

The Real Report Spring 2020

As we navigate through this crisis with open hearts filled with kindness, generosity and compassion, the main thing to embrace is that we are all in this together. The words of FDR never rang so true, "The only thing we have to fear is fear itself." Hopefully, this crisis will have positive effects on our nation and we will come together as we move forward, united in spirit. We hope that you, your family and friends are all safe and sound and that you have the support you need to get through this.

Current State of the Market

If your email is anything like ours, your inbox is full of messages from businesses and industries which have been impacted or closed for the duration of the COVID-19 outbreak. Here in New Mexico, real estate is considered an essential service and we are seeing activity in both sales and new listings.

Under normal circumstances we typically provide quarterly numbers for market updates and comparisons. Since this is such an unprecedented time, we wanted to share more real time stats in addition to our regular quarterly analysis.

Tracking activity from March 11th to April 4th, 100 new listings hit the market with 92 properties placed under contract in the same time frame. 61 of the under contracts were on the market less than 24 days. 85% of the under contracts were under \$800,000 and 64% were under \$500,000.

We took a poll from fellow Realtors who have recently placed listings under contract. The poll showed that the contracts came from 29 local buyers and 10 out-of-state buyers. Three of the out-of-state buyers purchased sight unseen! Last year, with inventory in such high demand, we had many of these types of purchases from out-of-state buyers. With the advances in technology, which allow for amazing walk-through videography, we see more of these types of sales on the horizon.

The chart below shows total current listings, current pending sales and the number of sales for March 2020, all organized by price range.

Price Range	Active Listings		Pending Sales		March 2020 Sales	
	#	Avg \$/sf/Med \$/sf	#	Avg \$/sf/Med \$/sf	#	Avg \$/sf/Med \$/sf
<\$300,000	20	(\$208/\$209)	28	(\$217/\$213)	22	(\$207/\$208)
\$300,001-\$500,000	58	(\$239/\$227)	52	(\$225/\$219)	52	(\$224/\$217)
\$500,001-\$750,000	67	(\$258/\$243)	36	(\$274/\$249)	35	(\$279/\$251)
750,001-\$1,000,000	52	(\$326/\$331)	12	(\$253/\$254)	11	(\$282/\$284)
\$1,000,001-\$1,500,000	51	(\$385/\$354)	17	(\$372/\$356)	9	(\$301/\$267)
\$1,500,001-\$2,000,000	27	(\$426/\$409)	2	(\$579/\$577)	3	(\$371/\$331)
\$2,000,001-	44	(\$569/\$568)	2	(\$605/\$608)	2	(\$573/\$544)

From this chart, we can see that projected sales going forward into April will likely keep pace with March numbers. Sales in the \$1 to \$1.5 million price range may far exceed March sales.

Inventory/Supply

In the last issue, we reported that Santa Fe was seeing high demand and a shortage of inventory and so far this has not changed. Currently there are 323 active single-family listings in Santa Fe City and County in the areas we analyze, so we are still struggling with a major inventory shortage. It is unclear whether sellers who were planning to list in the spring are holding off for the time being. Our guess is some are waiting and watching. In the meantime, here are current inventory levels compared to February levels.

Price Range	Inventory as of 02/07/20	Months of Supply as of 02/07/20	Inventory as of 4/6/20	Months of Supply as of 4/6/20	% change in inventory 2/20 to 4/20
<\$300k	19	3 weeks	19	3 weeks	-0%
\$300k - \$500k	56	1.05 months	67	1.26 months	19.64%
\$500k - \$750k	55	2.2 months	65	2.6 months	18.18%
\$750k - \$1 million	44	3.66 months	52	4.33 months	18.18%
\$1 million - \$1.5 million	60	5.45 months	50	4.55 months	-16.66%
\$1.5 million - \$2 million	30	10 months	29	9.66 months	-3.3 %
Over \$2 million	45	18 months	43	17.2 months	-4.44%

Inventory has increased ever so slightly in the \$300 to \$1 million range but clearly falls in the seller's market category. Remember anything under a 6 month supply indicates a seller's market and over 6 months is a buyer's market. Under normal circumstances, we would expect an increase in inventory at this time, as spring typically shows an increase in activity.

Sales Volume History

The following chart shows the volume of sales for single family homes in the most heavily populated areas of Santa Fe City and County for the first quarter of 2020. We've kept a 3-year history of 1st quarter sales to compare volume from 2018 through 2020.

Single Family Home Units Sold by Year and Price Range

Price Range	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 3/31 2018	YTD 3/31 2019	YTD 3/31 2020
<\$300,000	784	672	480	323	292	353	372	409	512	528	556	561	518	544	451	335	118	83	54
\$300,001-\$500,000	565	605	585	431	306	269	286	292	336	407	369	425	480	542	598	638	113	117	133
\$500,001-\$750,000	284	352	339	291	183	149	144	144	196	189	206	221	252	294	339	346	70	75	94
\$750,001-\$1,000,000	98	135	129	134	87	75	71	82	88	87	109	99	103	152	164	144	35	21	34
\$1,000,001-\$1,500,000	63	90	98	98	65	44	43	52	52	61	71	74	87	93	126	130	13	14	23
\$1,500,001-\$2,000,000	15	30	30	31	28	19	19	19	16	17	17	23	24	27	29	38	6	7	14
\$2,000,001-	13	22	23	22	25	7	9	15	15	14	14	11	9	23	25	30	6	8	6
Total Units	1822	1906	1684	1330	986	916	944	1013	1215	1303	1342	1414	1473	1675	1732	1661	361	325	358

Green - High Units Sold

Red - Low Units Sold

Properties over \$2 million include condos, townhomes and single family dwellings.

Sales Price History

The chart below shows the average and median prices per square foot for single family homes in those same areas as shown by volume.

Average & Median Price per Square Foot by Year and Price Range for Single Family Home Sales

Price Range	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 3/31 2018	YTD 3/31 2019	YTD 3/31 2020
<\$300,000 Avg	\$158	\$170	\$185	\$192	\$178	\$167	\$156	\$143	\$137	\$148	\$149	\$155	\$165	\$171	\$184	\$203	\$177	\$199	\$197
med \$/sq ft	\$155	\$168	\$183	\$190	\$177	\$164	\$153	\$143	\$135	\$146	\$147	\$158	\$164	\$169	\$184	\$204	\$173	\$199	\$203
\$300,001 to \$500,000 Avg	\$188	\$201	\$213	\$214	\$211	\$198	\$191	\$182	\$183	\$186	\$188	\$197	\$203	\$206	\$214	\$225	\$206	\$217	\$215
med \$/sq ft	\$180	\$195	\$208	\$211	\$203	\$191	\$188	\$177	\$176	\$181	\$182	\$189	\$195	\$202	\$211	\$219	\$200	\$205	\$208
\$500,001 to \$750,000 Avg	\$237	\$239	\$250	\$265	\$267	\$239	\$230	\$229	\$219	\$240	\$238	\$241	\$235	\$247	\$257	\$262	\$246	\$250	\$266
med \$/sq ft	\$230	\$231	\$244	\$253	\$247	\$228	\$217	\$222	\$215	\$228	\$235	\$229	\$221	\$240	\$239	\$251	\$239	\$241	\$246
\$750,001 to \$1 million Avg	\$276	\$283	\$303	\$303	\$315	\$281	\$261	\$273	\$266	\$262	\$259	\$265	\$272	\$272	\$275	\$281	\$280	\$255	\$295
med \$/sq ft	\$259	\$267	\$289	\$291	\$296	\$276	\$249	\$250	\$241	\$245	\$249	\$257	\$259	\$261	\$273	\$279	\$292	\$277	\$294
\$1,000,001 to \$1.5 mil. Avg	\$316	\$332	\$360	\$367	\$346	\$320	\$325	\$317	\$322	\$299	\$319	\$325	\$315	\$322	\$334	\$342	\$313	\$321	\$366
med \$/sq ft	\$302	\$314	\$342	\$338	\$335	\$301	\$304	\$303	\$312	\$292	\$293	\$300	\$298	\$311	\$319	\$324	\$310	\$302	\$343
\$1,500,001 to \$2 million Avg	\$324	\$359	\$393	\$407	\$405	\$389	\$343	\$398	\$408	\$347	\$384	\$391	\$368	\$380	\$426	\$438	\$484	\$343	\$347
med \$/sq ft	\$300	\$361	\$378	\$418	\$404	\$399	\$375	\$347	\$366	\$317	\$372	\$366	\$353	\$366	\$400	\$411	\$478	\$307	\$309
>\$2,000,001 Avg	\$463	\$457	\$502	\$486	\$494	\$455	\$420	\$512	\$404	\$421	\$479	\$432	\$407	\$497	\$439	\$486	\$354	\$481	\$501
med \$/sq ft	\$400	\$420	\$456	\$452	\$453	\$378	\$407	\$495	\$379	\$381	\$455	\$404	\$336	\$468	\$457	\$492	\$356	\$548	\$453

Green - High Price per Square Foot

Red - Low Price per Square Foot

Properties over \$2 million include condos, townhomes and single family dwellings.

Studying the two charts above and making any reliable prediction about future trends in the market is for the time being a thing of the past. It is too soon to tell what will happen in the short

term. We will navigate through this time of uncertainty just like we have in the past. Time will tell. We are still bullish on Santa Fe in the long term.

In Closing

While COVID-19 makes its way around the globe, we can see that the hardest hit areas of the world are densely populated areas, whether it be in cities like New York or in more densely populated group living situations. Whatever the future holds for us all regarding this pandemic, we believe Santa Fe just became even more attractive to people who are ready to retire and get out of some of these vulnerable areas. Sales will likely soften as the crisis plays out yet with the ongoing inventory shortage, sales may hold steady. We believe Santa Fe will remain popular among baby boomers and others as telecommuting options open up for many of the workforce. It will be interesting to see how world events influence sales in the 2nd quarter. We'll keep you updated as April and May roll around. We will have some hurdles to jump before we get there, and such is life. The main thing is be safe, stay positive and remain strong.

If you have any questions about the Santa Fe market, please do not hesitate to reach out. In the meantime, we're utilizing more online tools, now more than ever, to advertise and show properties virtually through the internet. As an example of one of our newest property listings, click on the following link to experience a virtual tour of 7 Estancia Court.

<https://cutt.ly/7EstanciaCtvirtualtour>.

We're all in this together and you are always in our thoughts and hearts.

Thank you for your loyalty!

Sincerely,

Liz and Karren



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