

How Is Remote Work Changing Homebuyer Needs?

With more companies figuring out how to efficiently and effectively enable their employees to work remotely (and for longer than most of us initially expected), homeowners throughout the country are re-evaluating their needs. Do I still need to live close to my company's office building? Do I need a larger home with more office space? Would making a move to the suburbs make more sense for my family? All of these questions are on the table for many Americans as we ride the wave of the current health crisis and consider evolving homeownership needs.

According to George Ratiu, Senior Economist for realtor.com: "The ability to work remotely is expanding home shoppers' geographic options and driving their motivation to buy, even if it means a longer commute, at least in the short term... Although it's too early to tell what long-term impact the COVID-era of remote work will have on housing, it's clear that the pandemic is shaping how people live and work under the same roof."

Working remotely is definitely changing how Americans spend their time at home, and also how they use their available square footage. Homeowners aren't just looking for a room for a home office, either. The desire to have a home gym, an updated kitchen, and more space in general – indoor and outdoor – are all key factors motivating some buyers to change their home search parameters.

A recent realtor.com-HarrisX survey indicates: "In a June poll of 2,000 potential home shoppers who indicated plans to make a purchase in the next year, 63% of those currently working from home stated their potential purchase was a result of their ability to work remotely, while nearly 40% [of] that number expected to purchase a home within four to six months and 13% said changes related to pandemic fueled their interest in buying a new home.

Clearly, Americans are thinking differently about homeownership today, and through a new lens. The National Association of Home Builders (NAHB) notes: "New single-family home sales jumped in June, as housing demand was supported by low interest rates, a renewed consumer focus on the importance of housing, and rising demand in lower-density markets like suburbs and exurbs."

Through these challenging times, you may have found your home becoming your office, your children's classroom, your workout facility, and your family's safe haven. This has quickly shifted what home truly means to many American families. More than ever, having a place to focus on professional productivity while many competing priorities (and distractions!) are knocking on your door is challenging homeowners to get creative, use space wisely, and ultimately find a place where all of these essential needs can realistically be met. In many cases, a new home is the best option.

In today's real estate market, making a move while mortgage rates are hovering at historic lows may enable you to purchase more home for your money, just when you and your family need it most.

Bottom Line: If your personal and professional needs have changed and you're ready to accommodate all of your family's competing priorities, reach out to a local real estate professional today. Making a move into a larger home may be exactly what you need to set your family up for optimal long-term success.

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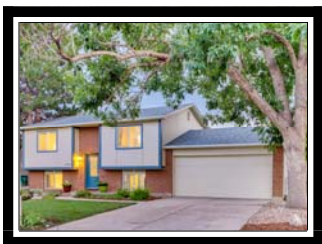


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**11306 W 107th Place
Westminster - \$429,000**

Highly updated home in Countryside, almost everything has been updated! Kitchen wall removed to open up the floorplan. Newer appliances, windows, roof.



**10697 Lowell Drive
Westminster - \$879,000**

Backs to the 10th fairway of the Legacy Ridge Golf Course with mountain views. Too many updates to list, this home sparkles! Soaring vaulted ceilings.



**5717 Pierson Mtn Ave
Longmont - \$743,000**

New construction build with Lennar Homes. Compass enjoys a location surrounded by natural beauty, conveniently located close to Denver, Boulder & the Rockies.



**5743 Marshall Drive
Boulder - \$1,200,000**

Almost 14 acres of land only 15 minutes from the Pearl Street Mall. 2 shares of Davidson Ditch. City Open Space on two sides. Flatirons & Marshall Mesa views.

Trend Report

Our last issue came out right as Boulder County was re-opening for real estate business. What a re-opening it has been! In the top two charts below, you can see a grayed out area that shows the COVID shutdown. Our showings, top left chart, had started to dip prior to the official shutdown and have rebounded sharply since we received the green light. We've been tracking above last year's showing levels since mid-May. Some of the current strength on the chart is due to comparing a time in a typical year when the market is entering the summer slump. This year, we didn't have a summer slump, as all of the typical heavy spring demand has been shifted to the summer. There appears to be more going on however, as I would expect that at this point in the year we would have worked off any pent up demand due to the COVID lockdown and showings remain very strong.

As you can see in the top right chart, demand as represented by the number of single family homes under contract is 40% above the levels of last year at the same time that the number of homes available is 40% below last year's levels. This strong demand and very tight supply is causing frothy market conditions in many price points and areas. Two notable exceptions however. Attached dwellings, which I do not track as closely, are sitting with little to no activity in many areas. I'm hearing several explanations for this anomaly, loss of student demand due to COVID difficulties at CU, job losses in the buyer demographic for entry level attached homes and an overall desire by buyers to have more space in this time when the home has taken on a greater significance as people are eating, working and schooling from home more than ever before. The second softer spot is in the upper end of the market, which isn't necessarily an anomaly, the upper end is typically slower than the rest of the market, but an exception to the frothy conditions we're seeing elsewhere.

Our Available Inventory, middle left chart, also shows dramatic change. We had outlined an area in red that we were calling our new normal area of inventory ever since we exited the downturn in 2012. You can see that we've broken out of the bottom of that red area and have very low numbers of homes available for sale that aren't under contract. As of mid-August, there were only 477 single family homes available for sale across all of Boulder County. Quite a low number, especially compared to the opposite extreme we experienced in 2006, when we had 2,384 homes available for sale at this same time of the year, about five times as many homes available for sale and even last year when we had almost twice as many homes available for sale.

One question that remains to be answered, in a typical year, after the summer slump we see the market get more active after children have returned to school, what will we see this year? It's hard to imagine conditions getting more active, and the past increase in activity after children returned to school has been attributed to the parents having more time to focus on real estate needs. With children schooling from home, this past pattern may be disrupted as so many other seasonal patterns of our market have been. Be well everyone!

Mike Malec

