



HIGH COUNTRY HOMESTEADS

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Real Estate Forecasts for 2024

High Country Highlights



The annual Breckenridge Snow Sculptures Competition starts January 22, 2024. From last year, this piece is entitled "Heavy Load."

While we are waiting for the final results to be tallied for the 2023 Real Estate season (see next month's newsletter), thought I'd dig into the Real Estate Market forecasts for 2024.

Keep in mind that there are many different trains of thought out there. As a colleague of mine once said, "Ask 10 Realtors how's the market and you will get 15 different answers."

The biggest impact to Real Estate this year was the Mortgage Interest Rates rising. We have seen a slight softening of rates at the latter part of the year. Rates are currently hovering around 6.5%. The Mortgage Bankers Association predicts rates to be 6% by the end of 2024.

There are some experts who are saying that supply won't pick up until rates are in the low 5% range. This probably won't happen in 2024.

Sellers with low interest rate mortgages have been sitting on the sidelines waiting for the rates to go back down. If they have a

life event where they need to change their housing situation, we may see a shift of homeowners renting their single family home that has the low interest rate and use the cash flow to cover the increased cost of their new home.

Being a landlord myself, I say "may" because if you have never been a landlord before, the work and potential risk of renting could scare some people away from the idea.

The interest rate increases have impacted the buying power of First Time Home Buyers. They have been delaying their purchases because of affordability. As they are having families and need more space and a backyard, they will continue to delay their purchases and rent a single family home to get that backyard. (Good for those sellers looking to rent their home).

What has been keeping property values level or increasing is the lack of inventory. As the interest rates decrease, we should see the inventory (or supply) increase. The increase in inventory will have an impact on market value only if there are significant increases in supply.

Another indicator to look at with regard to supply is the Housing Market Index

(HMI). The HMI rose in December from 34 to 37. A 50 or above is seen as good conditions for new construction.

In Summit County, we have a few other factors that could impact the Real Estate market here. The threat of increased property taxes and the rising HOA fees and rising insurance costs could make the affordability of the second home condo or townhome less appealing. The numbers may not work for some people.

It is important to talk to a trusted advisor and to research the numbers you are being given. One of the "experts" I read I view as a contrarian. He reported that Denver home prices are down 5.2% for the year. The very next day I received a report from REColorado, the Front range MLS that they were level for the year. Who do you believe? We already discussed Interest Rates, Property Insurance, Property Taxes and HOA fees having an impact on what happens in the Real Estate Market.

Other factors to watch include Commercial Real Estate, the Presidential Election, unrest in the Middle East. Just



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Special points of interest:

- Happy New Year! May all of your dreams come true in 2024!
- Real Estate Forecast for 2024
- Factors with potential to impact 2024 market performance
- Check out the Event Calendar on pg. 2



Factors which could Impact 2024 Market Performance

to name a few other factors.

Commercial Real Estate tends to have shorter terms on their loans known as floating debt which is refinanced every 3 to 5 years. As Commercial Property owners are looking to refinance their loans in a time of higher interest rates, the lower affordability could force sales to happen leaving behind vacant buildings. Multi-unit (5+ units) apartments fall under Commercial Real Estate. Rents on multi-unit properties are dropping.

As more and more companies are requiring people to return to the office post pandemic, those who moved to more rural or resort locations, may have to move back to the city and sell their current home.

Summit County tends to lag the Denver Market on both the upside and the downside by about 18 to 24 months. Approximately, 70% of non-local owners are from the Front Range since Summit County is a short drive for weekend usage. Denver is seeing an exodus due to the higher costs of living. They have been seeing an exodus over the past couple of years.

The Stock Market has been improving over 2022. Those who use Real Estate as a safe haven when the stock market is not performing, may opt to sell and reinvest in the stock market.

It is unclear what impact if any the Election will have on Real Estate or the Stock Market.

Since we are more of a global economy, will the unrest in the Middle East have an impact?

These are the possible areas of impact we know about. We never anticipated the pandemic and look how that changed the Real Estate Market for a couple of years.

The bottom line for me is you could drive yourself nuts worrying about all of the possibilities of things that could negatively impact the Real Estate Market. It is important to keep abreast of what is going on and monitor the impact on the Real Estate market. That's where I focus!

If you are looking to buy, you seldom go wrong if you plan to hold for 5 to 7 years. Also, keep abreast of the mortgage rates to time refinances appropriately.

From the experts I follow, there is an expectation for the market to increase 2 to 3% next year nationwide. We will see some settling. This is what we expected prior to the pandemic.

Through November, 2023, Summit County saw Single Family Homes remaining relatively flat on price, multi-families increased 6% and vacant land increased 2%. And as we all know, the actual value changes vary by location. Silverthorne Multi-Family properties increased over 30% this year.

This is a perfect case of digging into the numbers. The increase is due to all of the building going on along Blue River Parkway at luxury property price levels.

If you need to make a change, reach out. I can help you out by validating your assumptions and brainstorming alternatives available to you.

If the timing doesn't make sense for you, I will tell you.

Upcoming Summit County Events

Date	Event
January 1 to February 10, 2024	Frisco—Christmas Tree Drop Off—Frisco Bay Marina Dirt Lot—Open 24 hours
January 5, 2024	ABasin—6th Alley Grill –Dinner Supper Club—Prime Rib Night—7 to 9 PM—Reservations Required Silverthorne—First Friday—Winter Party & Polar Plunge—Maryland Creek Ranch Park - 4:30 –7:30 PM
January 6, 2024	Keystone — Warren Station—Art & Asana—Yoga and Craft Event—1 to 5 PM—\$45 or \$80
January 7, 2024	Copper Mtn—Party in Peace Park by Mountain Dew—Park laps, Live DJ and Giveaways Silverthorne—Charlie's Walk and Mental Health Fair—Silverthorne Rec Center—2 to 4 PM
January 8, 15 & 22nd	Frisco—Country Two Step Lessons—Frisco Outreach Center—110 S 3rd—\$15—Non-Beginner Lessons 5:45 PM to 7:00 PM. Beginner Lessons: 7:00 PM to 8:15 PM—No Partner Necessary—Wear smooth soled shoes
January 9, 2024	ABasin—Rise 'n Shine Rando Series—7 AM to 9 AM
January 12 2023	Silverthorne—Summit Country Dance—Silverthorne Pavilion—Doors Open 6:30 PM—Lessons start promptly at 7 PM with Open Dance 8 to 10:30 PM—\$10—No Partner Necessary—Wear Smooth Soled and Dry Shoes Breckenridge—New Moon Snow Shoe Tour—Gold Run Nordic Center—5 to 7 PM—\$70
January 13, 2024	Keystone—Backcountry & Bourbon Spirits Speaker Series—Warren Station—6:30 PM—\$25 to \$30
January 19, 2024	ABasin—6th Alley Grill—Dinner Supper Club—Beer Makers Dinner—7 to 9 PM—Reservations Required
January 20, 2024	Keystone—Palette Passport: Global (Gourmet) Wine Pairing Dinner—Warren Station—6:15 PM—\$175 PP Silverthorne & Abasin—"The Paradise Paradox" (Movie) - Silverthorne Pavilion—6 PM—Free
January 22-26, 2024	Copper Mtn—US Revolution Tour—Top Junior Athletes compete in Half-pipe and Slopestyle
January 22—31, 2024	Breckenridge—International Snow Sculpture Championships—River Walk Center Parking Lots—Free
January 23, 2024	ABasin—Rise n Shine Rondo Series—Event #6
January 26, 2024	Breckenridge—Moonlight Tours—Gold Run Nordic Center—5 to 7 PM Keystone—Winter Comedy Series with Al Jackson—Warren Station—\$25 to \$30—7:30 PM to 10 PM
January 27, 2024	ABasin—Moonlight Dinner Series—Foods of South America—6 PM to 10 PM \$165 Silverthorne—Brewers Rock for Rescue Fundraiser—Silverthorne Pavilion—5 to 9 PM
January 29, Feb 5th & Feb 12th	Frisco—West Coast Swing Lessons—Frisco Outreach Center—110 S 3rd—\$15—Non-Beginner Lessons 5:45 PM to 7:00 PM. Beginner Lessons: 7:00 PM to 8:15 PM—No Partner Necessary—Wear smooth soled shoes
February 1, 2024	Silverthorne—First Friday—Wish Lantern Festival—Silverthorne Pavilion
February 2, 2024	ABasin—6th Alley Grill Supper Club—Curry Night—7 to 9 PM—Reservations Required

Helping YOU Achieve YOUR Dreams!