

# Real Estate

RE/MAX OF  
BOULDER

# Report



STATISTICS

TRENDS

2020 FORECAST



Award-Winning Realtors • Expert Knowledge

# A MIRACLE WITH A GREAT SMILE



Meet Olivia

RE/MAX of Boulder is proud to be a Miracle Office for Children's Hospital Colorado, donating more than **\$16,500 IN 2019**

This adorable Colorado four-year-old loves to ballet dance, ride her bike, and speak French with her grandparents.

She's come a long way since being born with a health condition that required her to undergo a liver transplant before her first birthday.

Children's Hospital Colorado was there for Olivia and her family every step of the way.

Doctors there diagnosed Olivia's condition, helped keep her alive and strong until she was ready for transplant surgery, located her new liver, and successfully performed

her transplant procedure. Today, her doctors provide the immunosuppressant medication that prevents her body from rejecting the transplanted liver.

Olivia is thriving. Her story is exceptional, but serious childhood illnesses touch more kids that you might think.

We are grateful to have the innovation and care of Children's Hospital Colorado in our area. It is our pride and pleasure to support Children's Colorado in advancing patient care, education, research and advocacy for families throughout the state.

**Please join RE/MAX of Boulder in supporting Children's Hospital Colorado in 2020 at [childrenscoloradofoundation.org](http://childrenscoloradofoundation.org)**



# A LEGACY OF GREAT SERVICE

RE/MAX of Boulder's **Real Estate Report** is a trend and forecast publication now in its 7th edition. It provides a detailed look at 2019 residential real estate statistics across the Boulder Valley, including data on home prices and home sales statistics in the communities we serve. We discuss shifts in the luxury real estate category, and predict how the market may perform in 2020. Our Real Estate Report reflects data provided by the IRES Multiple Listing Service, and the views of our management team, including Managing Broker Todd Gullette.

This year, RE/MAX of Boulder celebrates 43 years of service. We were one of the first RE/MAX offices to open in the country. From our first day in

business, we embraced a spirit of community engagement, which has shaped an incredible success story. It includes helping thousands of people buy and sell local real estate. But it's also about creating connections between people, businesses, our great schools, and many non-profit organizations, all of which serve to make our communities stronger.

Today, Boulder's real estate market is ranked the most stable market in the country. In the context of other investments - stocks, bonds, funds, etc. - buying real property in the Boulder Valley rises to the top. It's a great time to make the most of the market and RE/MAX of Boulder is here to put our extensive experience to work for you.

Boulder ranks

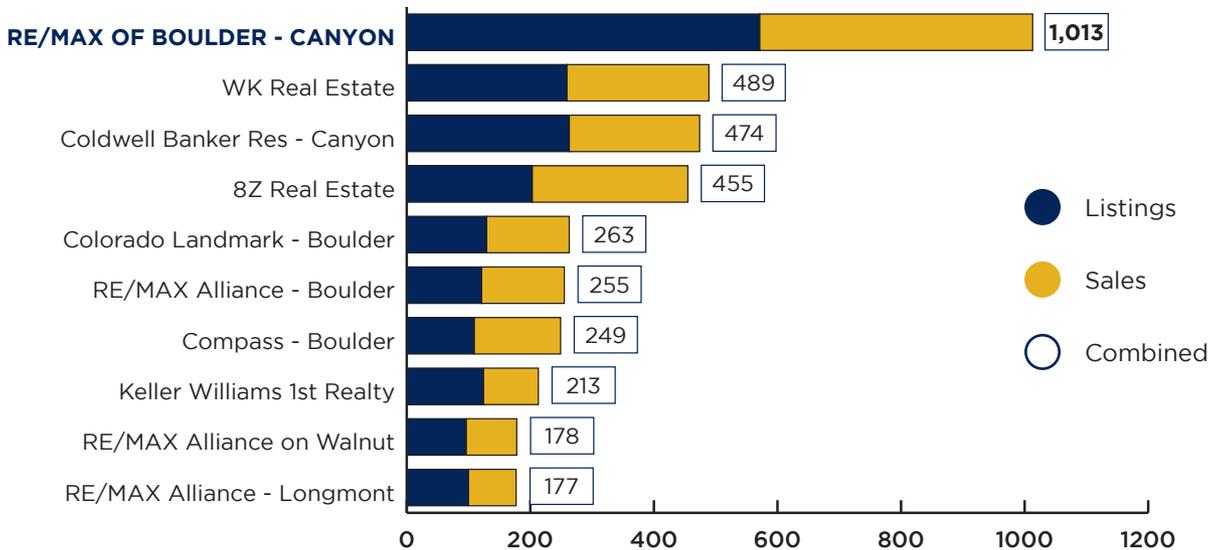
# NO. 1

in the nation for home value stability and growth for the fifth consecutive year.

**SmartAsset, 2019**

## THE DIFFERENCE IS DRAMATIC

Top 10 Residential Real Estate Offices in Boulder & Broomfield Counties



Data taken from IRES MLS, January 15, 2020 for time period January 1, 2019 - December 31, 2019. Residential Listings Sold are Single Family and Condos/Townhomes.

# A HEALTHY MARKET

Tracking our market has a lot to do with inventory, and more importantly, months of inventory. Months of inventory is the number of months required to sell everything that's currently listed.

Over the last couple of years, we have seen months of inventory increase in the spring and early summer (when most people list), then drop precipitously by year's end. In the graph here, we see that regardless of the season, months of inventory in our market consistently remain under 5 months, which qualifies as a seller's market.

If you were to ask a buyer, seller, or real estate agent to compare what the spring and summer felt like between 2018 and 2019, you would likely hear that the market slowed down.

This estimation reflects the powerful difference between having 3.3 months of inventory in 2018 and 3.9 in July of 2019. Indeed, we saw an increase in inventory. But we also saw an increase in sales, specifically a 5.4% increase in single family home sales for 2019.

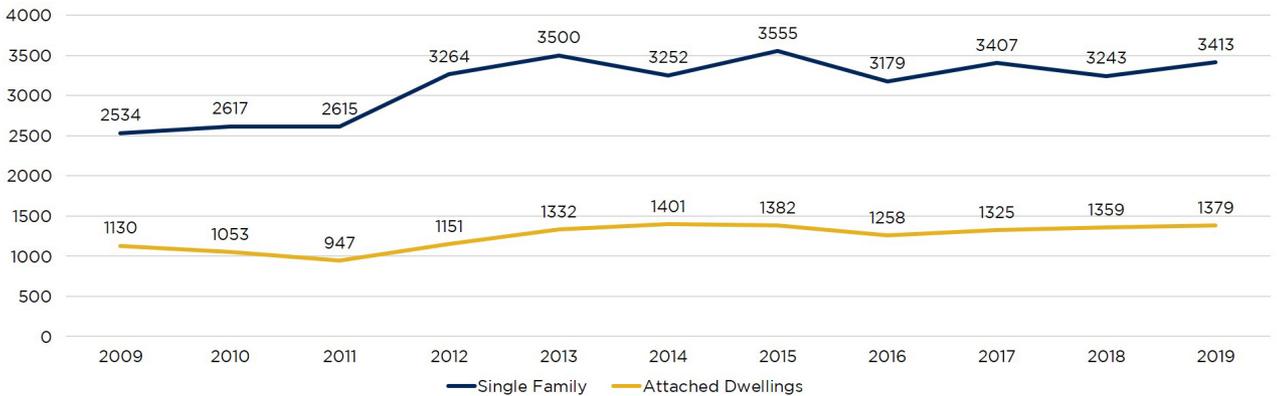
At this time in our cycle, more inventory does not indicate that homes are not selling. In fact, we saw more sales in 2019 than we did in 2014, when many more homes were available for buyers to choose from.

The increase in inventory has eased a longtime supply-vs-demand imbalance, while high demand has kept prices stable. That's a healthy market.

## Months of Inventory at Each Quarter

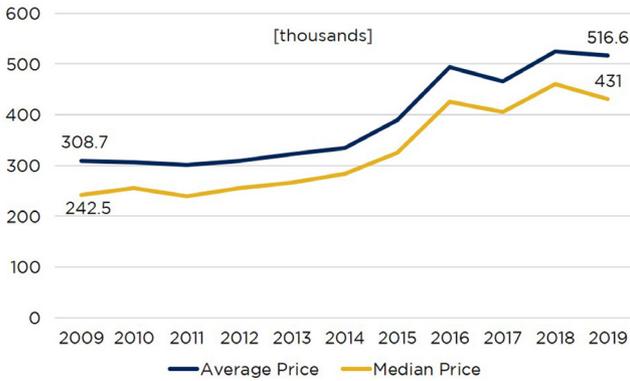


## Total Number of Homes Sold Each Year

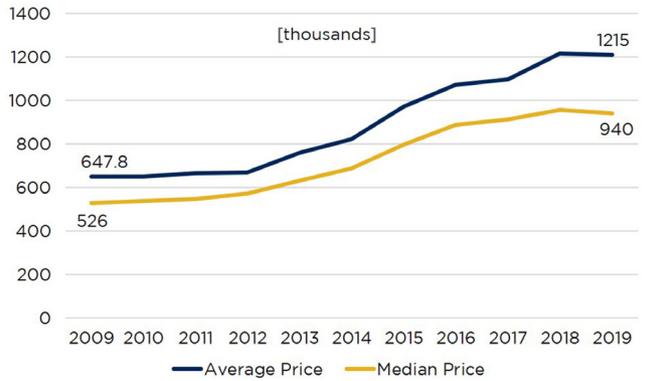


CITY OF  
**BOULDER**

Attached Dwelling Prices



Single Family Prices

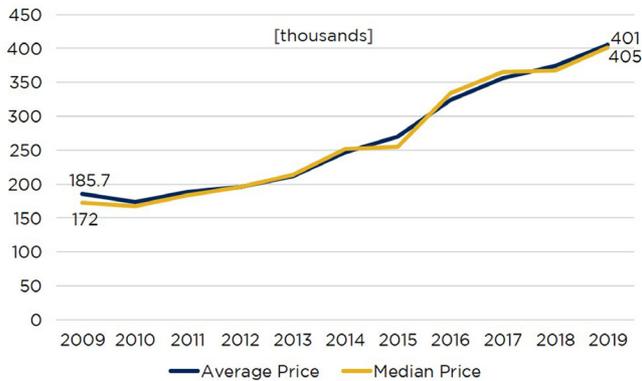


Highly impacted by new construction. Listings increased 75% and the number of sales decreased 4.7%. This market heated up late and looks promising in 2020.

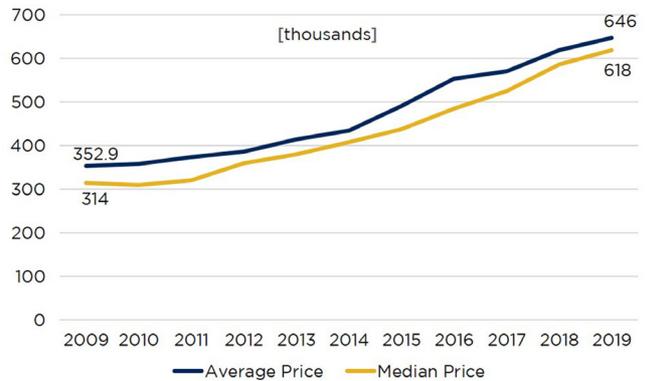
Inventory rose substantially in 2019, up 26.9% over the 4th quarter of 2018. A late rally brought sales up 5.7%. The median and average prices rose 2.3% and 2.6%.

CITY OF  
**LAFAYETTE**

Attached Dwelling Prices



Single Family Prices

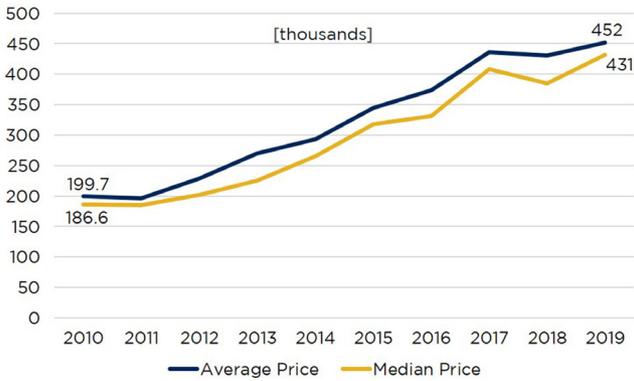


Recent inventory gains receded, down 3.6% (still 60% higher than 2017). Median and average prices rose 9.4% and 8.3%. The number of sales were up by 18.7%.

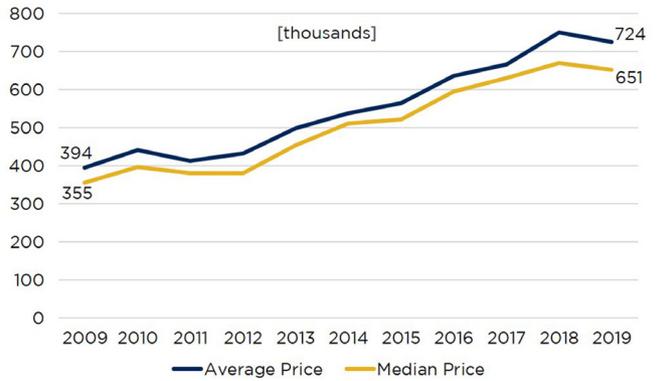
Inventory is up 6%. Median and average prices gained 3.8% and 4.6%. This market appears strong with only 2 months of available inventory.

# CITY OF LOUISVILLE

## Attached Dwelling Prices



## Single Family Prices

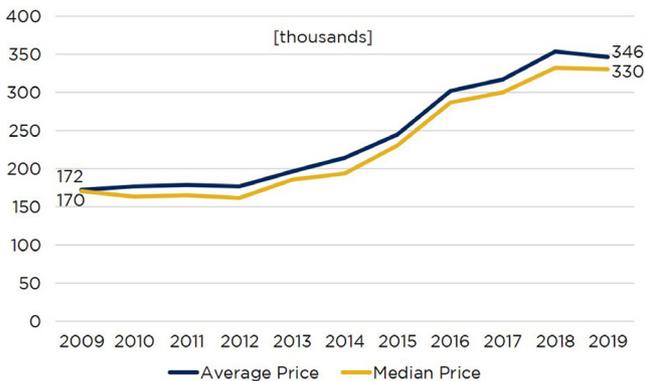


This strong market saw a 33% drop in inventory, a 17% increase in sales, and median and average price increases of 11.8% and 5.1%.

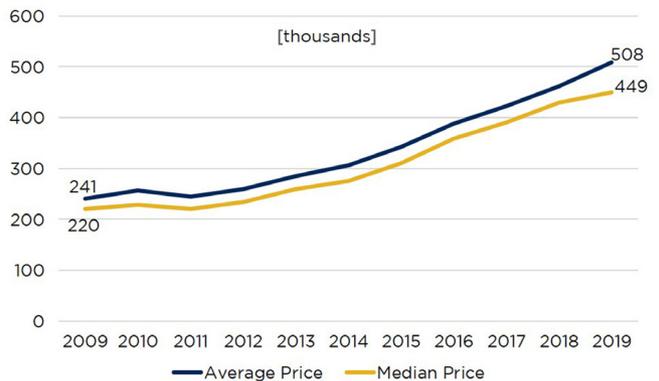
Louisville has a miniscule 1.1 months of available inventory. Sales were up 19.2%. Median and average prices both fell as a result of sales of less expensive housing product.

# CITY OF LONGMONT

## Attached Dwelling Prices



## Single Family Prices

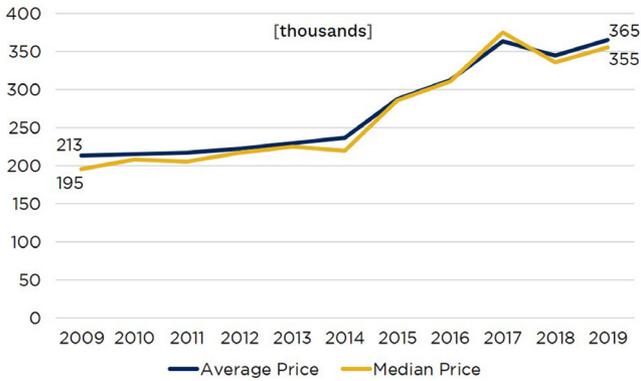


Small changes in a strong market. The median price was down 0.7% and the average price down 2.1%, contrasted by an 11.3% jump in the number of sales.

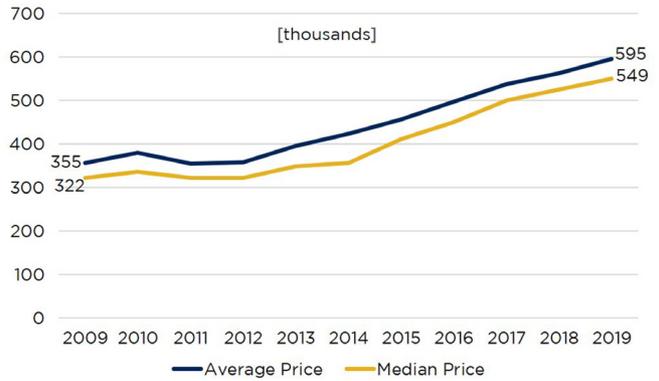
Median and average prices were up 1.4% and 1.9% as inventory rose 9.9%. This is still a strong market with a 6.4% increase in the number of sales.

# BROOMFIELD

## Attached Dwelling Prices



## Single Family Prices

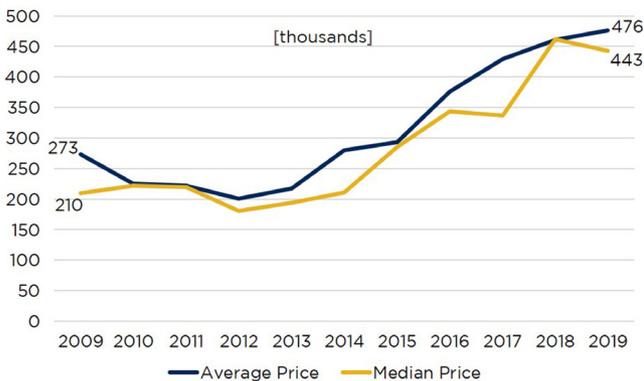


After a banner 2017, Broomfield is just getting back to those prices. The average and median prices rose 6% and 6.2% while the number of sales fell 4.5%.

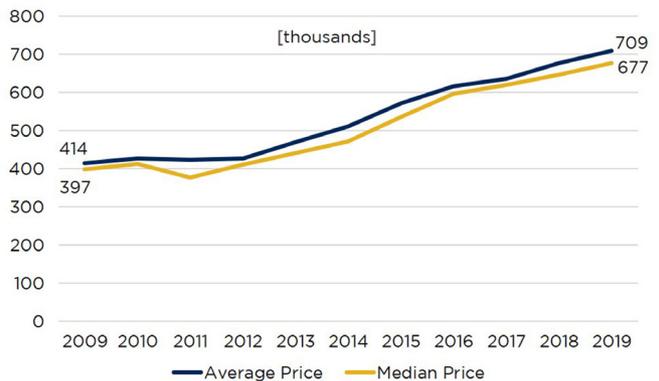
Broomfield continues to have fewer homes for sale, with inventory down by 23% and sales up 6.7%. Median and average sales prices were up 4.6% and 6%.

# SUPERIOR

## Attached Dwelling Prices



## Single Family Prices

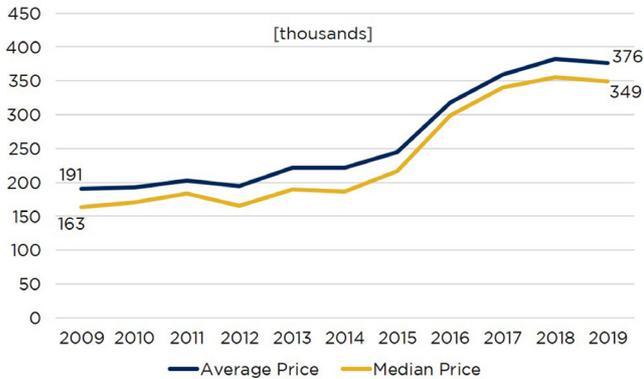


The median price was down 4.3% and the average price was up 3.8%. The number of sales fell as a result of stalls in the builder process this year.

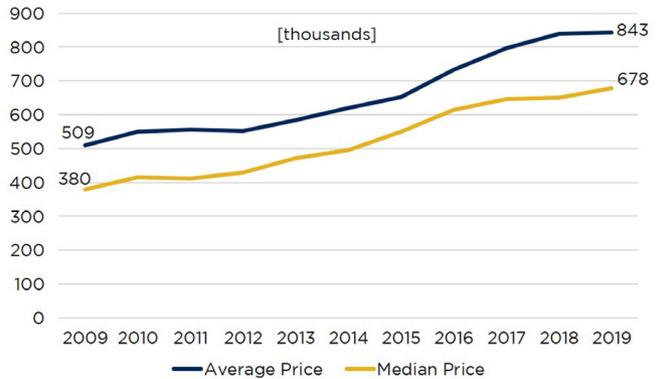
Inventory was down 4.2% overall after rising 60% in the 3rd quarter. The number of sales increased by 41%. Median and average prices gained 4.9% and 4.7%.

# PLAINS

## Attached Dwelling Prices



## Single Family Prices

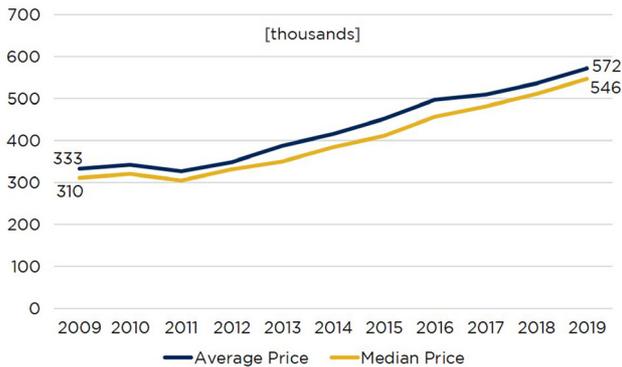


Buyers showing some price sensitivity. The median and average prices were down 1.7% and 1.5%, while the number of sales were up 3.2%.

Inventory ended down 8.2% despite gains throughout the year. The median price was up 4.3% and the average price down 4%. The number of sales decreased 7%.

# ERIE

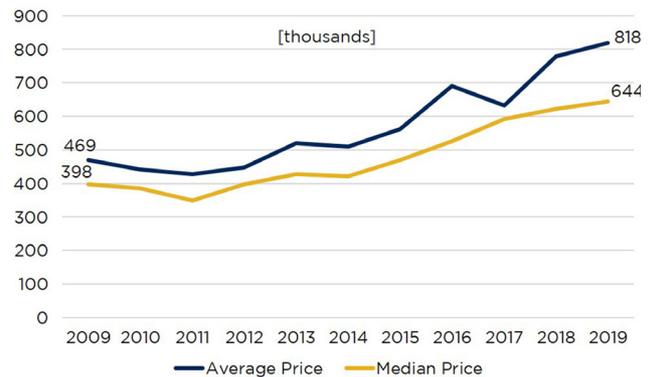
## Single Family Prices



Erie's inventory increased by 100%. This market saw median and average sales price gains of 5.1% and 9.5%, and a jump in sales of 17.6%. We expect builders in Erie to post strong numbers in the first half of 2020.

# MOUNTAINS

## Single Family Prices



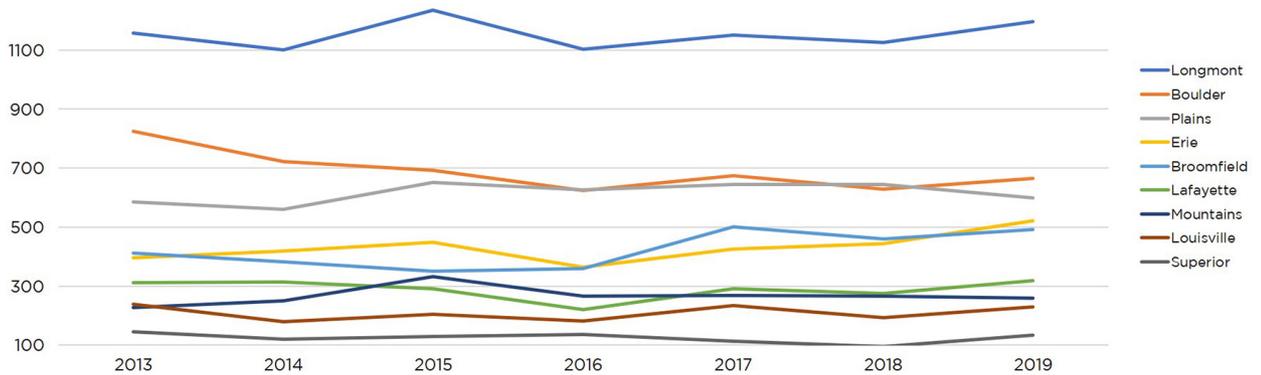
Inventory declined by 14.5%. The median and average prices were up 3.6% and 5.1%. This market ended the year with only 28% of homes for sale under contract.

# LONGER COMMUTES LOWER PRICES

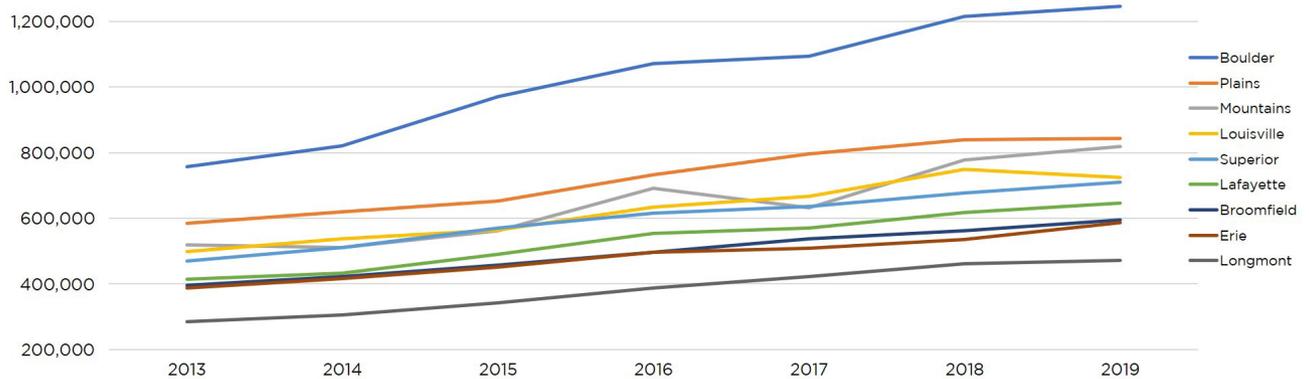
Which is more painful, a longer commute in ever increasing traffic, or paying top dollar for a more modest home? The major metropolitan areas of our market tend to appreciate at higher rates during economic expansion. For the average homebuyer, a longer commute is less painful than the cost of a smaller home closer to work. Our market has just experienced one of the longest periods of expansion and appreciation. This has drawn buyers to outlying areas with more affordable, larger homes.

Here you will see that areas with lower prices saw the greatest number of sales. Some areas with higher prices, namely the city of Boulder, are showing a drop in sales. These graphs do a good job of illustrating the current broadening of the price gap between the city of Boulder and neighboring communities. After periods of market stall, where wages improve and neighboring communities continue to appreciate, the price gap could narrow, drawing more buyers to urban employment centers.

Number of Homes Sold by Area



Average Price of Homes by Area



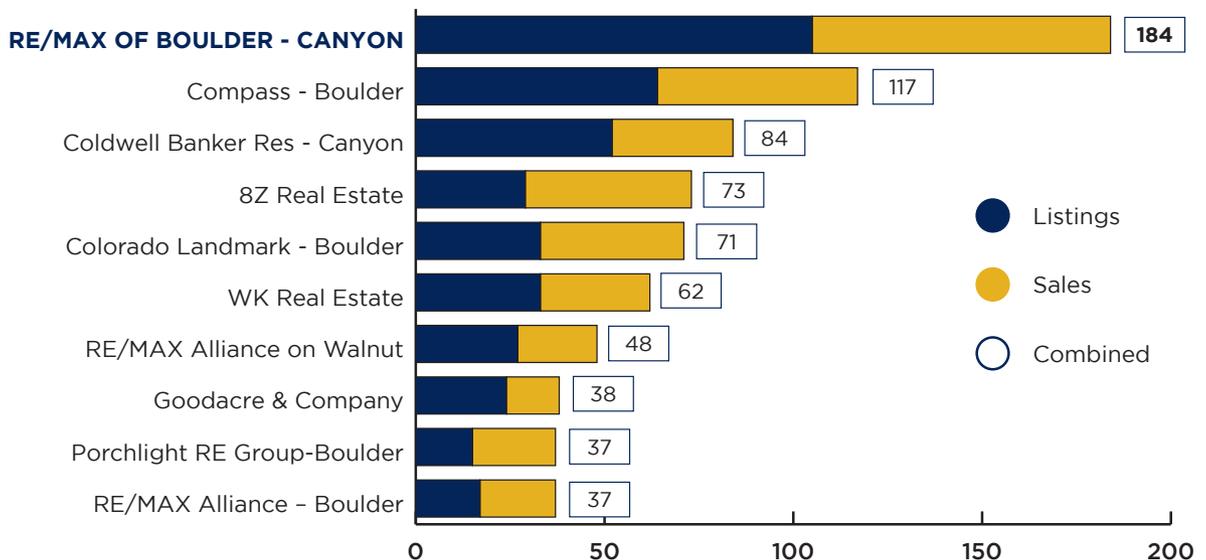
# LUXURY EXPANSION

Since the great recession, higher equity and low interest rates have fueled our desire to nest and improve our homes. These improvements have done much to repair older homes and introduce a safer, more functional, albeit more expensive, housing product. So as Boulder County slowly bids farewell to asbestos, lead-based paint, radon, poor drainage, uneven foundations, and leaky basements full of mold, the market is offering incoming residents nicer homes at a higher price.

The luxury market here has traditionally been referred to as the million-dollar market. Regardless of what benchmark we use for the price of luxury, it is clear that the million-dollar market is becoming a much larger share of our total housing. Homes sold over \$1M reflect 48.7% of the 2019 single family housing stock in the city of Boulder, and 16.4% of the total homes sold in Boulder County. It is certain that we will see this number climb.

## LUXURY SALES

Top 10 Offices - Home sales above \$1 million in Boulder & Broomfield Counties



Data taken from IRES MLS, January 15, 2020 for time period January 1, 2019 - December 31, 2019  
Residential Listings Sold are Single Family and Condos/Townhomes

The economy was strong locally and nationally in 2019. Interest rates retreated to historical lows and unemployment remained low. Those who again predicted recession and a market bubble had to eat their words for one more year. However, appreciation in Boulder County flattened. The median and average sales price didn't move. So, what happened to our market? Where are the multiple offers and waived appraisals?

Earlier in this report I mentioned that the number of sales in Boulder County were up 5.4% over 2018. While this establishes that there are still buyers, it is clear the market lacks the buying urgency of recent years. Here are some of the changes in market drivers we have experienced:

- As prices continued their unprecedented rise in 2017 and 2018, some buyers were pushed out of the market, reducing competition.
- Inventory in 2018 was so low that even the modest rise in inventory in 2019 was enough to give buyers noticeably more options.
- In 2018, the threat of increasing interest rates spurred purchases through perceived scarcity of affordable loans. In 2019 however, we saw that threat unrealized and ultimately retracted.
- Price sensitivity, more options, and confidence in interest rates for the 2019 buyer resulted in less competition, and ultimately a sense of patience.



In 2020, there will be slightly more houses to choose from and more balance in negotiating power.



By Todd Gullette, Managing Broker  
RE/MAX of Boulder

So what does this mean looking forward?

Buyers should see stiffer competition for homes at the beginning of the year as inventory will be extremely low. As the year progresses, there should be more houses to choose from and sellers will be much more aware of the current balance of negotiation power.

I am estimating months of inventory in the overall market to breach the 4 months of inventory marker during the 2nd quarter this year. The 2020 buyer will have the luxury of a normal inspection process with more time to negotiate and make decisions. The hardest thing buyers will run into this year will be knowing when to compete. There will still be special and well priced properties selling over asking price with multiple offers. Overall though, 2020 will provide the buyer with a much more comfortable environment in which to shop.

Sellers should have a moderately good year in 2020. There will still be plenty of buyers and the listing experience could be a pleasant surprise.

Sellers should understand the recent price sensitivity and be ready to accept that their homes are worth roughly the same as they were last year. Buyers will ask for and expect repairs to be made at inspection resolution, and appraisals will likely become tighter.

**The use of a professional real estate agent on both sides of a transaction, effective pricing, and locating property through multiple sources will all be paramount to the success of every transaction in 2020.**

# COMMUNITY CONNECTIONS



This year is RE/MAX of Boulder's 43rd year serving the Boulder Valley. We continue to reach beyond real estate to bring our community together.

To thank our clients, neighbors, and community for your continued support, we invite you to two live music events we are sponsoring this summer:

#### **BANDS ON THE BRICKS**

#### **LOUISVILLE DOWNTOWN STREET FAIRE**

We also support our local businesses by sponsoring:

#### **BOULDER ECONOMIC FORECAST**

#### **BOULDER VALLEY REAL ESTATE CONFERENCE**

## **HELPFUL RESOURCES**

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RE/MAX of Boulder has earned its place as Boulder Valley's top-performing real estate company. Over 100 top-producing Realtors, averaging over 16 years of experience, have made us the #1 company in buying and selling homes. Connect with us and we'll make you right at home in the Boulder Valley!

We have been awarded "Best Real Estate Group" in Boulder Weekly's Best of Boulder County community survey and "Best Real Estate Company" in Colorado Daily's CU & Boulder's Best awards.