

# The **Kearney** Report

Boulder County Real Estate Report



Third Quarter 2018



Neil Kearney

## Real Estate Market Update

The real estate market in Boulder County continued to be strong and steady. Technically, it is still a seller's market, but currently we are seeing some momentum towards a balanced market in some price ranges. Low inventory continues to be a key factor in the market; giving fewer choices to buyers and helping fuel continued appreciation for sellers. Sales during the quarter were down 3% compared to the same quarter last year. This is in-line with the year-to-date numbers which also show a 3% drop from a year ago. Median prices continue their upward climb with prices approximately 9% higher than they were a year ago.



Caribou Ranch Open Space Near Nederland

The Kearney Report analyzes the market on a county wide basis as well as smaller segments including, City of Boulder, East County (Erie, Lafayette, Louisville, Superior) and Longmont. With 15%, Longmont has seen the most appreciation over the past year. As you look through the report, keep your eye out for the bar graph that shows "Sales by Price Range" for each community. The inclusion of 2011 as a comparative year in this graph gives a strong visual representation of how the sub \$250,000 market has all but disappeared. Most startling is in Longmont, where in 2011 69% of the sales were for \$250,000 or less. This year just 2% sold in this price range! Many families are being priced out of the market. Especially as interest rates rise.

Speaking of rising interest rates, according to FreddieMac, the average 30 year mortgage rate in January was just above 4%. After a recent bump in early October, buyers are now seeing 5% and above for the first time in more than half a decade. Consumer confidence is at a 20 year high but home affordability is dropping. It will be interesting to see if buyer demand will be resilient in the face of higher interest rates.

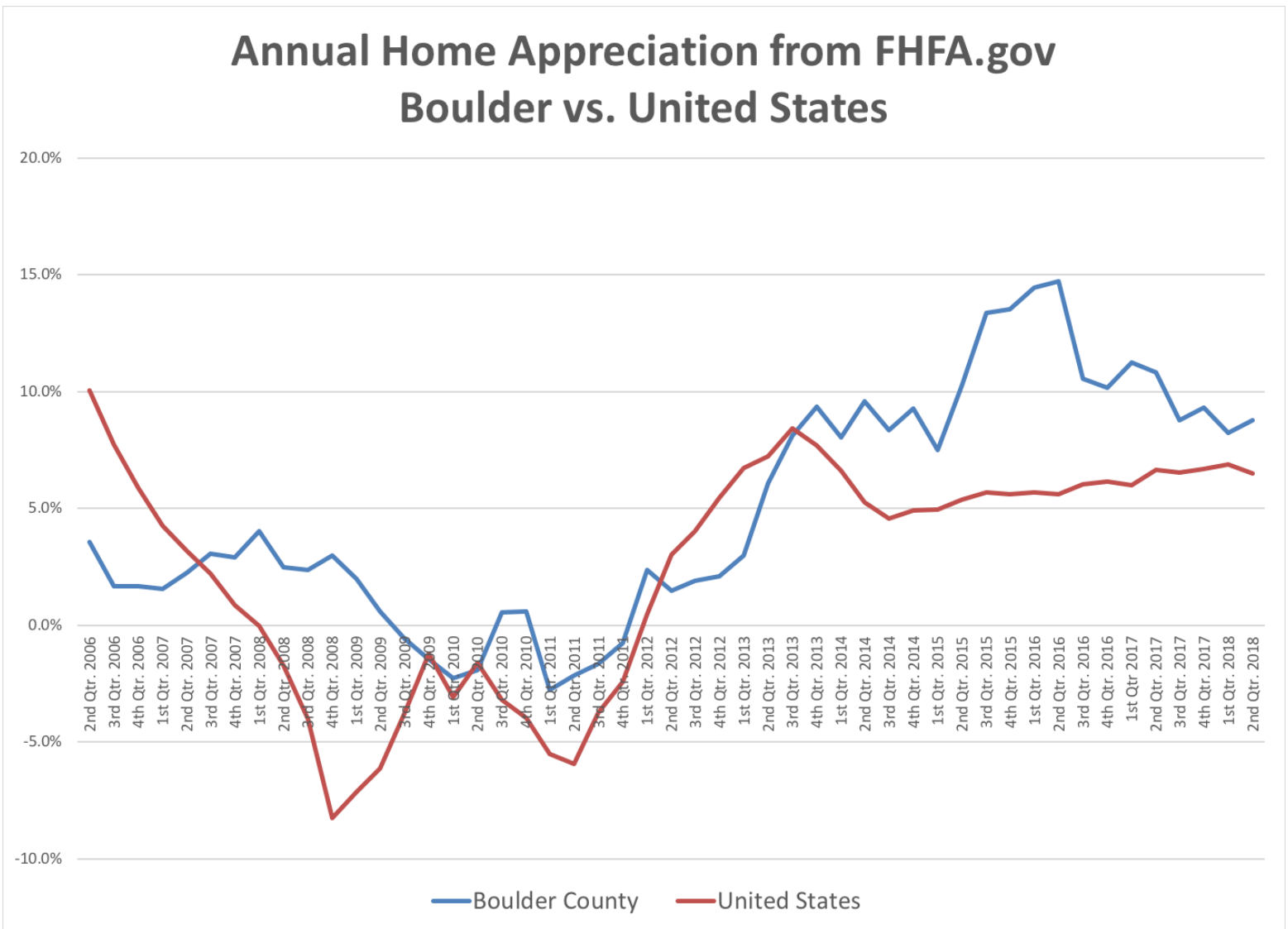
How the market is performing has much to do with location and price range. Homes that are priced below the median in each of our sub-markets are still moving quickly. The higher priced homes and especially the luxury market are experiencing slower demand. Currently, in the City of Boulder, homes listed over \$2 million have 9.5 months of inventory on the market and those under \$1 million have 3.1 months of inventory.

The most recent statistics confirm my feel that the market is slowing. Certainly, some of that is seasonal, but in a few ways it feels different than the past few years. Inventory is rising just a bit, the percentage of homes that are under contract has fallen to a four year low (37%), and fewer homes are going under contract on a weekly basis over the past two months. That said, I'm still taking calls all the time from people who want to move to Boulder and are determined to make it happen. Any shift we are seeing in the market is slight, and only time will tell. 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

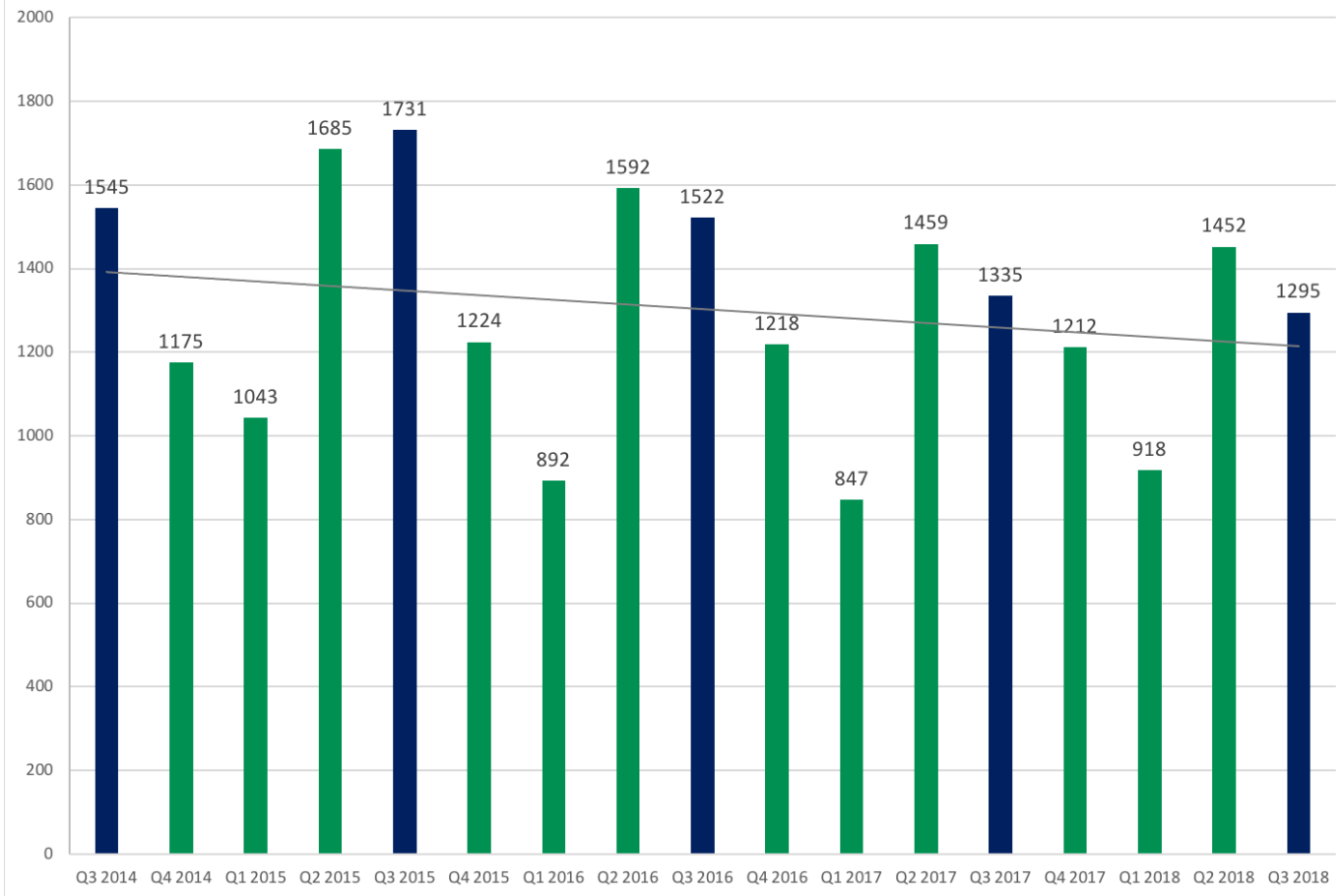
The graph below shows the median price for both Boulder County (blue line) and the United States (red line) since the second quarter of 2006. Each data point shows one year appreciation on a quarterly basis. To me the interesting takeaway from this graph is that our area (Boulder County as a whole) weathered the storm of the Great Recession better than the U.S. as a whole and then rebounded more. The most recent quarter Boulder's four-quarter appreciation was 8.76% which ranked it 65th out of 245 areas in the study. Over the past five years our cumulative home appreciation has been 65.58% which ranks 17th best in the nation.



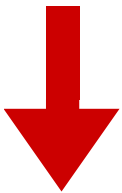
Source FHFA.gov

# Boulder County Sales Activity

## Five Year Trend of Sales Activity - Boulder County



## Boulder County Market Snapshot



### Total Sales

Comparing 3rd qtr. 2018 to 3rd qtr. 2017 sales decreased by 40 sales or 3%. YTD sales are just down 3% so the 3rd quarter solidified that trend.



### Median Price

A year ago the median price for sales in the 3rd quarter was \$475,000, this year it was \$520,000 an increase of 9%.



### Days to Contract

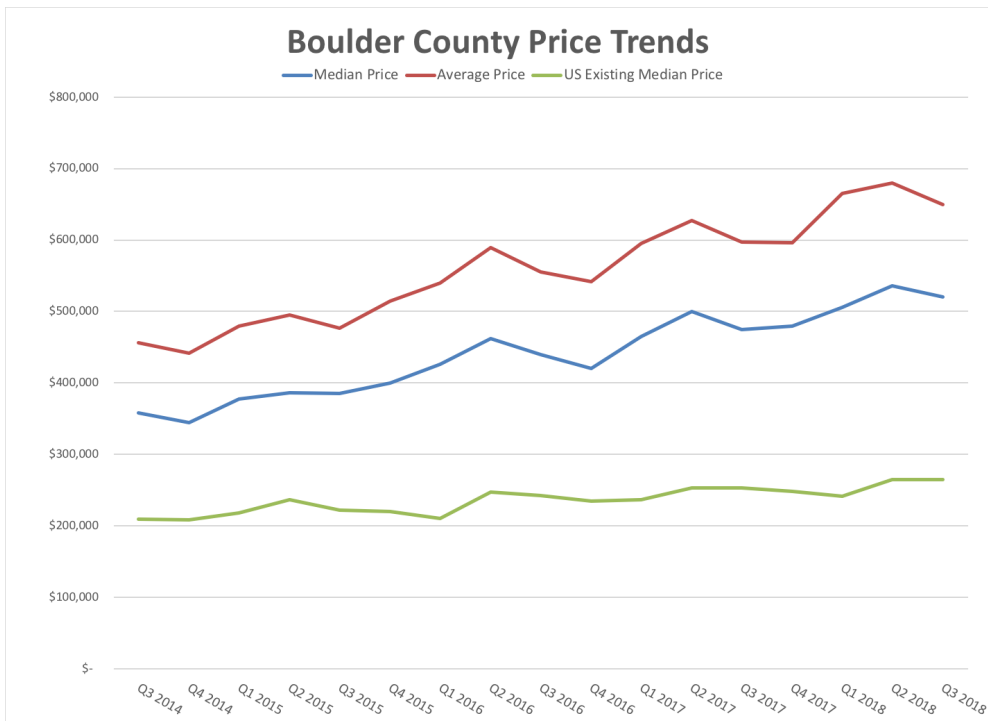
On average it took 32 days for a home to go under contract. This is two days quicker than last year. This statistic only includes homes that actually close.



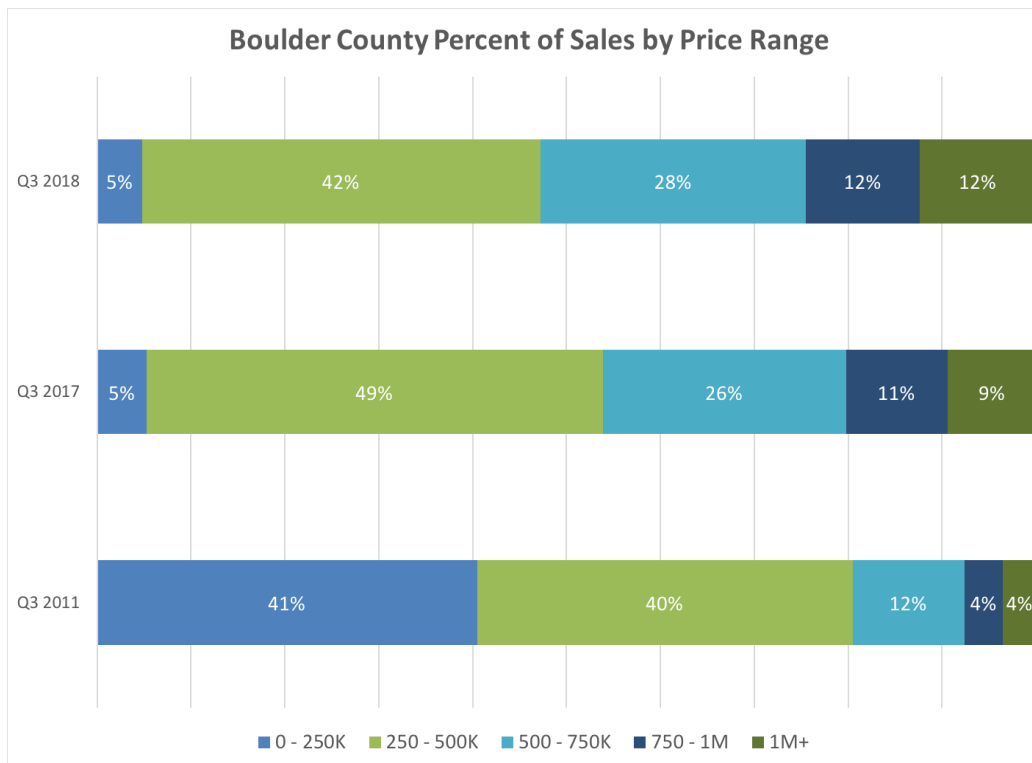
### Months of Inventory

At the end of the quarter if sales kept up the current pace it would have taken 3.75 months to sell all of the listings if no new listings were added. This is slightly higher than a year ago.

# Boulder County Price Trends

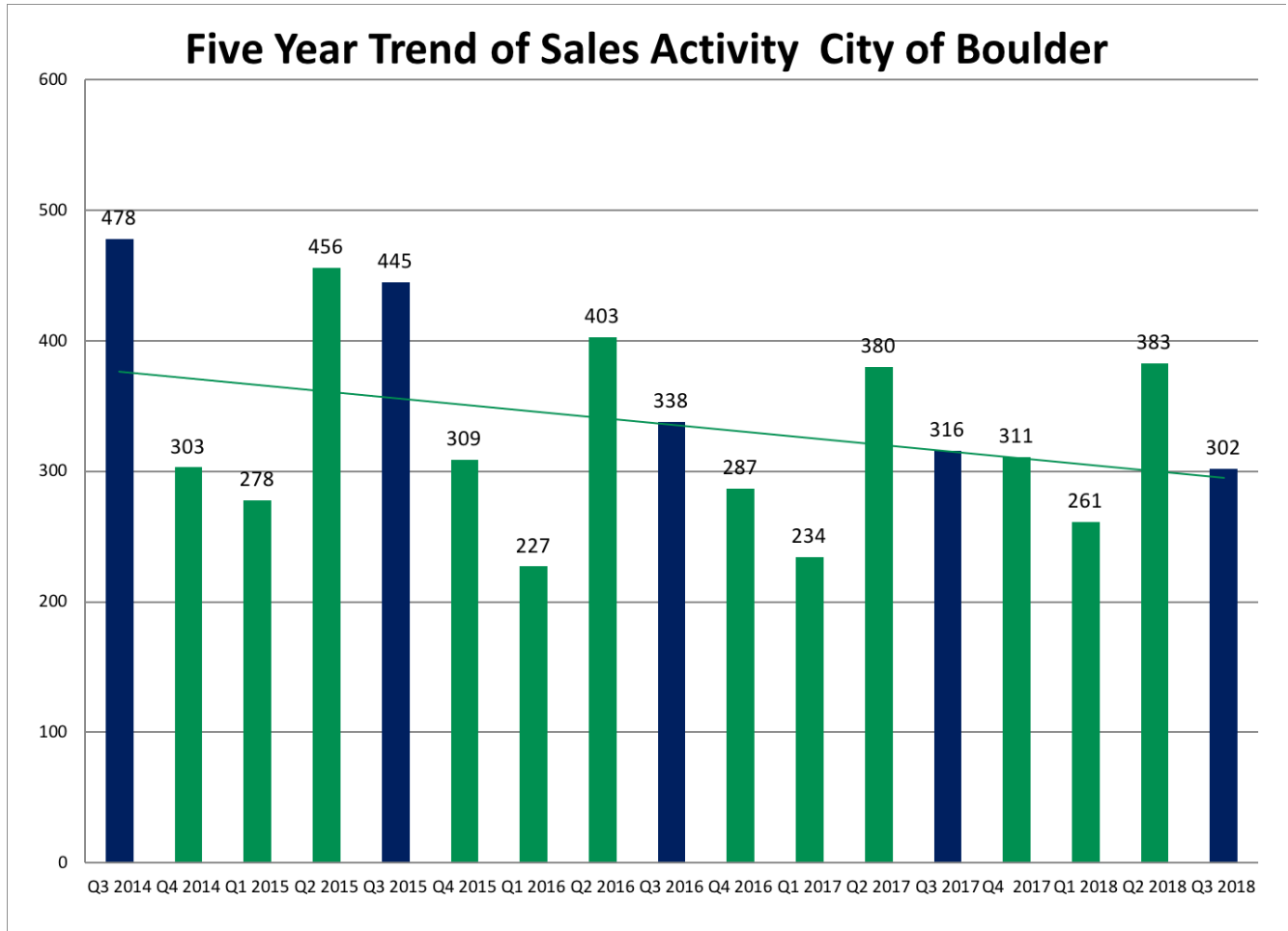


The top graph shows the price trends in Boulder County over the past five years. The red line is the average price (\$650,000) and the blue line is the median price (\$520,000) in the County. The most recent quarter showed a slowing in appreciation, although still positive. The green line is the median price for the United States.

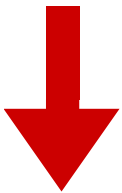


The bottom graph shows the sales which occurred in each price range during the quarter. The top bar is the most recent quarter, the middle bar is the 3rd quarter a year ago. The bottom bar for comparison represents the sales mix during the 3rd quarter in 2011. This graph is a good representation of the positive migration of prices and how the entry level has shifted considerably and the luxury market has grown.

# City of Boulder Sales Activity

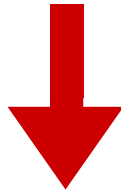


## City of Boulder Market Snapshot



### Total Sales

Comparing 3rd qtr. 2018 to 3rd qtr. 2017 sales decreased by 14 sales or 4.4%. 302 sales or 24% of the sales in the County happened within the City of Boulder.



### Median Price

Within the City of Boulder, the median price decreased slightly to \$691,700. This included both homes and condos. The median price for single family homes was \$967,500.



### Days to Contract

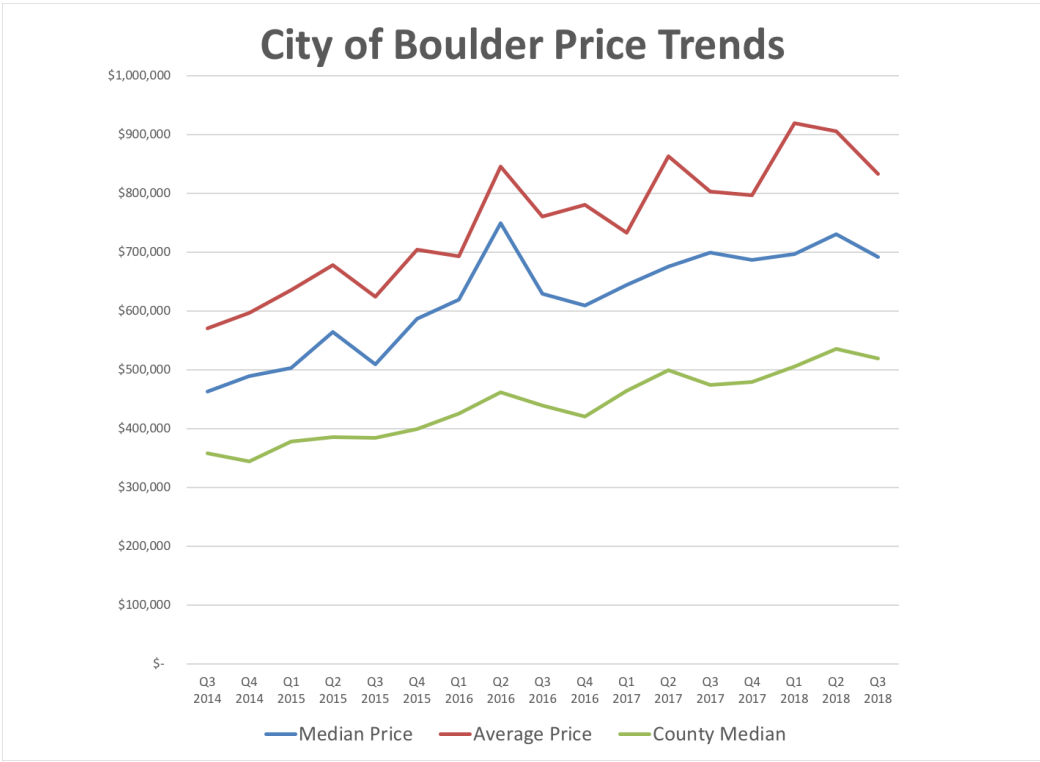
On average it took 29 days for a home to go under contract. This is exactly the same time it took last year.



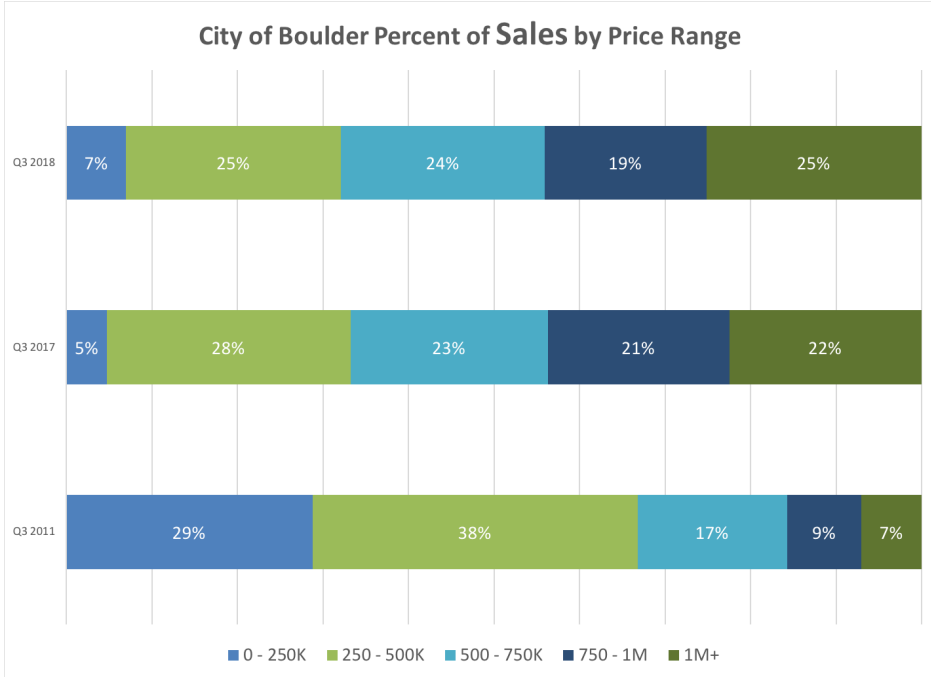
### Months of Inventory

At the end of the quarter if sales kept up the current pace it would have taken 3.62 months to sell all of the listings if no new listings were added. This is slightly higher than a year ago which was 3.53 months.

# City of Boulder Price Trends

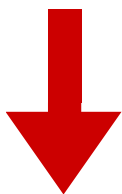
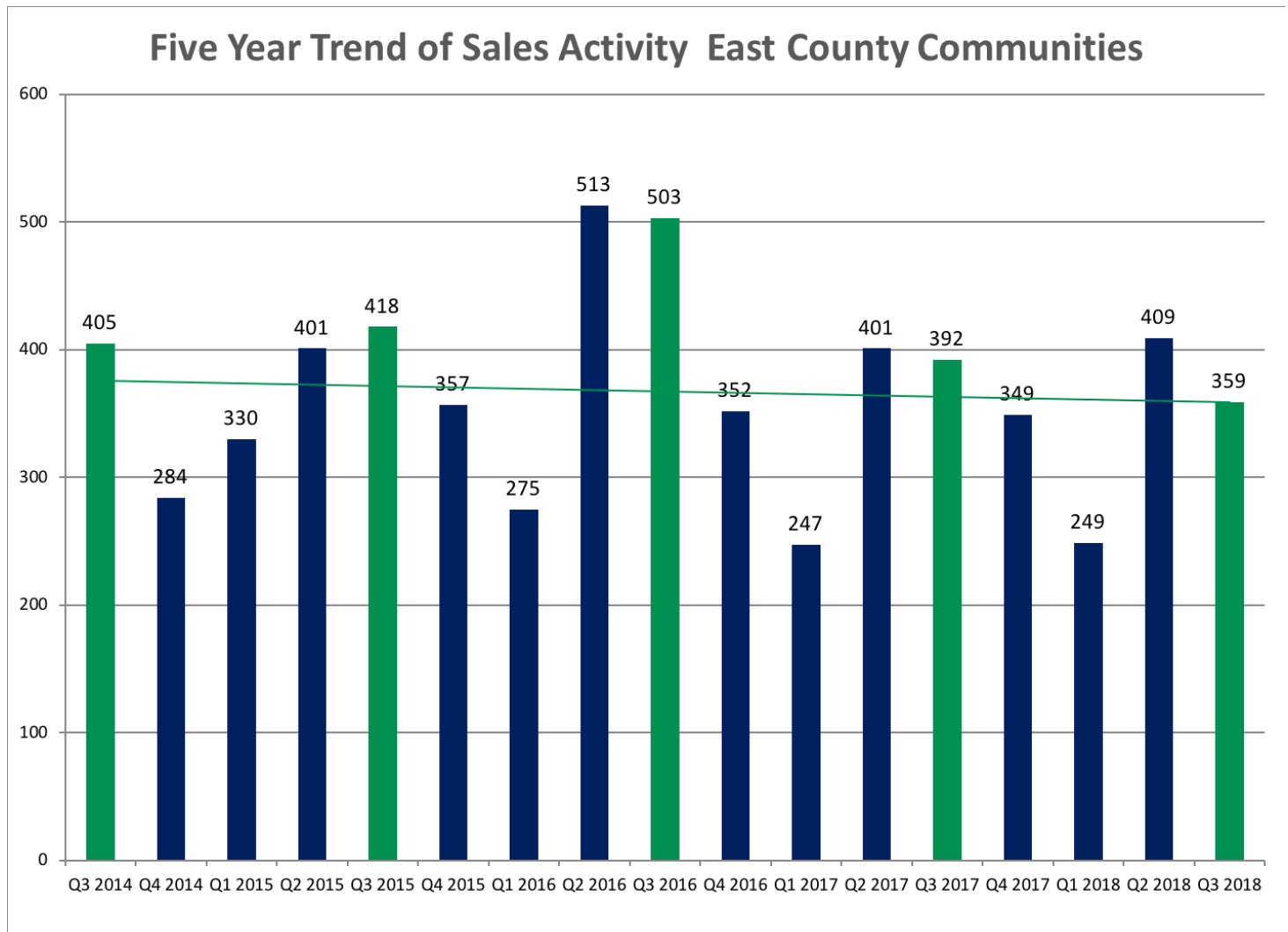


The top graph shows the price trends in the City of Boulder over the past five years. The red line is the average price (\$833,166) and the blue line is the median price (\$691,700) within the City. The most recent quarter showed a slowing in appreciation, although still positive. For reference the green line is the median price for Boulder County.



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 3rd quarter a year ago. The bottom bar for comparison represents the sales mix during the 3rd quarter in 2011. In 2011 29% of sales were \$250,000 and below, that price range represented just 7% this past quarter.

# Erie, Lafayette, Louisville, Superior Sales Activity



## Total Sales

Comparing 3rd qtr. 2018 to 3rd qtr. 2017 sales decreased by 33 sales or 8%. 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 3rd quarter was \$507,795, this year it was \$532,500 an increase of 5%.



## Days to Contract

On average it took 26 days for a home to go under contract. This is two days quicker than last year. This statistic only includes homes that actually close.



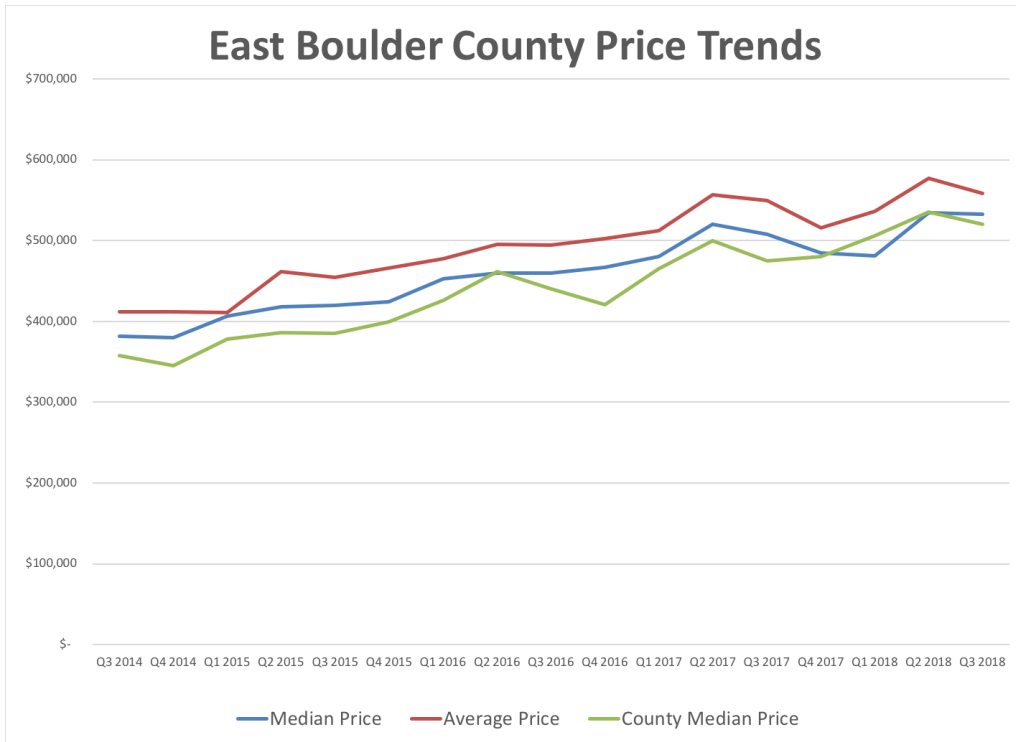
## Months of Inventory

At the end of the quarter if sales kept up the current pace it would have taken 3.59 months to sell all of the listings if no new listings were added. This is slightly less than a year ago.

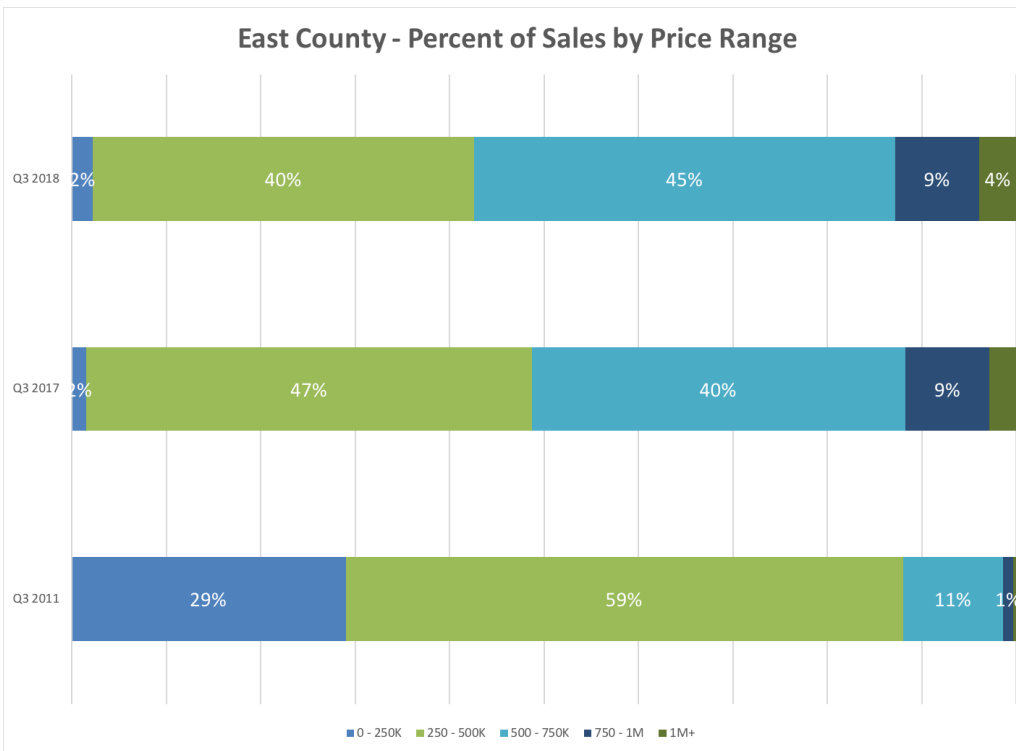
Note: The East Boulder County data includes the Weld County sales in Erie that are in the IRES MLS system



# Erie, Lafayette, Louisville, Superior Price Trends



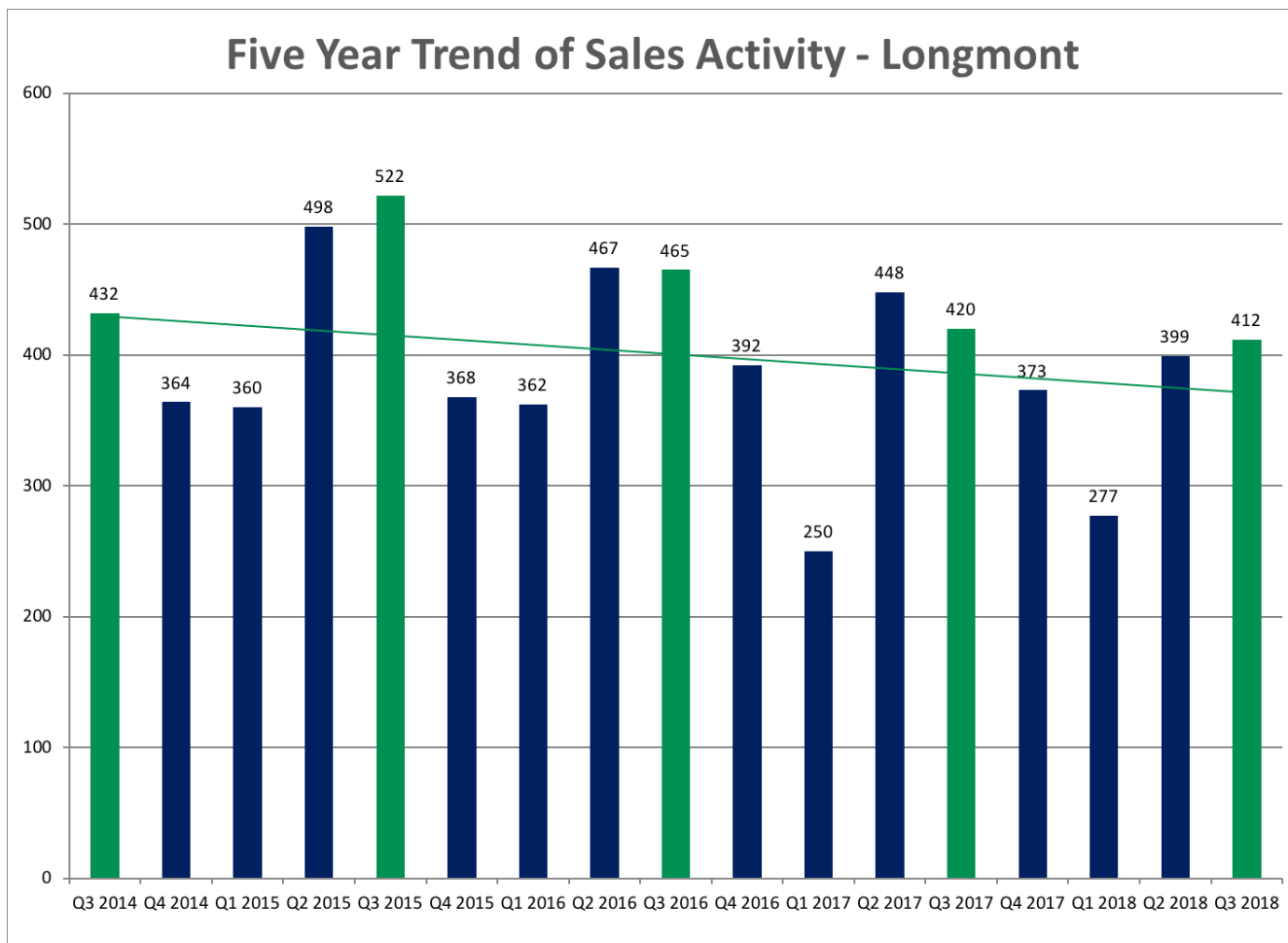
The top graph shows the price trends in the east county communities over the past five years. The red line is the average price (\$558,028) and the blue line is the median price (\$532,500). The most recent quarter showed a slowing in appreciation, although still positive. For reference the green line 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 3rd quarter a year ago. The bottom bar for comparison represents the sales mix during the 3rd quarter in 2011. In 2011 29% of sales were \$250,000 and below, that price range represented just 2% 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



## City of Longmont Market Snapshot



### Total Sales

Comparing 3rd qtr. 2018 to 3rd qtr. 2017 sales decreased by 8 sales or 2%.



### Median Price

A year ago the median price for sales in the 3rd quarter was \$364,500, this year it was \$420,000 an increase of 15%.



### Days to Contract

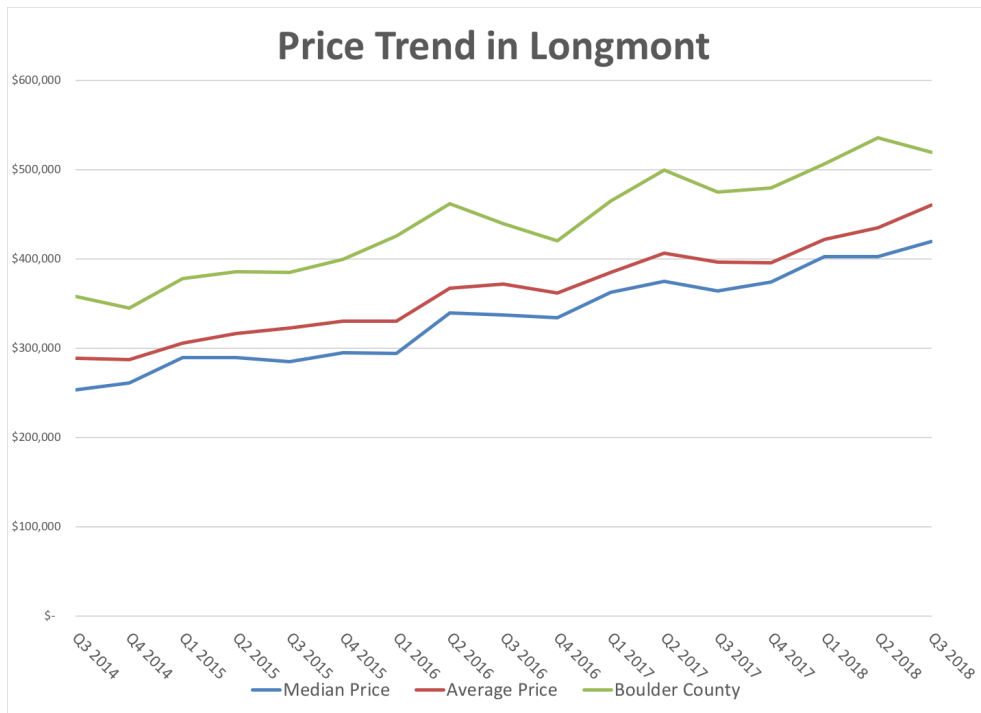
On average it took 24 days for a home to go under contract. This is one day quicker than last year. This statistic only includes homes that actually close.



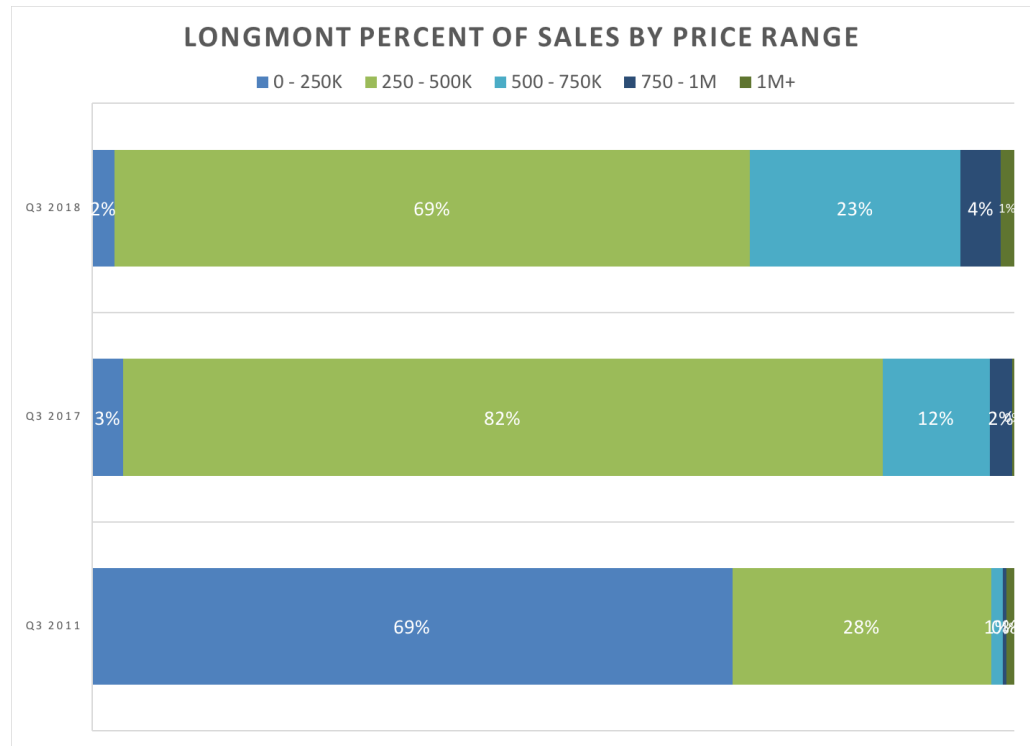
### Months of Inventory

At the end of the quarter if sales kept up the current pace it would have taken 2.91 months to sell all of the listings if no new listings were added. Last year it was 3.48 months. This represents the strongest seller's market in our area.

# City of Longmont Price Trends



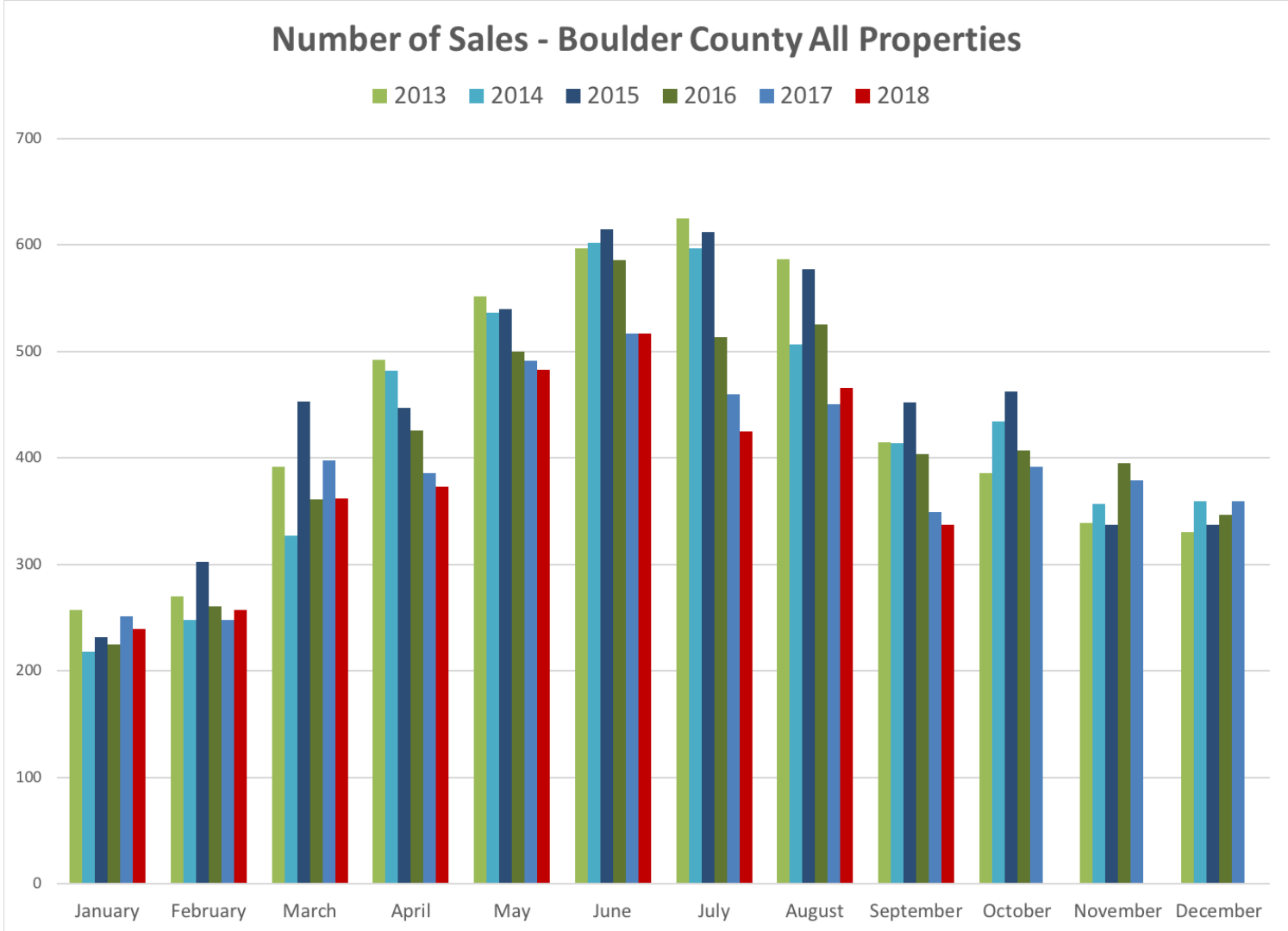
The top graph shows the price trends in the east county communities over the past five years. The red line is the average price (\$558,028) and the blue line is the median price (\$532,500). The most recent quarter showed a slowing in appreciation, although still positive. For reference the green line 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 3rd quarter a year ago. The bottom bar for comparison represents the sales mix during the 3rd quarter in 2011. In 2011 69% of sales were \$250,000 and below, that price range represented just 2% this past quarter.

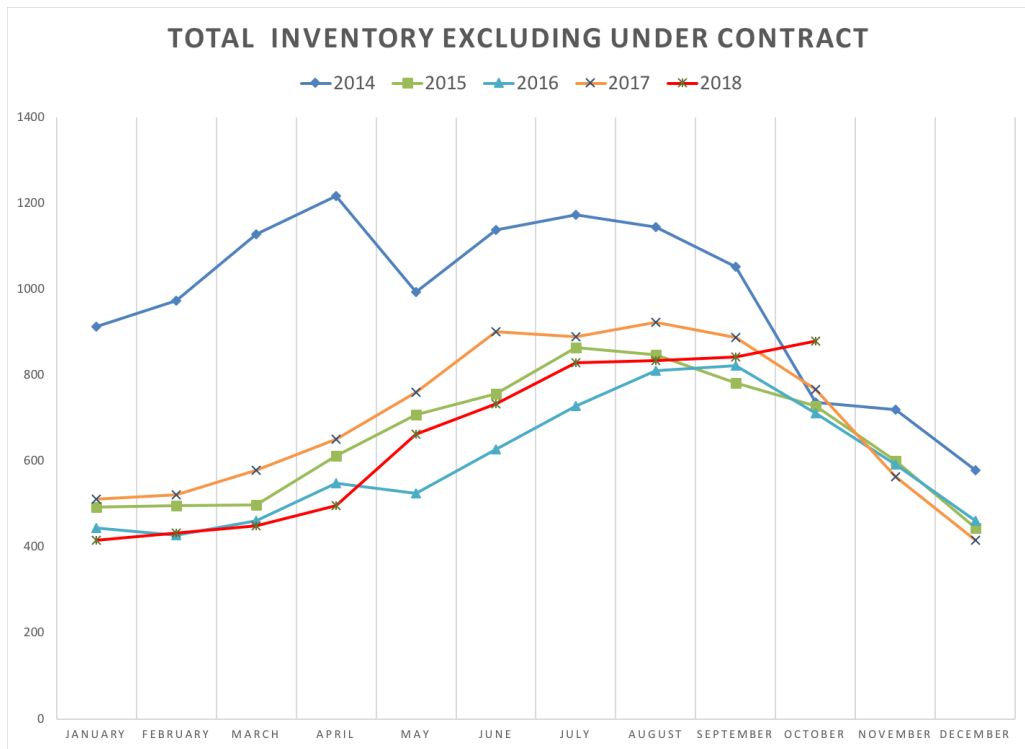
Note: The East Boulder County data includes the Weld County sales in Erie that are in the IRES MLS system

# Boulder County - Monthly Sales Activity



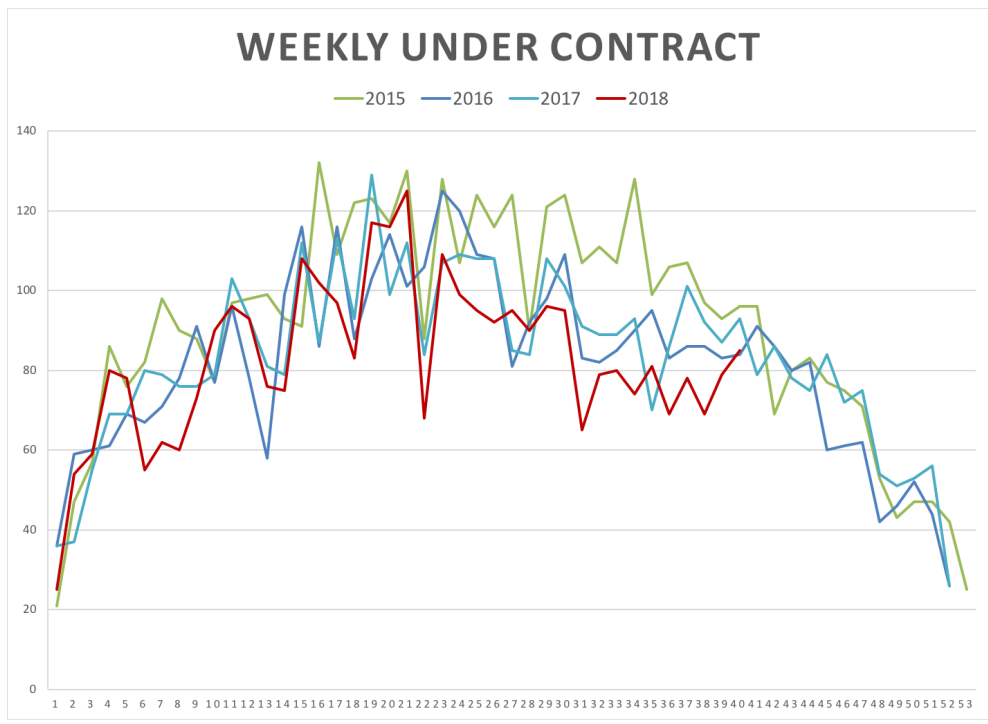
The graph on this page shows the seasonality of real estate sales in Boulder County. Sales over the past six years are arranged by month of the closing. The normal time between contract and closing is 30 to 45 days so in order to get a true sense of the activity in the market roll back the statistics 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



The graph on this page are more current and represent a snapshot of the market at the end of the third 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 sales have dropped a bit and we have had more properties come on the market. Maybe a break to the trend.

The lower graph shows the number of homes that have gone under contract in Boulder County on a weekly basis over the past four years. Since sales haven't changed significantly over that time the data points are fairly similar. However, the past eight weeks have seen activity noticeably lower than past years.



# 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.



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# Some Recent Testimonials

“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

“Our family is so grateful to have had Neil help us sell our home. He went above and beyond what one would expect from a real estate agent. His professional approach in nailing everything down from market trends in our area to providing helpful suggestions to set up our home for sale was one of a kind. Neil was always available to answer questions, ease our minds and even lending a hand with sale preparation tasks. He always welcomed our input and made things very clear and understandable. We can truly say that Neil became like family. Again, his professionalism and amazing knowledge of real estate markets topped off with his genuinely kind and caring approach cannot be beat. We could not have made it through any of this process without Neil. Our family will only recommend his agency and will never consider anyone else in the future when the time comes around for us to buy or sell any property. Neil is not only a wonderful person, but also the best agent in Boulder and the surrounding area. THANK YOU NEIL!!” The Kosenski Family

“We would highly recommend Neil Kearney and would not hesitate to use him again. We have worked with Kearney Realty for over 20 years and received incredible service in four real estate transactions over the years. Neil recently worked with us for several months and was very patient until we found our perfect home. He was very knowledgeable and a strong advocate when we were ready to buy, and he was not afraid to point out potential problems or assets with homes when we were looking.” Bill and Connie Barclay

“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