

# NEWSLETTER from Agents for Home Buyers



*Consumer Advocates...Not Sales People*

November 2010



Photo by Charles Pfeil

Welcome to the November issue of our newsletter. In the current issue, we continue our commentary on the current real estate market in Boulder County and the north Denver metro area using [our newly expanded stats](#).

The first two articles in this issue focus on pricing, with the first focusing on long term price appreciation and the second on neighborhood differences in pricing and price appreciation in Boulder and Longmont. The third looks at what's happened with the number of sales this year, on an annual and a quarterly basis.

This week and next, we're fleshing out a new page for our web site that deals with [frequently asked questions about the current market](#). We'll be posting some new statistical data there that you may find interesting. That page will definitely look like a work in progress over the next few days, but we're learning a lot a getting some new statistical insights as we put it together.

Hope you've enjoyed our incredible Indian Summer, as well as the nip in the air as the cooler days have arrived. Happy holidays.

Norris and Lindsey

## Price Appreciation 1991-2010

As indicated in our last newsletter, we've put together [pricing stats that track median prices from 1991 to 2010](#). A quick glance at our tax record data on mid-sized homes (1600-2300), for example, will show you that the median price for this size of home in Boulder in 2010 was about \$632,000, while in Longmont it was just over \$265,000. In 1991, these homes would have sold for about \$162,000 and \$109,000 respectively. Scanning these charts on the history of pricing trends over the past 20 years quickly raises the question of which communities have experienced the greatest price appreciation over this time frame...and when. Our new charts summarizing [long term price appreciation](#) help answer these kinds of questions.

With a quick glance at these charts, you can see that [prices of mid-sized homes in Boulder appreciated](#) 178% from 1991 to 2001 and 20-30% from 2002 to 2010, for a total of about \$257% over the 20 years from 1991 to 2010. For Longmont, the corresponding figures are 124% from 1991 to 2001, 0% to 3% from 2002 to 2010, for a total of 124% from 1991 to 2010.

If you take a look at [our chart on price appreciation for mid-sized houses](#), you'll see that there is a clear pattern in the price appreciation rates for the 10 communities we cover over this time span. For Longmont, Erie, Arvada, Broomfield and Westminster, appreciation from 1991-2001 ranged from about 115% to 125%, while those from 2001-2010 ranged from -1% to 3%. For the whole of the 20 year period from 1991 to 2010, this translates into a cumulative price appreciation in the 115% to 125% ballpark for these communities. In contrast, communities like Gunbarrel, Louisville, Lafayette and Superior that are closer to Boulder, had price

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### Links & Tools

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### What's New With the A4HB Team

The launch of our Facebook page is clearly the big news at A4HB. We're hoping that this will give us a handy mechanism for updating past and current clients on what's happening in the local housing market.

We're also hoping that this will help us promote our business to the Facebook world. The fact that the reviews are from other Facebook users seems like a big plus to us. Please help us with that if you can spare a moment.

On a personal level, as

increases in the 124% to 138% range from 1991 to 2001 and 12% to 23% from 2001 to 2010, for a total appreciation in the 162% to 185% range from 2001 to 2010.

A final point: While appreciation rates in the 1990s for Boulder and nearby towns like Louisville and Superior exceeded those of Longmont, Erie, Arvada, Broomfield and Westminster, it has been the continued price appreciation in the down market we've experienced since 2002 that has really separated the long term appreciation rates for communities for the 1991 to 2010 time frame as a whole.

Note: If you'd like to compare appreciation rates for various home types and sizes within a single community (e.g., small homes to condos/townhomes), that data is available in our section called [Data for Each Community](#).

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## Neighborhood Prices for Boulder and Longmont

While most real estate stats are based on composite data for entire communities (e.g., Boulder or Longmont), everyone knows that there are often substantial price differences between similar homes in different neighborhoods within a single community. Many also assume that different neighborhoods within the same community appreciate at different rates over the long term.

To provide some statistical basis for looking at these issues, we've recently completed stats on median prices for various neighborhoods in the two largest communities in Boulder County, Boulder and Longmont. These stats are posted on our web site in the sections titled [Median Sale Prices](#) and [Change in Price Over Time](#). We've also posted maps there outlining the sections of each town that we've defined as "neighborhoods" for purposes of producing these neighborhood stats. As one might expect, pricing varies fairly dramatically from one neighborhood to the next in both cities. There are also some fairly consistent and substantial differences in long term price appreciation from one neighborhood to the next.

If we consider the pricing of mid-sized homes (1600-2300 sqft) in Boulder, for example, pricing in the 3 neighborhoods along the west side of town has ranged from about \$725,000 to \$775,000 over the past few years. Similar homes on the eastern edge of town ranged from \$450,000 to just over \$500,000 over the same time frame, a price differential of more than 50%.

In Longmont, the pricing differences between different parts of town are less dramatic, but still significant. The Old Town neighborhood, and the neighborhoods on the west and southwest side of town, tend to have the highest prices. These prices ranged between \$275,00 and \$310,000 in recent years for a mid-sized house. Neighborhoods on the east side of town tended to have the lowest prices, running in the \$230,000 to \$250,000 range for a mid-sized house over the past few years.

In Boulder, long term appreciation rates also tended to be higher for neighborhoods on the west side of town. For mid-sized homes, price appreciation from 1991-2010 was in the 300% to 320% range for all three of the neighborhoods we've defined in west Boulder. For the neighborhoods on the east side of town, price appreciation tended to range from about 150% to just over 200% over the same time frame. The exception was southeast Boulder (Martin Acres plus), where the appreciation of mid-sized homes was 301% from 1991 to 2010.

In contrast to Boulder, the more expensive neighborhoods didn't seem to appreciate any more rapidly than the less expensive ones in Longmont...at least not with any consistency. In part, this may just reflect the fact that there were very few homes in areas like southwest Longmont or east Longmont (the neighborhoods east of Pace) in 1991. Because almost all the homes in these areas were built in the past decade, trying to generate long term appreciation stats running from 1991 to the present may not provide very reliable data. We'll have to look at this more carefully in the future.

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we've just announced on Facebook, Lindsey has met the experience and classroom training requirements to earn the Accredited Buyer Agent (ABR) designation from the Real Estate Buyer's Agent Council. Congrats Lindsey.

And on an even more personal level, Norris's son Eric and his wife Eleanor are expecting in May. Norris is looking forward to the status change to "Grandpa." Life is good.

And, finally, we just wanted to mention that we have now made more than \$120,000 available for microloans through [Kiva.org](#). It makes us feel great to pass forward the good fortune of operating a business in a country where funds are readily available for people to build businesses...and homes...and better lives.

A joyous Thanksgiving and happy holidays from your friends at Agents for Home Buyers.

Norris and Lindsey

## Big Drop in Sales in 3rd Quarter 2010

In our last newsletter, we noted that one of the big stories in our local real estate markets over the past few years has been the dramatic drop in the number of home sales. For most of the communities and housing types we track, sales in 2008 and 2009 were generally down 20-40% when compared to sales of prior years. And drops of 50% or more haven't been uncommon. You can look at these stats in on our web site under [Number of Sales](#).

In that [same section of our web site](#), we've just posted stats showing how the number of sales for each quarter of the current year compare to the average sales for that quarter in 2008 and 2009. To return to the stronger market we had in the years prior to 2008/2009, we'll be watching these quarterly sales hoping to see sales begin to increase substantially over the numbers posted for 2008/2009.

If you take a glance at our new charts on quarterly sales, you'll see that we're not there yet. In fact, by this measure, things are getting worse rather than better. As indicated by the red bar on these graphs, the cumulative sales through the 3rd quarter of this year are down from the average of 2008/2009 in 80-90% of our measurements. Worse yet, sales in the 3rd quarter of 2010...when compared to the average number of sales for 3rd quarters of 2008 and 2009...were down an additional 20-40% in almost every case. As these charts show, we had some indication of increasing sales in the first two quarters of the year, increases that may have resulted from the federal tax incentives offered to buyers. But in the 3rd quarter of 2010, the market softened again, fairly consistently and fairly dramatically.

We're now half way through the 4th quarter of 2010, and we're certainly not seeing any dramatic improvement in the market with respect to sale numbers. We'll be tracking this as we go into 2011 to see if things begin to pick up then.

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## Preparing Your Home for Winter

As the fall equinox comes and the weather begins to change, there's a lot you can do around your home besides putting up the holiday decorations. This time of year is the perfect time to give your home a once over and make sure that everything is working like it should be. The following maintenance tips will make your house better and could help you save some money. We have highlighted some of the most important tips, but at the bottom of this you can find links to a couple websites that will give you even more information. Good luck, call us with any questions, and stay warm!

### Indoors:

- Call an HVAC professional to inspect your furnace and clean the ducts
- Stock up on furnace filters and remember to change them monthly
- Test smoke and carbon monoxide detectors to make sure they are in working order
- Add an additional layer of insulation to your attic
- Install and replace weather stripping on doors and windows
- Reverse your ceiling fans so they are pushing warm air down
- Uncover south-facing windows to let sunlight in your home.
- Use draft blockers, foam plates that fit behind light switches and electrical outlets, to reduce drafts

### Outdoors:

- If your home has a basement, cover the window wells with plastic shields to reduce the clean up when the snow thaws
- Check gutters and clean them if necessary
- Trim trees away from the house
- Rake all debris and vegetation away from the siding and foundation
- Shut off water faucets, disconnect hoses, and blow out sprinklers

- Seal driveways, brick patios and wooden decks

**Helpful Websites:**

About.com - Home Buying and Selling

[http://homebuying.about.com/od/buyingahome/qt/92607\\_WinterHom.htm](http://homebuying.about.com/od/buyingahome/qt/92607_WinterHom.htm)

MSN - Winterizing Your Home

<http://realestate.msn.com/article.aspx?cp-documentid=13107899>

The Daily Green

<http://www.thedailygreen.com/green-homes/latest/winterize-home-tips-energy-461008>

The Home Energy Saver

<http://www.earthshare.org/2008/09/button-up-your.html?gclid=CLu42liCiqUCFQFoKgodcmCpMw>

How to Winterize your Homes

<http://www.productivity501.com/50-ways-to-winterize-your-home/5986/>

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## Welcome Agents for Home Buyers, LLC



We are [exclusive buyer agents](#), committed to providing first rate real estate services to homebuyers. We know that buying a home can be an intimidating process, especially for first time homebuyers or for people who are new to the area. Our job is to help you through the process, locating the best home we can, negotiating the best deal we can, and protecting your interests every step of the way while keeping you fully informed. It's a job we take seriously. We work hard every day to make sure that we get it done and get it done right.

Norris Minick, PhD, CRS, ABR, GRI

*Helping people buy homes in Boulder County and the North Denver Metro Area since 1992*

Norris Minick & Lindsey Wolf Lunney

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