



REAL ESTATE MARKET UPDATE

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We are halfway through this new year. Into the bowels of summer we drift with Fall peeking at us from just around the corner. Before we know it, school buses will once again populate the roadways. Friday night football games will echo across the landscape. Summer will have become a distant memory.

Life appears to move more quickly these days in this age of information. There is so much more to occupy our minds; more stuff to sift through; more options. At times, there can be too much. We are on overflow. Fortunately, for those of us who call the **Boulder Valley** home, we can escape to the mountains, to the neighborhood park or simply take the time to relax and reflect on the fact we live in such a beautiful place.

During these times of economic upheaval and personal stress, the **Boulder Valley** real estate market has retained some semblance of sanity. While parts of California, Nevada, Texas and Florida have seen property values plummet, our market area has held its own. It's not the "good old days" when double digit appreciation was the norm, but it definitely hasn't been the "bad new days" with double digit depreciation. Thus, there are some things to be thankful for.

Home mortgage interest rates, those purveyors of doom and gloom in the past, have been our friend recently. The traditional thirty-year fixed rate mortgage has trickled down below 5%, making the home buying process more affordable. Despite the fact the government's **Home Buyer Tax Credit Program** terminated on April 30, 2010 (contracts written on or before that date must now close no later than September 30, 2010) it is a great time to buy.

There are a number of reasons why **NOW** is the time to think seriously about purchasing a first home or moving-up.

1. Home mortgage interest rates don't stay down forever. Once the economy stabilizes and shows signs of sustained growth, interest rates will rise. It's a given.
2. Homeowners are still motivated to sell. There are nearly 2,400 single family homes available for sale now throughout the **Boulder County** area. I would surmise all of those owners would like to sell their home this year.
3. New home construction, especially in the custom home arena, has been extremely limited the past couple of years as builders worked to rid themselves of standing inventory. Banks weren't overly excited about lending to builders to build spec homes. Production builders have been gearing-up the past six months offering buyer incentives for landscaping, basement finish, financing, etc.
4. Investors have reentered the marketplace. Not to describe them as vultures, that would be unfair, they are "opportunists". They could be the little old lady who plays the organ Sunday's at the community church who wants an investment property to an organized investment group looking to purchase tracks of land or large apartment complexes. In times of economic crisis, there are always opportunities for those who are proactive.
5. Finally, this is an excellent time to consider building a new custom home. Custom home builders have been sitting on the sidelines for the past couple of years, surviving on basement finishes and kitchen remodels. Building material costs are more reasonable today than they were two or three years ago. Subcontractors are looking for work. Developers want to "jump-start" their subdivisions and may be more willing to work with a presale buyer on the value of their lots.