

The **Kearney** Report

Boulder County Real Estate Report



First Quarter 2019



Neil Kearney

Real Estate Market Update

The first quarter of 2019 began as the fourth quarter ended, slower than normal. Through February sales in Boulder County were down 10%. In March sales rebounded a bit and through the first quarter sales were down just 3.2%. The inventory of available homes has been increasing, time on the market is increasing and price reductions are also increasing. I have been describing the market as choppy. Some sellers have found ready buyers and have sold their home quickly. While for others are finding their homes sitting on the market longer than expected.



The pace of appreciation has slowed. In fact, during the fourth quarter FHFA.gov showed negative appreciation in Boulder County. On average prices increased around 6% during 2018 with much of the increase coming early in the year. During the first quarter 22% of homes sold for above list price, 25% sold for at list price and 53% sold for below list price. For comparison, two years ago 35% of the sales ended up above asking price. For the homes that sold, it took on average 42 days to find a buyer. This is roughly 10 days longer than the 2018 average. The average negotiation off of the list price was 2.09% which was roughly .7% more than last year during the same time period. There were also many more price reductions during the quarter (see the graph on page 13). As you look through the report, keep your eye out for the bar graph that shows "Sales by Price Range" for each area. The inclusion of 2012 as a comparative year in this graph gives a strong visual representation of how the entry level price range has increased over the last six years. It is really hard for young people just getting started to afford that first home. Starting salaries have certainly not kept up with home prices. Most startling is in Longmont, where in 2012 63% of the sales were for \$250,000 or less. This year just 4% sold in this price range! Many families are being priced out of the market. Especially as interest rates rise.

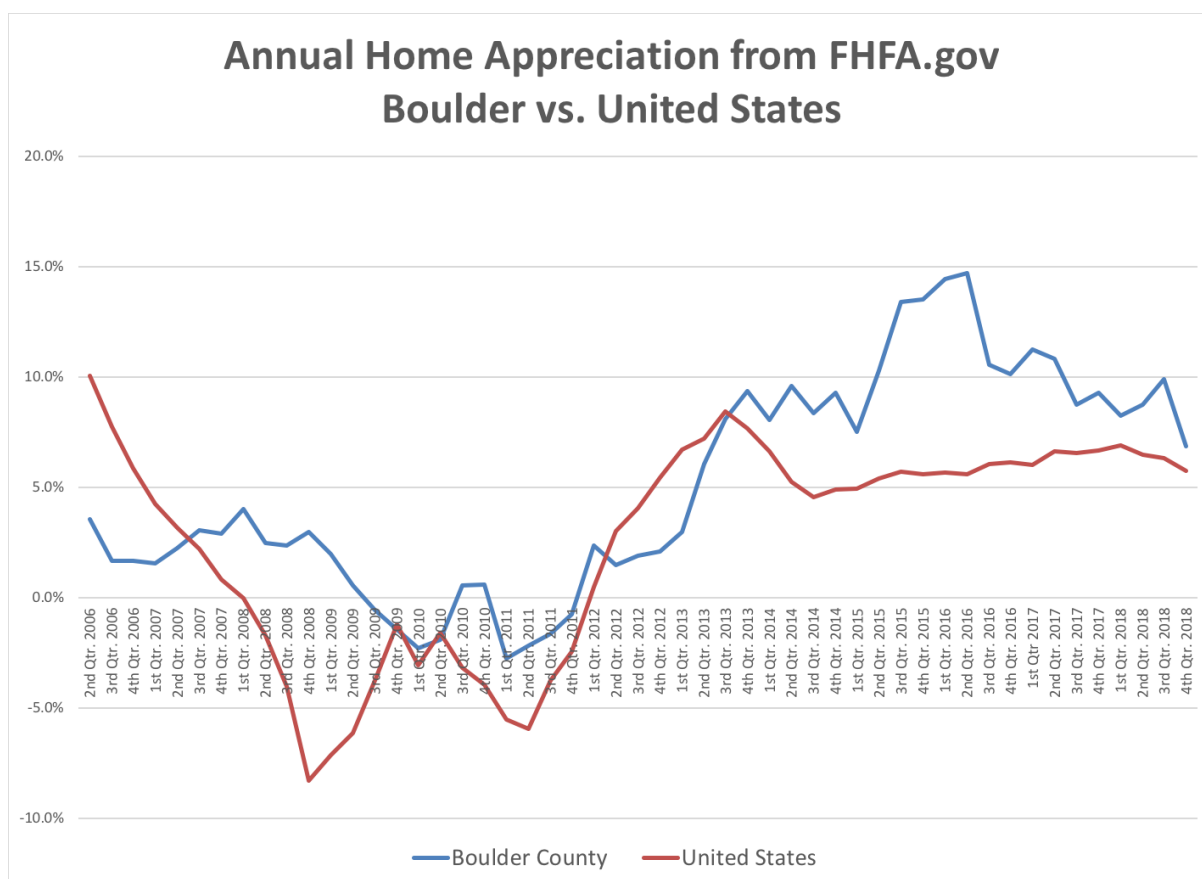
During the first quarter interest rates decreased and the stock market has rebounded nicely after a sharp drop during the fourth quarter. Lower interest rates provide much needed affordability in our high price environment and a strong stock market provides confidence and liquidity for down payments. Especially for buyers in our higher price ranges.

As we come into the traditionally strong late April through June real estate market in Boulder County I'm seeing more activity than we have seen over the past six months but it is definitely more of a balanced market than we have seen in quite some time. The percentage of homes that are under contract is roughly 8% lower than a year ago, inventory is rising and I'm seeing buyers more and more selective and deliberate as they decide on their next home. Never forget that real estate is cyclical. In our area we haven't seen the wide swings like other high appreciation areas but it seems we are tilting back toward equilibrium. I'm always happy to be of service. Enjoy the report!

Unless otherwise noted, all data used in this report is from IRES MLS and is deemed reliable but isn't guaranteed as exhaustive.
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Boulder County Price Trends

The graph below shows the median price for both Boulder County (blue line) and the United States (red line) since the second quarter of 2006. Each data point shows one year appreciation on a quarterly basis. The most recent quarter Boulder's four-quarter appreciation was 6.85% which ranked it 97th out of 245 areas in the study. Over the past five years our cumulative home appreciation has been 60.11% which ranks 14th best in the nation.



Top Appreciating Markets - Last 5 Years

- Reno, NV 77.15%
- Las Vegas, NV 73.68%
- Greeley, CO 73.05%
- Boise City, ID 68.50%
- Palm Bay, FL 67.84%
- Port Lucie, FL 66.40%
- Tacoma, WA 65.84%
- Denver, CO 64.63%
- Seattle, WA 63.88%
- Bellingham, WA 63.07%

**Boulder, CO 60.11%

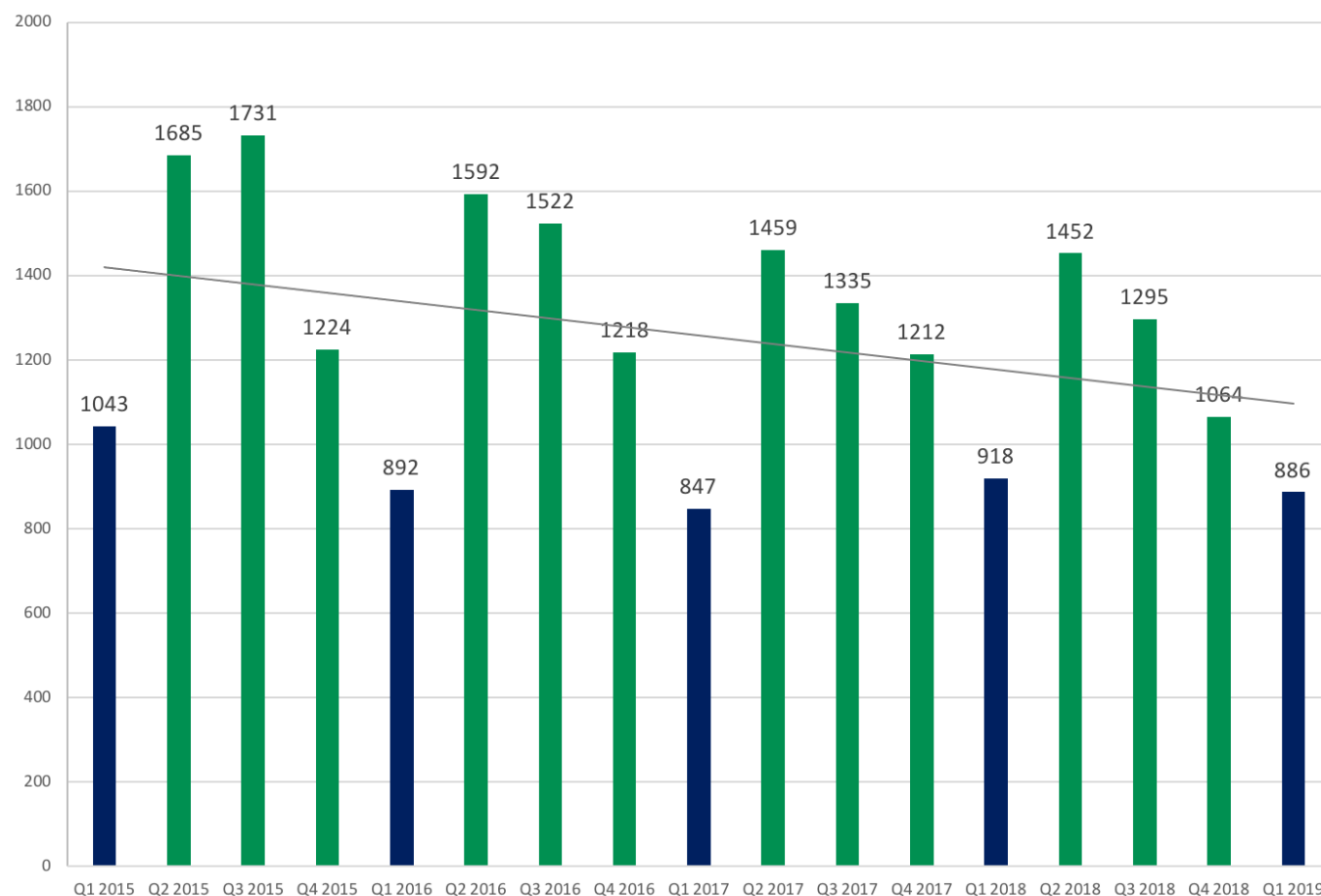
Bottom Appreciating Markets - Last 5 Years

- Bloomington, IL 0.23%
- Atlantic City, NJ 1.31%
- Peoria, IL 3.12%
- Hartford, CT 4.80%
- Huntington, WV 5.87%
- Shreveport, LA 6.81%
- New Haven, CT 6.90%
- Montgomery, AL 7.12%
- Scranton, PA 7.13%
- Trenton, NJ 8.22%

Source FHFA.gov

Boulder County Sales Activity

Five Year Trend of Sales Activity - Boulder County



Boulder County Market Snapshot



Total Sales

Comparing 1st qtr. 2019 to 1st qtr. 2018 sales decreased by 32 sales or 3.5%. The first two months of the year were down by more than this and March was a better month and helped the average.



Median Price

A year ago the median price for sales in the 1st quarter was \$506,250, this year it was \$518,000 an increase of 2.3%. Appreciation has slowed, especially during the fourth quarter.



Days to Contract

On average it took 42 days for a home to go under contract. This is two days longer than first quarter last year and 10 days longer than the 2018 average.

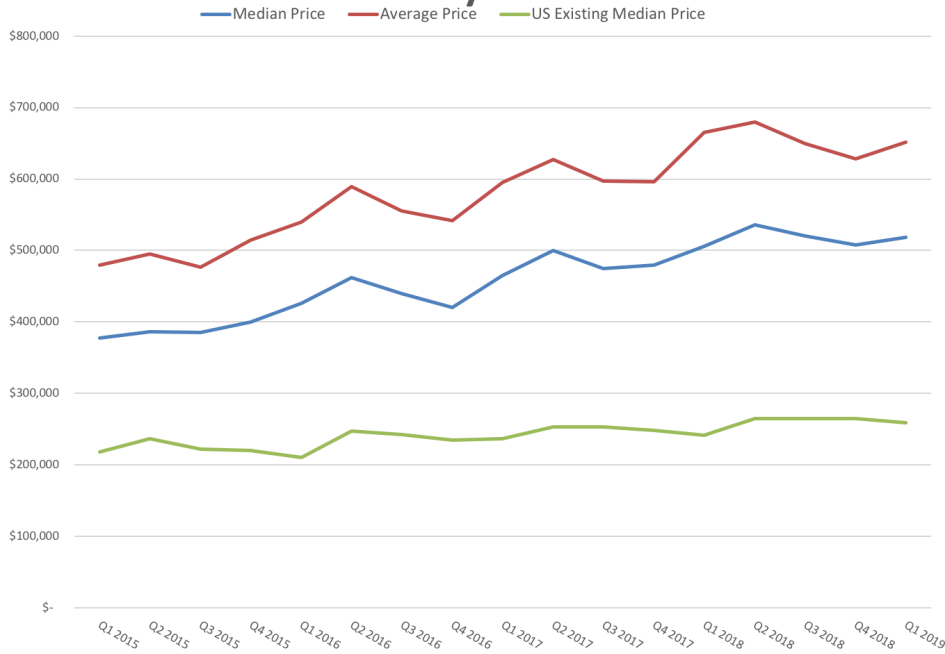


Months of Inventory

At the end of the quarter if sales kept up the current pace it would have taken 5.24 months to sell all of the listings if no new listings were added. This is more time than a year ago. There is less flow through the market.

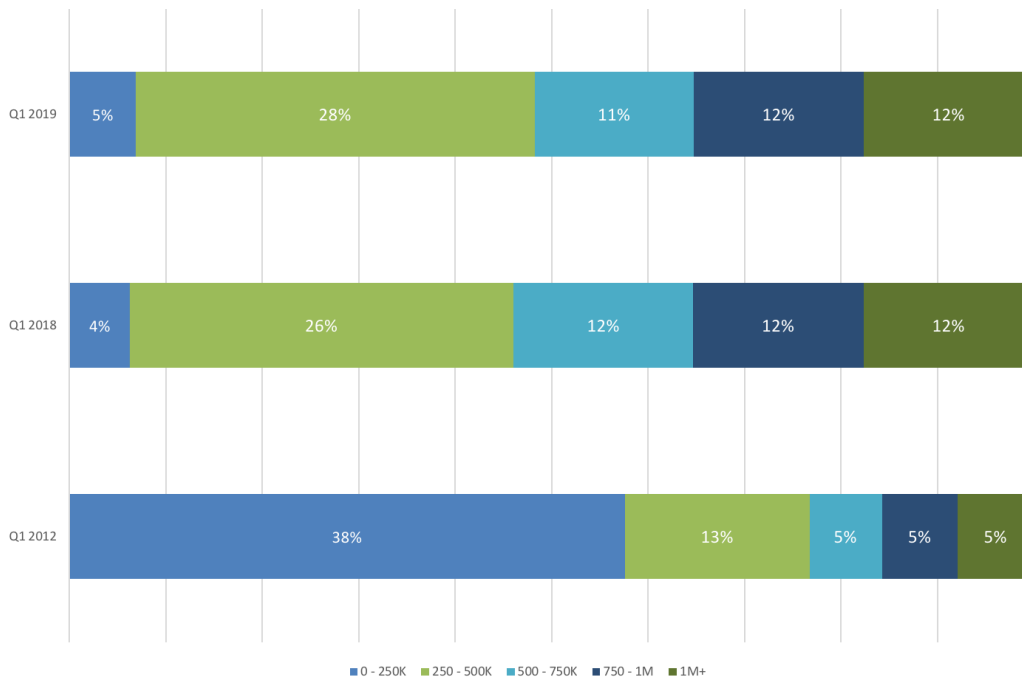
Boulder County Price Trends

Boulder County Price Trends



The top graph shows the price trends in Boulder County over the past five years. The red line is the average price (\$651,509) and the blue line is the median price (\$518,000) in the County. The most recent quarter showed a slowing in appreciation, although still positive. FHFA.gov reported the appreciation in the 4th quarter to be -.63%.

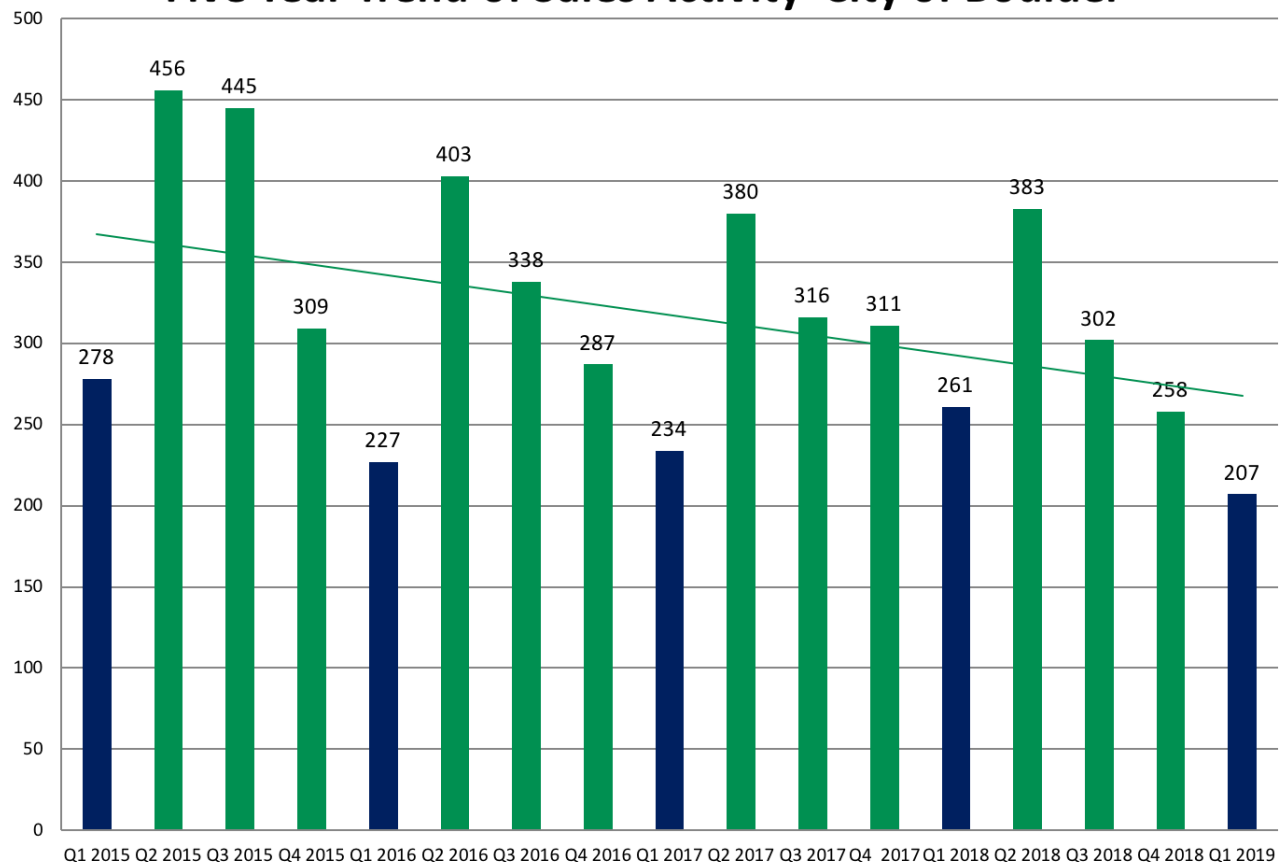
Boulder County Percent of Sales by Price Range



The bottom graph shows the sales which occurred in each price range during the quarter. The top bar is the most recent quarter, the middle bar is the 1st quarter a year ago. The bottom bar for comparison represents the sales mix during the 1st quarter in 2012. This graph is a good representation of how prices have increased, the entry level has shifted considerably to the right and the luxury market has grown.

City of Boulder Sales Activity

Five Year Trend of Sales Activity City of Boulder



City of Boulder Market Snapshot



Total Sales

Comparing 1st qtr. 2019 to 1st qtr. 2018 sales decreased by 54 sales or 21%. 25% of the sales in the County happened within the City of Boulder.



Median Price

Within the City of Boulder, the median price increased by \$18,000 to \$715,000. This included both homes and condos. The average price for a single family home in Boulder was \$928,284.



Days to Contract

On average it took 38 days for a home to go under contract. Last year during the 1st quarter it took 35 days. The average for 2018 in Boulder was 28 days.

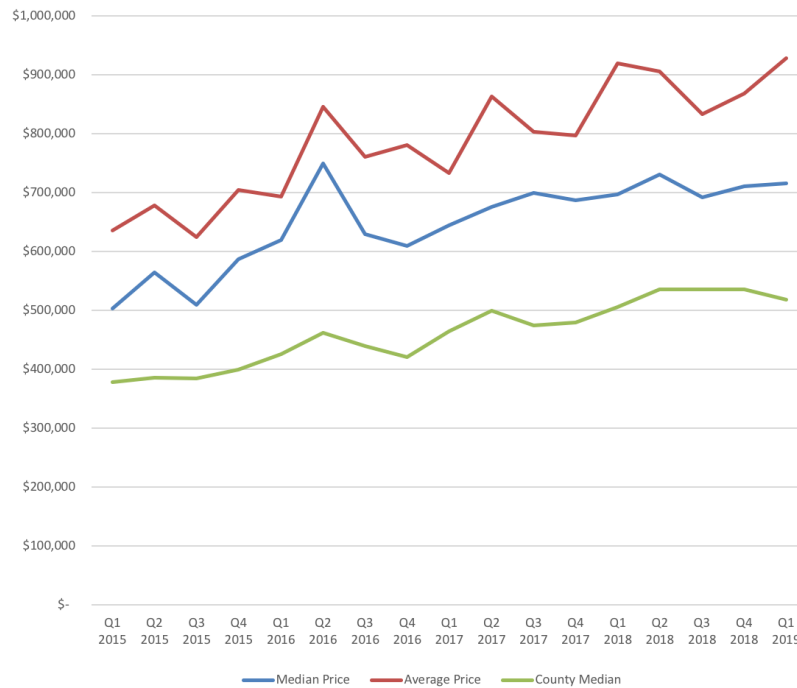


Months of Inventory

At the end of the quarter if sales kept up the current pace it would have taken 6.5 months to sell all of the listings if no new listings were added. This is higher than it was a year ago.

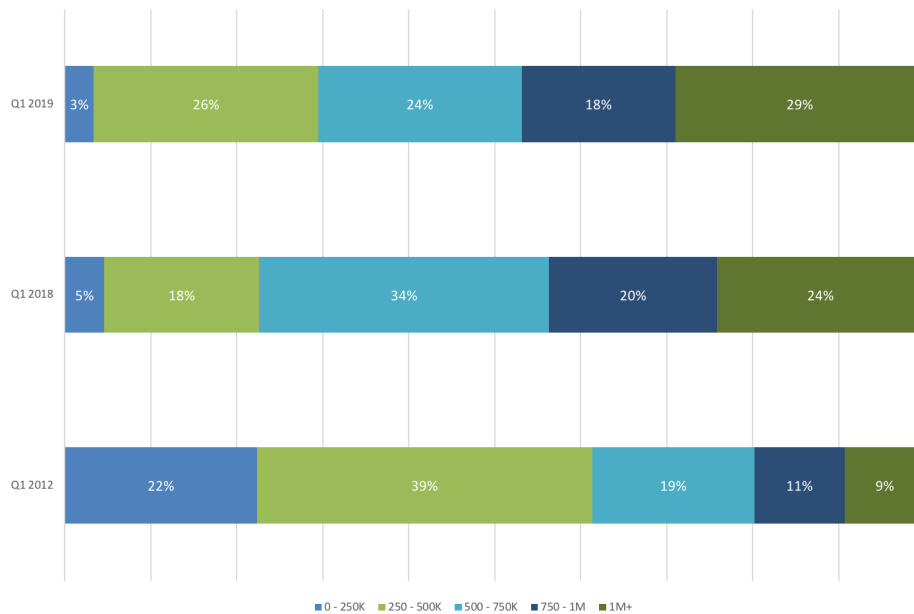
City of Boulder Price Trends

City of Boulder Price Trends



The top graph shows the price trends in the City of Boulder over the past five years. The red line is the average price (\$928,284) and the blue line is the median price (\$715,000) within the City. The most recent quarter showed a slowing in appreciation, although still positive. For reference the green line is the median price for Boulder County.

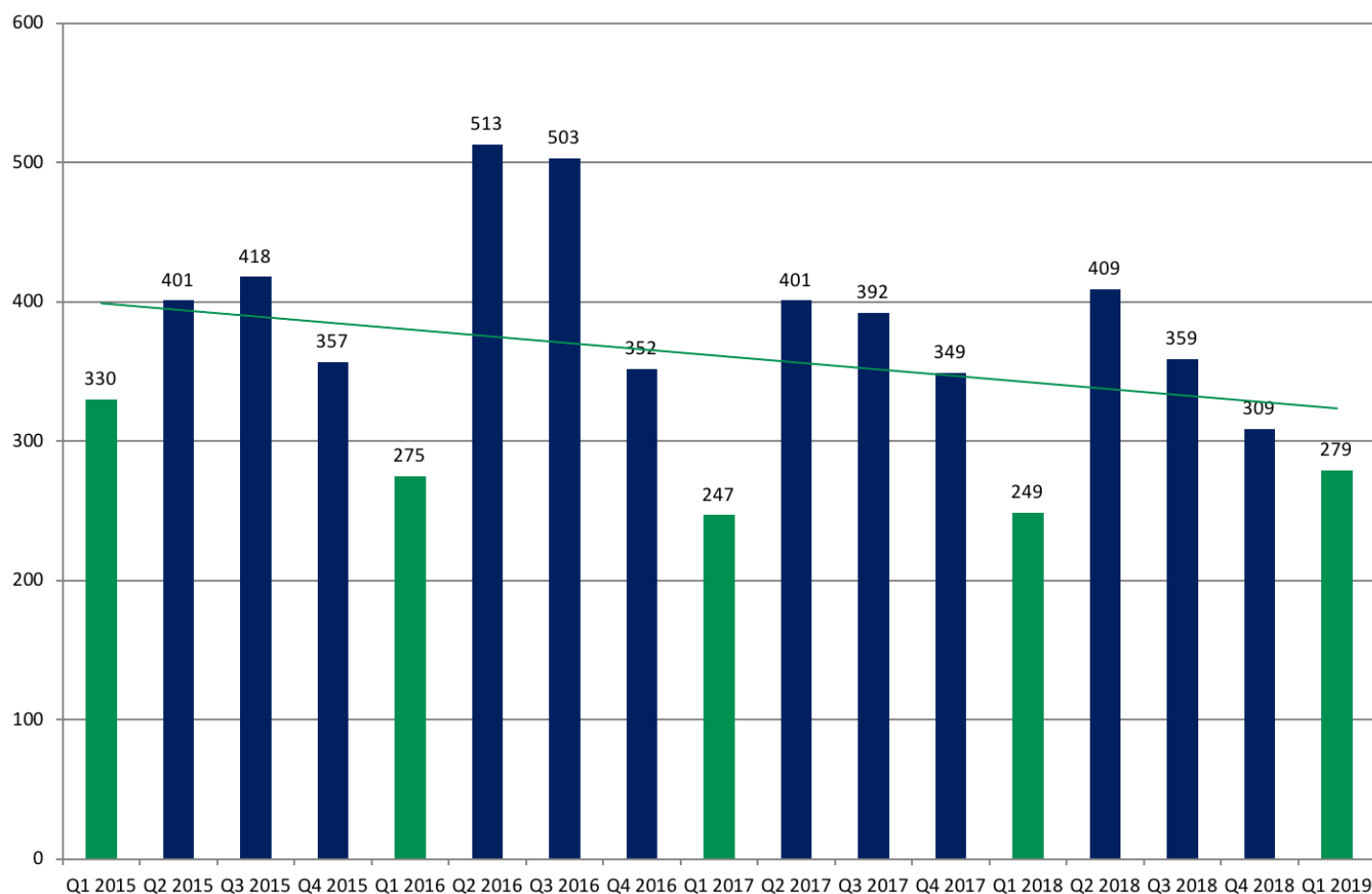
City of Boulder Percent of Sales by Price Range



The bottom graph shows the sales which occurred in each price range during the quarter. The top bar is the most recent quarter, the middle bar is the 1st quarter a year ago. The bottom bar for comparison represents the sales mix during the 1st quarter in 2012. In 2012, 22% of sales were \$250,000 and below, that price range represented just 3% this past quarter.

Erie, Lafayette, Louisville, Superior Sales Activity

Five Year Trend of Sales Activity East County Communities



Total Sales

Comparing 1st qtr. 2019 to 1st qtr. 2018 sales increased by 30 sales or 12%. Note that not all new construction sales are included in this total. Only those listed in the MLS.



Median Price

A year ago the median price for sales in the 1st quarter was \$520,000, this year it was \$480,905 an increase of 8.1%.



Days to Contract

On average it took 43 days for a home to go under contract. This is 14 days slower than last year. The average for all of 2018 was 29 days.



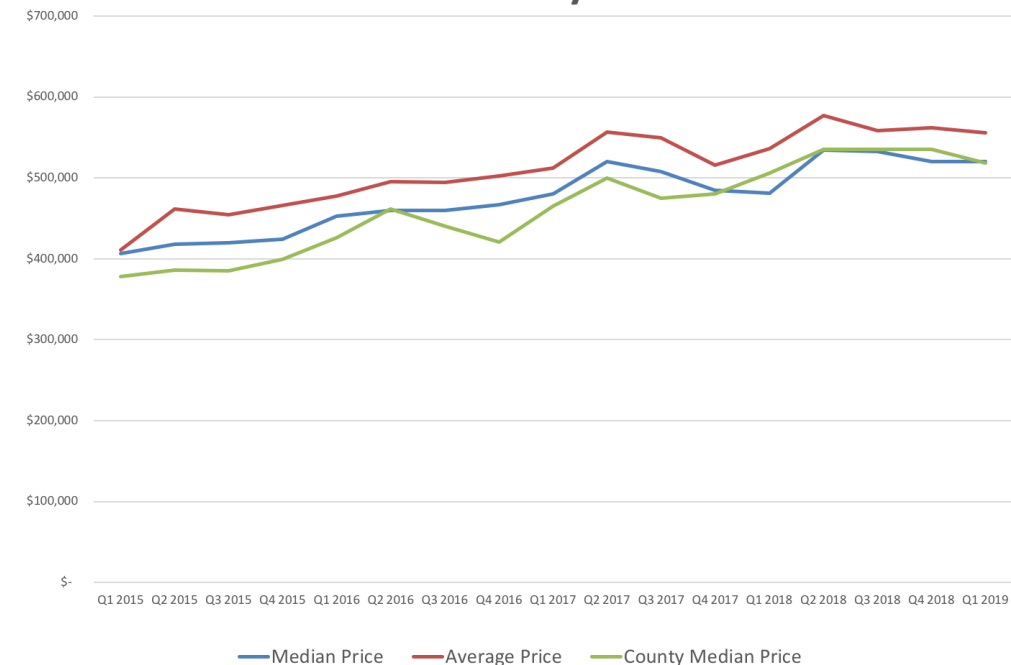
Months of Inventory

At the end of the quarter if sales kept up the current pace it would have taken 5.25 months to sell all of the listings if no new listings were added. This is more time than a year ago.

Note: The East Boulder County data includes the Weld County sales in Erie that are in the IRES MLS system

Erie, Lafayette, Louisville, Superior Price Trends

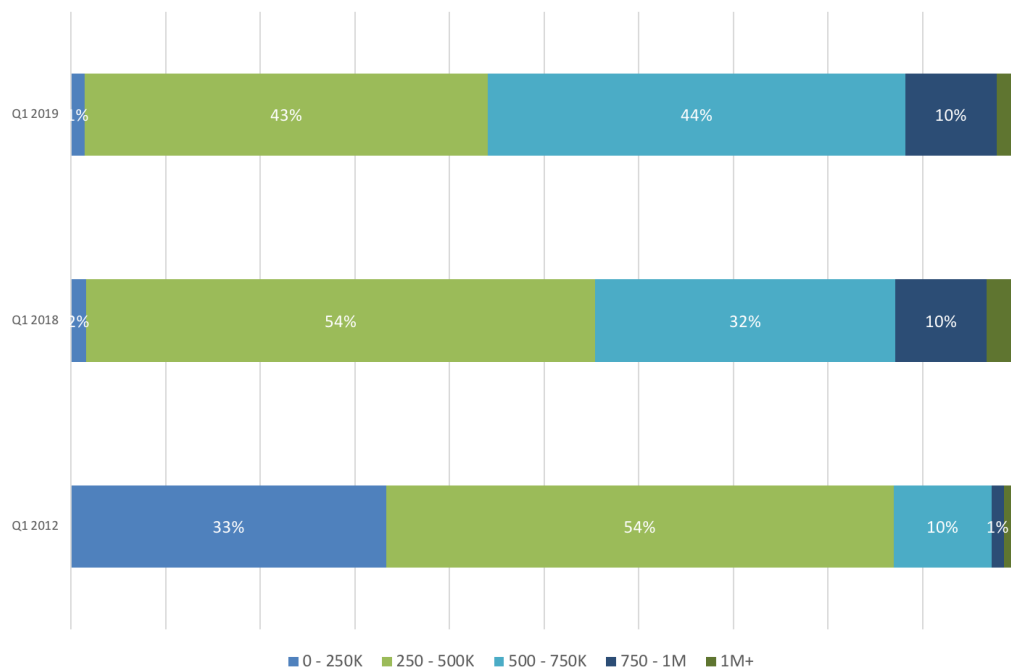
East Boulder County Price Trends



The top graph shows the price trends in the east county communities over the past five years. The red line is the average price (\$555,502) and the blue line is the median price (\$520,000).

The most recent few quarters showed a slowing in appreciation, although still positive. For reference the green line is the median price for Boulder County.

East County - Percent of Sales by Price Range

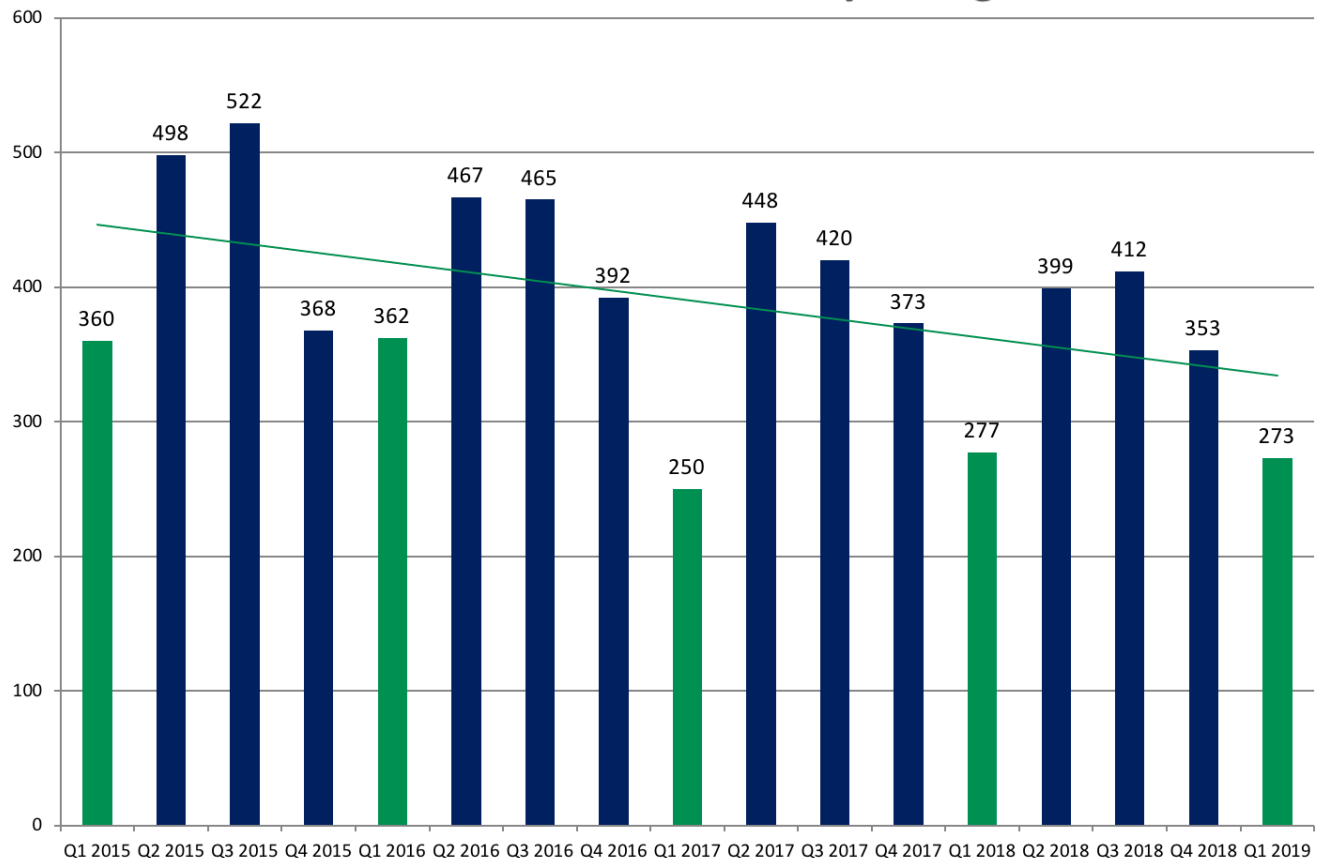


The bottom graph shows the sales which occurred in each price range during the quarter. The top bar is the most recent quarter, the middle bar is the 1st quarter a year ago. The bottom bar for comparison represents the sales mix during the 1st quarter in 2012. In 2012, 33% of sales were \$250,000 and below, that price range represented just 1% this past quarter.

Note: The East Boulder County data includes the Weld County sales in Erie that are in the IRES MLS system

City of Longmont Sales Activity

Five Year Trend of Sales Activity - Longmont



City of Longmont Market Snapshot



Total Sales

Comparing 1st qtr. 2019 to 1st qtr. 2018 sales decreased by 3 sales or 1%. Longmont had more sales than any other city in Boulder County.



Median Price

A year ago the median price for sales in the 1st quarter was \$403,000, this year it was \$407,500 an increase of 1%.



Days to Contract

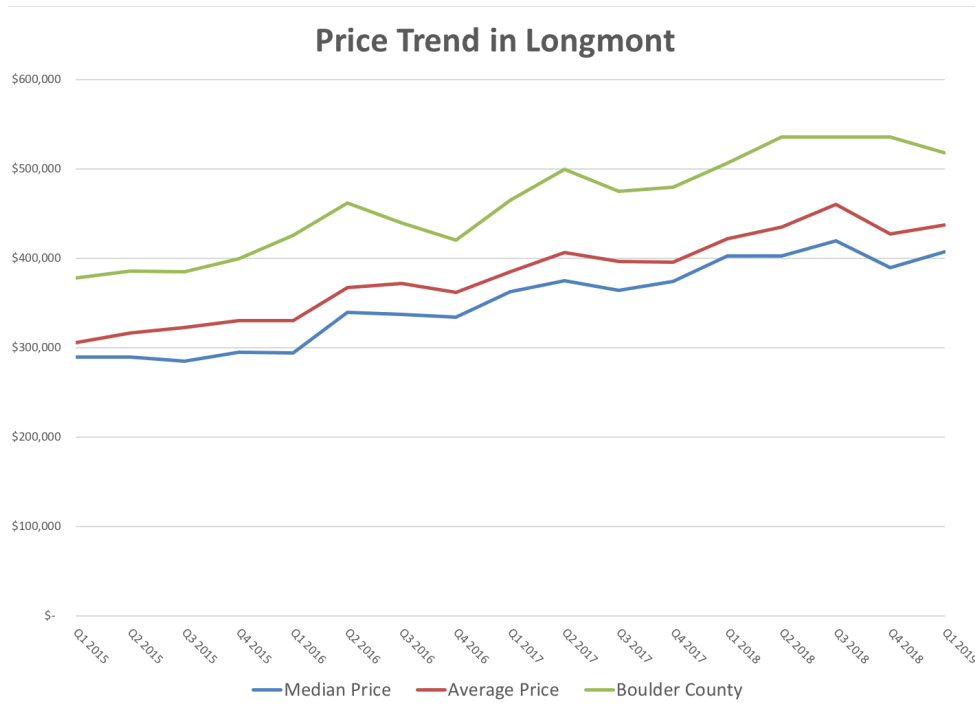
On average it took 40 days for a home to go under contract in Longmont. This is three days quicker than last year. The average time to offer for all of 2018 was 27 days.



Months of Inventory

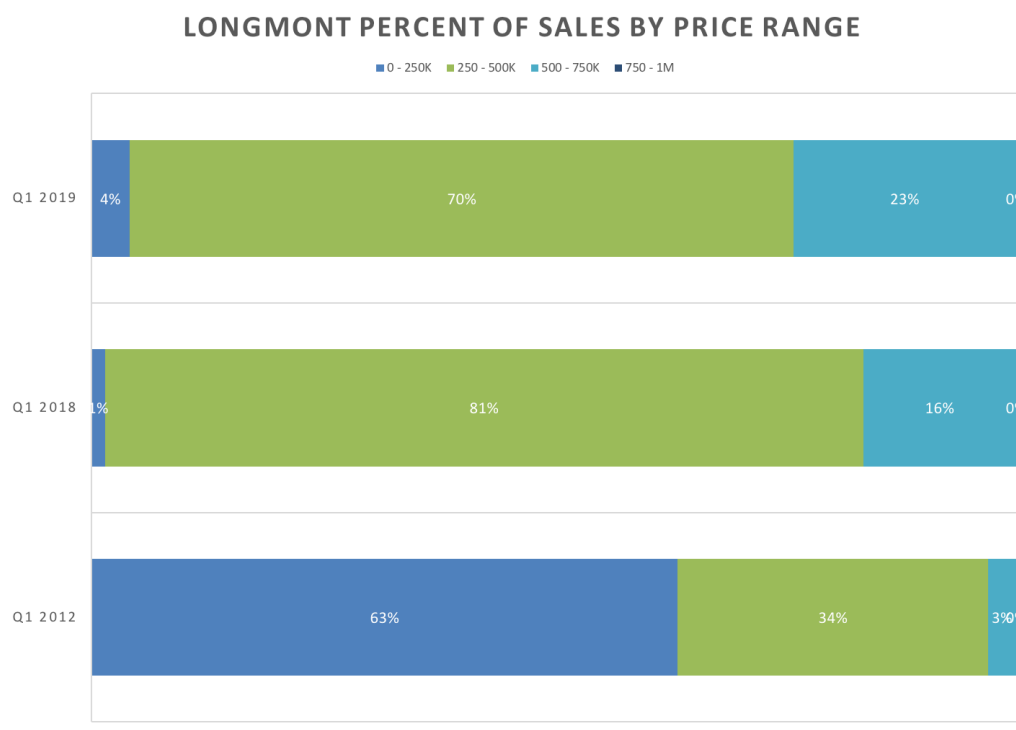
At the end of the quarter if sales kept up the current pace it would have taken 4.46 months to sell all of the listings if no new listings were added. This is more time than a year ago. Slower sales and more listings.

City of Longmont Price Trends



The top graph shows the price trends in the east county communities over the past five years. The red line is the average price (\$437,122) and the blue line is the median price (\$407,500).

The most recent quarter showed a bit of a rebound after a negative 4th quarter. For reference the green line is the median price for Boulder County.

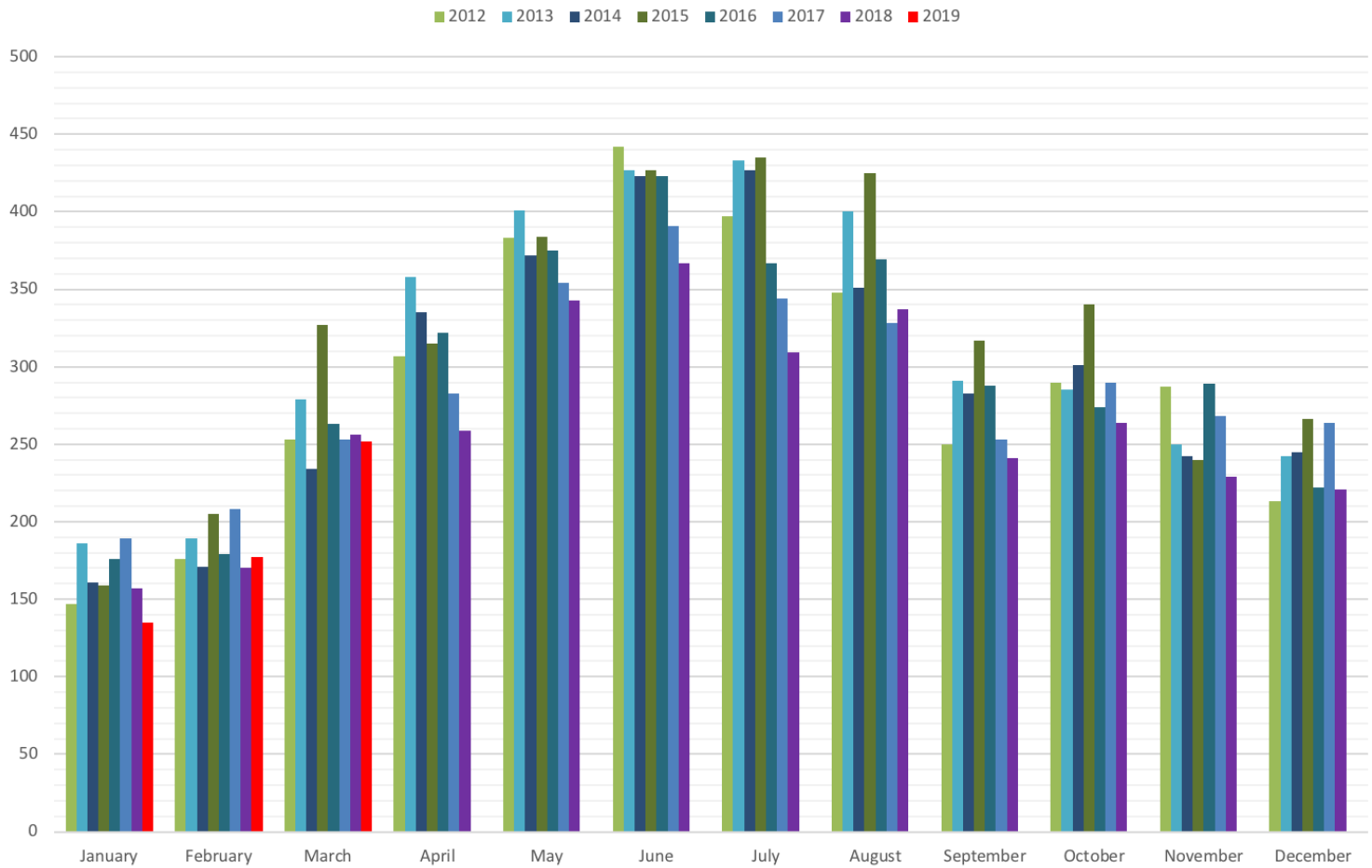


The bottom graph shows the sales which occurred in each price range during the quarter. The top bar is the most recent quarter, the middle bar is the 1st quarter a year ago. The bottom bar for comparison represents the sales mix during the 1st quarter in 2012. In 2011 63% of sales were \$250,000 and below, that price range represented just 4% this past quarter.

Note: The East Boulder County data includes the Weld County sales in Erie that are in the IRES MLS system

Boulder County - Monthly Sales Activity

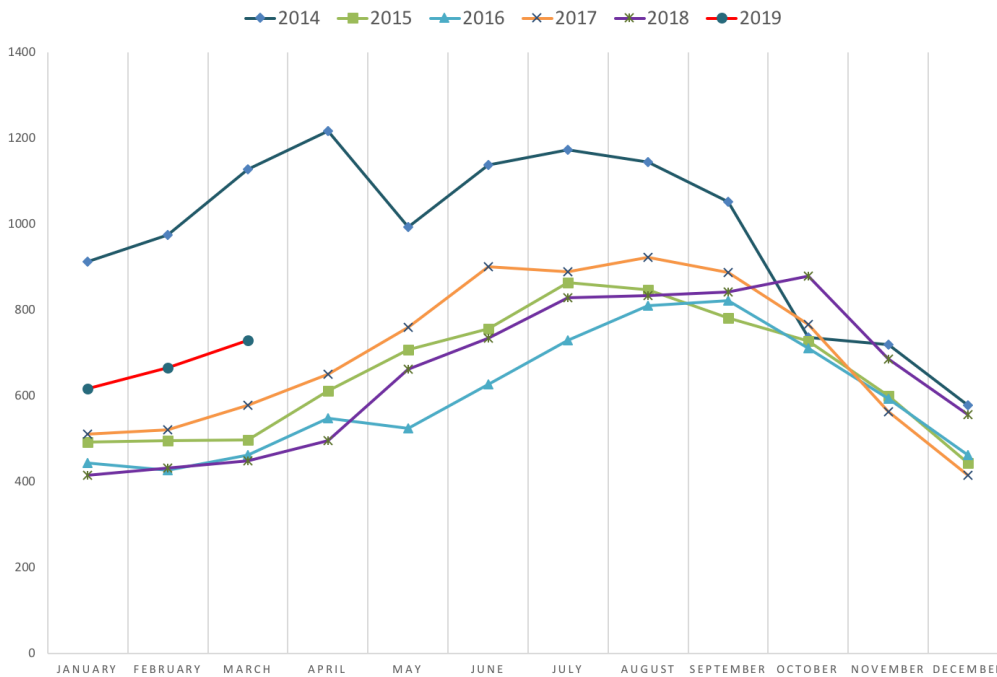
Number of Sales
Boulder County Single Family Only



The graph on this page shows the seasonality of real estate sales in Boulder County. Sales over the past seven+ years are arranged by month of the closing. The normal time between contract and closing is 30 to 45 days so in order to get a true sense of the activity in the market roll back the statistics by one month. Our market has been very consistent. The slowest months in terms of closings are January and February and the most active months are May, June and July. Usually in the fall, we see a flattening out of the curve as strong sales occur through December. We'll see if this year follows this trend.

Tracking Under Contract and Inventory

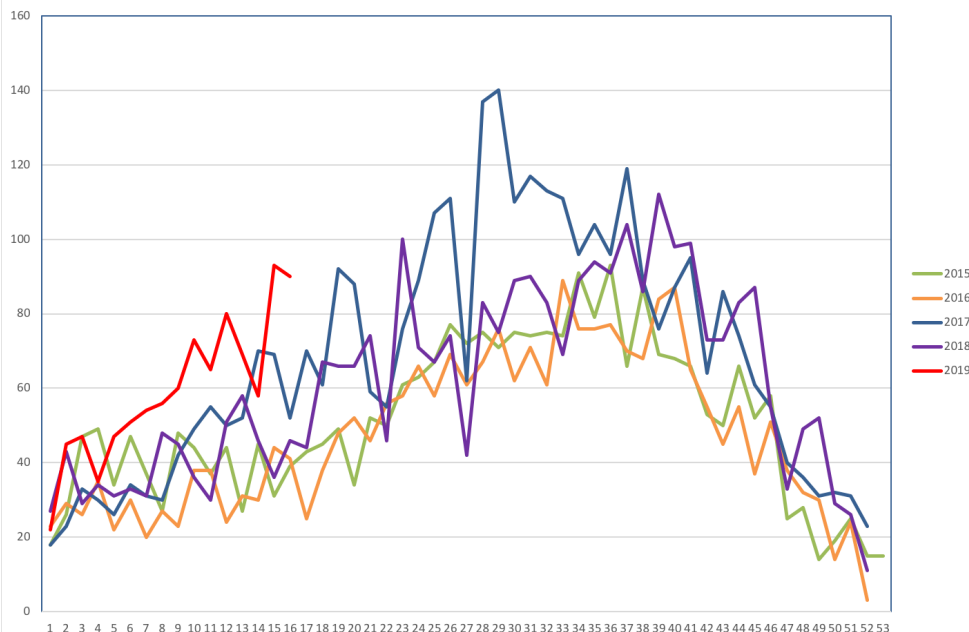
TOTAL INVENTORY EXCLUDING UNDER CONTRACT



The graphs on this page represent a snapshot of the strength of the market at the end of the 1st quarter. The top graph shows available inventory on a monthly basis (excluding those homes that are already under contract) since 2014. Following a national trend, our market has seen a significant drop in available properties starting in the later part of 2014.

Recently, we have seen a trend toward higher inventory (red line is YTD 2019).

Price Reductions



The lower graph shows the number of homes that have had a price reduction in Boulder County on a weekly basis over the past four years. This year we are seeing more price reductions as the market has softened and houses have stayed on the market for a longer time.

Kearney Realty Co. - Our Core Values

- Integrity and Class - Keeping our word; knowing what's right and doing what's right.
- Selfless Service - Exceeding expectations by focussing on exceptional service.
- Caring - All of our relationships are based on mutual respect, cooperation and consideration.
- Connected - Give back to the profession and the community.
- Innovation - Continually striving to find new and better ways to serve our customers and our associates.



We are proud to support our local community!

Some Recent Testimonials

"I would highly recommend Neil to anyone looking to purchase a home in Boulder. It was refreshing to work with Neil as he is such a down-to-earth, honest, genuine person. With Neil there is no pretense or salesmanship; he presented the homes to us, provided his insight and a detailed assessment of the advantages and disadvantages of each property, and gave us space to discuss and draw our own conclusions. Neil knows the market well and was able to give us information about properties that were not yet listed, which is important in Boulder's fast moving market. He was also flexible with scheduling, which we appreciated as we were coming in from out of town for our house-hunting trips. Neil is very responsive and continued to be so even months after our sale closed when we needed to contact the seller about an unfinished item. We are confident that Neil was the right person to help us with our move to Boulder and we wholeheartedly recommend him to anyone looking to buy here. Carrie Hutchinson

"Neil truly goes above and beyond! You will be absolutely amazed if you work with him. Every time I call Neil always picks up the phone. Every time I email, Neil always responds. When I needed a document emailed on the fly, it gets sent in under 10 min. In other words, Neil really works his magic to take care of his clients. I was contentiously surprised at his remarkable level of customer service.

When it comes to his real estate expertise, Neil is extremely knowledgeable yet, explains things in an incredibly easy to understand manner. His stellar experience, background and willingness to research are truly one of a kind!

I couldn't have picked a better realtor in Boulder! If you're on the search for one, Neil is by far, the best."
Brian C.

"Neil's wealth of knowledge, combined with his relaxed, no-pressure manner, make for a more-than-winning combination. He is completely familiar not only with the benefits and drawbacks of different geographical areas, but he also knows about houses from the inside out! He can explain electrical and plumbing issues; materials; grades and everything else. Neil is a keen observer, often pointing out things we missed. He went above and beyond by creating a special spreadsheet for us when we were stuck on a pricing issue. You never have to wait for a response from Neil either, so important during any real estate experience. Buying or selling a house can be a trying time, but we loved working with Neil, and highly recommend his services."
Suzanne Dingwell

"I can not recommend Neil highly enough! I have dealt with many agents over the years, and working with Neil was an A+ experience. He answered all my dumb questions, and he answered immediately, at all times of day or night. He took care of innumerable details, and went above & beyond, even weeding the property to make it show better! I would not hesitate to recommend him 100%, and I would definitely employ him again. Especially if you have had a bad prior experience with a real estate agent—give Neil a try. His integrity is unimpeachable." Marsha Conway