



Market Insights

A look at the current real estate market; provided by **RE/MAX ALLIANCE**

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A young boy sat on the crest of a meadow watching a gray feathered hawk float on a spring breeze. Through the strands of brown grass meandered a dark black ant with a bulbous head and stumpy legs.

The ant stopped at the edge of the boy's tennis shoe and pondered what this thing was. *It wasn't here yesterday when I came this way, the ant thought, or the day before that or the day before that.* The ant scurried around the boy's tennis shoe and wandered off across the meadow.

I'm guessing you're wondering what this ant story has to do with real estate. Let me explain, because it has everything to do with real estate and, in a way, with life.

Two phrases that get quoted quite often are: "Nothing lasts forever." "Change is inevitable." In a more philosophical vein, Heraclitus, the Greek philosopher, said: "You cannot step into the same river twice."

If you were to stand at the peak of a high meadow and observe the Boulder Valley, it would have looked much different twenty or fifty or a hundred years ago. If you were to stand on that same spot twenty or fifty or a hundred years from now, it would not be the same.

The Boulder Valley real estate market has been a concentric process in terms of development and growth. The City of Boulder was the center of this imaginary circle. From there small towns evolved across the eastern plains and up into the western foothills. As those communities grew they created their own imaginary circles, populated by new neighborhoods, retail and business outlets. Encompassing what were once vacant fields where ants could roam.

We're four months into this New Year and this vigorous real estate market. Lack of available housing inventory, for sale and for rent, has dominated the headlines. Sales activity in 2015 across Boulder County, for single family homes, is outpacing 2014 through April for each year by about 10% (911 vs. 831 sold listings). Attached unit sales are up over 11% for the same time periods (382 vs. 342 sold listings).

Single family home inventory, for Boulder County, increased in April/2015 nearly 20% compared to March/2015. That's characteristic of this time of year as available inventory traditionally rises through spring into late summer. In conjunction with this growing inventory is also a spike in buyer interest.

The traditional thirty-year fixed rate mortgage has settled between 3.625% and 3.875%, depending on the day and lender. Look for that to continue as there are no immediate signs on the horizon that the financial markets will experience any significant ups and downs. In the spring of 2014 that same thirty-year fixed rate mortgage was at 4.33%.

Pent-up and growing demand for housing has resulted in two things across the Boulder Valley: increased home values and new home construction, especially in communities expanding throughout the eastern plains.

With all that in mind, we're back to the ant who discovered its' path was blocked by this young boy. The ant deliberated on its' predicament and then found a solution. Thus is the history of real estate in our small part of the world, finding solutions to meet the needs of a growing and diverse population.