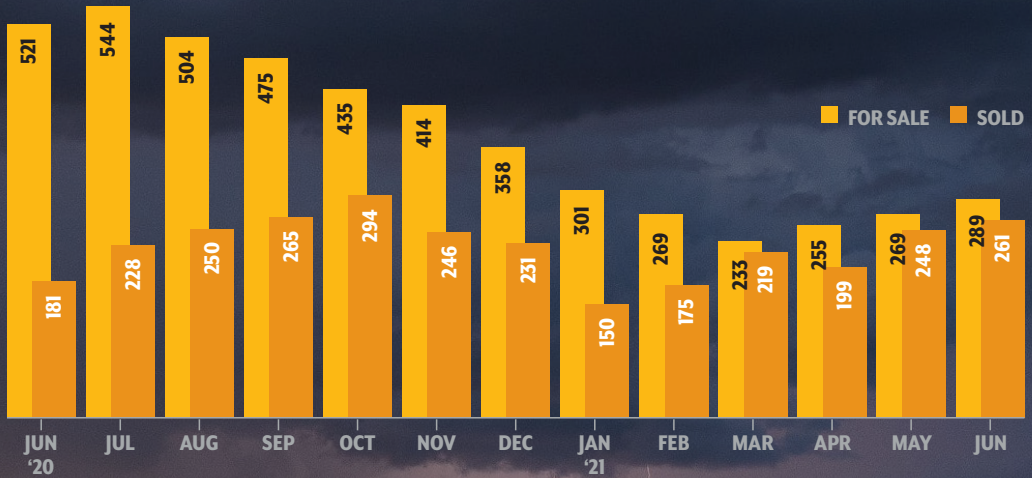


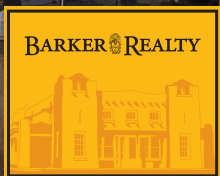
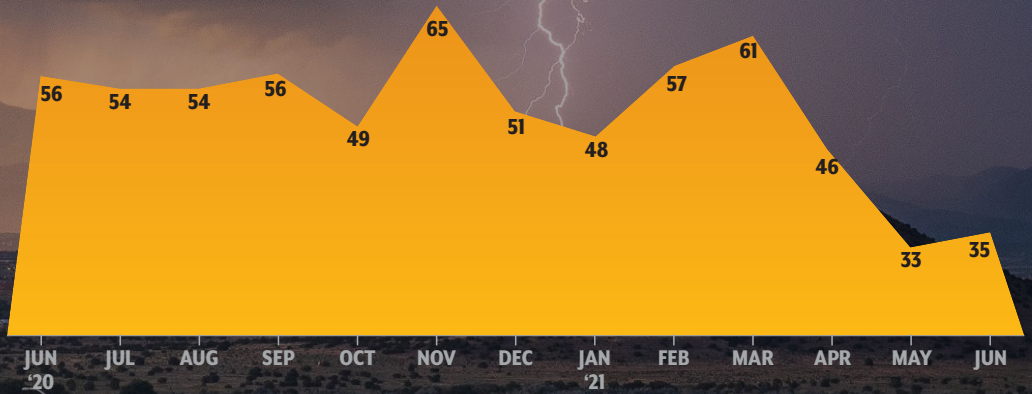
AVERAGE SALE PRICE



INVENTORY



DAYS ON MARKET



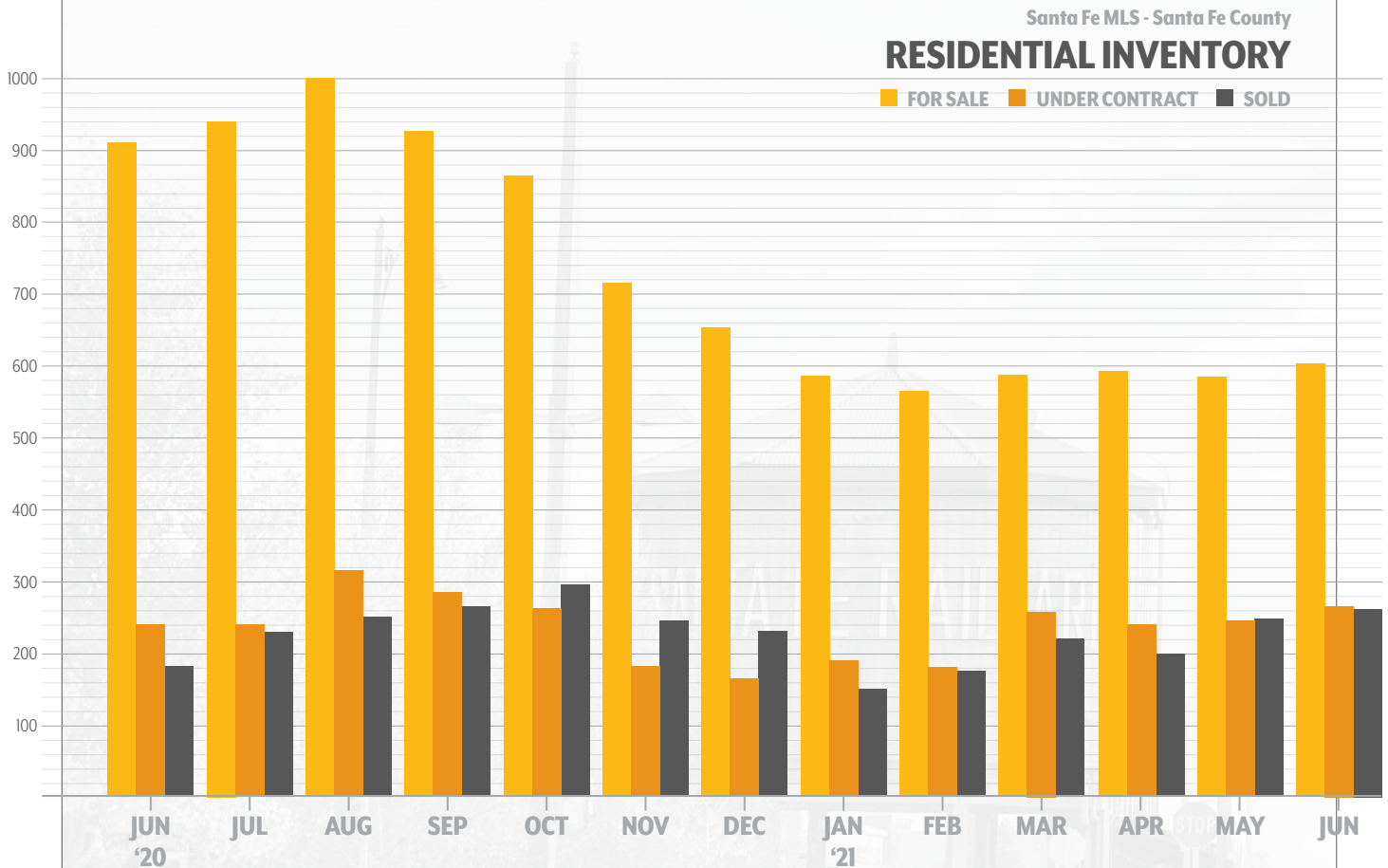
market digest

Santa Fe County Residential Market Report Second Quarter 2021

Based on Information from Santa Fe Association of Realtors MLS for the period (JUN 2020) through (JUN 2021). 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.

MARKET FORCES AT WORK

The past year saw explosive demand in our residential market, unlike anything we have seen before. Inventory continued to be absorbed at a record pace while sales continued to climb, naturally pushing prices upwards. The lack of new homes coming to market also started influencing other areas of the market that we take a look at here.



Seasonality no more: historically we saw a slow down in inventory and sales through late fall and the winter. In 2020/21 we experienced no appreciable slow down in demand, which squeezed our market even thinner heading into spring, where buyers were hoping for a fresh wave of listings to enter the market. While we're beginning to see some signs of normalization, the summer continues at a ravenous pace keeping pressure on wonton buyers and providing leverage to potential sellers.

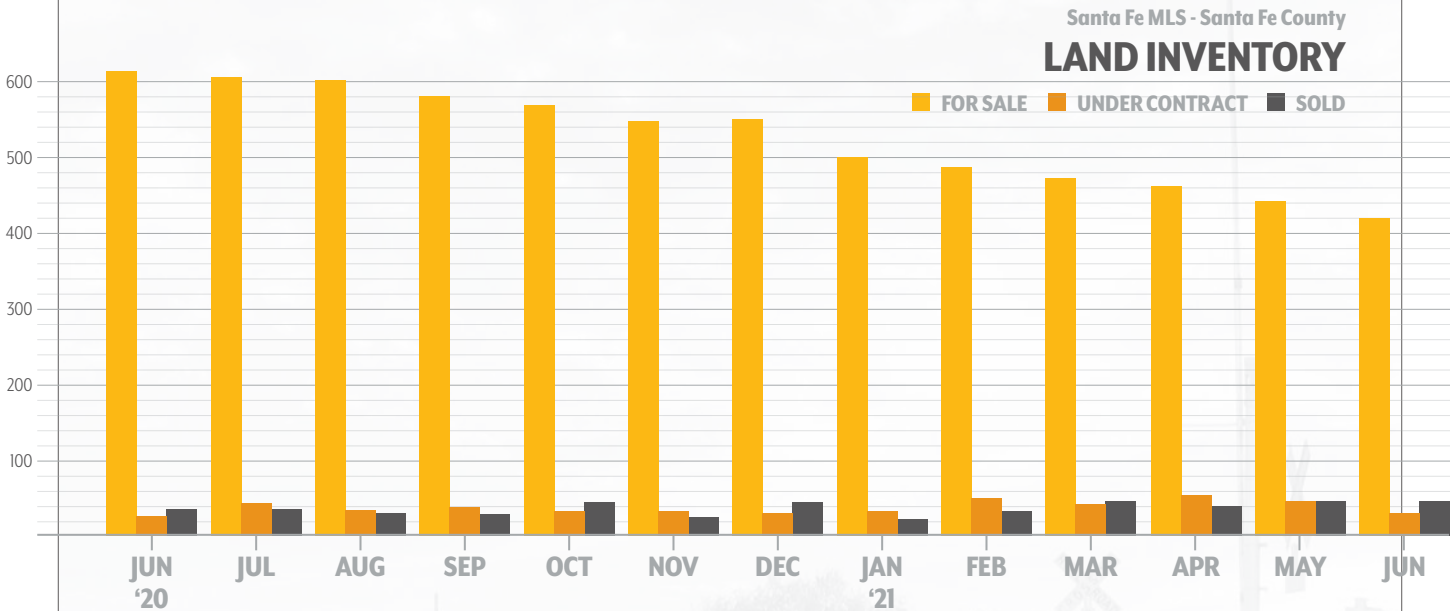
-48%
for sale

-9.6%
under contract

-3.3%
sold

the big picture

After a decade of relatively little activity, land sales have jumped. We are seeing a well-balanced market where for sale/sold/under contract numbers are in agreement, while prices have remained healthy. Land sales have only been tempered by the cost of construction driven by competition and bottlenecks on the supply-side of materials. Here we see lumber prices peaked during the catch-up phase and subsequently now settling again.



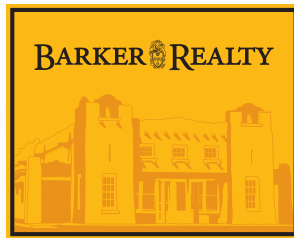
LUMBER COSTS (USD/1000 BOARD FEET)



-32%
for sale

+33%
under contract

+37%
sold



the upshot

Spend a summer evening in the Railyard or downtown and it's clear that Santa Fe has emerged as a top destination for both tourists as well as new residents. It should be no surprise, then, that our average and median prices are the highest we have ever experienced. There are signs, however, that we may be nearing the high-water mark as some properties are requiring price changes and days on market increase ever so slightly.

Buyers continue to be well qualified, staving off concerns of another housing bubble. The city and community partners have been working hard to address affordable housing needs and new homes continue to trickle into the market – hopefully providing opportunities for first-time buyers and relieving some of the pressure the unprecedented demand has created.

Will the residential real estate market slow down anytime soon? It seems unlikely.



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