

MARKET INSIGHTS



A look at the current real estate market.
An information source provided by RE/MAX Alliance.



#1 RE/MAX ALLIANCE WISHING YOU A
HAPPY HOLIDAY SEASON!

While the icy finger of winter finally engulfs our 'burbs and blankets the mountain tops with promises of H2o run-off come spring, we look back at 2016 and all we can think about is "What will 2017 bring to the real estate market in Colorado?!"

At least, if the industry happenings are of interest to you, this may be what you are focused on as you read this and the year comes to a close.

Final statistics nationally for November aren't available yet, but we can get a glimpse into what we might expect for year-end as we look at October. And we find that October housing starts surged. That's the report by the Commerce Department, climbing up 25.5% from September.

This is the highest level we've seen since September 2007. Single-family starts, which make up the largest share of the market, jumped nearly 11%, while multi-dwelling starts skyrocketed by 68%. Year over year housing starts were up 23.3% with October building permits rising 0.3%.

Autumn may typically be the time of year when home sales start to slow down but new numbers show sales of previously owned homes up for the second straight month and at their highest annual pace since February 2007.

The data, from the National Association of Realtors, shows October sales up 2 percent over the month before and 5.9% above last year's estimate. Lawrence Yun, NAR's chief economist, says the past two months have been an autumn revival for the housing market.

"October's strong sales gain was widespread throughout the country and can be attributed to the release of the unrealized pent-up demand that held back many would-be buyers over the summer because of tight supply," Yun said. "The good news is that the tightening labor market is beginning to push up wages and the economy has

lately shown signs of greater expansion. These two factors and low mortgage rates have kept buyer interest at an elevated level so far this fall." Sales were up in all regions.

These national statistics are reflected in the numbers we discover for **Boulder County** this November. Despite continued low inventory levels, **341** homes successfully closed by month's end. Taking on average just **62** days to sell, we find that median prices are also up for November. **\$445,000**, a nice bump up from a year ago when the median sale price was just **\$390,248**.

If you haven't secured that perfect dream house yet don't get frozen in place because of the weather! Over the holiday season is an excellent time for transacting a real estate deal.

On the plus side, competition is much less fierce for buyers or sellers and that can lend itself to a smoother sale all around. There really isn't any reason to delay your plans and not start your new year off in a new home.

The slight uptick in mortgage interest rates hasn't changed significantly enough to impact approval amounts – yet.

There is talk among the Federal Reserve of rising rates after the New Year. Another good reason to make your move before the year ends.

Other good reasons to consider purchasing now include those new building starts we've talked about. With resale inventory hovering at just 2-3 months supply to meet consumer demand, construction has stepped up to fill the gap that's been left.

Making your deal now for a brand new home and locking in current interest rates could put you way ahead of in terms of cost now versus cost if you wait till spring. And the greater buyer pool in the spring will most likely push prices higher. That's what makes this the best time to make your move, for a truly merry and bright **HAPPY HOLIDAY SEASON!**

Stat Check

2015 2016

Active

568 | 547

Number of Units Sold

296 | 341

AVG Days on Market

62 | 62

Median Price

\$390,248 | \$445,000