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Note Worthy Real Estate Websites

ColoradoHomesAndRealEstate.com - Our website has everything you need to know about real estate and mortgages in the greater Denver - Boulder area, including the ability to search for homes for sale and view our current listings. We also have links to the local school districts, news outlets and all the municipalities.

ColoProperty.com - website of the Boulder/Longmont/Larimer County Boards of Realtors.

REcolorado.com - website of the Denver/Metro Boards of Realtors.

Realtor.com - official website of the National Association of Realtors.

AnnualCreditReport.com - free online credit reports from all three credit bureaus

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Mike Malec's Real Estate Watch

January / February 2012

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Forecast: Economy to be 'Slow but steady'

The Boulder Valley economy should see slow but steady improvement in 2012, although potential funding cuts at federal labs may create a dark spot on the horizon.

That was the word from Richard Wobbekind, University of Colorado, Boulder economist, and four community leaders who presented the Boulder Economic Council's 2012 economic forecast Thursday. Ric Porreca, chief financial officer at the University of Colorado, Boulder; Cindy Schmidt, director of the office of government affairs at the University Corporation for Atmospheric Research; Jane Brautigam, Boulder city manager; and Susan Graf, president of the Boulder Chamber, also spoke.

Boulder is slightly ahead of the curve of the rest of the state in several statistical areas, Wobbekind said. In addition, federal labs based in the city and the heavy emphasis on research at the University of Colorado have created a strong base for funding that has been somewhat resistant to economic factors at play in other parts of the country, panelists said.

There's uncertainty about how future federal budgets may be used to fund federal labs in the future, however, Schmidt said. An estimated \$1.5 billion annually goes into the Colorado economy from the 16,000 direct and indirect jobs created by labs such as UCAR, the National Center for Atmospheric Research, and the National Oceanic and Atmospheric Administration in Boulder.

"The White House is interested in promoting university labs and private sector collaboration, so that's good," Schmidt said.

At the same time, companies laid off some employees in the professional services and information technology sectors when the latest economic recession hit, and the re-hiring curve so far in the recovery has been slower than it was in previous recoveries, Wobbekind said. Such jobs make up an estimated 23 percent of the total employment picture in the region, Wobbekind said. IBM Corp. is a good example of a local company that has professional services jobs, he said.

"We're very dependent on high-tech jobs," Wobbekind said. "We have the stability of the labs and the university, but those are not areas of big growth."

On the national front, economists are concerned about the growing wealth gap between more educated people and less educated people, Wobbekind said. The gap is expected to continue to grow, both locally and nationally, he said.

In the Boulder region, 57.5 percent of residents over age 25 have a bachelor's degree. Colorado is the second highest educated state in the country, Wobbekind said.

"There has been a tide that lifted all boats ... since the 1980s time frame," Wobbekind said. "As income rates have fallen, and unemployment rates have risen, we have seen a much more bi-modal economy of the educated versus the less educated."

On the other side of the coin, companies such as DigitalGlobe Inc., Ball Aerospace and Technologies Corp., Google Inc. and Trada Inc. all have scrambled to hire additional employees in recent years, Graf said.

"Software engineers are a desperate need," Graf said.

Current Listings



13090 Tamarac Street

Thornton, CO - \$239,900

New Lennar home that has never been lived in. 3 Bedroom/2 Bathroom. Hardwood floors across almost all of the first floor. Fully landscaped.



1916 Clark Court

Erie, CO - \$250,000

Three bedrooms and 2 1/2 Baths. Pottery Barn interior. Incredible yard with garden area, mature trees and plenty of room.



115 Cessna Drive
Erie - \$224,900

Inventory is low, so if you've been thinking of selling, now would be a great time!



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Single Family Residential Sales

December 2011 Statistics

Location	Total # Sold	Inventory	Avg. Sales Price	Avg. Days to Contract	Median Sales Price
Boulder	34	254	\$621,167	92	\$521,000
Broomfield	30	99	\$329,405	64	\$285,500
Erie	18	91	\$343,358	58	\$320,450
Lafayette	18	79	\$478,236	97	\$420,000
Longmont	48	274	\$239,292	82	\$210,500
Louisville	13	39	\$351,461	112	\$316,900
Superior	5	32	\$449,380	102	\$391,900
Mountains	17	249	\$480,242	88	\$377,000
Plains	21	226	\$573,113	155	\$401,500
Total	204				

Previous 12 Months

Location	Total # Sold			Average Sales Price		
	12/01/09	12/01/10	% Chg	12/01/09	12/01/10	% Chg
	11/30/10	11/30/11		11/30/10	11/30/11	
Boulder	631	619	<1.9>	\$655,263	\$664,214	1.4
Broomfield	333	352	5.7	\$376,682	\$361,896	<3.9>
Erie	271	241	<11.1>	\$342,760	\$324,297	<5.4>
Lafayette	223	244	9.4	\$358,011	\$366,565	2.4
Longmont	840	840	0	\$256,363	\$244,079	<4.8>
Louisville	191	201	5.2	\$442,422	\$413,718	<6.5>
Superior	105	107	1.9	\$425,180	\$422,406	<.7>
Mountains	228	254	11.4	\$411,860	\$395,868	<3.9>
Plains	326	314	<3.7>	\$613,206	\$639,700	4.3
Total	3,148	3,172				

Location	Average Days to Contract			Median Sales Price		
	12/01/09	12/01/10	% Chg	12/01/09	12/01/10	% Chg
	11/30/10	11/30/11		11/30/10	11/30/11	
Boulder	79	91	15.2	\$535,000	\$545,000	1.9
Broomfield	83	91	9.6	\$335,000	\$330,340	<1.4>
Erie	88	84	<4.5>	\$325,000	\$300,000	<7.7>
Lafayette	67	90	34.3	\$310,750	\$311,000	0.1
Longmont	72	73	1.4	\$230,000	\$220,000	<4.3>
Louisville	54	62	14.8	\$395,000	\$385,000	<2.5>
Superior	51	64	25.5	\$410,300	\$381,500	<7>
Mountains	133	123	<7.5>	\$357,500	\$324,500	<9.2>
Plains	98	110	12.2	\$475,671	\$469,900	<1.2>

Mike's Trend Report

Well, the final 2011 numbers are in the books and we can now take a look back at the year gone by. In general, not a bad year, not a great year, but another year of bouncing along sideways while people come to terms with the new national economy. We ended up selling fewer properties in 2011 than we did in 2010 in Boulder County. For single family homes, the difference was negligible, 7 fewer homes sold. Attached dwellings however were off by quite a bit, almost down 11%, with 107 fewer attached dwellings sold in 2011 when compared to 2010. Here's the breakdown:

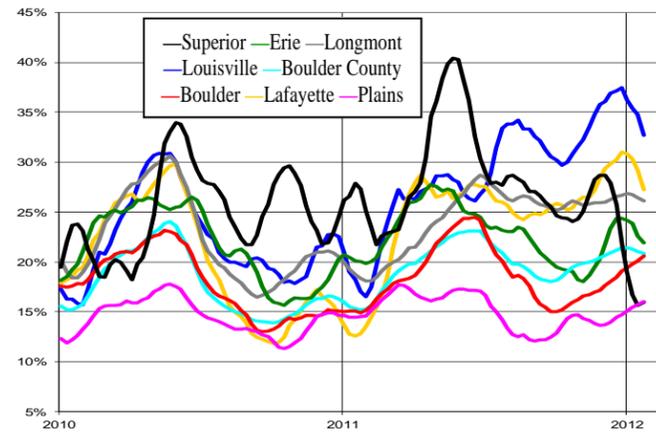
Year	SFR	ATD	Total
2011	2,609	946	3,555
2010	2,616	1,053	3,669

Interestingly, the percent of homes successfully sold rose for the first time since 2003. This would not count homes listed in one year and then sold in the subsequent year or homes listed, withdrawn, relisted and then eventually sold. Many people, especially sellers, are stunned when I share this statistic. Just putting your home on the market does not guarantee an eventual sale and 57% of the homes listed in 2011 were not successfully sold in 2011.

Another interesting thing in these numbers that we have previously talked about is the low inventory of homes for sale. We haven't seen this few a number of homes for sale since 2000. I think one of the big questions for 2012 will be what is causing this lack of homes for sale. The possible culprits are many. One, scared sellers. I think many sellers are believing the national news stories that the real estate market is in terrible straits and can't imagine anyone wanting to buy their home or having the comfort level necessary to make a change. The local market is not at all like the national news stories. Two, no or low down payment. Many sellers are realizing that they will not have much equity left once they sell their home to roll over into the next one and so are holding tight for now. I'm not sure this is too big of a factor in Boulder County. Three, home not worth what it should be. Many sellers are following a flawed logic that says if I bought for \$350,000, added a \$35,000 finished basement, my home is not worth selling unless I get \$385,000. Homes like stocks, are worth what the market is willing to pay for them. You may or may not get out what you put into either investment. Four, self-fulfilling low inventory. Some sellers aren't selling as they are afraid that with the low levels of inventory they won't be able to find a good replacement property to purchase.

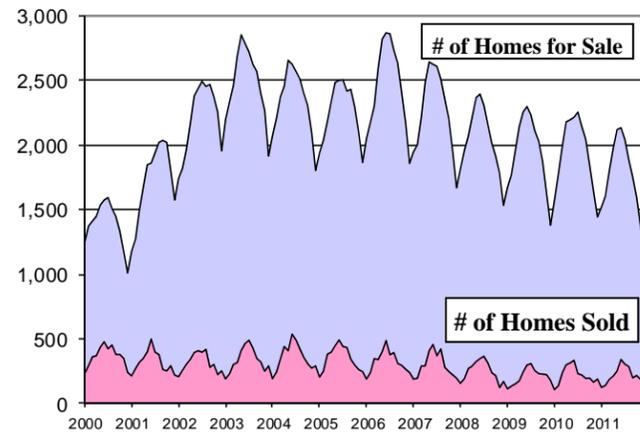
I think the real reason for our low inventory is probably some combination of all of these factors. Whatever the reason, low inventory is a fact and it is causing issues for the buyers that are active out in the market. Hopefully as spring comes to Boulder County, more sellers will make the decision to put their homes up for sale.

Mike Malec



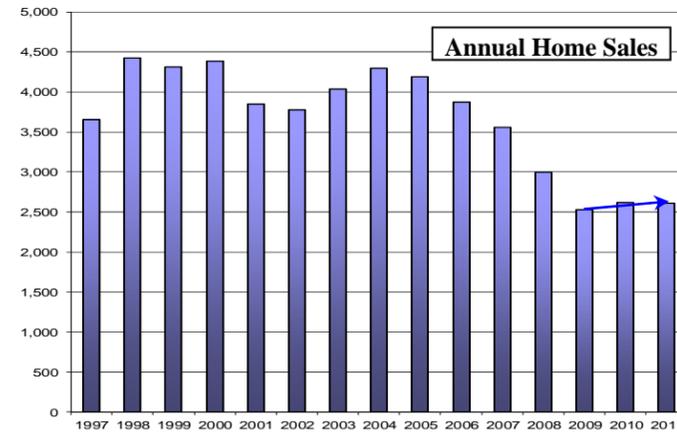
% of Homes Under Contract by City

This chart shows the relative strength and weakness, as measured by the percentage of homes under contract, of the various Boulder County municipalities. City of Boulder and the Suburban Plains lagged again in 2011 as their higher price points caused market slowness. Louisville, as a highly rated place to live and at a more affordable price point than Boulder, continued to be a marketplace leader. Lafayette, Longmont and Erie with their more affordable price points remained stronger performers in 2011 than they have been in years past. Superior continues its erratic ways as its much smaller market size was reflected in a smaller number of sales and listings which caused large volatility in its percentages.



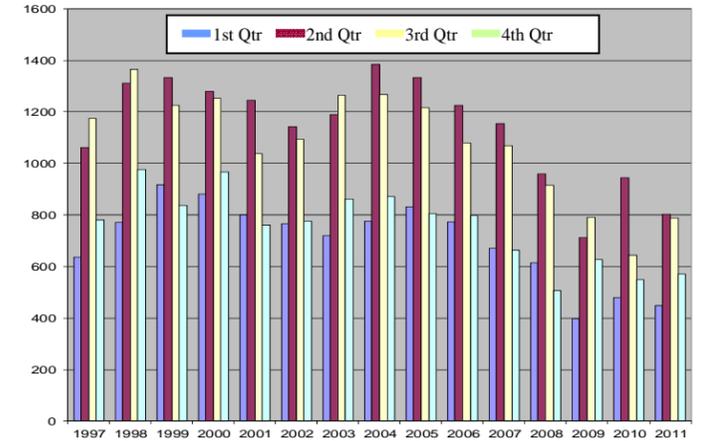
of Homes for Sale vs. # of Homes Sold

This chart shows the disparity between the number of homes for sale versus the number of homes actually selling across all of Boulder County. This chart helps to explain why our values in the Boulder County market never experienced the dramatic downturns that many areas of the country experienced. Our # of homes for sale and the # of homes sold have generally moved in lockstep during recent times. We never saw supply and demand get dramatically out of balance like many areas saw. As long as the supply and the demand track with relative consistency, our values should remain stable. What we'll be watching for this spring is any spike in sales which with our low inventory levels could goose market values.



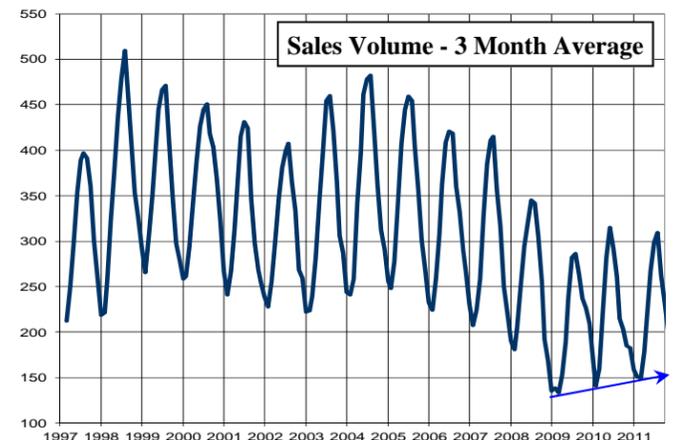
Annual # of Homes Sold

This chart shows the annual number of single family homes sold in Boulder county as compared to previous years. On its own, the annual sales number doesn't tell us much unless we look at and compare it with other metrics. While we bottomed out in 2009, the recovery since then in the number of home sales has been weak as can be seen in the blue trend line above. Sort of a good news bad news proposition. The good news is that the trend line is positive and that even at these low levels, we still sell over 2,500 homes in Boulder County per year. The bad news is that while positive, the slope is very flat and the overall low level in sales has not been seen since I started tracking these numbers 14 years ago in 1997.



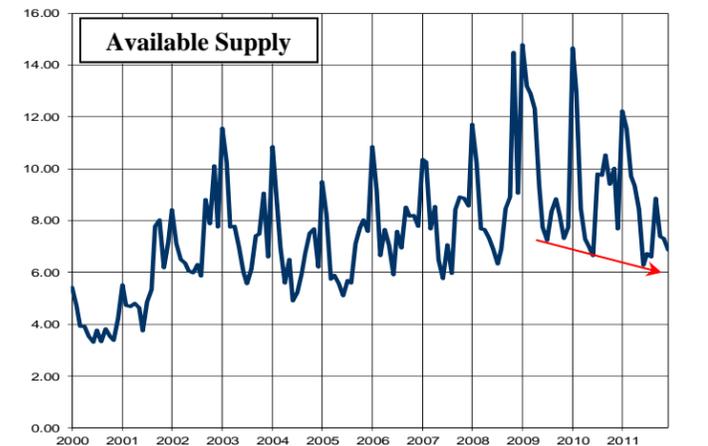
Quarterly # of Home Sales

This chart shows the number of single family homes that sold during each fiscal quarter going back to 1997. We use this chart as a way of gauging market turns and strength on a faster time frame than the annual charts. We're encouraged that the 2011 3rd and 4th quarter figures showed improvement over the same quarters in 2010. While much too early to tell, we will hope to see the 1st quarter figures for 2012 show improvement over the same quarter 2011 and hopefully even better than the tax credit goosed 1st quarter 2010. If we do see this improvement, we'll start to have some very consistent upward trend lines to follow. We'll then be able to use those to watch for market deviations from trend.



Sales Volume Chart

This graph shows sales volume as an average over the last three months. This graph really shows the ups and downs in the numbers of home sales over the last few years. We also can clearly see the seasonal nature of the market. Almost twice as many homes sell during the summer months compared to the winter months. We have a consistent upward trend in this chart, blue line above, that we hope to see confirmed by the winter trough in sales. The winter trough in this chart usually comes in February or March due to the averaging of the sales data. While the trend is upwards, much like the annual trend line, it is a very shallow recovery and since the volume is low, the recovery can appear patchy across many areas.



Available Supply Chart

The current number of homes listed for sale divided by the number of homes sold during the previous month creates an estimate of the months supply of homes currently for sale or "Available Supply". The winter supply peak usually occurs with the inclusion of the January data. While it is possible we'll see this metric rise with the January data, I don't expect the peak to be anywhere near the levels of the last couple of years. Low numbers of homes for sale occurred throughout the end of 2011 while sales have been steady which should translate into a more modest peak in supply. For many buyers, the lack of supply is becoming problematic, with a lack of homes in certain areas and price points.