

MARKET INSIGHTS



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



Year over year data reveals a great deal about not just the state of our real estate market over this past year, but also what is trending and in which direction we are heading as we move into the 2019 marketplace.

In Boulder County from the 484 available homes for sale, after just 49 days on the market 535 people have experienced the magic of home this past month. The average sales price of \$598,560 is an increase from 2017's \$563,080.

As was pointed out in our November Insight, we are in the transition phase of a shifting market. While our markets have been due for a correction for a while, it isn't quite clear yet where the pendulum may stop swinging and come to rest. Will we see a true Buyer's Market? Will it remain essentially a Seller's Market? Either way, shifting markets and changing trends are exactly what we want to see. Keep in mind that a market that remains the same is a flat market, and a flat market that is not dynamic – moving up or down - is a market that is dead. Real estate is a cyclical industry and the life and strength of the market come from those constant ebbs and flows that usually shift every 6-9 months or so.

So what direction do prices appear to be going? One good way of predicting pricing trends is by taking a close look at price adjustments being made on homes that have sat on the market for 2-3 months or more. The national average is currently 31.3% of existing homes are lowering asking price by at least 1%. Not significant at this stage of the changing landscape, but an indication of the direction we might expect for the New Year.

"Turn up the volume on new home building," RE/MAX Co-CEO Adam Contos has been quoted, citing housing starts that are down 2.9% year-over-year and well below the historic 50-year average. "We'd love nothing more than to see the next generation of homebuyers start building equity now."

Always about location, location, location, one slight change we've noticed is that conditions differ from neighborhood to neighborhood rather than city to city more so than in past years. Hot spots offering great features and amenities buyers crave to the less popular areas farther away from the action are revealing significant price and activity variations.

That's why most people express a preference for working with professionals when buying or selling. In spite of the volume of online information readily available concerning statistics and numbers, most decide it's more to their advantage to be able to lean on the experience of someone with expertise not only in the industry, but with personal knowledge of the specific neighborhoods where their interests lie.

The strong sense of financial security people are enjoying explains continued high buyer demand. All along the Front Range, our markets remain strong, though home prices and mortgage rates have gone up recently. This may explain why, though the environment for buyers has been more challenging, home sales continue to improve year over year.

This observer firmly believes, especially in this season of miraculous possibilities, the explanation has more to do with the indefinable but very real MAGIC OF HOME!

Stat Check

2017	2018
<u>Active</u>	
429	484
<u>Number of Units Sold</u>	
698	535
<u>AVG Days on Market</u>	
56	49
<u>Average Price</u>	
\$563,080	\$598,560