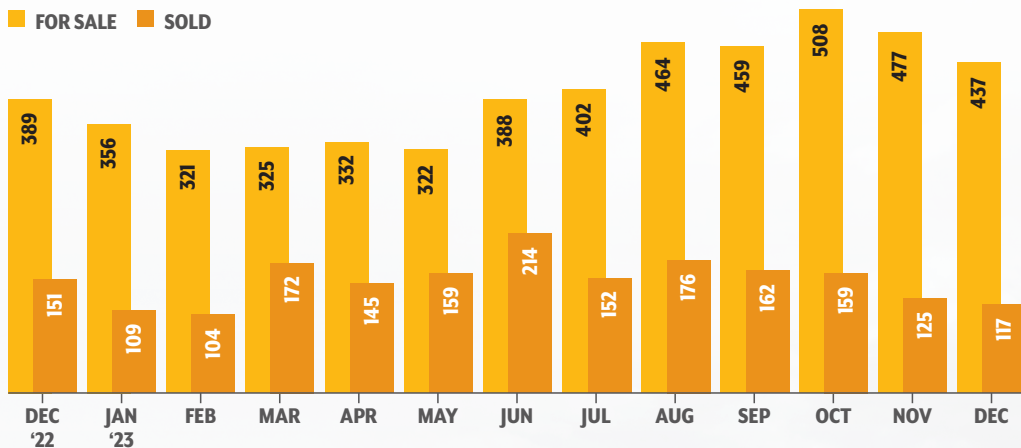
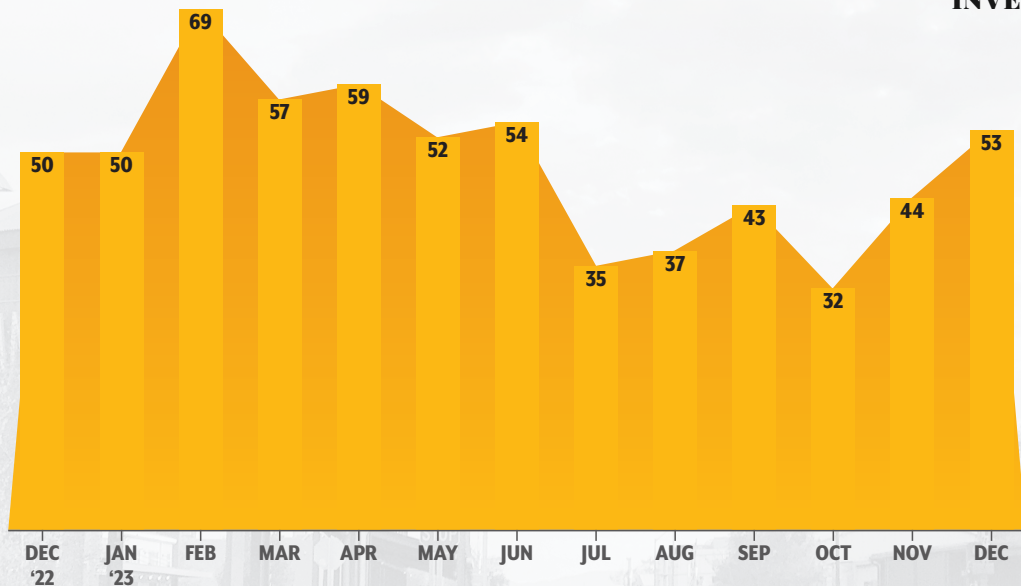


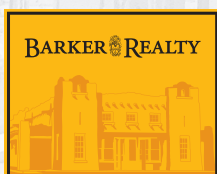
## AVG SALE PRICE



## INVENTORY



## DAYS ON MARKET



# market digest

Santa Fe County Residential Market Report

Fourth Quarter 2023

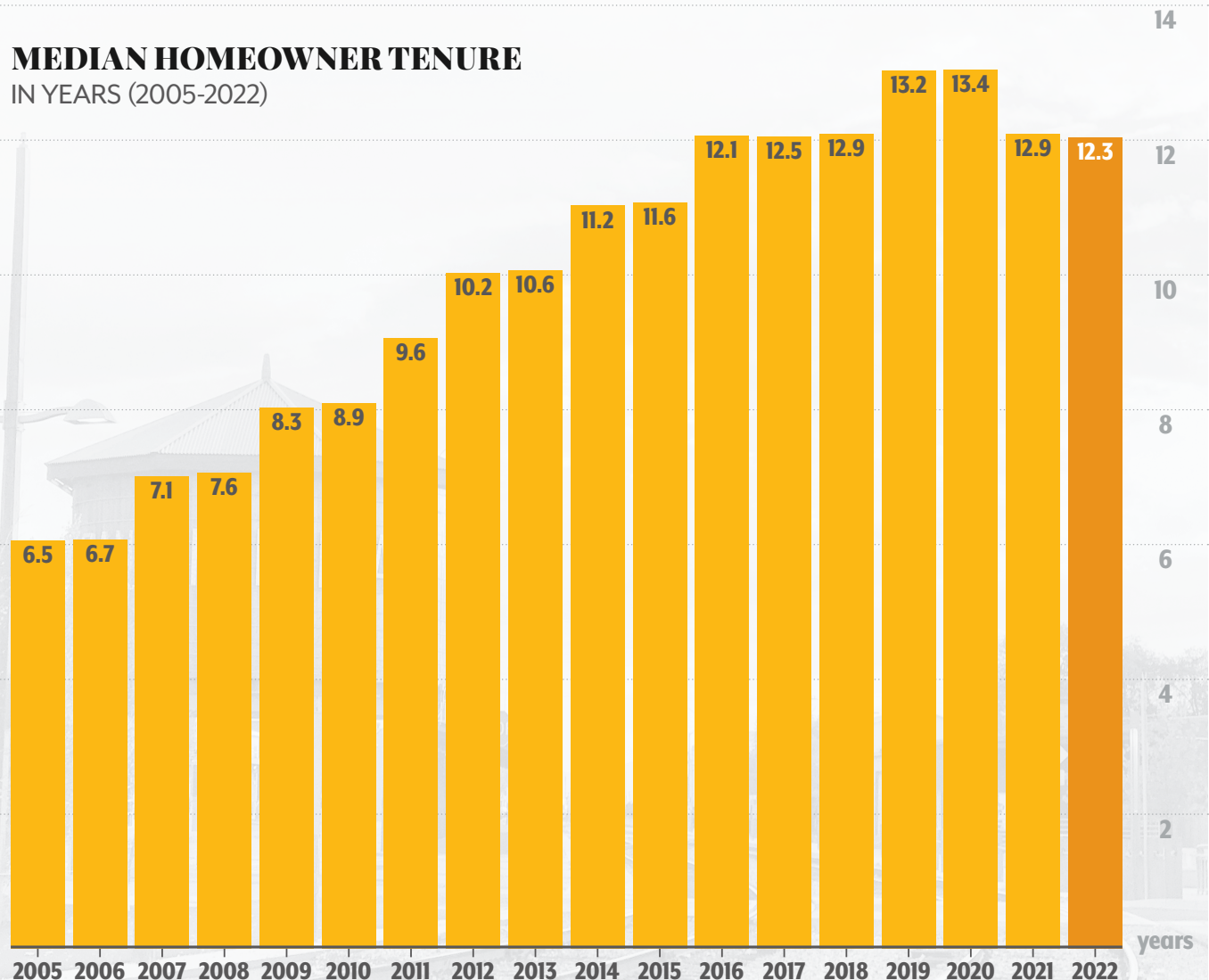
# the big picture

## SLOW TO MOVE

We had a thought experiment in our office: with all the talk of in-migration and movement throughout the country, what does that data say? Much to our surprise, it seems Americans are moving less and less. It was once a rule of thumb that families and people would move roughly every 7 years, but it seems during the height of the financial crisis the trend ended and people spent more years staying put.

As we're pondering what the future holds for real estate appreciation, opportunities for first-time buyers, and families needing to move, this is one critical component in many that have created a housing shortage unlike anything previous generations have experienced.

### MEDIAN HOMEOWNER TENURE IN YEARS (2005-2022)



Source: Redfin; analysis of county records

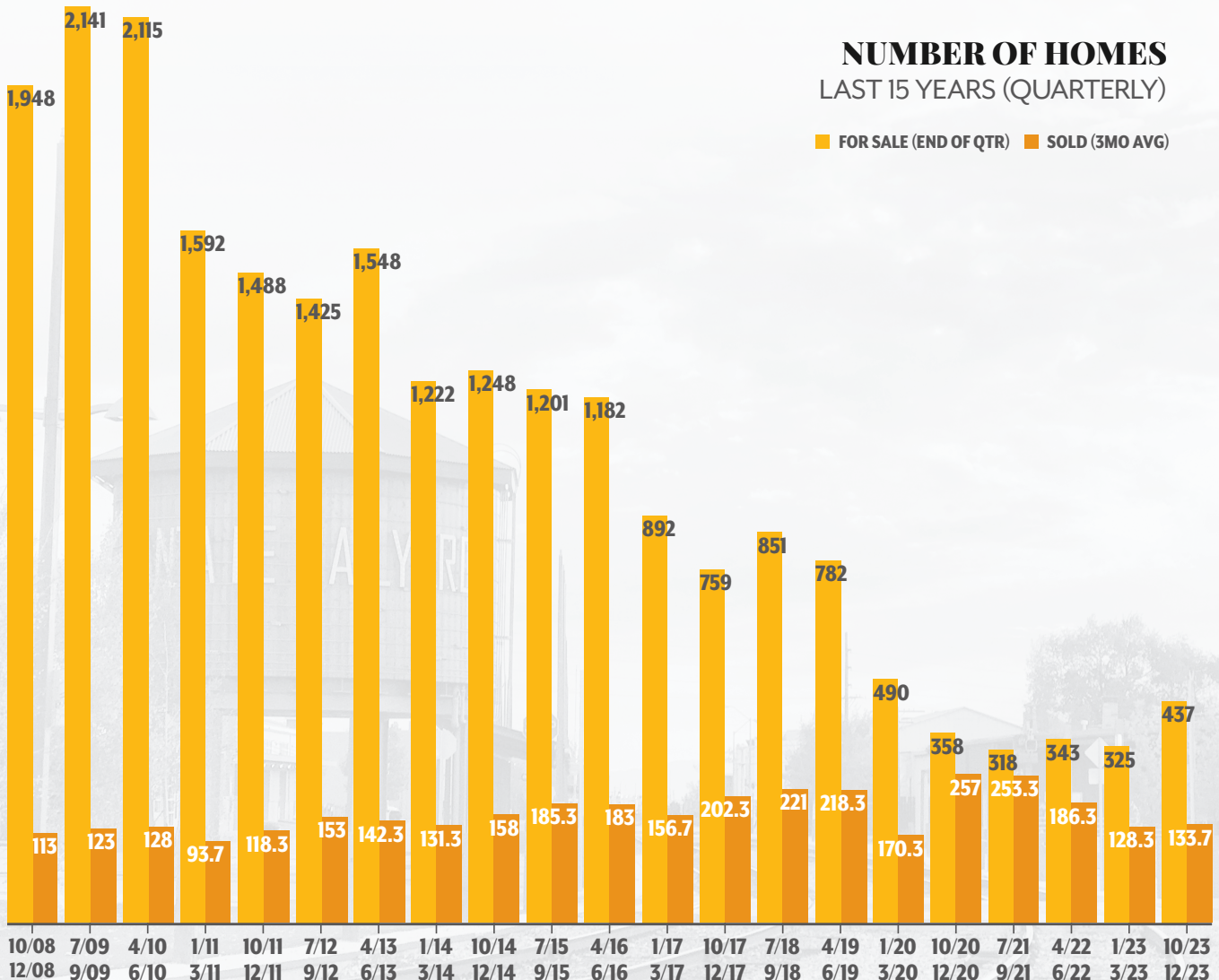
# INVENTORY, INVENTORY, INVENTORY...

There are many reasons for the past years' rapid price appreciation: trillions of dollars entering the economy, changing of generations, and a larger understanding of a 'home' being an 'investment' rather than just a place to live. However, the single most important factor is the *lack of inventory*.

Going back 15 years the trend could not be any more obvious: there has been a steady decline in homes available for sale, thus increasing the value through basic economic scarcity. 2021 seems to be the tightest squeeze, wherein sales and available homes were nearly equal. We are finally seeing some semblance of an inventory recovery, but it could still be decades in the making.

## NUMBER OF HOMES LAST 15 YEARS (QUARTERLY)

■ FOR SALE (END OF QTR) ■ SOLD (3MO AVG)



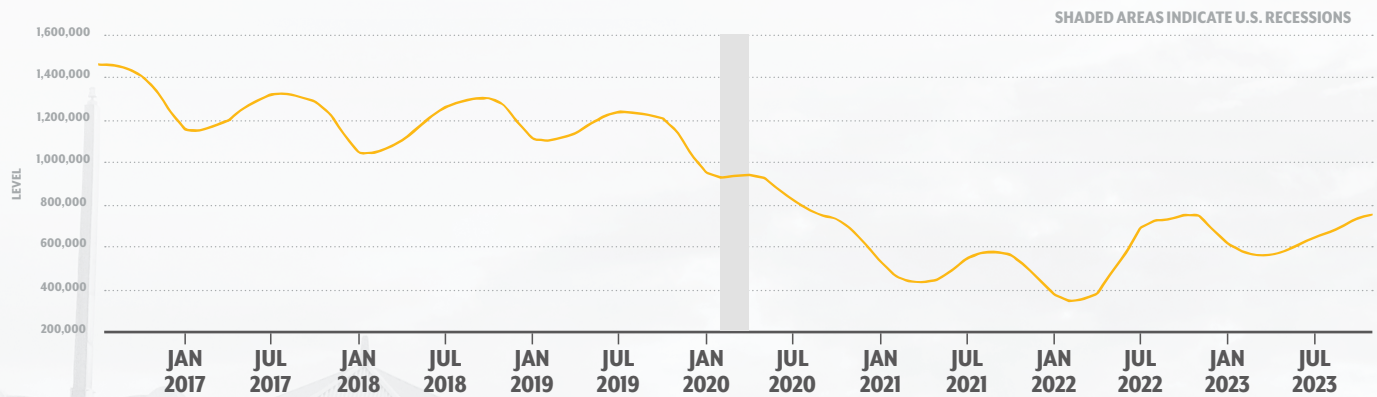
\* All reports are published January 2024, based on data available at the end of December 2023. All reports presented are based on data supplied by the Santa Fe MLS. Neither the Association nor its MLS guarantees or is in anyway responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activities in the market. Information deemed reliable but not guaranteed.



# the big picture

## HOUSING INVENTORY

ACTIVE LISTING COUNT IN THE UNITED STATES

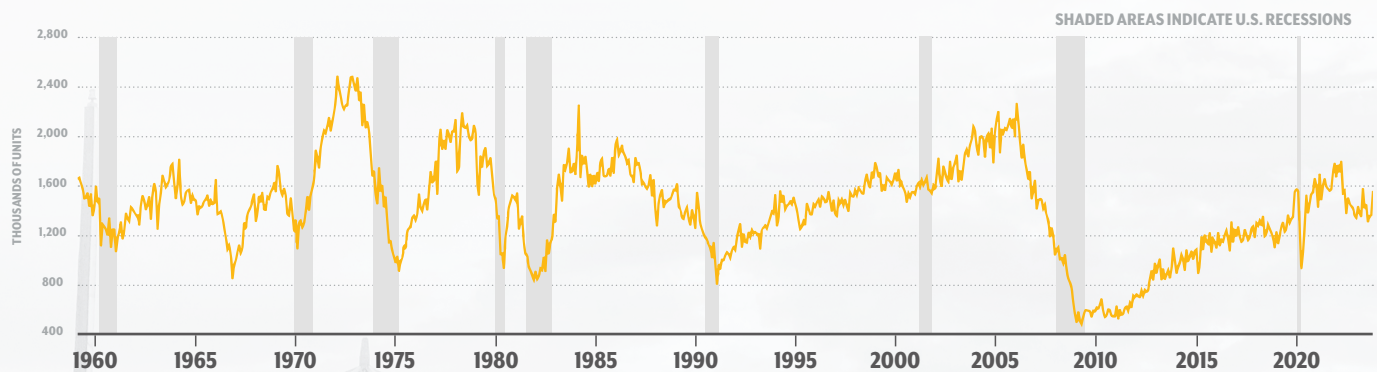


## NATIONAL INVENTORY DROP

And it wasn't just Santa Fe: nationally the housing inventory declined across the board starting in 2009. The extremely challenged markets following 2008/2009 precipitated a stalled inventory as people stopped moving as frequently (previous page) and depressed prices left many unable to afford to sell.

While it's easy to blame the pandemic for many of our housing ailments, it truly was well over a decade in the making.

## NEW PRIVATELY-OWNED HOUSING UNITS STARTED TOTAL UNITS

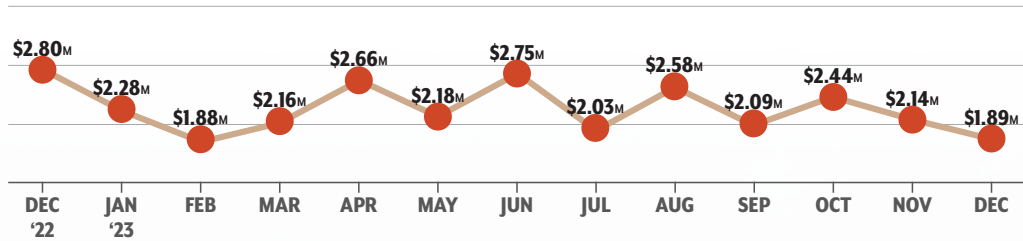


## SLOW TO BUILD

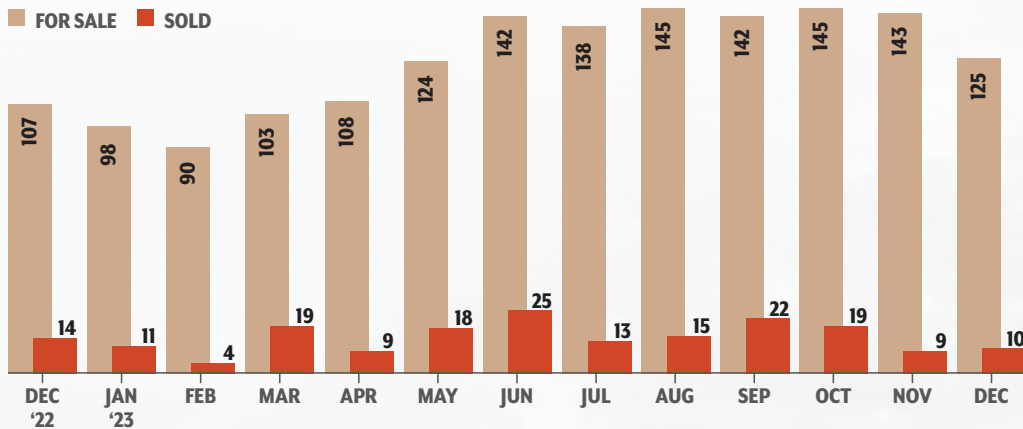
To add further fuel to the fire, the mass exodus nationwide of builders from their craft slowed new home construction to a crawl. Applications for new home construction all but collapsed in 2009 and did not recover to an 'average' until 2022. Considering the previous decade's quick recovery, what we experienced between 2009-2020 was a severe depression in new home construction.



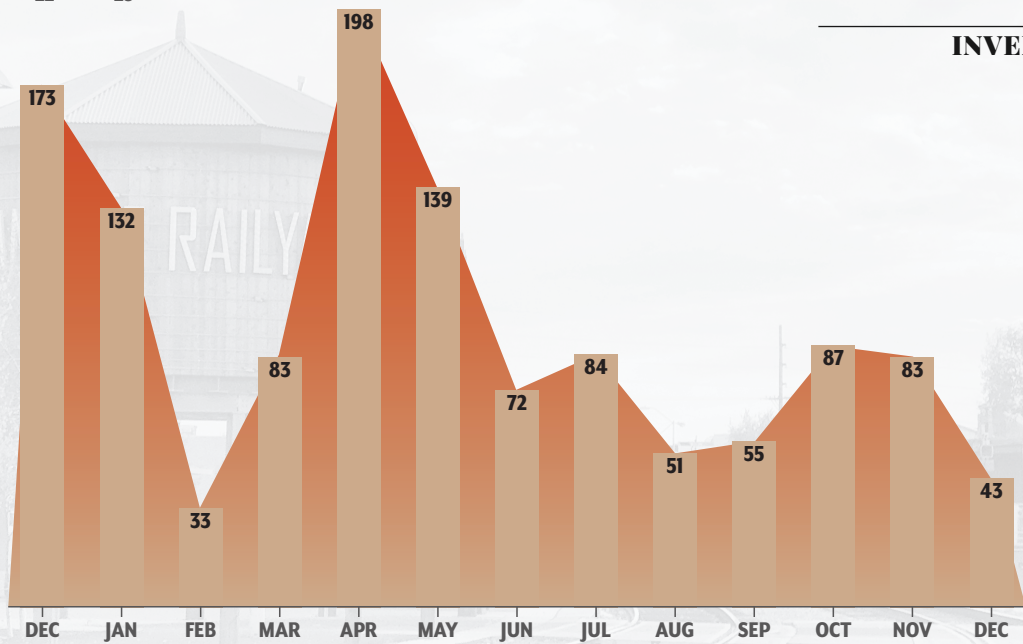
# luxury



AVG SALE PRICE



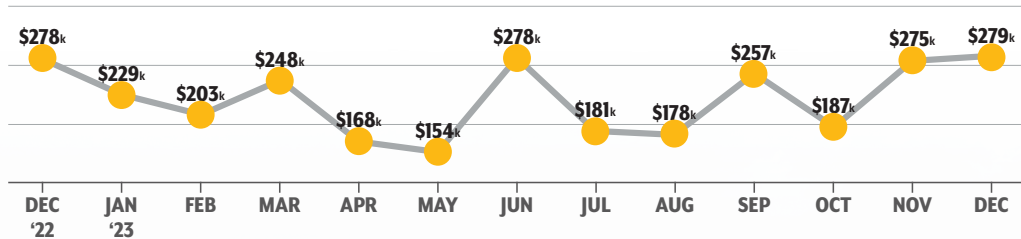
INVENTORY



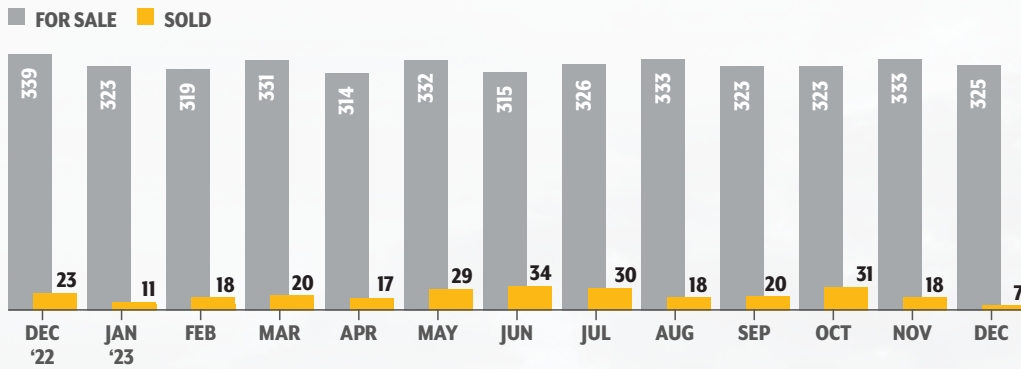
DAYS ON MARKET

Based on Information from Santa Fe Association of Realtors MLS for the period (DEC 2022) through (DEC 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.

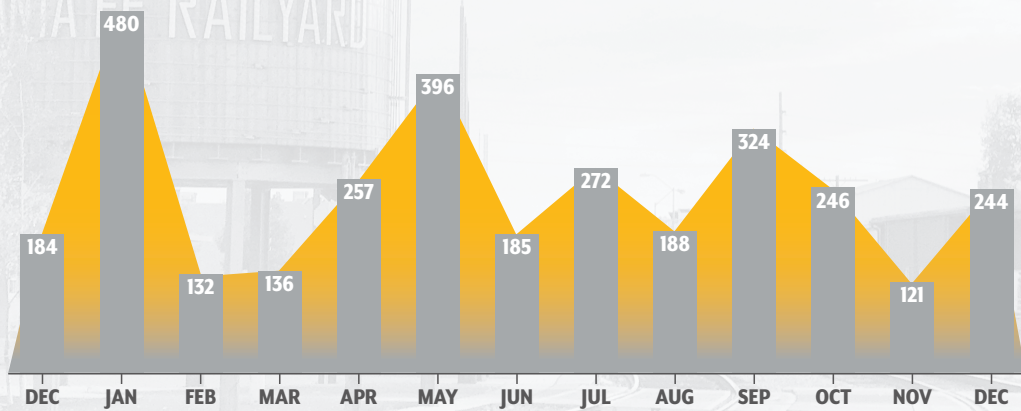
## land



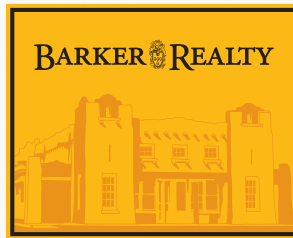
AVG SALE PRICE



INVENTORY



DAYS ON MARKET



# the upshot

2023 will be the year remembered as the year our housing market started to find a new equilibrium. With interest rates peaking and cooling demand, many expected prices to correct more aggressively, however, that still wasn't the big elephant in the room. Our inventory woes continued into 2023 and that propped up pricing, with the Santa Fe market still showing a modest 2.6% increase in median prices.

Overall demand did slow down, relieving buyers from the pressure of making fast decisions and sometimes frustrating sellers, who otherwise were expecting a frenzy of activity of years past. Our days on the market have returned to a healthy 60-day cycle, indicating we should see pricing stay relatively stable for the time being.

With many new housing projects coming to fruition and more initiatives in the works, we are somewhat optimistic that our housing challenges will start to correct heading into this new year and some balance will return. We are also expecting the Federal Reserve to move slowly in bringing down interest rates, so buyers may need to weigh their priorities if 'the one' becomes available anytime soon. In the meantime, we look forward to continuing to help all of you in Santa Fe navigate these market shifts, so please don't hesitate to stop by the Railyard and say hello—we're here to help.

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**-16%**

2023 vs 2022  
total units sold