

MARKET INSIGHTS



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



For Coloradoans considering a home purchase this year, the burning question is not, “Should I buy a home?” but rather, “Can I find a home to buy?”

With rents continuing to rise, on average up over 2% from last year, making it a far less attractive option, the meager pickings of inventory continue to frustrate many buyers in this real estate marketplace.

On one end of the spectrum, we’ve been seeing mortgage interest rates at the lowest they’ve been in decades, but for how much longer no one can say. Rates have already begun to rise recently and are trending higher in the coming months.

On the other end of that spectrum, the low inventory levels have led to many frustrated buyers who, though armed with mortgage approval letters and the ability to purchase, can’t find the home of their dreams!

According to the National Association of REALTORS®, sales of existing homes fell a little over 3% nationally in the first months of 2018 but Boulder County bucked that trend. The main thing to watch in the weeks ahead is the number of homes that become available for sale. Although low inventory is the main issue holding home sales back, according to NAR’s chief economist, Lawrence Yun, there’s still reason for optimism.

“There was a nice jump (nationally) in new home construction in January and homebuilder confidence is high. These two factors will hopefully lay the foundation for the building industry to meaningfully ramp up production as this year progresses,” Yun said.

Despite fewer homes available for purchase, 286 people in Boulder County seized the opportunity to close on a home this past February. That’s an upward trend from the 253 last year, with an even lower average days on market from February 2017. Median sale prices are also trending upwards year-over-year with nearly a \$100,000 jump from February 2017 to February 2018 in single-family homes.

Perhaps the question potential home buyers should be asking is more along the lines of, “What are you willing to do to be able to own a home?”

Buying a house is a major financial transaction and the largest single financial commitment most of us will ever undertake. Especially for first-time home buyers who don’t have the benefit of selling a home to help fund their down payment, many who aspire to homeownership will need to decide if it’s worth making a few sacrifices in order to help save money to buy a house.

According to a recent survey, the most common sacrifice people say they are willing to make to buy their first home is giving up eating out. Other common sacrifices included taking a second job, not going on vacations, moving back in with their parents, and giving up shopping for clothes.

One of the biggest factors spurring current homeowners to rush to put a home on the market is the time of year. Those who have been waiting to sell want to reach the large pool of buyers that are looking before the usual spring outbreak of sales. Less competition can equal faster sale times, freeing these sellers to move up to the secondary market of homes they’ve been eyeing.

Because the secondary, or luxury, home market didn’t suffer the effects of the housing crash as severely as the rest of the market, it also rebounded faster. The number of luxury listings and the additional inventory is changing conditions for buyers and sellers. In fact, the number of luxury home listings rose 4% nationally in 2017. As a result, home buyers interested in a luxury home may find more opportunities and that could translate to higher inventory of popular “starter homes” for first-time home buyers to consider in their search.

Daffodils and crocus are blooming and though just beginning the budding process, the spring real estate market is set to bloom in full as well!

Stat Check

2017	2018
RES/ATD*	RES/ATD*
Active	Active
509/129	420/139
Number of Units Sold	
173/80	194/92
AVG Days on Market	
54/59	53/51
Median Price	
\$489,000/ \$364,500	\$585,000/ \$379,995