

The Centaur Village North Times

A Resource for a Very Special Lafayette Neighborhood

by CVN resident Paul Dart

RE/MAX of Boulder, Inc.

2425 Canyon Blvd. Suite 110

Boulder, CO 80302

303-931-5198 Paul@PaulDart.com

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Year End Statistics Edition
Recap of 2015 Market Activity

Sample Copy
Centaur Village North

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Informative & Insightful

Fresh, Never "Canned"

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2015 CVN Market Statistics and Activity Recap

Astronauts will tell you that when you're launched into space, the ascent is rapid and a bit disorienting as the G-forces from the acceleration press you into your seat. After the last three years in Centaur Village North, that might sound familiar. If the last twelve months were the third stage of the real estate market rocket since the end of the Great Recession, all signs indicate that 2016 will be another stage pushing us to even greater heights. I began receiving emails in early April from residents who were in disbelief of the listed prices they were seeing in the neighborhood. The current chart I had of the available inventory of homes to sell showed fewer available properties than the year before, and buyers were still out in large numbers. After a year of 10% appreciation in 2014, it was apparent that 2015 was shaping up to be another year of sharp appreciation. My answer to those emails was essentially: "Hang on!" Now that the year is at its end, let's see where in space we are!

A few notes before we begin: There were two sales included in the data that were off-market; selling by owner. They are noted in the chart with an asterisk. Two properties failed to sell this year and were withdrawn. Finally, these statistics have always separated the data from the enclave of the homes built in the mid-1990s, however this year there were no sales there. Let's get to the numbers!

The headline in bold caps is the sharp growth of Average and Median sales prices. The Median Sales Price of \$390,000 was up an astonishing 21.9% over 2014, with the Average Sales Price of \$384,629 up 19%. That means on average the market in CVN was increasing at a rate of 1.58% per month, a rate equal to .40% per week. Since 2012, which marked the end of the Great Recession here, the Average Sales Price in CVN has grown 43.7% with the Median rising 46.3%. A look at the graph (pg.2) shows an increasingly ascending curve. The Average Days to Offer (DTO) reflects the shrinking number of homes on the market and steady, if not growing, number of buyers competing for those homes. In 2011 it took an average of 50 days for a home in CVN to go under contract. In 2015 that shrunk to 120 hours, or just 5 days.

If last year CVN followed the declining number of homes on the market, in 2015 it bucked the continuation of that still declining trend in Boulder County. The Numbers of Sold Homes increased 31% to 21. The Total \$ Volume increased a stunning 56% over last year. Another reflection of the hot market is the Sales Price to List Price Ratio

(SP/LP). Since 2011 the difference between the listed price and sales price has risen from 96.7% to 102%. Fully 63% sold at full price or over; three properties sold at full price, with nine selling for over 100%. The five that sold for less than asking price, and two that failed to sell, demonstrate that buyers will not pay any pie-in-the-sky price. The price must consider the location and condition. While they are limited in the numbers of homes they have to choose from and are willing to buy properties impacted by power lines, a busy street and/or something in rough condition, the price must reflect those factors.

Original CVN Only	2011	2012	2013	2014	2015
Average Sales Price	\$254,404	\$267,739	\$292,746	\$323,131	\$384,629
% Change		5.24%	9.34%	10.38%	19.03%
Median Sales Price	\$248,000	\$266,500	\$296,500	\$320,000	\$390,000
% Change		7.5%	11.3%	7.9%	21.9%
Number Sold	17	18	24	16	21
% Change	-	5.88%	33.33%	-33.33%	31.25%
Total Volume	\$4,324,869	\$4,819,300	\$7,025,900	\$5,170,088	\$8,077,200
% Change	-	11.4%	45.8%	-26.4%	56.2%
Sales price/List price	96.7%	98.2%	98.5%	100.0%	102.1%
% Change	-	1.5%	0.3%	1.5%	2.1%
Average Days to Offer	50	23	15	15	5

Because buyers are willing to compromise, this is a great time to get top dollar for a home buyers would normally discount because of a location and/or condition issue. At the same time, buyers continue to demonstrate that they are willing to pay a premium for properties with major remodels in choice locations. Finally, of the 21 sales, two were bought for cash, one with an FHA loan, and the rest with conventional loans.

Looking to 2016 There is nothing I see in the data, or anything I am hearing from my various sources, that would lead me to believe we will begin to see an increase in the numbers of new listings on the front range or in Boulder County. There may, however, be an increase in the number of buyers. What about the effect on mortgage loans of the Fed raising the benchmark interest rate? The day after the Fed acted I called my go-to mortgage finance expert and found the rate for a 30 year conventional mortgage— and any other type— unchanged. The bond market had seen it coming, and in balance with all the other factors that influence mortgage interest rates, let it stand. The pressure, however, is for rates to increase as the US economy

