



Second Quarter 2015

Q2  
Springs Homes™

## New, Easier-to-Understand Paperwork for Homebuyers

For Colorado Springs homebuyers who have been frustrated by all the numbers and descriptions on the HUD-1 and Truth-in-Lending Disclosure Statements, there is good news.

Starting October 3, 2015, lenders must issue new documents clearly delineating the costs associated with a home purchase: the Loan Estimate and the Closing Disclosure. Known as TILA/RESPA (for Truth-in-Lending/Real Estate Settlement Procedures Act), the new forms replace the old Truth-in-Lending Disclosure Statement and Good Faith Estimate, and the HUD-1 Settlement Statement. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2011, the Consumer Finance Protection Bureau was established and mandated to replace the old forms with new,

easier-to-understand forms. The completed documents must be delivered to the prospective buyer 3 full days before closing the transaction and will be used for the following: Purchase money loans, Refinances, Loans secured by 25 acres or less, Loans secured by vacant land, Construction-only loans, Timeshare loans.

The new forms must be offered in both English and Spanish. The three day lead time gives homebuyers the opportunity to thoroughly review the costs and avoid any last minute "surprises" at the closing table.

Loans that are not covered by the new ruling are: Reverse Mortgages, Home Equity Lines of Credit (HELOCs), Mobile Home-Only loans, Creditors who originate less than 5 loans in a calendar year.

## QUARTERLY SNAPSHOT

**21%**

Year over Year  
Change in Sold Listings

**9%**

Year over Year  
Change in Median Sales Price

**-22%**

Year over Year  
Change in Active Listings

## New Septic System Rules for El Paso County Home Sellers

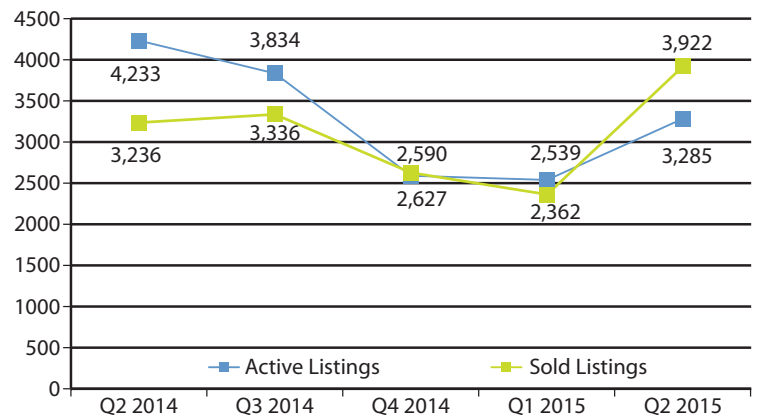
If you are selling a home in El Paso County that has an on-site wastewater treatment system (OWTS), more commonly known as a septic system, a new inspection procedure was implemented by the El Paso County Public Health (EPCPH) department as of January 1, 2015. The procedure requires that the system be inspected by a Certified Inspector in order to determine that it is functioning properly.

A Certified Inspector (names are available at [www.elpasocountyhealth.org](http://www.elpasocountyhealth.org)) must submit the report electronically within working 3 days of the inspection. The report is then reviewed by the department for any errors and sent back to the inspector within 2 business days to make the corrections. In the meantime, you, the seller, prepare and fill out an Acceptance Document (available at <http://www.elpasocountyhealth.org/acceptance-document-application>; fee: \$55).

Once the inspection report is complete, EPCPH will complete the Acceptance Document, which is valid until the date of closing of your transaction or for six months, whichever comes first. If the Acceptance Document has not expired, it may be renewed by completing the appropriate form and paying the fee once again.

"All of us at Springs Homes have been aware of this new ruling since the beginning of the year," states agent Nicole Happel, "And we want to spread the word to all 35,000 El Paso County homeowners with OWTS so that they don't run into snags during the selling process."

Total MLS Active Listings Single Family/Patio  
Q2-2014 – Q2 2015



# Seller's Market Continues Strong in Colorado Springs

It's definitely a seller's market here in the Springs, although the pace of sales varies with a property's pricing. Homes in the \$350 and under range are moving quickly. Sellers with homes above \$350, and especially at \$500+, can expect their homes to sit on the market for longer periods of time. That's why it's especially important for folks with higher-priced properties to work with a knowledgeable Realtor® who will ensure that the price is appropriate for today's market and work for the most expedient sale.

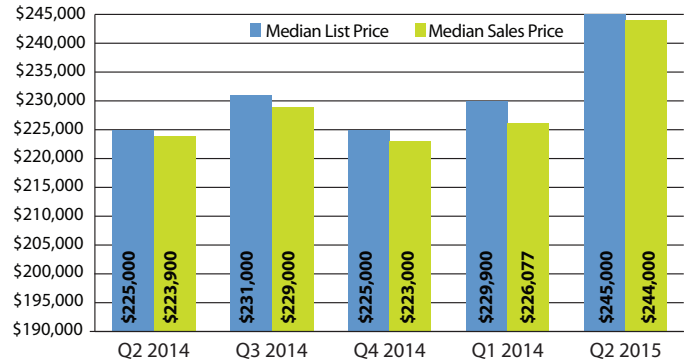
However, things are really hopping in the \$250k and under range. Last May, agent Kelly Moriarty had clients looking for a home under \$200k in the Northeast area of the Springs and, she noted, "The pickings were slim. It took us a while to find something that didn't have a bunch of competing offers to contend with."

Lack of inventory has been an issue all over town, especially under \$225-\$250k, according to Realtor Brooke Mitchell. And bidding wars can often escalate to unrealistic levels. She recently listed a home for \$10,000 over what she felt was a viable price, giving in to the client's wish. Two offers were immediately presented; the seller accepted one for \$10,000 over the list price. However, the property did not appraise at that value, so the seller ended up compromising at \$5,000 over listing price, which was still \$15,000 more than Brooke expected it to sell for. The lesson here for buyers is ask your agent for Comparative Market Analyses of the homes in the neighborhoods that interest you. Likewise, sellers need to follow the same path so that they don't price a home where it won't appraise.

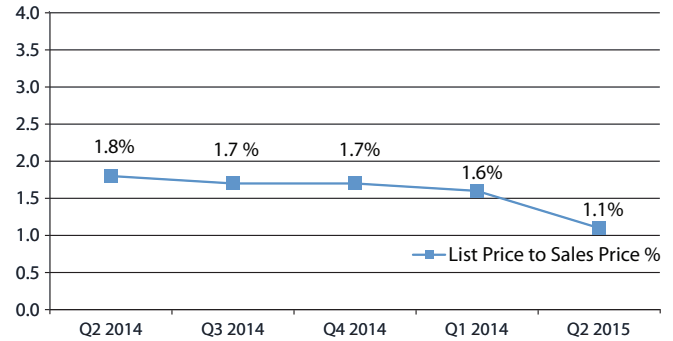
As part of this buying fever, some agents in Colorado Springs are convincing their buyers to submit offers with inspection waivers in order to make their offers more attractive. Although sellers think this is a fine idea, as it absolves them from any responsibility if things break down after closing, we consider this to be a huge mistake and would never suggest it to our clients. Inspectors not only can tell you what current issues there might be with a property, but may also spot potential troubles down the road. If the roof has only two good years left, you'll want to figure that cost into your budget or possibly ask for a price reduction. No matter how much you love and want a particular home, take time to review the consequences if you decide to waive an inspection.

One group of sellers that we call "accidental landlords" is now in a strong position in this market. Many of them decided to rent their properties, rather than lose them to a short sale or foreclosure, when the market was weaker. We started our Boylan Property Management Service at that time to help those landlords, many of whom had no experience with renting property. Although they now have the option of listing those rentals on the market, where they are likely to sell, many of those landlords have come to rely on the rental income and continue to use our property management services.

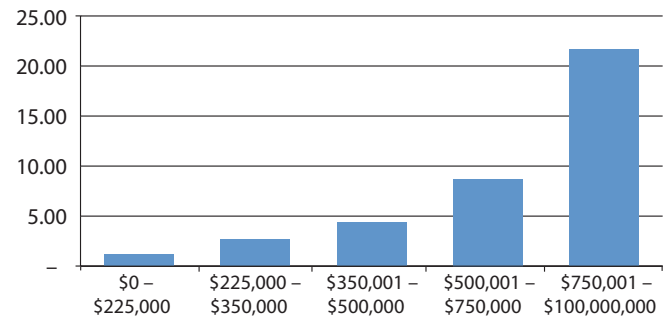
Median List Price versus Sales Price  
Q2 - 2014 to Q2 - 2015



Listing Discount by Quarter  
Q2 2014 - Q2 2015



Months Supply  
Q2 - 2014 to Q2 - 2015

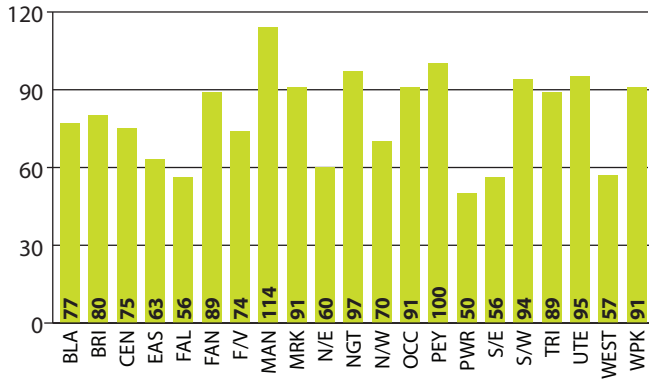


BLA	Black Forest	N/W	Northwest
BRI	Briargate	OCC	Old Colorado City
CEN	Central	PEY	Peyton
EAS	East	PWR	Powers
F/V	Fountain Valley	S/E	Southeast
FAL	Falcon	S/W	Southwest
FAN	Falcon North	TRI	Tri-Lakes
MAN	Manitou Springs	UTE	Ute Pass
MRK	Marksheffel	WEST	West
N/E	Northeast	WPK	Woodland Park
NGT	Northgate		

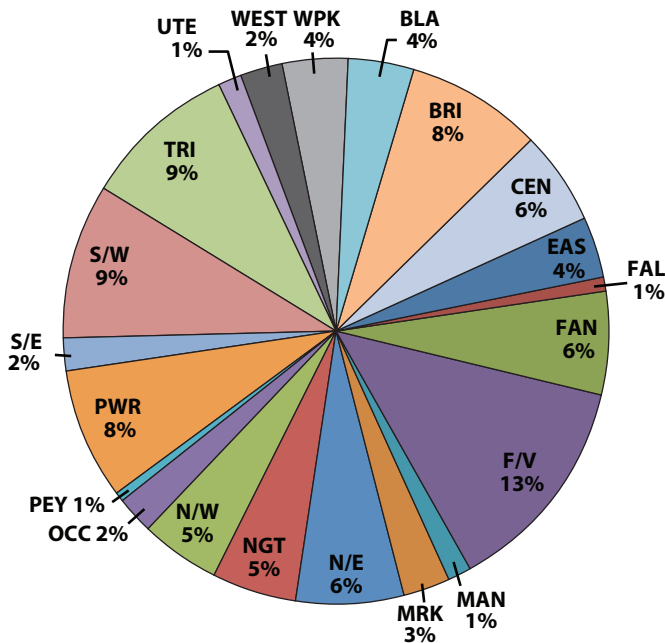
\*Based on information from the Pikes Peak REALTOR Services Corp. ("RSC") for the currently reported quarter. RSC does not guarantee or is in any way responsible for its accuracy. Data maintained by RSC may not reflect all real estate activity in the market."



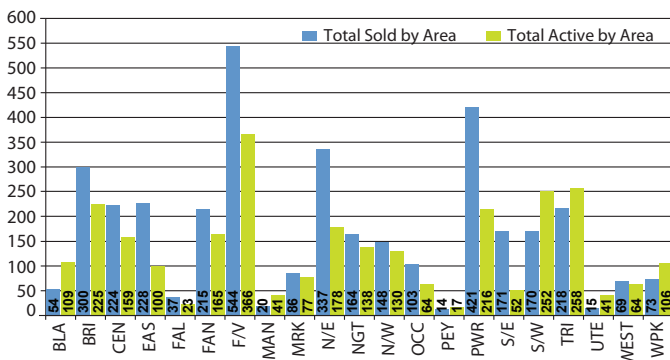
Average Days on Market by Area  
Q2 - 2015



Total Active Listings by Area  
Q2 - 2015



Total Active Listings versus Total Sold Listings by Area  
Q2 - 2015



## Looking for Affordable Homes in the Springs?

### Check out These Five Great Areas

For most Colorado Springs homebuyers, affordable translates into the \$200-\$250k range. For many families, especially those in the military, a home with 3-bedrooms, 2 baths and a nice yard at that price level with a relatively easy commute to local military bases is their goal. Many of these homebuyers know that they will have to turn around and sell their homes when they are redeployed, so the lower the purchase price, the better.

The good news is that affordable homes are available in a number of communities in the Springs area. They include Powers, Southeast, West, Falcon, East and North East.

Below are the Median List Prices of homes that have recently sold in those areas. Median list price is the midpoint of all the houses that have sold—50% of the homes sold above that price and 50% below.

Powers	\$229,900	Falcon	\$210,000	West	\$233,000
Southeast	\$159,900	Northeast	\$234,900		

Powers, located on the eastern edge of Colorado Springs, is close to downtown and the airport and features an extensive collection of reasonably priced homes. It is close to Fort Carson, Schriever and Peterson AFBs. Students attend Falcon School District #49.

Southeast Colorado Springs has older homes and is close to Peterson AFB and the Airport. There are a number of homes priced in the mid to high \$100s. Southeast is served by Harrison District #2 and Colorado Springs School District #11.

West is a less dense residential area due to the number of private clubs, and public and protected lands that lie on its western border. However, the opportunity to be close to nature and its proximity to downtown and I-25 have made it a popular choice among homebuyers. Colorado Springs School District #11 serves the community.

Falcon is a small town located in unincorporated El Paso County. The area experienced significant growth in the 1990s. Today, the availability of affordable housing on large lots, along with its easy commute to both Peterson and Schriever AFBs, is attracting buyers. Public school students attend Falcon District #49.

Northeast homes in this area are available in a wide variety of floor plans and styles at affordable prices. This region experienced significant growth in the early 1970's as it expanded northward towards the United States Air Force Academy. There is some new construction in Northeast, although to a very limited degree, and mostly on in-fill lots. Schools are a combination of Colorado Springs School District #11 and Academy District #20.



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Second Quarter 2015

**MARKET REPORT**

## 4 HEAT MAP

**Q2** Second Quarter 2015  
MARKET REPORT

# New Construction Boom in Fountain Valley

**F**ountain Valley, which contains the cities of Fountain, Widefield and Security, is experiencing an explosion of new construction at an astonishing pace. According to Realtor Brooke Mitchell, the demand for new homes is coming primarily from military families being redeployed to the Fort Carson and Peterson AFBs.

A quick survey of new homes shows them ranging from the mid-200s for a 4 bedroom, 2.5 bath, of 2600 sq. ft., to the low 300s for a 4-bedroom, 2.5 bath with 4000 sq. ft., to \$400,000 for a 4-bedroom, 3 bath 3100 sq. ft. on a quarter-acre lot.

If you are interested in buying a new home in Fountain Valley, don't rely on the agents in the builder's sales office—their primary mission is getting the best deal for the builder. Our agents will help negotiate the price, contract provisions and any amenities or additions you want in the best possible terms for you.

