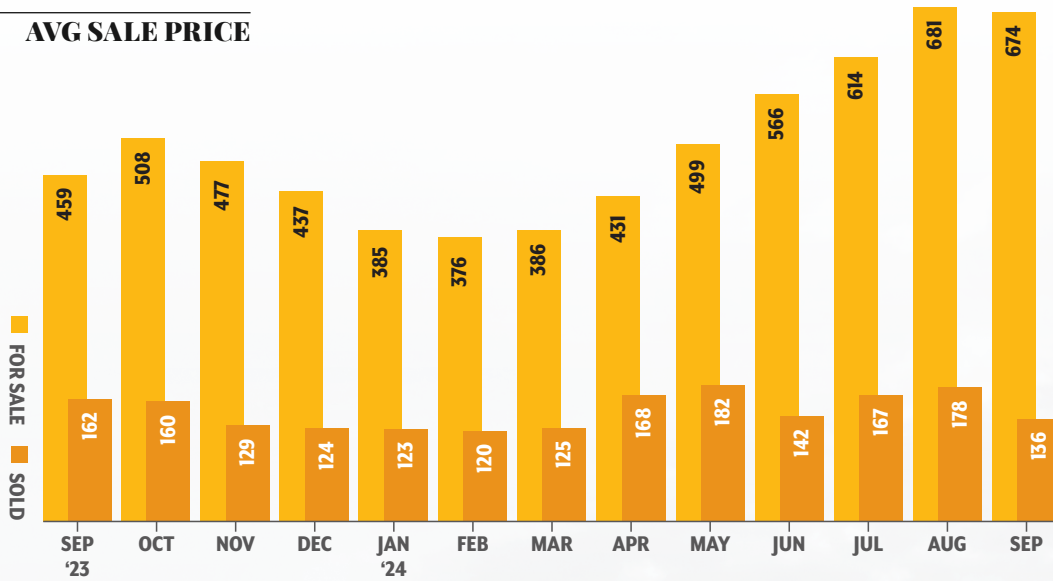
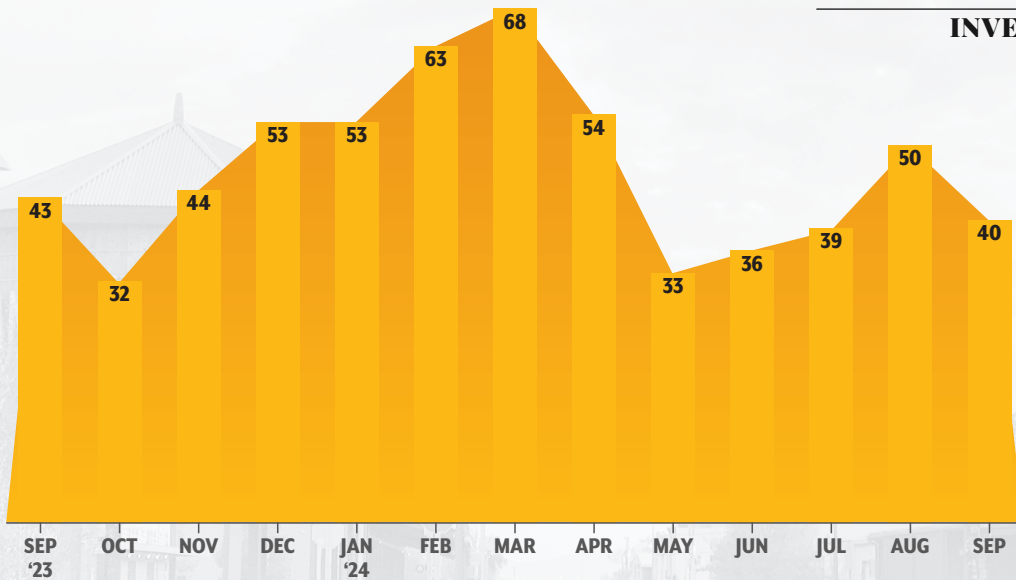


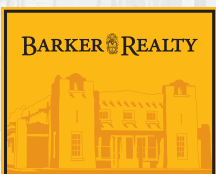
AVG SALE PRICE



INVENTORY



DAYS ON MARKET



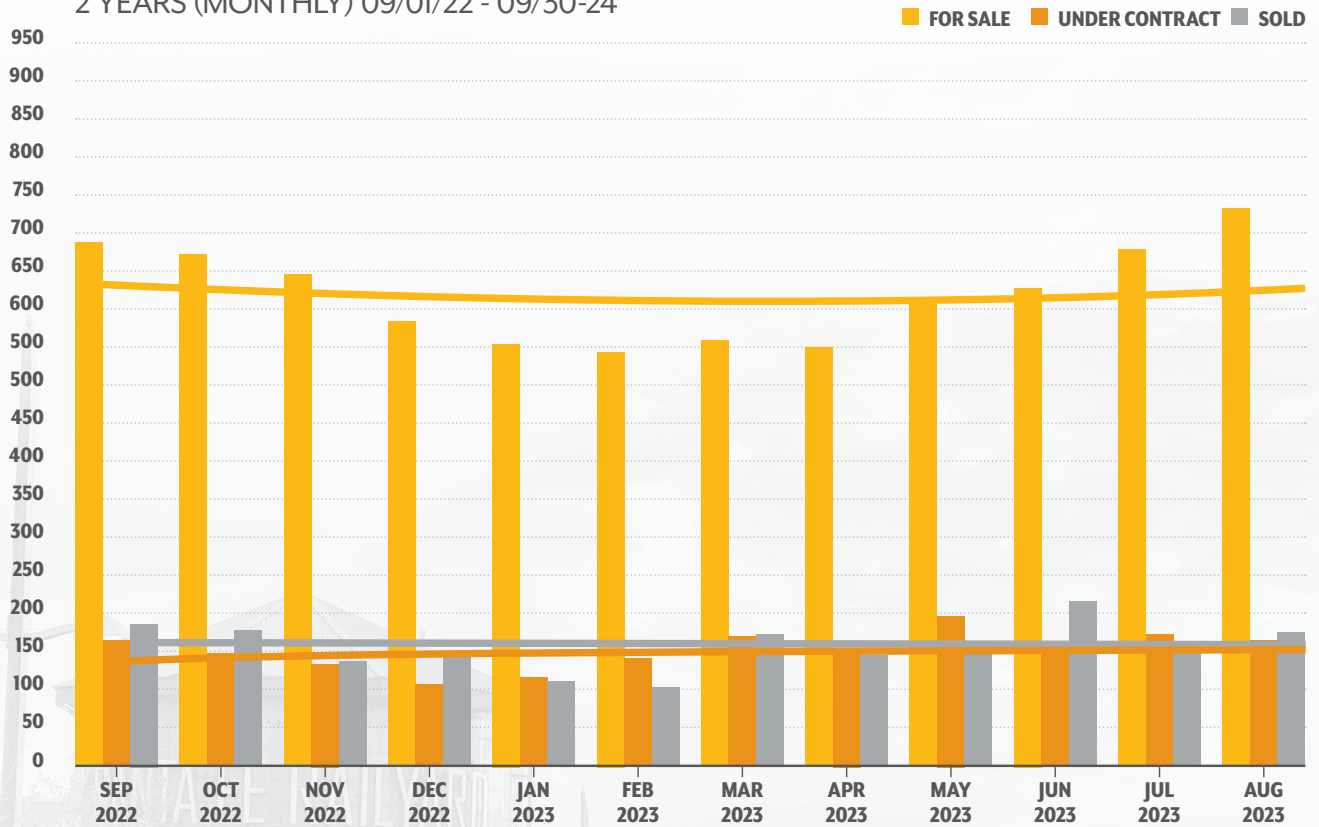
market digest

Santa Fe County Residential Market Report Third Quarter 2024

the big picture

SUPPLY & DEMAND - # UNITS (FS / UC / SOLD)

2 YEARS (MONTHLY) 09/01/22 - 09/30-24



RETURNING TO HISTORIC NORMS

It's all about inventory. Over the past two years, there has been a significant lack of available housing, which led to sustained price growth and created challenges for buyers. However, since May 2024, we have seen a healthy increase in inventory levels, bringing them back toward historic norms. So, what does this mean for buyers and sellers?

For buyers, this increase is a much-needed relief. With more homes on the market, buyers have more choices and increased bargaining power, especially when negotiating for concessions. We've also noticed a rise in contract terminations—reflecting the difference between properties under contract and those that ultimately sold in the last quarter—as buyers and sellers reassess their options in a more balanced market.

+40.6%

FOR SALE

+13.6%

UNDER CONTRACT

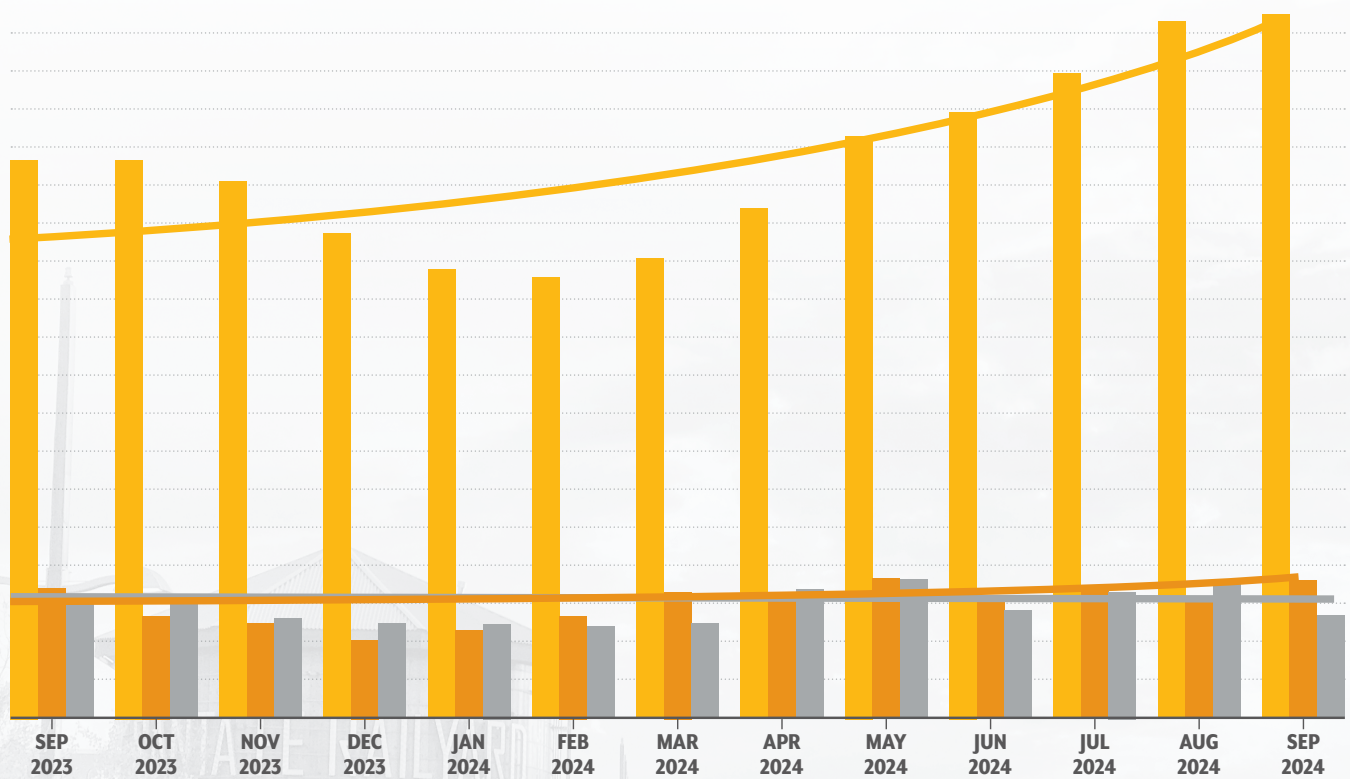
-3.2%

SOLD

SUPPLY & DEMAND - # UNITS (FS / UC / SOLD)

2 YEARS (MONTHLY) 09/01/22 - 09/30/24

■ FOR SALE ■ UNDER CONTRACT ■ SOLD



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For sellers, there is still reason to feel confident. Despite the increase in inventory, home prices have remained stable. However, it's now more important than ever for sellers to make their properties stand out. Addressing any issues before listing and ensuring the home is in "move-in ready" condition can be a key advantage, as buyers are showing a strong preference for turnkey properties. Conducting a pre-inspection to identify and fix any potential problems, as well as pricing the property appropriately, can help avoid headaches and difficult negotiations later on.

the big picture

OF INTEREST

This quarter, interest rates made headlines across the country as the Federal Reserve announced its first rate cut in five years. Although rates are not as low as they were during the height of the pandemic—when they dipped below 3%—they have still enticed some buyers off the sidelines and back into the market.

6.5%

Current 30 Year Mortgage Rate

– Bankrate.com

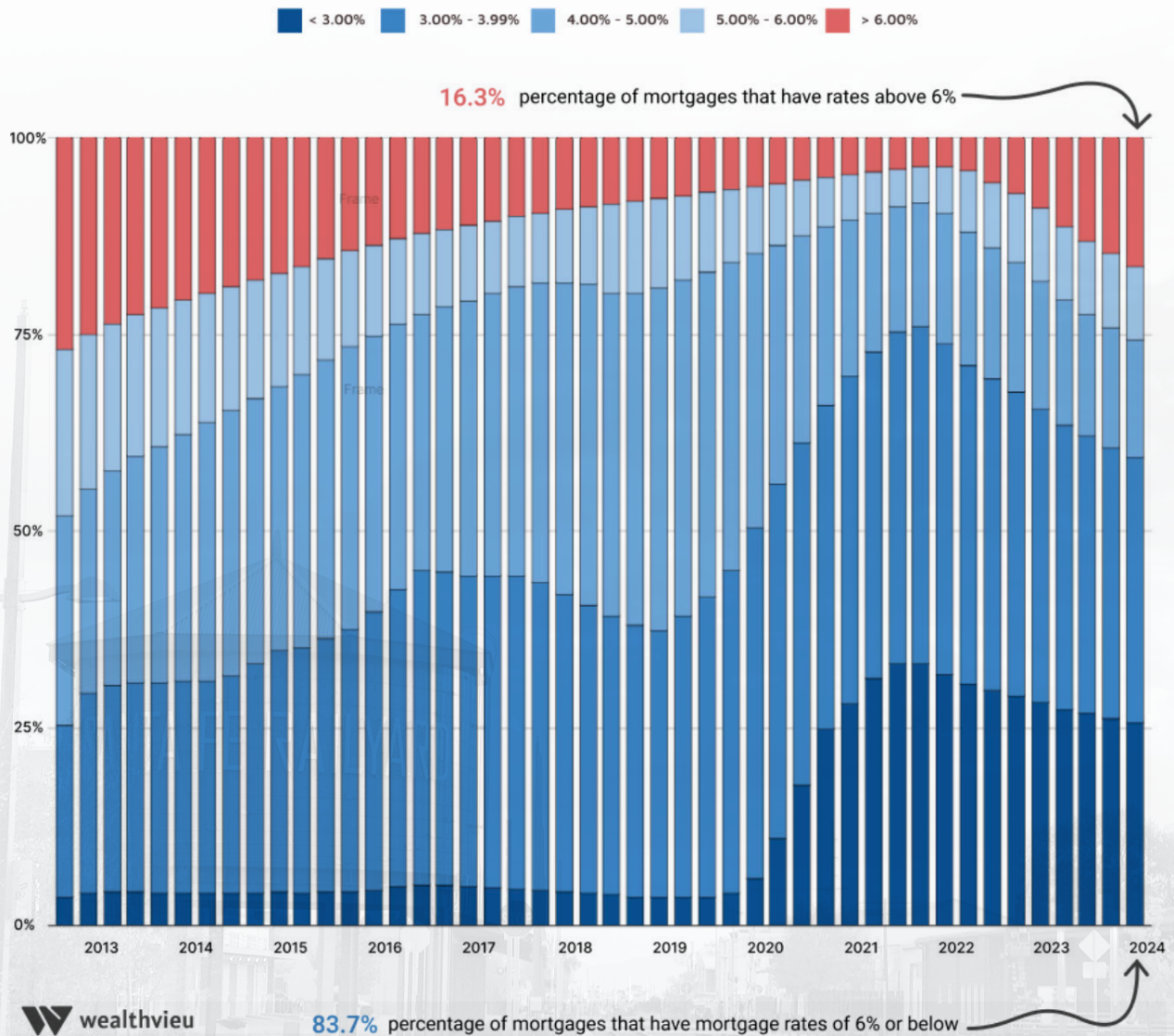
Still, people need to move, and we've seen a substantial increase in mortgage rates, now above 6% over the last year. Assuming the Federal Reserve continues its methodical battle against inflation and drops interest rates further, we expect to see more buyers entering the market, along with sellers feeling more freedom to list their homes despite the allure of holding onto their current low-interest rates.

ELECTION EFFECTS?

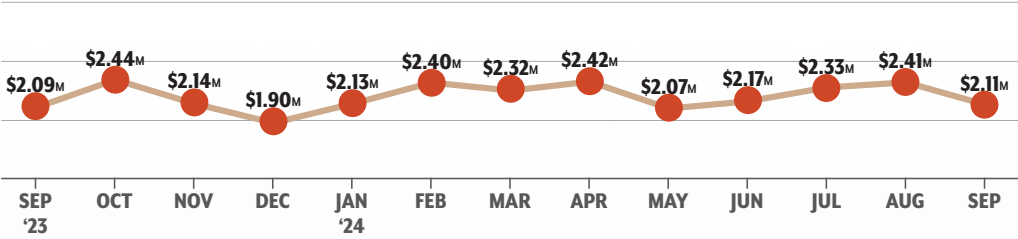
Reviewing S&P CoreLogic Case-Shiller data since 1988, there's no clear indication that presidential elections significantly affect home prices. On average, home prices increased by 4.5% in the fall of non-election years, compared to a nearly identical 4.4% during election years.

OUTSTANDING MORTGAGES BY INTEREST RATE

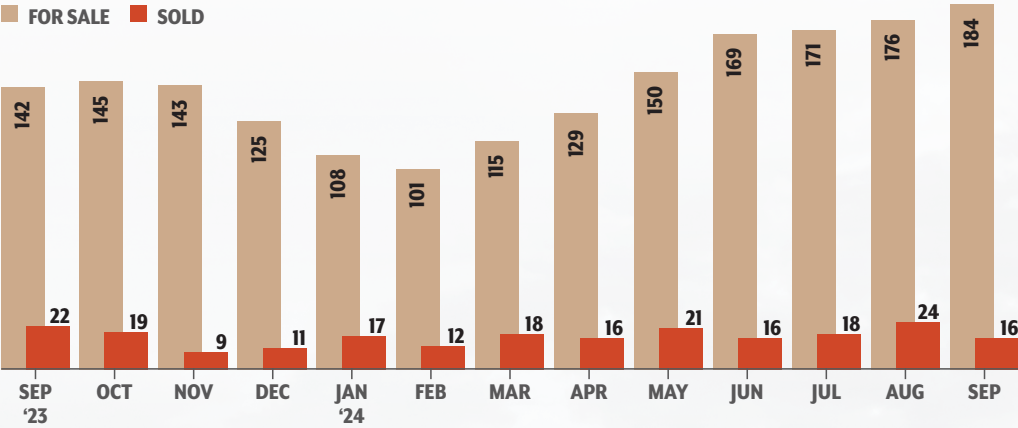
The average mortgage rate across all outstanding loans is 4.10% - compared to the current 30-year fixed mortgage rate of 6.08%



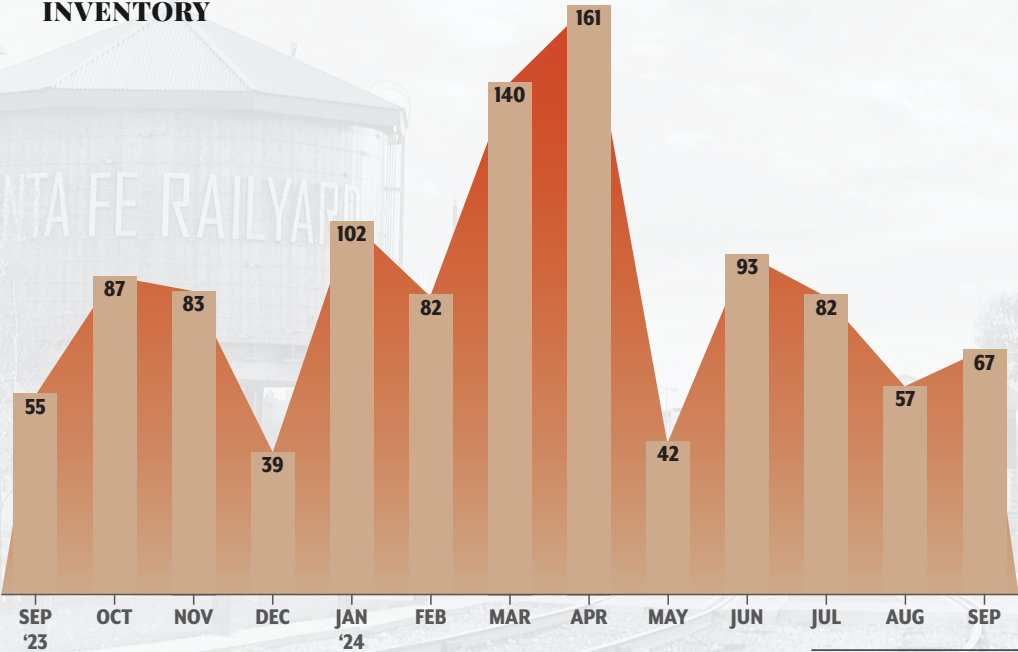
luxury



AVG SALE PRICE



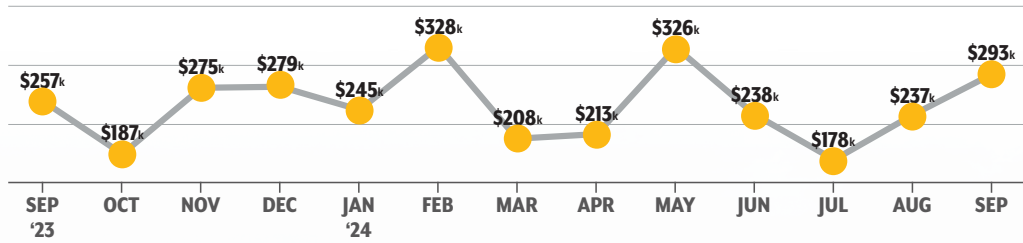
INVENTORY



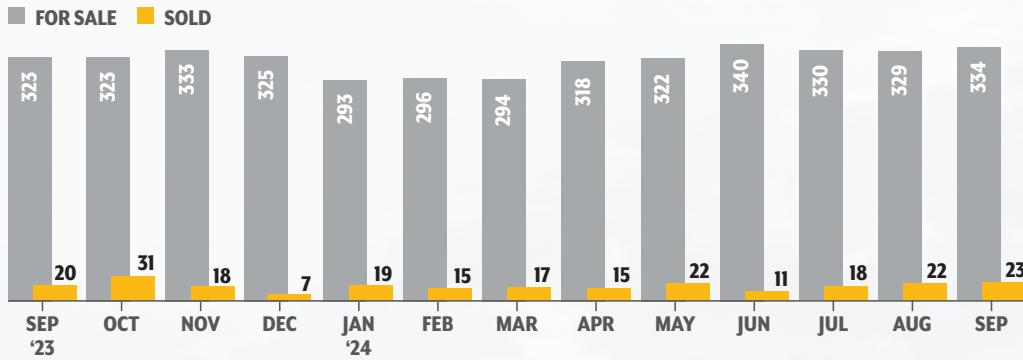
DAYS ON MARKET

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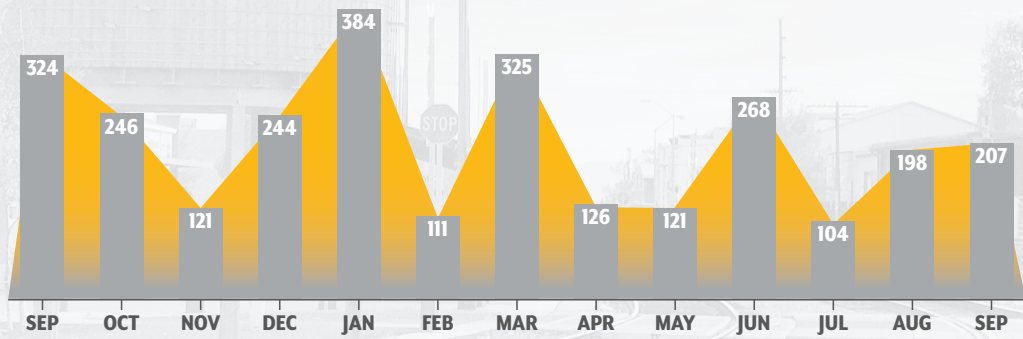
land



AVG SALE PRICE

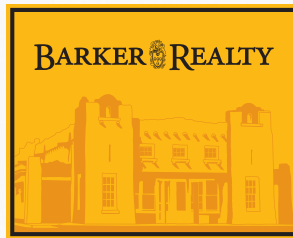


INVENTORY



DAYS ON MARKET

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the upshot

The real estate market is expected to strengthen in the final quarter of 2024, driven by improved conditions for both buyers and sellers. With interest rates stabilizing at more favorable levels, many buyers are finding it easier to secure financing, making homeownership more attainable. Additionally, there has been an increase in the number of homes on the market, providing buyers with more options and reducing the intensity of bidding wars. This greater supply has also led to more neutral negotiations between buyers and sellers, shifting away from the extreme seller's market of previous years. As a result, buyers are gaining more leverage in discussions over price and terms, while sellers still benefit from healthy demand. Overall, these factors contribute to a balanced, robust housing market to close out 2024.