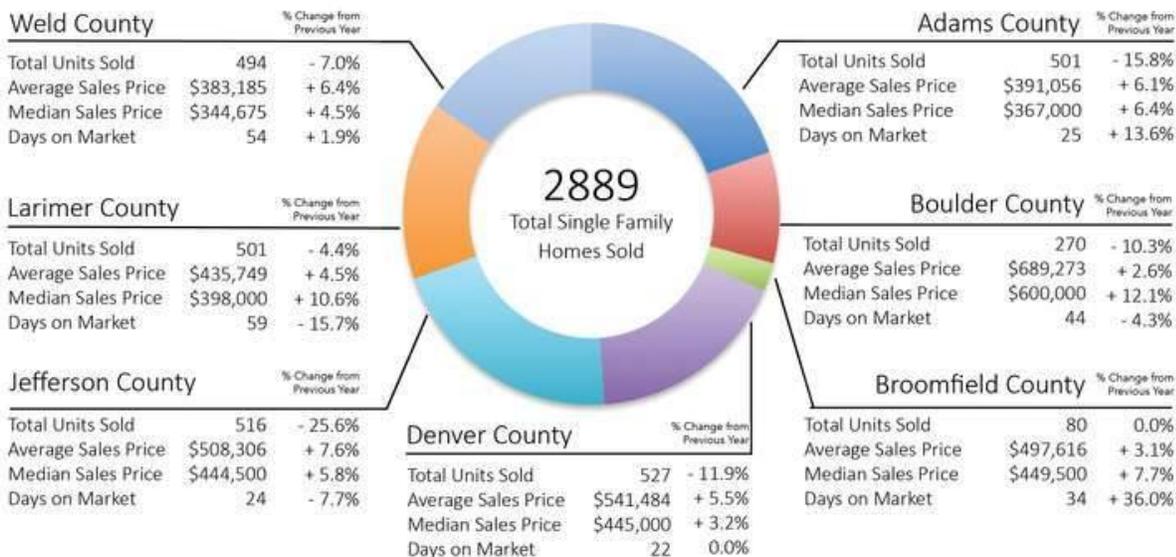


## Single Family Home Sales Northern Front Range September 2018



Wow, crazy week in the financial markets with stocks crashing, interest rates rising, etc. What is happening in the world of real estate?

The Boulder area real estate market as a whole continues to move forward with consistent growth. Some markets experienced a significant bump in sales this past year with 7.4% more homes selling in the mountains compared to the previous year. Lyons experienced a 50% increase of homes sold. Erie also experienced strong growth of 8.2% or additional 23 homes. Louisville and Superior are the only markets to see a significant decrease in the number of homes sold, but this appears to be more of a supply issue than a demand issue since both areas have less than 2 months of inventory.

Greenfield Advisors put out a report regarding how presidential election years have historically contributed to lower sales, and we did experience "the election effect" during the 4<sup>th</sup> quarter of 2016. Midterm elections do not historically have the same effect, but due to the current political climate, it appears this midterm election is causing some uncertainty in the housing market and impacting the confidence of Buyers. If this plays out as it did for Buyers in 2016, this slight slowdown will be an opportunity for Buyers.

As humans, we only tend to have trouble moving forward when the outcome is unknown, but when we know the answer, either positive or negative, we move forward with resilience. Half of the country received a positive outcome from the 2016 elections, and half of the voters were disappointed. However, the housing market moved forward with strength. With the limited inventory and entering into the fall/winter seasons, we expect the numbers to be very similar to the end of 2016/early 2017 cycle.

The wildcard we need to watch out for is interest rates as we saw conforming rates bump up over 5% for the first time since 2011, which was essentially the start of the positive housing cycle. We are not seeing any significant effect on sales as they are still brisk. That being said, appreciation of housing has begun to slow and be more in line with healthier appreciation rates.

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