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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

July / August 2012

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## CU-Boulder forecast: Job growth to continue in Colorado

Colorado's economy -- which is growing at a modest pace, with nearly all sectors hiring more people this year -- is among the healthiest in the nation, according to an analysis released Thursday by the University of Colorado's business school.

The state's tourism industry is still faring well, despite a mild winter that decreased ski resort visits by 10 to 12 percent. Those warmer winter months gave the construction industry a jumpstart as companies could pull permits earlier in the year and get crews working on projects in January, February and March, according to Richard Wobbekind, who heads the Leeds School's Business Research Division.

At the midpoint of 2012, Colorado is on track to gain 35,000 jobs, which places the state sixth in the nation for its job growth rate of 1.6 percent. Topping the list is North Dakota, which is experiencing a boom in its oil and gas industry, said Brian Lewandowski, research associate at the Business Research Division. Other states boasting high job growth rates are Oklahoma, Utah, Texas and Louisiana.

In December, the forecast for Colorado's job growth was more modest, totaling about 23,000 extra jobs.

The only industries that aren't reporting year-over-year employment growth are government and information. In the information sector, telecommunication and traditional publishing jobs are continuing to decline, according to Lewandowski.

Other industries -- including natural resources, construction, transportation, utilities and tourism -- are showing job growth, which indicates broad-based economic recovery, according to CU researchers.

Lewandowski said whether the wildfires will affect Colorado's tourism industry this summer remains unknown.

"The Colorado tourism office has been doing a good job getting the message out that the state is still open for business," he said. At Workforce Boulder County, the number of clients seeking jobs dipped to 16,400 for the fiscal year that ended June 30. The previous year, the agency assisted 19,000 clients, according to Tom Miller, executive director of Workforce Boulder County.

Job postings for some industries have more than doubled from year to year. Openings for administrative and support jobs increased from 522 to 1,346, according to Miller. The scientific and technical sector had more moderate growth of about 52 percent.

"More people are getting jobs, and there's the excitement of going back to work," Miller said.

by Brittany Anas - Daily Camera

## Current Listings



**2741 Falcon Drive**

**Longmont, CO - \$398,000**

Enjoy mountain and lake views from the patio or private upstairs deck in this beautiful 4 bedroom custom home in Westlake in NW Longmont.



**17173 W. 64th Circle**

**Arvada, CO - \$405,000**

Four bedrooms and 2 1/2 Baths. In immaculate condition with all new interior finishes. In the West Woods Link golf course neighborhood.



**115 Cessna Drive - Erie, CO**

**\$224,900**

2 acre buildable lot with runway access.

Inventory is low, lowest levels since 2006. If you've been thinking of selling, now would be a great time!



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# Single Family Residential Sales

## June 2012 Statistics

Location	Total # Sold	Inventory	Avg. Sales Price	Avg. Days to Contract	Median Sales Price
Boulder	106	358	\$658,411	56	\$600,000
Broomfield	52	123	\$367,560	47	\$379,000
Erie	49	132	\$344,999	61	\$334,000
Lafayette	45	97	\$381,492	63	\$369,500
Longmont	115	390	\$256,254	45	\$254,900
Louisville	34	81	\$418,750	33	\$368,500
Superior	16	56	\$404,519	38	\$360,950
Mountains	28	379	\$372,389	115	\$382,500
Plains	51	313	\$678,846	57	\$560,000
<b>Total</b>	<b>496</b>	<b>1929</b>			

## Previous 12 Months

Location	Total # Sold			Average Sales Price		
	06/01/10 05/31/11	06/01/11 05/31/12	% Chg	06/01/10 05/31/11	06/01/11 05/31/12	% Chg
Boulder	574	705	22.8	\$654,101	\$664,697	1.6
Broomfield	321	385	19.9	\$368,661	\$362,286	-1.7
Erie	255	257	0.8	\$333,922	\$331,178	-0.8
Lafayette	210	264	25.7	\$370,100	\$384,299	3.8
Longmont	738	891	20.7	\$254,173	\$251,812	-0.9
Louisville	181	212	17.1	\$430,237	\$418,878	-2.6
Superior	110	125	13.6	\$438,701	\$414,926	-5.4
Mountains	218	282	29.4	\$407,296	\$397,331	-2.4
Plains	332	348	4.8	\$612,055	\$628,107	2.6
<b>Total</b>	<b>2,939</b>	<b>3,469</b>				

Location	Average Days to Contract			Median Sales Price		
	06/01/10 05/31/11	06/01/11 05/31/12	% Chg	06/01/10 05/31/11	06/01/11 05/31/12	% Chg
Boulder	87	86	-1.1	\$535,000	\$567,500	6.1
Broomfield	94	77	-18.1	\$325,353	\$335,000	3
Erie	86	79	-8.1	\$313,311	\$310,000	-1.1
Lafayette	80	81	1.3	\$335,000	\$343,500	2.5
Longmont	75	73	-2.7	\$224,900	\$225,000	0
Louisville	60	60	0	\$392,000	\$382,750	-2.4
Superior	61	51	-16.4	\$415,000	\$382,000	-8
Mountains	128	128	0	\$360,000	\$332,160	-7.7
Plains	102	105	2.9	\$475,000	\$472,000	-0.6

## Mike's Trend Report

The local real estate market remains very active. Many stories about multiple offers, sales prices over asking prices, homes selling within days of entering the MLS, etc. Although the stories are widespread, the market strength is not equally widespread and some areas and price points are still not sharing in the strength. I expect if this strong activity continues throughout the summer that the market strength will continue to spread and eventually all areas and price points will benefit.

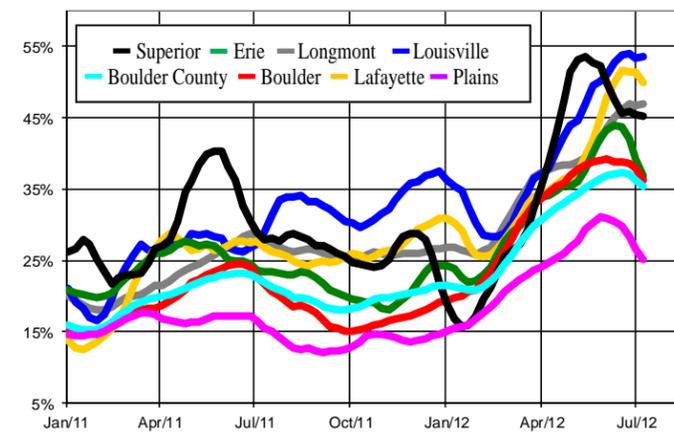
I believe that the majority of this strength is due to the lack of inventory we are experiencing. Boulder County experienced a peak in inventory in 2006 when at the end of June we had 2,343 homes for sale across the County. At the end of June this year, we have only 1,147 homes for sale, a 51% decline in the number of homes available for sale. During this same time period, we have slightly higher numbers of buyers. In 2006, there were 588 homes under contract at the end of June and this year we have 655 homes under contract for an 11% increase in the number of sales. Whenever you have less supply and more demand, prices will rise and we are starting to see that.

One of the questions that I keep getting asked is why our inventory is so low. I still struggle to have a great answer to this question. Some of the answers that have been put forth on a national level, such as a majority of sellers underwater on their homes, don't seem to apply to our local market. I think some local sellers are still feeling that they won't get what they think their home is worth. While prices are starting to increase in some areas, we are still below the peak in prices for many areas. I also think that some sellers looking to make a local move are holding off on putting their homes on the market as they have looked online and realized that the options for their replacement home are very limited.

One theory that I just recently read about on the Calculated Risk blog that seems most likely is that as the market turns, price expectations are playing a role in the inventory story. When the expectation was that home prices were going to fall, many sellers tried to sell their homes quickly to get out before the bottom while buyers waited for the bottom to get the best deal. This thinking led to our large increases in inventory and declining sales over the last decade. Now that the expectation is that prices have stabilized, many sellers are thinking of waiting until the sale is more convenient to their lives or they can recoup some of their losses and buyers seeing that prices are starting to rise are starting to get more serious about their buying plans and entering the market in larger numbers. This perception of the market has led to our lower inventory and we're just starting to see the increase in sales.

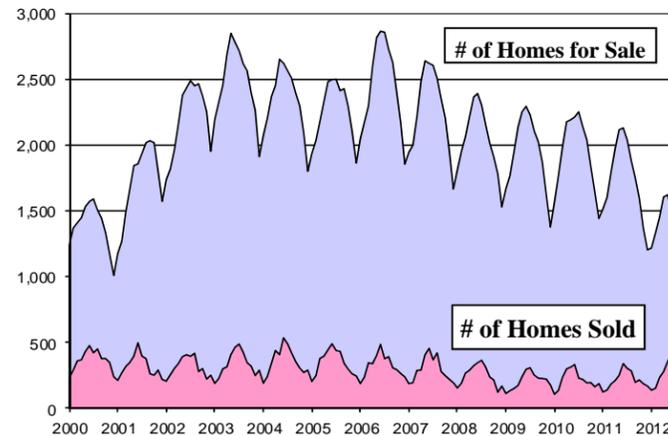
While the market definitely seems to be on the right track for increasing home values, we still have some downside risks within the national economy, the continued collapse of the EU and the typical economic turmoil of an election year.

*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. While we are off the record high levels of percentage under contract in the cities of Boulder County, we are still much higher than we have been in recent memory. The few homes in most cities that are not under contract are getting lots of attention from buyers. Some analysts use the 35% under contract level as a marker of activity in a market that indicates price appreciation. This summer is the first time we have had multiple cities above that level for any extended period of time going back to 2005, another good sign of market health.



### # 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. It's a little hard to see in this chart, but our number of homes sold has spiked. What's easy to see in this chart is that the number of homes for sale is much lower than in the past couple of years and has already peaked for the summer. As we mentioned above, any time you have less supply and more demand, the outlook for prices is positive. The # of homes sold typically peaks in June, but sometimes in July. We'll be watching this chart through the rest of the year to see where that peak in sales occurs and watch how these two metrics track in relation to each other.

## Thank You

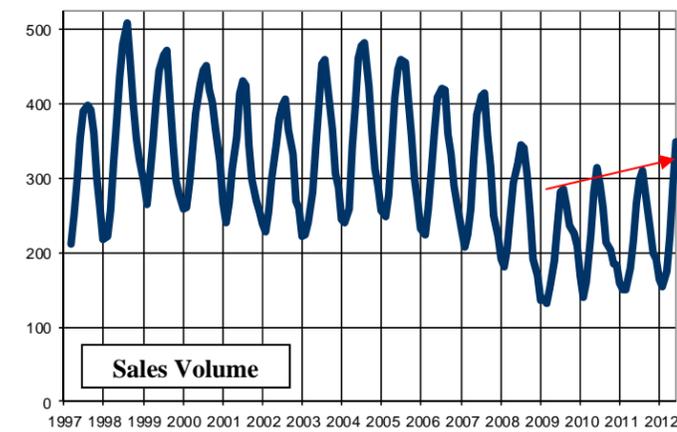
I wish I knew specifically who to thank, unfortunately I don't, but I owe a thank you to many of you. I was again selected to be a recipient of 5280 Magazine's Five Star Real Estate Agent award for 2012. This is my third consecutive year receiving this award, placing me within the top 7% of all real estate brokers in the Denver/Boulder area. What makes this award so special to me is that I received this recognition due to you, my clients, taking the time to fill out an unsolicited third party survey giving me positive reviews. I do respect the trust you have placed in me and always strive to provide all of you the best service, professionalism and care that I can provide.

Here is bit more on the award and the selection process: Five Star Professional partnered with 5280 Magazine to conduct research to identify a select group of real estate agents who are exceptional in both their ability and their commitment to overall satisfaction. Fewer than seven percent of the 16,000 Denver area residents holding real estate licenses were selected.

A survey was provided to all Denver/Boulder area residents who purchased a home over \$150,000 within a 12-month period (November 2010 to November 2011), 5,000 subscribers of 5280 Magazine and 250 mortgage and title companies. Respondents were asked to evaluate real estate agents they knew through personal experience and to evaluate them based on nine criteria. Both negative and positive evaluations were included in the scoring.

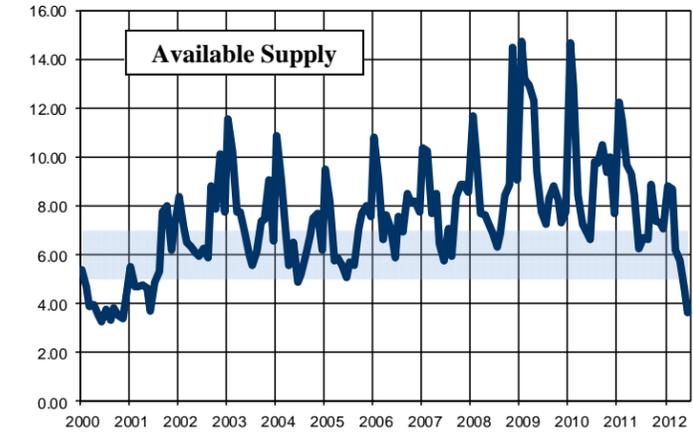
All qualified real estate agents were screened with the Colorado Real Estate Commission's database to verify that licenses were current and no disciplinary actions were pending. The final list was reviewed by a panel of local realty company executives, professional and trade association officers and others directly involved in housing-related businesses.

If I can help any of you or your family or friends with their real estate needs I will take as great a care with them as I have with you. Again, thanks for your support, trust and recognition.



### Sales Volume Chart

This graph shows monthly sales. 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've broken our red trend line above, set over the last three years, indicating continued growth in our sales volume. We'll be watching this chart to see how strongly we break through the trend line. Our sales most often peak in June, although about a third of the time the peak happens in July and rarely in August. When we peak and how high that peak is will tell us how strongly we have broken the trend of the last three years.



### 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 light blue bar across this graph represents a balanced market where neither buyer nor seller is in control. Above the blue bar, a buyer's market and below a seller's market. As you can see the buyer's have mostly been in control since 2001 with brief periods of a balanced market during the busiest summer months. This summer is the first time since the year 2001 where the supply line is in the seller's market territory. We'll be watching this for the rest of the year to see whose territory we end up in.