

MARKET INSIGHTS



A look at the current real estate market.
An information source provided by RE/MAX Alliance.



There are many things in our real estate marketplace for a buyer or a seller to be thankful for in spite of several twisting turns and switchbacks to navigate along the way this year. If you didn't purchase a home and wanted to or if you didn't sell a home but were thinking about it - you still have a couple of months before 2018 fades into our distant past and becomes nothing more than a memory. Fast-rising home prices are also likely to fade into memory as buyer demand slows.

The continual low inventory has been a pricing boon to those sellers who chose to take advantage of it. Year over year growth is still moving faster than normal at this time in the season and a true buyer's market hasn't come into focus as yet. However, the evidence points us in that general direction for the near future.

Nationwide statistics show a trend, with over 17% of home sellers reducing asking price in the last several months, specifically in the luxury market but slowly trickling down to other price points. Colorado real estate markets aren't seeing as dramatic a trend as nationwide, although a slowdown at all price points is beginning to be noticeable. The expectation is that with our favorable economy and moderate mortgage interest rates we will continue to see strong sales numbers.

Meanwhile, the conditions that spur buyers into buying remain fairly consistent. School district tops the list, with nearly 80% of purchasers claiming they would gladly trade a feature or two in the house they'll buy to gain the school they prefer for their children. The research revealed that elementary school distance had more impact than middle or high school on what and how much a buyer would trade off in desired home features. Homes also tend to sell for slightly higher prices on average when located in districts offering

the most desired benefits.

New home starts are minimal right now, but that is more about the weather than a reflection of demand for new housing construction. We trust that come spring those permits to build will increase substantially, and those interested in a new home will have plenty of inventory to choose from in both new and existing homes for sale.

Those seeking to sell a home should not let the up and down reports of day-to-day data discourage them in any way. Buyer demand is still high across the Front Range and inventory still hovers on the side of too thin, so selling conditions are still favorable. In Boulder County alone this past month 569 homes from the 724 available were sold and closed. Average home prices are currently \$656,760 over last October's average of \$622,270. Days on Market are holding fairly steady with an average of 45 days.

In other words, though tight inventory and the end of the summer season may lead to slowing sales in the near term, affordability levels are favorable and should help keep housing demand steady in the coming months moving into the New Year.

Why should the real estate trends interest you if you aren't specifically looking to buy or sell right now? The health of our housing market is an excellent indicator of our overall economic health and impacts rental rates as well as directly impacting our job market. There is so much to be thankful for as we focus on the upcoming holiday season!

HAPPY THANKSGIVING from our RE/MAX Alliance family to yours!

Stat Check

2017	2018
<u>Active</u>	
676	724
<u>Number of Units Sold</u>	
655	569
<u>AVG Days on Market</u>	
50	45
<u>Average Price</u>	
\$622,270	\$656,760