



Your Castle Real Estate was started in 2004 and has grown to become the largest independent brokerage on the Front Range, according to the Denver Business Journal (DBJ). With over 750 agents in 6 offices, we sold over \$3 billion of real estate in 2021. We have also appeared in local and national publications, including recent awards from the DBJ and the Inc. 5000 (See below).

Our staff and agents are passionate about delivering exceptional consumer experiences. We offer services from residential sales to corporate relocation and beyond, so that we can meet our clients' every need. We have experts in every field to guide clients skillfully from the beginning to the end of their real estate journeys. We believe that access to the best and most timely information can dramatically shape decisions, and no one does more research on the local housing market than Your Castle.

In addition, from 2018 to 2021, Your Castle Real Estate annually gave over \$175,000 in charitable donations. We're a proud sponsor of the Ronald McDonald House and Boys and Girls Clubs of Denver.

Awards and Honors...



America's
Fastest-Growing
Private Company

2014: #2951
2015: #2163
2016: #2313



Denver's
Fastest-Growing
Private Company

2014: #5
2016: #10
2018: #5



Top Ranked
Non-Franchise Firms
in Colorado 2019: #1

Top Ranked
Brokerage Firms in
Colorado by
Transactions
2019: #4



Best of Colorado 2017
Best Residential Real
Estate Agency

Best Commercial Real
Estate Agency

As Seen In...



Key messages for top 27 luxury neighborhoods (top 4% of Denver market). These luxury neighborhoods are leading the market appreciation at 27% – still greater than the entire market average! Year over year growth in units sold has slowed but is still in the double-digits. MOI is below a month.

METRIC	PERFORMANCE		OBSERVATIONS
Average Home Price	1Q21 vs 1Q20: 2Q21 vs 2Q20: 3Q21 vs 3Q20: 4Q21 vs 4Q20: 1Q21 vs 1Q22:	+27% +46% +20% +9% +22%	The average sale price in the trailing twelve months (TTM) in these 27 areas was \$1.69M. We expect this momentum to continue for another quarter or two. Then appreciation should slow. Best homes in the best areas will continue to have the most momentum. Homes that are not the first choice in any neighborhood, or secondary luxury neighborhoods (e.g., Castle Rock, Broomfield) will see smaller increases.
Number Sold	1Q21 vs 1Q20: 2Q21 vs 2Q20: 3Q21 vs 3Q20: 4Q21 vs 4Q20: 1Q21 vs 1Q22:	+32% +54% -25% -27% -12%	While the “negative growth” in 22Q1 is more telling of the abnormally sales a year ago. Overall, units sold continue to decrease, along with the rest of the market. Core Denver will have the best stability in unit counts; secondary markets will see more unit count variability.
DOM (Days on Market)	1Q21 vs 1Q20: 2Q21 vs 2Q20: 3Q21 vs 3Q20: 4Q21 vs 4Q20: 1Q21 vs 1Q22:	45 vs 55 21 vs 35 15 vs 43 28 vs 45 21 vs 44	It is currently taking only about three weeks to get these luxury homes under contract. DOM is growing, but still historically low, especially for this market. The overall market average decreased to just 12 days. Historically, larger homes require more marketing time to get under contract.
MOI (Months of Inv)	1Q21: 2Q21: 3Q21: 4Q21: 1Q22:	0.8 0.8 1.2 0.4 0.7	MOI for these neighborhoods has dropped to record lows! It does vary quite a bit from one luxe area to the next. The lowest number of homes on the market is usually in December. As demand for the entire metro area booms, the luxury segment is going right along with it (as opposed to lagging a bit behind). We expect inventory to start building in late Summer.
Average Discount from Last Ask Price	1Q21: 2Q21: 3Q21: 4Q21: 1Q22:	0% +3.1% +1.9% +1% +4.0%	Discounts on the high end usually run a little higher than that of the market average. The overall market is sold at nearly a 4% premium. The luxury market continues to sell at a premium as well!

The Denver market overall had 39,356 home sales in the prior twelve months. These 27 neighborhoods below represent the most expensive 4% of the 400+ neighborhoods we track (1,611 sales). The bottom of this chart highlights the top 10% of the market, or ALL homes over \$985,000 (top 10% of overall market).

YOUR CASTLE REAL ESTATE															
T1 - Time Period 1: April 2020 - March 2021										Note: Data from RE Colorado (4/4/2022); analysis by Your Castle Real Estate					
T2 - Time Period 2: April 2021 - March 2022										© Copyright 2022 Your Castle Real Estate, Inc					
DENVER LUXURY HOMES	Number of Sales								Days on Market			Avg SOLD \$000			
	Current Active	Current U/C	% U/C	Sold T1	Sold T2	Chg Sales	MOI	Sold T1	Sold T2	Chg in DOM	Average Asking	Sold T1	Sold T2	Chg Price	Avg Disc
Belcaro	1	17	94%	121	103	-15%	0.1	48	19	(29)	4,500	1,677	2,069	23%	4.0%
Castle Pines Village	13	22	63%	147	121	-18%	1.3	77	35	(42)	2,966	1,422	1,708	20%	0.9%
Cherry Creek	5	1	17%	31	26	-16%	2.3	55	48	(7)	4,576	1,977	2,185	11%	-3.3%
Cherry Hills Village	-	2	100%	31	37	19%	-	63	24	(39)	0	2,726	3,769	38%	2.0%
Cherry Point	1	1	50%	30	22	-27%	0.5	37	40	3	2,250	1,610	2,450	52%	9.1%
Columbine Lakes	3	4	57%	23	31	35%	1.2	34	14	(20)	1,513	869	1,203	38%	1.1%
Country Club	1	4	80%	73	68	-7%	0.2	49	26	(23)	2,495	2,055	1,936	-6%	0.8%
Evans Ranch	10	8	44%	57	61	7%	2.0	58	48	(10)	1,645	985	1,558	58%	0.2%
Genesee Northeast	8	8	50%	80	74	-8%	1.3	42	22	(20)	2,645	1,046	1,326	27%	2.4%
Glenmoor of Cherry Hills	2	2	50%	26	40	54%	0.6	94	44	(50)	6,475	2,867	3,214	12%	-1.8%
Green Oaks	1	4	80%	60	56	-7%	0.2	28	10	(18)	2,875	1,406	1,272	-10%	4.6%
Heritage Greens	1	8	89%	42	35	-17%	0.3	20	10	(10)	2,250	883	1,131	28%	3.5%
Heritage Hills	4	6	60%	54	50	-7%	1.0	46	22	(24)	1,912	1,215	1,472	21%	0.6%
Hilltop East	1	2	67%	77	48	-38%	0.3	35	12	(23)	4,500	1,202	1,542	28%	5.9%
Hilltop West	4	9	69%	114	96	-16%	0.5	48	14	(33)	4,767	1,642	1,967	20%	2.7%
Ken Caryl Ranch, The Valley	0	0	N/A	60	64	7%	-	22	8	(14)	0	823	1,083	32%	3.3%
Lazy Hills	0	5	100%	14	25	79%	-	21	13	(9)	0	740	952	29%	1.8%
Lowry Field	0	8	100%	96	79	-18%	-	30	11	(19)	0	868	1,024	18%	2.1%
Normandy	0	2	100%	37	30	-19%	-	48	23	(25)	0	1,423	1,465	3%	1.3%
Orchard Hills	0	5	100%	42	31	-26%	-	19	9	(10)	0	1,277	1,481	16%	3.2%
Paradise Hills	3	4	57%	38	29	-24%	1.2	49	16	(33)	2,875	1,019	1,207	19%	5.9%
Plum Creek Acres	1	2	67%	22	26	18%	0.5	39	7	(32)	899	798	1,039	30%	4.8%
Ridge at Hiwan	1	2	67%	35	27	-23%	0.4	45	21	(25)	1,950	1,220	1,686	38%	1.6%
The Preserve at GV	5	7	58%	57	39	-32%	1.5	45	26	(19)	8,990	2,170	3,080	42%	-1.4%
University Park (Denver)	6	7	54%	125	108	-14%	0.7	44	20	(23)	2,243	1,385	1,675	21%	1.9%
Wash Park East	9	16	64%	211	174	-18%	0.6	37	15	(22)	2,449	1,464	1,740	19%	4.5%
Willowbrook	4	5	56%	54	43	-20%	1.1	29	14	(15)	1,556	1,091	1,343	23%	1.9%
Grand Total	84	161	66%	1,757	1,543	-12%	0.7	44	21	(23)	3,098	1,406	1,711	22%	2.5%
A. \$985K-\$1.135K	33	125	79%	715	1,116	56%	0.4	42	14	(29)	1,038	1,050	1,046	-0.4%	4.3%
B. \$1.135MM-\$1.33MM	56	106	65%	764	1,094	43%	0.6	38	16	(22)	1,235	1,229	1,230	0.1%	4.5%
C. \$1.33MM-\$1.725MM	61	146	71%	718	1,063	48%	0.7	46	15	(31)	1,511	1,493	1,491	-0.2%	3.7%
D. \$1.725MM+	151	186	55%	679	1,084	60%	1.7	78	35	(42)	3,733	2,514	2,574	2.4%	1.6%
Grand Total	301	563	65%	2,876	4,357	51%	0.8	50	20	(31)	2,523	1,554	1,581	1.7%	3.5%

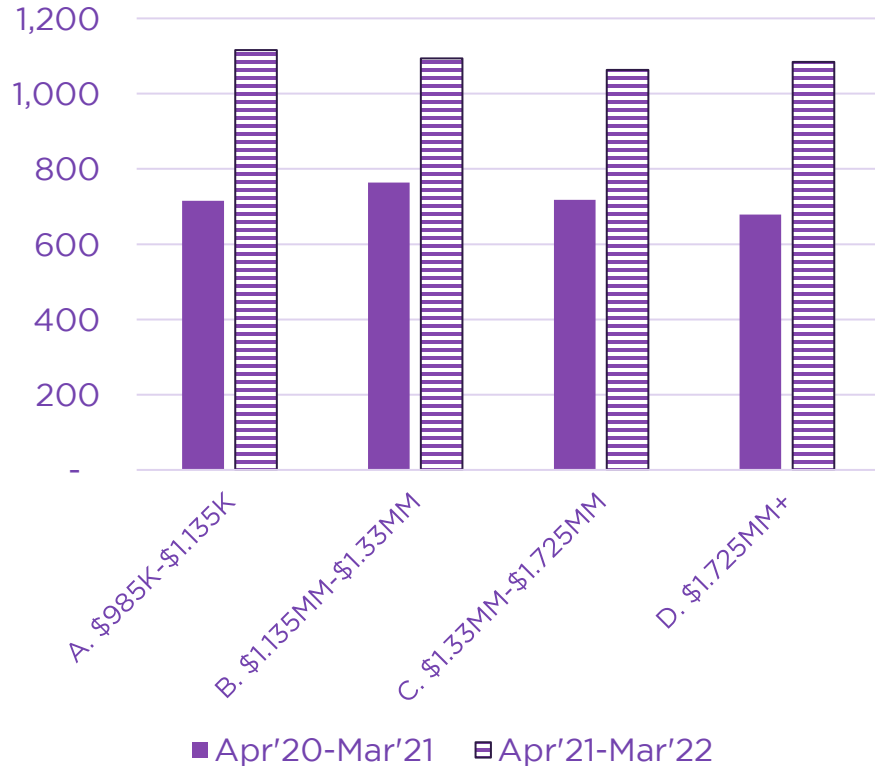
Homes in luxe neighborhoods, regardless of price

Homes of \$800k+, regardless of neighborhood

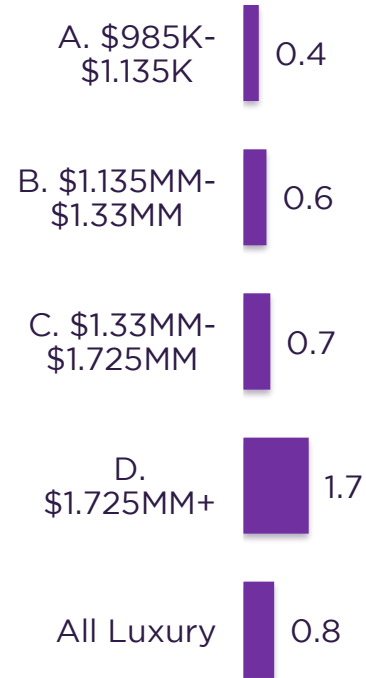
Data Source: ReColorado.com; Your Castle Real Estate Analysis

The top 10% of Denver’s most expensive homes sell for \$985,000 or more. Homes in different luxury home segments have different characteristics. As the average home price increases, the “lower-end luxury” market grows in popularity among former “non-luxury” clients. Sales of homes priced at \$985,000 or higher have nearly doubled in the past twelve months!

YEAR OVER YEAR SALES COUNTS



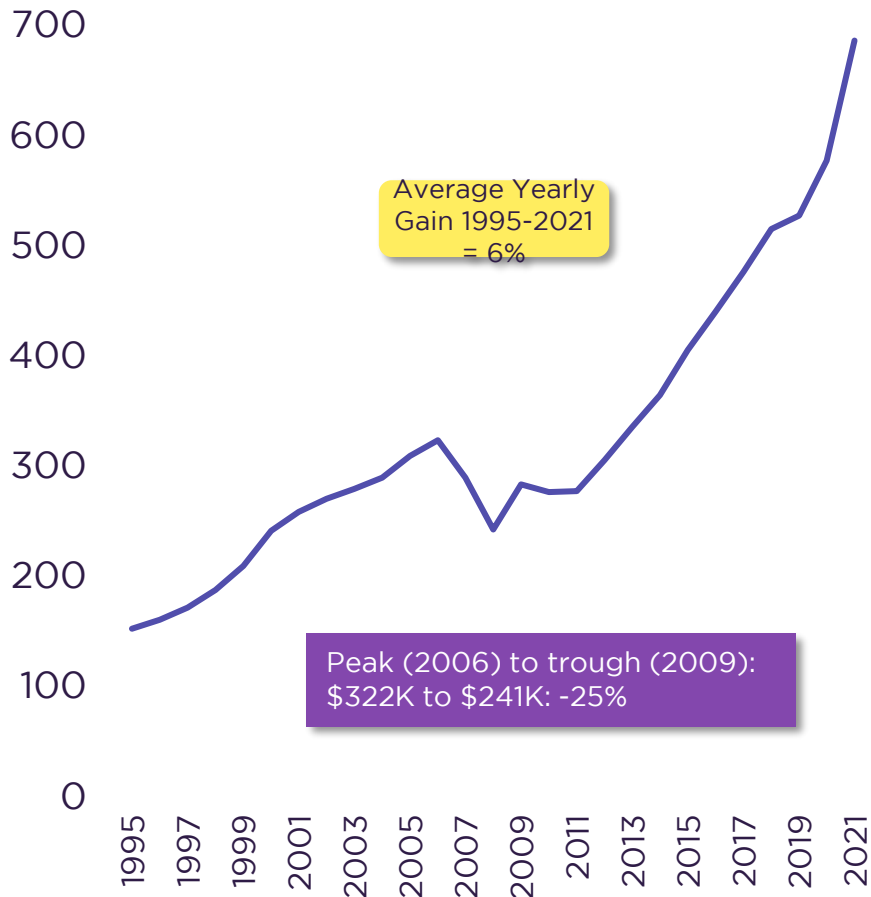
MONTHS OF INVENTORY BY SEGMENT



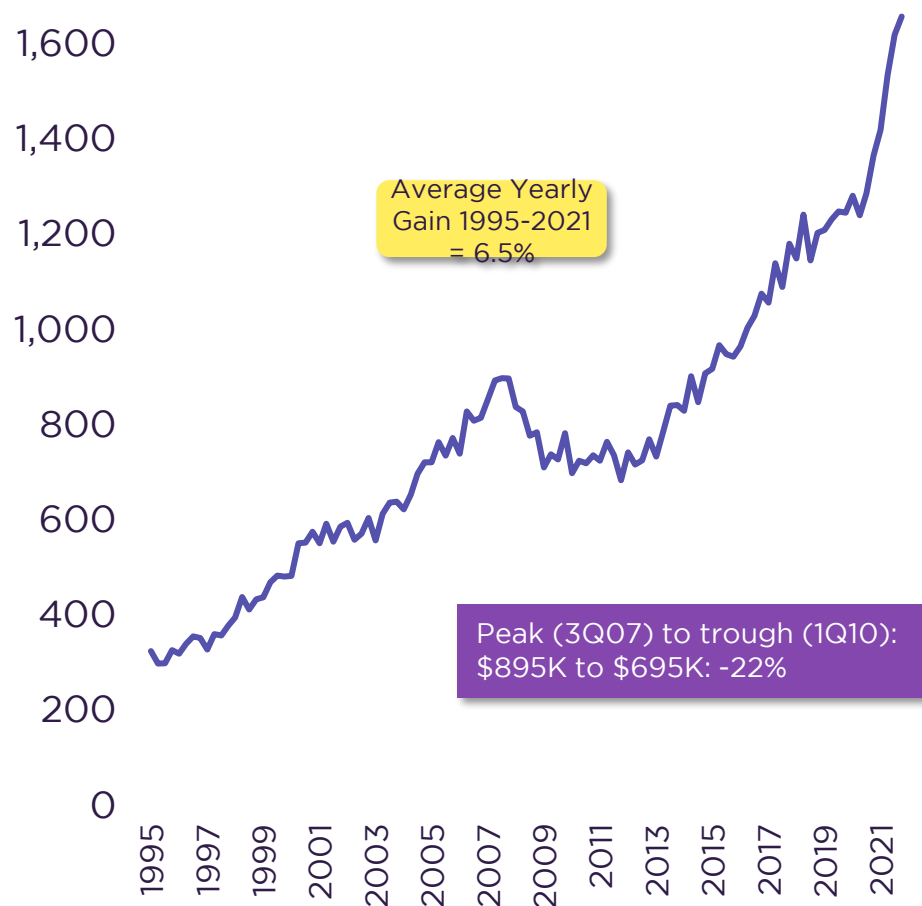
The high end of the market suffered a little less of a decline than the overall Denver market during the Great Recession. As Metro Denver continues in its strongest sellers' market ever, the luxury segment is also benefiting from the boom! Year over year, for 22Q1, homes in the luxury neighborhoods appreciated 19%, while others in Denver appreciated "only" 18%.

Sales Prices in \$000

ALL HOMES

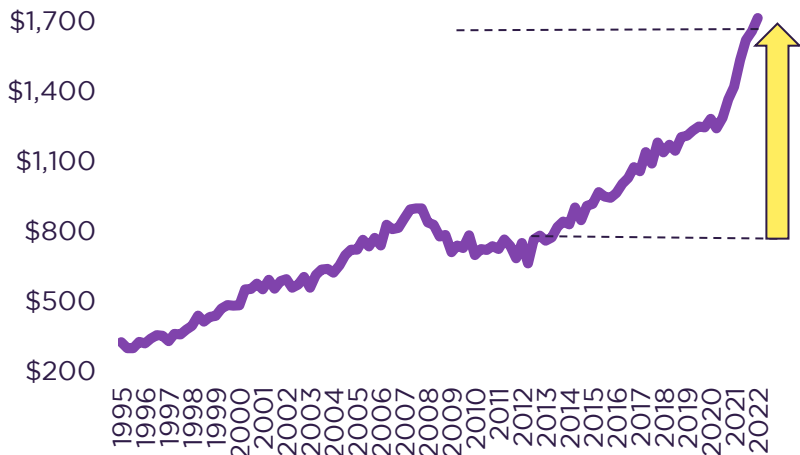


LUXURY NEIGHBORHOODS

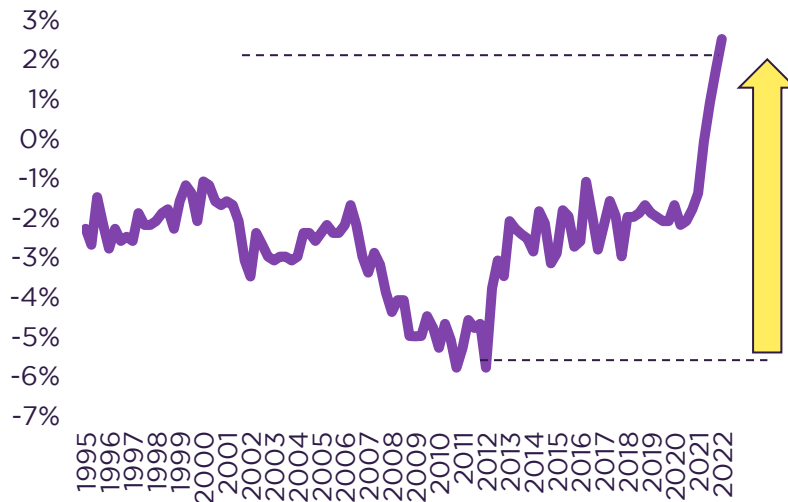


Data Source: Recolorado.com, PPAR.com, Your Castle Real Estate Analysis

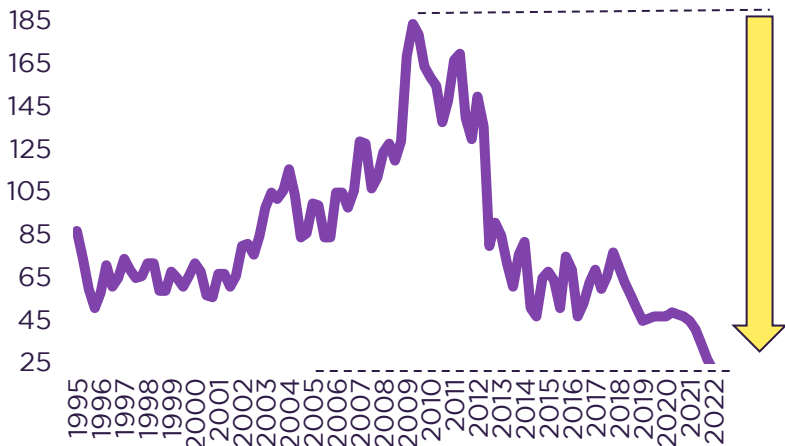
SALES PRICES IN \$000



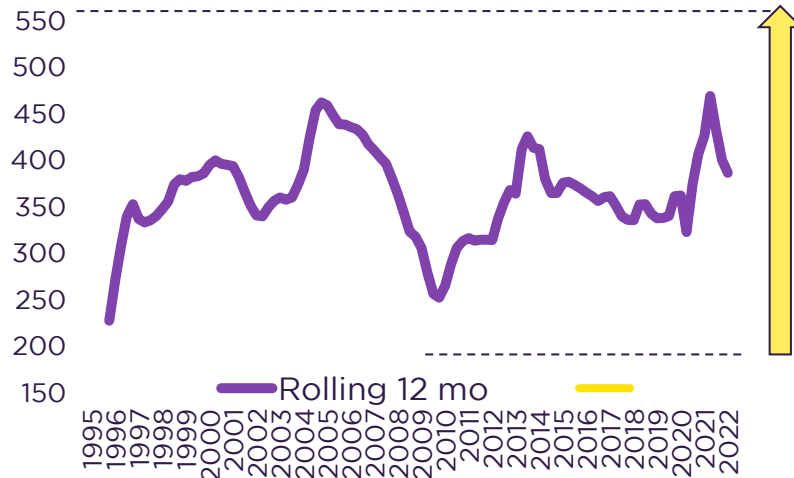
DISCOUNT (SOLD PRICE / LAST ASK \$)



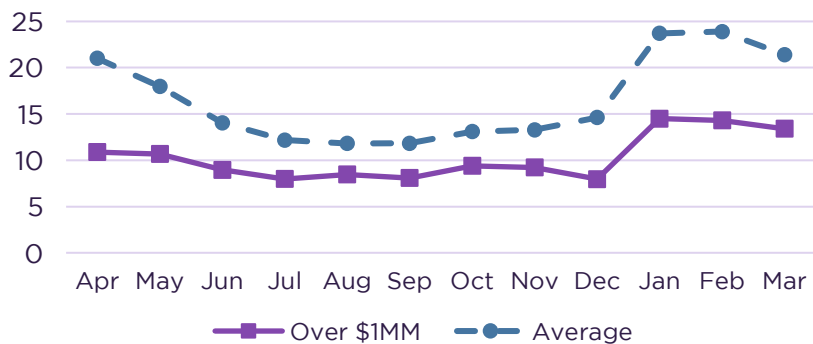
DOM (DAYS ON MARKET)



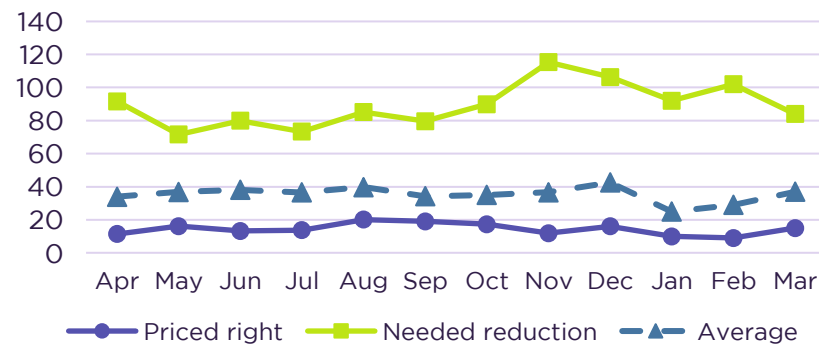
NUMBER OF HOMES SOLD



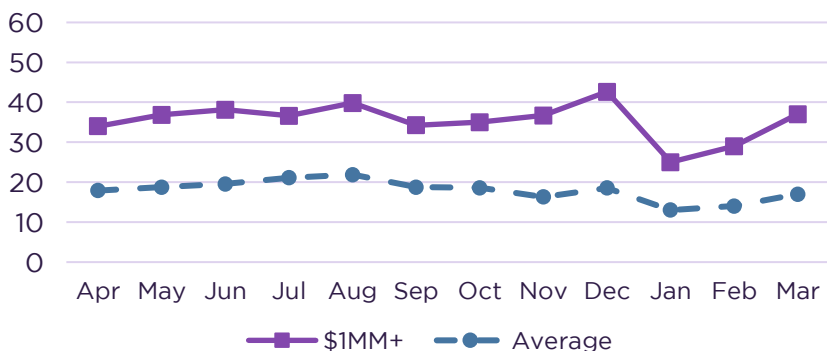
SHOWINGS / ACTIVE LISTING



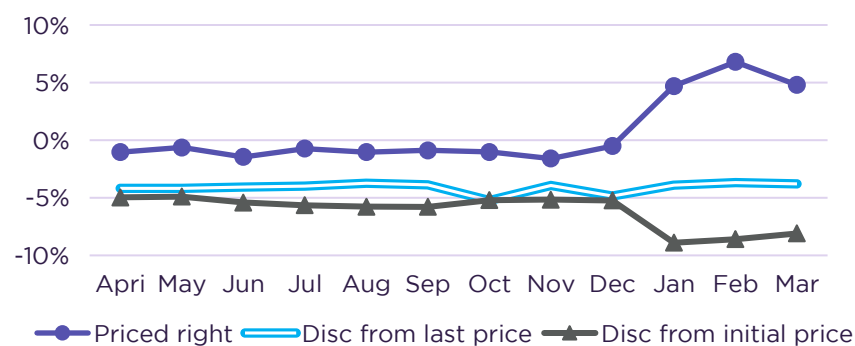
PRICE IMPACT ON DOM



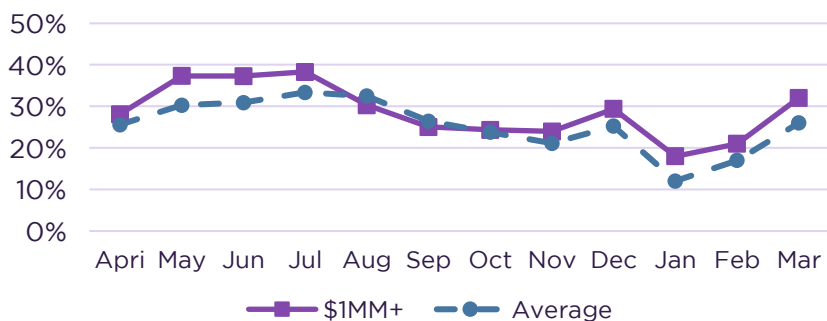
DAYS ON MARKET



% PRICE ADJUSTMENT



% OF SOLD NEEDING PRICE REDUCTION



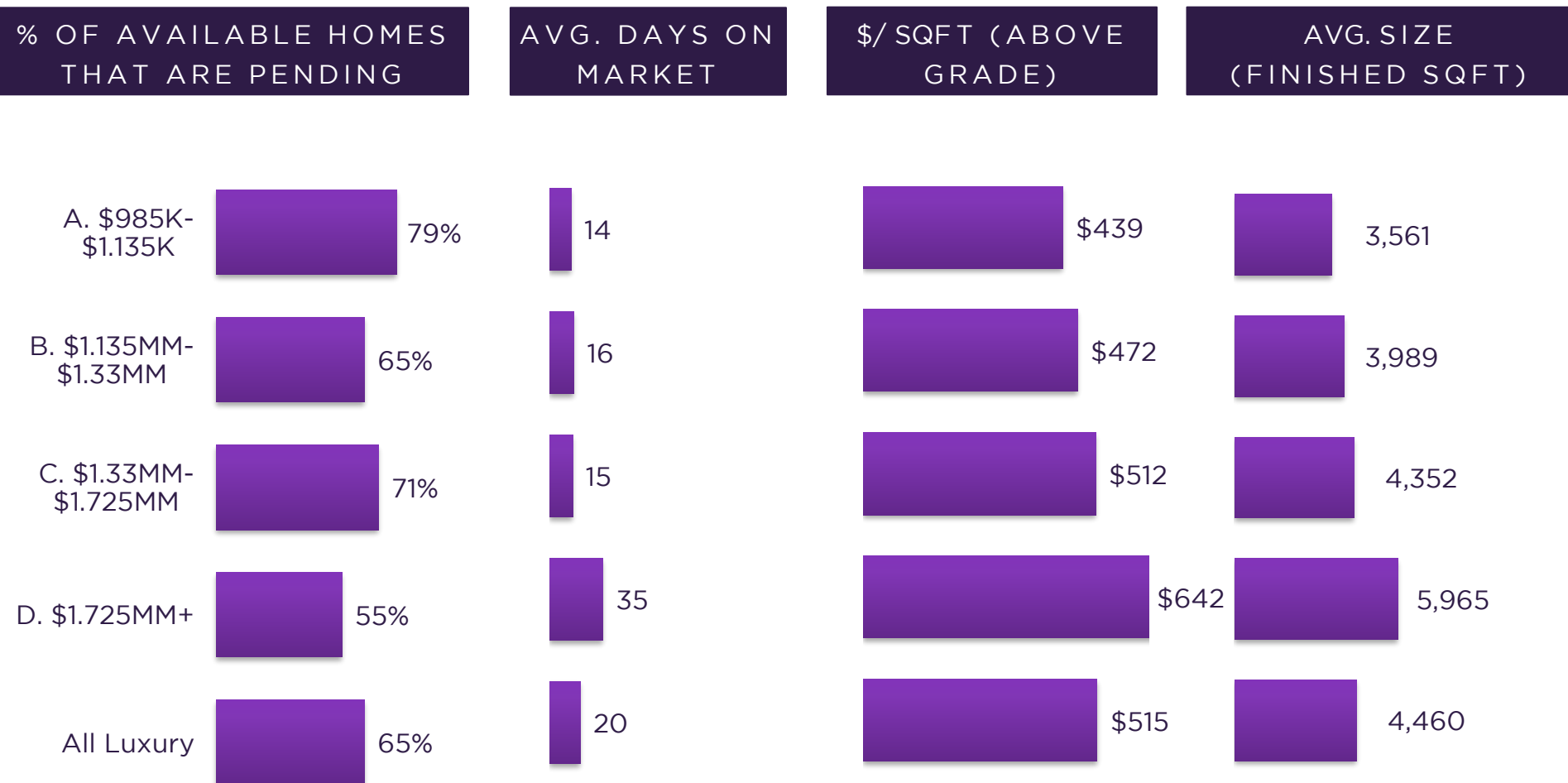
SUMMARY FOR \$1MM+ SELLERS

- **Showing traffic:** The Million-dollar market was extremely steady all year, with an uptick in 2022.
- **Days on market (DOM):** The Million-dollar market experienced even quicker turnaround in 2022.
- **% that need price reduction:** As inventory continues to shrink in all segments, reductions were rarer as the year progressed.
- **How pricing impacts DOM:** Regardless of a strong sellers' market, properties that weren't priced correctly suffered longer marketing times
- **Discounts** are much smaller for homes that are priced right on day one (4.8% *premium*) vs. homes that need a price drop (8.1%)
- **Concessions:** Concession amounts (average down to \$1943) are 54% more than the rest of the market.

Data Source: ReColorado.com; Your Castle Real Estate Analysis

The size of homes in the luxury sector are staying consistent. Year over year sale count of the top 10% of the market has nearly *doubled*. DOM in the cheaper luxury market resembles the incredibly strong sellers' market of the whole Metro.

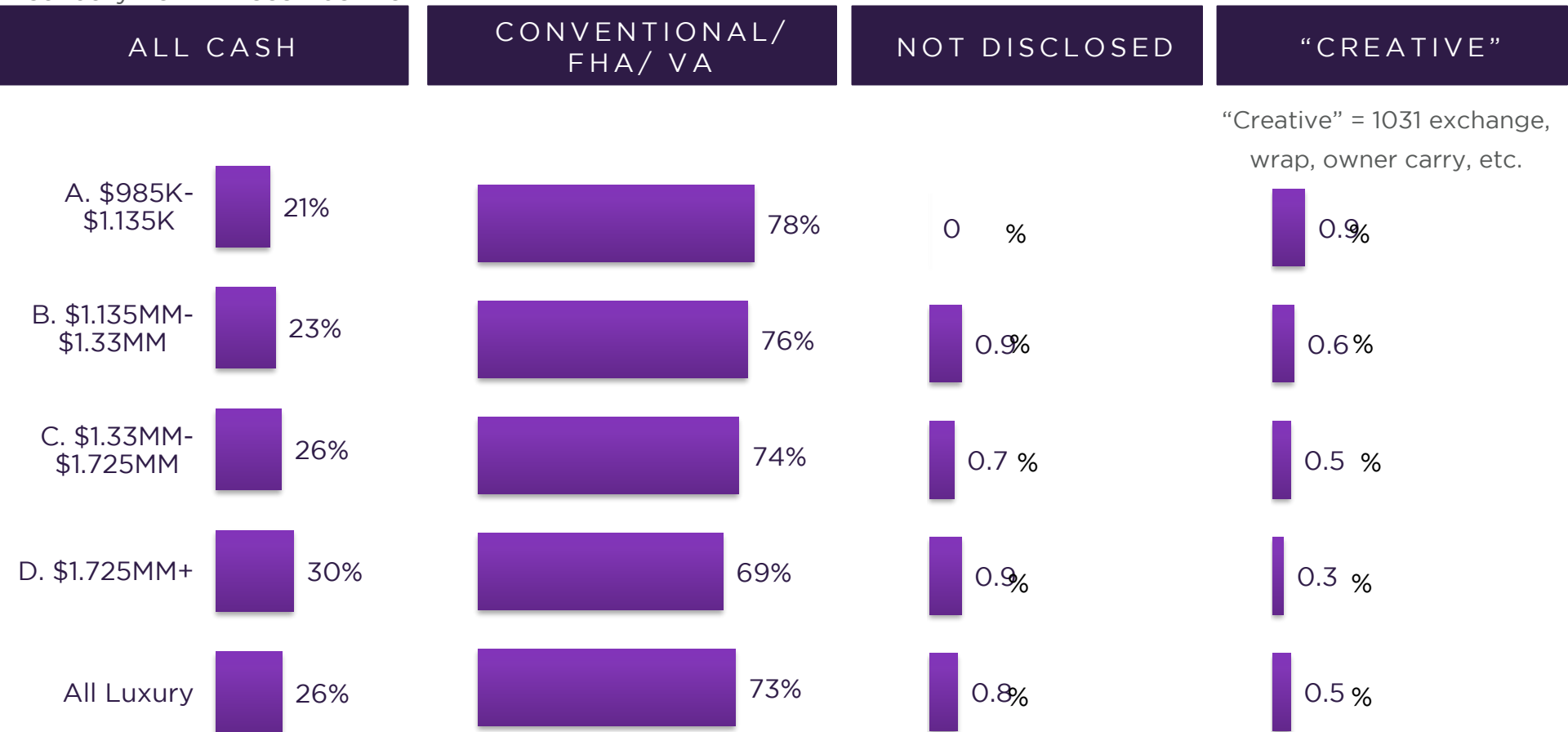
April 2021 - March 2022



Data Source: ReColorado.com; Your Castle Real Estate Analysis

Home sales in different luxury home segments have different *financing* characteristics. A few years ago, we saw a lot more “creative”, which had been essentially non-existent for several years. Over 30% of the sales of the most expensive homes are cash sales. Conversely, the cheaper end of the luxury market has the most traditionally financed deals.

January 2021 – December 2021

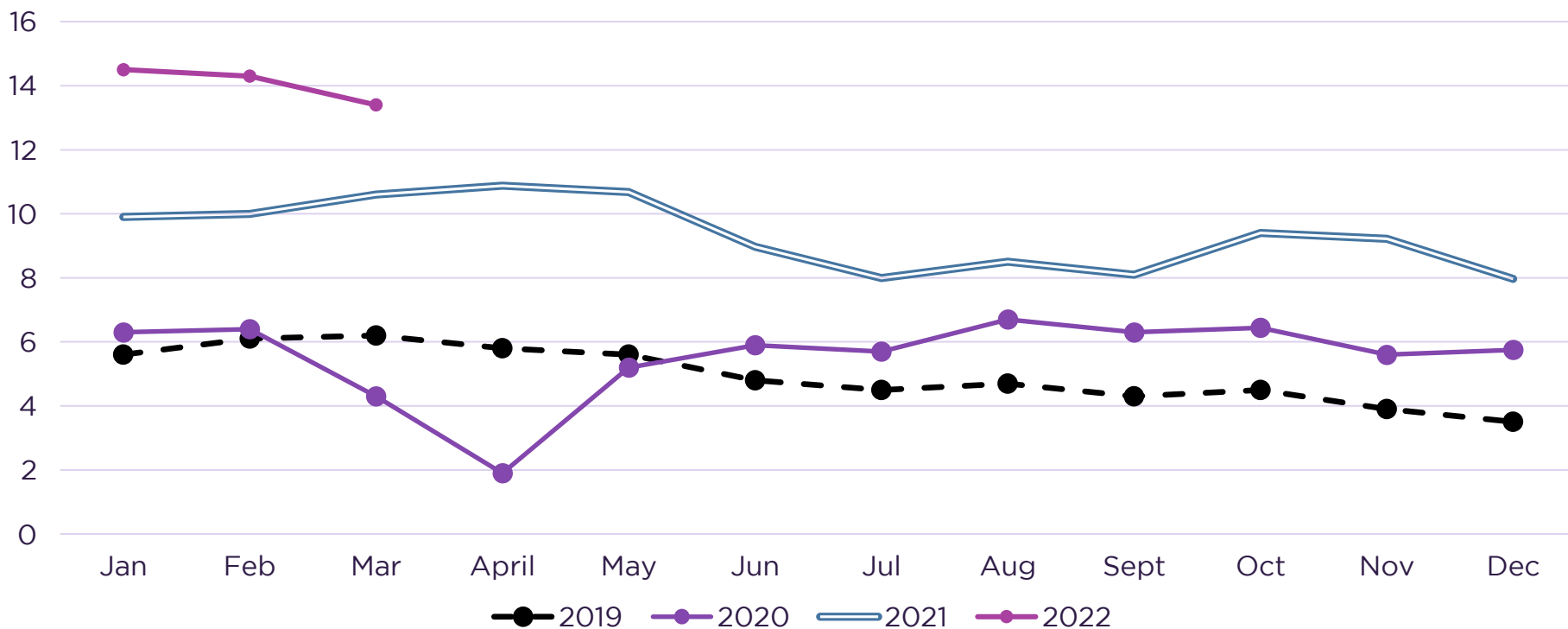


Data Source: Recolorado.com; Your Castle Real Estate Analysis | Creative = Exchange, Owner Carry, Private financing

As with the entire real estate market, COVID cautions caused an unprecedented drop in April 2020, but showings bounced right back the very next month and have been above average for each respective month since. This past year, showings for million-dollar listings never fell below eight per active listing.

SHOWINGS / ACTIVE LISTING (HOMES + CONDOS, 2019 - 2021)

Over \$1 million

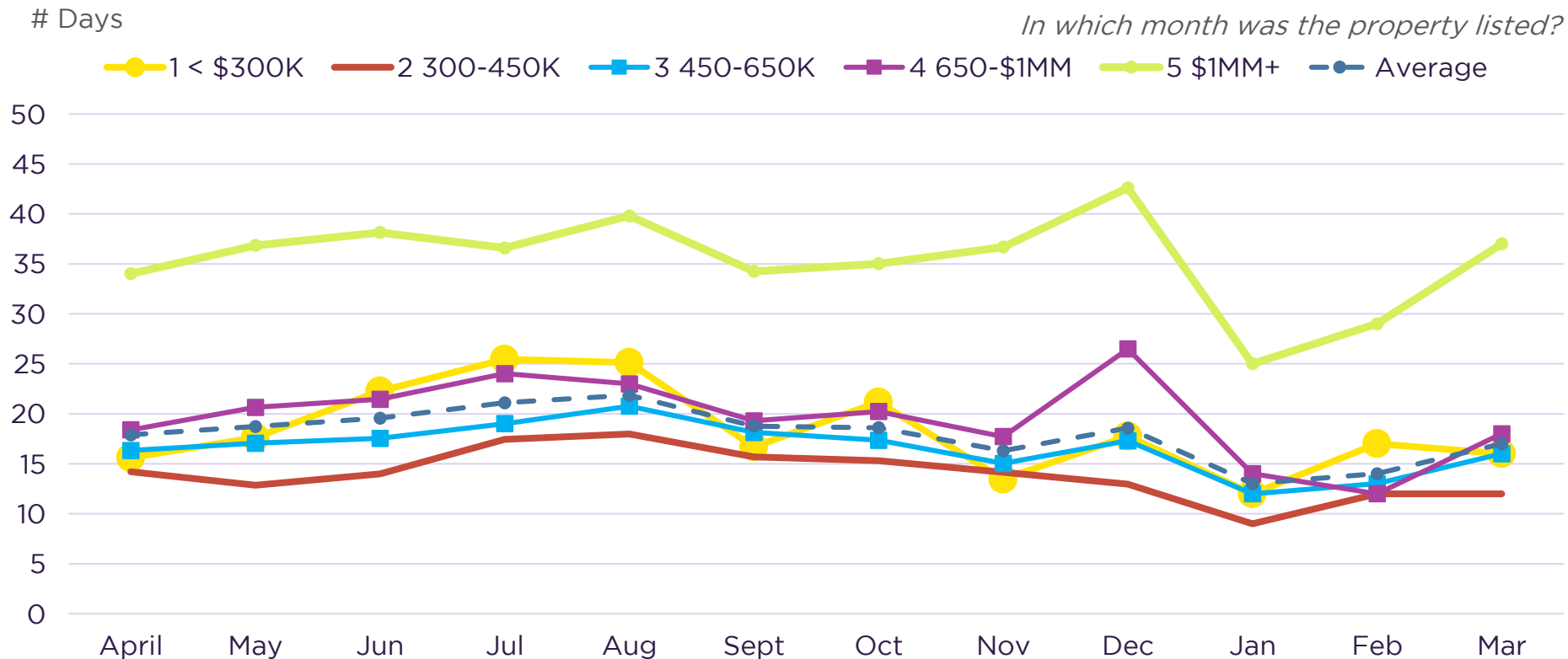


Source: Your Castle Real Estate analysis. Based on information from Showing Time..

Number of days on market (list to UC) by listing month. Naturally, the highest priced homes will have longer DOM, but still follow the seasonal pattern of the rest of the market. Interestingly, the second-tier priced homes perform a bit better than entry level.

Comparing all Price Segments

DAYS OF MARKETING (HOMES ONLY, SIX COUNTY METRO, 20Q1 - 21Q4)

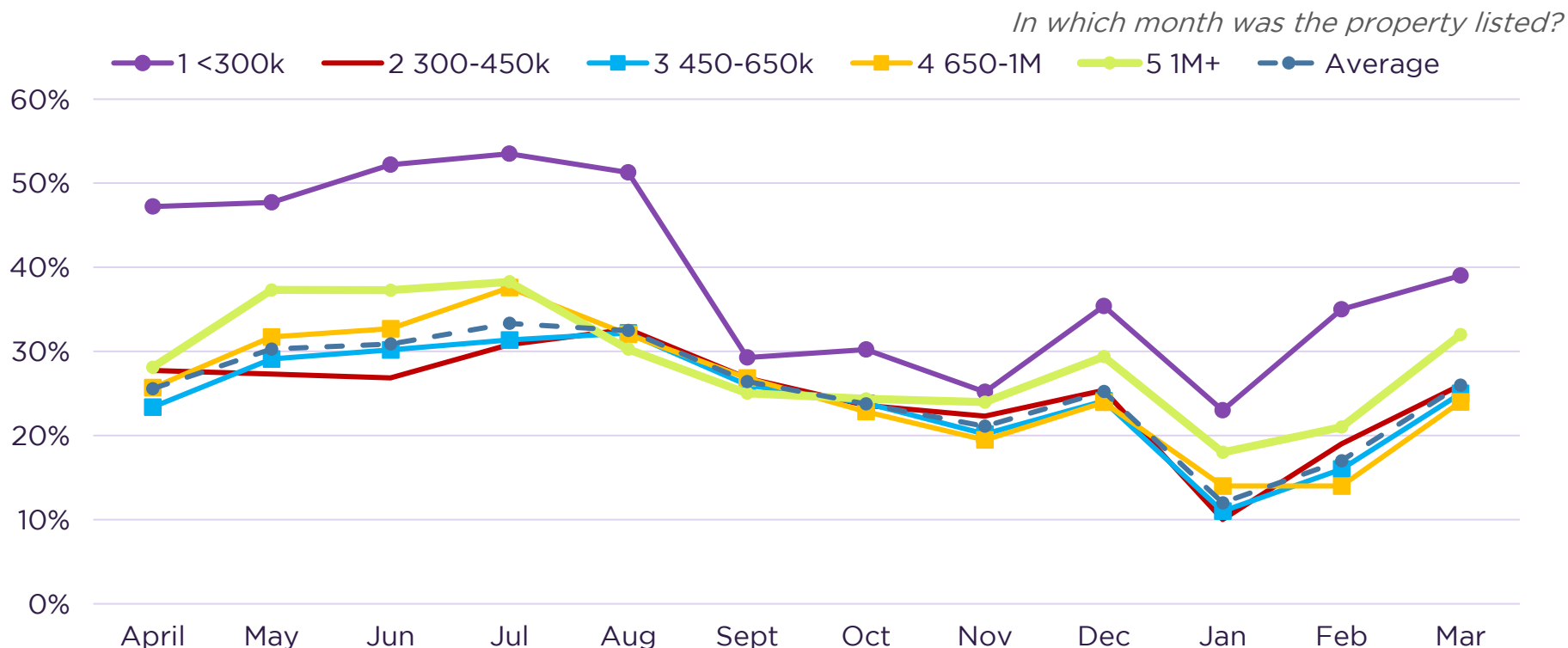


Source: REColorado.com and Your Castle Real Estate analysis.

The entire market performed nearly identically from August through November. The entire market tends to have high price reduction rates in early summer because the spring “buzz” has worn off, but agents are using those closings for comparables. Listing agents unfortunately continue to be overzealous in their pricing of entry-level properties.

Comparing all Price Segments

% OF SOLD NEEDING PRICE REDUCTION (HOMES ONLY, 6 COUNTY METRO, 20Q4 - 21Q4)



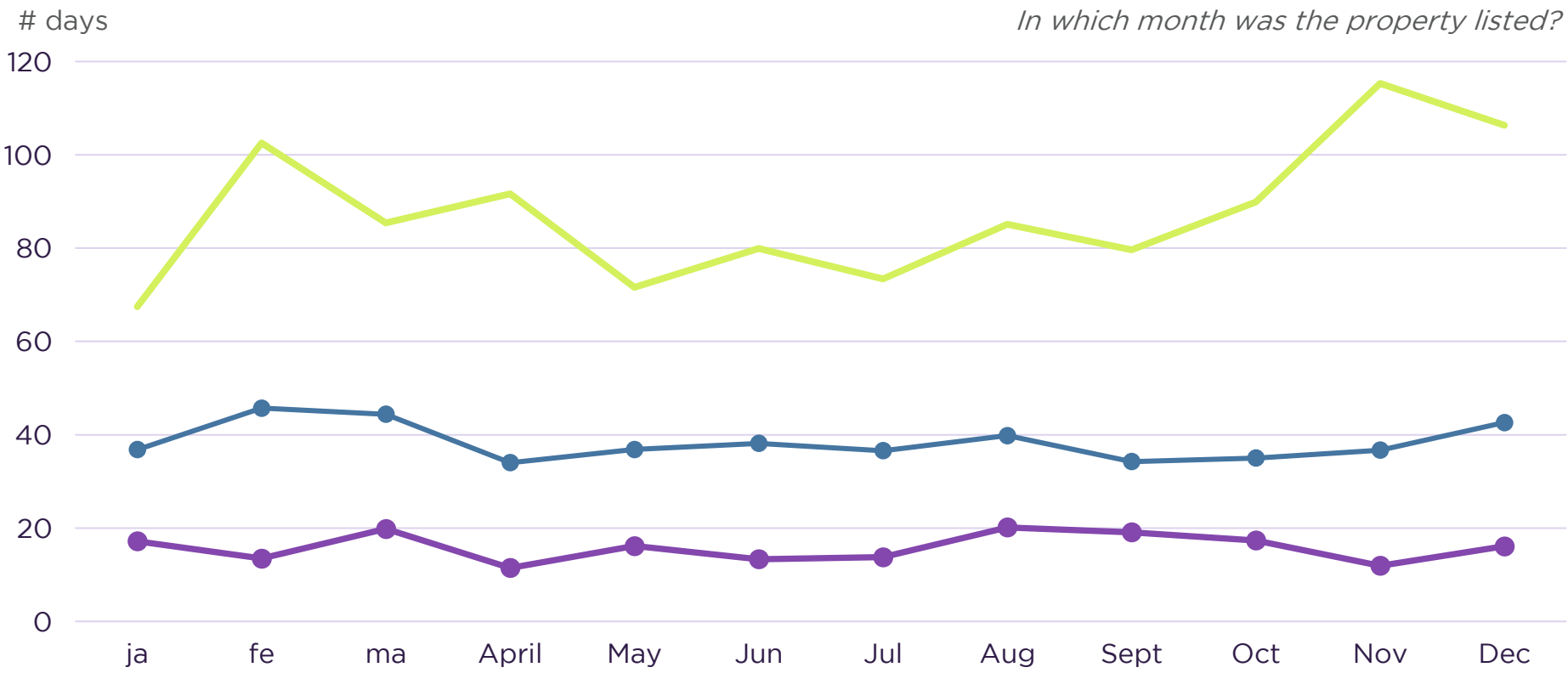
Source: REColorado.com and Your Castle Real Estate analysis.

Over the past 12 months, homes over \$1 million that were priced right at initial listing (e.g., did not require a price reduction) sold in just 16 DOM. Mispriced homes (that required a reduction) needed 83 DOM, or over 5x.

Over \$1 million



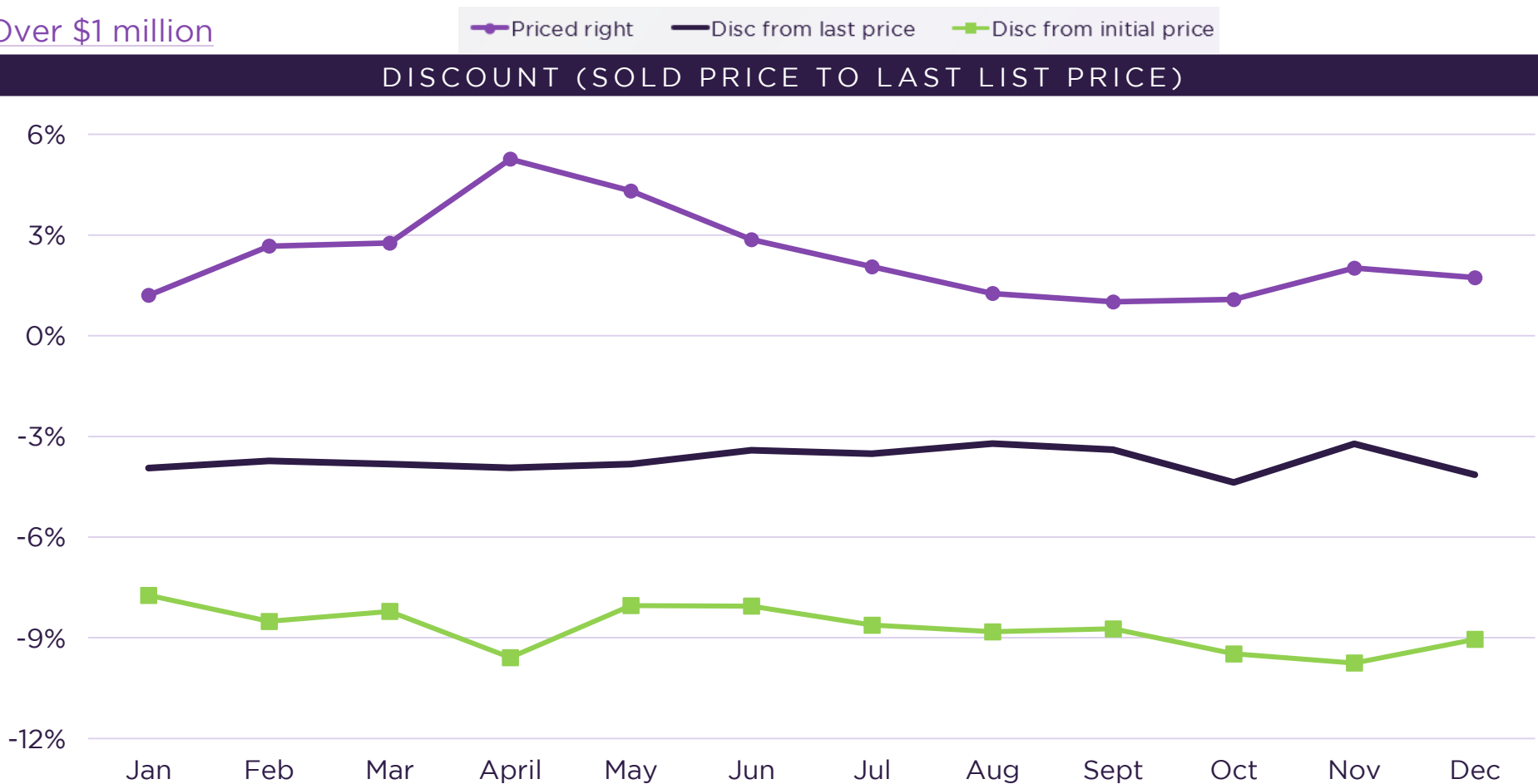
DOM (2020-2021)



Source: REColorado.com and Your Castle Real Estate analysis.

The discount from last list price is staying around -4% for \$1MM+. The difference in discount is closer between properties that were priced correctly or only needed one reduction, than the discount of properties that required multiple price reductions. Of course, most overpriced homes never sell at all; these are just the lucky ones that did.

Over \$1 million



Source: REColorado.com and Your Castle Real Estate analysis.



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Notes from the attorneys...

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