As 2015 ended, market data\* confirms the real estate recovery is continuing in southwest Colorado. For the year, Total Closed Sales of all real estate categories showed an increase of 4.6% in dollar volume over 2014, totaling just under $142 million for the year. In terms of the Total Number of Closed Transactions, 2015 showed an increase of 17.5% over the prior year. This quick summary indicates more properties are moving and more dollars are changing hands in the local market.

**SINGLE FAMILY HOMES**

Figures for the single family home market showed an increase of 10.1% from 2014, with a total of $100,431,191 in Closed Sales of 287 homes. This compared to Total Closed Sales of $86,742,931 and 272 homes for 2014**.** Homes took less time to sell in 2015 than 2014, showing stronger demand within the local market. The Median Selling Price for single family detached homes also increased during 2015 to $288,000, an increase of 7.7% over 2014.

**CONDOS AND TOWNHOMES**

Closed Sales for condos and townhomes during 2015 were up nearly 27% over the prior year with $11.6 million in volume for 71 units. The Median Price for Condos and Townhomes during 2015 remained unchanged from 2014. The increase in condo and townhome volume is in part due to the low level of inventory in lower price ranges. During 2015 there was a shortage of homes priced under $200,000 while demand was still strong. Some of these Buyers moved into the condo and townhome market to acquire a home while interest rates remain low. The combined sales of single family detached homes and condos and townhomes accounted for 83% of the entire real estate closed sales volume for the year.

**LAND**

Land sales also improved during 2015, recording Total Closed Volume of $19.3 million as compared to $18.3 million for 2014, an increase of 6%, with an increase of 33.5% in the number of closings; 311 versus 233 during 2015. The Median Selling Price dropped only slightly over the prior year. Builders reported increased volume for 2015 and initial signs look encouraging for 2016 from what we are hearing from architects and planners.

**MORTGAGE RATES AND THE YEAR AHEAD**

Cheap money continues to be available for qualified borrowers. During 2015, the average interest rate for 30 year FNMA mortgages was at 3.97%, up only slightly from the average rate during 2014 of 3.93%--still very low on a historical basis. Forecasts for 2016 range from 3.8%-4.4%, according to FNMA and long term bond rate forecasts. This slight trend upward may increase demand slightly as first time homebuyers rush to acquire ahead of the rise and is expected to have only a minor effect on overall housing demand during 2016. We expect the market to continue to improve in 2016, though not across all sectors. There are several loam programs for first time homebuyers and others looking to acquire homes with less than 20% cash down payments. Buyers can apply for down payment assistance which includes down payment contributions that do not require repayment as well as special interest rates and other terms, depending on the Buyers qualifications. You can contact our office for more details and access this link for more specifics: <http://www.chfainfo.com/homeownership/Pages/down-payment-assistance.aspx>

In the Pagosa Springs area, there remains an over-supply of housing inventory within some price ranges and a shortage of homes in the entry level price range- $175,000-$250,000. If you would like more details on any segment of the local or regional real estate market, contact Mike Heraty at MikeHeraty@frontier.net.

\*Market data provided by CREN, local MLS stats and proprietary company property records database, all deemed reliable, however, if specific data is an important criteria for a read decision, figures should be independently verified.