



REAL ESTATE MARKET UPDATE

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Today we live in a world focused on the concept of time. Time as it relates to the speed with which things can be accomplished. How quickly Domino's can deliver a pizza. How rapidly a personal computer can process and display information. How quickly we return a person's phone call, e-mail or text message. Often, though, if things don't occur quite fast enough we have a tendency to grow impatient.

The reality is that not everything has the ability or opportunity to happen swiftly. Real estate is one of those elements that take time to right themselves and to gain momentum. Home buyer's attitudes need to become more positive; seller's need to continue to be motivated; and mortgage lenders need to become more willing to provide financing to qualified buyers.

We are at that point where the pendulum is very slowly beginning to creep in an upward direction. It's not a balanced market, where buyers and sellers participate on an equal playing field. It's as if sellers have glimpsed just the slightest sliver of light at the end of the tunnel, and, hopefully, it's not a train speeding in their direction.

Here are some thoughts about the *Boulder County* real estate market as it relates to sales activity over the course of the past few years. Information is from IRES, the Northern Colorado MLS.

- In 2005, there were 4,728 single family homes sold and 1,662 attached units sold. In 2009, there were 2,536 single family homes sold and 1,100 attached units sold. Overall, that's a reduction of about 43% in the total number of sales. High point of the market to low point of the market since 2005.
- From September/2008 to January/2009 (five months), there were 1,246 single family and attached units sold. From September/2009 to January/2010 (five months), there were 1,365 single family and attached units sold. That's about a nine percent increase in the number of sales. Not dramatic, but a sign the *Boulder County* real estate market may be shaking itself loose from four years of a downward spiral.
- The *median price* of home sales has not gone up noticeably since 2005. In fact, certain market areas have gone down. The "median price" is the point where half the sales in a geographic area are below that value and half are above. Here are some numbers for the *Boulder Valley* communities in comparing the *2005 median price* to the *2009 median price* for single family homes: Boulder (\$520,000 vs. \$525,000); Louisville (\$310,000 vs. \$355,000); Lafayette (\$331,179 vs. \$314,000); Longmont (\$239,000 vs. \$220,000); Suburban Plains (\$392,000 vs. \$380,000); Suburban Mountains (\$341,000 vs. \$360,000); Superior (\$389,900 vs. \$396,500); and Broomfield (\$274,000 vs. \$321,000). Using "simple math", the *2005 median price* of a home that sold was \$349,634. The *2009 median price* of a home that sold was \$358,937.

Pundits refer to the past ten years as the lost decade as it relates to personal wealth. They say we are no better off today financially than we were ten years ago. The past four years have not been generous to the *Boulder County* real estate market. Today, we are about where we were in 2005 in terms of median price home values. Sales? That is a completely different subject.