



REAL ESTATE MARKET UPDATE

An Information Service of *Chris Ermold*, RE/MAX Alliance/Boulder Valley

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In a rising or declining real estate market there is always a point where the market plateaus and then begins to move in the opposite direction. The **Boulder County** real estate market has been on a downward path since 2005 when there were 6,390 single family and attached units sold. That was the peak. Over the course of the past four years the local real estate market has experienced a noticeable reduction in sales. The last few months of 2009 saw a slight up tick in sales activity as compared to a similar timeframe for 2008; which is a good indication the market has bottomed out.

2010 may be the “Perfect Storm” as it relates to the **Boulder County** real estate market. There are several elements in play that create an excellent opportunity for home buyers to purchase and home sellers to sell.

- First, is the expanded **Home Buyer Tax Credit Program**, which covers all potential home buyers. \$8,000 for anyone who hasn’t owned a home during the three years prior to the purchase. \$6,500 or 10% of the sale price, whichever is less, for current homeowners. The property has to be under contract by April 30, 2010 and must close by July 1, 2010. There is an \$800,000 limitation on the cost of the home.
- Second, home mortgage interest rates continue to be attractive, with the traditional thirty-year fixed rate mortgage in the five (5) percent range. There is speculation that mortgage rates will trend upward as the economy begins to stabilize and consumer confidence returns.
- Third, is the downward pressure the market has experienced in home values over the past few years. We are already seeing the lower end of the market beginning to show signs of appreciation as more first-time homebuyers and investors enter the market. Hopefully, this increase in home values will begin to work its way up into higher priced properties.

Below is an overview of sales activity for the past two years for **single family homes** in the various Boulder Valley areas, courtesy of IRES – the Northern Colorado MLS.

<u>Area</u>	<u>2008 Solds</u>	<u>2009 Solds</u>	<u>% Change</u>	<u>2008 Average Price</u>	<u>2009 Average Price</u>	<u>% Change</u>
Boulder	747	563	-24.64%	\$655,378	\$647,584	-1.19%
Louisville	203	202	N/C	\$391,306	\$394,214	+0.74%
Lafayette	252	219	-13.10%	\$355,934	\$352,667	-0.92%
Superior	120	127	+5.83%	\$437,818	\$413,935	-5.46%
Longmont	1018	891	-12.48%	\$252,400	\$240,902	-4.56%
Sub. Plains	443	373	-15.80%	\$526,399	\$510,351	-3.05%
Sub. Mtns.	262	203	-22.52%	\$435,110	\$415,567	-4.50%
Broomfield	348	353	+1.42%	\$396,371	\$353,343	-10.86%
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Totals ...	3393	2931	-13.62%	\$428,326	\$405,363	-5.36%