

MARKET INSIGHTS



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



If you're considering becoming a buyer in today's housing market, you're likely wondering what's happening with home prices. A primary factor driving the upward mobility of values continues to be that pesky lack of available homes for sale. A balanced market is one with about 6 months of inventory available, and this marketplace hasn't seen numbers better than 2 months for some time.

This means buyers can expect competition for the best available properties. Many are wondering what it will take for this current dynamic to change. New home construction is one excellent indicator of where home prices are heading.

With new homes being added to the stock of homes for sale, prices will begin to moderate. This is why the National Association of Home Builders (NAHB) tracks builder confidence each month. If builders are optimistic about the market for new homes, they will build more homes and that, in turn, boosts inventory. According to the most recent results of the NAHB's Housing Market Index, builder confidence has been rising and is now at 70, on a scale where any number above 50 indicates conditions are good in the opinion of the majority.

Unless you're having a custom house built to your exact specifications, the house you end up buying may likely be a feature or two short of what you originally fantasized about. That's because you're going to be choosing only from the homes that are on the market during the time you're house shopping. Naturally, that lowers the odds of finding each and every thing on your wish list, so be prepared to compromise a little bit. Whether they compromised or stumbled into their ideal home situation, 515 people in Boulder County did successfully close on their new home purchase this past

June. With the average Days on Market for the month being 49, sales happened fairly quickly for our newer residents, who bought at a median price of \$539,900.

Millennials are among the majority of buyers seeking a starter home in this marketplace, and while 89% claimed they were willing to compromise on things like specific neighborhood amenities, 84% were more willing to give up specific house features for their ideal neighborhood. The first item on the list of home features they could happily live without? A garage! At the top of the list for families with children was the one neighborhood attribute they weren't willing to compromise about - owning a home near quality schools. Although a house with a view, especially a water view, fetches higher prices, schools remain a top priority for choosing where to purchase among the majority of buyers.

The majority also admitted to beginning their home search online. The top issue they admitted to having is how difficult it is not to wander a bit outside of their comfortable price range! This was found to be the case no matter what the particular price range was, whether on the low side or the high side. The internet is making it easier than ever to get starry eyed about homes you may not actually be able to afford, which increases the need for a caring real estate agent to lead you back to earth...err...your affordable price range, when the actual house hunting tours begin.

Even then, keep in mind that the equity you will build in the affordable starter home you purchase today simply brings you one step closer to your forever dream home.

Stat Check

RES/ATD*
2017 2018

Active

986/214 : 734/248

Number of Units Sold

441/ 141 : 408/174

AVG Days on Market

38/32 : 36/36

Median Price

\$570,000/ : \$634,000/
\$375,000 : \$362,500