

MARKET INSIGHTS



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



Are we experiencing the buyer's market we've heard talk of or is a seller's market growing into full bloom?

As we watch the real estate market behavior, trying to get a handle on predictions moving forward presents interesting challenges.

We may be tired of hearing the refrain but the fact remains that the real estate market in Colorado has seen a long streak of inventory levels at such extreme lows that some are calling it a crisis.

One of the things being observed, though not every area in the state is experiencing exactly the same circumstance, but in general the observation is that investors, (who are normally cash or hard money buyers) are squeezing out the average buyer who is subject to mortgage limitations.

The question weighing on industry insiders minds is WHY are the inventory levels continuing to hover at such lows, even extremes in some areas? If we could answer that question we might be able to suggest ways to turn the situation around and be declared real estate super heroes!

Continuing low mortgage rates are inspiring buyers in record numbers, and there are homes, just few being offered for sale, few enough that scales are tipped into a seller's market that is unusual in that sellers aren't responding as expected! They are simply not venturing into this marketplace, at least not in numbers necessary to match prospective buyer numbers.

Historically, sellers are seeking the ideal circumstance where they experience high dollar offers in the shortest time frames. What they appear to be anxiously awaiting may actually be occurring and they may actually be missing out on the sales opportunity they desire most.

What does all this mean to the **Boulder County** market? While **370** combined attached and detached homes sold in April of the **504** that were available, those numbers could actually have been better based on the flood of buyers. We did see a healthy jump from **\$385,875** to a median sale price of **\$458,000** this year. The **69** Days on Market is up from last year's **57** but still are a good indicator of continuing strong buyer turn out.

According to the Colorado Association of REALTORS "the 14,690 single-family homes and 3,608 condominiums/ townhouses actively listed for sale during February represented 2-months or less supply in each category. That's a drop of more than 32 percent when compared to February 2015 and -10 percent over January of this year. Experts agree that a 5-7 month supply is ideal in creating a balanced market in which both sellers and buyers are on equal ground."

But these are just numbers and the experts are offering analysis that hasn't really addressed the psychology behind the low inventory story.

There is no hard evidence, but it is clear from the behavior of a great many of those who weathered the "housing bubble storm" as home owners that there is a simple reluctance to chance losing the equity they thought they should have, or they have concern about finding another home to purchase. Some are still feeling insecure about employment in spite of strong employment statistics across the state.

The interest rates may be at all-time lows, yet folks who are trying to move into the market, are finding themselves shut out. They may have either went through a short sale or foreclosure or are just beginning to recover from financial losses and changes that adversely affected their credit. It may be that all we need in order to see that adjusted and balanced market we are all looking for may come with the summer season just now showing on the horizon.

Stat Check

2015	2016
616	504
408	370
57	69
\$385,875	\$458,000

Active

616 | 504

Number of Units Sold

408 | 370

AVG Days on Market

57 | 69

Median Price

\$385,875 | \$458,000