



Active Listings Down in Q4 of 2014

Listings of homes for sale in the Colorado Springs area were down almost 20% when compared to the same quarter in 2013. A number of factors may have contributed to the decrease.

Many Sellers were waiting for the real estate market to recover. Reports in the media continued to report that the market was depressed, without noting that a recovery had begun. Here at Springs Homes, we began to see a slight uptick in the market beginning around 2010. However, the general feeling among Sellers was that they were not going to get the prices they wanted for their homes, so they were holding off.

Another reason is that many Colorado Springs residents are staying put. With interest rates continuing to be affordably low, we suspect that homeowners are taking advantage of these low rates to refinance and keep the homes they are

in with comfortable monthly mortgage payments. This also gives them the opportunity to make improvements, which will pay off in higher sales prices when they do decide to list.

With low vacancy rates and rising rents, some homeowners may be choosing to hold onto their properties and use them as rentals. They can then utilize the rental money to move to a larger or smaller home or relocate out of the Springs area.

The drop in active and sold homes might also be attributed to general economic recovery and job growth. There were years when people were selling because they had to leave for work purposes and now they might not have to.

New construction slowed down a bit in 2014, so there were fewer listings from that sector. We expect that construction will start to increase again as we enter into 2015.

MARKET REPORT

Fourth Quarter 2014

Q4
Springs Homes™

QUARTERLY SNAPSHOT

13%

Year over Year
Change in Sold Listings

1%

Year over Year
Change in Median Sales Price

-20%

Year over Year
Change in Active Listings

Selling Prices Take a Dip in 4th Quarter

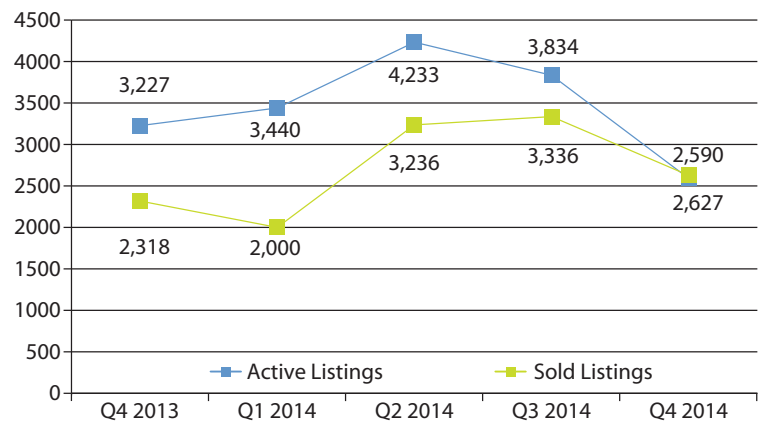
2014 ended up with both listing and selling prices lower than in the 3rd quarter. Although the holidays are a busy time for most people, the real estate market tends to take a little vacation from October through December. Part of the reason is weather-related—very few people want to go house hunting when the temperature dips below zero for days at a time, as it did in November.

Because of the relative lack of buyer interest, smart sellers know that they can't be overly aggressive in pricing their homes for sale during the last quarter of the year. Unless there is an urgent reason to sell, most people will wait until the 1st quarter, when the market, if not the weather, heats up a bit.

At Springs Homes, the 2nd and 3rd quarters were very rewarding for both buyers and sellers, although we noted that some sellers listed their homes for prices above what

they realistically thought they could get. When those homes did not sell by the end of summer, they dropped the prices to a more reasonable level, leading to more successful sales for the October – December period.

Total MLS Active Listings Single Family/Patio
Q4-2013 – Q4 2014



Buyers Flock to Fountain Valley

With its booming new construction and proximity to Ft. Carson, Fountain is attracting buyers who want more bang for their home buying buck. "Fountain is exploding with new construction," says Realtor Nicole Happel. "It's just about the last place in the Colorado Springs area where there is available land for building new homes."

Fountain is especially popular with military families who seek affordable, yet good-sized homes during their deployment periods. The area has a sizable inventory of five-bedroom homes in the \$250,000 - \$300,000 range—prices that are almost unheard of anywhere else in the Springs for homes that size.

"The military population has a huge impact on Colorado Springs real estate," explains agent Kelly Moriarty. "A big percentage of our business involves PCSing, helping families who receive a Permanent Change of Station assignment. Sometimes they have just one weekend to come out, find a home, make an offer and sign a contract. Fountain provides the best variety of homes to accommodate that quick decision making."

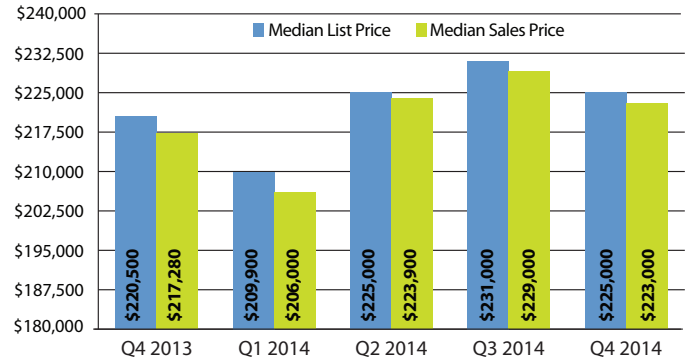
Agent Brooke Mitchell notes that many military families are renting in Fountain and, this is driving investment in the area by people looking to add real estate to their portfolios.

Communities in Fountain Valley include:

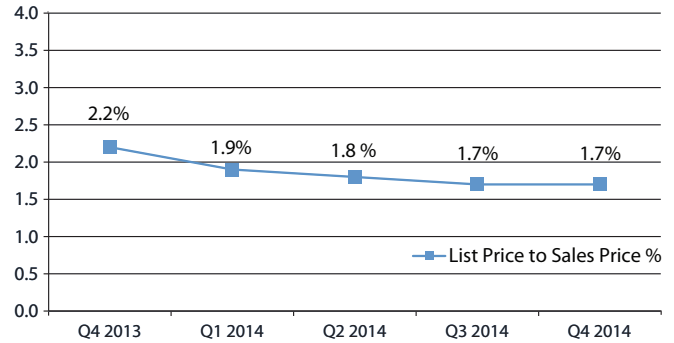
- Cross Creek, with home prices ranging from \$195,000 to \$265,000 and sizes from 1,300 to 2,400 square feet.
- Cheyenne Ridge, a new development, with homes priced from \$200,000 to \$240,000, ranging in size from 2,000 to 3,200 square feet.
- Countryside, located near Fort Carson High School, with homes ranging from \$160,000 to \$220,000 and varying in size from 1,300 to 3,000 square feet.
- Heritage, where the majority of homes were built in the 1990s and are priced between \$120,000 and \$230,000, with models ranging in size from 1,000 to 2,800 square feet.
- Sunrise Ridge homes are priced from \$124,000 to \$199,000 and vary in size from 900 to 2,500 square feet.
- Sunrise Terrace homes range from \$175,000 to \$210,000 and are available in sizes from 2,100 to 2,800 square feet.

Fountain residents take advantage of the city's 100 acres of parkland with 13 miles of trails as well as softball fields, climbing walls, riding and roping arenas and a skateboard park. In 1999, Fountain was chosen as "America's Millennium City" by the New York Times and named an "All-America City" in 2002 by the National Civic League. The city is home to Pikes Peak International Raceway.

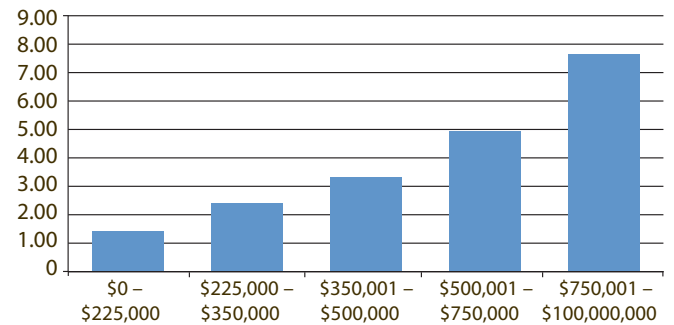
Median List Price versus Sales Price
Q4 - 2013 to Q4 - 2014



Listing Discount by Quarter
Q4 2013 - Q4 2014



Months Supply
Q4 - 2013 to Q4 - 2014

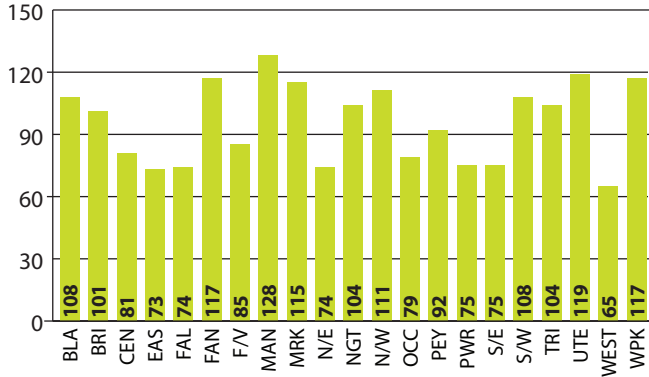


BLA	Black Forest	N/W	Northwest
BRI	Briargate	OCC	Old Colorado City
CEN	Central	PEY	Peyton
EAS	East	PWR	Powers
F/V	Fountain Valley	S/E	Southeast
FAL	Falcon	S/W	Southwest
FAN	Falcon North	TRI	Tri-Lakes
MAN	Manitou Springs	UTE	Ute Pass
MRK	Marksheffel	WEST	West
N/E	Northeast	WPK	Woodland Park
NGT	Northgate		

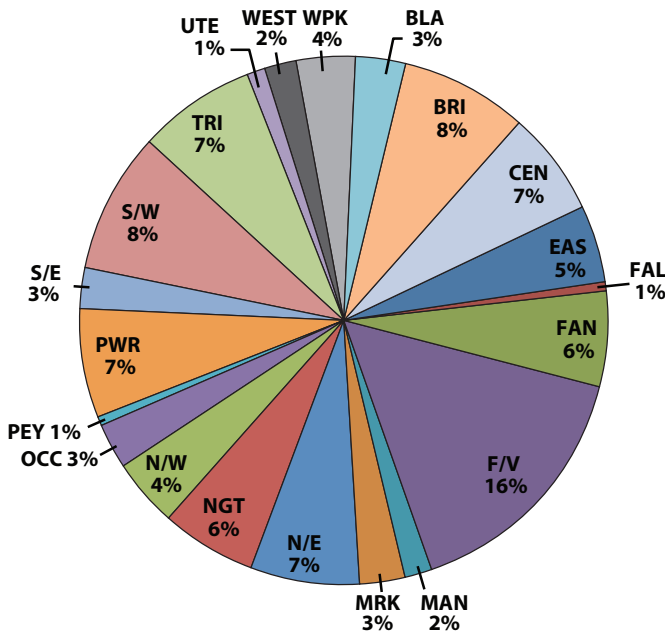
*Based on information from the Pikes Peak REALTOR Services Corp. ("RSC") for the currently reported quarter. RSC does not guarantee or is in any way responsible for its accuracy. Data maintained by RSC may not reflect all real estate activity in the market."



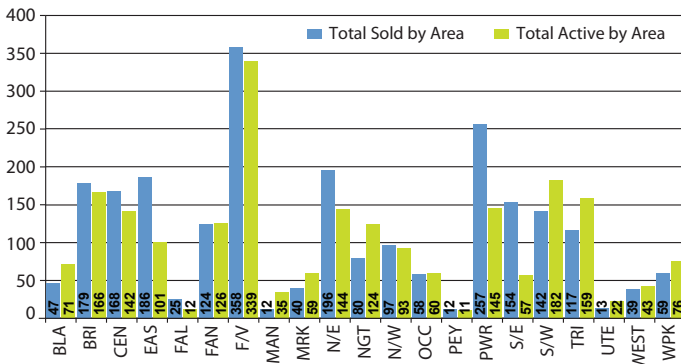
Average Days on Market by Area
Q4 - 2014



Total Active Listings by Area
Q4 - 2014



Total Active Listings versus Total Sold Listings by Area
Q4 - 2014



What are the Fastest Selling Neighborhoods in the Springs?

There was great news for folks who listed their homes for sale in the East, Northeast, Southeast, Powers, Old Colorado City and West neighborhoods of Colorado Springs in the last quarter of 2014. Properties in those communities spent the fewest overall days on the market before selling. What makes these areas so popular with homebuyers?

One of the primary factors is price. "There are more properties in the \$150,000 to \$250,000 range there than in the rest of the Springs neighborhoods," says Jennifer Boylan, Broker/Owner of Springs Homes. Since the average sale prices of a single family home throughout all of Colorado Springs was \$251,430 from January through December of 2014, these neighborhoods are understandably attractive to home buyers. Families with children can afford a four bedroom, two-bath home with a basement, making these homes very affordable to military families who make up a large percentage of Springs home buyers. Both the west and east sides of I-25 offer lots of amenities including shopping, entertainment and dining, schools and parks.

"Everything in decent condition under \$250,000 sells quickly in these neighborhoods, even in the typically slow months of November and December," explains Realtor Brooke Mitchell. "Newcomers like Old Colorado City, because it's close to downtown and charming but not as expensive as the Old North End and Historic Patty Jewett communities."

Among the city's oldest neighborhoods the West Side and Old Colorado City are a short distance from downtown. There is a wide variety of home styles, everything from cottages to lovely Victorians, as well as condos and town houses, at affordable prices.

East of I-25, the communities have easy access to Peterson AFB, Palmer Park, the Citadel Mall and the many shopping and dining venues on Powers and Academy Blvds. Many of the homes were built over the past three decades and are in hilly areas with larger lots, mature trees, and some views of Pikes Peak and the Front Range Mountains.

In the Northeastern part of town there are both new construction and older homes available.. Residents enjoy spending time in Pulpit Rock Park and taking advantage of the local entertainment, shopping and restaurant venues.

In addition to well-priced housing, Powers offers easy access to Peterson and Shriever Air Force Bases and is just a 20 minute drive to Ft. Carson, making it very popular with military families. As the area has grown, new shopping centers, restaurants, and recreational options have sprung up.

As we move into 2015, sellers in the above-mentioned communities can continue to expect to sell their homes with minimal time on the market. Of course, your home should be in good repair and you should ask us for a Comparative Market Analysis, so that it is priced correctly for current market conditions.



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Fourth Quarter 2014
MARKET REPORT

4 HEAT MAP

Q4 Fourth Quarter 2014
MARKET REPORT

4th Quarter Sales Heat Up

The “Heat Map” to the right of this article shows the number of home sales in the Springs divided by the number of listings. Generally throughout the year, there are more listings than sales in each area. However, as you can see by the areas ranging in color from pink to deep crimson, many of these communities showed a higher percentage of sales to listings in the 4th quarter of 2014. This is due to the decrease in the number of homes listed for sale during the last quarter of the year. As mentioned previously in this newsletter, this slowdown is due to the holidays and weather-related issues.

4th quarter “hot” neighborhoods included Cimarron Hills, Peyton, Fountain, Widefield and downtown. Sales were slower in the northern and western communities of Monument, Woodland Park, Manitou Springs and Black Forest.

