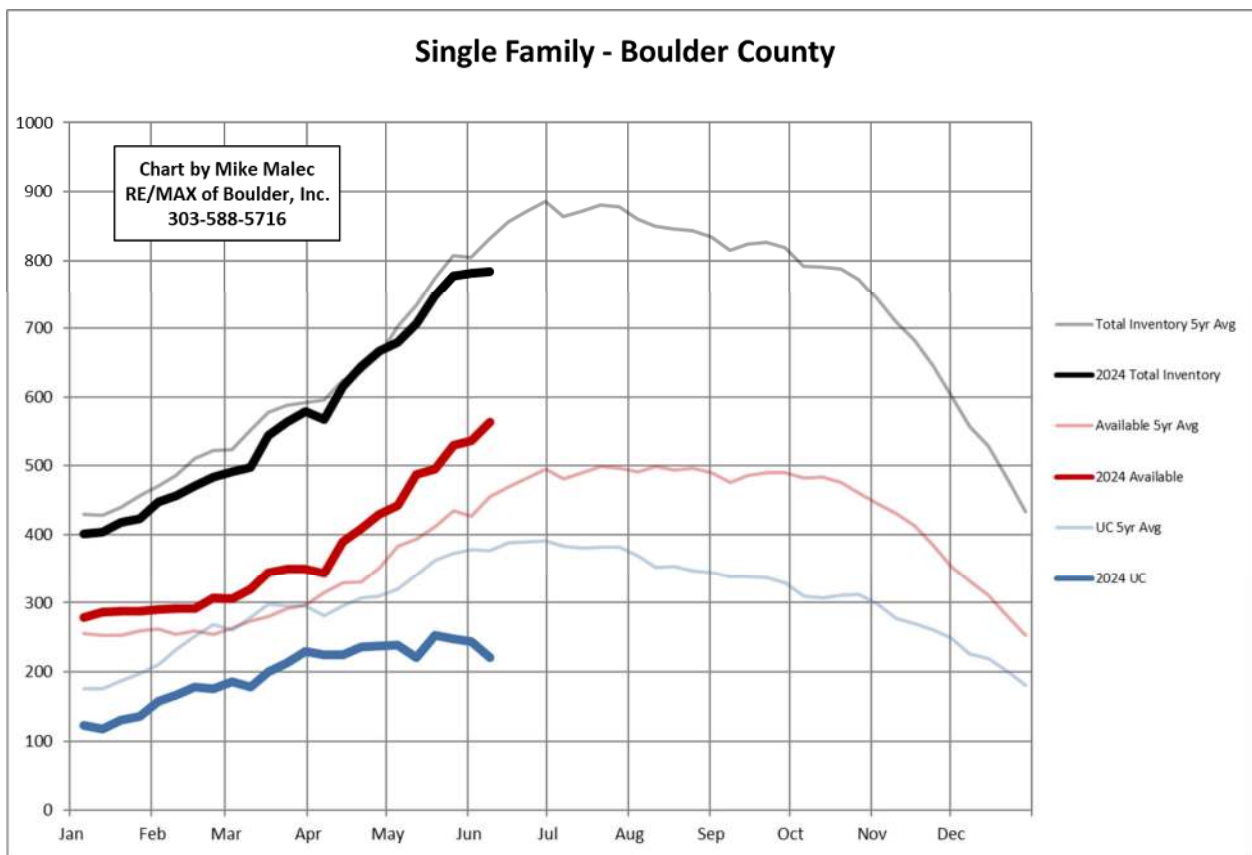


I was talking to a colleague the other day and told him if I had to use one chart to explain the market to my clients it would be the chart below. It shows Supply and Demand and how they are changing compared to the last five years and the typical seasonal patterns for these metrics throughout the year.

You can see our Total Inventory is closely tracking the seasonal pattern. The difference this year so far is the change in the number of homes available, Supply, and the number of homes under contract, Demand. Supply is running above the five-year average, more homes available and inventory that is increasing. Before Buyers get too excited though, know that this inventory increase is modest and is just bringing us off the historic lows of the last several years. Demand has been running behind the five-year average, mortgage rates keeping many would-be buyers on the sidelines. The chart shows a possible top for Demand for the year. If this trend continues, that would be a top in Demand 1-2 months before typical seasonality would imply and could be indicative of a slower summer and fall.



We'll be watching to see how this continues to play out. Future events can always change the trends we're seeing for better or worse. Have a great Summer and stay cool.



Mike Malec - RE/MAX of Boulder, Inc. - 303-588-5716