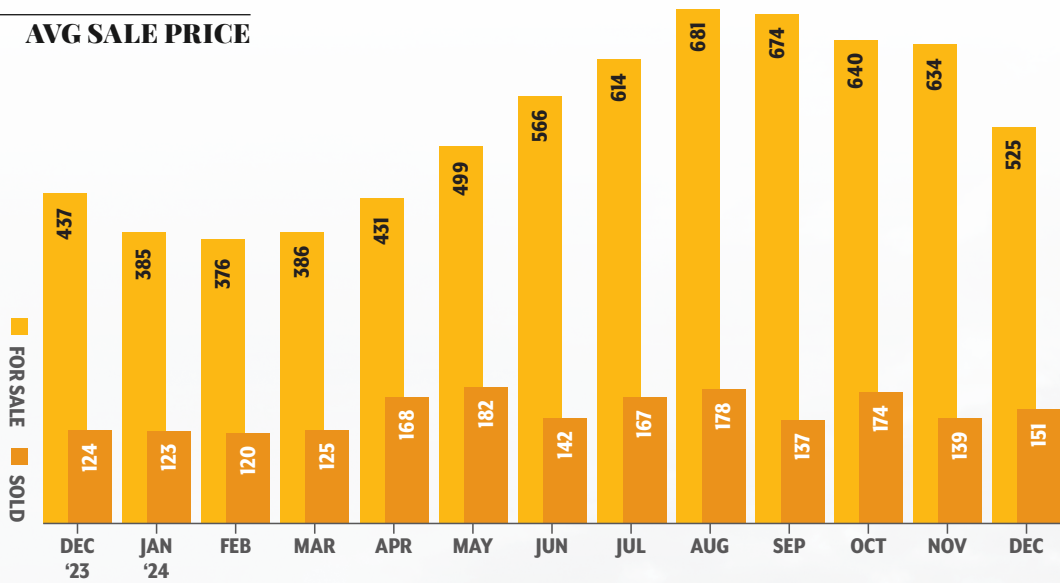
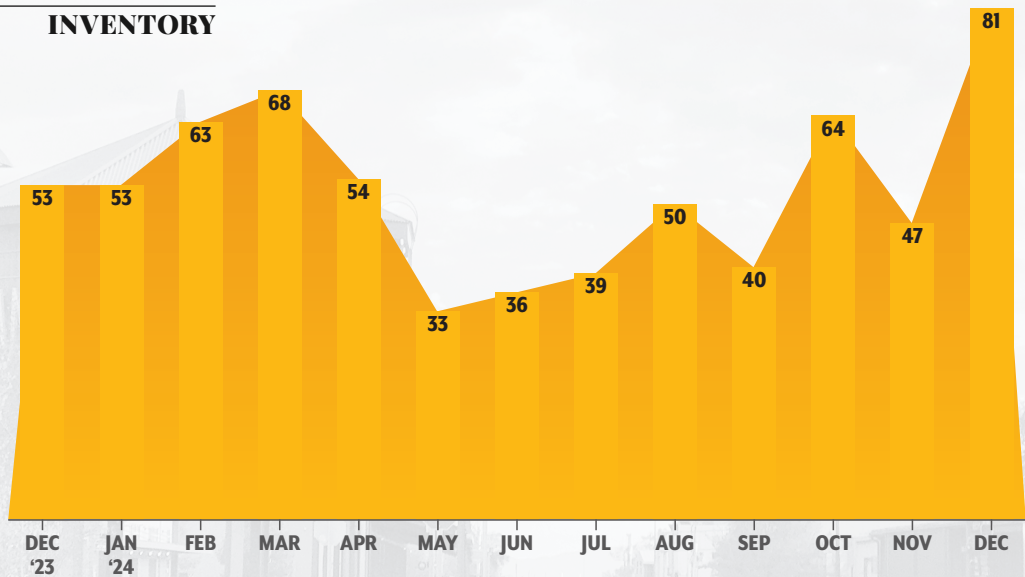


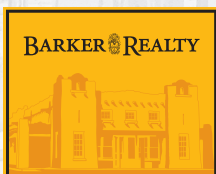
AVG SALE PRICE



INVENTORY



DAYS ON MARKET



market digest

Santa Fe County Residential Market Report Fourth Quarter 2024

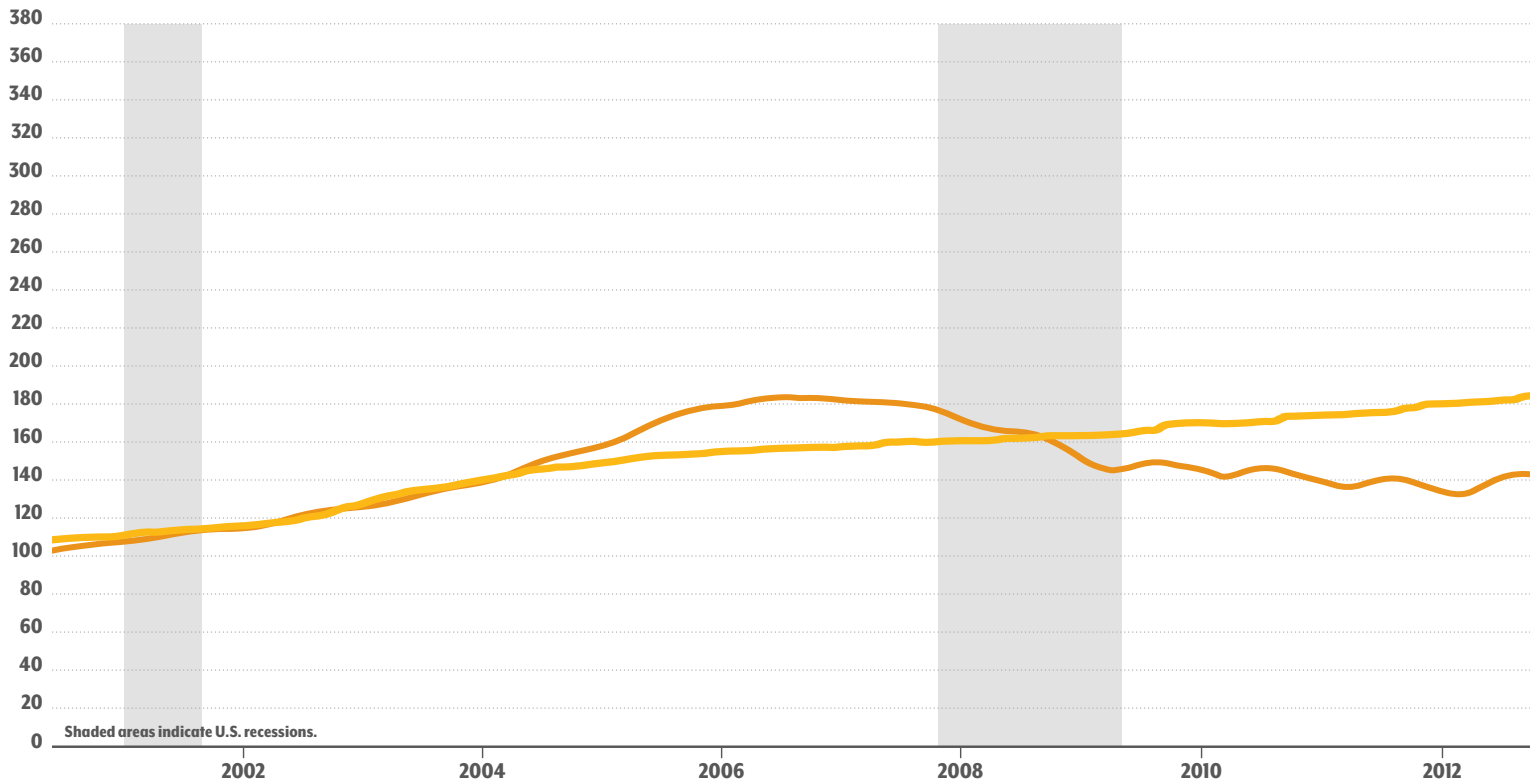
the big picture

U.S. NATIONAL HOME PRICE INDEX

(MONTHLY) 01/11/2000 - 10/01/2024

PREMIUMS FOR HOMEOWNER'S INSURANCE

(MONTHLY) 01/02/2000 - 12/01/2024



DEJA VU? INSURANCE RISE AND CONCERNS

The devastating fires that have ravaged Los Angeles in recent weeks are nothing short of shocking. Unfortunately, they serve as a stark reminder of the importance of wildfire preparedness for homeowners here in Santa Fe. Whether it's trimming back vegetation, installing fire mitigation systems, widening driveways, or using fire-resistant materials, there is much that homeowners can do to protect themselves and their families.

The ripple effects of these wildfires, however, are twofold: increased in-migration and rising or canceled insurance premiums. We anticipate that some individuals, particularly those familiar with New Mexico through the film industry, will look to Santa Fe as an alternative in the coming year. At the same time, as seen after the two major hurricanes that devastated parts of the Appalachian region and Florida, insurance providers are scrambling to minimize losses and maintain sustainability during these catastrophic events.

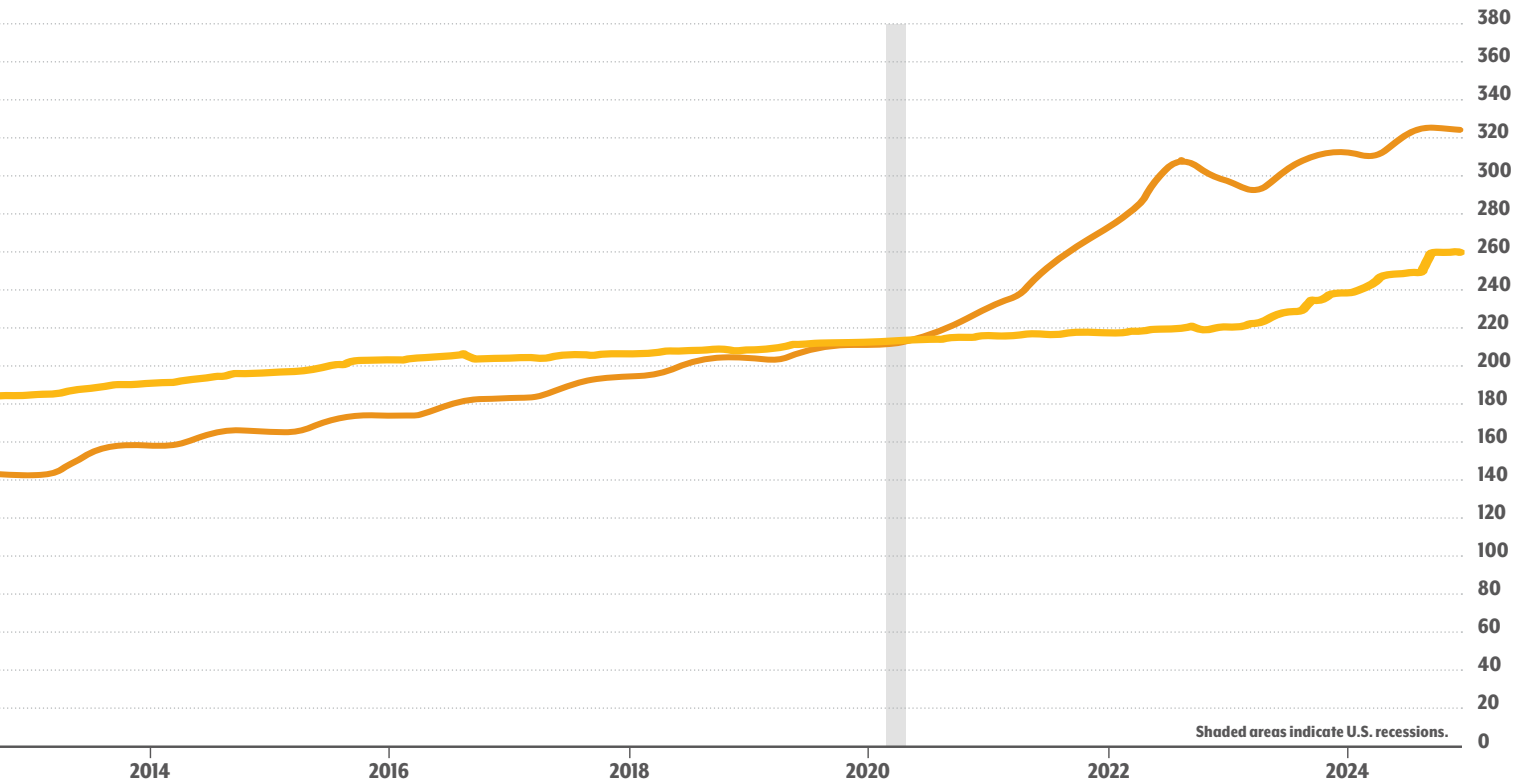
In Santa Fe, we anticipate that insurance companies will take a closer look at wildfire risks, which could present challenges for current and prospective homeowners, particularly in the foothill areas. Some non-renewals and cancellations are likely, but it remains to be seen how these changes will be managed. Homeowners with mortgages may need to explore flexible solutions to ensure they can maintain their coverage and comply with lender requirements.

U.S. NATIONAL HOME PRICE INDEX

(MONTHLY) 01/11/2000 - 10/01/2024

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A MUCH HEALTHIER MARKET

Despite what may seem like mounting challenges in the residential real estate market, the on-the-ground outlook is more optimistic. Buyers and sellers are negotiating more consistently, helping to stabilize pricing. Additionally, several significant residential developments are taking shape across the city, offering much-needed alternatives and more affordable living spaces—an ongoing demand for the past five years.

The city is also adopting a more proactive stance by reviewing and updating its various codes, permitting processes, and zoning regulations. While challenges remain, these efforts point toward a healthier and more balanced residential market for Santa Fe in 2025.

the big picture

7%

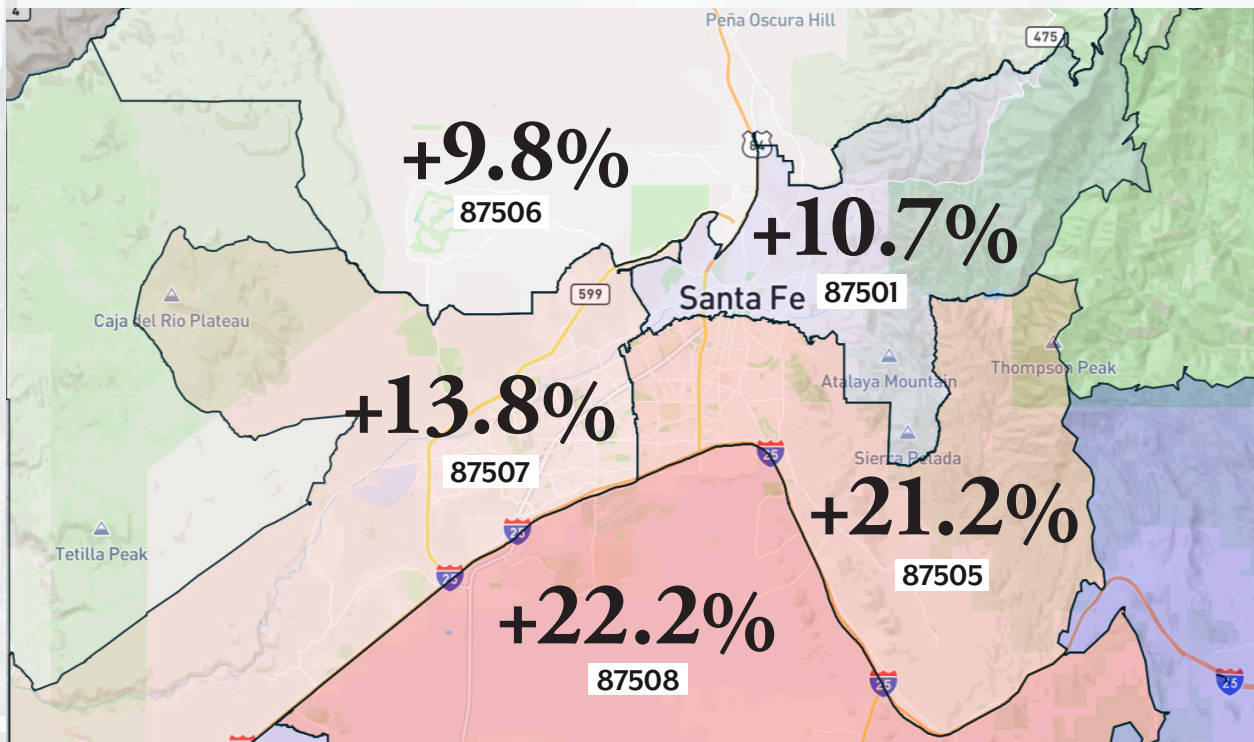
INTEREST RATES

INTEREST RATES INCREASE AGAIN

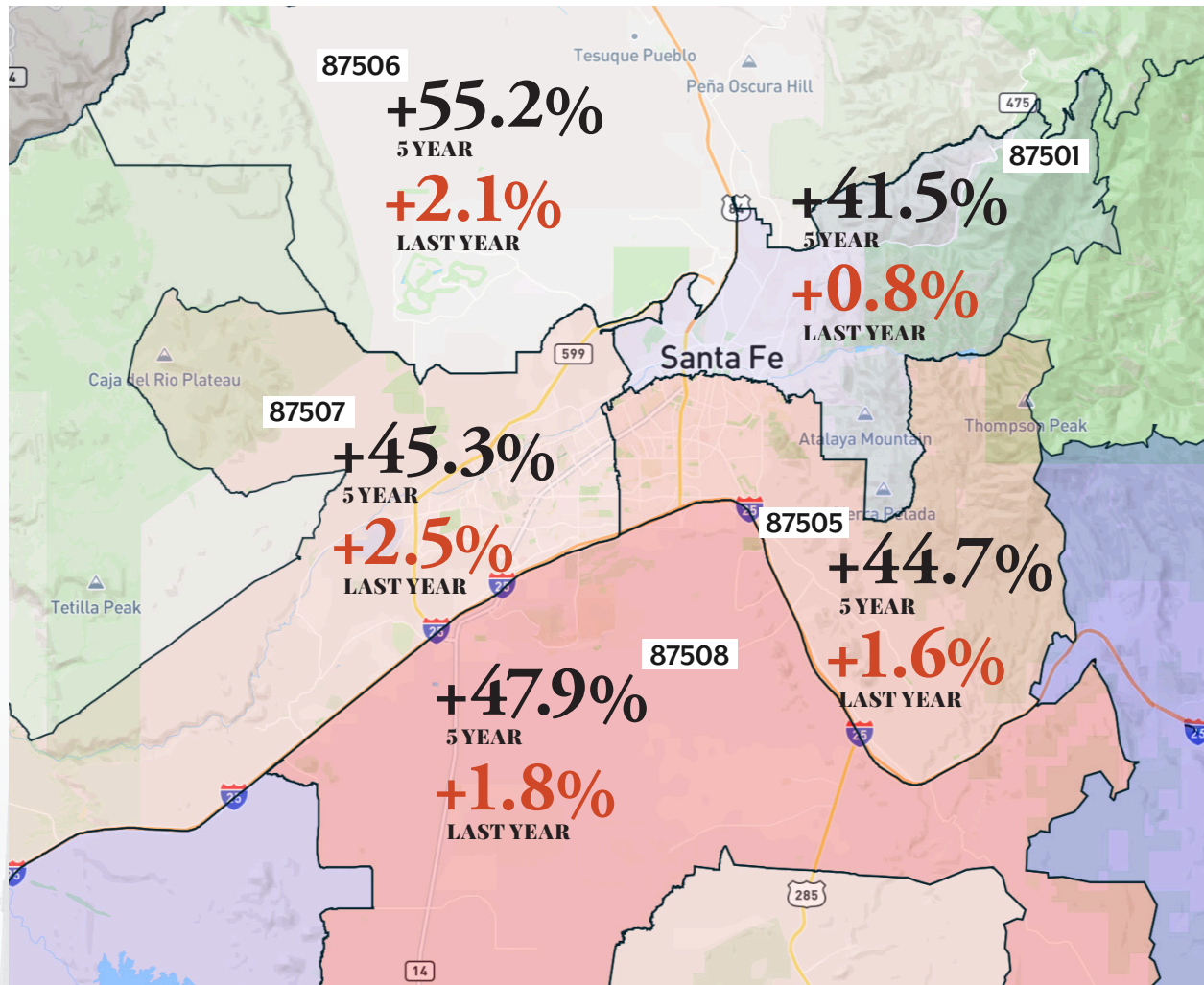
Despite headlines and announcements from the Federal Reserve easing interest rates over the past year, we're entering 2025 with rates at or above 7% once again. As banks and the bond market adjust for the year ahead, buyers are likely to face heightened financing challenges when entering the market.

In response, more buyers are exploring cost-saving alternatives, and builders are stepping up to meet this demand. By offering institutional financing options that can offer lower interest rates, many buyers are turning to new construction as a way to reduce monthly expenses and avoid the high costs associated with extensive remodels.

PRICE REDUCTIONS ON FOR SALE PROPERTIES



5 YEAR APPRECIATION VS LAST YEAR APPRECIATION



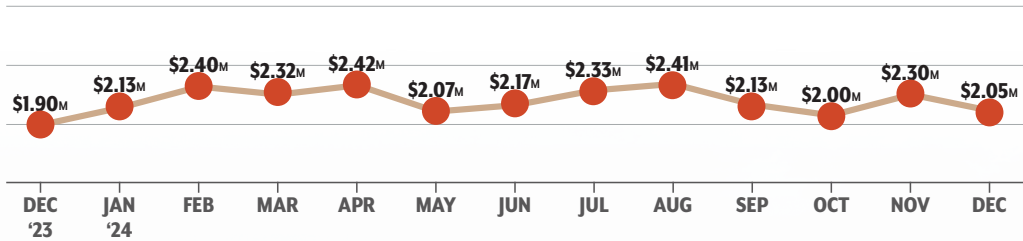
5 Year Appreciation
Last Year Appreciation

PRICES STABILIZE, FINALLY

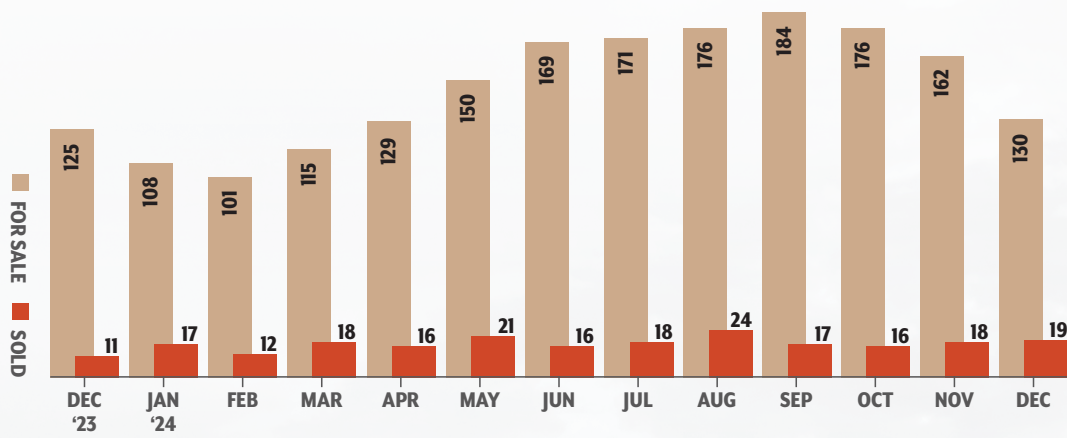
The rapid residential appreciation of the past five years has undoubtedly been a major concern for many, affecting the cost of living and reshaping towns and cities across New Mexico. Here in Santa Fe, 2024 marked a significant turning point: home appreciation returned to historic norms for the first time since 2020. For homes sold in 2024, the average increase in value for the county was 1.8%—a stark contrast to the staggering 44.2% growth over the previous five years.

For buyers, this shift offers a welcome reprieve. The current increase in affordability, coupled with challenges like higher interest rates, rising insurance premiums, and the growing cost of home improvements, has stretched many to the limits of their purchasing power. An analysis of price cuts across various zip codes in 2024 reveals that the once-aspirational pricing norms are beginning to adjust to more realistic levels. Compared to other markets that have seen more dramatic shifts, our winter sales were stronger than average, and the luxury market continues to grow.

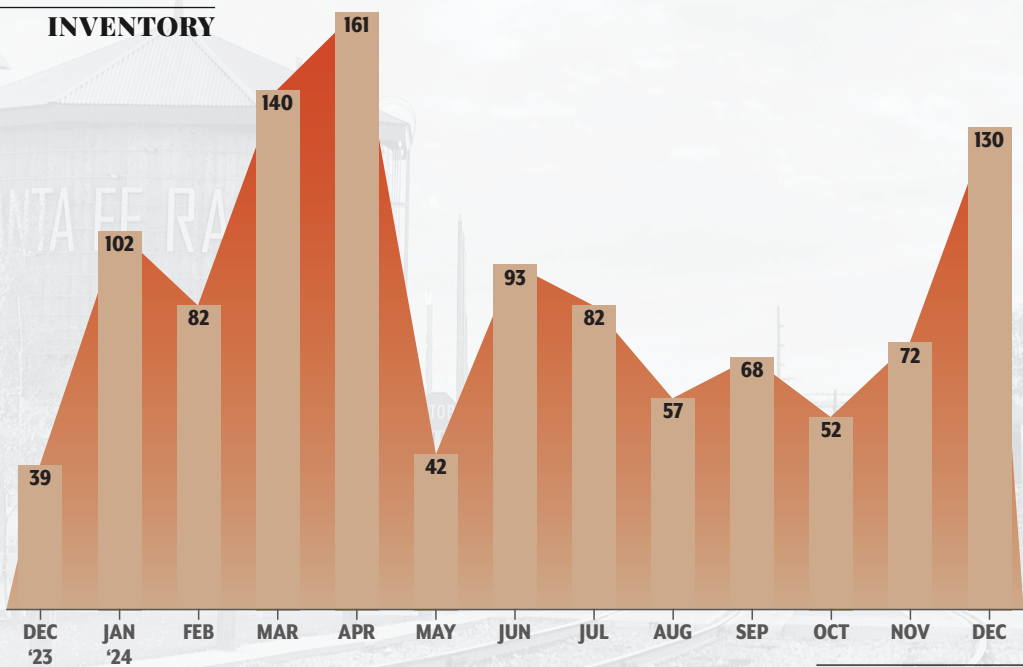
luxury



AVG SALE PRICE



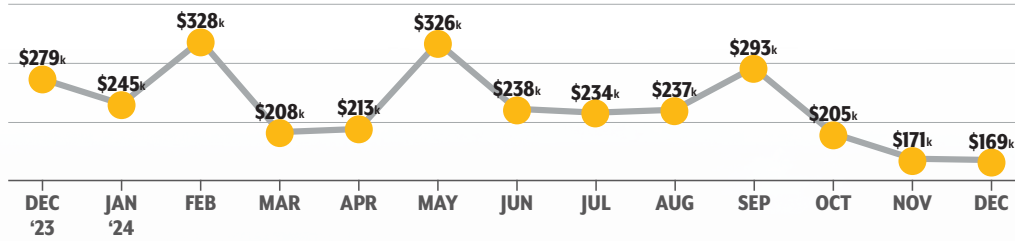
INVENTORY



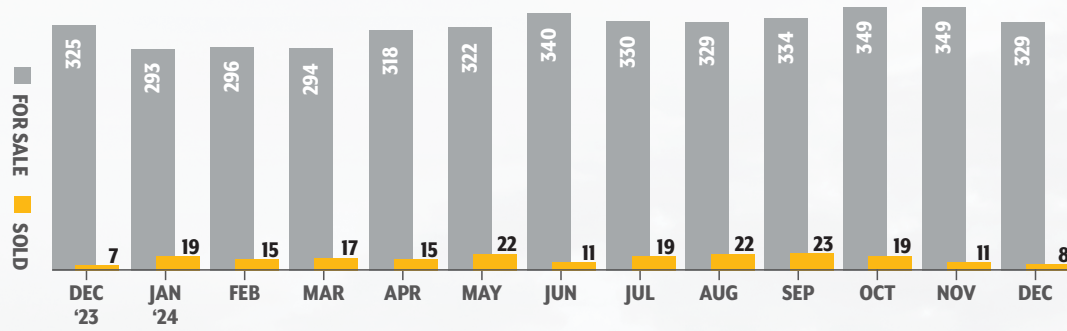
DAYS ON MARKET

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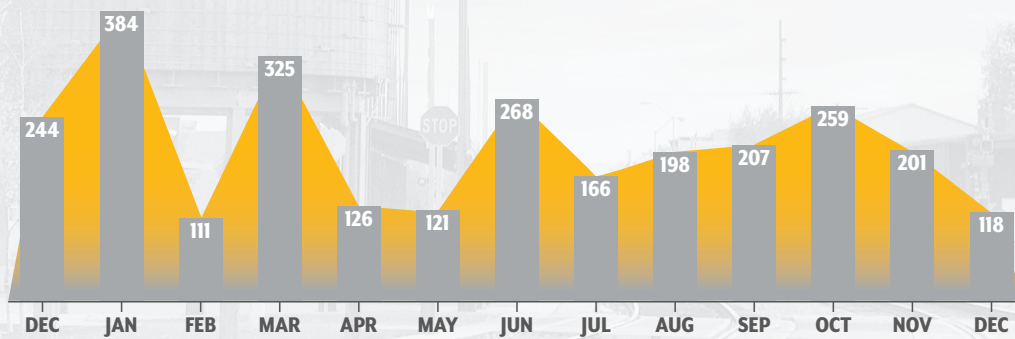
land



AVG SALE PRICE

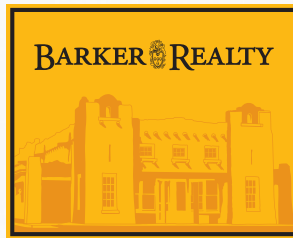


INVENTORY



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the upshot

With every challenge comes opportunity. The new year brings a range of challenges for the real estate industry, but as we adapt to new ways of working, navigate related industry hurdles, and respond to the realities of mother nature, we remain confident in the resilience of Santa Fe's community. We always rise to meet the moment.

For buyers and sellers, the increase in inventory has stabilized pricing, fostering a healthier dynamic between the two sides. As the city invests in reducing bureaucratic obstacles and addressing housing shortages, builders and developers are stepping up to meet the growing demand. While scarcity has historically driven prices upward, we recognize that thoughtful growth is essential to ensure Santa Fe remains an attainable place to live for all.

On our part, we are deepening our investment in education and resources. This year, we are committed to keeping you informed as these changes unfold, serving as a reliable resource you can count on. Cheers, to 2025!