

# BOULDER VALLEY

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## REAL ESTATE REPORT

// STATISTICS

// TRENDS

// 2022 FORECAST

**RE/MAX**  
OF BOULDER™



**RE/MAX**  
ELEVATE™

# A Story of Courage and Hope

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## MEET LUTHIEN

Lovely 16-year-old Luthien knows too well the acute need in teens for mental health support.



Today, Luthien feels hopeful for the future. Yet a short time ago, she struggled deeply with her multicultural American and Latino identity and the isolation of COVID-19. She said she was not only isolated in her own mind, she also felt “physically isolated in my own home.”

Luthien became more and more despondent. But with the love and help of her family, she found the care she desperately needed at Children’s Hospital Colorado. Luthien was diagnosed with severe depression and anxiety and admitted to the Partial Hospitalization Program at the Children’s Colorado Pediatric Mental Health Institute. She was relieved that

caring specialists were there to help. She underwent intensive therapy and made friends with her fellow young patients.

After facing her own struggle, Luthien wanted to help teens like her feel like they matter and started a school club to help break the stigma around anxiety, depression, and other conditions. Additionally, Luthien and her family advocate for mental health care for everyone — especially underserved Latino and Hispanic populations, refugees, and immigrants.

The demand for pediatric mental health care treatment is staggering, having increased 90% at Children’s Hospital Colorado over the past two years during a state of emergency declared by Children’s Colorado President and CEO Jena Hausmann. We are grateful to Children’s Colorado and are proud to support their work to advance life-saving patient care, education, and research throughout the state.



RE/MAX of Boulder and RE/MAX Elevate are proud to be  
Miracle Offices for Children’s Hospital Colorado

**DONATING \$25,000 IN 2021**

Please join us in supporting Children’s Hospital Colorado  
in 2022 at [supportchildrenscolorado.org](https://supportchildrenscolorado.org)

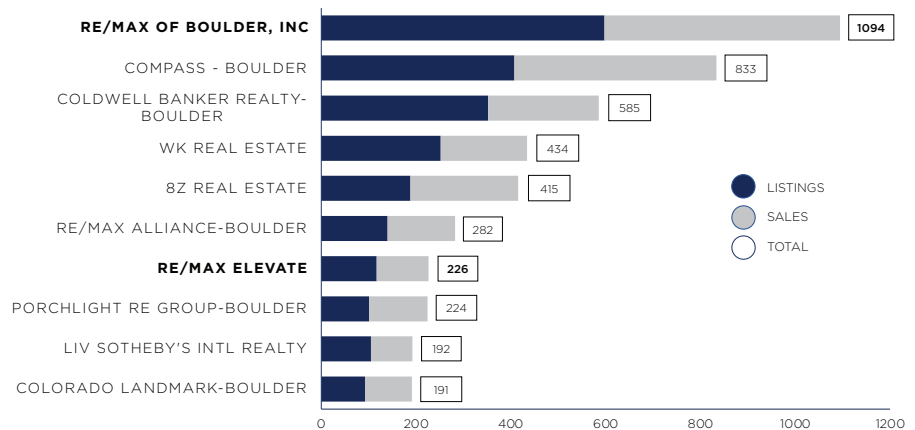
The ninth edition of the Real Estate Report reveals the unwavering strength of the Boulder Valley community and our exceptional real estate market. Our analysis of 2021 statistics, trends, and forecasts shows consistently growing value, unceasing demand, and persistently low inventory. This year, our community came together in extraordinary ways to provide support and resources to those affected by tragedies, such as the historic Marshall Fire and the King Sooper's shooting. Many of our neighbors, friends, and family face the long road of rebuilding their homes and their lives. As Realtors, having served our community for 45 years, we are committed to helping everyone find a place to live and recover.

Now is the time to rely on the attentive care and steadfast support we can provide you in your journey home.

**Boulder is the #1 Best Place to Live in the U.S 2021-2022**

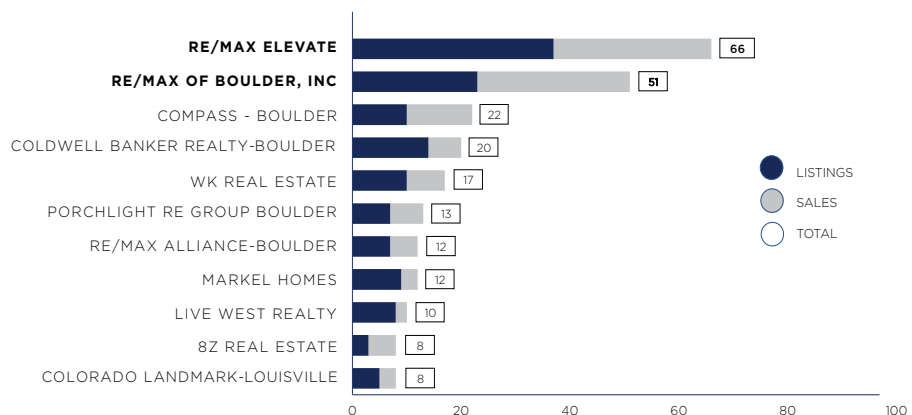
U.S. News & World Report

## TOP 10 RESIDENTIAL REAL ESTATE OFFICES IN BOULDER AND BROOMFIELD COUNTIES



Data taken from IRES MLS, January 13, 2022 for time period January 1, 2021 - December 31, 2021  
Residential Listings Sold are Single-Family and Condos/Townhomes.

## TOP 11 RESIDENTIAL REAL ESTATE OFFICES IN CITY OF LOUISVILLE



Data taken from IRES MLS, January 14, 2022 for time period January 1, 2021 - December 31, 2021  
Residential Listings Sold are Single-Family and Condos/Townhomes.

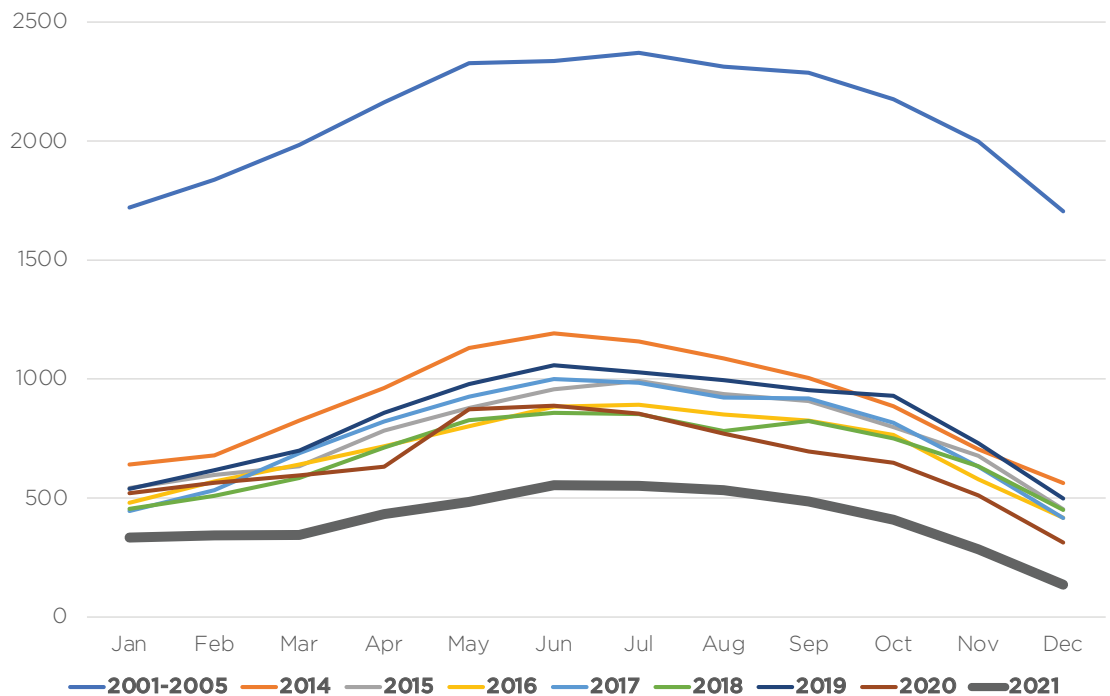
COVER PHOTO: TIM SEIBERT - FLATIRONS PRO MEDIA

# Inventory: The Driving Force

Year after recent year, real estate in Boulder County has one consistent theme — a lack of homes for sale. This persistent low inventory is the most powerful force acting on our market today — driving up prices, stripping buyers of negotiating power, and often preventing purchase without making a cash offer.

As 2021 began, we anticipated a post-COVID year that would renew hope for buyer relief — that more homeowners would sell and new construction would soothe demand. After all, the COVID-laden 2020 had delivered historic lows for interest rates and inventory, surprising many. But, we were surprised again in 2021.

## BOULDER COUNTY SINGLE FAMILY INVENTORY



**Boulder is the #1 Best Place to Live in Colorado 2021-2022**

U.S. News & World Report

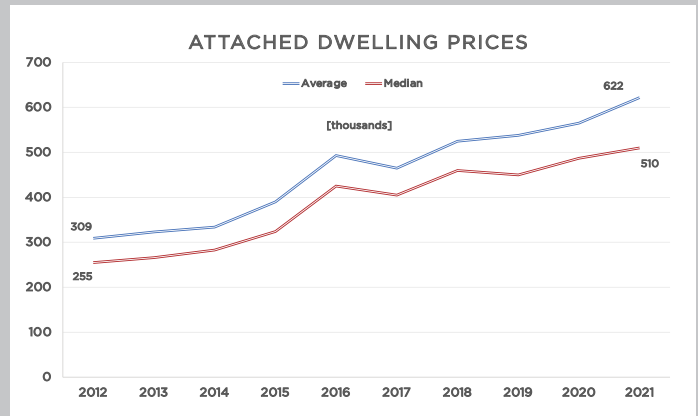
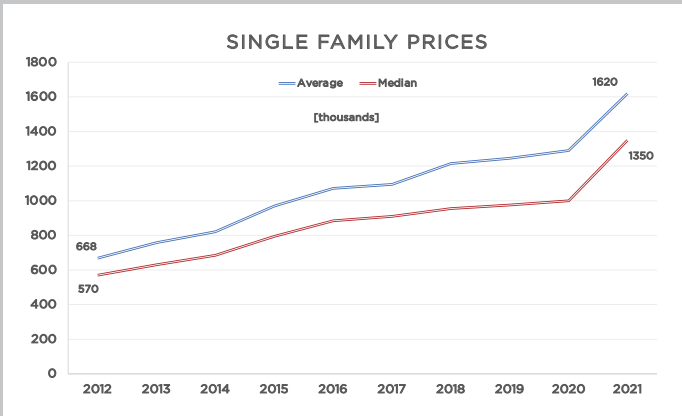
## IS ZERO INVENTORY EVEN POSSIBLE?

In 2021 Boulder County, apparently so. Statistical snapshots at times showed areas where every home was under contract, effectively offering zero homes for sale. As you view the black line tracking 2021 inventory, you may find yourself feeling woozy. Single-family inventory fell to 136 at year-end — a bleak and intimidating prospect for hopeful buyers.

In fact, none of the graph lines represent traditional inventory. A glance back just two decades reveals the significant shift in local inventory. Then — between 2001 and 2005 — an average of 1,705 homes were available during Q4, providing buyers with 12.5 times the current inventory.

There is always good news, though. Homeowners likely can expect what we have become used to — protected equity, consistent appreciation, and living in one of the most desirable locations in the world. While home buying in Boulder County may be challenging, the rewards are great.

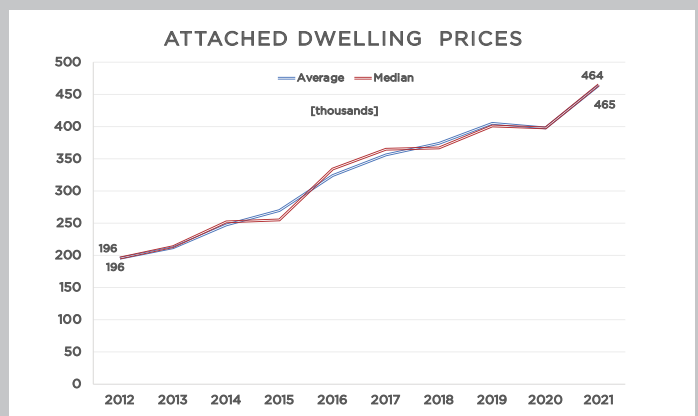
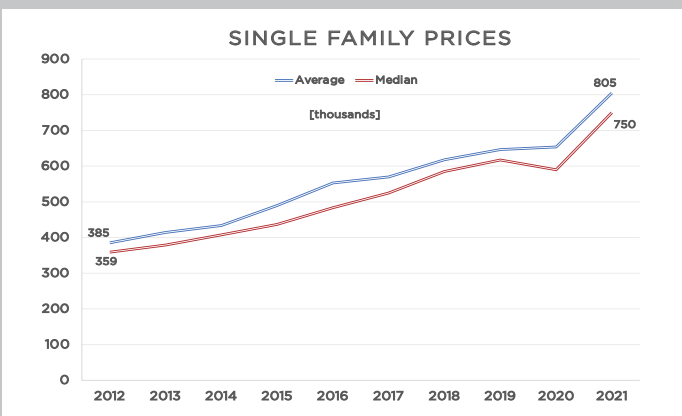
# BOULDER



Inventory dropped 54.1% leaving only 56 on the market at 2021-end. Median and average prices rose to \$1,350,070 and \$1,619,794 while sales climbed 4.6%. Year-end inventory under contract hit a very high 50%.

Mirroring single-family homes, the category's inventory dropped 54.4% and sales gained 6.2%. Median and average prices gained a modest 4.8% and 10.1%. Year-end inventory under contract reached 62%.

# LAFAYETTE

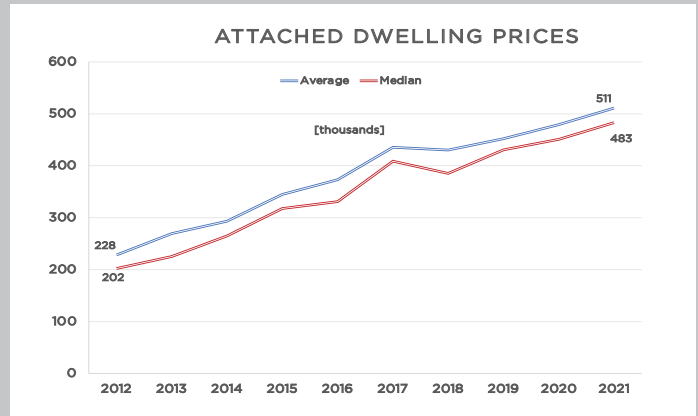
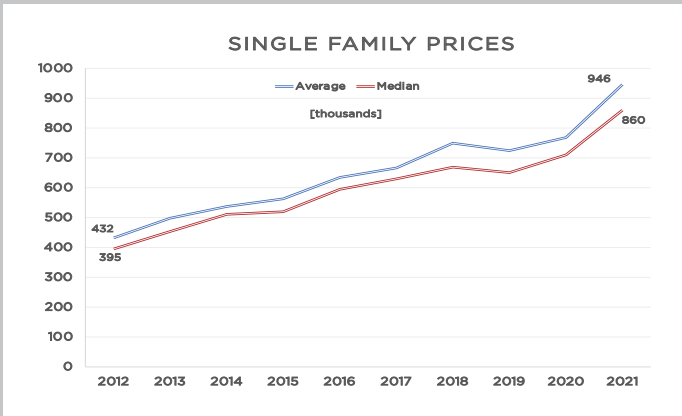


Inventory dropped 59.6% and homes sold decreased 21.7%. Median and average sales prices rose 27.1% and 23.2%. Year-end inventory under contract was 67%.

Lafayette's homes for sale increased in 2021 and sales moved quickly. Even so, inventory declined 20.7% while sales rose 10.9% and 91% of homes are under contract. Median and average prices rose over 16%.



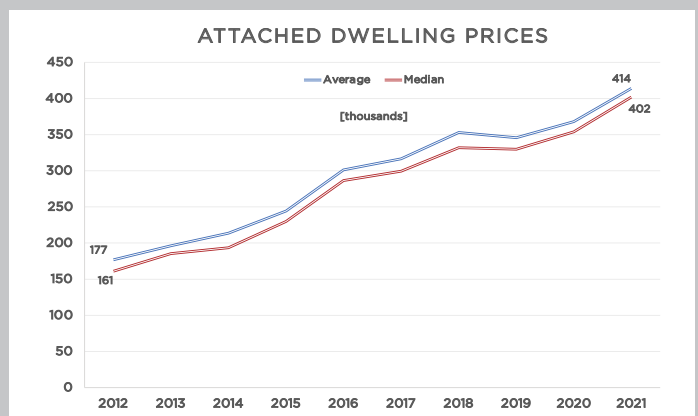
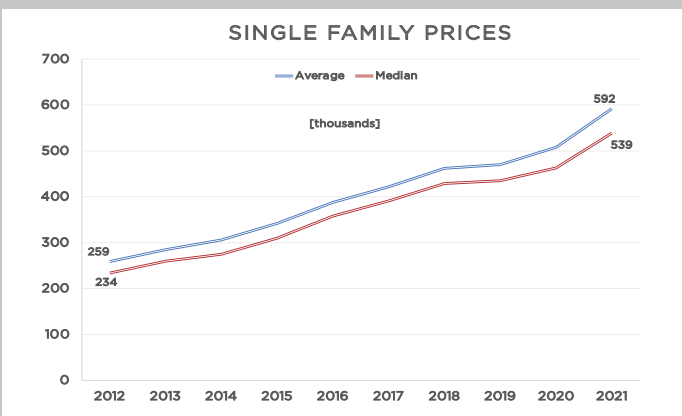
# LOUISVILLE



Bracing for Marshall Fire ramifications, inventory last year was already low at 11 units and 91% were under contract at year-end. Starved for inventory, sales dropped 16.1%.

Another staggering inventory problem with two units available at year-end and 100% under contract. Median and average prices rose a modest 7.1% and 6.5%. Inventory stifled sales, which dropped 34.9%.

# LONGMONT

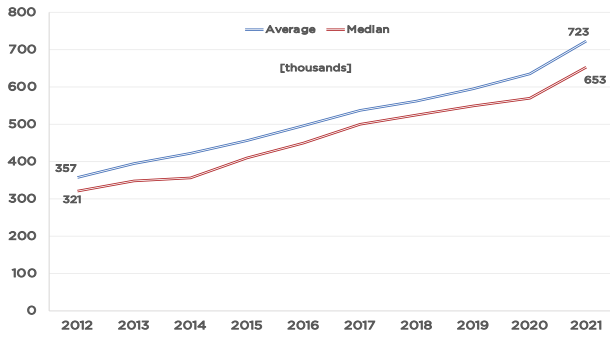


Inventory dropped 35.7% compared to 2020 and sales slid 17.6%. Year-end, 88% of homes were under contract—less than one month of inventory. Median and average prices rose just over 16%.

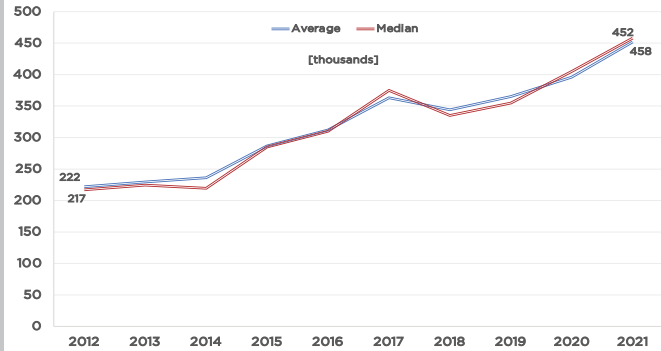
Longmont inventory dropped significantly in late Q4, losing 56.8% over 2020 with 81% of homes under contract at year-end. Median and average prices gained 13.6% and 12.5% while home sales decreased 9.2%.

# BROOMFIELD

SINGLE FAMILY PRICES



ATTACHED DWELLING PRICES

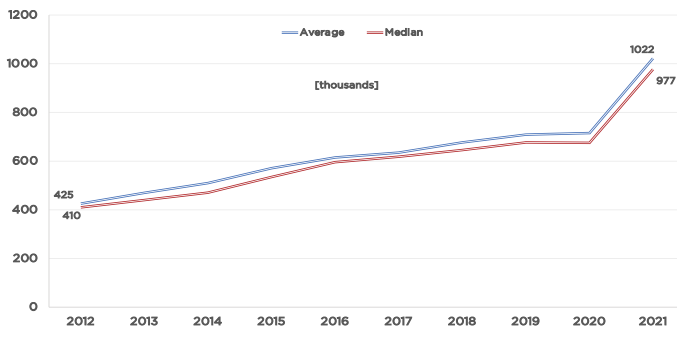


Broomfield inventory dropped 44.4% in 2021 with a staggering 100% under contract year-end. Median and average prices increased 14.5% and 13.9%, consistent with 2020. Starved for inventory, sales dropped 36.6%.

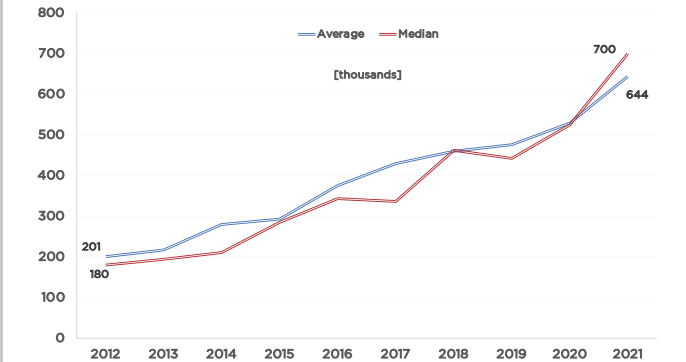
Inventory lost exactly one-third of available units from 2020 with 90% under contract at year-end. Median and average prices resembled single-family with 13.0% and 14.3% increases. Sales dropped 14.5%.

# SUPERIOR

SINGLE FAMILY PRICES



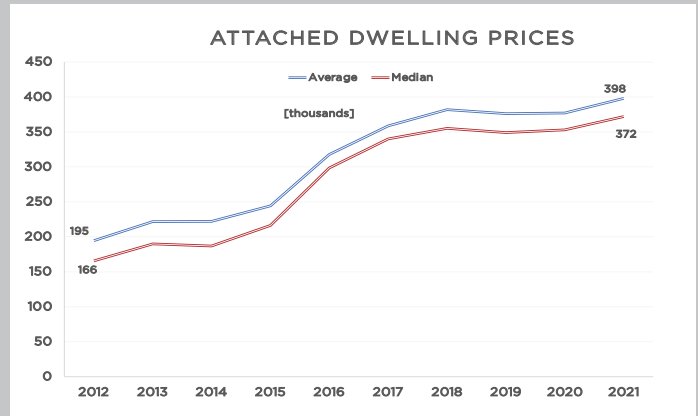
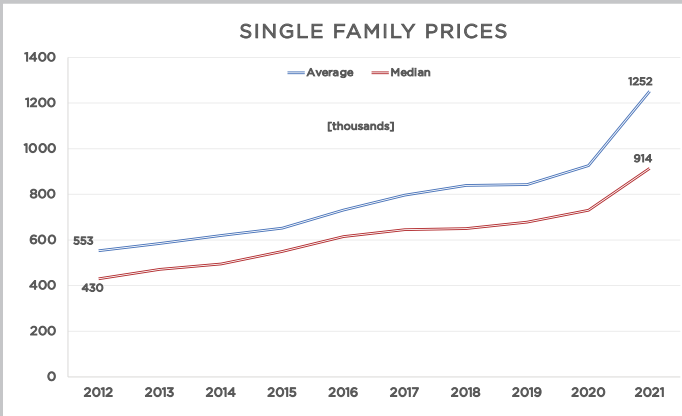
ATTACHED DWELLING PRICES



Inventory dropped 30% with 54% of available homes under contract year-end. Sales decreased 32.5% while median and average prices rose 44.7% and 42.9%. Superior had the area's largest sales-to-list price ratio of 107.5%.

Inventory was constant with a gain of one unit over last year and 76% under contract at year-end. Sales were up 19.3% and median and average prices rose 33.3% and 21.8%.

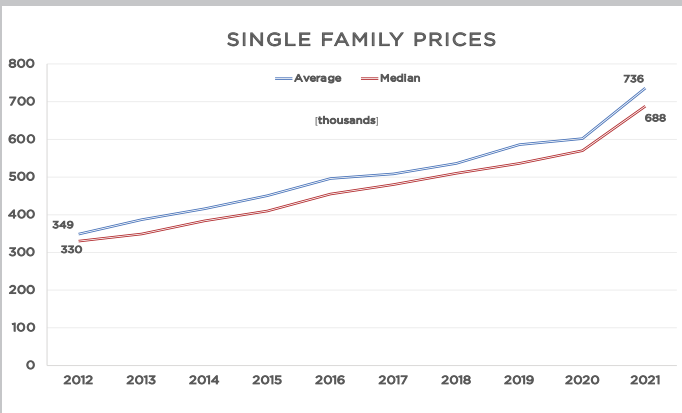
## SUBURBAN PLAINS



Inventory held 57 units—1.2 months-worth—and fell from 157 just 2 years ago. Median and average prices rose 25.2% and 35.3%, bringing average pricing to over \$1.25M. Inventory under contract was 65% year-end.

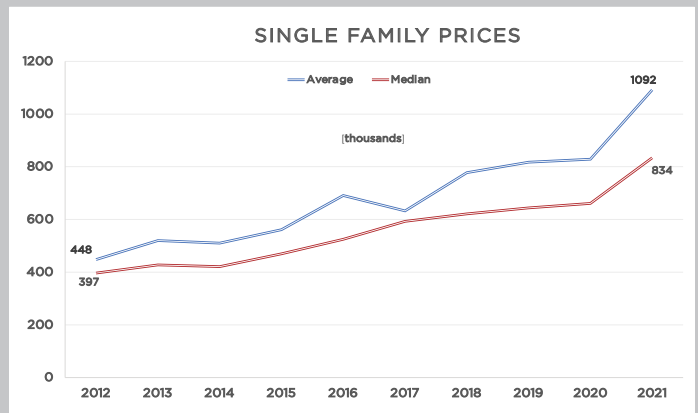
Steady all year, inventory dropped 31.6% compared to 2020, while sales grew 15.7%. Inventory under contract at year-end hit 92%. Both median and average prices rose mildly between 5% and 6%.

## ERIE



Erie inventory gained 21.7% this winter over last year, but with only 28 units on the market, the area is still highly competitive. Median and average prices rose 20.6% and 22.3% and 82% of homes were under contract at year-end.

## SUBURBAN MOUNTAINS



Similar to the Plains, high prices brought more high-end homes to market this year. Inventory remains down 44.4%, but sales grew 26.1% in a fast-moving market. Median and average prices rose 33.7% and 31.7%. At year end, 56% of homes were under contract.



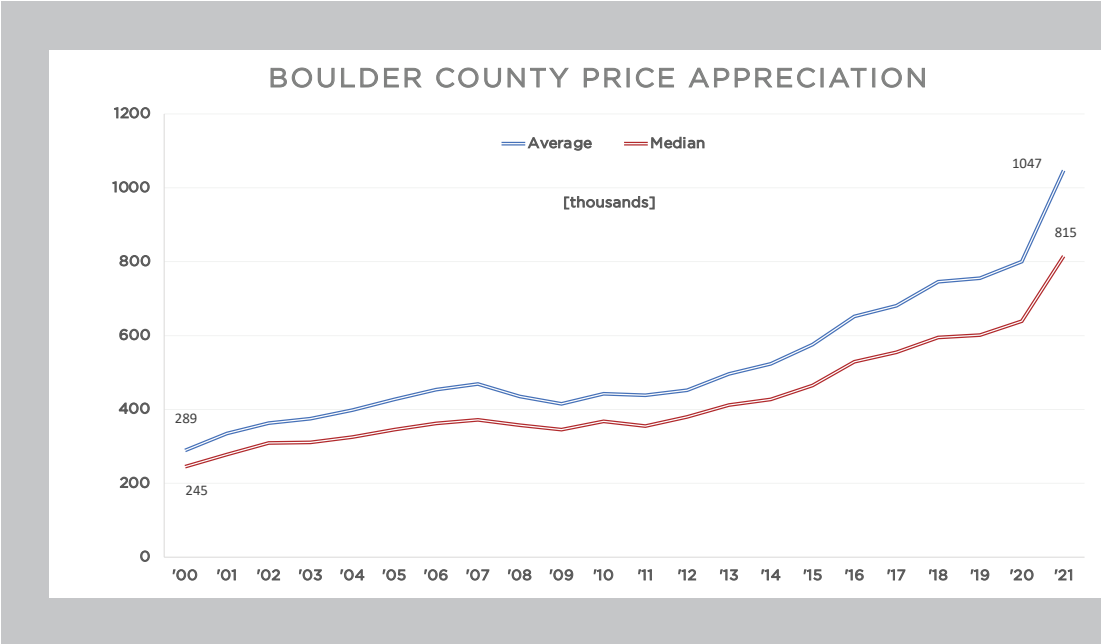
# The Great Expansion

**B**oulder County is known nationwide, in part due to its exceptionally strong real estate market. Even when other markets slow, our property values profoundly retain their high prices. Instead of the characteristic peaks and valleys, our market uniquely features peaks and plateaus, resulting in historically strong appreciation that pauses modestly during recessions.

One major reason local real estate holds its value is our second-to-none labor force. Residents are highly skilled and love to live here, driving innovation, creating new businesses, and drawing major employers with diverse industries and household names.

The second major factor bolstering value is the limited supply, which results in high demand even during slowdowns. For example, can you find the Great Recession on our local graph? It's that shallow dip in 2008 — hardly reflective of the tough financial period nationwide. And it was even shallower than it looks. A portion of the decline was driven by high-end homeowners choosing not to sell — many higher priced homes simply weren't in the market data.

But you can clearly see the major rise in prices over the last decade. Since 2011, median and average prices jumped well over twice their \$439,000 and \$355,000 values. Our typical appreciation cycle was set to peak in 2017, likely thwarted by the government's stimulus, wage growth, and limitations on building significant new homes.



If the nation's economic expansion continues, expect Boulder County's price appreciation — and the Great Expansion — to march upward.

**Boulder is the nation's #3 Best Housing Market for Growth & Stability for the second year in a row.**

SmartAsset, 2021

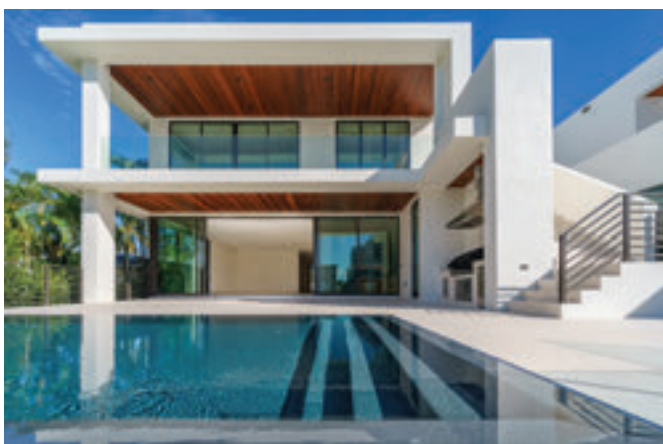
# The New **Luxury**



## TODAY'S \$1M TO \$2M RANGE HOLDS A MIX OF REGULAR AND LUXURY HOMES

A few years ago, “million dollar homes” stopped equating luxury in Boulder County. In fact, today some one-million-dollar homes would be considered a scraper — a nice lot with a house to

The top chart shows single-family home sales above \$2M — the current luxury in Boulder County. Combined, the charts show 2021 was a banner year for high-end homes — and the changes are astounding.



Today's \$1M to \$2M range holds a mix of regular and luxury homes, especially in the City of Boulder where in 2021 the average home sold for about \$1.6M. This category represented 24.8% of Boulder County single-family homes purchased in 2021 with 805 units sold, a sharp rise from 558 in 2020. Average days-on-market dropped 33% year-over-year, from 69 to 52.

build anew. Now, much of our housing below \$2M is not “luxury.”

The charts show the evolution of our luxury markets through two lenses. The bottom chart shows single-family home sales between \$1M and \$2M — those traditionally considered luxury.

Truly astonishing is the growth in the new luxury market over \$2M. Following four years of slow increases, 2021 single-family homes sold jumped from 151 to 290 with a low 87 average days-on-market — matching length of time it took homes over \$1M to sell in 2017. A total of 8.9% of Boulder County home sales exceeded \$2M — more than doubling from 4% in 2020.

### SINGLE FAMILY HOMES OVER \$2 MILLION

|                        | 2017 | 2018 | 2019 | 2020 | 2021        |
|------------------------|------|------|------|------|-------------|
| Number Sold            | 61   | 110  | 116  | 151  | <b>290</b>  |
| Average Days on Market | 125  | 98   | 97   | 107  | 87          |
| % of Total Market Sold | 1.8% | 3.4% | 3.4% | 4.0% | <b>8.9%</b> |

### SINGLE FAMILY HOMES \$1 MILLION TO \$2 MILLION

|                        | 2017  | 2018  | 2019  | 2020  | 2021         |
|------------------------|-------|-------|-------|-------|--------------|
| Number Sold            | 398   | 439   | 441   | 558   | <b>805</b>   |
| Average Days on Mkt    | 85    | 78    | 75    | 69    | 52           |
| % of Total Market Sold | 11.7% | 13.5% | 13.0% | 14.8% | <b>24.8%</b> |

We entered 2021 desperate to leave 2020 behind, but unfortunately its residue remains. While troublesome, most 2020 housing market effects were minimal.

The exception is the high cost and delayed delivery of building materials, which will frustrate those rebuilding the more than 1,000 homes lost in the devastating Marshall Fire—the most destructive in Colorado history. Its domino effect will influence the next few years and go far beyond inventory—homes will be rebuilt, demand will be fueled by

those displaced, and the weight of recovery will fall on relatively small towns.

It can be easy to see obstacles everywhere. But the world will continue to view our lovely Boulder Valley as among the most coveted, and rightly so. Living and working here is awesome! The beauty of the landscape, the energy of the people, and the abundance of sunshine and activities are unmatched. As a result, our market will not slow in 2022.



## PROMINENT FACTORS AFFECTING 2022 REAL ESTATE

- » **Inventory.** As the single most important variable, inventory will remain low and spur an already unruly seller's market.
- » **National factors.** Boulder County has squelched many factors that cause housing volatility, leaving little speculation on demand, inventory, prices, and providing strong equity protection. While federal policies could shift market conditions, they are unlikely to affect our real estate in 2022.
- » **Interest rates.** Interest rates are often increased to slow inflation. So far, the Federal Reserve has increased slowly to minimize recession risk. Expect inconsistent rate increases totaling less than one point.
- » **COVID-19.** Despite the challenges, our local housing has weathered well, if not thrived.
- Strength in the local economy and housing will continue as wages rise, home equity increases, and the arrival of new companies energizes our area.
- » **Lending.** Lenders are working diligently to provide more competitive loans. Look for new loans, bridge loans, and other remedies designed to help buyers make cash offers and a resulting increase in the frequency of cash offers.
- » **Price appreciation.** Decreased inventory and increased supply will be further exacerbated by the Marshall Fire, while the factors prevalent prior to the fire continue. Expect a quick and sustained rise in housing costs through the first half and a minor cool down in the fall.

## WHAT DOES THIS MEAN FOR BUYERS AND SELLERS?

**Buyers** will continue to struggle with heavy competition during 2022 and creative lending solutions will emerge. Taking calculated risks to purchase homes will be a mainstay this year.

**Sellers** will remain confident and difficult to negotiate with on price. As sellers succumb to the temptation to

overprice, attractive homes may sit on the market.

**Renters** will see a jump in rental rates. With the extensive Marshall Fire destruction, many families were displaced, which should boost an already increasing trend.



**TODD GULLETTE**  
MANAGING BROKER, RE/MAX OF BOULDER



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# Sometimes... the stories of our lives take an unexpected turn.

For thousands in Boulder County, “home” has taken on a new meaning this year. Many of our neighbors, friends, and family face the long road of rebuilding after the Marshall Fire devastated their neighborhoods and well-being. Our hearts are with them, and we feel their anguish personally as seven of our Realtors also lost their homes. Many others are seeking a new home to continue their life’s story.

## Wherever you are in your life story, we can help.

We offer trusted guidance and deep local knowledge earned from 45 years as Boulder Valley’s leading real estate companies. With RE/MAX Boulder and Louisville-based RE/MAX Elevate, you leverage more than 100 award-winning, best-in-the-nation Realtors with years of expertise.

As our communities rebuild, rely on us for resources, attentive care, and unwavering support in all aspects of your journey.

Together, we are strong. Together, we’ll find the home where hope grows, and your life stories continue.

### CALL US FOR ALL YOUR REAL ESTATE NEEDS

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