


2023 YEAR END

REPORT



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2023 YEAR IN REVIEW

LOOKING BACK ON THE YEAR IN REAL ESTATE

Recent years have brought a series of shocks to real estate, both locally and nationally: a pandemic, a war in Europe, and a spike in inflation. While 2023 might have avoided the same level of disruption, some twists and turns kept real estate watchers on their toes. Here are some developments that influenced the Northern Colorado market last year:

'LOCKING' EFFECT OF INTEREST RATES

With rates for 30-year fixed mortgages nearing 8 percent, buyers and sellers adopted wait-and-see attitudes. Buyers hoped for lower rates and lower monthly payments. Sellers were reticent to exchange low rates on existing loans for higher rates on new loans. Caution on both sides meant slower sales. But as 2023 proceeded, rates retreated (back to 6.61 percent by the end of the year), unlocking a feeling of optimism for both buyers and sellers.

HOME PRICES HELD STEADY

After a long run of robust appreciation, home price growth stayed relatively flat last year. That stability came as no surprise, given how interest rate lock (see above) helped to limit the supply of homes for sale and cool demand by keeping some buyers on the sidelines. Homes spent more days on the market, which helped keep prices in check.

INCENTIVES GAVE BUYERS A BOOST

Sellers have held sway across the region for several years. But tables started to turn in favor of buyers. Home builders offered buyer incentives, such as mortgage rate buydowns, to unload extra inventory. Builders also began making forward commitments – setting aside a pool of funds upfront – to provide below-market interest rates to stimulate demand. And sellers of existing homes also started including incentives to attract buyers.

EAST IS WHERE THE ACTION WAS

Developers continued to look east of Fort Collins and Loveland for the next wave of housing and commercial construction. In most cases, that means construction along I-25 or east of I-25. Expansion of the highway, with the new I-25 express lane between Mead and Fort Collins, is expected to ease congestion and keep I-25 as a functional “Main Street” for the region.

OUR STRATEGIC VISION FOR GROWTH CONTINUES TO UNFOLD IN 2024

Since our founding in 1976, the Northern Colorado-based partners of The Group have been committed to setting the standard for professionalism, convenience, and service.

The Group has made a series of strategic moves to meet our commitments. In 2021, we opened a new office in Timnath to service the communities that continue to grow east of I-25. Then, in 2022, we acquired Colorado Group Realty, the largest brokerage in Steamboat Springs based on transaction volume. And now, in 2024, we are preparing for a new phase of strategic growth.

We developed a mobile agent model that reduced the need for office space, allowing us to consolidate our Fort Collins office space by closing our Horsetooth Road office in Midtown early this year. We will reinvest to expand our presence in Weld County and other growing communities to the east and south of our traditional service area. You can be certain we have not waived our commitment to those customers and communities where we have our roots, with two offices in Fort Collins, two in Loveland, one in Timnath, and one in Steamboat Springs. In fact, our strategic vision for growth is reflected in our increasing market share, which is up 5.4 percent in Windsor, 5.5 percent in Fort Collins, and 8.8 percent in Timnath.

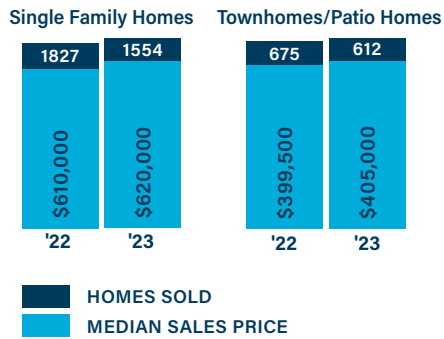
We aim to offer simple solutions to ease the complexity of purchasing or selling a home, and provide our customers with expert guidance from local experts they know and trust.

The Group is also committed to providing the best in one-stop service for real estate customers, with a family of affiliated businesses that provide mortgage lending, title insurance and closing services, property management, and now property and casualty insurance.

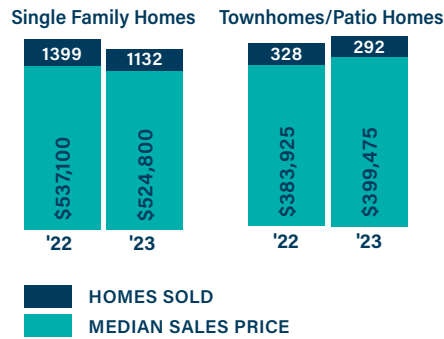


STATISTICS

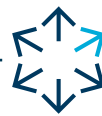
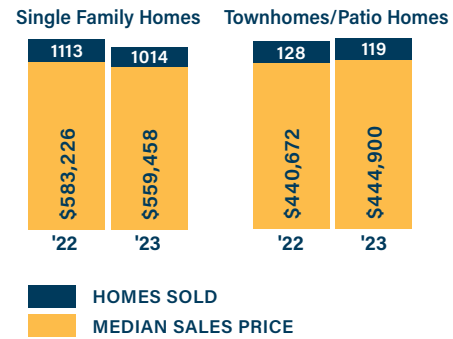
Fort Collins



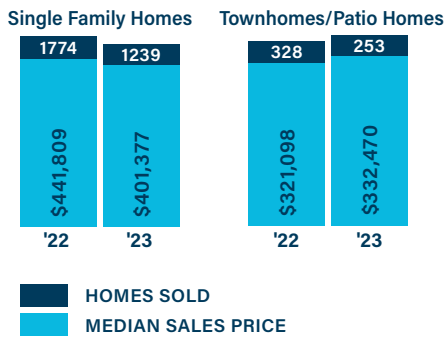
Loveland



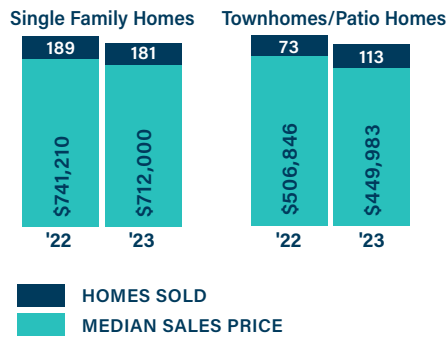
Windsor/Severance



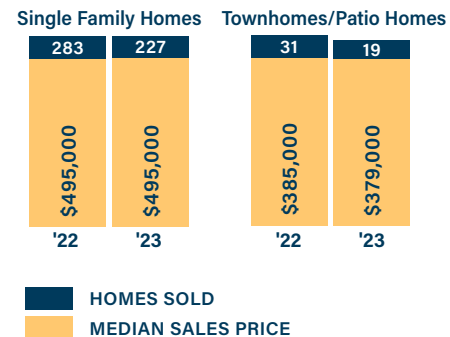
Greeley/Evans



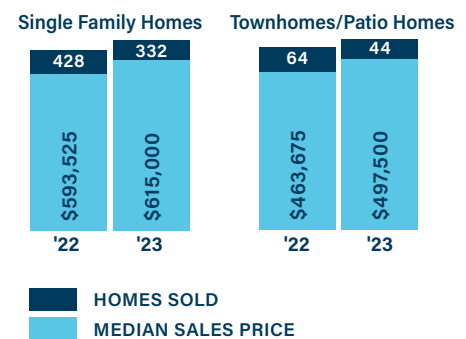
Timnath



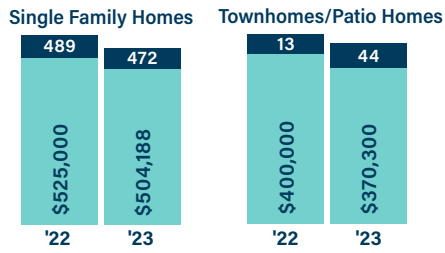
Wellington



Berthoud

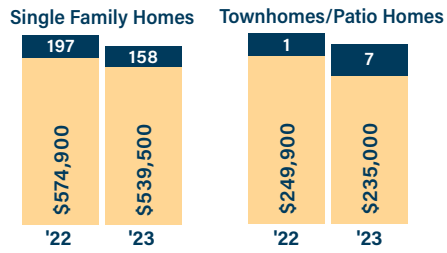


Johnstown



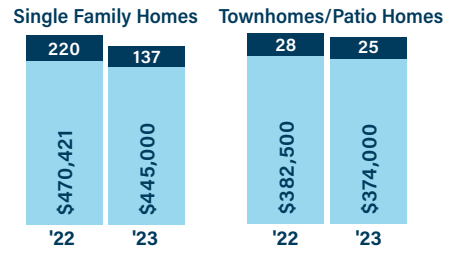
■ HOMES SOLD
■ MEDIAN SALES PRICE

Mead



■ HOMES SOLD
■ MEDIAN SALES PRICE

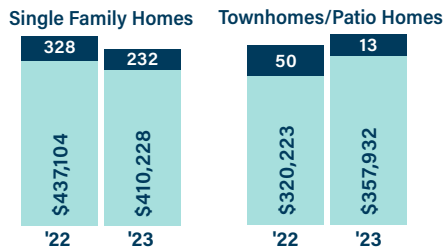
Milliken



■ HOMES SOLD
■ MEDIAN SALES PRICE

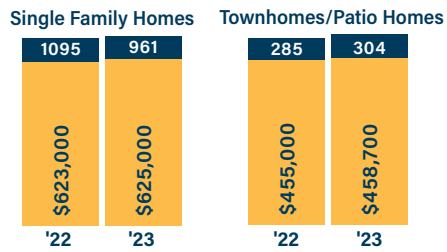


Ault/Eaton/Kersey/La Salle



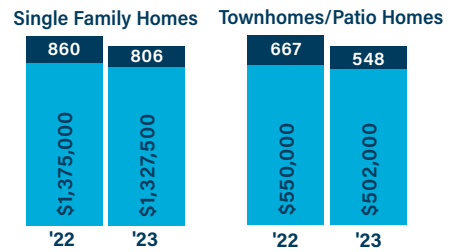
■ HOMES SOLD
■ MEDIAN SALES PRICE

Longmont



■ HOMES SOLD
■ MEDIAN SALES PRICE

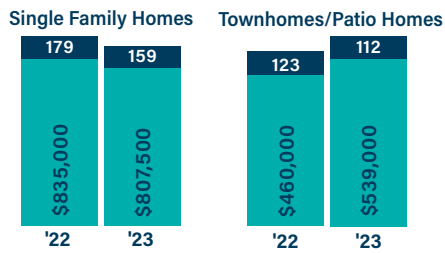
Boulder



■ HOMES SOLD
■ MEDIAN SALES PRICE



Estes Park



■ HOMES SOLD
■ MEDIAN SALES PRICE



AFFILIATED BUSINESSES

The Group is a full-service real estate brokerage. But our superior service to customers doesn't stop there. We established partnerships with top professionals in their respective industries to offer mortgages (2005), title and closing services (2006), insurance (2023), and property management (2017) – we have everything you need under one roof! Learn more about our strong network of affiliated business partners and their services.



GROUPMortgage, LLC

Group Mortgage, LLC is a full-service mortgage banker founded on the principle of lending with excellence, integrity, and distinction. Group Mortgage, LLC is a joint venture between The Group Real Estate and Cornerstone Home Lending, Inc. The Northern Colorado-based expert local lenders are excited to help you finance your dream home.



Guaranteed Title Group, LLC provides title insurance and closing services, ensuring a clear title for your home. They work closely with our Realtors and escrow staff to ensure that documents and figures are correct and delivered well before your closing. Having everything all in The Group family prevents surprises and makes the closing of your transaction the happy experience it should be.



In 2023, The Group Inc. took a step to simplify access to insurance services in Colorado. With an insurance office in the family, Group clients now get convenient access to an essential step in the home-buying process. Collective Insurance Group is a company that can shop all the A-rated carriers, and can structure insurance coverage in a cost-effective way to save Group customers money.



The Source Property Management employs an experienced team to manage over 325 properties in Northern Colorado. The Source is committed to providing a superior level of service and convenience to both property owners and tenants.

Please scan the QR code below for additional details.



EYES FORWARD: HINTS OF MORE HOUSING DEMAND IN 2024

With both interest rates and inflation easing in the closing months of 2023, there are reasons to believe 2024 could see an uptick in home sales. Here's a closer look at the factors that will help shape the year ahead:

ECONOMIC CONDITIONS TO CONSIDER

Interest rates do not define the economy, but they influence major financial decisions. We don't expect home buyers and sellers to shed all caution immediately; however, a decline in rates is a positive indicator following a rocky period of high rates and high inflation. Lawrence Yun, chief economist for the National Association of Realtors, expects the rate on 30-year fixed mortgages to pull back to around 6 percent. Consequently, expect more buyers to jump into the market. For Northern Colorado, lower rates should bring an uptick in home sales in the range of 5 percent-8 percent. If interest rates decline quickly, we may see a return to multiple offers from buyers and rising home prices by the third quarter. Still, housing demand could swing up or down depending on the direction of inflation. As of the end of the year, inflation is moderating, bringing hopes that the so-called "soft landing" becomes a reality.

HOUSING TRENDS: FAMILY TIES AND EMPLOYER SUPPORT

For many first-time homebuyers, personal buying power depends on family support. In 2023, for instance, 38 percent of first-time buyers received financial help from family members to pull together a downpayment. We see this trend continuing, as new buyers try to make housing affordable, and families see the importance of helping younger generations start building wealth. Another emerging trend: employers helping workers secure housing. Businesses are looking at options such as rental subsidies or even building workforce housing to help employees make ends meet.

REGIONAL GROWTH TO KEEP COOKING

Inflation and interest rates have not halted the Northern Colorado economy. Look for continued job growth and development activity – both housing and commercial building – particularly in the northern and eastern sections of the region. Notably, the Colorado State Demographer picks Larimer and Weld counties among the most attractive spots for people moving into Colorado between now and 2030.

WHY THE GROUP?

For the vast majority of Americans, buying or selling a house is the most consequential investment decision they'll ever make. It stands to reason that the right real estate professional makes a monumental impact on someone's financial future.

Do you place that responsibility with a part-time agent who may only close a handful of sales in a year? Or pick a full-time Realtor who handles more nearly 16 deals every year, and who is constantly on the lookout for obstacles and opportunities in the local real estate market?

A recent survey by the Consumer Federation of America shows that 70 percent of real estate agents sell five homes or fewer per year, and 49 percent sell one or less. Brokers at The Group average 16.3 a year. Such experience is just one of many reasons to trust your future to The Group.

Beyond our agent productivity, The Group is consistently the leader in market share for Northern Colorado, also reporting the highest average sale price per transaction. And our company is rooted in the community – owned and operated locally for 48 years, contributing more than \$1 million to local nonprofits in that time through Group Gives, and raising another \$5.7 million for the United Way of Larimer County over the past two decades.

You see our signs. Odds are, you know our people – either a Group broker or someone in one of our affiliated partner businesses. You know our legacy of professionalism and our ties to the community. When you need a Realtor to help you navigate the local market, why would you choose anyone other than a Group expert?



TheGroup

thegroupinc.com