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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

## Furnace Efficiency Rule Withdrawn

As has happened in the past, the implantation of the energy efficiency requirements on new furnaces that we talked about in our last newsletter has been delayed. The following is from a press release on the matter which must still be approved by the courts. If you need to replace a furnace and still have questions, give me a call and I can connect you with some very good reputable HVAC companies.

*"In a settlement filed late Friday afternoon, the Department of Energy (DOE) has agreed to withdraw the pending minimum energy conservation standards that include regional standards for residential non-weatherized and mobile home gas furnaces. ACCA, the nation's largest association of indoor environment professionals, joined the case last year as an Intervenor aligning with the American Public Gas Association (APGA) who challenged the Direct Final Rule in a suit brought in the United States Court of Appeals for the District of Columbia.*

*According to the terms of the settlement, which must be accepted by the Court, the portions of the Direct Final Rule setting the minimum AFUE standards for residential non-weatherized and mobile home gas furnaces at 90% in the Northern region and 80% in the Southeastern and Southwestern regions are vacated, along with the pending May 1, 2013, compliance date.*

*The settlement is still pending the Court's approval."*



## Mike Malec's Real Estate Watch

1st Quarter 2013

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## Forecast: County on pace for further growth

Growth in employment, wages and housing have helped put Boulder County and Colorado in "pretty good shape" for 2013, but further gains could be hindered by any hiccups on the national level, University of Colorado economist Richard Wobbekind said Wednesday. "I do think Colorado's going to have a great year, but I am a little more nervous about what the national economy might do to the state," Wobbekind said during the keynote speech at the annual economic forecast presented by the Boulder Economic Council.

Wobbekind expressed disappointment at the recent "fiscal cliff" discussions, noting that while the initial agreements saved the nation from diving into another recession, not enough immediate focus was placed on revenue-generating items and large-scale cuts.

The initial resolution could result in about \$600 billion in savings during the next 10 years. What's needed is \$3.2 trillion, he said, adding the nation is at risk to be downgraded. "This is not a pretty picture," he said. He expressed additional concern that the solutions on the federal level could put a greater burden on state governments' finances.

Locally and regionally, the picture is brighter. Boulder County, which continues to outpace both the state and the nation in job growth, last month notched a return to "peak" employment levels of 55 months back, he said.

Wages surpassed the previous peak during the first quarter of last year and are at their highest levels, he said. The region's housing market has turned around -- foreclosure filings have dropped significantly and home prices have ticked higher -- and 2013 should mark the biggest year in Boulder County's history for residential, commercial and infrastructure construction, he said.

The state is expected to add about 42,100 jobs in 2013, with every sector except for information -- which includes publishing and telecom -- to post employment gains. "The trajectory is such that Colorado is really in good shape," he said.

Employers remain mostly optimistic on economic growth in Colorado, Wobbekind said, citing the most recent Leeds Business Confidence Index quarterly survey. For the first quarter of 2013, the index measured 51.3, down from 51.6 in the fourth quarter. Wobbekind attributed the decline to uncertainty about the national economy and hiring expectations.

A bright spot on the national employment picture is continued wage increases. The increase in household wealth -- which Wobbekind projects to see a 1.1 percent gain in 2013 -- is helping to increase consumer confidence and lower debt burdens.

Retail sales are growing at a 5 percent annual tick, and automobile sales continued to climb. "We're getting back to more normal consumption patterns," he said. The amount of personal income spent monthly on debts is back to early-1990s levels, he said.

Future employment gains could be limited because of the length of time people have been without work. Some "structurally unemployed" run the risk of not having the right skills required for the jobs available. "We need to be thinking about how we're educating people as the jobs develop forward," he said.

## Current Listings



**4021 Riley Drive**

**Longmont, CO - \$420,000**

Mountain views, great schools and easy access to Boulder, IBM and Seagate. Three bedrooms plus a main floor study and an unfinished basement.



**3601 Arapahoe Avenue #307**

**Boulder, CO - \$310,000**

True one bedroom loft in the Peloton. Enjoy all that Boulder has to offer and have your own rec center and roof top pool with incredible views.



**115 Cessna Drive**

**Two acres with run-  
way access**

**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 2012 Statistics

Location	Total # Sold	Inventory	Avg. Sales Price	Avg. Days to Contract	Median Sales Price
Boulder	52	165	\$601,494	110	\$545,000
Broomfield	18	70	\$361,018	68	\$325,000
Erie	24	71	\$391,983	72	\$387,600
Lafayette	19	50	\$470,570	51	\$411,500
Longmont	56	228	\$261,602	61	\$258,000
Louisville	18	21	\$418,815	58	\$381,610
Superior	7	18	\$474,688	34	\$369,500
Mountains	18	187	\$439,883	141	\$427,500
Plains	23	170	\$1,034,636	79	\$523,148
<b>Total</b>	<b>235</b>	<b>980</b>			

## Previous 12 Months

Location	Total # Sold			Average Sales Price		
	12/01/10 11/31/2011	12/01/11 11/31/2012	% Chg	12/01/10 11/31/2011	12/01/11 11/31/2012	% Chg
Boulder	619	766	23.7	\$664,214	\$671,565	1.1
Broomfield	352	385	9.4	\$361,896	\$355,097	-1.9
Erie	241	322	33.6	\$324,297	\$345,606	6.6
Lafayette	244	307	25.8	\$366,565	\$384,836	5
Longmont	840	990	17.9	\$244,079	\$257,716	5.6
Louisville	201	237	17.9	\$413,718	\$428,631	3.6
Superior	107	157	46.7	\$422,406	\$424,261	0.4
Mountains	254	296	16.5	\$395,868	\$427,012	7.9
Plains	314	408	29.9	\$639,700	\$596,373	-6.8
<b>Total</b>	<b>3,172</b>	<b>3,868</b>				

Location	Average Days to Contract			Median Sales Price		
	12/01/10 11/31/2011	12/01/11 11/31/2012	% Chg	12/01/10 11/31/2011	12/01/11 11/31/2012	% Chg
Boulder	91	73	-19.8	\$545,000	\$574,500	5.4
Broomfield	91	68	-25.3	\$330,340	\$319,000	-3.4
Erie	84	71	-15.5	\$300,000	\$327,336	9.1
Lafayette	90	59	-34.4	\$311,000	\$358,000	15.1
Longmont	73	62	-15.1	\$220,000	\$231,500	5.2
Louisville	62	59	-4.8	\$385,000	\$390,000	1.3
Superior	64	43	-32.8	\$381,500	\$410,000	7.5
Mountains	123	127	3.3	\$324,500	\$346,000	6.6
Plains	110	87	-20.9	\$469,900	\$475,000	1.1

### Mike's Trend Report

When we reviewed the year end numbers 12 months ago, we talked about continued sideways movement. What a difference a year makes. Residential home sales were up 24.4% and attached homes sales were up 20.7%. With the lack of homes for sale that we experienced, 2012's sales pace felt even stronger than the numbers imply.

Year	Single Family # of Sales	Attached # of Sales	Total
2012	3,253	1,142	4,395
2011	2,615	946	3,561

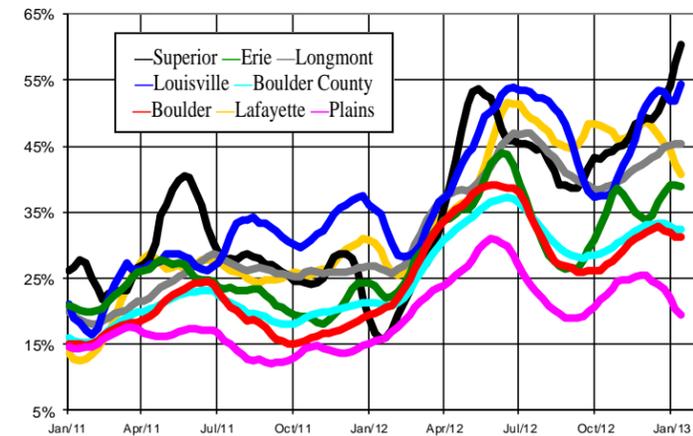
While the market is definitely stronger, the percent of homes successfully sold still struggles, with 48% of the homes listed for sale in 2012 not selling. Homes have to be priced well, show well and not have any negative issues such as busy roads, power lines, poor condition, etc. Buyers are not yet settling for less desirable homes due to a lack of home choices.

One of the bigger stories in our market last year was the continued low number of homes for sale. The number of homes for sale in Boulder County, 753 homes for sale at the end of December 2012, is the lowest number I've recorded since I started tracking this number back in 1997. With a total of 81,112 existing homes in Boulder County as of the end of 2011 (the last year of available data), we have less than one percent of our existing homes for sale. An incredibly low, and potentially problematic number. While the low inventory is good for sellers who are seeing appreciation, it is really hard on buyers who are having trouble finding homes to buy and are frequently being out competed for the homes that do come onto the market. We expect, and hopefully we'll be correct, that this year we will see a gradual increase in the number of homes for sale.

Mortgage rates remain incredibly attractive, around 3.5% for a thirty year fixed mortgage. While we have all been predicting that this rate must rise for a couple of years now, the rates have remained low. Hating to break a tradition, we still believe that mortgage rates must rise through 2013, although that rise, if it does occur, is expected to be mild with rates ending the year in the 4.0% range, still a historically low rate. A buyer who buys now versus waiting until rates hit 4.0% will have 6.3% more purchasing power for the same payment, another incentive to take advantage of current market conditions.

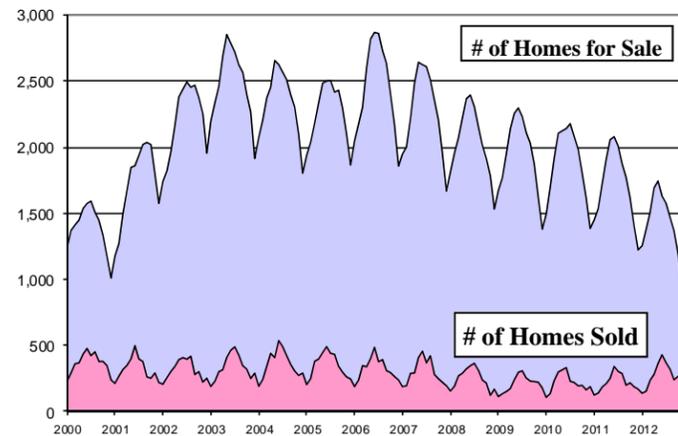
We feel that the market is primed for further price appreciation. Many areas in the lower price points and tighter markets are already experiencing price appreciation, but the appreciation we are seeing is not uniform across all of Boulder County. The upper price points, the plains and the mountains are lagging. While the Boulder County economic picture is healthy, the national and overall Colorado economy aren't as positive., which with still tight lending standards, are the drags against future price appreciation. Hopefully we'll work through these outside issues and enjoy a great market in Bolder County in 2013.

*Mike Malec*



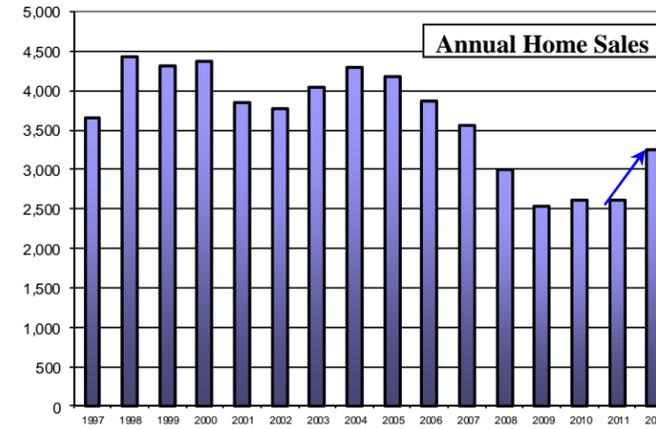
**% of Homes Under Contract by City**

This chart shows the relative strength and weakness, as measured by the percentage of homes under contract, of the various Boulder County municipalities. For a number of years now, we've noted that the market has become hyper-local, meaning that countywide statistics may paint a different picture than the local city or even neighborhood may be experiencing. You can see some of what we mean by this when you look at the difference in the chart above. Where Superior is over 60% under contract and rising higher, the Plains are only 19% under contract and dropping lower. These two parts of Boulder County are within 20 minutes of each other, yet they are having vastly different experiences of market strength.



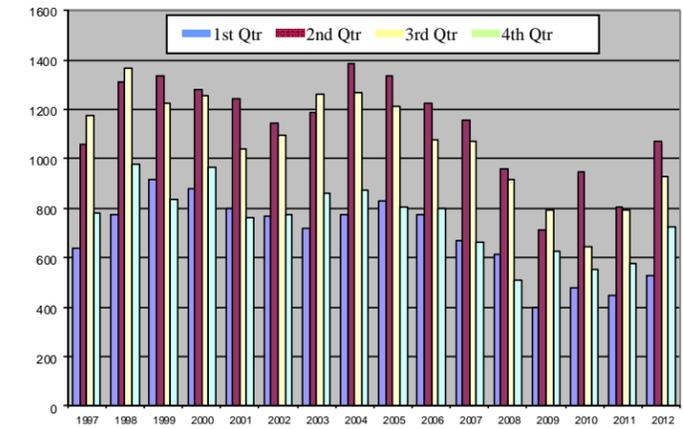
**# of Homes for Sale vs. # of Homes Sold**

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 the chart until we get the next data points, but we have fewer homes for sale in Boulder County than we've had at any time in the last 12 years displayed on the chart. This occurring at the same time that demand, as measured by the number of sales, has increased. I think we haven't seen as much price appreciation as possible due to the brakes on the market of tax policy, economic uncertainty, and tight lending guidelines. If these brakes on the market are removed, we will be primed for potentially strong price appreciation.



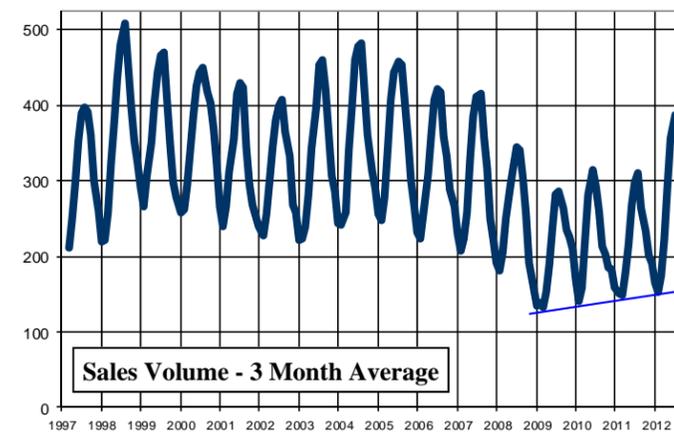
**Annual # of Homes Sold**

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 and the recovery in 2010 and 2011 was weak, this last year there was no question that the market had changed. The last time we saw a jump this large in annual sales was from 97 to 98. While the total number of annual sales is still below where we should be, this jump was a refreshing change and a signal that the market is strengthening. If some of the brakes on the market are removed, we are primed for market appreciation, possibly like we saw in the late 90's.



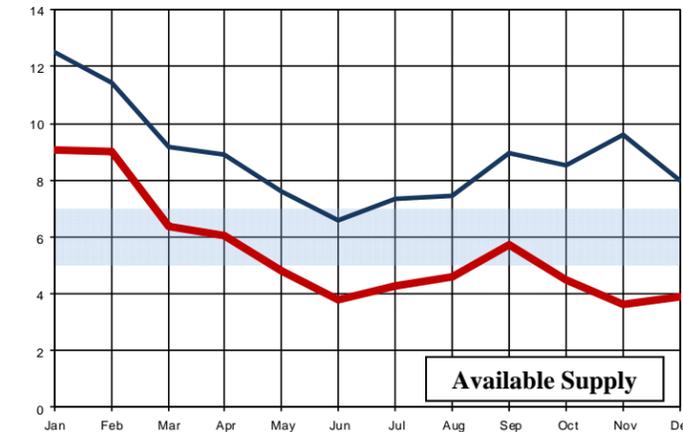
**Quarterly # of Home Sales**

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. This chart also shows the change in the market with all four 2012 quarters higher than their mark in 2011. What was very interesting and atypical was the strength we experienced in the fourth quarter of 2012. The last quarter of the year is typically a slower time period with people more concerned with the holidays than home sales. This year however, the few homes that were still on the market had very robust showing traffic and contracts were being written right through the holidays.



**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 existing trend is upwards, we expect to see this winter's trough break that trend line in a dramatic fashion much like the annual and quarterly numbers showed.



**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 horizontal band in this chart signifies a balanced market. In 2012, we spent two months above the band, in Buyer's market territory, 3 months in the balanced market territory and 7 months in the Seller's market territory. We'll be watching this chart closely to see where the January data puts us. The expectation is that we will remain in the Seller's market area or possibly jump into the balanced band. I doubt we would see a change into the Buyer's market territory but we'll have to wait for the January numbers.