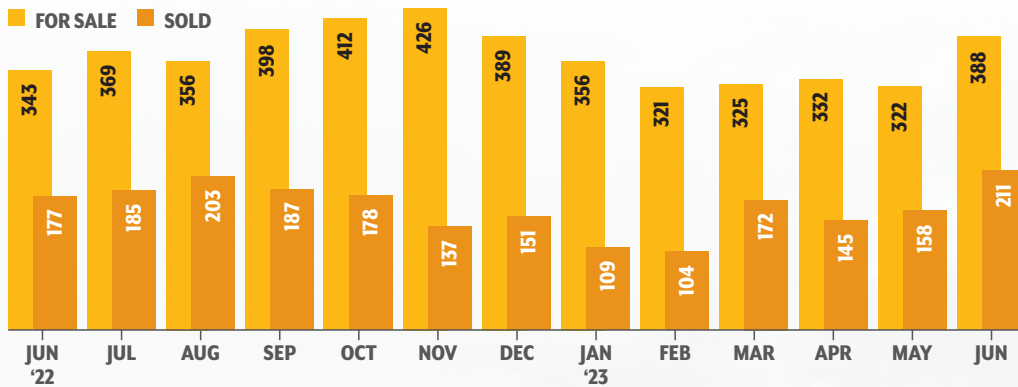
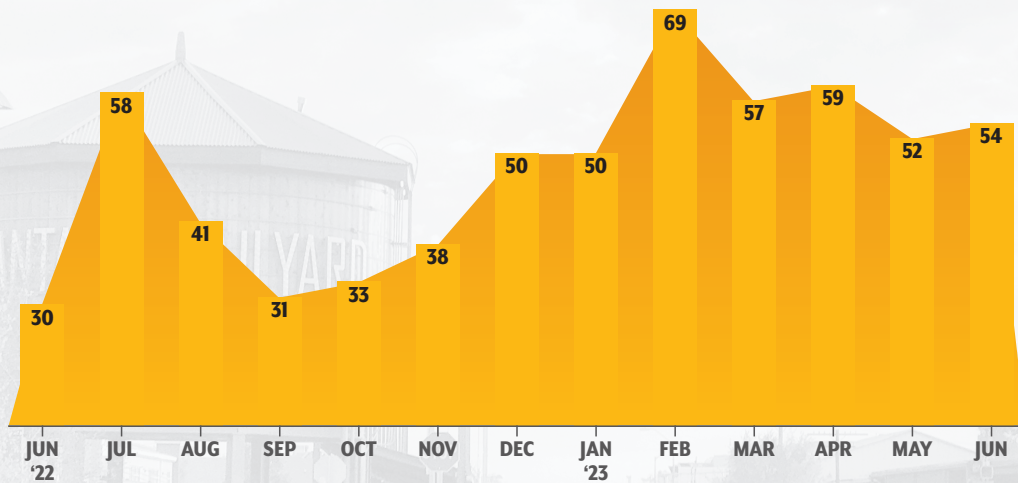


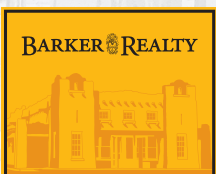
AVG SALE PRICE



INVENTORY



DAYS ON MARKET



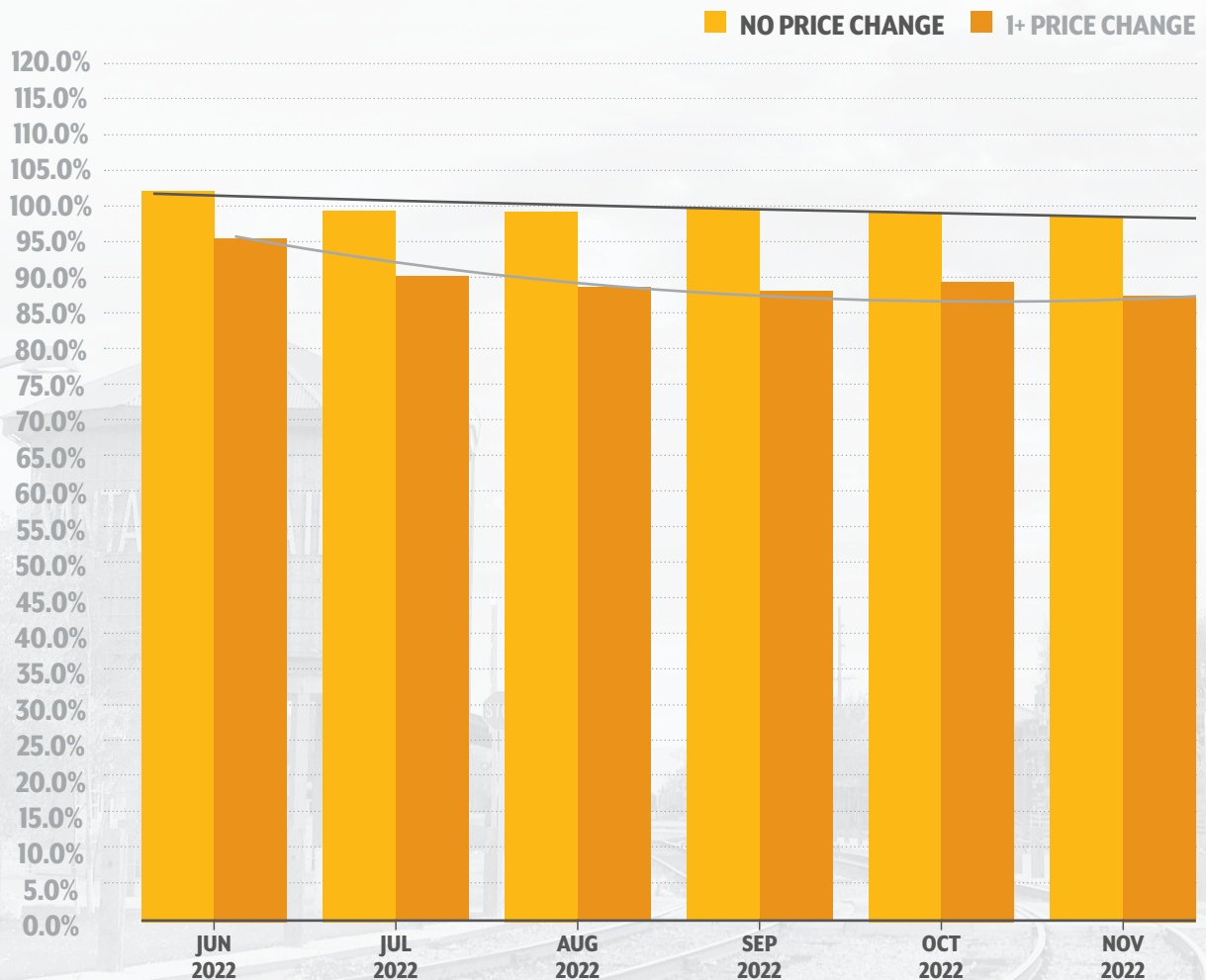
market digest

Santa Fe County Residential Market Report

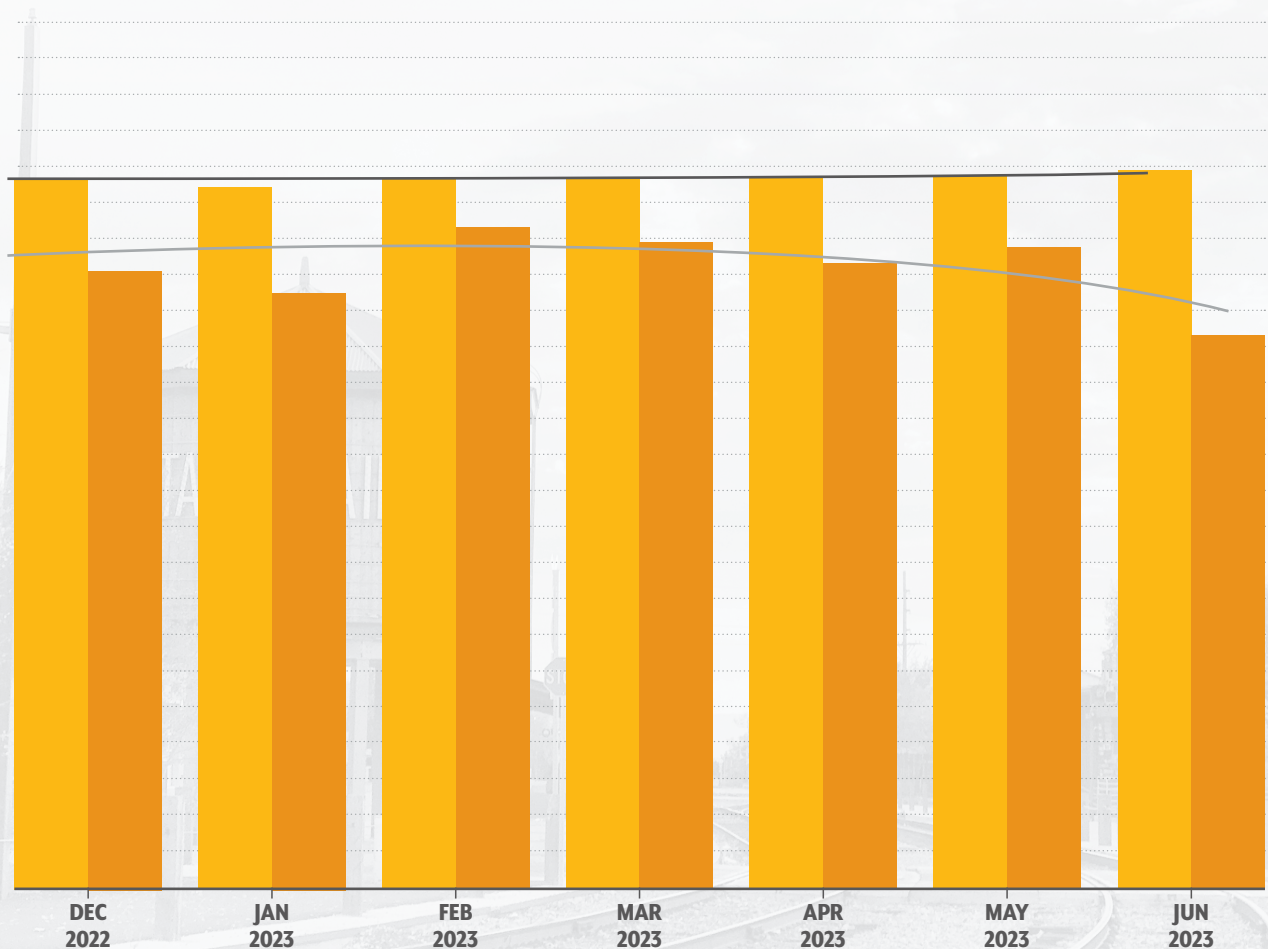
Second Quarter 2023

PRICING SMART

There was a period where the market was playing catchup with the demand and prices were soaring and the OP/SP was consistently above 102%, meaning that properties were selling over original list price on average. In those years – late 2020 through 2022 – it seemed no one knew where the top was and the invisible hand of the market kept pushing it higher and higher.



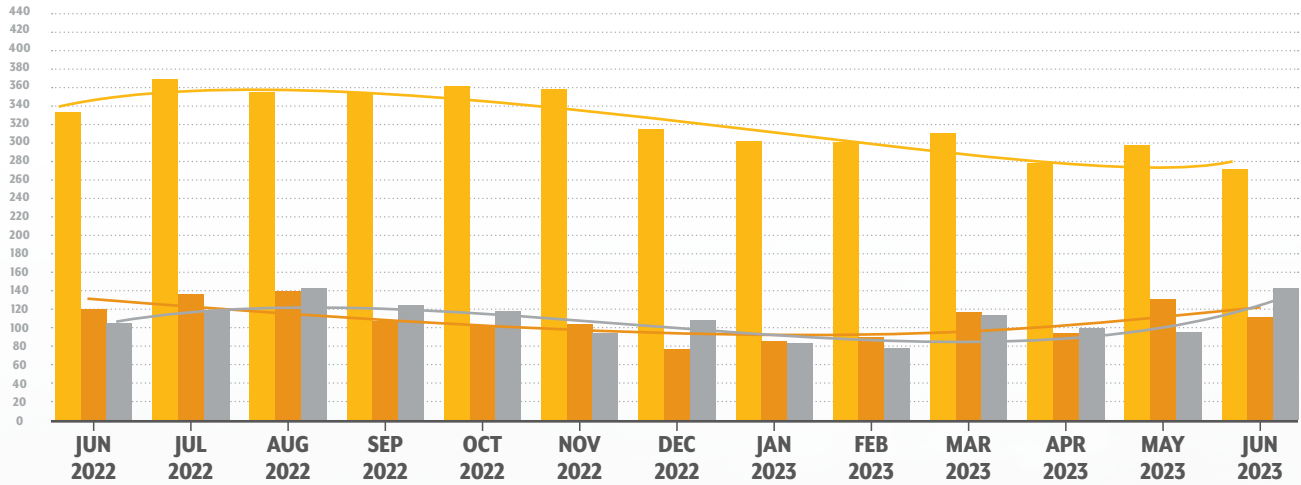
Now, looking at the last quarter of this graph, we can see buyers found the pain point in regards to pricing. Sellers who are still attempting to price above current values (or as some call it: 'testing the market') are being punished with a significant drop in final selling price. Over the last year, homes priced in alignment with current market value sold for 99% of original asking price, while those who required a price change sold for over 12% less. For context, in 2018-2019 which was considered a balanced and healthy housing market, that number was closer to 5%.

99.0%**NO PRICE CHANGE****87.7%****1+ PRICE CHANGE****■ NO PRICE CHANGE ■ 1+ PRICE CHANGE**

* This is a polynomial graph showing the change in Original asking Price (OP) and final Sale Price (SP).

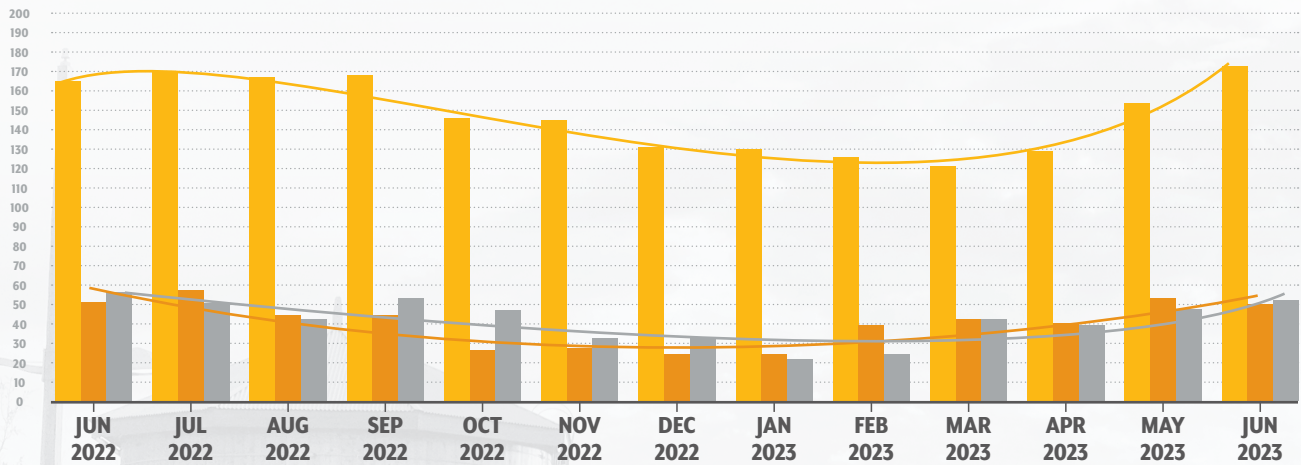
■ FOR SALE ■ UNDER CONTRACT ■ SOLD

^0-750K SUPPLY & DEMAND / # UNITS
1 YEAR (MONTHLY) / JUN 2022 - JUN 2023



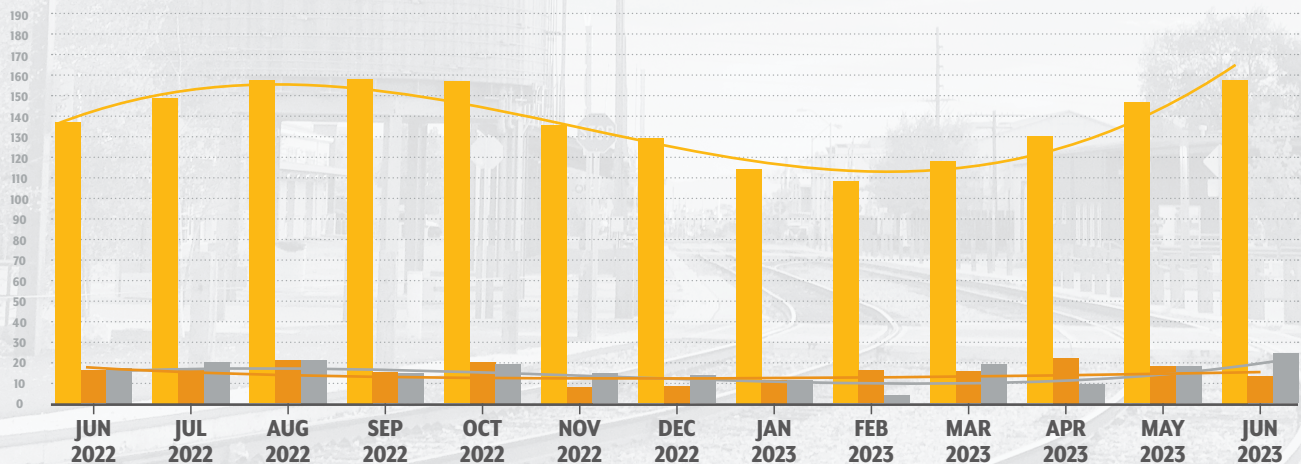
^750K-1.5 SUPPLY & DEMAND / # UNITS
1 YEAR (MONTHLY) / JUN 2022 - JUN 2023

■ FOR SALE ■ UNDER CONTRACT ■ SOLD



■ FOR SALE ■ UNDER CONTRACT ■ SOLD

^1.5+ SUPPLY & DEMAND / # UNITS
1 YEAR (MONTHLY) / JUN 2022 - JUN 2023



INTERESTING TIMES

Depending on the price, you might have very different opinions on the market conditions. If you're looking to buy or sell below 750k, you seem to be fairly well insulated from the interest rate creeping up and continue to see strong competition. Likewise, above 1.5M and there is more inventory, but also a steady sales rate across the board. In between? There lies the riddle. The market for homes found between 750k-1.5M slowed the most and we can't help but think that those larger mortgages with the higher interest rates are mostly to blame.

the big
picture

THE LULL WAS REAL, BUT SHORT LIVED

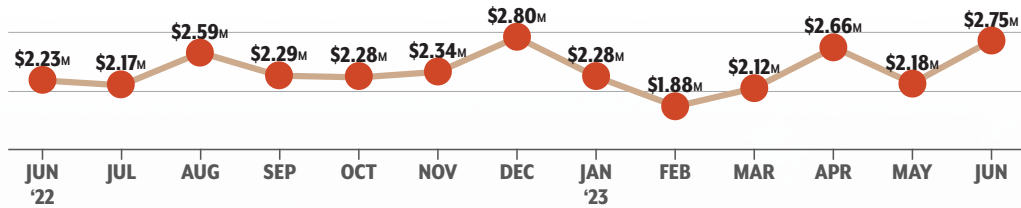
Earlier this year it looked like the entire real estate industry was coming to a slow grind, but that was only for one quarter. After March of this year, the heat turned back up and for the months of April and May it looked like a healthy marketplace equilibrium had been reached. June, however, had other plans and days on market started to drop, competitive offers were showing up again, and the sales rate was back to near peak levels.

LAND IS BACK!

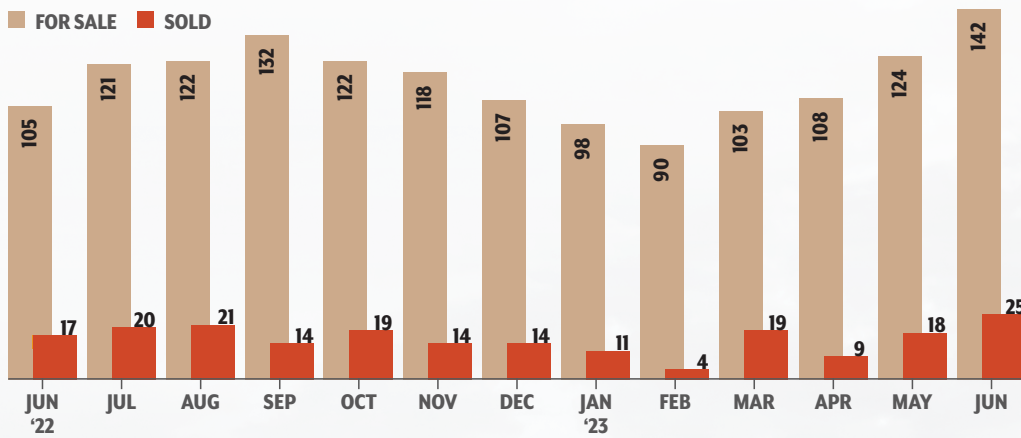
Early this year we were concerned at the slow sales rate of land listings in Santa Fe. Typically, if land is slow and/or people looking to build have concerns about the real estate market, they hold back and it's an early indication of challenges to come. Yet over this past year, and particularly due to the second quarter, land sales have increased a whopping 59.6%!

+59.6%
^ SOLD)

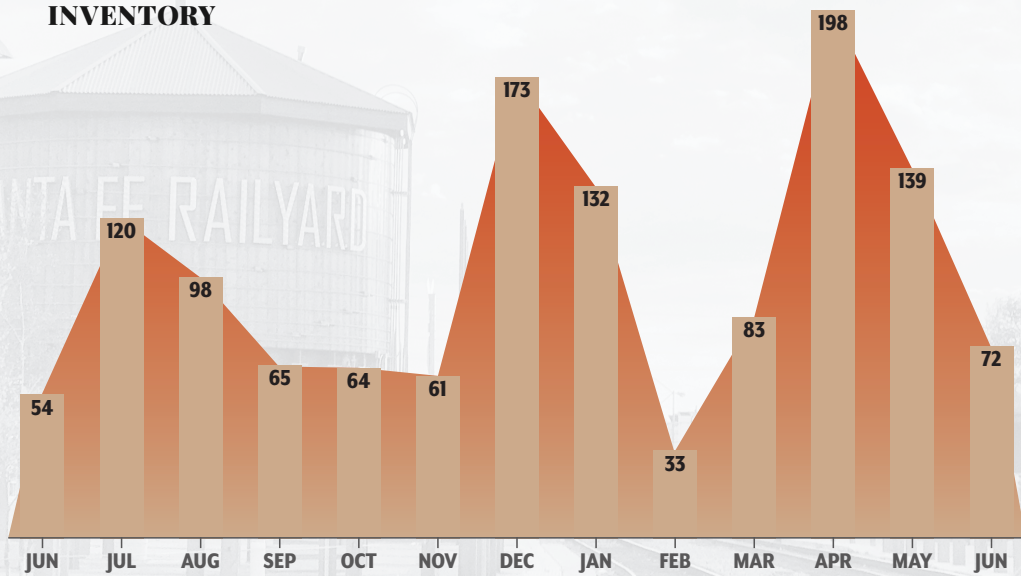
luxury



AVG SALE PRICE



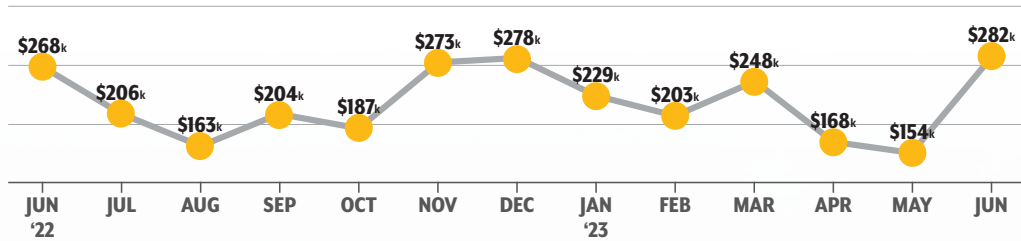
INVENTORY



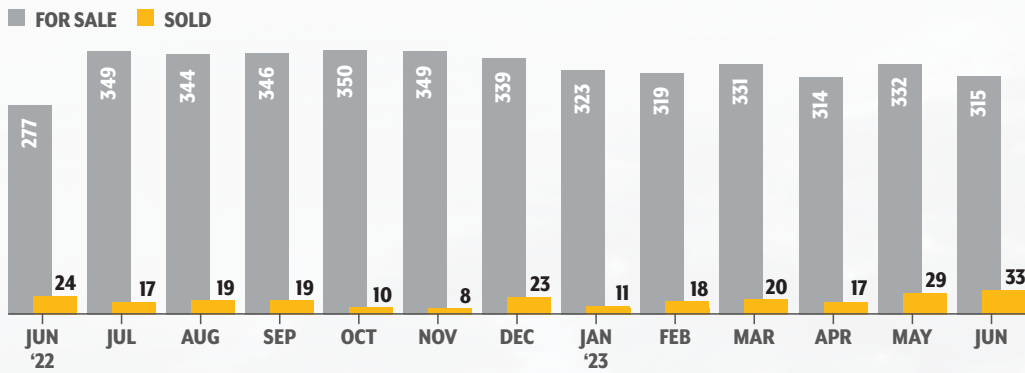
DAYS ON MARKET

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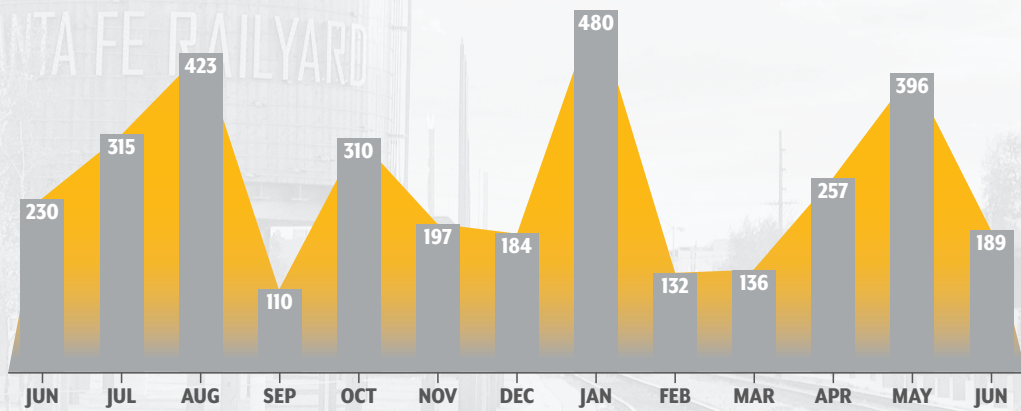
land



AVG SALE PRICE

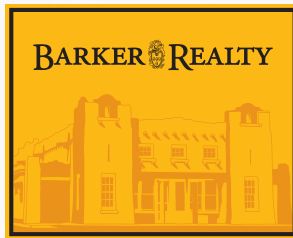


INVENTORY



DAYS ON MARKET

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the upshot

Earlier this year all signs pointed to a significant slowdown, especially after multiple record setting years in 2021 and 2022. Yet somehow the second quarter of 2023 came back with a roar and we're now seeing a similar scenario across the board: near record high prices, multiple offers, and still plenty of cash purchases. Where we differ is which part of the market is the strongest? The comparatively slower middle segment of the price range suggests that the interest rates are indeed having a large impact, especially for those who would typically move up market. Leaving a lower interest rate behind in search of a nicer home is a real debate being had within many households.

Across the country the story can be much different depending on your location. We've seen big declines in major cities, even those in the West that typically are strong when others sputter. Looking at our contemporaries in areas like Bend, Jackson, Tahoe or Bozeman, the story is much more similar to ours: competitive market, high prices, and still an influx of cash buyers. Thus, while the real estate market nationally finds a new normal, destination cities like our own continue to be highly desirable and competitive and frankly, we don't see that changing anytime soon.



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