.5%** | $1,138,848 | **-4.7%** |
| Average Above Ground Square Ft. Sold Homes | 2,757 | 2,944 | **6.8%** | 2,805 | **-4.7%** |
| Average Price/Square Foot Above Ground | $385 | $406 | **5.5%** | $406 | **0.0%** |
| Average Days To Sell | 26 | 44 | **69.3%** | 57 | **29.5%** |
| Number of Homes Sold | 121 | 85 | **-29.8%** | 71 | **NA** |

Sales data for the new communities only includes sales placed in REcolorado® by builders and does not reflect all home sales in the new communities. Based on information from REcolorado®, Inc. for the period 01/01/2022 through 9/30/2024. Not all properties were listed and/or sold by Kentwood Real Estate. Content maintained by REcolorado®, Inc. may not reflect all real estate activity in the market.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# CASTLE PINES REAL ESTATE NEWS
## 3rd Quarter 2024

Kentwood
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# CASTLE PINES REAL ESTATE NEWS
## 3rd Quarter 2024


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**CASTLE PINES**
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**CastlePinesHomeValue.com**

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**www.DiscoverCastlePines.com**