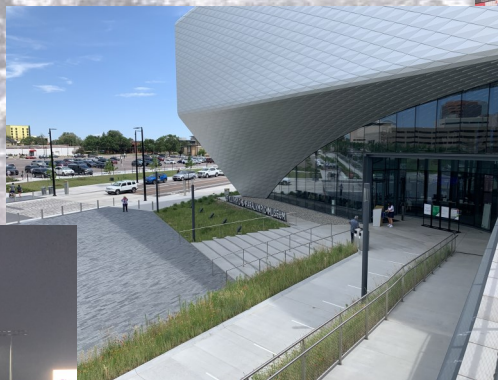


Colorado Springs Residential Real Estate

Annual Review of 2021

And 2022 Forecast



Looking Back at 2021

The local real estate market, along with the national market seem to be fully vaccinated and boosted as they had one of the most impressive years ever despite having to deal with a 2nd year of COVID.

As the year began, we had the fewest number of active listings ever recorded in our MLS with just 266 single family homes on the market. To put this in perspective, 5 years ago we had 1563 active listings and 10 years ago there were 3662. The scarcity of active listings definitely drove prices higher.

What is interesting and complicated to understand is that the lack of active listings was mostly due to massive demand, not so much the lack of new listings coming on the market. Our local MLS set a record for the most single family home closings in El Paso County at 14,929. We also saw more new listings come on the market than we have seen in over 10 years. Local builders continued to build a steady stream of new homes, but with huge demand there were often lines of people waiting to view a house and multiple offers became more of the norm.



However, the number of buyers in our market is well beyond the resale and new construction supply. This demand pushed home values in El Paso County up more than 18%. The average price for a home sold in 2021 was \$487,876 and the median was \$431,250.

Last year it felt like Colorado Springs “grew-up”. With the opening of new venues downtown like the U.S. Olympic & Paralympic Museum, Weidner Field (Switchbacks Stadium), and CC’s Robson Arena, the central business district is booming and now you don’t have to drive to Denver to see a professional sporting event or a top-notch concert or production. In downtown there have been thousands of new apartments built, a new grocery store, a couple of new hotels opened and nearly 50 new restaurants & shops. Like it or not, the new vibe of our downtown is a draw to people from the coasts, large cities, and even Denver.



The local tourism industry received a boost this past year as well, with the re-opening of two iconic attractions—the Pikes Peak Cog Railway and the Flying W Ranch Chuckwagon. We also saw the return of the Space Symposium which is the largest convention in town.

The end of the year ended much like last year with few homes on the market (just 458 at the time of this publication-of which 198 were resale homes-the rest were new construction), lots of multiple offers again, and record high prices. In fact, the average sales price for El Paso County in December hit a record high of \$511,439. We also saw the median price push to an all-time record of \$450,750.



Annual Review



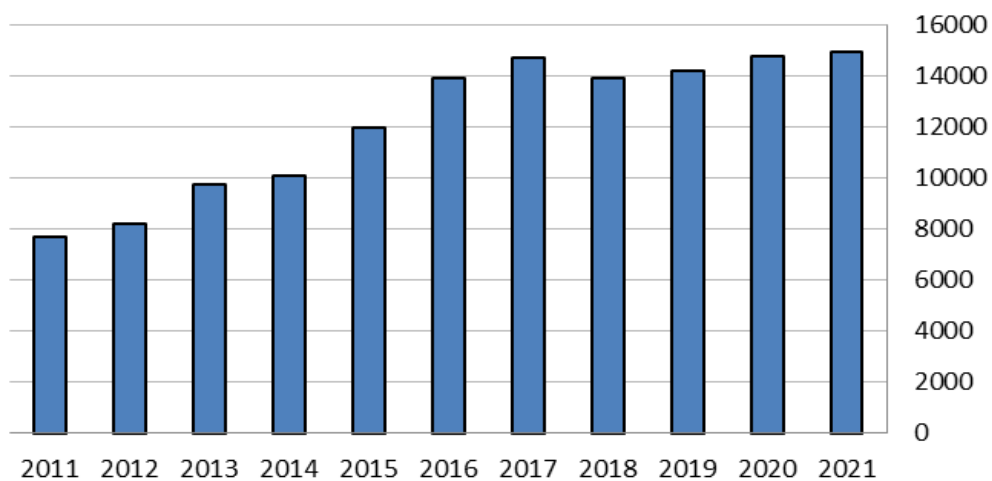
Annual Price Range Comparisons for Single Family & Patio Homes

This chart shows the performance of the market in different price ranges for the past year. In this chart Active Listings includes listings that were marked as active, under contract and pending in our MLS.

SINGLE FAMILY - ACTIVES INCLUDE UC & PENDING - EL PASO COUNTY ONLY

List Price	Actives	Solds	Days on Market	SP/LP	Inventory
Under \$100,000	0	6	4	100.0%	0.0
\$100,000 to \$199,999	7	67	11	100.0%	1.3
\$200,000 to \$299,999	43	651	4	100.9%	0.8
\$300,000 to \$399,999	280	4368	4	103.6%	0.8
\$400,000 to \$499,999	522	5179	4	103.0%	1.2
\$500,000 to \$599,999	234	2289	5	101.8%	1.2
\$600,000 to \$699,999	143	1255	5	100.8%	1.4
\$700,000 to \$799,999	90	581	5	100.2%	1.9
\$800,000 to \$899,999	63	364	7	100.0%	2.1
\$900,000 to \$999,999	48	212	6	100.0%	2.7
\$1 mil to \$1.50 mil	56	302	13	100.0%	2.2
\$1.5 mil to \$2.0 mil	17	50	24	98.1%	4.1
\$2.0 mil & above	32	39	39	97.8%	9.8

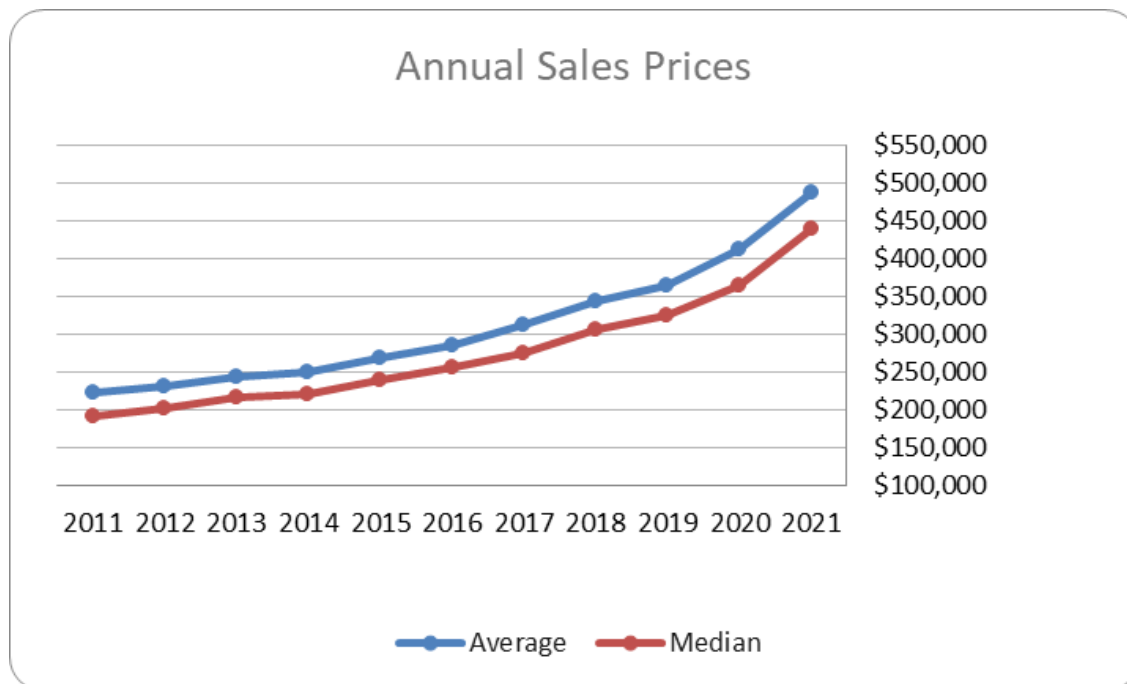
Annual Sales



The number of sold units is a great barometer to gauge the health of a market. In 2021 the total number of sales increased 126 units to 14,929, a new record.

Annual Review

The chart below shows the annual average & median sales prices for each calendar year over the past decade. Sales prices are the true “score” of the market. The average sales price for last year was \$487,876, while the highest average monthly price of the year was in December peaking at \$511,439.



Record low mortgage rates in 2021 gave buyers more buying power.



Primary Mortgage Market Survey®

U.S. weekly average mortgage rates as of 01/06/2022



Annual Review

This graph shows the annual appreciation/depreciation for existing homes in the Colorado Springs market. It is based on data collected by the Federal Housing Finance Agency.

ANNUAL APPRECIATION: COLORADO SPRINGS, CO

1992 - 2021 HOME PRICE INDEX

*NOTE: 2021 APPRECIATION RATES BASED ON ONLY JAN-SEP DATA

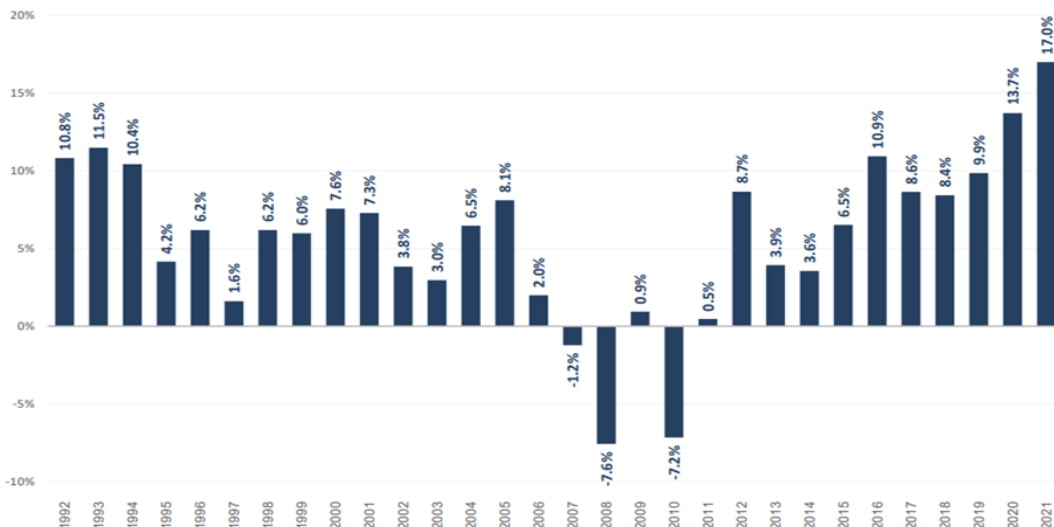
**APPRECIATION BASED ON PURCHASE ONLY DATA

AVERAGE ANNUAL APPRECIATION: **5.5%**

RECENT QUARTER APPRECIATION

4Q'20	1Q'21	2Q'21	3Q'21
6.00	3.90	6.68	5.58

FOCUS1ST
POWERED BY

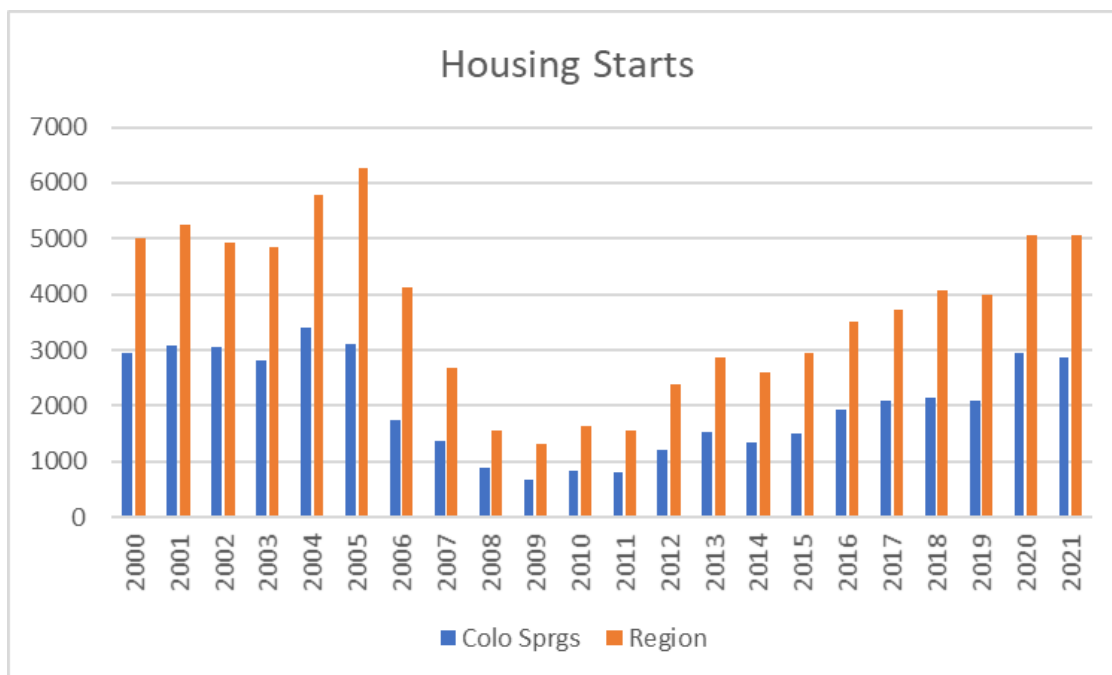


DATA REPORTED: 11/30/2021, SOURCE: WWW.FHFA.GOV

VISUAL POWER FOR REALTORS

www.focus1st.com

The building of new homes is another good indicator of where the market is headed. The number of new homes built in the area was strong but with current demand it needs to be higher.



Fun Facts From 2021 (El Paso County)

- ◇ Most expensive sale—An amazing home near The Broadmoor sold for \$8,000,000
- ◇ Largest home sold—The \$8,000,000 home was also the largest with 16,594 square feet
- ◇ Cheapest home sold—A single-wide in Ramah on a foundation sold for \$52,000
- ◇ Smallest home to sell—In old town Fountain a 400 square foot home sold

Quick Hits From 2021 (El Paso County)

- ◇ Number of units sold was an all-time high at 14,929 (up 1%)
- ◇ Average sales prices for the year were \$487,876 (up 18%)
- ◇ The median sales price for 2021 was \$431,250 (up 18%)
- ◇ Inventory levels for the year averaged just 2 weeks
- ◇ New home permits hit 2862 for Colorado Springs (down 3%)
- ◇ New home permits for all El Paso & Teller Counties were 5073 (flat)
- ◇ 391 homes sold for \$1,000,000 or more (just 38 in 2015)
- ◇ 73 homes sold for under \$200,000 (3,736 in 2015)
- ◇ Mortgage rates hit an all-time low of 2.65% in January, and peaked in April at 3.18%

Why Olympic City USA Is Such A Great Place To Live

- ◇ Home to the United States Air Force Academy, US Olympic Committee, Northern Command, NORAD, US Space Force, Space Foundation, and 23 Olympic NGB's and the newly opened US Olympic and Paralympic Museum
- ◇ In 2021 downtown Colorado Springs opened the U.S Olympic and Paralympic Museum, Weidner Field and CC's Robson Arena
- ◇ Outstanding higher education institutions; US Air Force Academy, University of Colorado at Colorado Springs, Colorado College, and Pikes Peak Community College
- ◇ Diverse industries including, Aerospace, Healthcare, Cybersecurity, Defense Technology, Military, Manufacturing, and Sports, to name a few
- ◇ World class trails for hiking and biking
- ◇ Excellent business climate—highly educated workforce, high-tech infrastructure, and local airport
- ◇ Excellent climate with over 300 days of sunshine
- ◇ Centrally located to all Colorado has to offer; skiing, river rafting, "Jeep-ing", ghost towns, hiking & biking

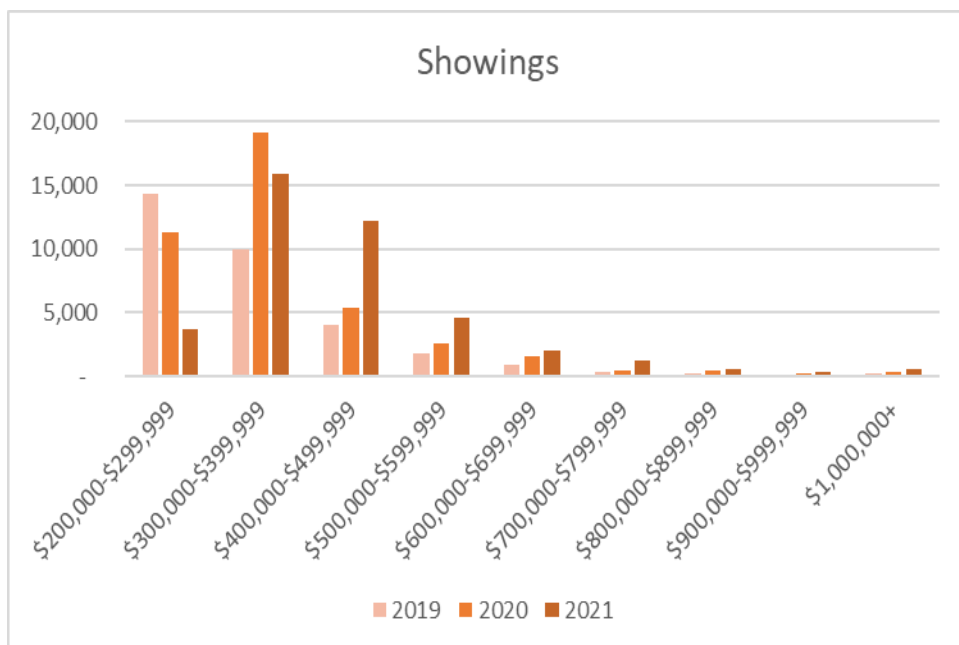
4th Quarter 2021



By looking back at the most recent quarter you can better understand exactly where the market is today and what trends we are beginning to see.

Since 2016, the number of listings on the market has been very low. However, the drop we saw last year, and in particular over the last quarter, was even more dramatic. In 2020 there was an average of 484 active listings on the market in El Paso County during the 4th Quarter. This past quarter this number bumped up just a bit to 556 single-family homes on the market. And if you take out new construction homes, that number consistently drops another 200 homes! Last year, we said that the lack of listings was best described as a “scarcity”. I guess this year we categorize the lack of homes on the market as “extremely deficient”!

As the 4th Quarter started, it seemed like the market was calming as inventory levels began to approach 20 days. However, by the end of December we started seeing multiple offers again and the inventory shrunk back to under 2 weeks. This pushed prices to all-time records as the average sales price for December hit \$511,439 and the median was \$450,750. This was an 18% jump from the same period last year.



Looking back at the total number of showings the last 3 years helps us gauge the demand. As you can see the most active price range has increased from \$200k-\$299k to \$300k-\$399k. It is likely that in 2022 it will move up to \$400k-\$499k.

Total number of showings each year;

-2019 was 32,074

-2020 hit 41,466

-2021 dipped to 41,119

The drop in annual showings this year is likely due to the lack of homes to show.

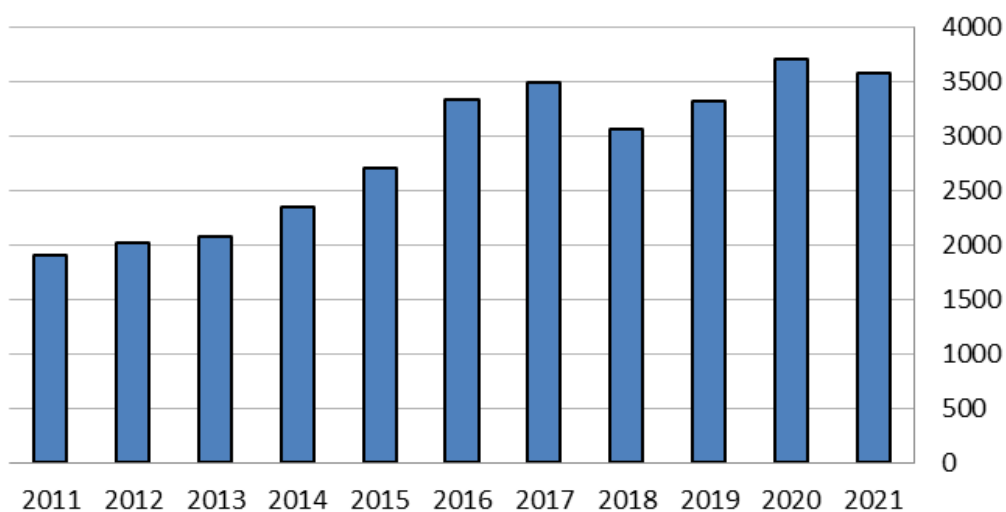
Annual Price Comparisons for Single Family & Patio Homes

This chart shows the performance of the market in different price ranges for 2021. In this chart Active Listings includes listings that were marked as active, under contract and pending in our MLS.

SINGLE FAMILY - ACTIVES INCLUDE UC & PENDING - EL PASO COUNTY ONLY

List Price	Actives	Under Contract	Solds	Days on Market	SP/LP	Inventory
Under \$100,000	0	0	0	n/a	n/a	n/a
\$100,000 to \$199,999	2	5	14	5	100.0%	0.4
\$200,000 to \$299,999	12	28	114	6	100.0%	0.3
\$300,000 to \$399,999	38	240	909	4	101.5%	0.1
\$400,000 to \$499,999	109	407	1339	4	101.3%	0.2
\$500,000 to \$599,999	63	173	580	5	100.9%	0.3
\$600,000 to \$699,999	44	98	327	6	100.0%	0.4
\$700,000 to \$799,999	31	58	156	7	100.0%	0.6
\$800,000 to \$899,999	26	36	100	11	100.0%	0.8
\$900,000 to \$999,999	29	19	55	13	100.0%	1.6
\$1 mil to \$1.50 mil	26	33	76	35	97.3%	1.0
\$1.5 mil to \$2.0 mil	9	8	16	14	98.8%	1.7
\$2.0 mil & above	24	8	13	44	100.0%	5.5

Quarterly Sales

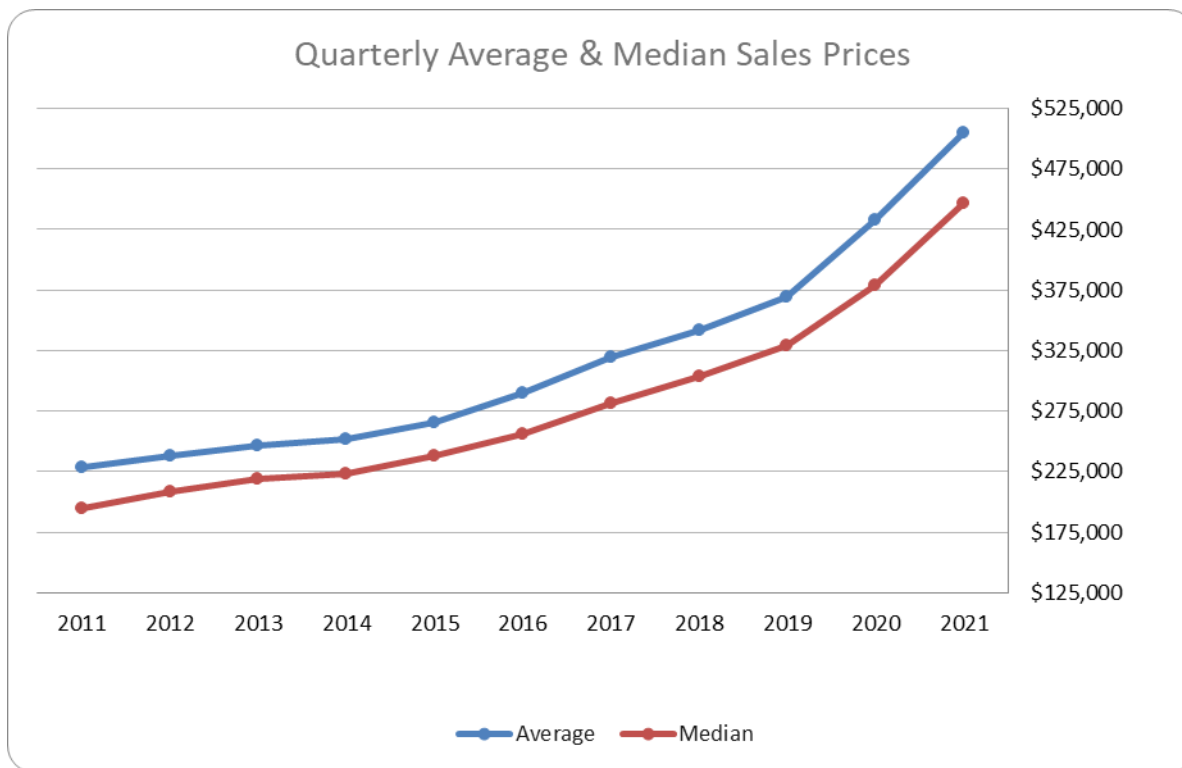


The number of sold units is a great barometer to gauge the health of a market. In 2021 the total number of sales in the 4th Quarter decreased 134 units to 3573.

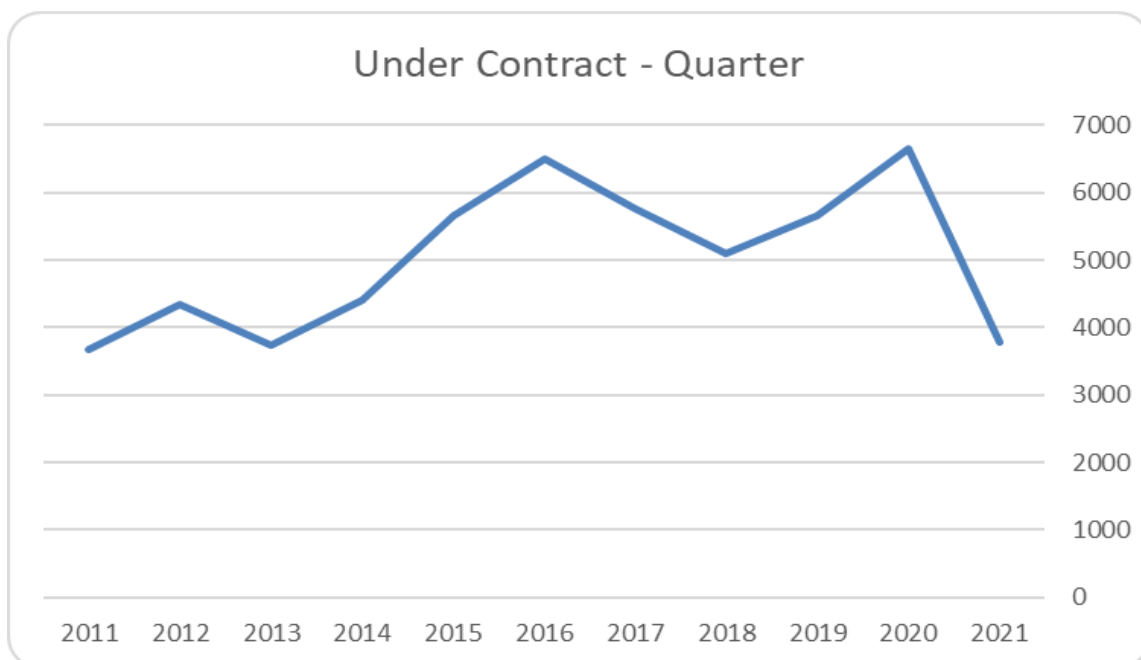
4th Quarter



The chart below shows the annual average & median sales prices for the 4th Quarter over the past 10 years. Sales prices are the true "score" of the market.



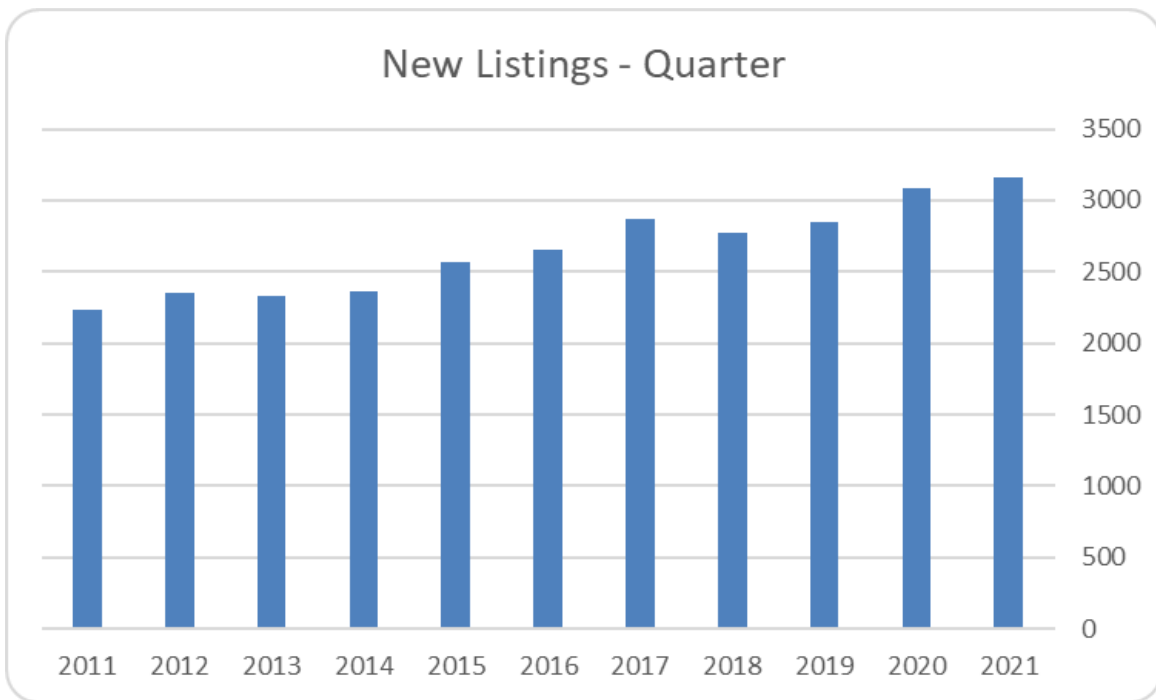
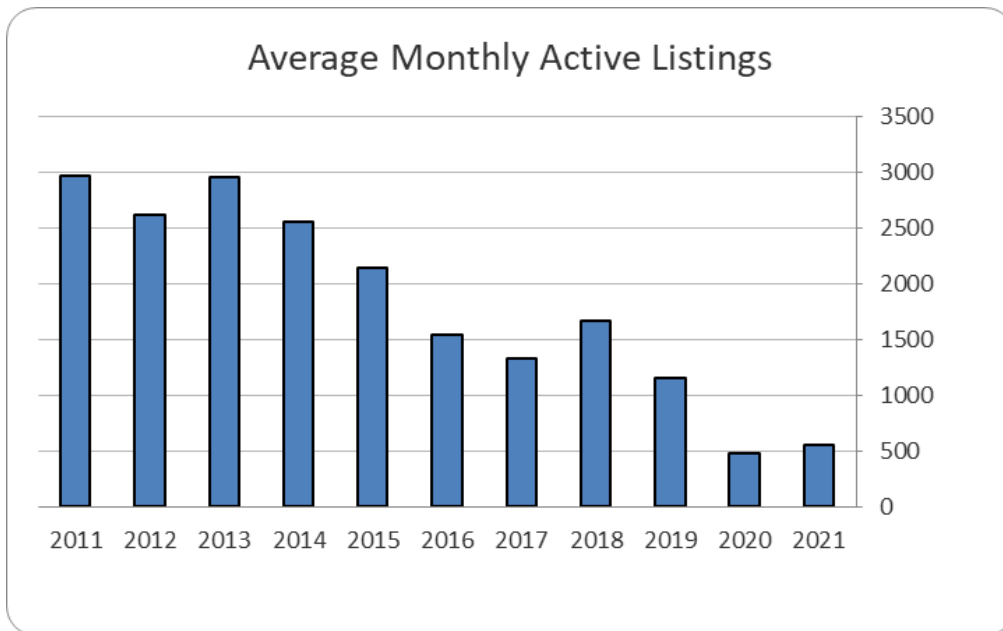
Here is what is currently under contract in the Pikes Peak MLS. Most under contract homes close within 45 days so it is a good way to forecast the short term.



Looking Forward



The graph below shows the average number of active listings on the market for the last quarter. As you can see we are near all-time lows again.



The graph below shows the total number of new listing input into the MLS for the quarter. As you can see this past quarter more new listings hit the market than the previous 10 years.

Looking Forward To 2022

"Looking into our crystal ball"

As the year begins, it looks an awful lot like it did 365 days ago—extremely low inventory, low mortgage rates and a booming local economy. We do expect 2022 to be another record year but we aren't expecting prices to jump another 18%.

What will make our market a little more reasonable is the level of demand. Last year we saw massive demand as locals chose to stay in the area and out of towners realized how awesome the Pikes Peak region is. We expect migration to the area to slow some and mortgage rates will move up from their record lows below 3% to somewhere around 4% which will reduce the buyer pool modestly.



We also expect the number of listings coming on the market to improve slightly. Some investors who were a little over-zealous in the last few years will likely sell many of their properties. This includes mega investor Zillow who we expect will divest itself of hundreds of properties they purchased locally this year.

When you combine slightly fewer buyers with slightly more listings, inventory will relax some—BUT it will continue to be a "Seller's Market" locally. However, those homes under \$500,000 that saw 20+ offers early last summer will more likely see 5-10 offers and rather than see close to 20% appreciation, we expect the local real estate market to gain 10%-13% in 2022.

Tips for Buyers in 2022—Local buyers will continue to see tight inventory with the better homes still selling in less than a week with multiple offers. Buyers need to "lean" on their buyer's agent for education on the market in your price range, be ready to "pounce" with a pre-approval from a reputable local lender and maybe most importantly stay patient & persistent until you have success.

Tips for Sellers in 2022—If you are planning to sell soon, it rarely makes sense to update or modernize your home as you will spend more money updating than you will get in a greater sales price. You should plan to make all repairs inside and outside your home—Things like damaged flooring, trim, touch-up paint, fence repairs and more should be fixed. Once you are ready to put your house on the market it is time to de-clutter, stage and clean your home, your agent can assist you with these steps. And be sure to update your research on the most recent sales to make sure you price your home appropriately so you get maximum exposure.

We think this year will be another record year for the local real estate market but not quite like 2021. Mortgage rates will likely approach 4% which will put some buyers on the sidelines. The number of new listings to hit the market will climb modestly which will help inventory levels bump up just a bit. Because of this, we expect prices will jump 10%-13% in 2022.

We look forward to serving you in 2022,

Michelle & Eddie



The Blessing|Hurt Team

In 2018 Michelle & Eddie joined forces. Every year since, they have been the highest producing team for ERA Shields Real Estate as well as ERA International in the mountain region. They have ranked as one of the top 25 teams throughout the country for ERA International.

ERA Shields Real Estate

Handles more relocation business than any other firm in the Pikes Peak region. We are a Principle Broker for Cartus (the world's largest Relocation company) which handles nearly 160,000 transfers each year across 165 countries.

The Blessing|Hurt Team

Michelle & Eddie have more than 40 years of experience as REALTORS. They both have spent their entire careers with ERA Shields Real Estate.

ERA Shields Real Estate

is the #1 top producing company in the Mountain Region and a top 15 company across North America for ERA Real Estate. ERA Real Estate is a GLOBAL real estate franchise with 31,000 sales associates in 1800 offices located in 36 countries. ERA has a long history in residential real estate bringing technology and services to its agent base which allows them to serve their clients in today's world. ERA is an affiliate of Realogy, the largest real estate company in the world which also owns Sotheby's, Coldwell Banker, Century 21 and Better Homes & Gardens.

The Blessing|Hurt Team & ERA Shields Real Estate

are committed to our COMMUNITY. Michelle & Eddie are involved with The Rocky Mountain Women's Film Festival, Discover Goodwill, School District 11, and B-Elite Soccer to name a few. Our TEAM at ERA Shields has volunteered across our COMMUNITY more than 2000 hours and we are a past recipient of The Community Kindness Award & ERA's Ed Bilinkas Award. We believe investing in our COMMUNITY is good business.



The data found within the ERA Shields Real Estate Annual Review is based on information from the Pikes Peak REALTOR® Services Corporation (RSC) or its PPMLS, El Paso County Trustee, and Pikes Peak Regional Building Department. This content is deemed reliable; however RSC, PPMLS and ERA Shields Real Estate do not guarantee its accuracy. Data maintained by RSC does not reflect all real estate activity in the market.