

## PUEBLO WEST REAL ESTATE MARKET SEPTEMBER 2023

Average Pueblo West Home For Sale	\$461,00	
Average Loan to buy that property	401,070	(13% down per NAR)
P & I Payment at 2.75%	\$ 1634	
P & I Payment at 7 %	2653	
Loan amt at 7% for \$1634 payment	247,035	(Loan for \$283,000 Property)

Assuming current list prices still based on values set when interest was 2.75%, the average home is now priced \$178,000 higher than average buyer can afford. 39% too high.

If wages have risen 10% in last two years, prices are still 29% higher than average buyer can afford, based on increased interest rates. Also taxes and insurance have increased greatly making the situation worse.

Historically prices eventually adjust to the level that buyers can afford.

Pueblo prices were driven up more during COVID by buyers from Denver & Colorado Springs temporarily relocating here.

Also extensive institutional investor buying drove inventory down which also created rising prices.

In the past we've seen markets adjust gradually, maybe dropping 5-10% per year until they reach affordable level.

If you need to sell now, it often makes you more money as a seller to cut your price below the market now & sell rather than pricing with the market & not selling, & following it down 5-10% each year for the next 3-5 years until affordability is reached.