



Second Quarter 2014

Q2 Springs Homes™

MARKET REPORT

Summer has the be the most popular season in the Pikes Peak region. The weather is divine and there is no lack for things to do both inside and out. At Springs Homes we work with a lot of different clients and one of our favorite types of clients is the relocation client. The Pikes Peak region is a pretty easy sell from a visual standpoint, but relocation clients are always interested in what there is to do and see nearby. Recently we visited the website Trip Advisor to make sure we were up on the hot things to do in the area and we were shocked when we were totally unfamiliar with the #2 attraction in the area.

It is no surprise that Garden of the Gods holds the top ranking with nearly 97% of people ranking it as excellent or very good. Although the #2 attraction for the area has a significantly less number of votes, nearly 100% of people rated it as 5 star excellence. Drum roll please.... introducing Battlefield Colorado. Described as Colorado's first and only Outdoor Laser Tag Adventure Park, it covers 3 acres (1 entire city block) and incorporates 6 different buildings in downtown Colorado Springs. To play, two teams compete in our various combat-style adventure missions, combining fun, skill, strategy and teamwork in a style similar to popular video games such as Call of Duty and Halo. Battlefield Colorado utilizes high tech laser weapons that use harmless infrared light (like your TV remote), but shoot with amazing accuracy both outdoors and indoors up to 1000 feet (the length of 3 football fields!) Laser tag offers some benefits over paint ball in that there is no gear to wear, no mess to cleanup and is relatively safe and projectile-free fun for ages 8-80 years old. Battlefield Colorado appeals to group events such as birthdays and corporate events, but is also open at specific times to open public play.

The Colorado Springs area has once again shown us that there is an unlimited number of varied activities to keep us entertained. If you are considering moving to the area consider the active real estate market, affordable cost of living, beautiful outdoor spaces and if you are a laser tag enthusiast, downtown Colorado Springs' Battlefield Colorado.

Dive into the rest of our Quarterly Market Report to see the results of Q2's seasonal uptick.

The New Look of Virtual Tours - Joe Boylan

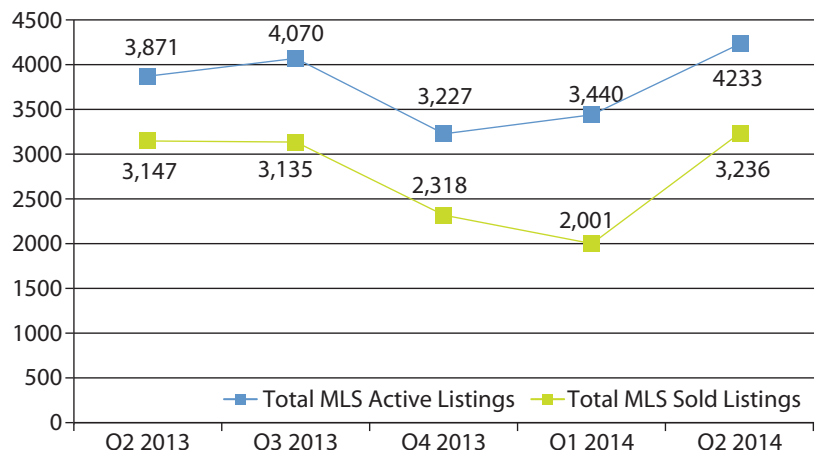
Virtual tours have been a mainstay of real estate marketing since the early 2000's. These tours were originally created by using photo software like Photoshop to stitch together a series of images in order to give the user a 360 degree feel for what a particular room looked like. Virtual tours have changed over the years keeping pace with technological advances.

Today we see a more creative use of panoramic photography as well as the implementation of video in virtual tours. This has created confusion and frustration for some individuals who expect a virtual tour to contain only 360° panoramic images. Here at Springs Homes, we try to give the user a variety of technologies to best experience the home. While panoramic photography gives a relational perspective to the home, the video gives us the ability to be more descriptive and go into more detail when talking to prospective buyers about the home.

Our new virtual tour platform for our listings at Springs Homes has been very popular. This new program gives us the ability to embed videos, panoramas, floor plans and any other pertinent information. Based on our tracking data, this is what buyers are really looking for online. We have seen a significantly higher level of engagement in our self-hosted virtual tours than we did when using one of the national tour providers that only uses panoramic photographs.

If you would like to take a look at our new virtual tours, please visit the featured homes section of www.SpringsHomes.com. Some of our best ideas come from our existing clients, so please feel free to provide us with any feedback you might have about these tours. We are always looking for ways to improve the level of service we provide.

Total Active versus Sold Listings
Q2-2013 – Q2 2014



What's Going on in Monument? - Jennifer Boylan

The population growth in El Paso County since 2000 is stunning. El Paso County has grown 26% since 2000 and in 2010 surpassed Denver County as the most populous county in Colorado. When breaking down the growth by municipality, the obvious reason for the growth in Fountain has been the increase in troops at Fort Carson. But what has contributed to the stunning growth of the Monument area?

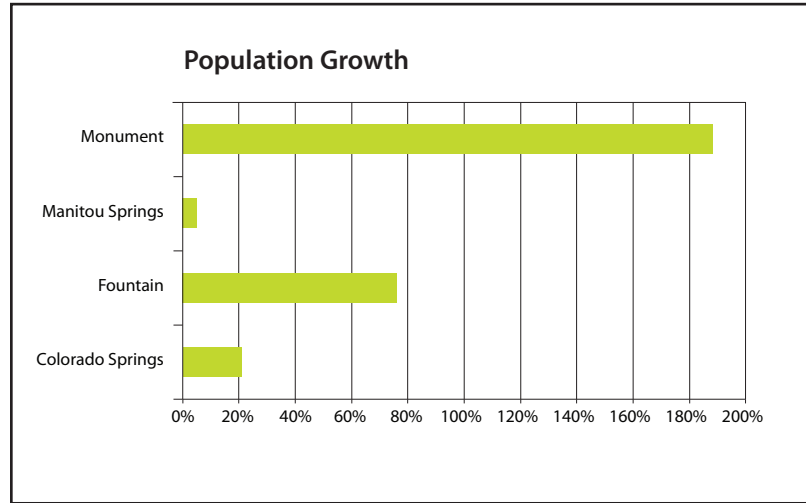
Close proximity to Denver has always been a big draw to the Monument area and now quality schools, commercial growth and thriving real estate are creating a surge in growth.

The Lewis Palmer School District rates among the top in Colorado and is Accredited with Distinction by the state. Students place above neighboring districts on standardized testing, place in the overall top 10% for ACT college entrance exams and surpass the average on Advanced Placement tests by 20%. LPSD is one of four school districts in the state that has made the National Annual AP District Honor Roll and the sole district in El Paso County.

In the last 10 years, commercial growth on the east side of Monument has grown steadily along the Jackson Creek Parkway Corridor adding retail and restaurants as well as office and apartments. Currently there are 2 large medical facilities under construction: The Tri-Lakes Community Health Village and a new facility for CSHP.

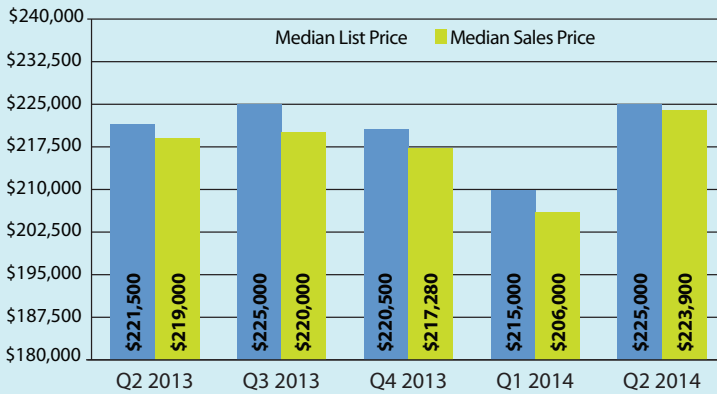
The west side of Monument tends to retain the historical charm with new businesses moving into older, already existing buildings. 1492 Chocolates and the Wisdom Tea House are a couple of the local favorites.

Residential real estate in the Monument area is steady with the average listing price of \$439,000 and the median sales price of \$354,000. New construction is active in both Jackson Creek and Woodmoor.

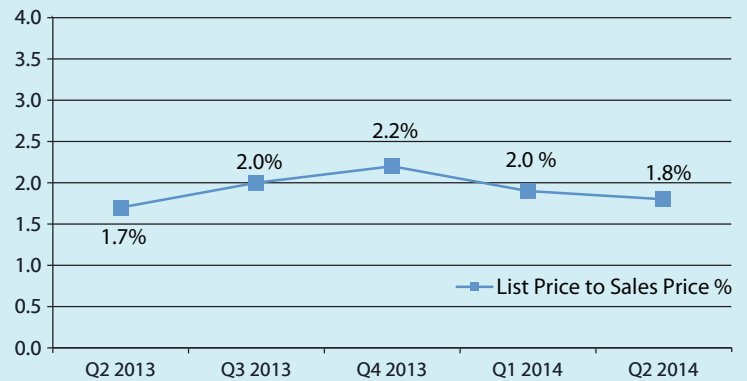


Living in the Monument area tends to make us a bit biased, but Monument is often at the top of the list of areas that we show to people relocating to the Pikes Peak region.

Median List Price versus Sales Price
Q2 - 2013 to Q2 - 2014



Listing Discount by Quarter
Q2 2013 - Q2 2014



The Parade of Homes Goes Social

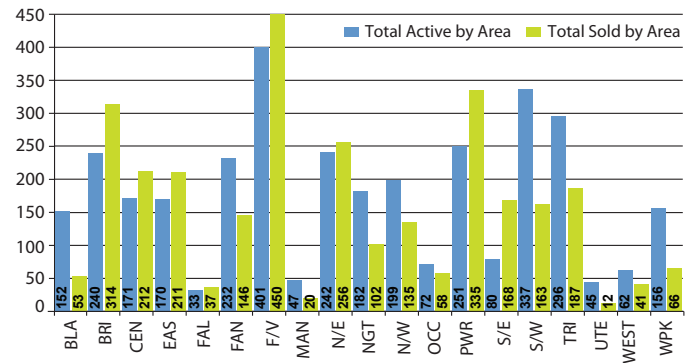
The Housing and Building Association's annual Parade of Homes is one of the most looked forward to events of the year. Whether you are actually in the market for a home, or just enjoy looking, the Parade of Homes is a great venue to showcase design ideas, local builders and communities.



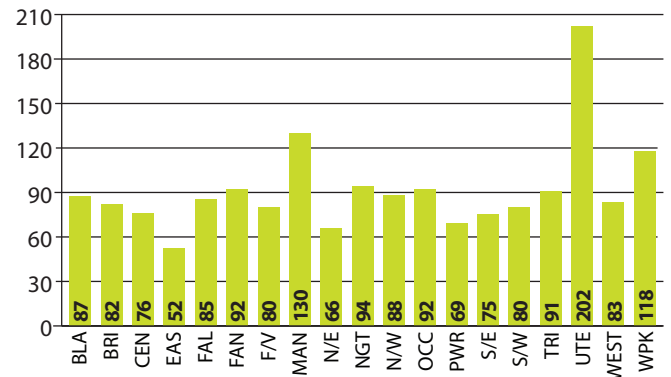
This year, the Parade of Homes is hitting the social media sites. During the Parade, they will be posting photos on Facebook, Pinterest and Houzz. You can follow the Parade on Facebook at www.facebook.com/SpringsParade. The communities highlighted this year are Flying Horse and Wolf Ranch. In each of these communities, there will be 3 or more Parade homes making it a "hub" site. Additionally, there are a handful of educational seminars presented throughout the Parade covering topics such as fire mitigation, deer resistant landscaping, trends in materials & design and the new tiny house movement.

The Parade of Homes runs August 1-17th and tickets are available at all Safeway stores. For Parade participants, Aspen Kitchens will be giving away an iPad, and La-Z-Boy Furniture will be giving away a \$2,500 shopping spree. Visit the Parade of Homes website for more details at www.springsparade.com.

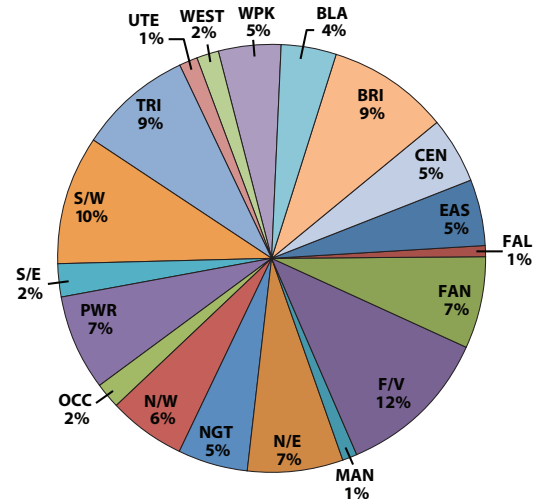
Total Active Listings versus Total Sold Listings by Area Q2 - 2014



Average Days on Market by Area Q2 - 2014



Total Active Listings by Area Q2 - 2014



key

BLA	Black Forest	F/V	Fountain Valley	N/E	Northeast	PWR	Powers	UTE	Ute Pass
BRI	Briargate	FAL	Falcon	NGT	Northgate	S/E	Southeast	WEST	West
CEN	Central	FAN	Falcon North	N/W	Northwest	S/W	Southwest	WPK	Woodland Park
EAS	East	MAN	Manitou Springs	OCC	Old Colorado City	TRI	Tri-Lakes		



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2014 Home Sale Forecast - Nicole Happel

In the first half of this year, home prices rose. From January to June, the average sales price of a single family home went up by 1.8%. The average sales price of a condo or townhome went up by 2.8%. First quarter (Jan-Mar) single family home sales started out slow, but they made a nice recovery in the second quarter with better results (Apr-Jun). And while sales are not quite at last year's pace yet, I believe they will be by end of the third quarter. There are still plenty of buyers buying, interest rates are still low, and summer is only half over. Historically we slowdown in late fall, so we still have much buying time left to bring those numbers up.

Interestingly, there is a lot more inventory, meaning homes, for sale this year. We ended June with 4,233 single family homes for sale, a dramatic increase over last June when we saw only 3,871 single family homes for sale. I think the increase is the result of two things: (1) many sellers were waiting until the market improved to put their home up for sale, and when it finally did they all did. And (2) new

construction is booming again, causing many to move up into a newer home.

I think the biggest factor to consider here is inventory has gone way up, but sales have only gone up slightly. With more supply and less demand, prices will probably stabilize.

Year to Year Comparison
Q2 – 2013 to Q2 – 2014

