

# The **Kearney** Report

Boulder County Real Estate Report

First Quarter 2023



Neil Kearney



## Real Estate Market Update

The latest round of quarterly real estate statistics for Boulder County are not as robust as we have grown accustomed to seeing. The superlatives describing growth upon growth have paused for a quarter or two. I liken it to an inevitable hangover after the post-pandemic all-night real estate party. When you compare year-over-year statistics, it's hard to follow a big surge. Such is the case this quarter. The number of sales, median prices, time on the market and inventory all moved negatively when compared to the first quarter last year. In this report, I will concentrate on the overall trends rather than just comparing the numbers to last year. Here we go!

There were 739 real estate closings during the first quarter in Boulder County. This is 17% lower than the first quarter average over the past 15 years. The first quarter typically has the lowest number of sales than any quarter during the year, so we still have time to make up the gap by the end of the year. What has caused the lower sales? We have seen decreases on both the supply side and demand side. Supply side: You can't take your mortgage with you! High interest rates have disincentivized sellers from paying off their current mortgages with low rates when they sell and then getting new mortgages with the current high rates with a new home. Lateral moves within a city just don't make sense when a similar home will cost you tens of thousands more in payments each year. Demand side: There are fewer buyers because of the high rates (see previous reason) and it is especially difficult for first time homebuyers to make the math work.

Median prices are down \$35,000 or 4.9% from last year. However, when we take a longer view, we find that median prices in Boulder County are up 19% since 2021, 27% since 2020 and 78% since 2015! The idea that the sky is falling because prices are down when comparing one quarter (or one month) to another is not an accurate picture. Last year we saw a spike in the trend line, and this year we are returning to the historical trend. In my opinion, prices are holding up fairly well.

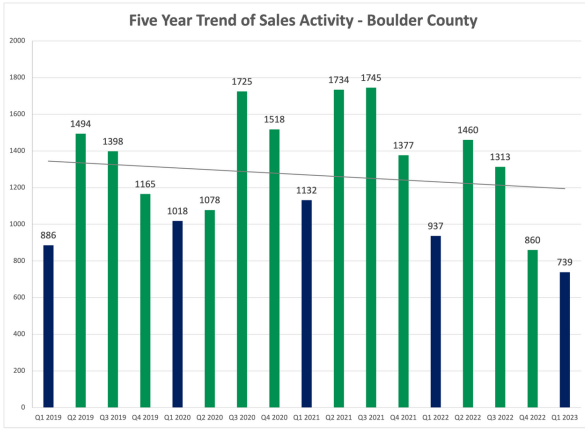
One of the main causes of the frenzied real estate party last spring was a lack of inventory. There was high demand from buyers trying to race rising interest rates and there were very few houses to view and buy. The typical buyer was rushing to compete on the new listings each week because those were the only choices. This year, inventory is rising and buyers have more opportunities in the market, but we are still not yet to the "normal" levels of active listings. As long as the inventory of homes stays in relative balance to the number of buyers actively looking in the price range, prices will have support. On average we are still in good shape on this front. However, on average, the higher the price the more inventory there is.

The natural result of fewer sales and higher inventory longer time on the market. On average, it took 50 days for a home to find a buyer this past quarter. This is 11 days longer than the six year average. We are also seeing more price reductions as properties sit longer on the market.

We are coming into the prime spring selling season and interest rates have dropped off of their fall highs. The forward looking statistics that I keep an eye on include the number of properties that go under contract on a weekly basis. We have been at or near the five year lows in this regard and we haven't yet turned the corner in terms of buyer demand. But don't be fooled by the headlines that suggest a big drop in prices. Those are most likely just comparing the most recent month to the same month the previous year. Keep an eye on the longer trend. I'm always here for you to be of service and would be honored if I'm your first call when you need real estate advice. I love your referrals. Enjoy the report and stay in touch!

Unless otherwise noted, all data used in this report is from IRES MLS and is deemed reliable but isn't guaranteed as exhaustive. Copyright 2023 by Neil Kearney

# Boulder County Sales Activity



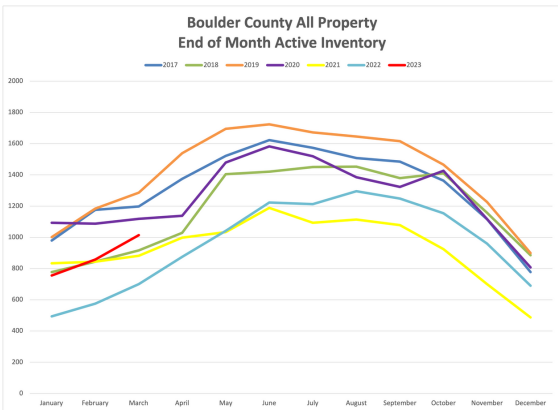
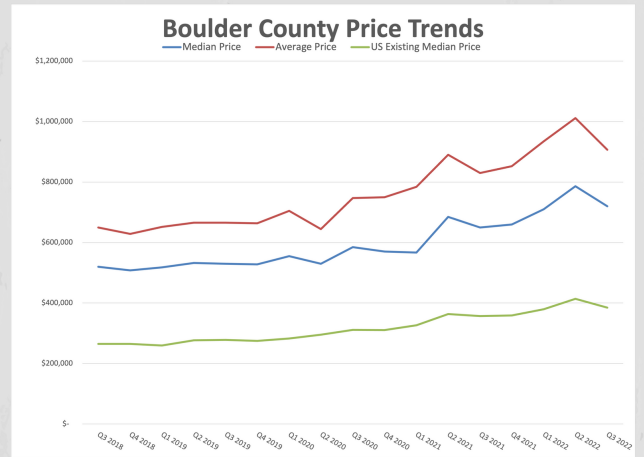
## Total Sales

The total sales in Boulder County during the first quarter were at the lowest level since Q1 2011. Sales were down 21% from last year.



## Median Price

The post pandemic surge caused a spike in prices last year. We are now normalizing to the normal appreciation curve. Median prices decreased 4.9% from the same quarter last year.



## Inventory

Inventory is increasing off of the low levels we have seen for a few years. The number of homes on the market is still lagging normal levels but buyers do have more choices in the market.



## Days to Contract

The properties that sold during the first quarter received a contract in 50 days on average. This is up from the 21 days we saw a year ago. 50 days matches the longest time on market we have seen for any quarter over the past five years.



# Kearney Realty Co. - Our Core Values

- Integrity and Class - Keeping our word; knowing what's right and doing what's right.
- Selfless Service - Exceeding expectations by focussing on exceptional service.
- Caring - All of our relationships are based on mutual respect, cooperation and consideration.
- Connected - Give back to the profession and the community.
- Innovation - Continually striving to find new and better ways to serve our customers and our associates.



**We are proud to support our local community!**