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\$5000***

CASTLE PINES



Real Estate News ~ 4th Quarter 2022

Serving Castle Pines Since 2004

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What's Ahead For Castle Pines Real Estate in 2023?

Mortgage rates will be the driving force for real estate in 2023. The substantial increase in mortgage rates from under 3% at the end of 2021 to 6.5% at the end of 2022 has slowed real estate sales to some of the lowest levels in the past 20 years. High home prices and high mortgage rates have driven a substantial amount of prospective home buyers out of the home buying market.

The majority of economists and businesses are expecting mortgage rates to stay high through 2023. Freddie Mac, who is one of the largest mortgage purchasers in the U.S., expects 30 year mortgage rates to end 2023 at 6.2%. The Mortgage Bankers Association, which is the trade organization for mortgage brokers, expects the 30 year rate to end 2023 at 5.2%. Other experts are pegging the 30 year mortgage rate to end 2023 somewhere between 5% and 7%. No one is forecasting mortgage rates to fall below 5%, so the higher rates are here to stay. The 3%

rates of the past several years will likely not be seen again for at least a generation.

Historically, it has taken prospective home buyers 6 months to accept the reality of higher interest rates. Rates have been elevated for 8 months now, so prospective buyers are realizing if they want to purchase a home they have to be able afford the home at the current mortgage rates. Buyers will be resetting their expectations of what they can afford based on the higher interest rate environment and not "waiting" for rates to fall so they can afford more home. The "acceptance" of the higher mortgage rates by buyers should help drive a small increase in buyer activity in 2023 compared to the last quarter of 2022.

Foreclosure activity, which typically proceeds a substantial drop in home prices, is almost non-existent in Colorado and the U.S. Nationwide, foreclosure activity is at roughly 80% of the pre-pandemic level of 2018 and 2019. U.S. homeowner equity is

at record highs, so a homeowner who is not able to make mortgage payments can typically sell their home, pay off their mortgage and avoid foreclosure.

Without mortgage rates dropping, buyer demand will continue to stay low in 2023. However, for home prices to drop substantially, there will need to be low buyer demand and high inventory levels. Inventory levels are not expected to increase substantially in 2023, so low buyer demand and low home supply will keep prices relatively stable. Home sellers in 2023 need to be prepared for their home to take longer to sell and home buyers in 2023 need to be prepared for prices to be stable and inventory to stay low.

If you are thinking about selling your Castle Pines home in 2023, please give me a call. I am happy to provide you a free, no obligation home valuation that will let you know exactly what your home will sell for in the current market conditions.

3 REASONS WHY SELLERS HIRE THE DOUG HUTCHINS TEAM TO SELL THEIR HOME

1. MORE MONEY

The Hutchins Team sells Castle Pines homes for 3.3% more money than the average agent. This equates to \$35,000 more money for your home!

2. FASTER SALE

The Hutchins Team sells Castle Pines homes 1.6 times faster than the average agent!

3. BEST IN CUSTOMER SERVICE 13 YEARS STRAIGHT!

Rated by Five Star Professionals from 2010 to 2022 as one of Denver's top agents based on past client satisfaction. Less than 0.4% of real estate professionals have won this award 13 years in a row!

Castle Pines MLS Data - 1/1/22-12/31/22
Excludes New Construction

* Doug and Seller must agree on price and closing date.

Are You Ready to Sell Your Home But Scared You Won't Find a Home to Buy?

Low home inventory in the metro Denver real estate market has created a serious problem for homeowners wanting to sell their home and purchase another home. With very few homes to choose from, homeowners are scared to sell their current home because they are unsure if they will be able to find a home to purchase that meets their needs and is within their budget. So instead of selling their current home, they stay and make due even though their current home no longer meets their needs.

The easiest solution to this prob-

lem is for a homeowner to purchase their next home before selling their current home. However, most homeowners do not have the financial capacity to purchase their next home without selling their current home. Even if a homeowner has the financial capacity to purchase the next home without selling their current home, many homeowners simply do not want the risk or burden of owning two homes at once. This can be a complicated and frustrating dilemma!

To address this issue, industry experts have created a special

report that reveals the 6 best strategies homeowners can use in a low inventory market to make sure they find and purchase a home they really want without taking big financial risks, owning two homes at the same time, or being homeless.

To hear a brief recorded message about how to order your FREE copy of this report, call toll free 1-800-318-7541 and enter 1011. You can call any time, 24/7 to order your free special report to find out how you can find a home you love and sell your current home.

DiscoverCastlePines.com



A FEW OF THE HUTCHINS TEAM SALES AND LISTINGS



**9483 Aspen Hill Cir
Lone Tree**

Stunning home in Heritage Hills!
Over 4,000 finished squared feet!
5 Beds, 5 Baths. Entertainer's Basement!
Free Recorded Info.
1-800-318-4511 ID #1025



**6788 Wellington Place
Castle Pines**

Backs to Open Space! 4 Beds, 5 Baths.
Main Floor Master! Finished Walkout
Basement! Wine Cellar!
Free Recorded Info.
1-800-318-4511 ID #1008



**9477 Southern Hills
Lone Tree**

3 Beds, 3 Baths, Beautifully updated
maintenance free townhome! Prime
location! Walkout Basement!
Free Recorded Info.
1-800-318-4511 ID #1005



**7233 Winter Berry Lane
Castle Pines**

4 Beds, 5 Baths, 4,070 finished sq. ft.
Professionally Finished Basement. Awe-
some Outdoor Space with Firepit!
Free Recorded Info.
1-800-318-4511 ID #1022



**7299 Brighton Court
Castle Pines**

4 Beds, 3 Baths. Amazing Backyard!
Walkout Basement with 9' Ceilings. Split
Staircase! Open Floorplan!
Free Recorded Info.
1-800-318-4511 ID #1004



**7066 Forest Ridge Circle
Castle Pines**

6 Beds, 6 Baths. Towering Ponderosa
Pine Trees! Stunning Remodel! Incredi-
ble Basement Bar and Entertaining Area!
Free Recorded Info.
1-800-318-4511 ID #1003



**5415 Spring Ridge Trail
Castle Rock**

5 Beds, 4 Baths, 3,773 sqft! Awesome
home on almost a half acre lot.
Professionally landscaped!
Free Recorded Info.
1-800-318-4511 ID#1013



**6804 Wellington Pl.
Castle Pines**

4 Beds, 3 Baths, 4,583 sq. ft! Immacu-
lately Maintained Home! Quiet cul-de-
sac! Backs to Open Space!
Free Recorded Info.
1-800-318-4511 ID #1021

CASTLE PINES MARKET COMMENTARY

Original Communities
(neighborhoods built before 2015)

Sales continue to slow in the Original Communities, but home prices stabilized in the 4th quarter. The average sales price in the 4th quarter was \$1,061,064, which was flat compared to the 3rd quarter sales price of \$1,058,460. The 2nd quarter average sales price was \$1,130,579.

Homes took an average of 44 days to sell in the 4th quarter compared to 22 days in the 3rd quarter and 8 days in the 2nd quarter. Homes sellers in 2023 will need to be prepared to have their home on the market for 2 to 3 months and even longer at higher price points.

There were only 168 homes that sold in the Original Communities in 2022. This is the lowest annual sales recorded since 2009 when 167 homes sold. The 5 year pre-COVID (2105-19) annual sales average was 202 homes sold.

The slow down in buyer activity also affected the discount sellers had to take from their list price to sell their home. In the 4th quarter the average sales price to original list price was 94%. This is down from 97% in the

3rd quarter and 105% in the 2nd quarter. Negotiation has again become part of almost every home sale. Buyers are expecting sellers to negotiate and are cautious about over-paying for a home in the current market conditions.

With slower sales, inventory would normally be expected to grow. However, there were only 14 active listings at the end of December. This is 48% below the 5 year pre-COVID (2015-19) average of 27 homes listed for sale at the end of December. Even with the slower sales pace of the 4th quarter, there is still only 55 days of inventory available. A "balanced" market would have 4 to 5 MONTHS of inventory available.

Inventory is low because the number of new listings coming on the market has slowed along with buyer activity. Current home owners are content to stay in their home and pay the 3.5% or less interest rate they have on their mortgage. Homeowners are only listing their homes if they have a change in circumstance requiring them to sell such as a divorce, job change or change in family size.

The 2023 real estate market will be similar to the 4th quarter market. With interest rates expected to stay high, buyer activity should

continue to be slower and the number of home sales will likely fall even further in 2023. However, home prices should stay stable as low inventory will support current home prices.

New Communities
(neighborhoods built after 2015)

Builders in the New Communities are definitely feeling the effects of the market slow down. All the builders in the Canyons except for Toll Brothers have available inventory homes. Builders are offering additional closing costs incentives for inventory homes and are being aggressive on selling anything not currently under contract.

Phase I of The Canyons is 80% complete. Phase II is projected to open in the next six to twelve months. However, depending on the pace of sales, Phase I could sell out before Phase II opens. Resale homes are becoming more prevalent in the New Communities. Of the 121 sales recorded in MLS in 2022 (builders don't report all sales in the MLS system), 45 were resale. This is the largest amount of resales recorded in the new communities. Resales as a percentage of total sales will continue to grow as builder activity slows and the neighborhoods mature.

**CASTLE PINES
MONTHLY
REAL ESTATE
MARKET
UPDATES**

New in 2023!!

Video market updates each month focused solely on the Castle Pines real estate market. Watch the latest videos at:

DiscoverCastlePines.com

WHAT THEY ARE SAYING ABOUT DOUG AND HIS TEAM



Working with Doug Hutchins to sell our home was a 5 star experience from start to finish. Doug was outstanding from the moment we met him to signing the closing documents. From the initial consultation, that moved quickly to all of the detailed aspects of the sales process, (staging consultation, home inspection, floor plan, taking professional photos, putting together a great video, pricing, brochures for the showings, timing of showing, etc.), he ensured we could jointly be ready at a moments notice for us to tell him we were ready to sell. Doug has been the best realtor we've encountered over a lifetime of buying and selling homes. His absolute professionalism is matched by him just being a great guy to talk to with a good sense of humor and a joy to do business with.

Tom and Sheila—Lone Tree

10 Questions to Ask Before You Hire a REALTOR®

Do not hire an agent before you read this Free Special Report

www.BestAgentMostMoney.com

Free recorded message
1-800-318-7541
ID# 2006

6 Things You Must Know Before Obtaining a Mortgage

Homebuyers often make 6 common and costly mistakes when they are shopping for a mortgage. Mortgage regulations have changed significantly over the last few years. Options have reappeared for buyers that had been eliminated immediately after the foreclosure crisis of 2008 to 2010. Subtle changes in the way you approach mortgage shopping, and even small differences in the way you structure your mortgage, can save or cost you literally thousands of dollars and years of expense.

Whether you are about to buy

your first home, or are planning to make a move to your next home, it is critical that you inform yourself about the factors involved before you buy. To address this issue, Industry Insiders have prepared a FREE special report entitled "6 Things You Must Know Before You Buy".

There are a number of questions you must ask yourself before you commit to a certain type of mortgage. How long do you think you will own this home? What direction are interest rates going in, and how

quickly? Is your income expected to change in the near term?

Having the right information before deciding how to finance your home is critical. To hear a brief recorded message about how to order your FREE copy of this report, call toll-free 1-800-318-7541 and enter 1004. You can call any time, 24 hours a day, 7 days a week. Get your free special report NOW to find out what you need to know before you buy a home.

Monthly Average Historical Interest Rates (30 YR fixed Freddie Mac)

12/31/22 **6.42%**

9/30/22 **6.70%**

6/30/22 **5.70%**

3/31/22 **4.67%**

12/31/21 **3.11%**

CASTLE PINES MARKET STATISTICS—New Communities

Single Family Homes	2020	2021	% Change	2022	% Change
	Jan 1—Dec 31	Jan 1— Dec 31	from 2020	Jan 1 – Dec 31	from 2021
Average Sales Price	\$686,498	\$909,778	32.5%	\$1,043,344	14.7%
Average Above Ground Square Ft. Sold Homes	2,759	2,894	4.9%	2,757	-4.7%
Average Price/Square Foot Above Ground	\$255	\$322	26.3%	\$385	19.6%
Average Days To Sell	59	20	-66.1%	26	30.0%
Number of Homes Sold	142	112	-21.1%	121	8.0%

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

Based on information from REcolorado®, Inc. for the period 01/01/2020 through 12/31/2022. Home builders do not report all new construction sales to REcolorado. 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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Doug Hutchins
4949 S. Niagara Street, Suite 400
Denver, CO 80237

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PAID
Permit #2897
Denver CO

**Your Home Sold
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or I will Pay you \$5000 ***

CASTLE PINES REAL ESTATE NEWS **4TH QUARTER**



If your home is currently listed, please disregard this notice as it is not our intention to solicit other broker's listings. All information deemed reliable but not guaranteed. *Doug and Seller must agree on Price and Closing Date



CASTLE PINES MARKET STATISTICS—Original Communities

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

Single Family Homes	2020 Jan 1—Dec 31	2021 Jan 1—Dec 31	% Change from 2020	2022 Jan 1— Dec 31	% Change from 2021
Average Sales Price	\$760,677	\$945,622	24.3%	\$1,088,088	15.1%
Average Above Ground Square Ft. Sold Homes	2,868	2,860	-0.3%	2,917	2.0%
Average Price/Square Foot Above Ground	\$267	\$331	24.0%	\$373	12.7%
Average Days to Sell the Home	34	14	-58.8%	18	28.6%
Number of Homes Sold	202	201	-0.5%	168	-16.4%

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FIND OUT WHAT YOUR CASTLE PINES HOME IS WORTH IN TODAY'S MARKET

For a Free, No Obligation Home Price Valuation
From A Castle Pines Market Expert Visit:

www.CastlePinesHomeEvaluation.com

This is not a computer algorithm valuation. A Castle Pines expert will evaluate sales in your specific neighborhood to provide an accurate estimate of your home value.

IN THIS ISSUE

- Are Castle Pines Home Prices Continuing to Fall?
- What to Expect in the 2023 Castle Pines Real Estate Market
- What You Need to Know About Financing Your Home Purchase