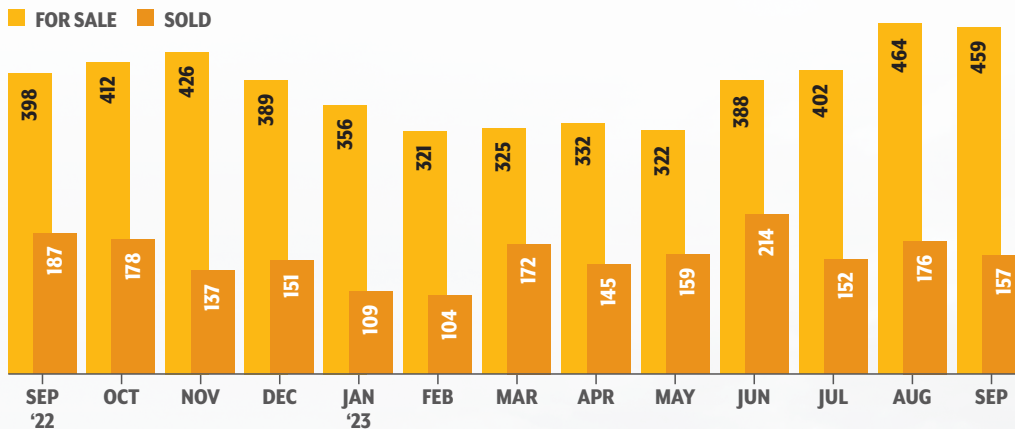
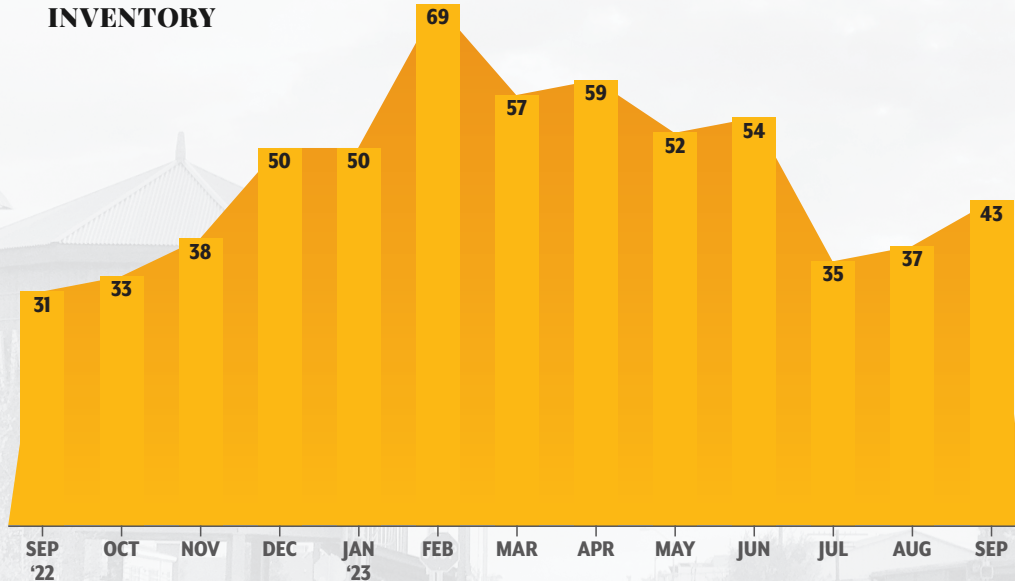


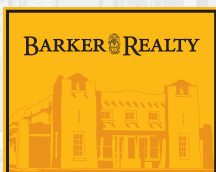
AVG SALE PRICE



INVENTORY



DAYS ON MARKET



market digest

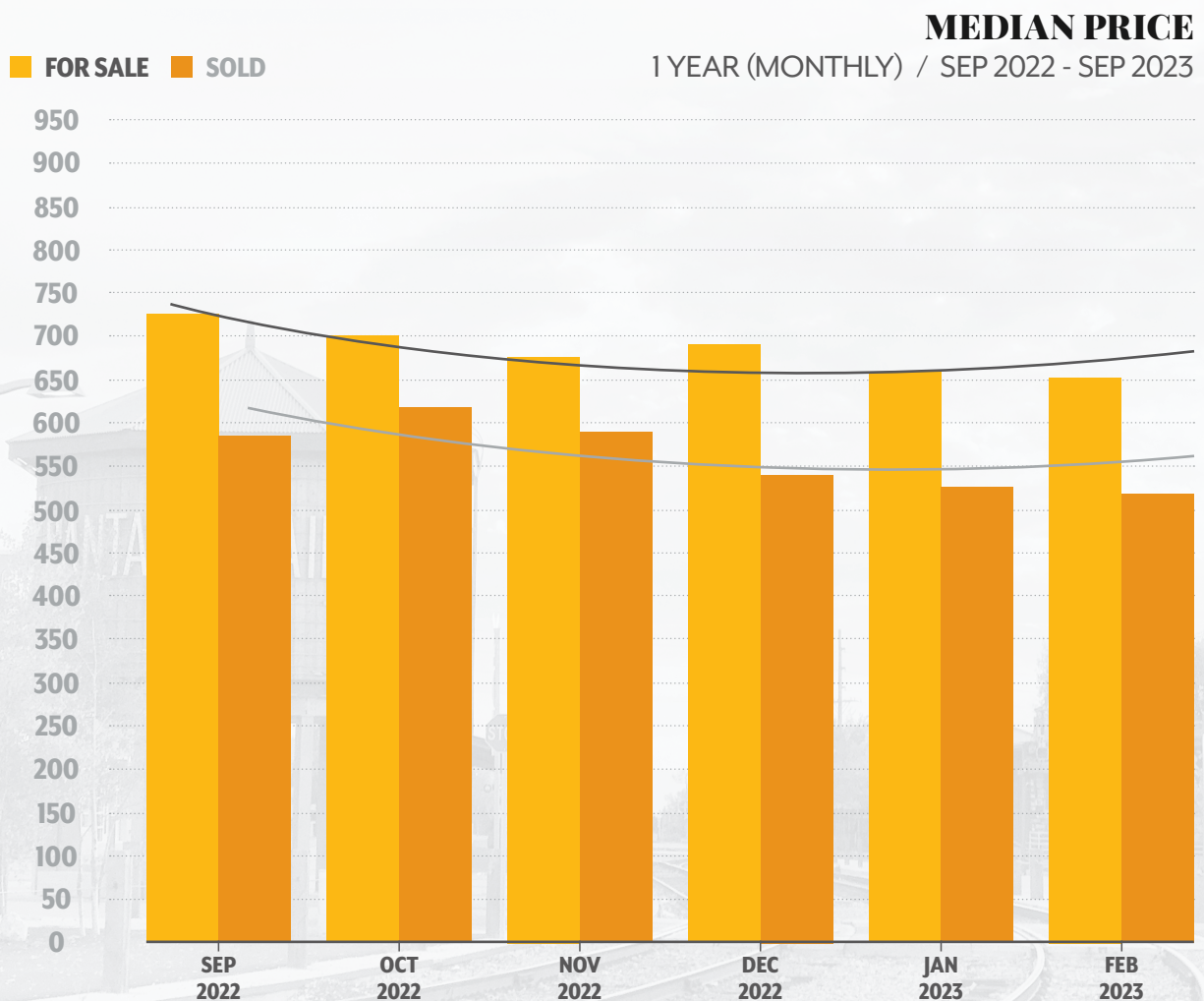
Santa Fe County Residential Market Report

Third Quarter 2023

the big picture

A DEMAND FOR SUPPLY

Normally, seeing a drop in sales of 30%+ would cause panic across any industry. However, going back to 2022, we knew the real estate rally coming off the pandemic could not sustain itself and were anticipating a much-needed rebalance to our local market. With inventory up nearly 30% over the past two years, it would stand to reason we would see some price adjustments and buyers could breathe a sigh of relief now having more options, more time to make a decision and less pressure from a tumultuous market. While the latter is true, pricing has yet to follow...



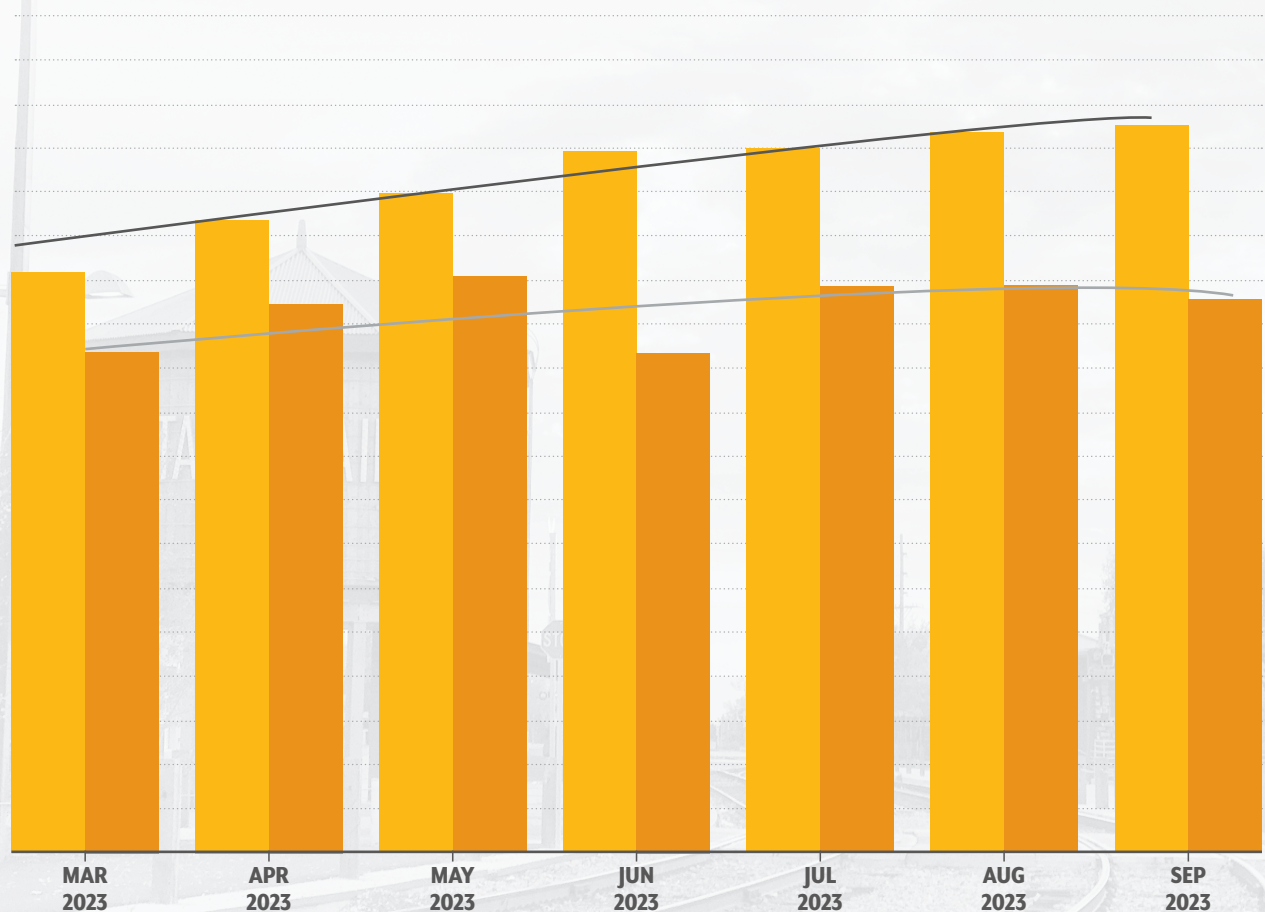
Demand is the only real word that comes to mind. Yes, with more inventory available the pressure valve has been opened slightly, but the bigger challenge remains: affordable homes, first-time home buyers, and those with growing families are struggling to find low to mid-market options available. With many hanging onto their sub 3% interest rates, these starter or single-family homes simply are not coming to market to satisfy the demand, and thus, pricing has yet to reflect this change in the market.

+22.9%**FOR SALE****+12.5%****SOLD**

MEDIAN PRICE

1 YEAR (MONTHLY) / SEP 2022 - SEP 2023

■ FOR SALE ■ SOLD



the big picture

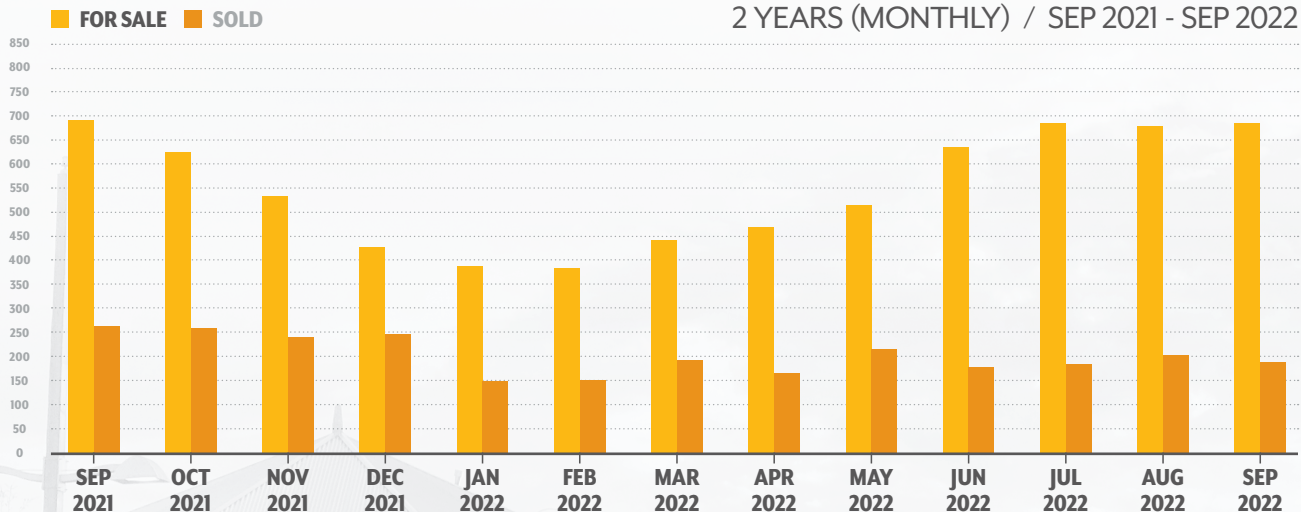
99.6%

AVG SP/OP - No Price Changes

88.2%

AVG SP/OP - 1+ Price Changes

SUPPLY & DEMAND / # UNITS 2 YEARS (MONTHLY) / SEP 2021 - SEP 2022



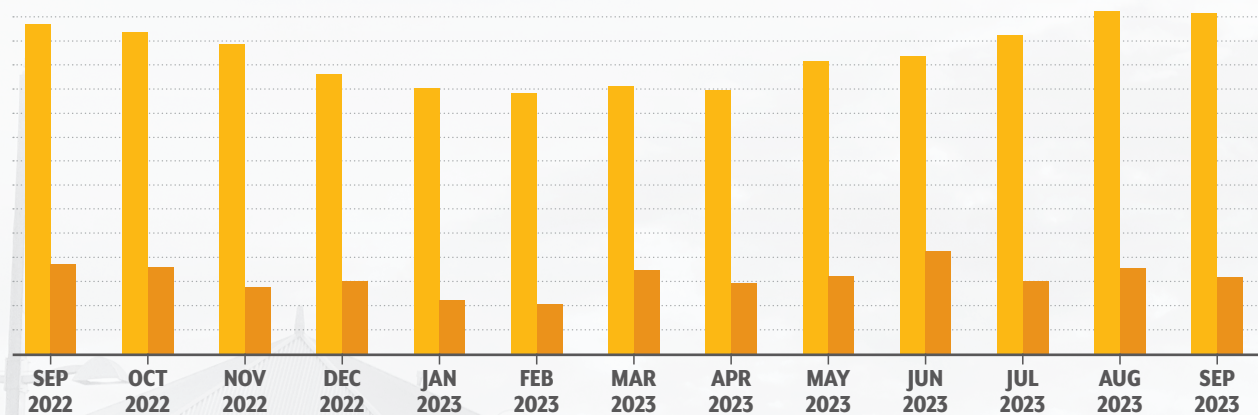
FACTS OR FEELINGS: HOME PRICES

If we're being honest, this is the most surprising analysis for us. The list of reasons for home prices to begin settling down is startling: climbing interest rates, uncertainty in the stock market, the incoming election cycle, and a second war breaking out. Yet, despite these headwinds median prices in Santa Fe have continued to climb with an overall increase of 12.5% in sold homes over the past two years.

+29.3%**FOR SALE****-36.4%****SOLD****SUPPLY & DEMAND / # UNITS**

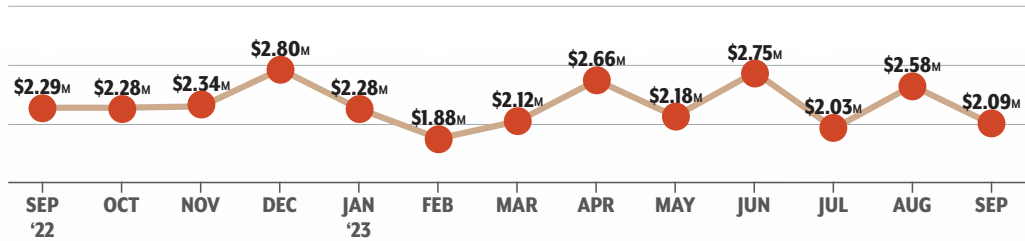
2 YEARS (MONTHLY) / SEP 2022 - SEP 2023

■ FOR SALE ■ SOLD

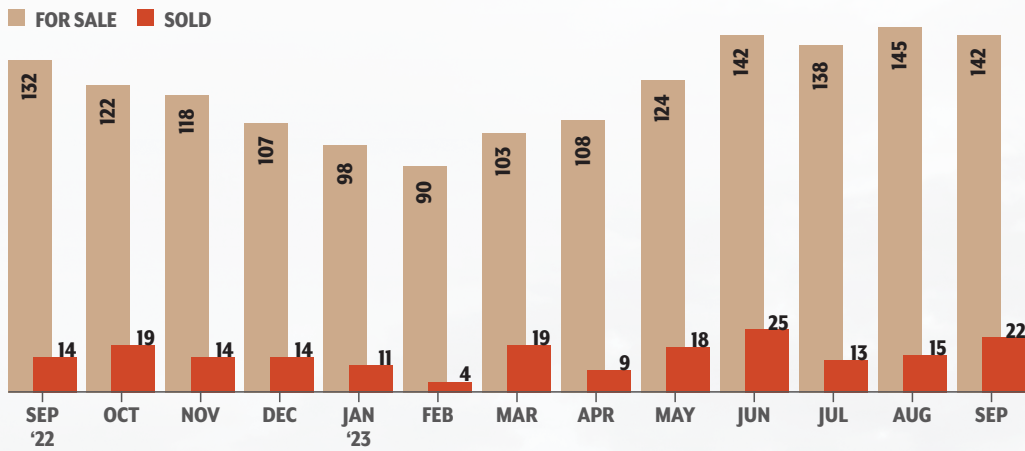


The last quarter, however, is showing some signs of weakening. Looking at July through August, the gap between median asking price and median selling price is widening, suggesting sellers and buyers are growing out of alignment on pricing. Partly this is due to more high-end homes hitting our market (nearly twofold increase in inventory!), while also showing some price resistance from buyers who find themselves with less buying power week after week.

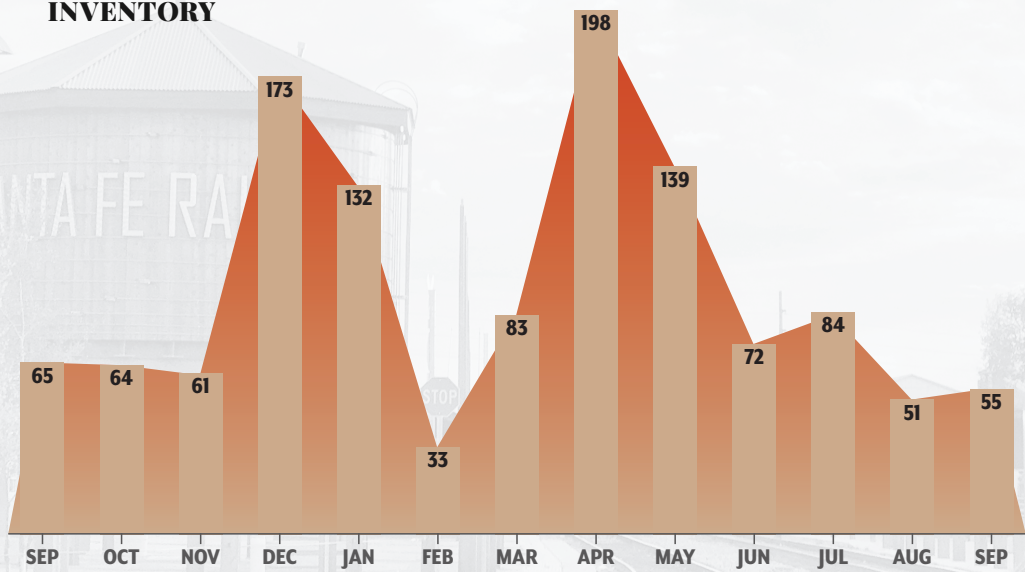
luxury



AVG SALE PRICE



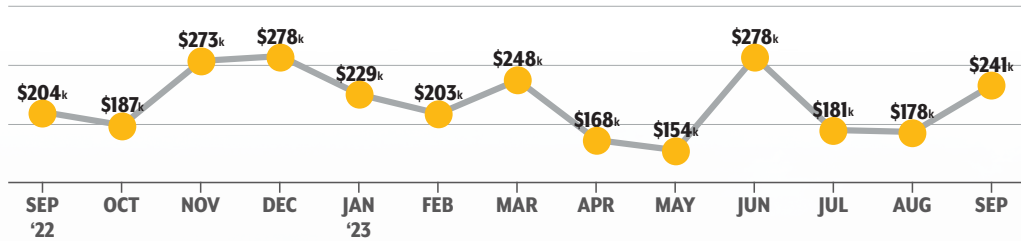
INVENTORY



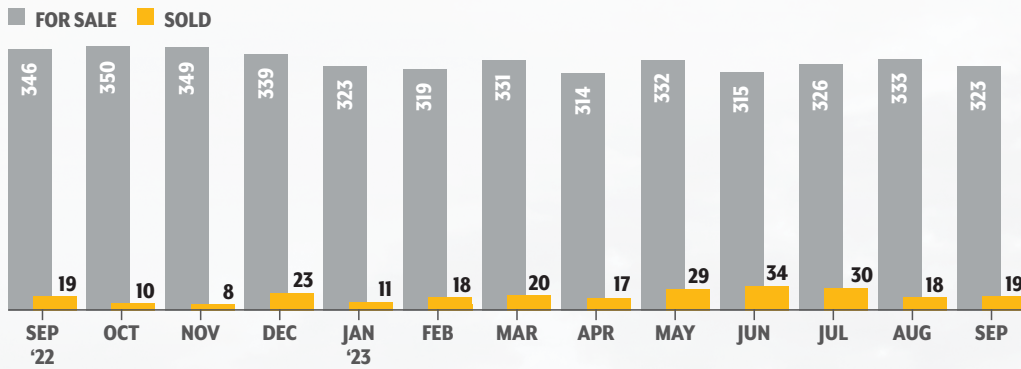
DAYS ON MARKET

Based on Information from Santa Fe Association of Realtors MLS for the period (SEP 2022) through (SEP 2023). This representation is based in whole or in part on data supplied by SFAR MLS. SFAR MLS does not guarantee nor is in any way responsible for its accuracy. Data maintained by SFAR MLS may not reflect all real estate activity in the market.

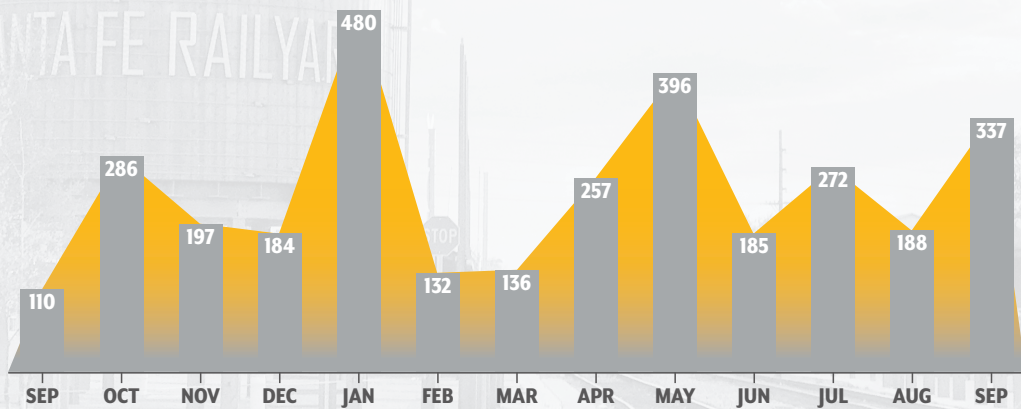
land



AVG SALE PRICE

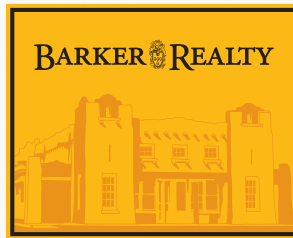


INVENTORY



DAYS ON MARKET

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the upshot

If you're feeling like there are a lot of mixed signals out there, you are absolutely right. We simultaneously have more homes for sale with higher costs of ownership and increased uncertainty, yet our prices and demand are holding strong. We believe this boils down to Santa Fe continuing to be a highly sought-after destination – both for the second home buyer and also the young professional working remotely or for the National Labs.

Given the huge success of our summer markets, concerts, and local events, it is clear Santa Fe has regained its former national spotlight and continues to be a strong city for real estate. And while city leaders and the voting public wrestle with the challenges this brings, we remain optimistic that timely changes and a renewed focus on these issues will lead to a better community in the long run. Now, let's get to work together.



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