



REAL ESTATE MARKET UPDATE

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Numbers! What would the world be like without numbers? What would our lives be like without numbers? We wouldn't know how old we were (maybe a good thing) or what time our favorite show appeared on television (maybe a bad thing) or when we were supposed to be at work (we would just show-up or not). We'd all become followers of the sun for telling time. But numbers do exist and they are an important part of our daily lives.

As they relate to real estate, numbers are certainly the most critical element buyers and sellers are faced with. How much should I sell my home for (a number)? How much should I buy a home for (a number)? How much can I borrow (a number)? How much is that doggie in the window (sorry, I digress)? Below are some numbers that are representative of the business of real estate.

1. **Median Price:** The *Median Price* of a geographic area (subdivision, community, county, etc.) is where an equal number of sold properties are on each side of the number in the middle. As an example, in the numeric sequence 5, 9, 12, 17, 47, the *Median Price* is 12.
2. **Average Price:** The *Average Price* is the value of all the sold properties added together and then divided by the number of sold properties. Using the numeric sequence above, the *Average Price* is 18. In this example, one number (47) can skew the overall average. Four of the properties actually sold for "less" than the *Average Price*.
3. **Absorption Rate:** The *Absorption Rate* is the time it would take to sell all the homes in a geographic area assuming two things: (1) The sales rate remains the same as it has been for a specific period of time. (2) No new listings come into the market. As an example, there are 39 active listings in a community. Over the course of the past six months eighteen homes have sold in that community. Based on that sales rate (3 per month), it would take thirteen months for the market to "absorb" the current inventory of homes.

Enough about numbers, lets look at some facts. (Just imagine they aren't numbers.) Below is a brief overview of the housing market in our area by locale for *single family homes* from IRES (the Northern Colorado MLS).

<u>Area</u>	<u>2008 (Thru June)</u> <u>Average Sales Price</u>	<u>2009 (Thru June)</u> <u>Average Sales Price</u>	<u>% Change</u>
Boulder	\$653,092	\$650,937	No Change
Superior	\$450,009	\$396,996	-13.35%
Louisville	\$391,030	\$379,142	-3.13%
Lafayette	\$383,741	\$339,536	-13.01%
Longmont	\$258,168	\$235,998	-9.39%
Suburban Plains	\$532,612	\$559,990	+5.14%
Suburban Mountains	\$429,465	\$411,478	-4.37%
Broomfield	\$398,679	\$375,476	-6.18%
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Average ...	\$434,403	\$407,026	-6.73%