

The **Kearney** Report

Boulder County Real Estate Report

3rd Quarter 2021



Neil Kearney

Real Estate Market Update

The themes in the local real estate market have not changed. We are still seeing very high sales, low inventory, price appreciation, multiple offers on homes and offers in excess to list price. I'll write about each of these topics below as well discussing how we fit into the broader market.

During the third quarter, Boulder County reached a high water mark since 2007 with 1,745 total sales. This was just an increase of 20 from last year and up 11 from last quarter, but together, this most recent quarter, last quarter and the 3rd quarter of 2020 were the top quarters in terms of sales since Q2 2007. This is despite the low inventory, which I will discuss next.

Just as it is in almost every market across the country, inventory of available homes is low. In fact, it's down 18.5% from a year ago. Here are the factors at play. 1) Homes are selling fast, they come on and off the market very quickly and therefore there is no compound effect of old inventory being added to new. However, we are getting enough flow through the market to support the highest sales in 15 years. 2) There seem to be more first time homebuyers looking for homes than there are a steady supply of homeowners selling homes and becoming renters. The pool of homeowners is growing. 3) Many current owners know that they can sell their home for a good price, but finding a replacement home seems like an impossible task (don't fear, that's my job!).

Prices of homes are rising. Actually, it seems that the prices of many items are rising because of supply issues. Not only locally but nationwide. Comparing the sales of this past quarter to the same quarter a year ago, we see an increase of 11%. This most likely understates the increases many properties have seen over the past year.

One of the main causes for the rapid rise in prices is the competitive offer situation caused by low inventory, high demand and the ability of buyers in our market to bring enough cash to the closing table so that a low appraisal doesn't stop a sale. During the quarter 53% of all sales closed for a price higher than the list price. The average sale closed for 1.4% higher than the list price and when looking only at those properties that sold for a premium, the average sale closed for 6% above the list price! This seems really incredible, but these numbers are actually lower than last quarter when 64% of homes sold for a premium price and the average premium paid was 8.7%. No wonder prices are increasing quickly! We are still seeing certain properties sell for significantly over list price and with over 10 offers but this is less common than it was earlier this year.

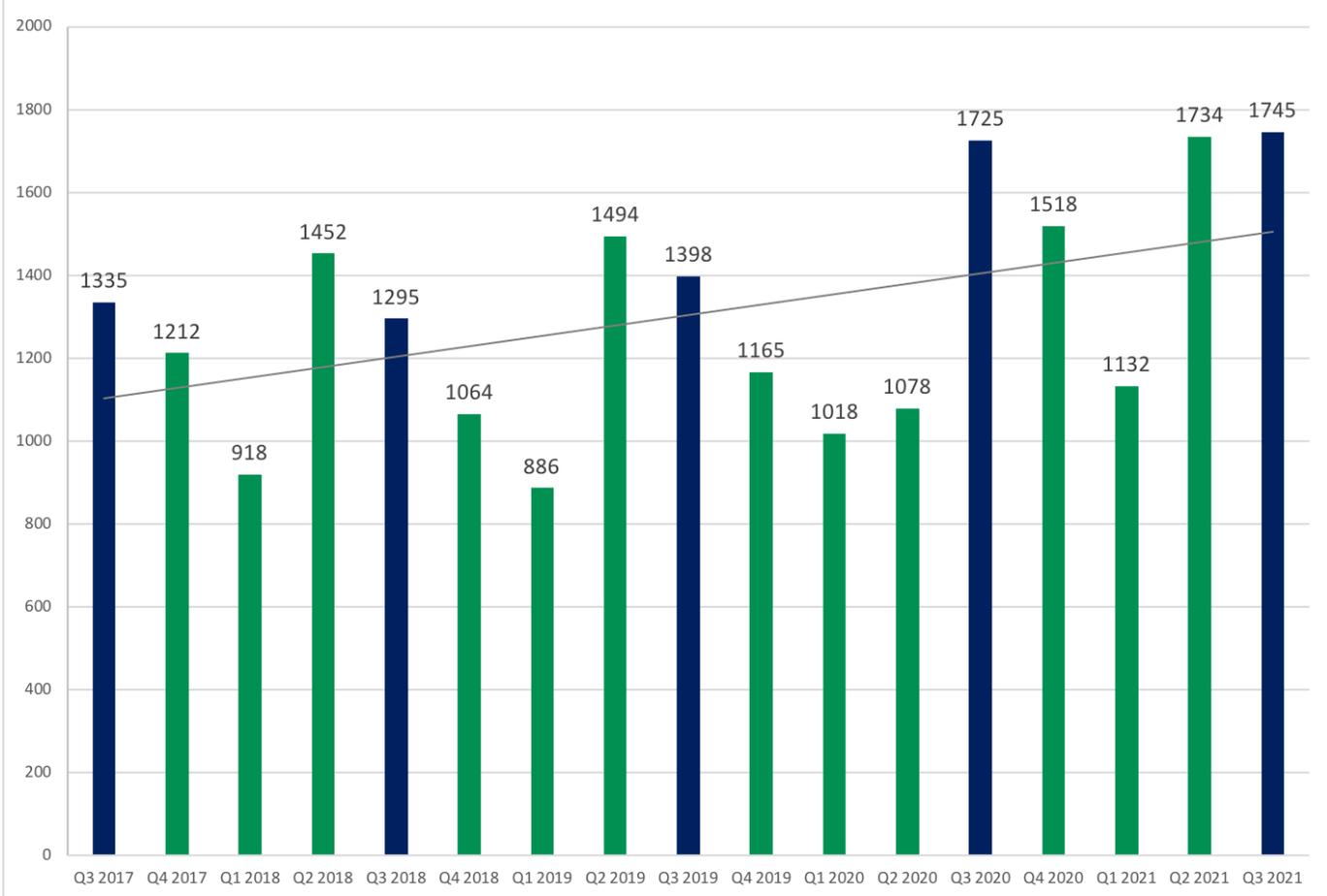
Houses are selling quickly! On average, it took 20 days to place a house under contract. Last year during the same quarter it took 31 days. This is actually a bit longer than it should be because the normal rollout of a new listing, even if it received multiple offers right away is 5-7 days.

There are some segments of the market that are not experiencing these strong market conditions. Most notably is the condo/townhome market, especially older units. I'm seeing many attached dwellings sit on the market for quite a long time and then only sell when the price is reduced or improvements made. Is this a sign of things to come in the broader market? I'm always here for you to be of service and would be honored if I'm your first call when you need real estate advice. I love your referrals. Enjoy the report and stay in touch!

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Boulder County Sales Activity

Five Year Trend of Sales Activity - Boulder County



Boulder County Market Snapshot



Total Sales

The total sales in Boulder County were the highest on record since Q2 2007, eclipsing last quarter by eleven sales. Sales for 2021 year-to-date are up 20% through September.



Median Price

A year ago the median price for sales in the 3rd quarter was \$585,000, this year it was \$649,900 an increase of 11%. Prices were down a bit from those seen last quarter.



Days to Contract

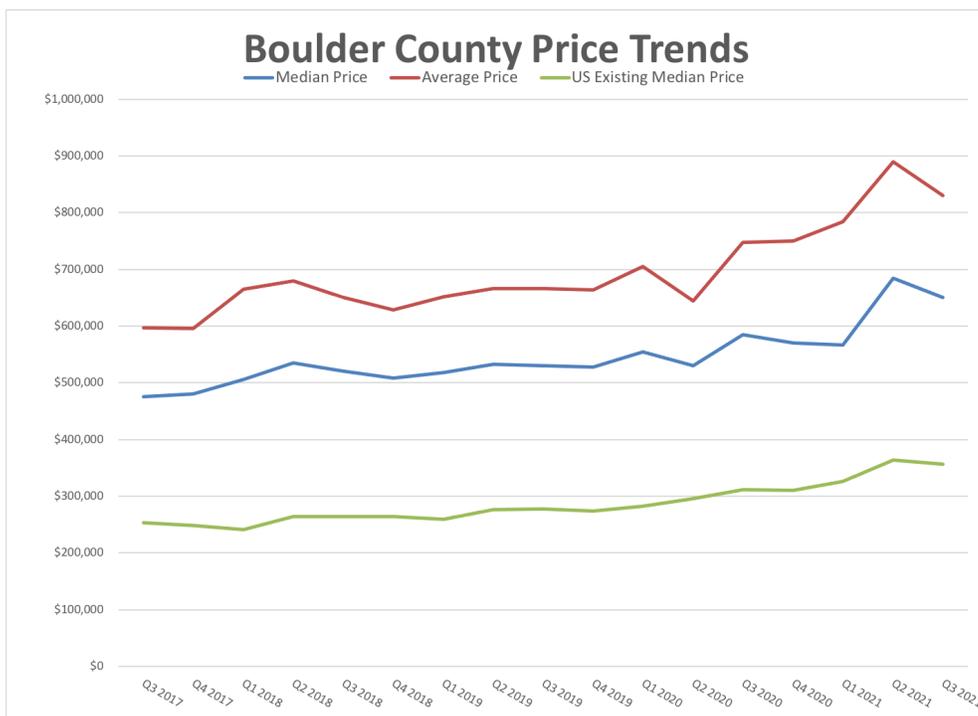
This past quarter it took just 20 days on average for a house (that sold) to go under contract. This is 11 days shorter than the same quarter last year.



Months of Inventory

At the end of the quarter, if sales kept up the current pace, it would have taken 2.7 months to sell all of the listings if no new listings were added. This is a few weeks longer than it was last year. Still a strong seller's market. Equilibrium is six months.

Boulder County Price Trends

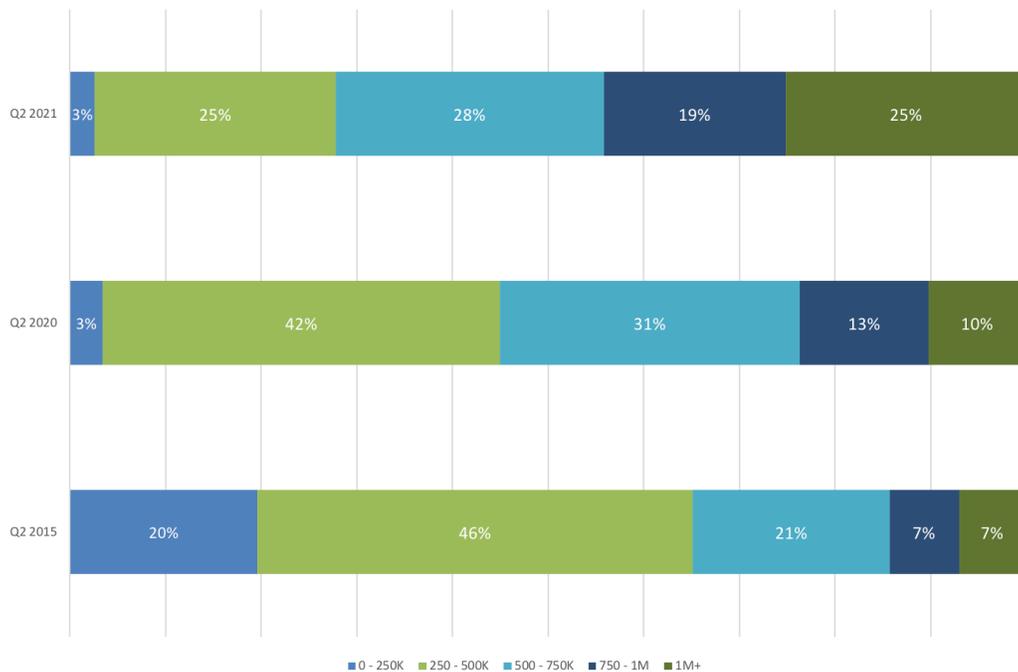


The top graph shows the price trends in Boulder County over the past five years. The red line is the average price (\$829,830) and the blue line is the median price (\$649,900). During the most recent quarter we saw median prices decrease from the last quarter. I think this is more of a function of the mix of sales rather than an actual drop in prices.

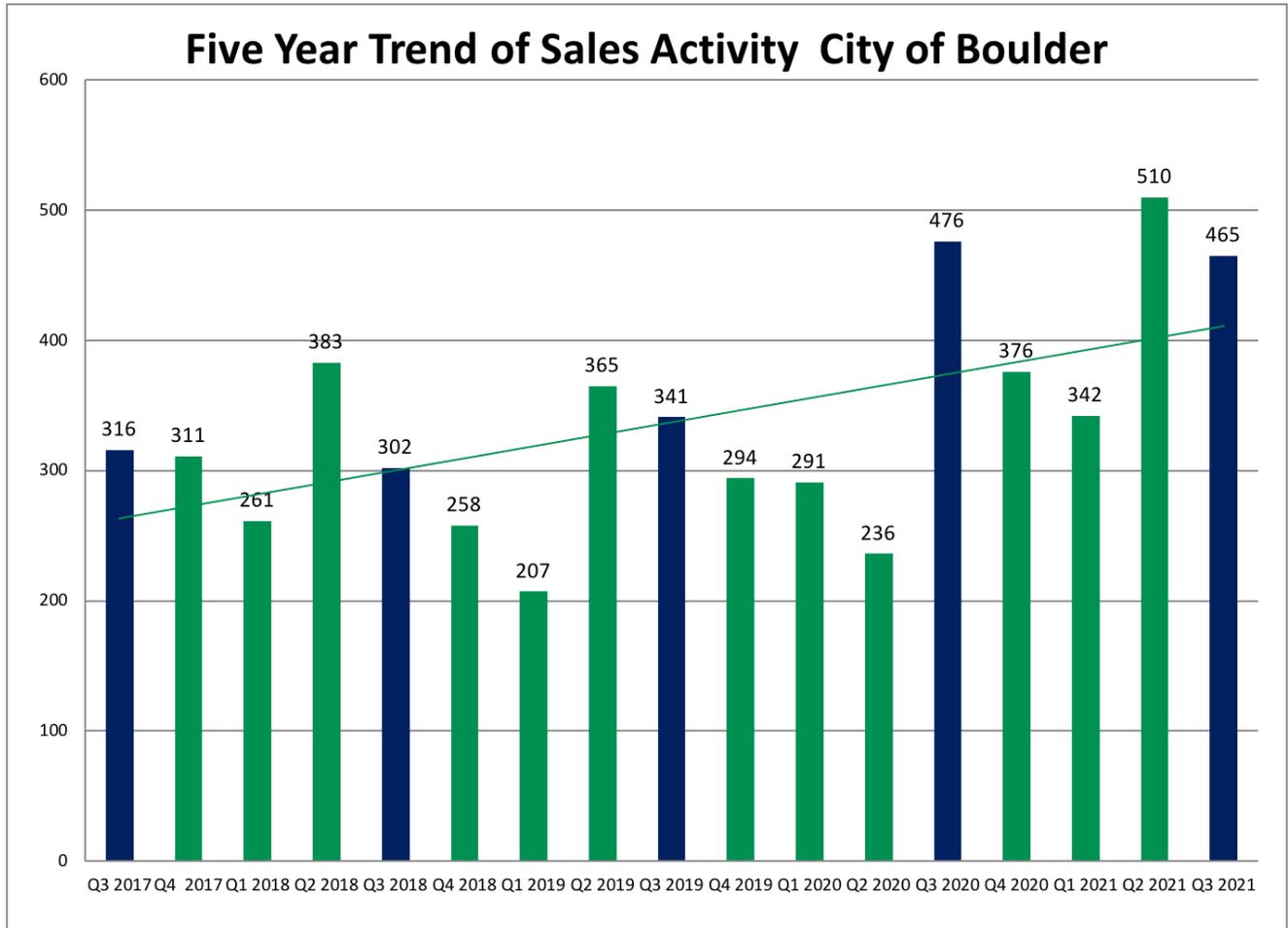
However, we definitely did see a market that was a bit more balanced between supply and demand.

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 2015. This graph is a good representation of how prices have increased over time. We have seen the activity in the lower price ranges drop and the activity in the luxury prices ranges increase dramatically.

Boulder County Percent of Sales by Price Range



City of Boulder Sales Activity



City of Boulder Market Snapshot



Total Sales

Q3 of 2020 was the bounce back quarter after the pandemic shutdown. The most recent quarter was just 11 sales lower than last year. Comparing the most recent two quarters, sales dropped in the City of Boulder more than in the county as a whole.



Median Price

Within the City of Boulder, the median price increased by \$70,000 over last year. The median price of \$830,000 and the average price of \$1,027,650 are just lower than the all-time-highs set last quarter.



Days to Contract

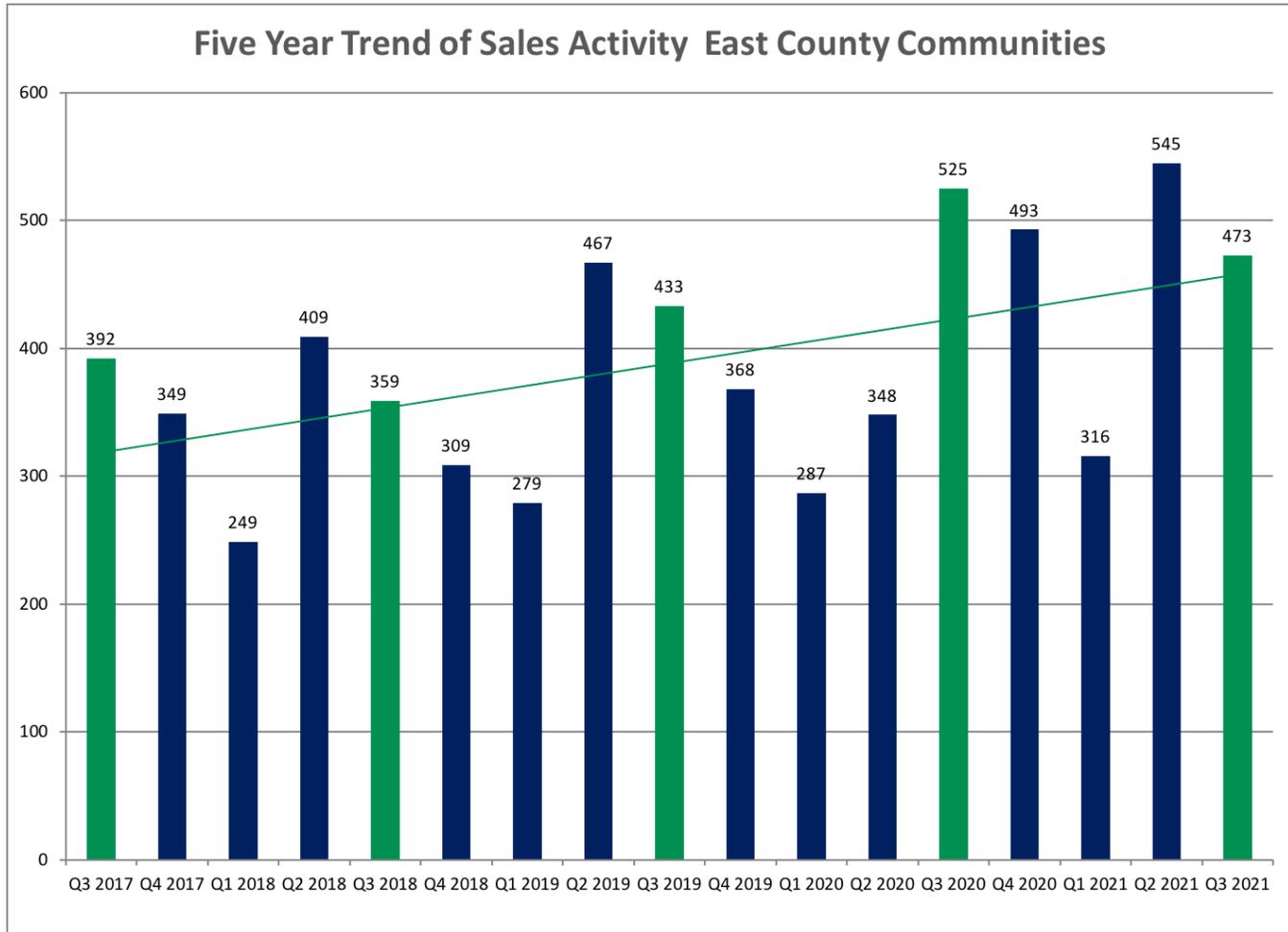
On average, it took 27 days for a home to go under contract. Last year during the 3rd quarter it took 31 days. Many of the most desirable listings sold much quicker.



Months of Inventory

At the end of the quarter, if sales kept up the current pace, it would have taken 1.9 months to sell all of the listings in Boulder if no new listings were added. The market is moving quickly and inventory is very low for this time of year.

Erie, Lafayette, Louisville, Superior Sales Activity



Erie, Lafayette, Louisville, Superior Snapshot



Total Sales

Sales in the third quarter didn't match those of the 3rd quarter last year but they were higher than any other 3rd quarter since Q3 2007.



Median Price

A year ago the median price for sales in the 3rd quarter was \$586,750 this year it was \$650,000. An increase of 11%.



Days to Contract

On average, it took 15 days for a home to go under contract. This is 16 days faster than last year during the 3rd quarter last year.

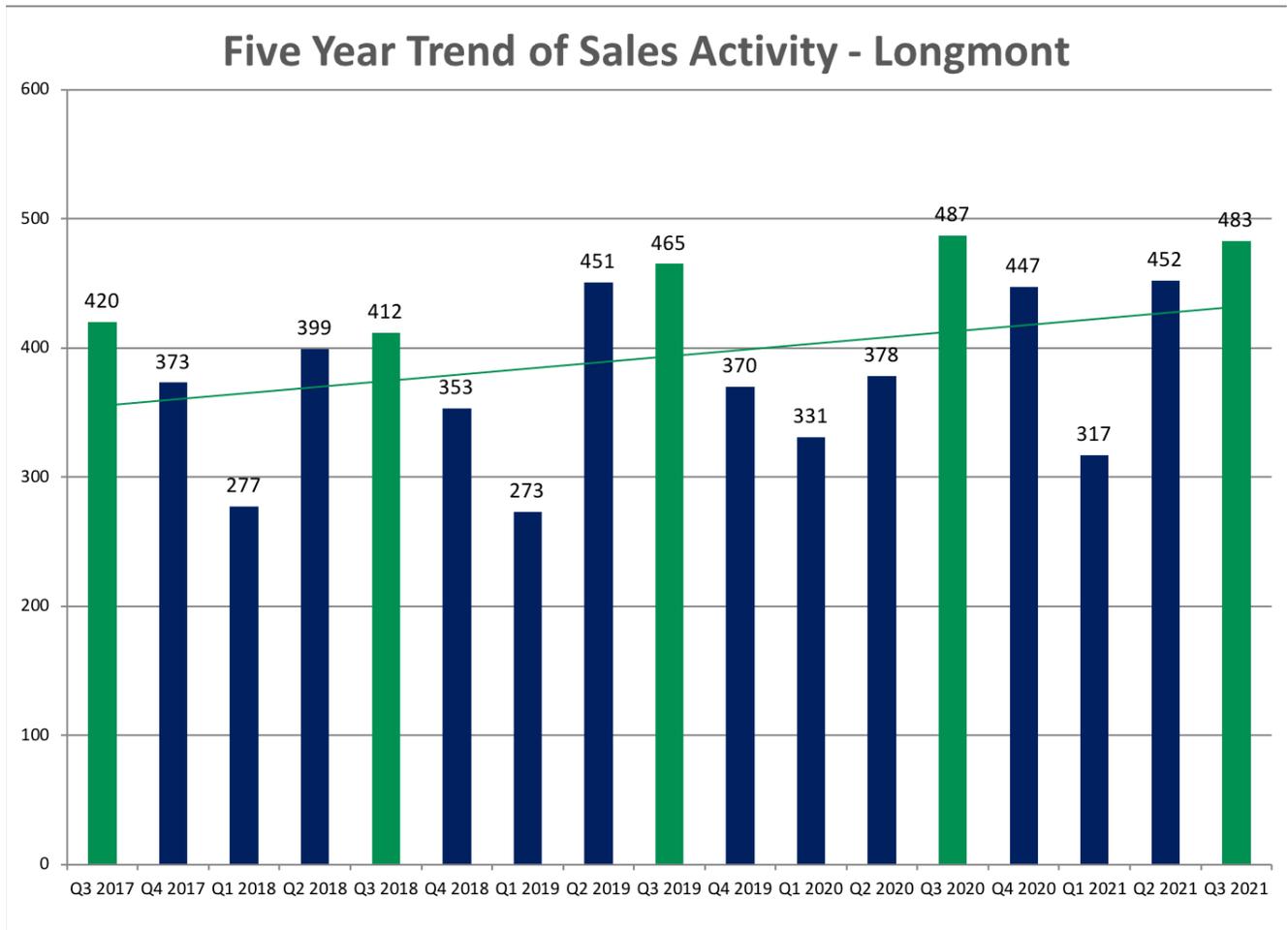


Months of Inventory

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 shows a really low inventory and a very quick sell through rate. This is a half a month slower than a year ago but still a seller's market.

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. 2021 to 3rd qtr. 2020, sales decreased by just 4. But, as is true throughout the county, this year is especially strong when looking back over the past 15 years.



Median Price

A year ago the median price for sales in the 3rd quarter was \$450,000, this year it was \$515,000 an increase of 14%.



Days to Contract

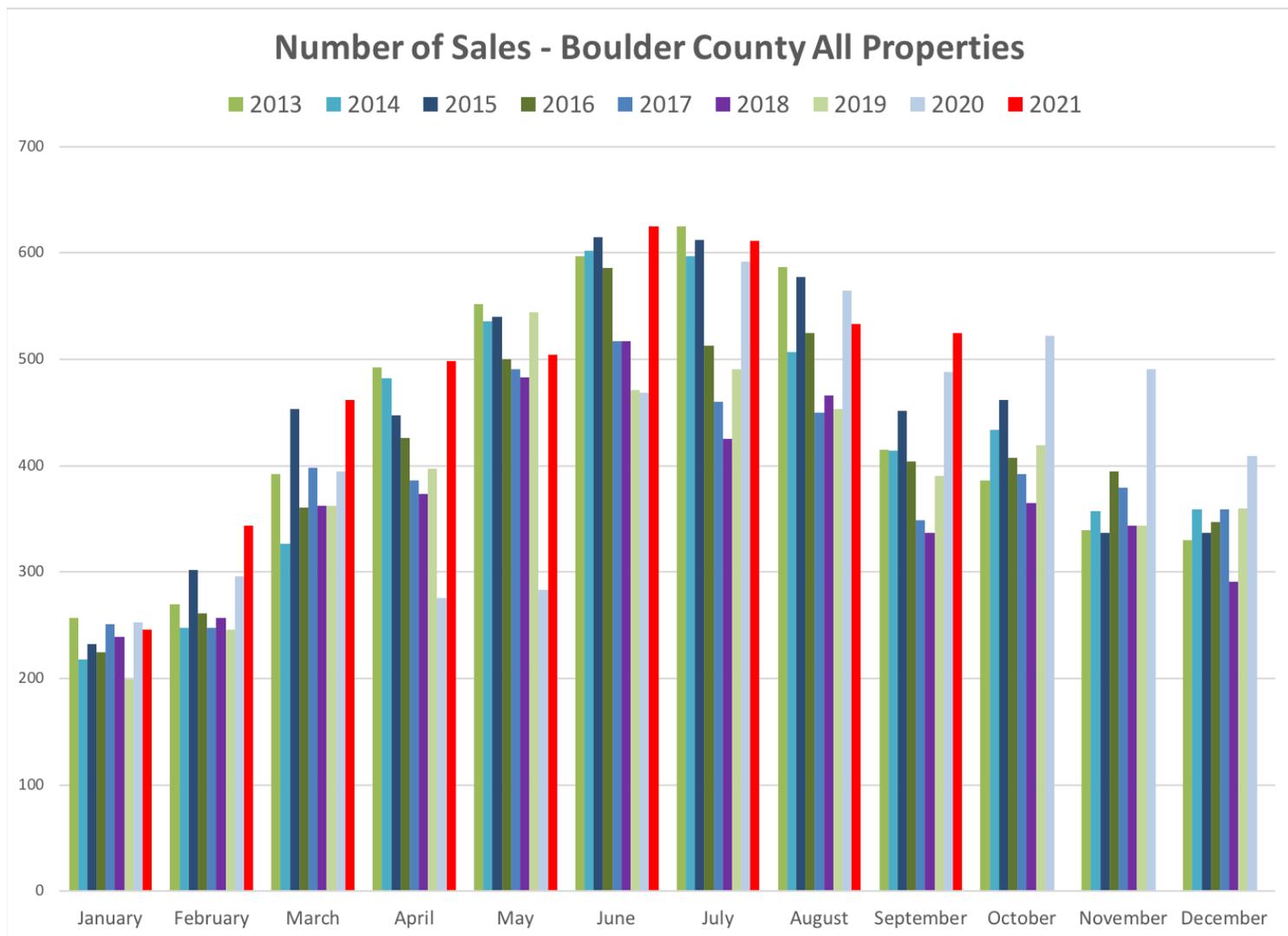
Of the properties that sold, it took on average just 11 days to go under contract in Longmont. This is 16 days shorter than it took last year and faster than any other community in the county.



Months of Inventory

At the end of the quarter if sales kept up the current pace it would have taken 2 months to sell all of the listings if no new listings were added. Last year it was around 1.8 months. A balanced market is six months.

Boulder County - Monthly Sales Activity

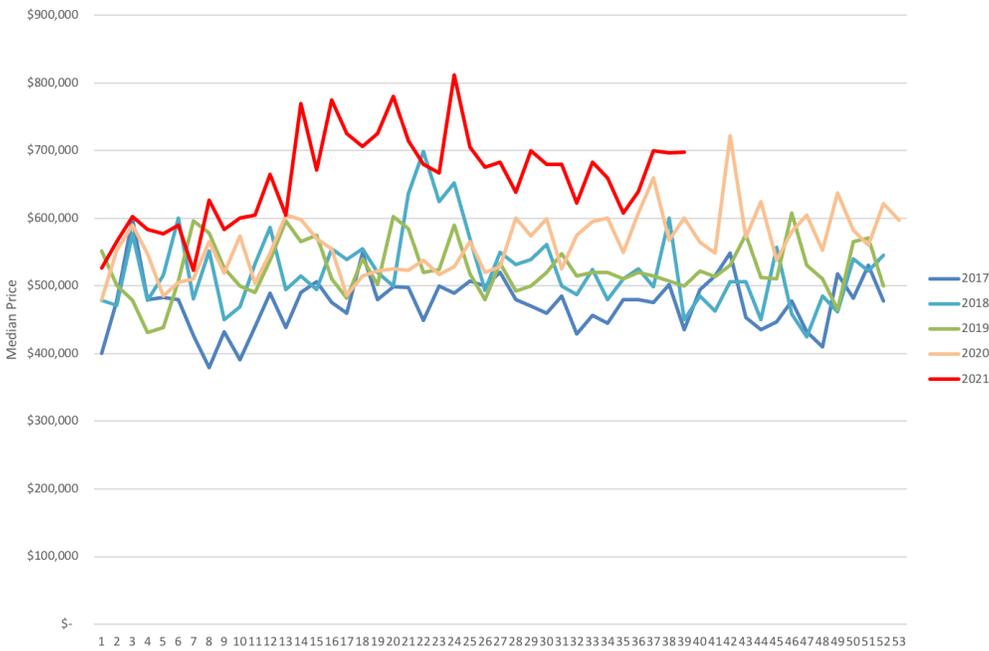


The graph on this page shows the sales of real estate in Boulder County. Sales over the past 9+ years are arranged by month of the closing. The normal time between contract and closing is 30 to 45 days so in order to get a true sense of the activity in the market roll back the statistics by roughly one month. Post pandemic, our predictable bell shaped curve seems to be back on track this year. For many months in 2021, sales are near the top when compared to past years. Sales are up by 20% so far this year.

There are lots of lines here, but the main takeaway should be that our local market is fairly predictable in terms of activity. We see the least activity in terms of closings in December and January and then the market grows throughout the spring until it starts to decline in July or August. October and November are a bit stronger in terms of closings in most years than February and March. Although March is when the activity happens that causes the closings that occur in April and May.

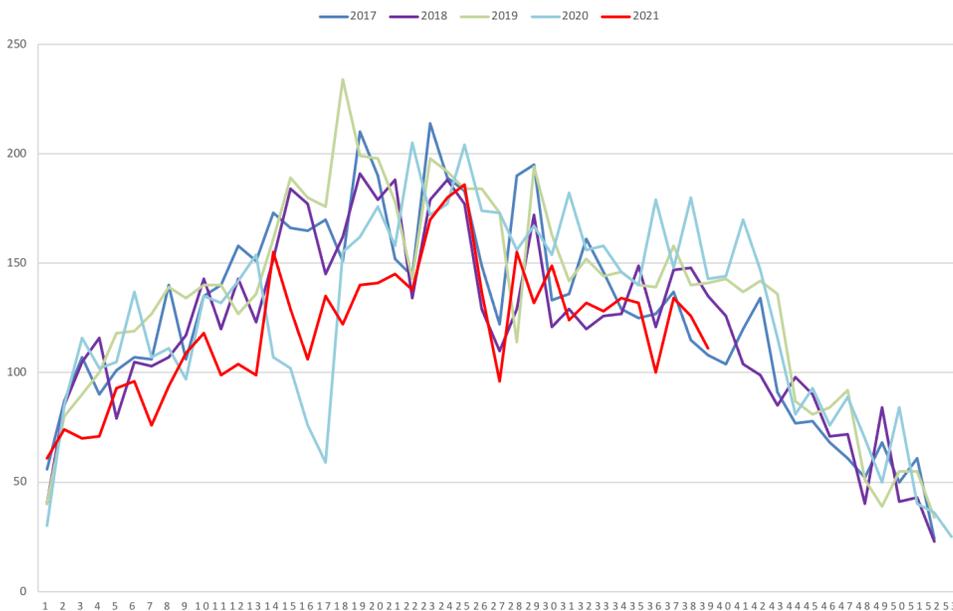
Tracking Inventory and New Listings

Weekly Sold Prices



The top graph on this page shows really well the the spike in prices we have seen this year. This graph shows the median sold prices in Boulder County tracked on a weekly basis. Once March came around, multiple offers increased and buyers started paying prices that had little relation to what the house was worth based on previous neighborhood sales. Over the last few months we have seen still strong sales and prices but the big jumps have lessened.

BOULDER COUNTY REAL ESTATE NEW LISTINGS - WEEKLY



The lower graph shows the flow of new listings into the MLS on a weekly basis. The red line represents this year and it's clear that over the first half of the year there were noticeably fewer new listings hitting the market. The second half of the year is not quite so low when compared to past years, but it is in the lower range of 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.



We are proud to support our local community!

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