

The **Kearney** Report

Boulder County Real Estate Report



Third Quarter 2020



Neil Kearney

Real Estate Market Update

The pandemic has had a surprising effect on many real estate markets throughout the United States. Many areas, including Boulder County, have seen a very strong market over the past few months. Other areas have seen a drop in demand as residents seek more personal space while continuing to work remotely. Our area is definitely seeing migration from other parts of the country. This isn't a new phenomenon, but it has been accelerated by the events of 2020. The pandemic, the fires in the western U.S. and low interest rates have people on the move. Last year at this same time I was writing about increases in inventory and slowing appreciation. This year, I'm seeing just the opposite.



A quick recap of our local real estate market so far in 2020.

- Sales activity started out very brisk. YTD sales in the county were up 23% through February. A strong start!
- In the first weeks of March, the real estate market was 'shut down' along with everything else and closings in April and May were down 30% and 48% respectively.
- We began to slowly start to show properties again in May and closings in June were about equal to where they were the previous year.
- Since June 1st we have seen a very strong market with monthly sales up 21% in July, 25% in August and 21% in September. Total sales are now back up by 2% for the year.
- After slowing and even slightly negative appreciation at the end of 2019 and the beginning of 2020, prices are now on the rise again.

A few of the factors that are causing this resurgence in home sale activity are as follows.

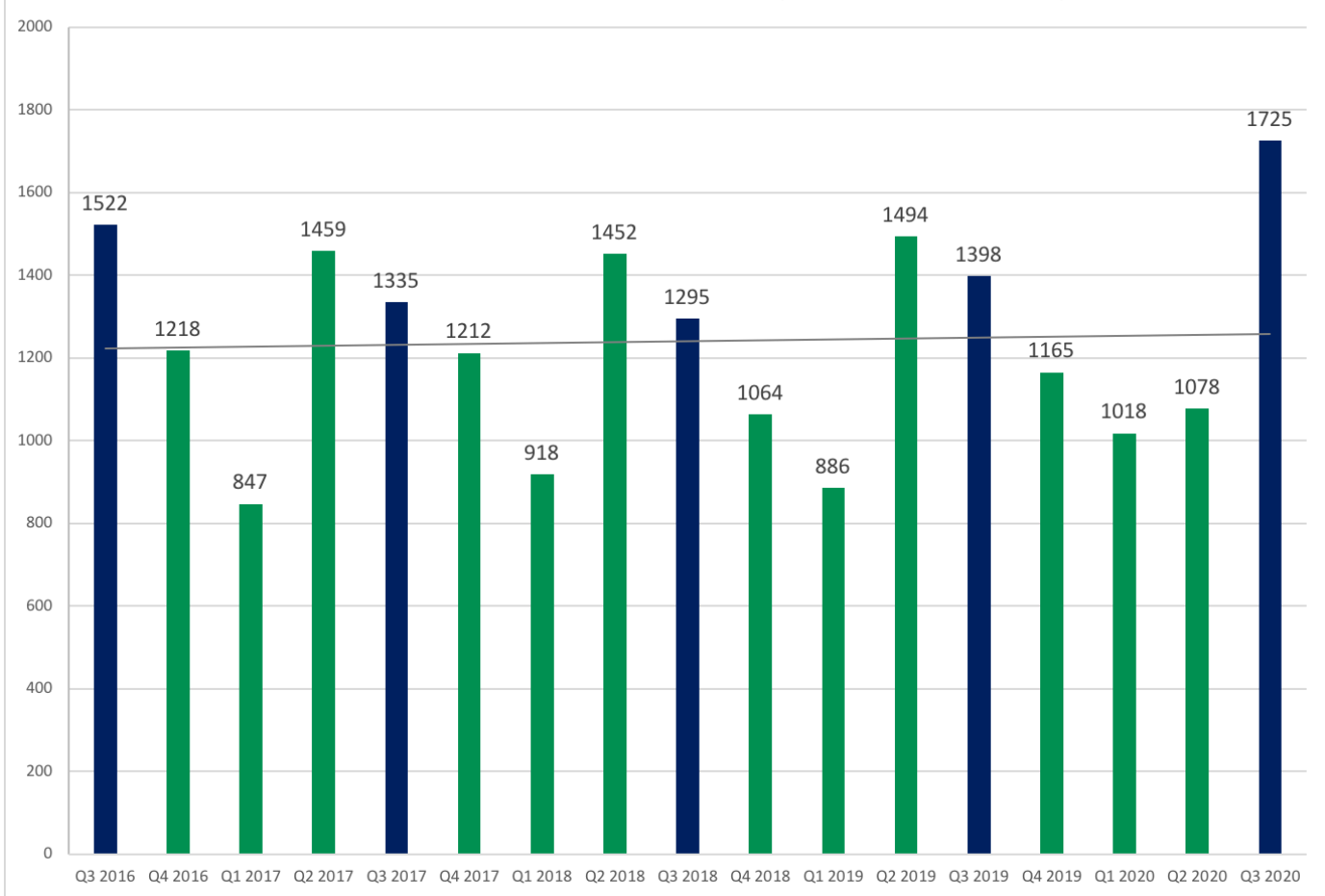
- Low interest rates are keeping payments affordable. Currently rates are in the high 2's and low 3%'s for the most qualified borrowers.
- Homeschooling and working remotely are causing people to rethink their space needs. Never before have people spent more time looking at their own four walls! Many have used this time to reevaluate and then act boldly as they reimagine their future.
- A few years ago I saw many reports that the millennial generation wasn't interested in buying real estate. The reports said that they were more interested in experiences than owning something. Well, that prediction has not come to pass. We are seeing many first time homebuyers in this market including millennials.
- The economic recovery has not been an equal for all. On average, renters and lower wage earners have been more severely affected by the shut-down. Those with higher wage jobs have not been affected (actually the savings rate has gone up) and are in a good position to take advantage of the buying conditions.

This report shows positive signs in all aspects of the home sale market in Boulder County. I expect this trend to continue, but there is still much uncertainty ahead. Homes continue to sell and as always, I'm actively helping buyers and sellers successfully close transactions. I'm always here for you to be of service. Enjoy the report and stay in touch!

Unless otherwise noted, all data used in this report is from IRES MLS and is deemed reliable but isn't guaranteed as exhaustive. Copyright 2020 by Neil Kearney

Boulder County Sales Activity

Five Year Trend of Sales Activity - Boulder County



Boulder County Market Snapshot



Total Sales

Wow! What a strong quarter! There were more sales this quarter than in any other quarter during the last five years. Pent-up demand from a delayed spring plus new moves caused by the pandemic.



Median Price

A year ago the median price for sales in the 3rd quarter was just under \$530,000, this year it was \$585,000. Low inventory and high demand have caused an uptick in what was previously slowing appreciation.



Days to Contract

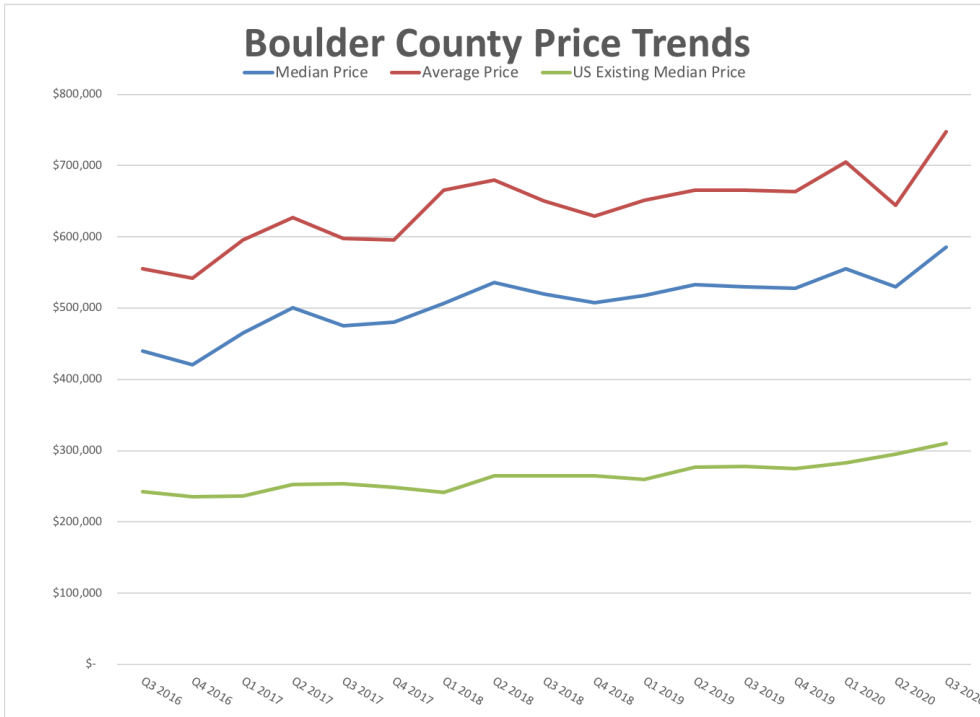
This past quarter it took 32 days on average for a house (that sold) to go under contract. The volume was less and the houses that sold were the top of the heap. This is a seven days shorter than last year.



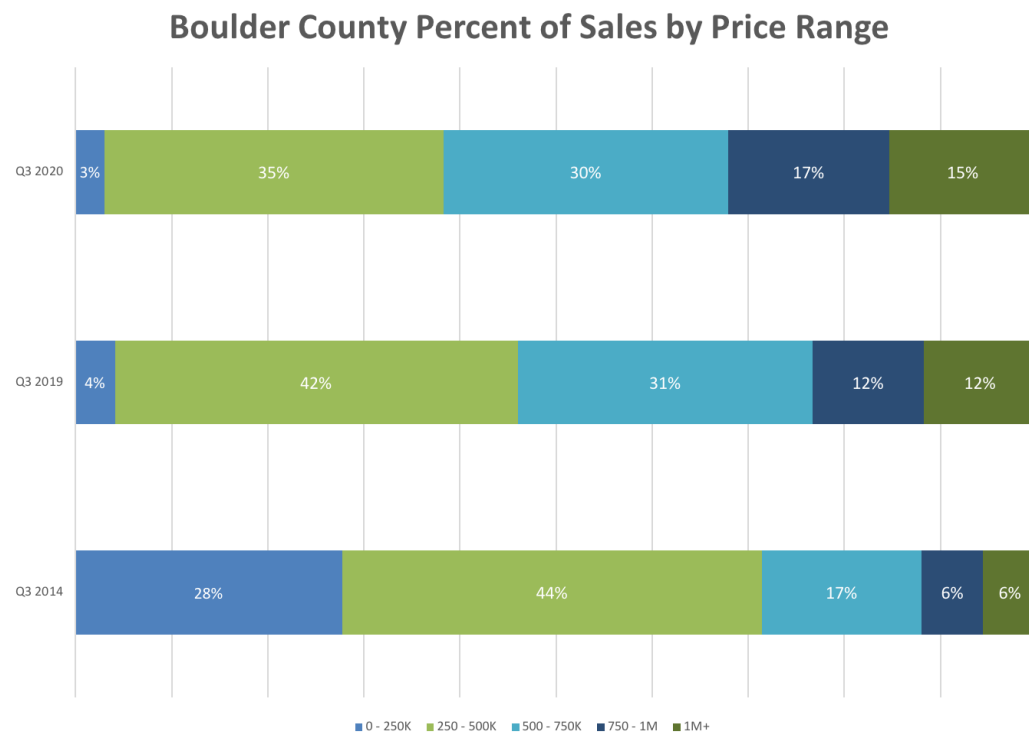
Months of Inventory

At the end of the quarter, if sales kept up the current pace, it would have taken 2.3 months to sell all of the listings if no new listings were added. This is quite a bit faster than a year ago. The decrease is due to more demand and less supply. Equilibrium is six months.

Boulder County Price Trends

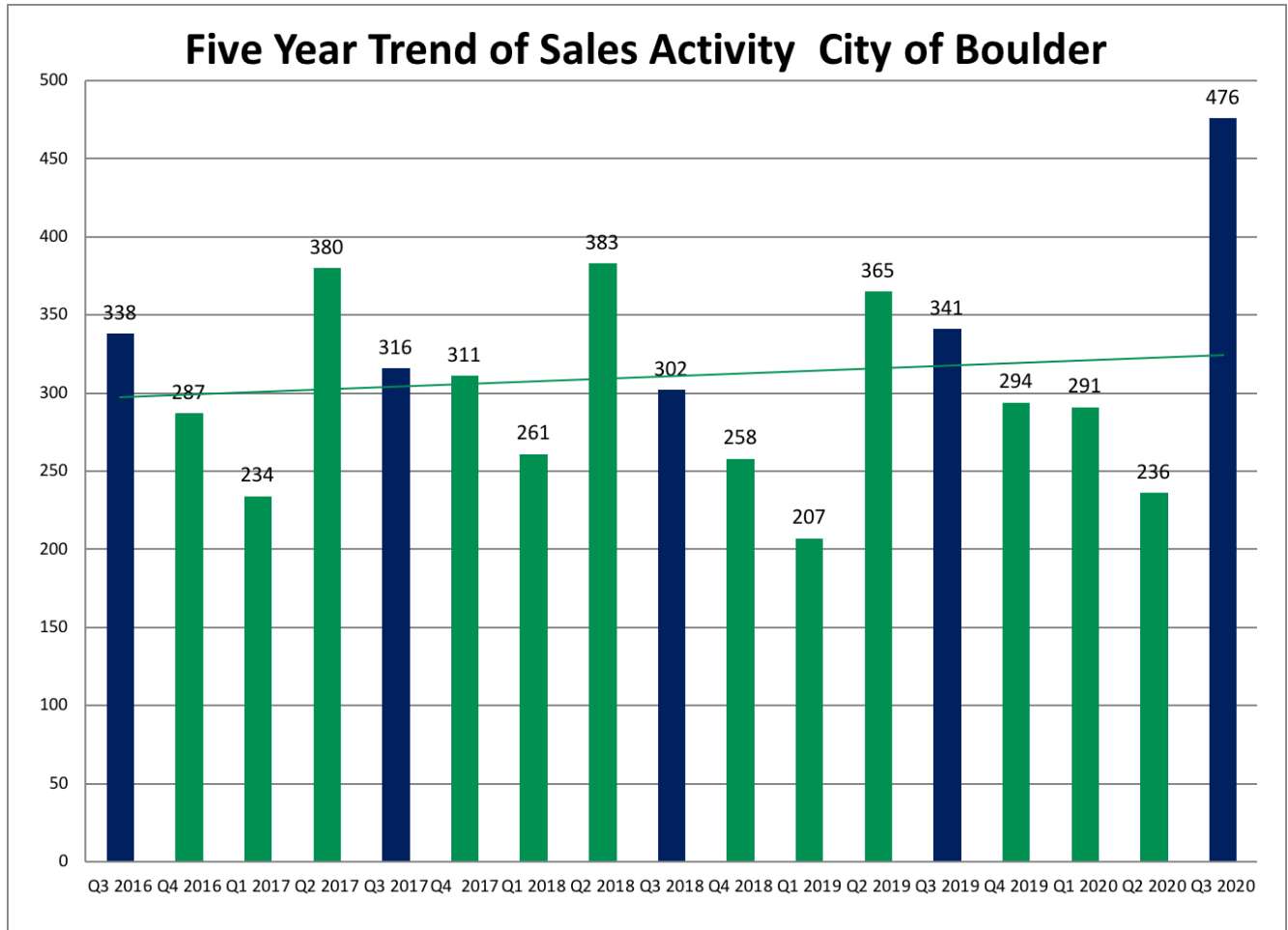


The top graph shows the price trends in Boulder County over the past five years. The red line is the average price (\$747,356) and the blue line is the median price (\$585,000). The most recent quarter showed a strong reversal to a slowing trend in price appreciation.



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 3rd quarter in 2014. 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



City of Boulder Market Snapshot



Total Sales

Comparing 3rd qtr. 2020 to 3rd qtr. 2019, sales increased by 135 sales or 39%. This is a huge increase and with it, we have made up all lost ground for the year and are now ahead of sales a year ago.



Median Price

Within the City of Boulder, the median price increased by \$15,000 to \$760,000. This includes both homes and condos.



Days to Contract

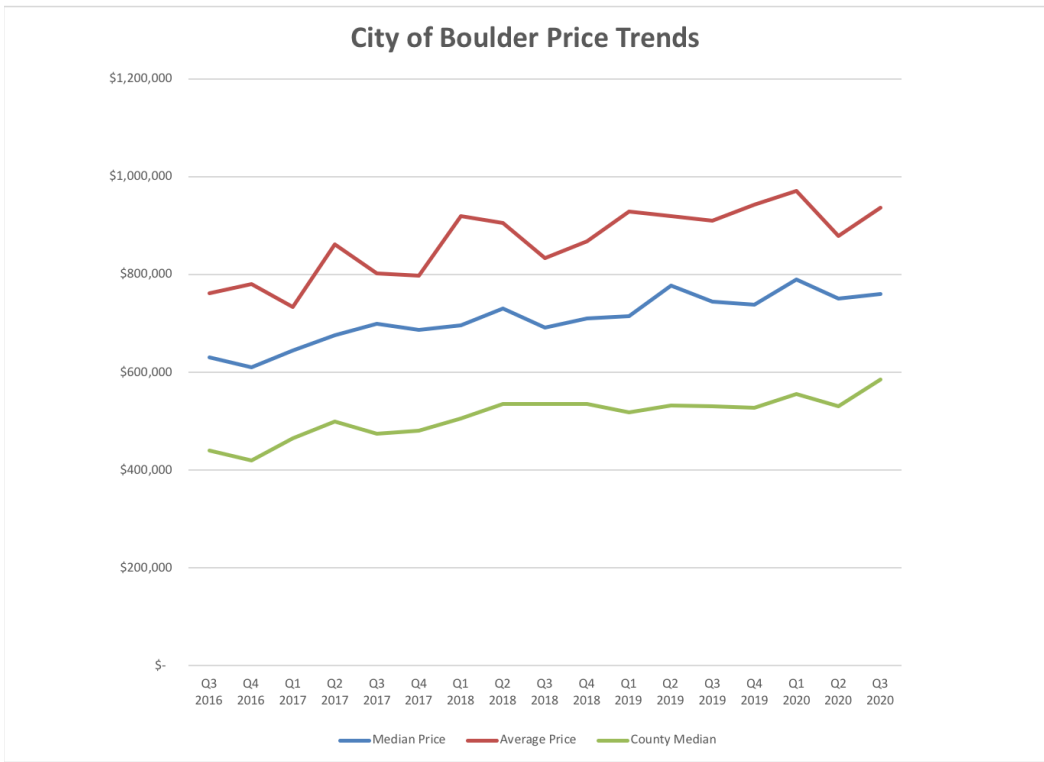
On average it took 31 days for a home to go under contract. Last year during the 3rd quarter it took 49 days. Definitely a fast moving market.



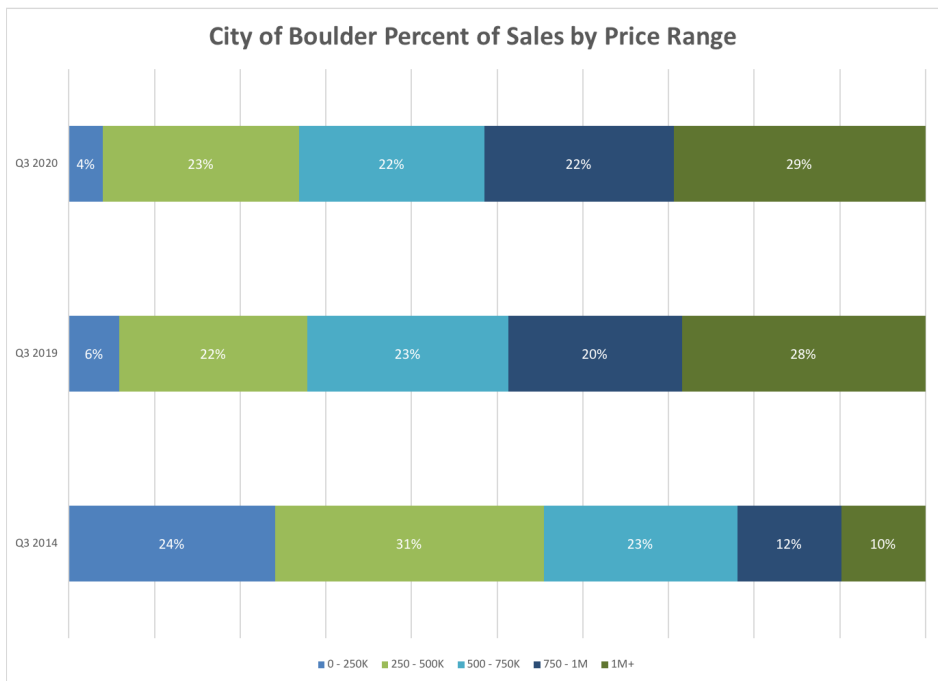
Months of Inventory

At the end of the quarter, if sales kept up the current pace, it would have taken 3 months to sell all of the listings in Boulder if no new listings were added. The market is moving quickly and inventory is at an all-time low for this time of year.

City of Boulder Price Trends

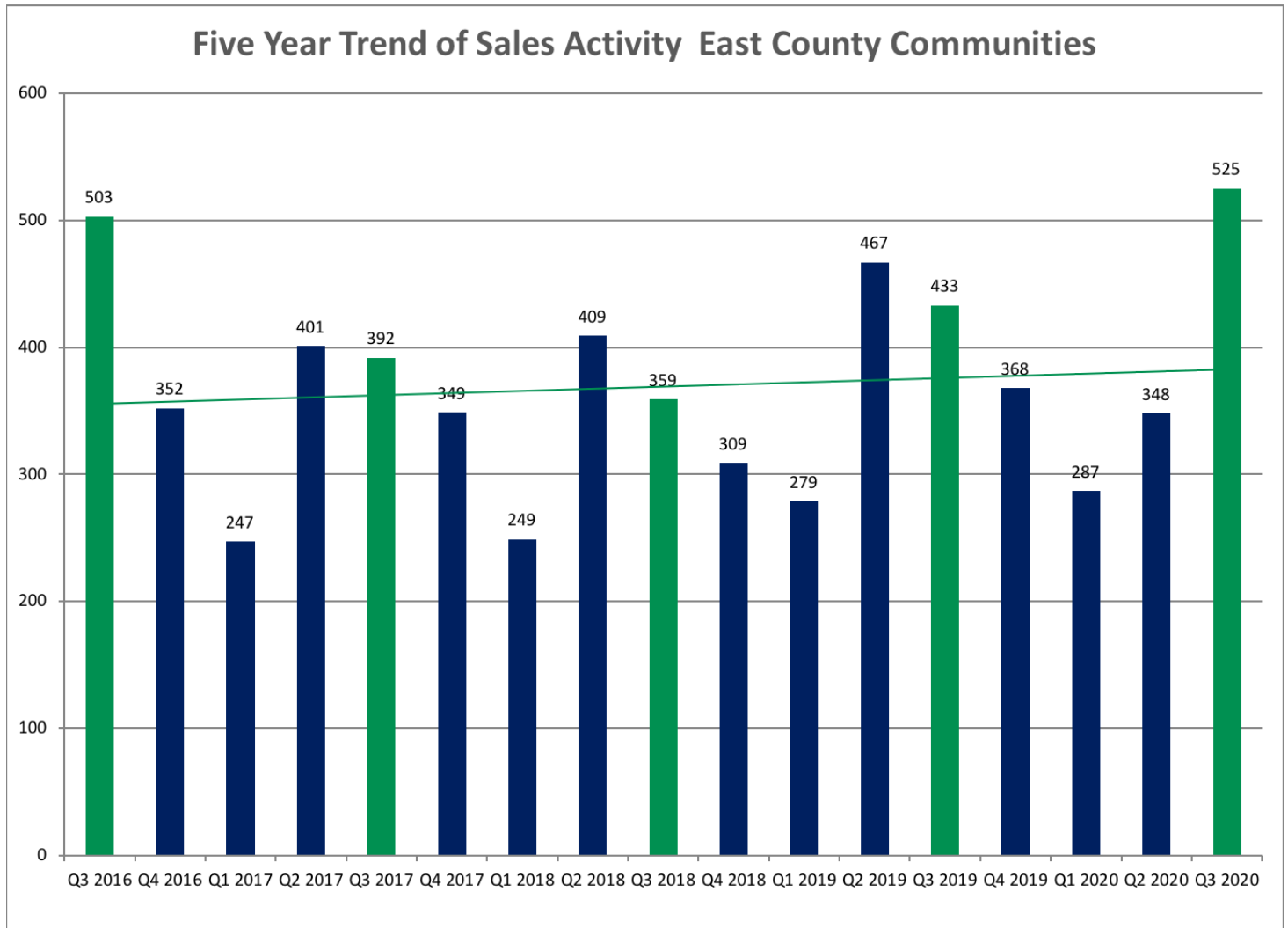


The top graph shows the price trends in the City of Boulder over the past five years. The red line is the average price (\$937,332) and the blue line is the median price (\$760,000) within the City. Increased prices across the board were the result of low inventory and higher than normal demand.



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 2014. In 2014, 24% of sales were \$250,000 and below, that price range represented just 4% this past quarter. Many of those sales were deed restricted.

Erie, Lafayette, Louisville, Superior Sales Activity



Total Sales

Comparing 3rd qtr. 2020 to 3rd qtr. 2019 sales increased by 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 \$550,000, this year it was \$586,750.



Days to Contract

On average it took 25 days for a home to go under contract. This is 6 days faster than last year.

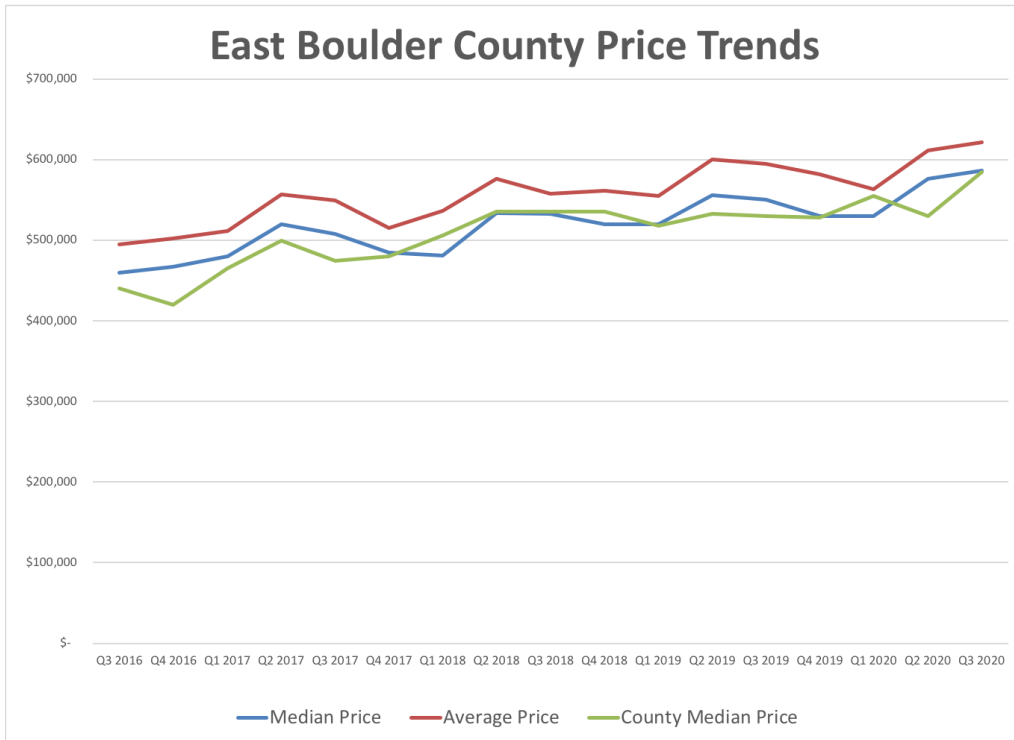


Months of Inventory

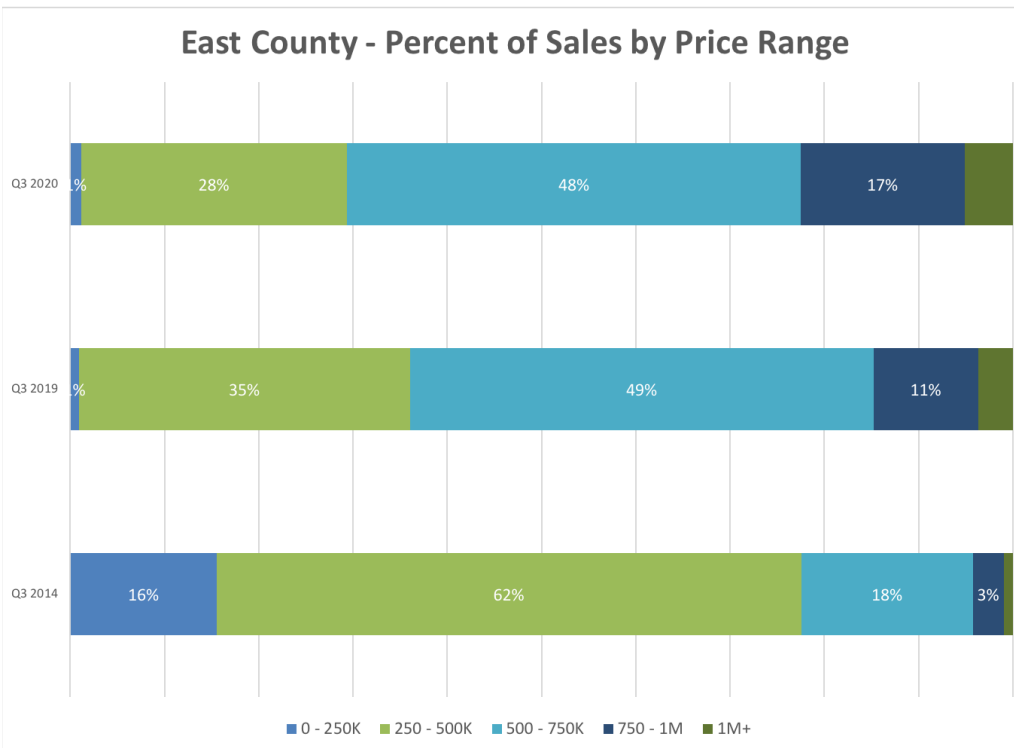
At the end of the quarter, if sales kept up the current pace, it would have taken 1.8 months to sell all of the listings if no new listings were added. This shows a really low inventory and a very quick sell through rate.

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 (\$621,627) and the blue line is the median price (\$586,750). The price gains during the quarter were typical of the rest of the county.

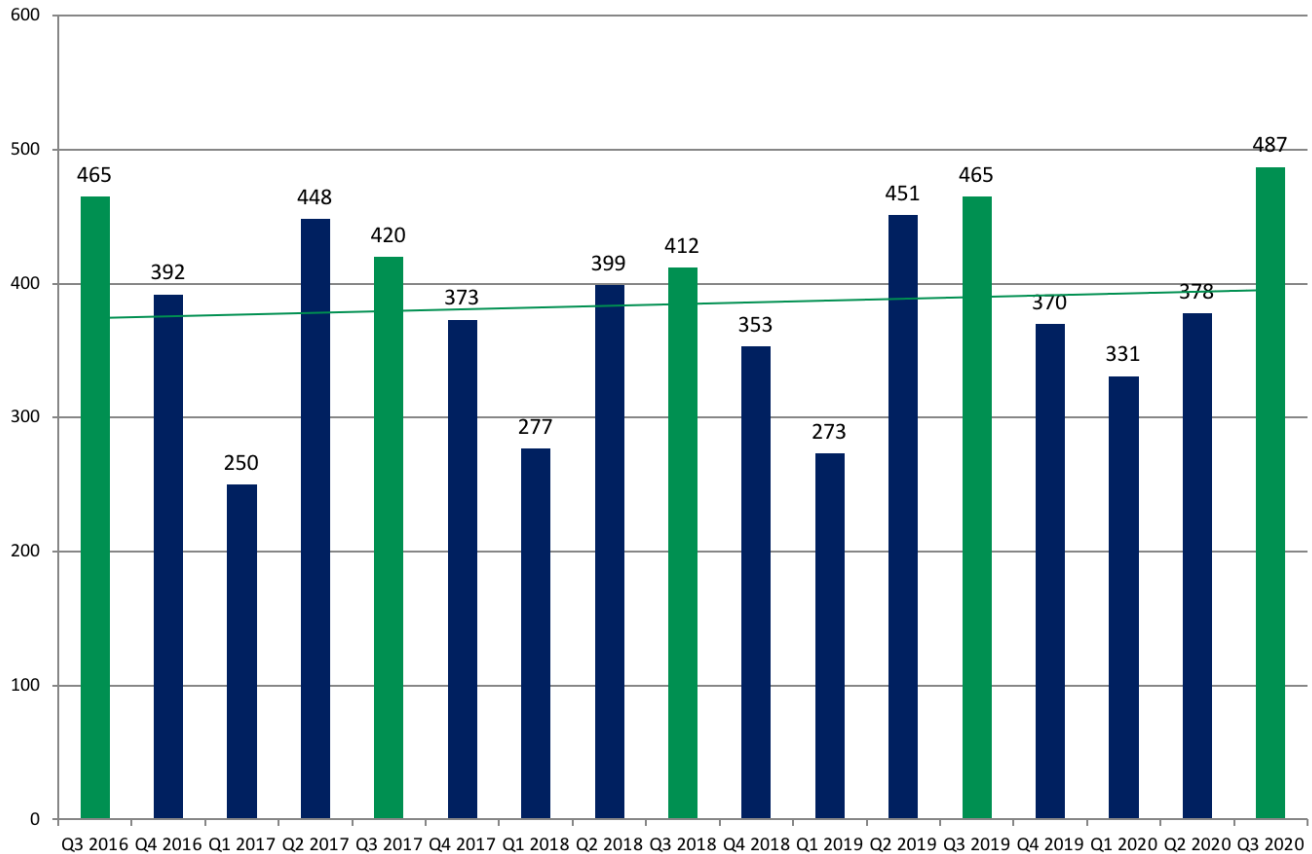


The bottom graph shows the sales which occurred in each price range during the quarter. The top bar is the most recent quarter, the middle bar is the 3rd quarter a year ago. The bottom bar for comparison represents the sales mix during the 3rd quarter in 2014. In 2014, 16% of sales were \$250,000 and 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. 2020 to 3rd qtr. 2019, sales increased by 22 sales or 4.7%. Longmont's sales gains were the most modest in the Boulder County.



Median Price

A year ago the median price for sales in the 3rd quarter was \$412,000, this year it was \$450,000 an increase of 9%.



Days to Contract

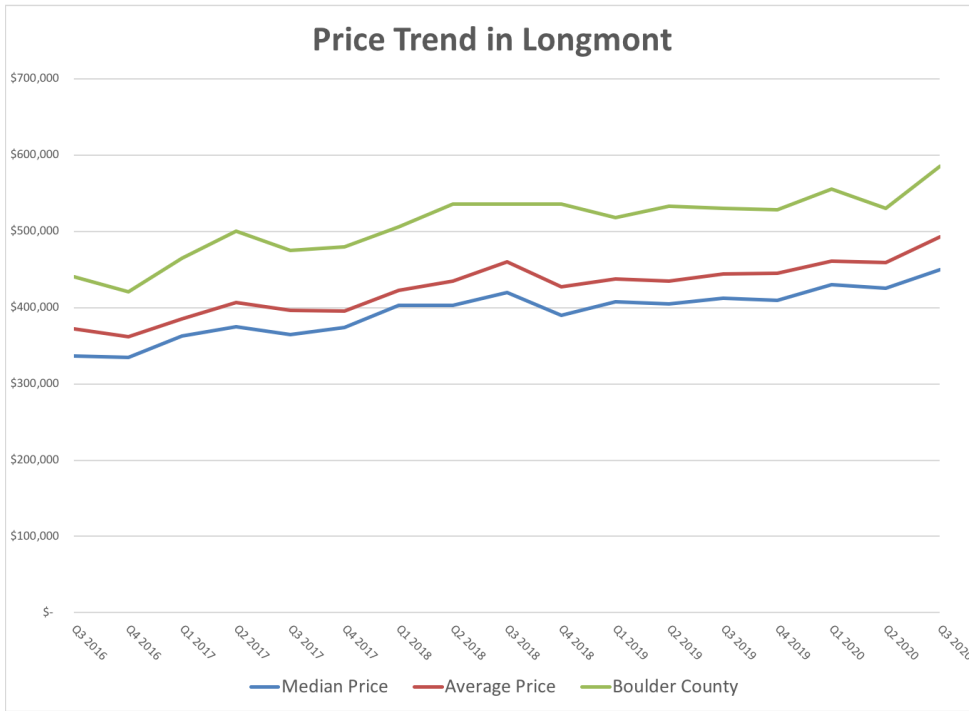
Of the properties that sold, it took on average 27 days for it to go under contract in Longmont. This is seven days shorter than last year.



Months of Inventory

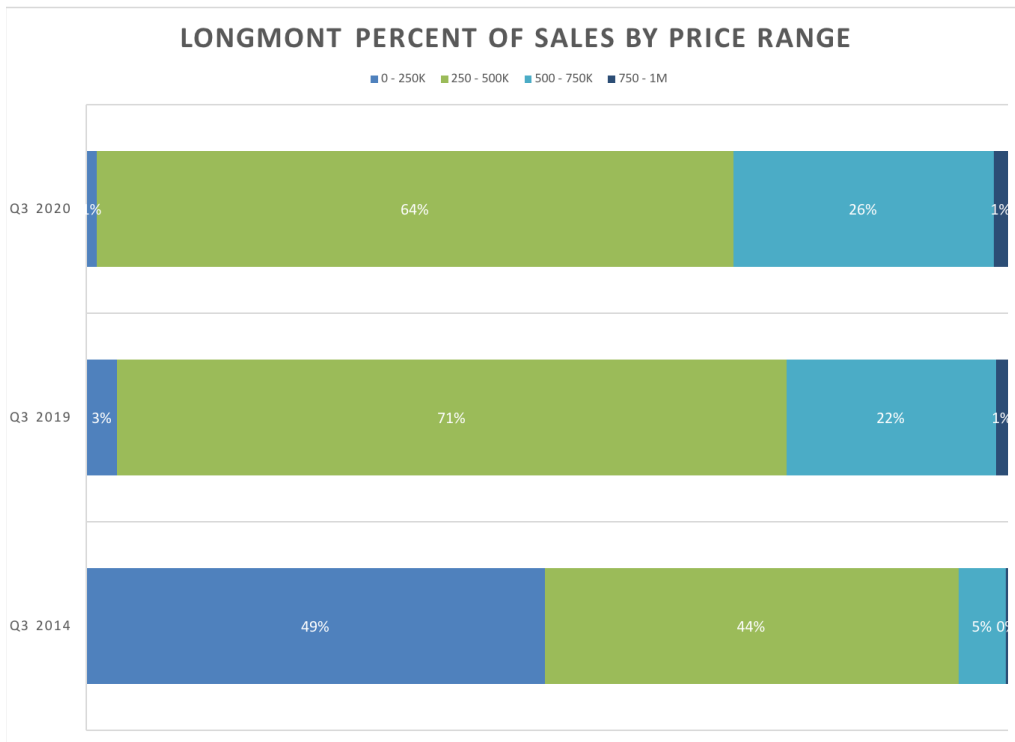
At the end of the quarter if sales kept up the current pace it would have taken 1.8 months to sell all of the listings if no new listings were added. This is indicative of the low inventory.

City of Longmont Price Trends



The top graph shows the price trends in Longmont over the past five years. The red line is the average price (\$492,359) and the blue line is the median price (\$450,000).

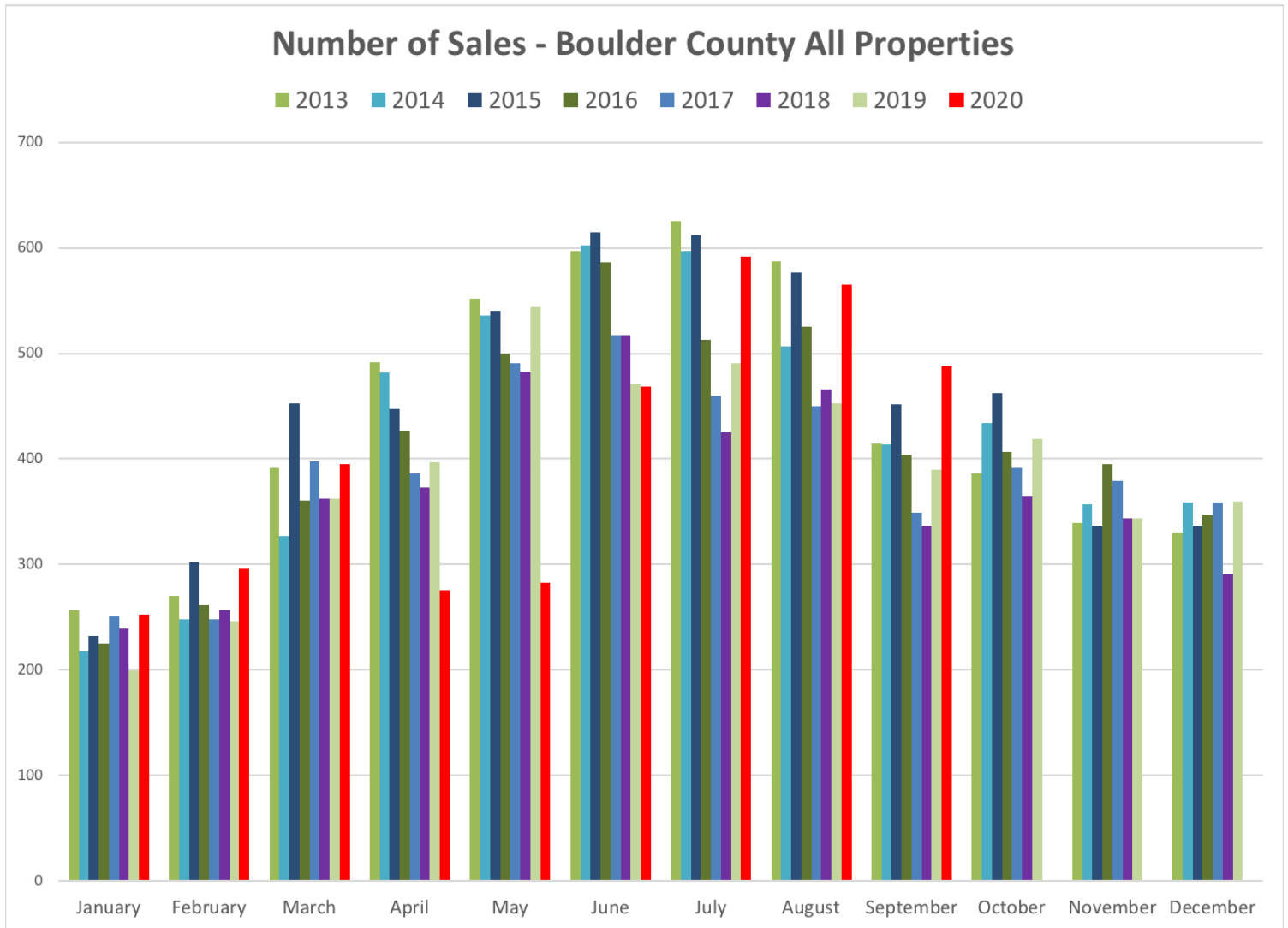
The most recent quarter showed an increase in prices. For reference the green line is the median price for Boulder County.



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 2014. In 2014 49% of sales were \$250,000 and below, that price range represented just 1% this past quarter. Now, most sales take place between \$250,000 and \$500,000.

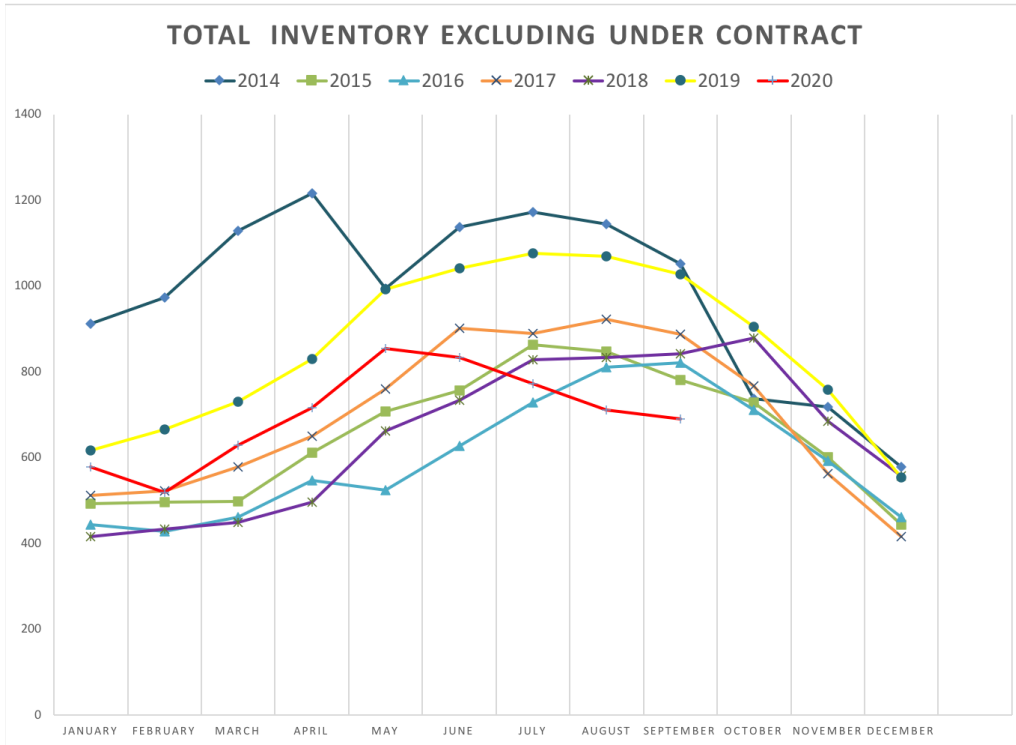
Note: The East Boulder County data includes the Weld County sales in Erie that are in the IRES MLS system

Boulder County - Monthly Sales Activity



The graph on this page shows the sales of real estate 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. The pandemic has shifted our predictable bell shaped curve to the right this year. Closings in July, August and September were unusually strong and the demand is there for a strong fall as well.

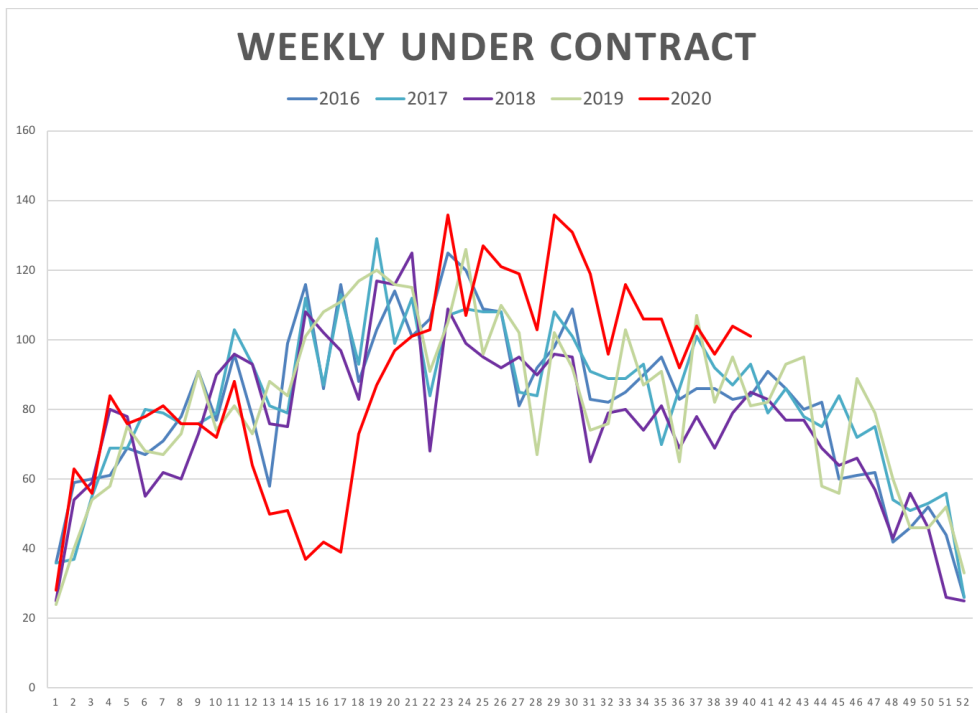
Tracking Inventory and New Listings



The graphs on this page show the activity in the market.

The top graph shows available inventory on a monthly basis (excluding those homes that are already under contract) since 2014.

The red line shows the inventory so far this year. With roughly 50% of the market for active homes already under contract, the actual available inventory is very low. The lowest I've seen.



The lower graph shows the number of properties being listed as going under contract on a weekly basis in Boulder County. You can see the big drop in March and April and then the recovery in early May. Since June, the activity has been very strong!

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!

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