

MARKET INSIGHTS



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



For buyers and sellers alike, as we all move into the 2018 real estate market, we are pleased to report that we can do so with honest optimism concerning purchase or sale prospects.

While most of the recent real estate news may give the impression there is nothing but challenges to overcome and difficulties to master, that isn't the whole story.

Inventory shortages and rising prices are what are dominating headlines; yet, Freddie Mac's year-end recap says the housing market just had its best year in a decade. In fact, the report highlights a number of positive developments that have helped propel the market onward and upward.

Among them are a stronger economy, positive job growth numbers and a more confident feeling among consumers about our overall financial circumstances. The atmosphere about buying or selling a home is leaning heavily on the positive side.

Renewed confidence, along with lower-than-normal mortgage interest rates, have helped balance out some of the affordability challenges that exist in certain markets.

The fuller story reveals a consistently high buyer demand combined with modestly increasing home sale prices. Freddie Mac predicts this will help accelerate new home construction.

In short, today's real estate market offers potential buyers and sellers good reasons to be highly encouraged.

First-time home buyer numbers were very sluggish at the start of 2017. This was due to many factors including those low inventory levels, affordability concerns, student loan challenges and a

somewhat shaky economic picture. However, millennial first-time home buying activity did perk up and is expected to continue at an accelerated pace for several years to come, according to some expert analysts.

The improving job market is encouraging current owners of those homes deemed as starter houses to loosen their grip and put those homes up for sale in favor of bigger or newer homes. The domino effect comes into play, meaning there are more homes on the market to match those high levels of buyer demand; and increased construction of new homes will naturally result in a booming marketplace.

Those are the headlines to get excited about in 2018! Headlines that trumpet the good news about real estate are the **570** homes that were available for sale in **Boulder County** through the month of December. Or the **410** people who closed a sale and celebrated their New Year in a new home there.

Snow and icy winds didn't stop them from taking full advantage of the affordable prices and low interest rates.

RES that sold in December didn't sit long on the market, selling in an average of **60** days. Those who bought a new single-family home before 2017 came to a close, purchased at a median sale price of **\$540,750**.

What changes might we see in the 2018 real estate market?

Survey after survey makes it abundantly clear that home ownership remains as strong a desire as it ever has been in past generations. In spite of recent struggles in the marketplace revolving mainly around low inventory numbers, optimism about future prospects is stronger now than it's been at any time in the last decade and owning a home continues to be a sound personal and financial decision many are eager to make.

Stat Check

2016	2017
RES/ATD* Active	
521/118	427/143
Number of Units Sold	
227/124	298/112
AVG Days on Market	
66/54	60/51
Median Price	
\$478,500/ \$327,500	\$540,750/ \$355,000