

# The **Kearney** Report

Boulder County Real Estate Report



Neil Kearney

Third Quarter 2019



## Real Estate Market Update

Sometimes it's easy to forget that change is the only constant. I created the graphic to the right, which depicts the real estate cycle, a few years back and I find that it's really good to refer to it periodically. It seems that much of what is happening in our current market can be found in the upper right hand corner, "hyper supply". Of course, it's not always as easy as pointing to the wisdom of the past and predicting the future. But it's a good place to start!

Sales during the third quarter of 2019 were higher than a year ago, up by 8%. However, the market dynamics have changed. Instead of lack of inventory and a strong sellers market, we are seeing increased inventory, longer time on the market, more price reductions and fewer showings. In summary, demand has slowed and supply has increased. This has resulted in less upside pressure on prices and the balance of power in negotiations is shifting away from sellers and towards buyers.

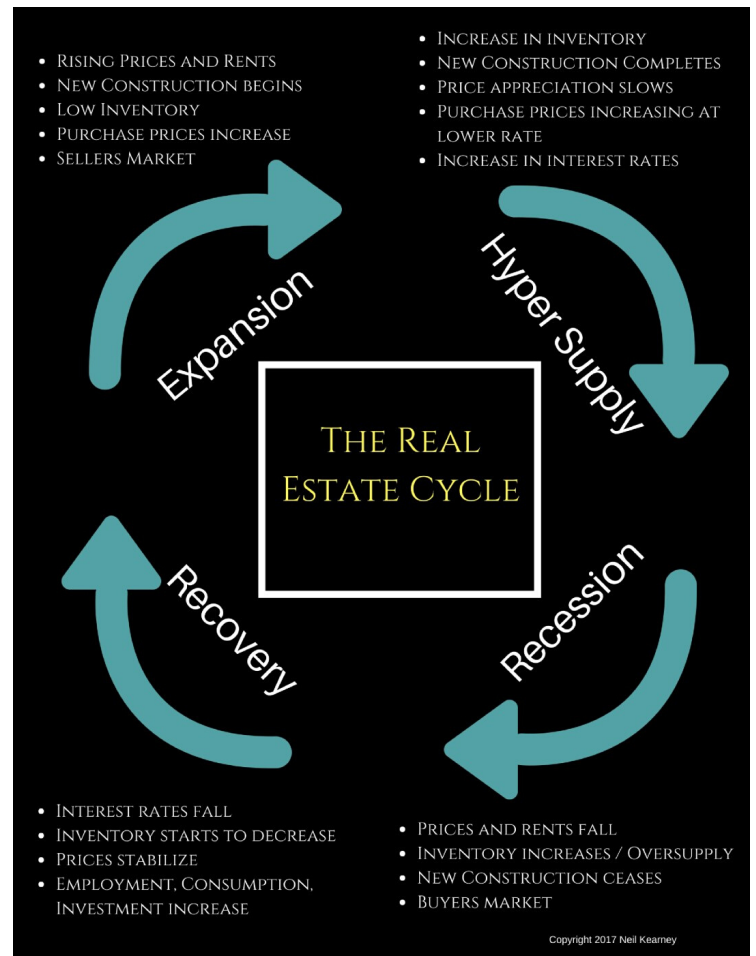
We are not alone, many of the strongest markets over the past five years are seeing softening. This includes San Francisco and Seattle, among others. For the one year period ending June 30th, appreciation in Boulder County was 3.41%.

This ranked us in the bottom half of U.S. metropolitan areas and below the U.S. average of 4.99%. For reference Colorado's appreciation was 5.36%, San Francisco's was -.05% and in Seattle it was 1.37%. As the graphic says, purchase prices are increasing, but at a lower rate.

Inventory hasn't recovered to historical levels, but there are more properties on the market now than at any time since 2014. Over the past few years buyers have been operating in a scarcity mindset - "not enough homes to buy, better act quickly", "not my ideal house, but I better grab it", "how much over full price do I need to pay?" Now that there are multiple choices available for most buyers, they are taking their time, pouring over the details of each home and then considering offer price carefully. Higher inventory also has led to more sales - more buyers are able to fulfill their goals in a shorter amount of time. From the Seller's perspective, there are fewer showings and pricing is more important than it has been for a long time. We are seeing many price reductions as Sellers and their agents try to capture the attention of prospective buyers. A recent search in Longmont between \$300k and \$500k resulted in over 100 active listings!

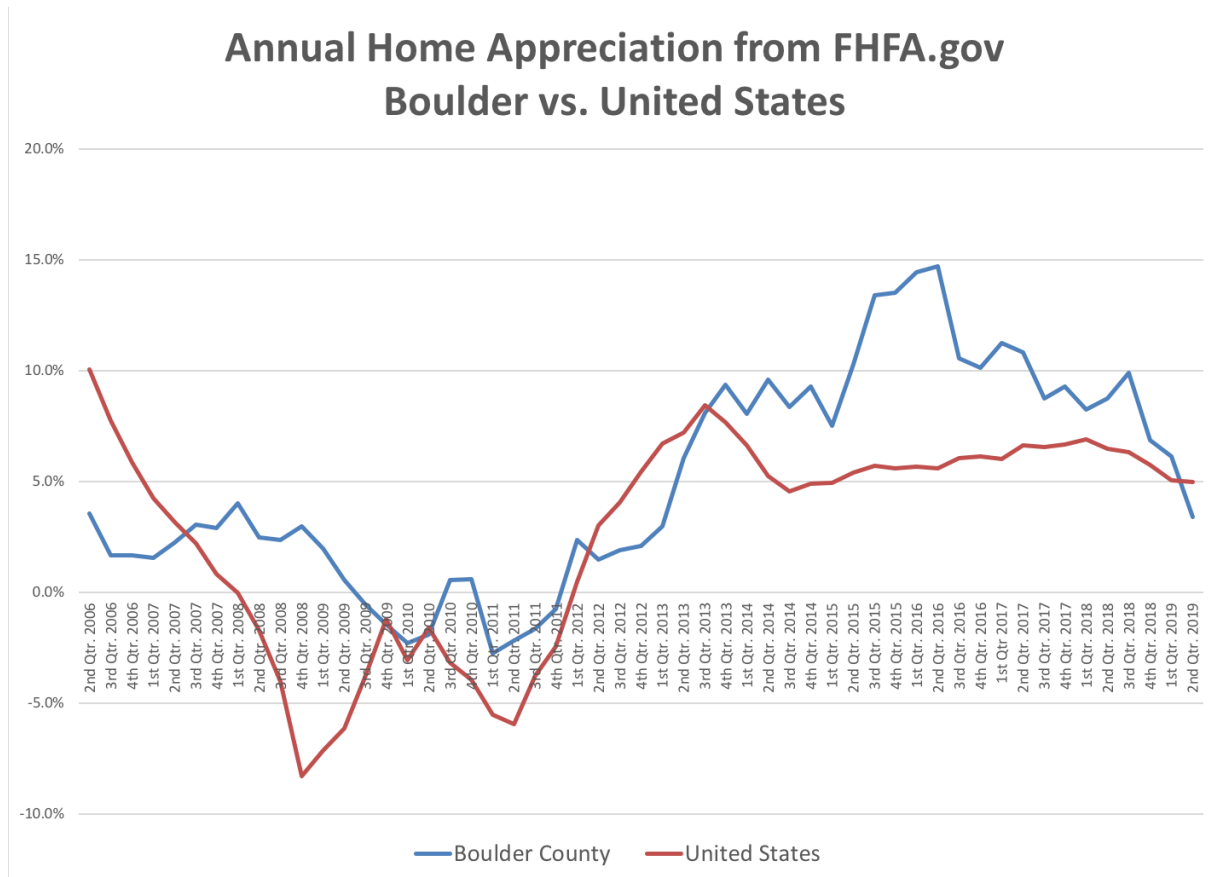
The economic conditions that drive our local market are still very positive. In Boulder County unemployment is under 2% and Boulder businesses are still creating jobs. Our area is still on the national radar as a place to live if you value a vibrant, outdoor lifestyle as well as a strong economy. People are still coming to the area for a variety of reasons and there are many housing options out there to fill the demand. As we have moved through past real estate cycles we have seen prices go flat, not decline. We'll see what the next few years have in store. Homes continue to sell and as always I'm actively helping buyers and sellers successfully close transactions. 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 average annual price appreciation for both Boulder County (blue line) and the United States (red line) since the second quarter of 2006. Each data point shows one year of appreciation on a quarterly basis. The most recent quarter shows Boulder's four-quarter appreciation was 3.41% which ranked it 188th out of 241 areas in the study. The average home appreciation in the US over the past year was 4.99%.



### Fastest Appreciating Markets - Last 12 Months

- Chico, CA 14.46%
- Idaho Falls, ID 12.45%
- Boise City, ID 12.02%
- Richland, WA 11.89%
- Spokane, WA 11.26%
- Lake Havasu City, AZ 10.16%
- Fond du Lac, WI 9.86%
- Coeur d'Alene, ID 9.5%
- Logan, UT 9.16%
- Yakima, WA 9.14%

\*\*Boulder, CO 3.41%

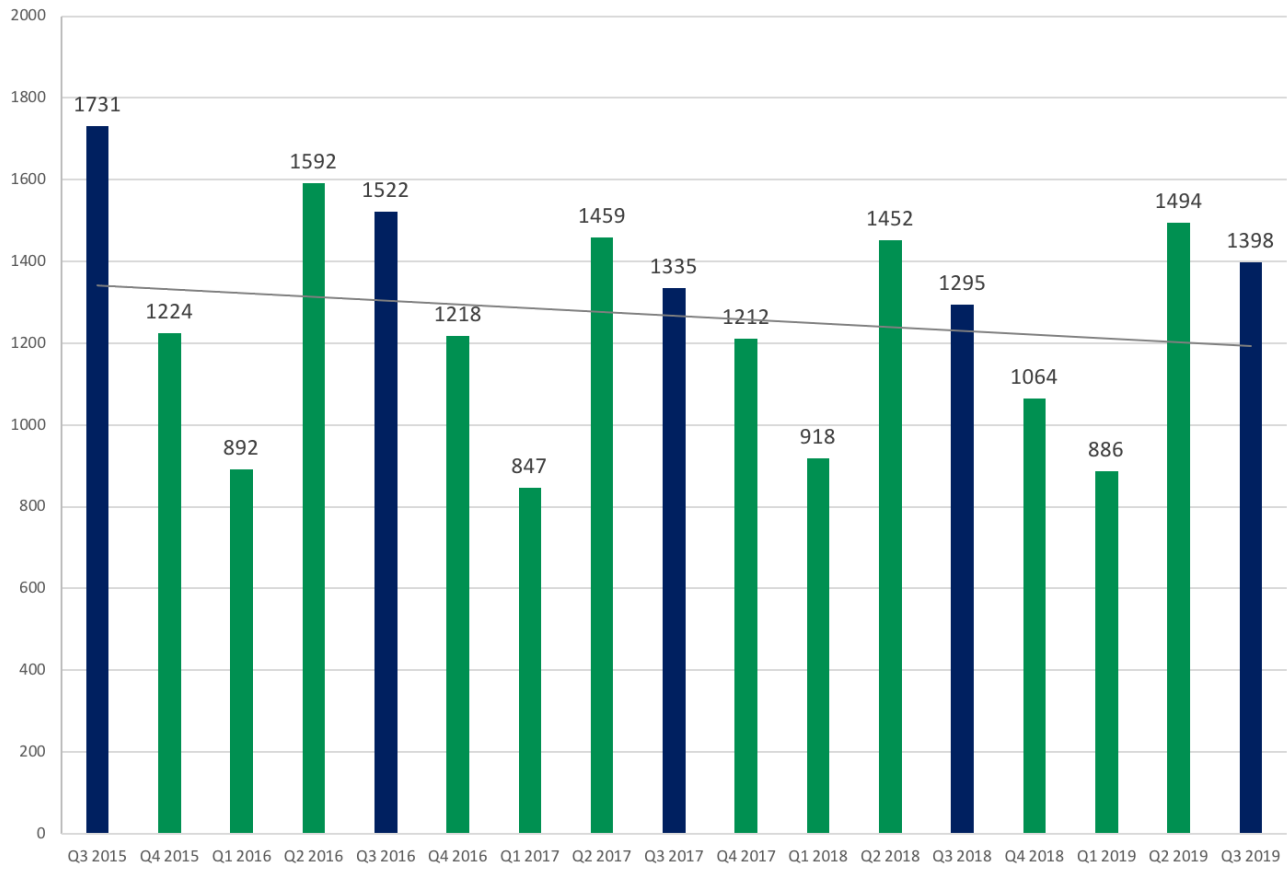
### Slowest Appreciating Markets - Last 12 Months

- San Rafael, CA -2.22%
- Santa Rosa, CA -.09%
- San Francisco, CA -.05%
- Huntington, WV .05%
- San Jose, CA .26%
- Bloomington, IL 1.13%
- Seattle, WA 1.37%
- Hagersstown, MD 1.46%
- Dubuque, IA 1.51%
- Springfield, IL 1.68%

Source FHFA.gov

# Boulder County Sales Activity

**Five Year Trend of Sales Activity - Boulder County**



## Boulder County Market Snapshot



### Total Sales

Comparing 3rd qtr. 2019 to 3rd qtr. 2018 sales increased by 103 sales or 7.9%. Increases in inventory gave buyers more opportunities to buy.



### Median Price

A year ago the median price for sales in the 3rd quarter was \$520,000, this year it increased a bit and was \$529,958. Overall, the rate of appreciation has slowed, but it is still positive.



### Days to Contract

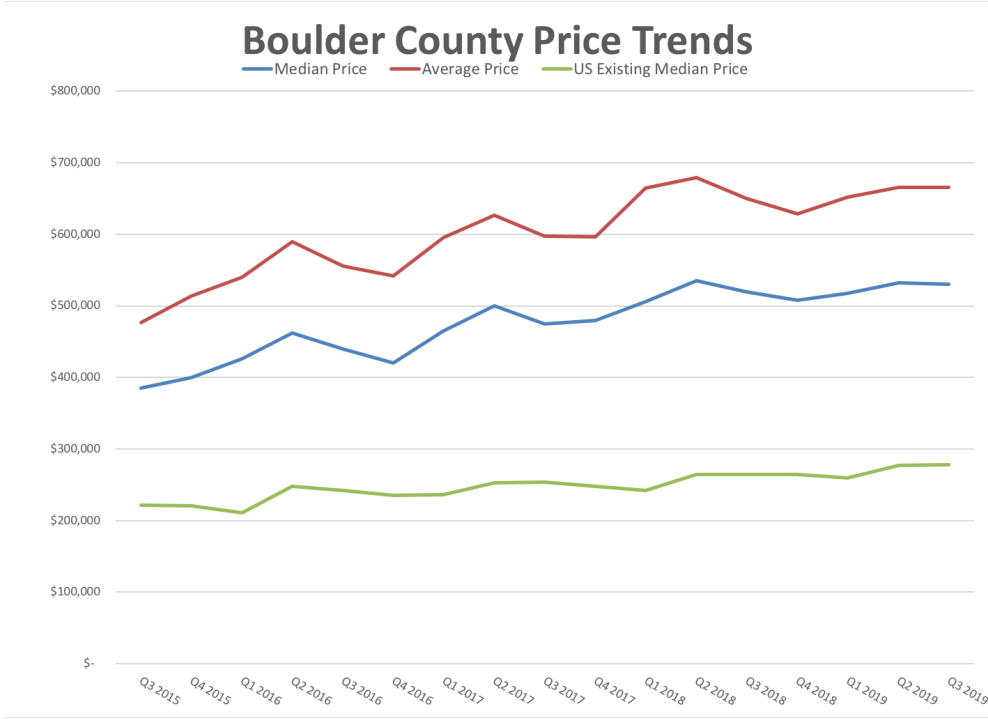
On average it took 33 days for a home to go under contract. This is ten days longer than it took during the third quarter of last year. Houses are staying on the market longer.



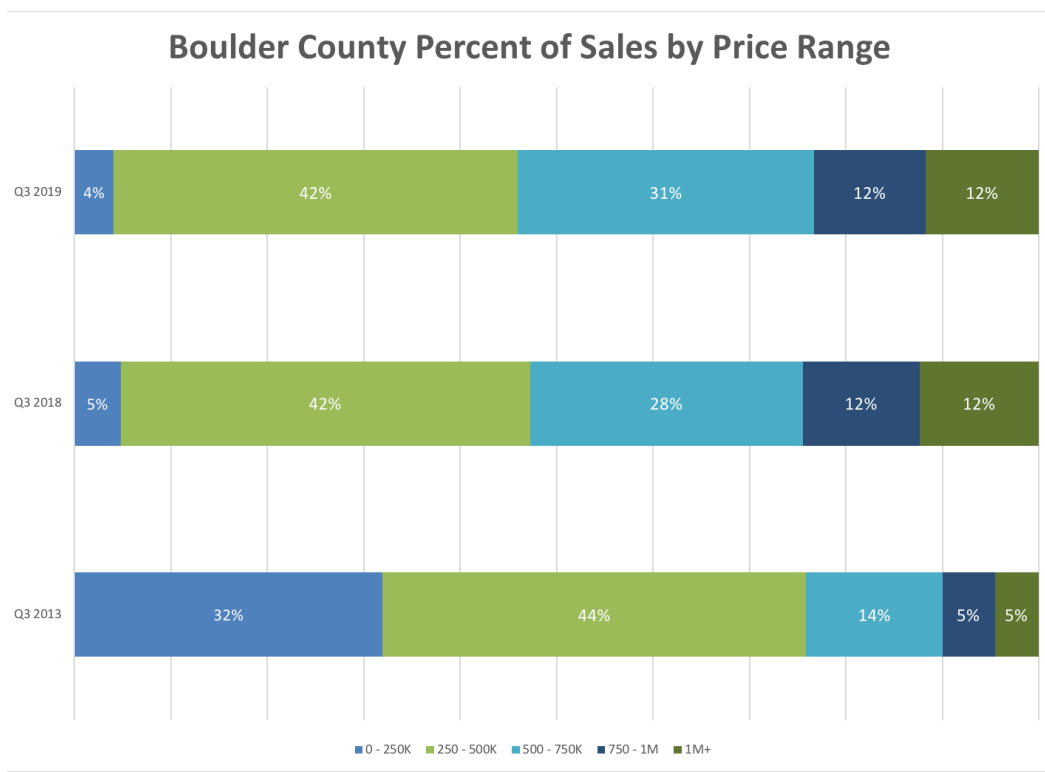
### Months of Inventory

At the end of the quarter, if sales kept up the current pace it would have taken 3.98 months to sell all of the listings if no new listings were added. Last year at this time it was 3.75 months. Both sales and inventory are up.

# Boulder County Price Trends



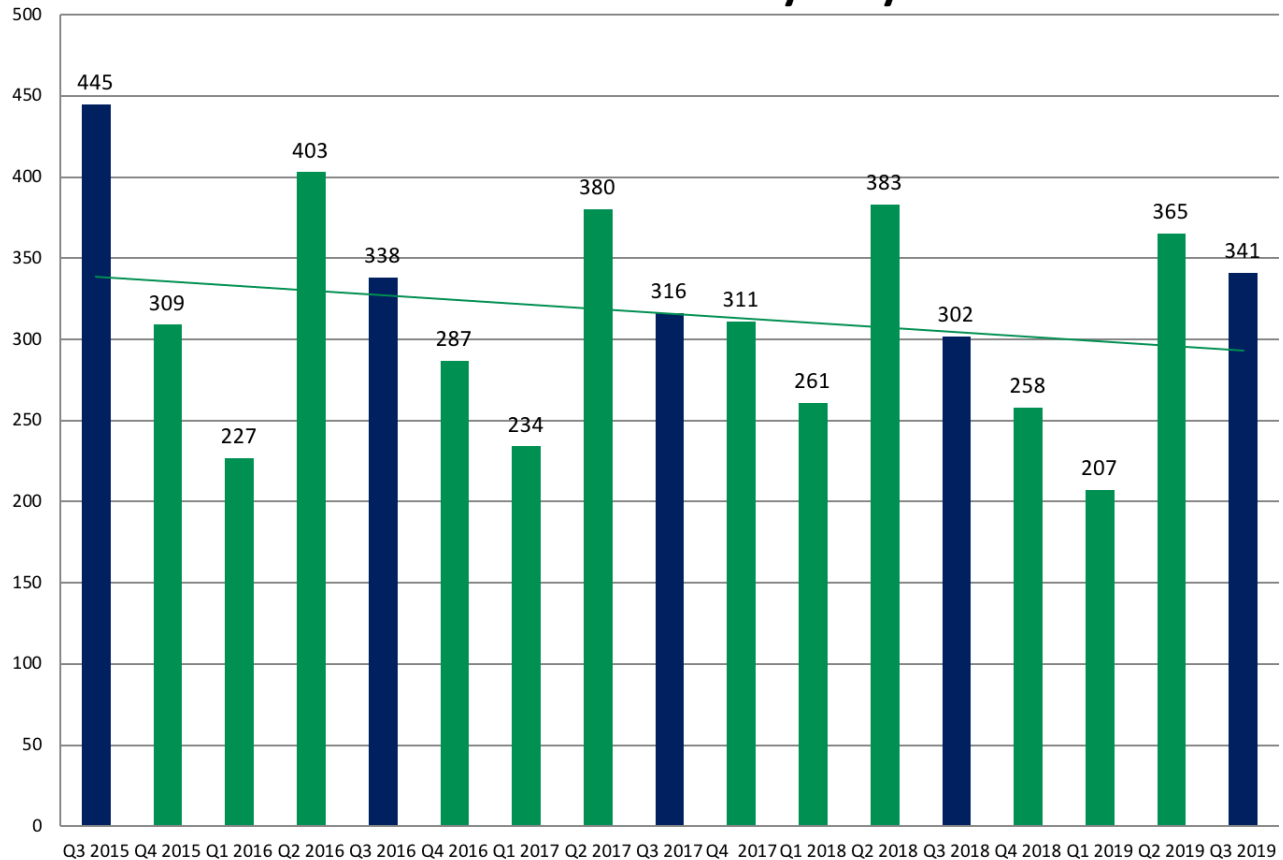
The top graph shows the price trends in Boulder County over the past five years. The red line is the average price (\$665,789) and the blue line is the median price (\$529,958) in the County. Although the pace of appreciation is slowing FHFA.gov reported the appreciation in the 1st quarter to be .73%.



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 2013. 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 3rd qtr. 2019 to 3rd qtr. 2018 sales increased by 39 sales or 13%. One quarter of the sales in Boulder County happened within the City of Boulder.



### Median Price

Within the City of Boulder, the median price increased over the past year by \$53,300 to \$745,000. This included both homes and condos. The average price in Boulder was \$910,570.



### Days to Contract

On average it took 41 days for a home to go under contract. Last year during the 3rd quarter it took 29 days. Properties are definitely staying on the market longer than in the last few years, especially in the higher price ranges.

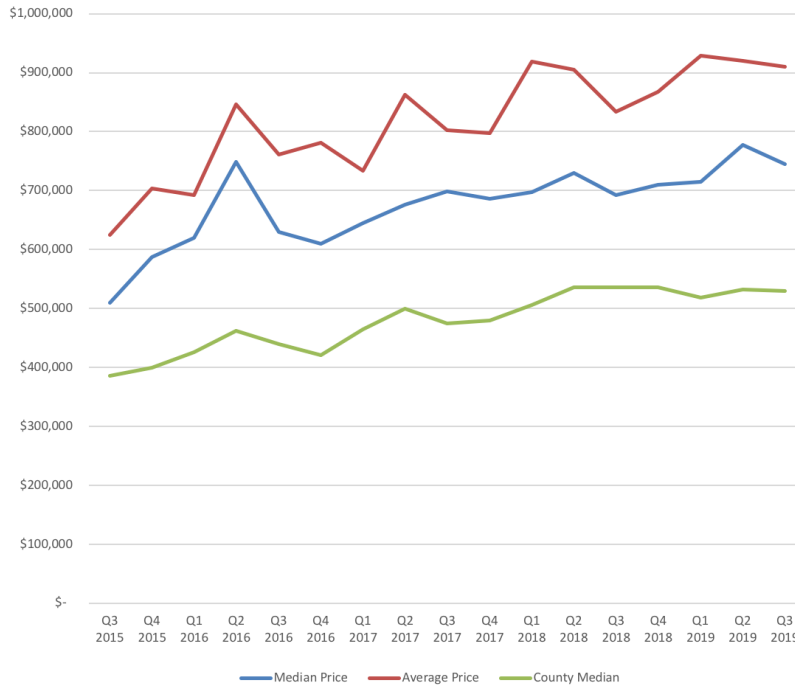


### Months of Inventory

At the end of the quarter if sales kept up the current pace, it would have taken 4.36 months to sell all of the listings. if no new listings were added. Last year at this time it was 3.52 months.

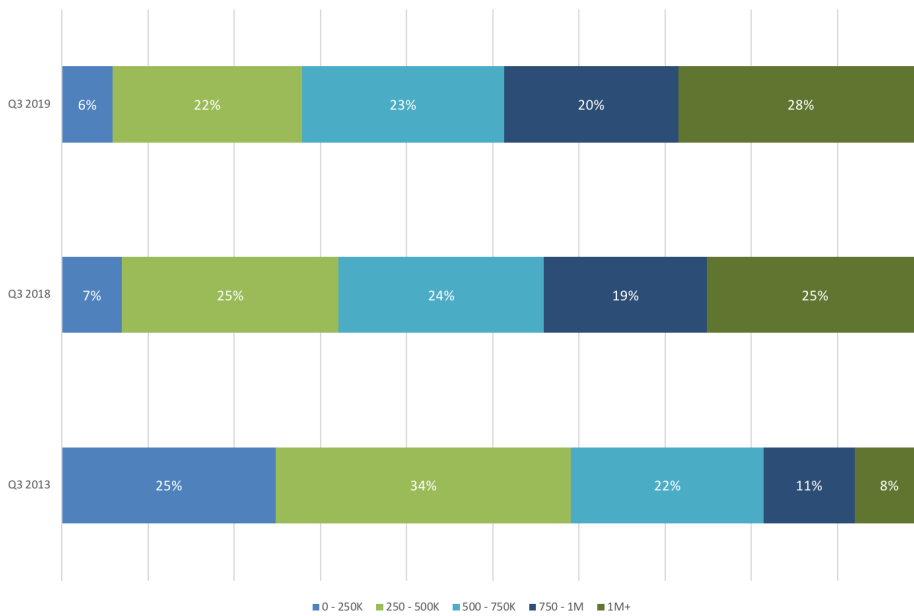
# City of Boulder Price Trends

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 (\$910,570) and the blue line is the median price (\$745,000). The most recent quarter showed a slowing in appreciation, although overall appreciation for the year is positive. For reference the green line is the median price for Boulder County.

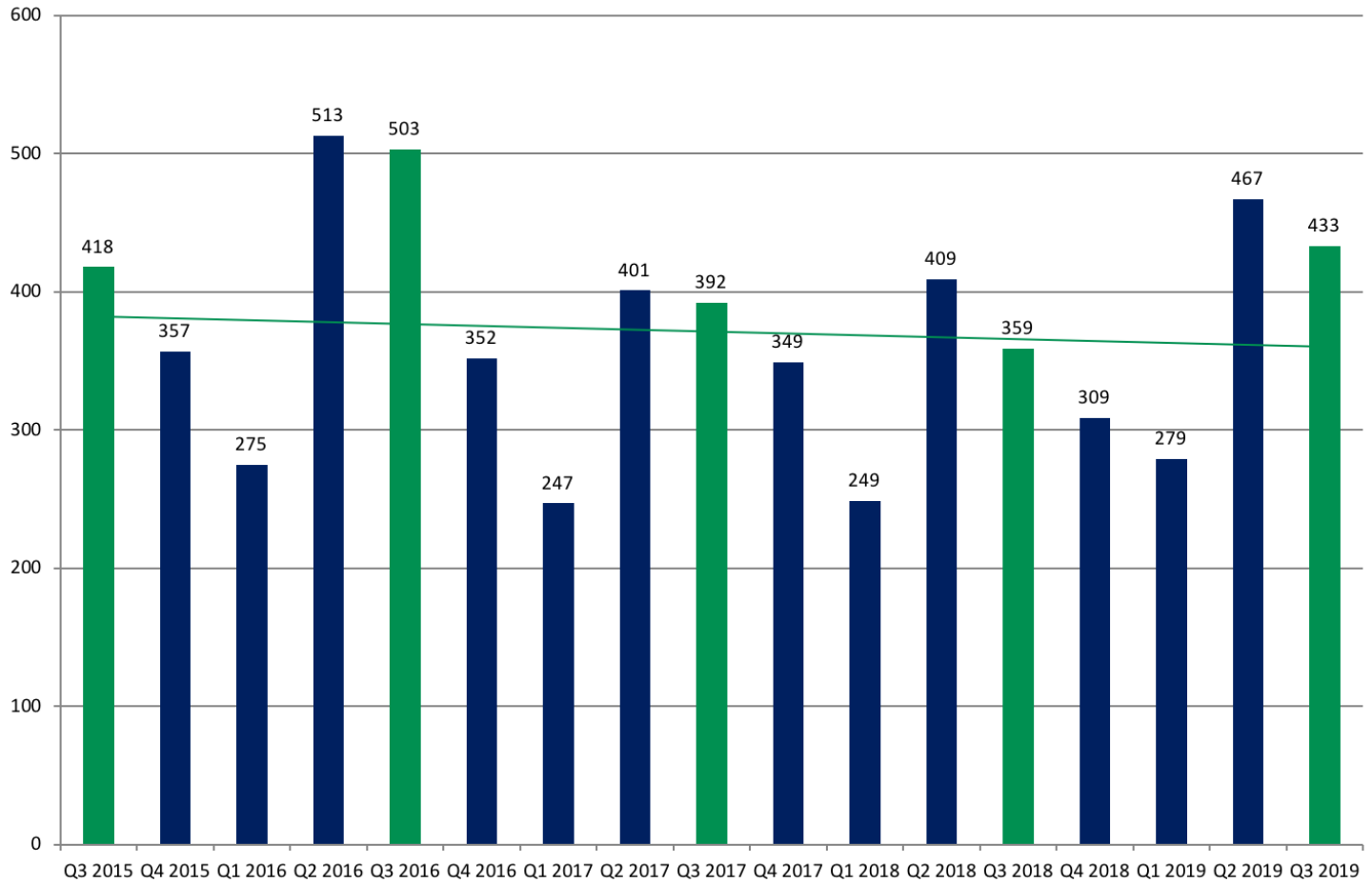
City of Boulder Percent of Sales by Price Range



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 3rd quarter a year ago. The bottom bar for comparison, represents the sales mix during the 3rd quarter in 2013. In 2013, 25% of sales were \$250,000 and below, that price range represented just 5% this past quarter and most if not all of those properties were deed restricted.

# Erie, Lafayette, Louisville, Superior Sales Activity

**Five Year Trend of Sales Activity East County Communities**



## Total Sales

Comparing 3rd qtr. 2019 to 3rd qtr. 2018 sales increased by 74 or 21%. 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 \$532,500, this year it was \$550,000 an increase of 3.3%. This nearly matches the average for the County



## Days to Contract

On average it took 36 days for a home to go under contract. This is 9 days slower than last year.



## Months of Inventory

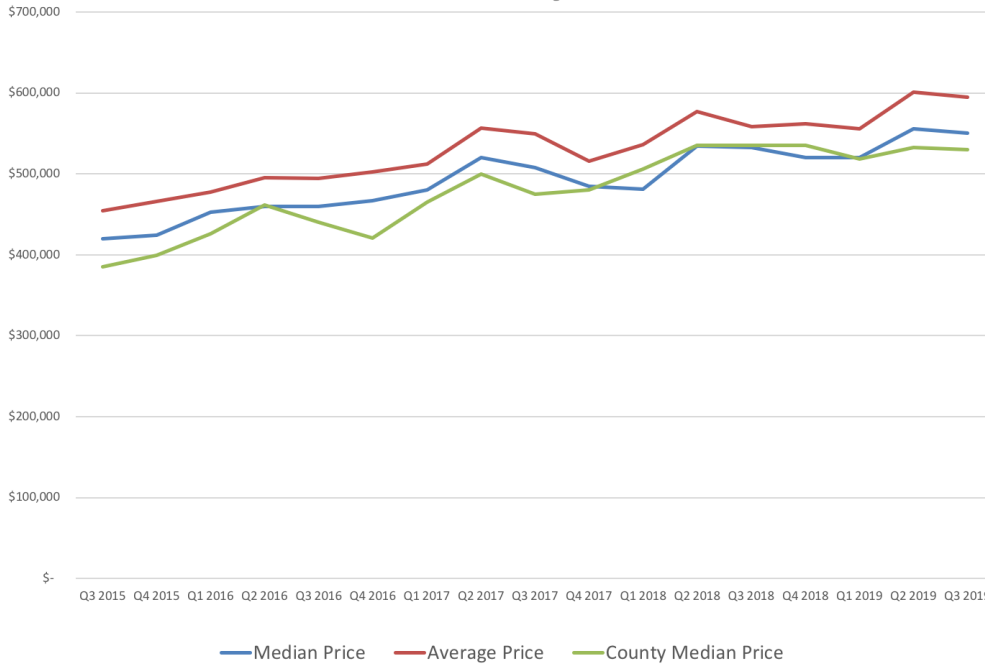
At the end of the quarter if sales kept up the current pace it would have taken 3.07 months to sell all of the listings if no new listings were added. This is less time than a year ago.

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



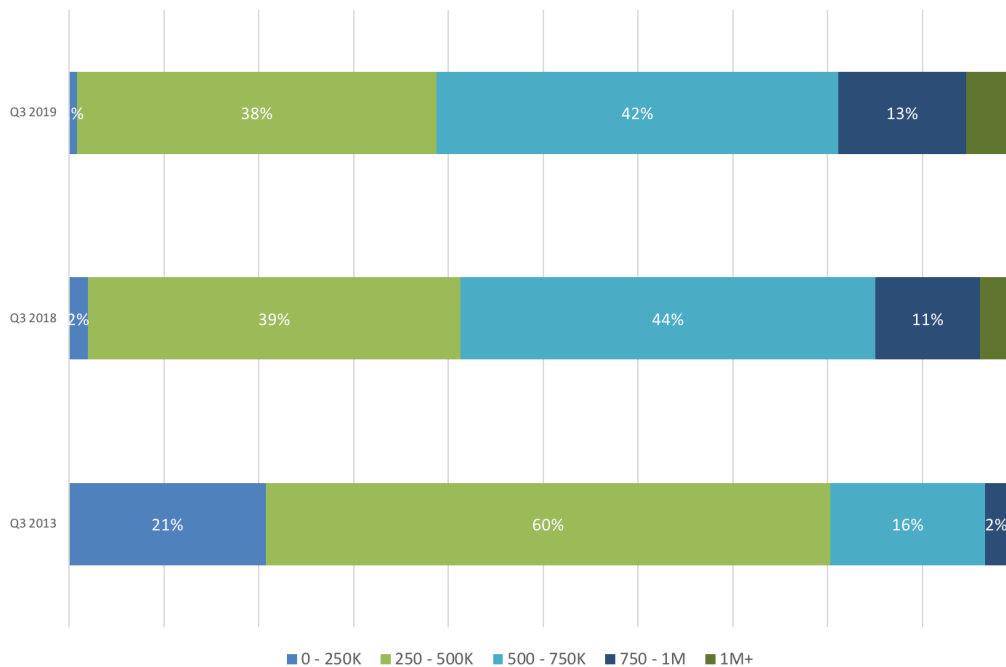
# Erie, Lafayette, Louisville, Superior Price Trends

### 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 (\$594,883) and the blue line is the median price (\$550,000). These communities showed similar appreciation during the third quarter to the overall Boulder County market.

### East County - Percent of Sales by Price Range

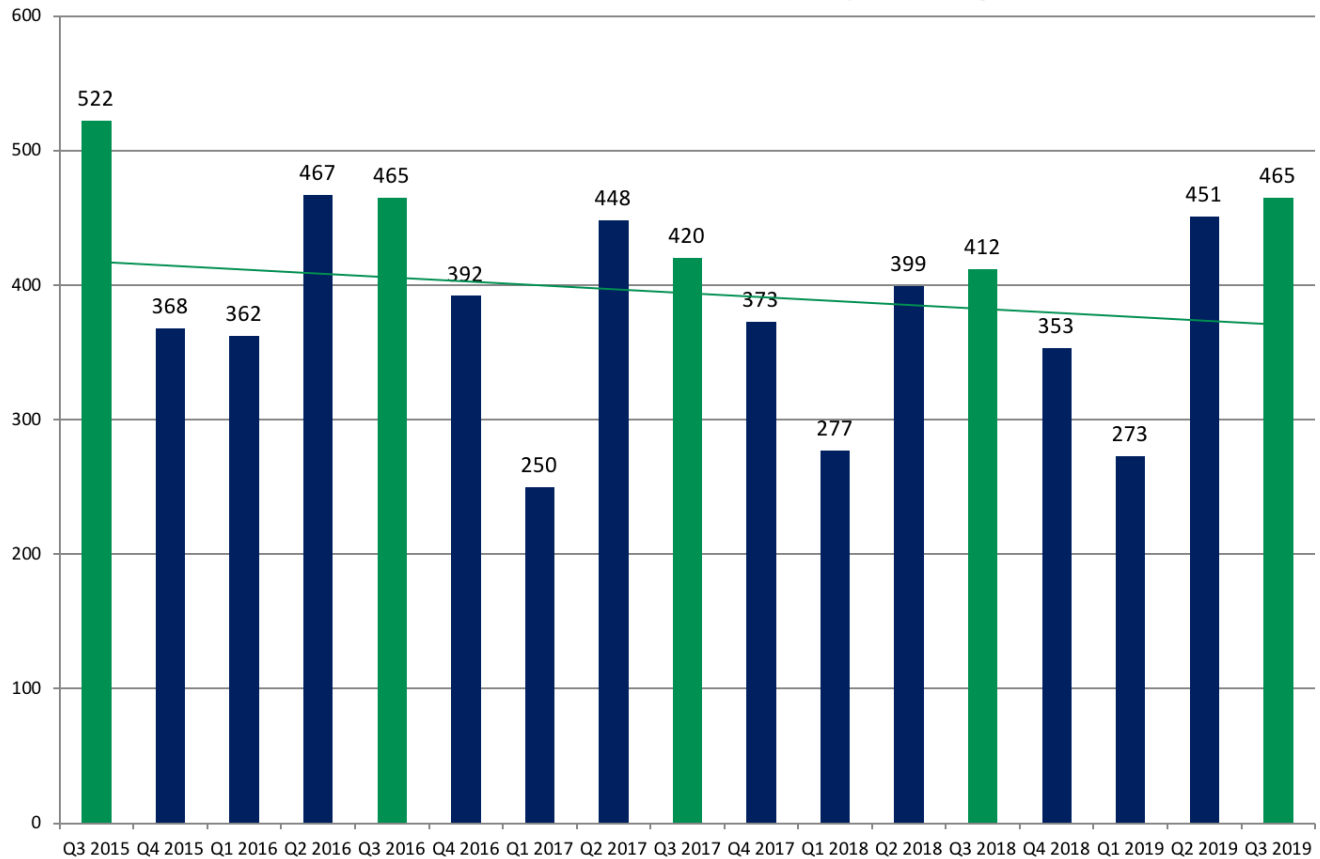


The bottom graph shows the sales which occurred in each price range during the quarter. The top bar is the most recent quarter, the middle bar is the 3rd quarter a year ago. The bottom bar for comparison represents the sales mix during the 3rd quarter in 2013. In 2013, 21% of sales were \$250,000 and 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

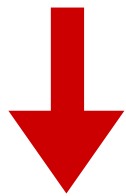


## City of Longmont Market Snapshot



### Total Sales

Comparing 3rd qtr. 2019 to 3rd qtr. 2018 sales increased by 53 sales or 13%. Longmont had more sales than any other city in Boulder County, and represented 34% of the overall market.



### Median Price

A year ago the median price for sales in the 3rd quarter was \$420,000, this year it was \$412,000, a slight decrease. However, the prices are higher than were recorded in the first or second quarter of 2019.



### Days to Contract

On average it took 34 days for a home to go under contract in Longmont. This is 11 days slower than last year during the same quarter a year ago.



### Months of Inventory

At the end of the quarter if sales kept up the current pace it would have taken 2.94 months to sell all of the listings if no new listings were added. This is slightly more time than a year ago.

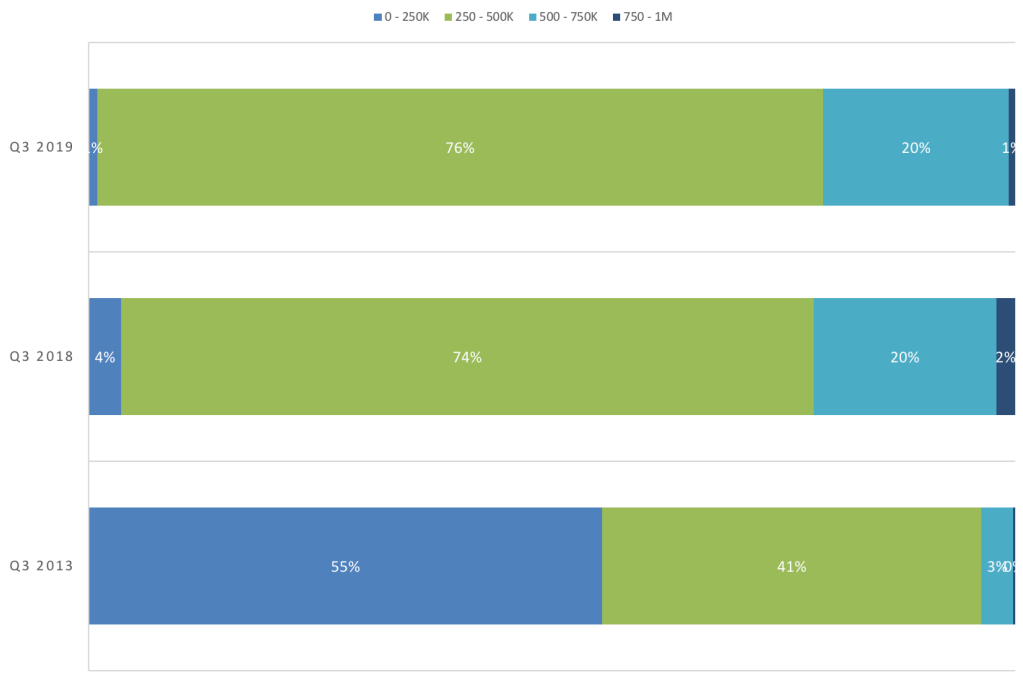
# City of Longmont Price Trends

**Price Trend in Longmont**



The top graph shows the price trends in Longmont over the past five years. The red line is the average price (\$444,083) and the blue line is the median price (\$412,000). Longmont has the smallest spread between the average price and the median price. To me, this means that there are fewer high end properties bringing up the average.

**LONGMONT PERCENT OF SALES BY PRICE RANGE**

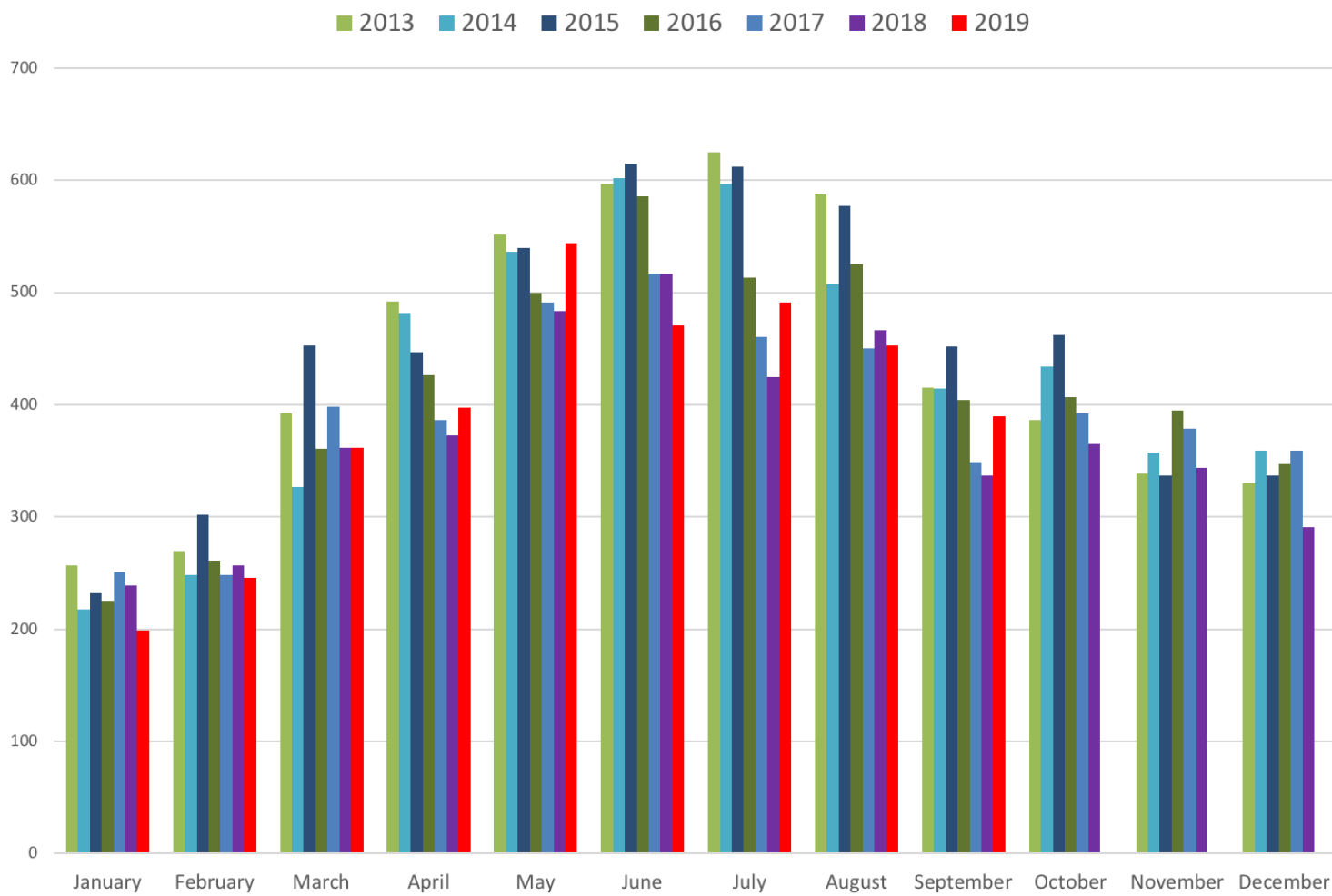


The bottom graph shows the sales which occurred in each price range during the quarter. The top bar is the most recent quarter, the middle bar is the 3rd quarter a year ago. The bottom bar for comparison represents the sales mix during the 3rd quarter in 2013. In 2013 55% of sales were \$250,000 and 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

# Boulder County - Monthly Sales Activity

**Number of Sales - Boulder County All Properties**

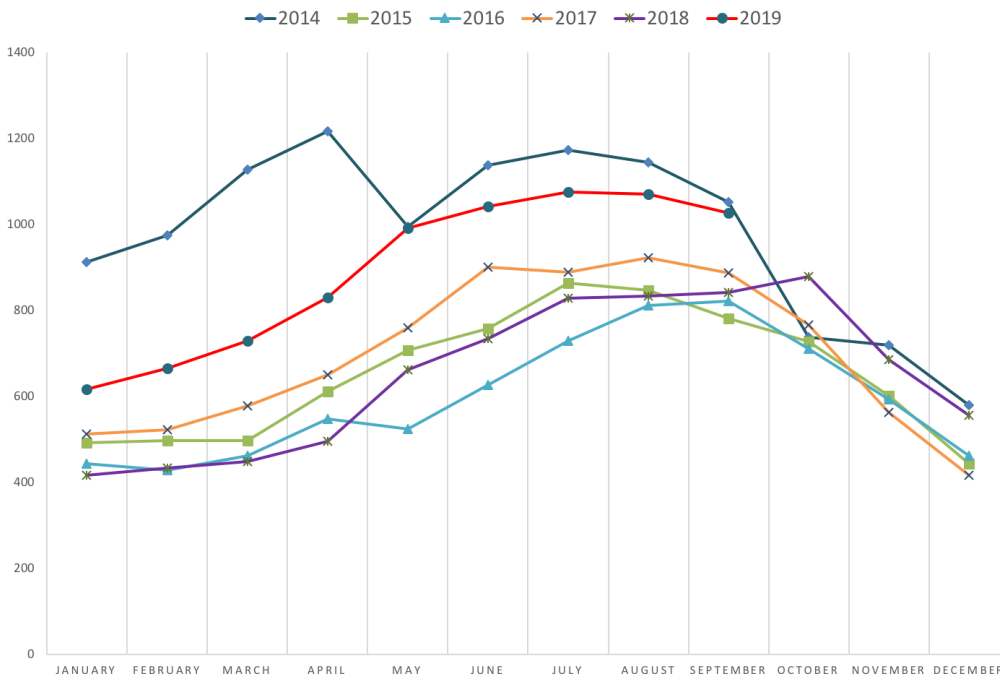


The graph on this page shows the seasonality of real estate sales in Boulder County. Sales over the past seven years are arranged by the month of the closing. The normal time between contract and closing is 30 to 45 days so in order to get a true sense of the activity in the market roll back the statistics 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. In September we saw a nice jump in sales over a year ago. However, if you look at September 2018 more closely, you see that it had lower than expected sales. Overall, sales are up 2.7% from a year ago.



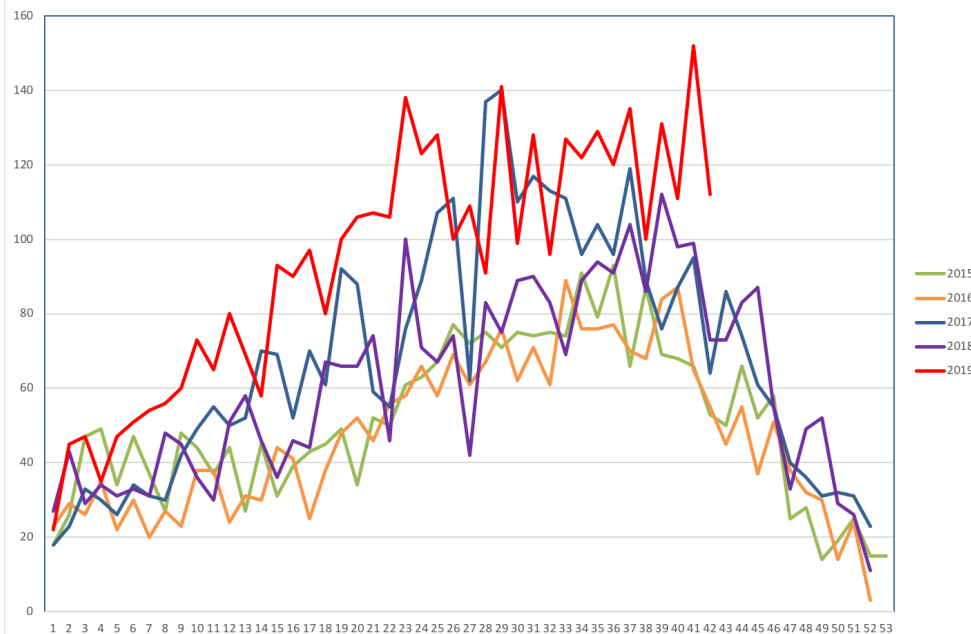
# Tracking Under Contract and Inventory

**TOTAL INVENTORY EXCLUDING UNDER CONTRACT**



The graphs on this page represent a snapshot of the strength of the market. 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. However, recently we have seen a trend toward higher inventory (red line is YTD 2019). The inventory in September 2019 was just about equal to 2014.

**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 noticeably more price reductions as the market has softened and houses have stayed on the market for extended periods.

# 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