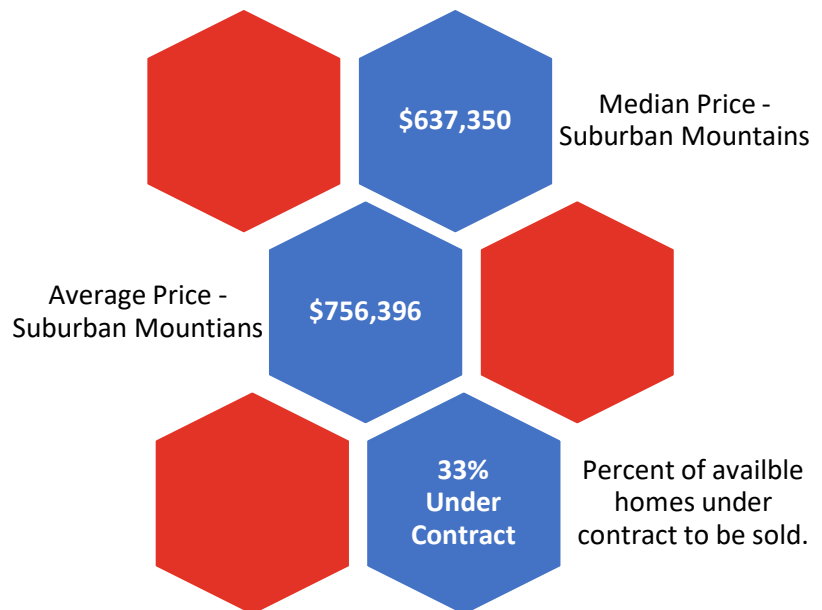


Mountain Region Statistics

The mountain area market continues to remain stable and strong thus far into 2018. When I reference the mountain area market I am talking about Jamestown to Black Hawk (north to south) and Four Mile Canyon / Sugarloaf to the divide (east to west). This is a fairly big area but is necessary to have enough volume of transactions to have relevant statistical analysis.

Halfway through the year we are looking at essentially no growth over six months for the median price to remain at \$637,350. Median price meaning there are the same number of transactions above that number as there are below that number. The average price has risen up 8.9% over six months to be at \$756,396.

Greater growth of the average price could mean that we are busting through a price barrier/ceiling in the mountain market. If we look back at recent trends the median price and the average price were recently the exact same, right at about \$630,000. Since then, during the end of 2017 and beginning of 2018 we have seen that average price increase above where the median price still resides. This is an indication of homes starting to sell for a greater amount on the upper end of the market. To put it another way, with the median price remaining the same, there are as many homes being sold below \$630k as there are above, but the homes above \$630k are selling for more. What this translates to is current buyers seeing more value in the homes available for sale.



Another statistic we look at to see the strength of our market is the percentage of homes available for sale that are under contract. Currently this is 33%, so one third of the homes being sold are under contract. What this does is essentially take one-third of the inventory on the market for sale and “lock-it-up” so that another buyer can’t purchase it. To put this in perspective this is a fairly strong statistic. Boulder County as a whole, is at 46% under contract, so slightly stronger. For perspective, on the low end, in 2008-2011 you were lucky if there was 7% under contract.

Finally, it will be intriguing to follow what happens with the market and home prices as interest rates continue to rise. Currently, the single-family home 30-year mortgage rate is at about 5%. The

Fed is saying that they are going to raise the interest rate a couple more times before the end of the year as well. Nothing dramatic, but near the end of the year we should be closer to 5.5%. This is not the 3.5% interest rates that we saw three years ago. This will be the highest the interest rate has been in many years. What this translates to is a loss in purchasing power because now one's monthly payment is higher with a higher interest rate.

Please don't hesitate to reach out if you have any questions for me.

Scott Ptach – RE/MAX of Boulder and The Boulder Property Network -

