

# MARKET INSIGHTS



A look at the current real estate market.  
An information source provided by **RE/MAX Alliance**.



*Happy Holidays*

From your friends at **RE/MAX Alliance**

When Robert and his wife applied for their first mortgage, they had already spent several years saving the \$1500 down payment they would need in order to purchase a modest 2 bedroom home. Of course, the year was 1954, and the median price of a home was below \$20,000!

While we aren't seeing home prices in that price range in our real estate markets across Colorado, we are seeing affordability in the market, thanks to low interest rates.

Price increases that make a sale attractive to Colorado home owners appear balanced at this time by attractive mortgage terms that afford opportunity to those desiring to purchase a house.

Looking back on the 2017 housing market, we gain a little insight into what to expect in the New Year. We also gain insight into how best to approach the market for both seller and buyer.

For several of the preceding years, when home prices and mortgage rates were both lower than normal, home buyers had a historic opportunity to find a great deal and lock in an excellent rate.

These days, though mortgage rates remain historically low, home prices have rebounded and in some markets, have even surpassed previous peaks.

Of the **870** Northern Colorado residents who agreed with that assessment by making their homes available for sale this past November, **606** of these houses sold and closed. They did so within an average of **75** days after going on the market. The November median sale price of **\$333,971** surpasses both November **2016** median prices of **\$309,828** and most certainly those 1950's home prices!

Checking in with the National Association of REALTORS for more insight into what the future may hold in our real estate marketplaces,

we find that 47% of homes sold this fall overall were on the market for less than a month.

This again is indicative of the low inventory levels we've seen through the whole of this past year. We also discover in watching pending sales, which are that number of contracts to buy homes signed during any given month, where it looks like sales may head moving into 2018.

Keeping a watchful eye on inflation and economic trends in general reveal much concerning our housing market. Bond prices moving higher means home loan rates are improving, too. Buyer demand grows, as interest rates remain low, allowing mortgage money greater purchasing power.

All the latest data affirms that recent home sellers who've lived in their homes for about 7 years are seeing big returns. In fact, nationally home sellers sold their homes for 24% more than what they originally paid. In some markets, that percentage is far higher.

While these numbers may make it seem easy to cash in on your house, prospective home buyers should note that the housing market, like the stock market, tends to move up-and-down over the years.

While knowledge of these trends and current economic news are helpful, keep in mind that the real estate market remains difficult to pinpoint with accuracy as to the jumps and dives of prices, rates and available inventory.

That's precisely why you should sell or buy a house when the timing is right for you and your personal situation. Real estate purchases for the average person should not be about making money off the eventual sale of the house, but about being somewhere while living your life that makes you happy.

