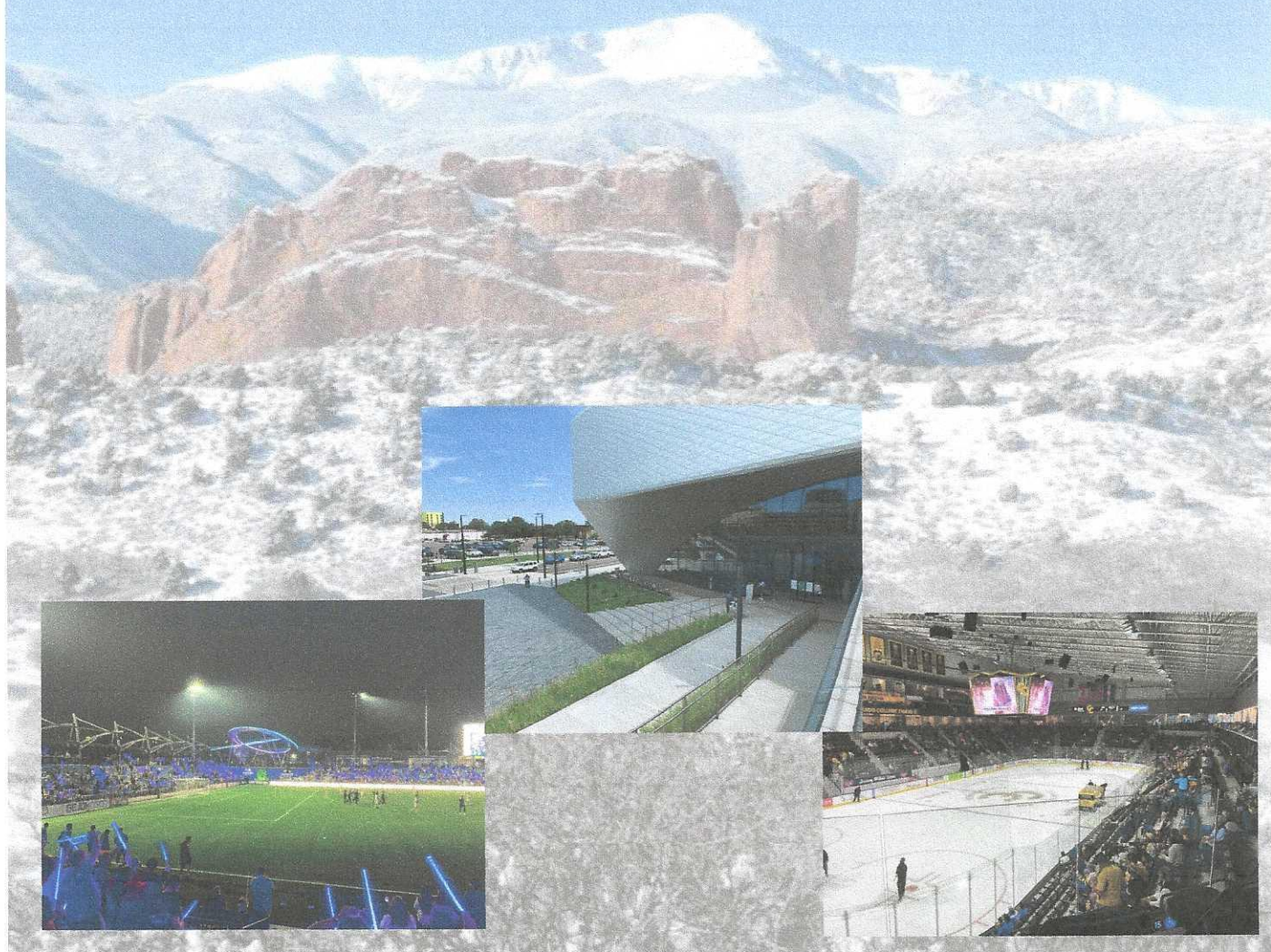




**Colorado Springs Residential Real Estate**  
**2023 Annual Review**  
**2024 Forecast**





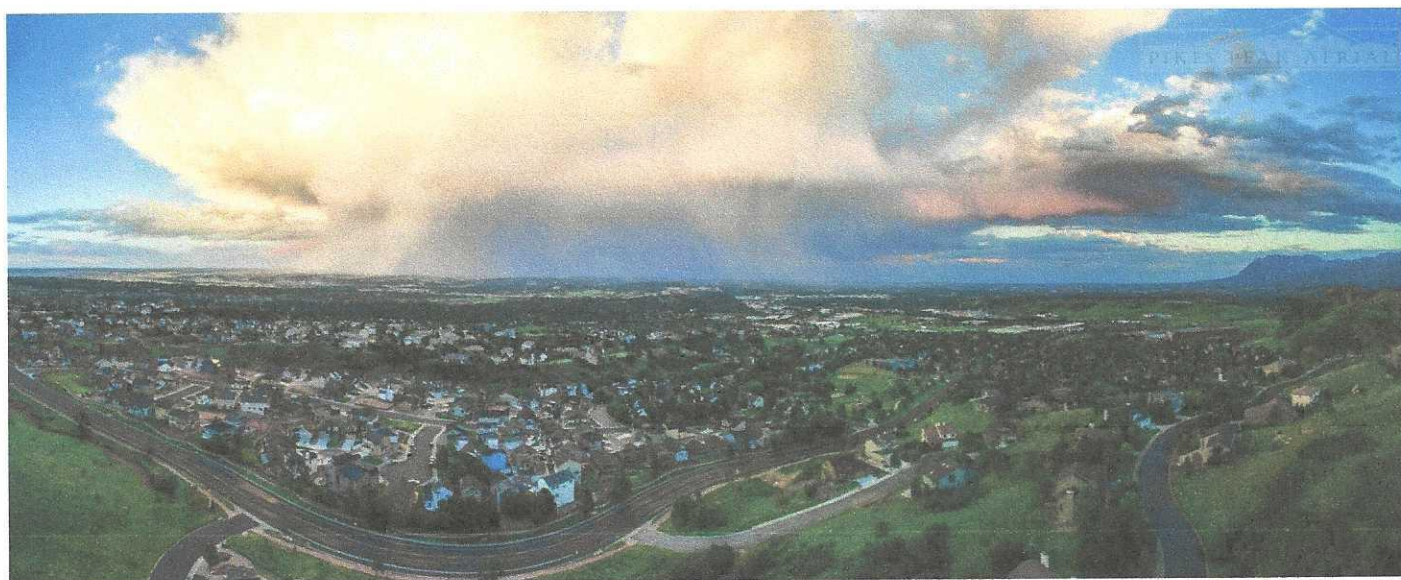
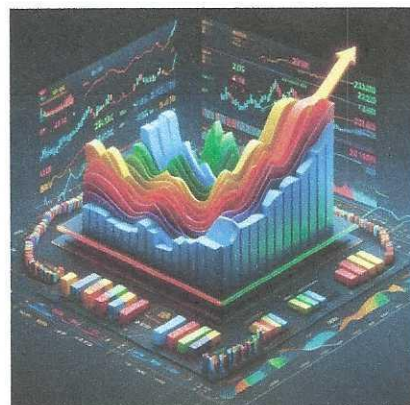
## Looking Back at 2023

During the first quarter of 2023, we saw our local real estate market adjust substantially and rapidly. The key metrics we track showed a shift from a robust seller's market towards a more balanced market. The surge in mortgage rates over the past couple of years put buyers and sellers on the sidelines. Buyers were still getting used to these new rates above 6% which negatively impacted their buying power compared to 2021 and early 2022. Sellers, on the other hand, were hesitant to put their homes on the market as they were reluctant to give up their ultra low mortgage rate for a new rate which has more than doubled. Consequently, sales prices slipped ever so slightly during this period.

The second quarter saw the market peak for the year with a modest 3000 home sales— down about 25% from the year before. This persistent lack of new listings is what prevented significant declines in sales prices.

The big news during the 3rd quarter was the half-point rise in mortgage rates to 7.3%. This led to a 4th quarter slump in sales to a level not seen in over a decade. Fortunately, the lack of new listings mitigated the impact, allowing sales prices to increase modestly.

The year concluded on a positive note, thanks to the drop in mortgage rates from nearly 8% to 6.6%. The improved rates gave buyers about 15% more buying power, resulting in increased activity over the final months of the year. Prices during the last quarter saw an uptick of about 4%.





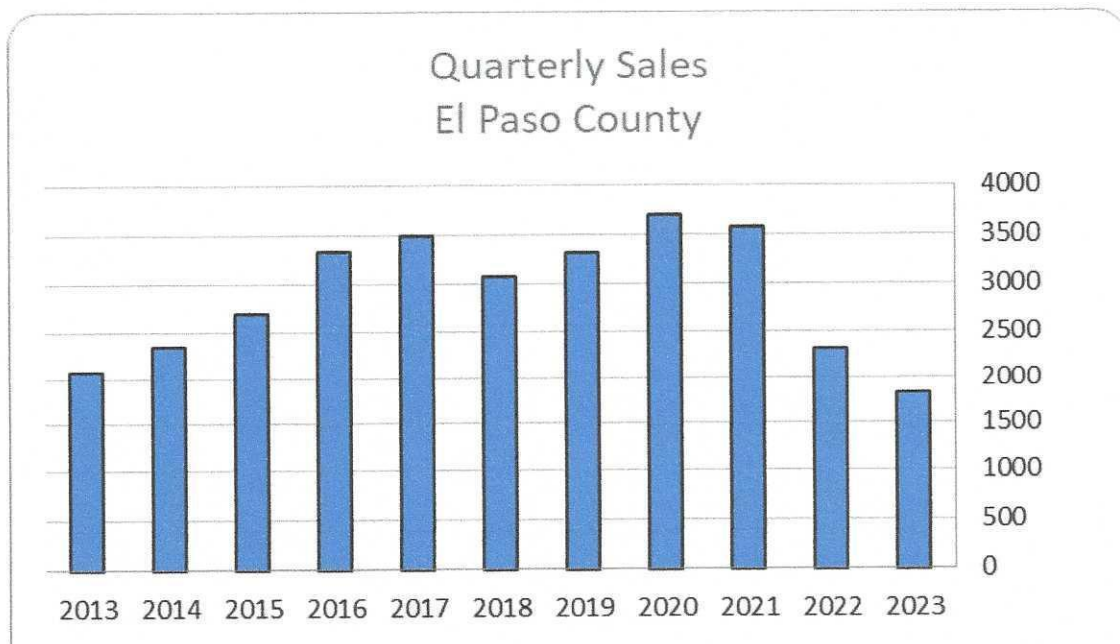
## 4th Quarter 2023 –Trends

### Quarterly Price Comparisons for Single Family & Patio Homes

This chart shows the performance of the market in different price ranges for the 4th Quarter.  
The Days on Market more than doubled when compared to last year.

#### SINGLE FAMILY - EL PASO COUNTY ONLY

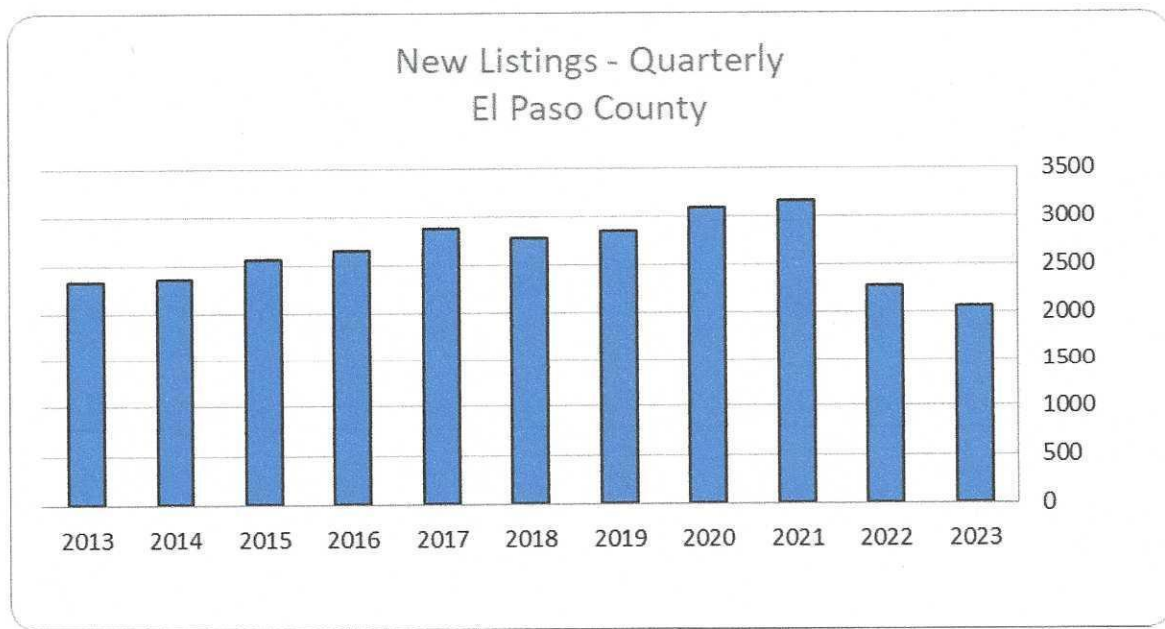
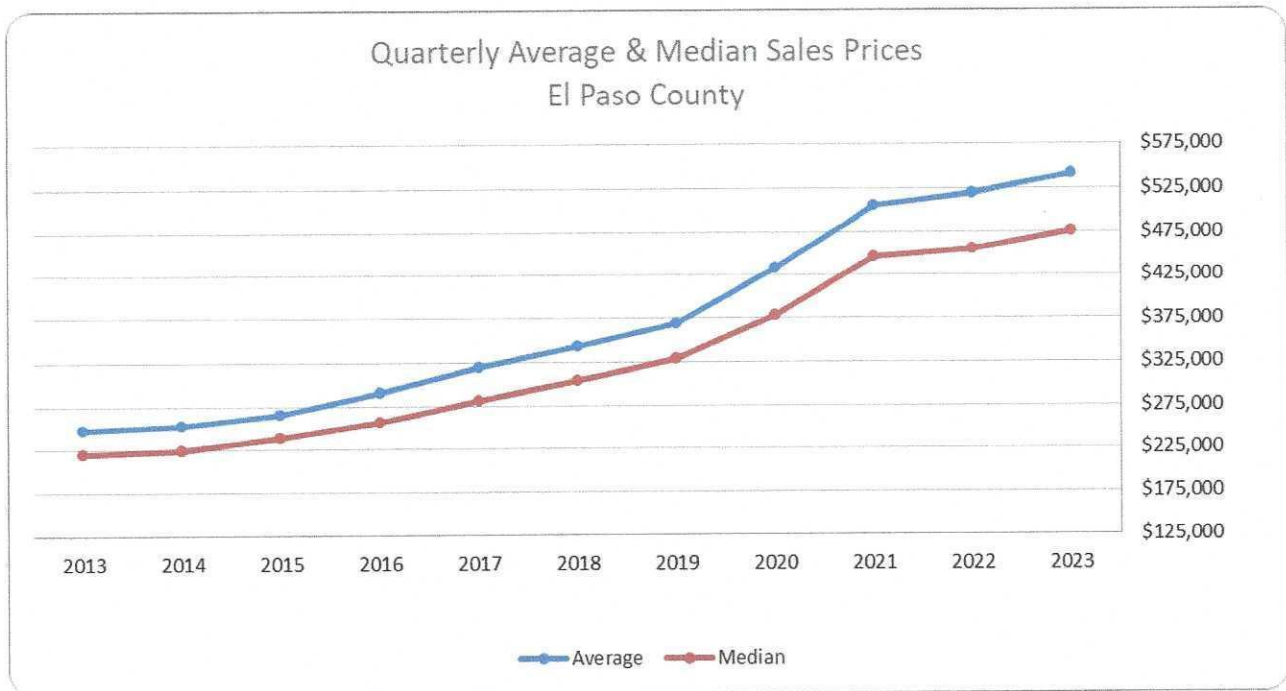
List Price	Active	Under Contract	Solds	Days on Market	SP/LP	Inventory
\$200,000 to \$299,999	27	24	63	33	97.1%	1.3
\$300,000 to \$399,999	214	161	373	38	99.5%	1.7
\$400,000 to \$499,999	372	207	596	40	99.7%	1.9
\$500,000 to \$599,999	219	109	335	53	99.6%	2.0
\$600,000 to \$699,999	161	62	167	49	98.9%	2.9
\$700,000 to \$799,999	126	35	86	54	98.9%	4.4
\$800,000 to \$899,999	62	22	72	61	98.6%	2.6
\$900,000 to \$999,999	42	17	42	61	98.1%	3.0
\$1 mil to \$1.25 mil	52	18	46	51	97.8%	3.4
\$1.25 mil to \$1.50 mil	31	11	21	56	95.7%	4.4
\$1.5 mil to \$1.75 mil	15	4	9	44	91.3%	5.0
\$1.75 mil to 2.0 mil	15	3	5	105	91.5%	9.0
\$2.0 mil and up	29	3	5	67	95.5%	17.4



The number of sold units is a great barometer to gauge the health of a market.  
The total number of sales in the 4th Quarter decreased by 500 units (21%).

## 4th Quarter 2023—Trends

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.



The graph above shows the total number of new listings input into the MLS during the last quarter. It clearly shows the drop in new listings to the lowest level in more than 10 years.



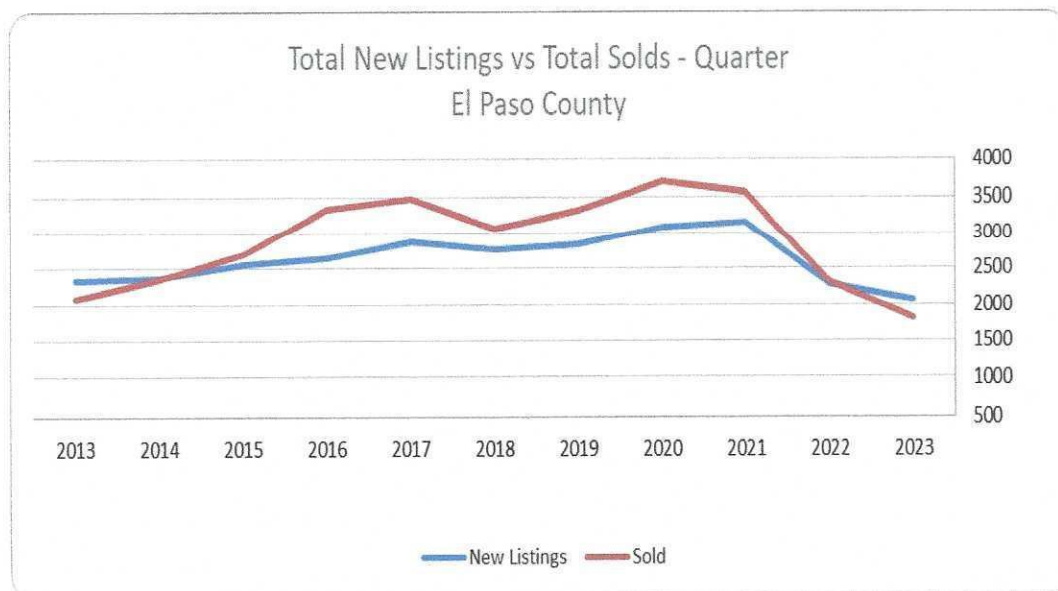
## 4th Quarter 2023—Trends

The final quarter of 2023 appears to have laid a sturdy foundation for the upcoming year. Most of the key metrics we monitor have stabilized and are exhibiting only single-digit fluctuations for the first time in several years:

- Active listings have decreased by approximately 4%
- New listings were down only 10% compared to 25% for most of 2023
- Sales prices rose nearly 4%
- Inventory increased nearly 15% (still too low)
- Under contracts were down 8%
- Mortgage rates seem to be stabilizing in the mid-6's
- Sales units were down nearly 15% (much better than the 25%+ we saw much of 2023)

Analyzing quarterly data allows us to really see trends. There seems to be a few “new normal” themes as we step into 2024:

- ⇒ Mortgage rates in the 6's are palatable to more buyers
- ⇒ Increased inventory levels of 2-3 months is better, but still favors sellers
- ⇒ Well priced listings, in excellent condition and in good locations will sell rapidly



This graph compares the total new listings to the number of sales. When the number of sales is lower than the number of new listings, the inventory is increasing.

# Looking Back at 2023

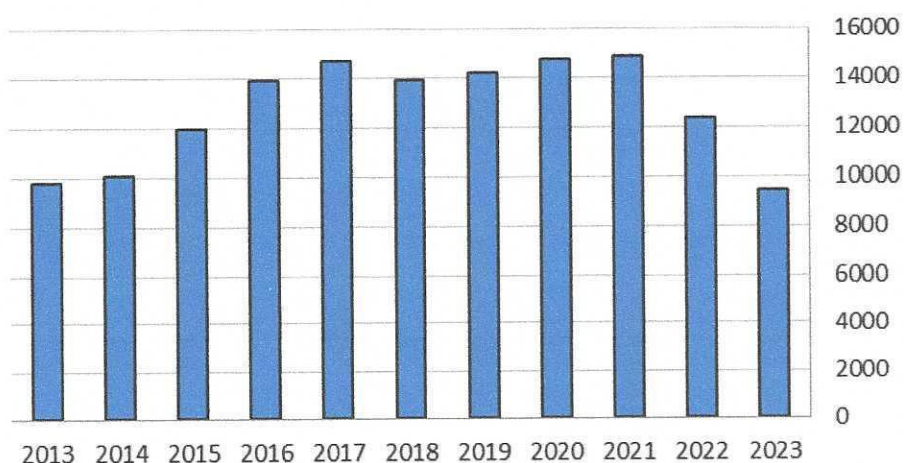
## Annual Price Range Comparisons for Single Family & Patio Homes

This chart shows the performance of the market in different price ranges over the entire past year. We analyze annual data mostly for comparison and to quickly gain some objectivity.

### SINGLE FAMILY - EL PASO COUNTY ONLY

List Price	Active	Under Contract	Solds	Days on Market	SP/LP	Inventory
\$200,000 to \$299,999	27	24	283	30	96.5%	1.1
\$300,000 to \$399,999	214	161	1986	31	99.7%	1.3
\$400,000 to \$499,999	372	207	3117	35	99.9%	1.4
\$500,000 to \$599,999	219	109	1695	44	99.5%	1.6
\$600,000 to \$699,999	161	62	921	44	99.4%	2.1
\$700,000 to \$799,999	126	35	555	54	99.3%	2.7
\$800,000 to \$899,999	62	22	353	58	99.0%	2.1
\$900,000 to \$999,999	42	17	173	58	98.6%	2.9
\$1 mil to \$1.25 mil	52	18	353	58	98.9%	1.8
\$1.25 mil to \$1.50 mil	31	11	104	55	98.6%	3.6
\$1.5 mil to \$1.75 mil	15	4	42	54	97.3%	4.3
\$1.75 mil to 2.0 mil	15	3	25	78	95.1%	7.2
\$2.0 mil and up	29	3	29	68	95.7%	12.0

### Annual Sales - El Paso County

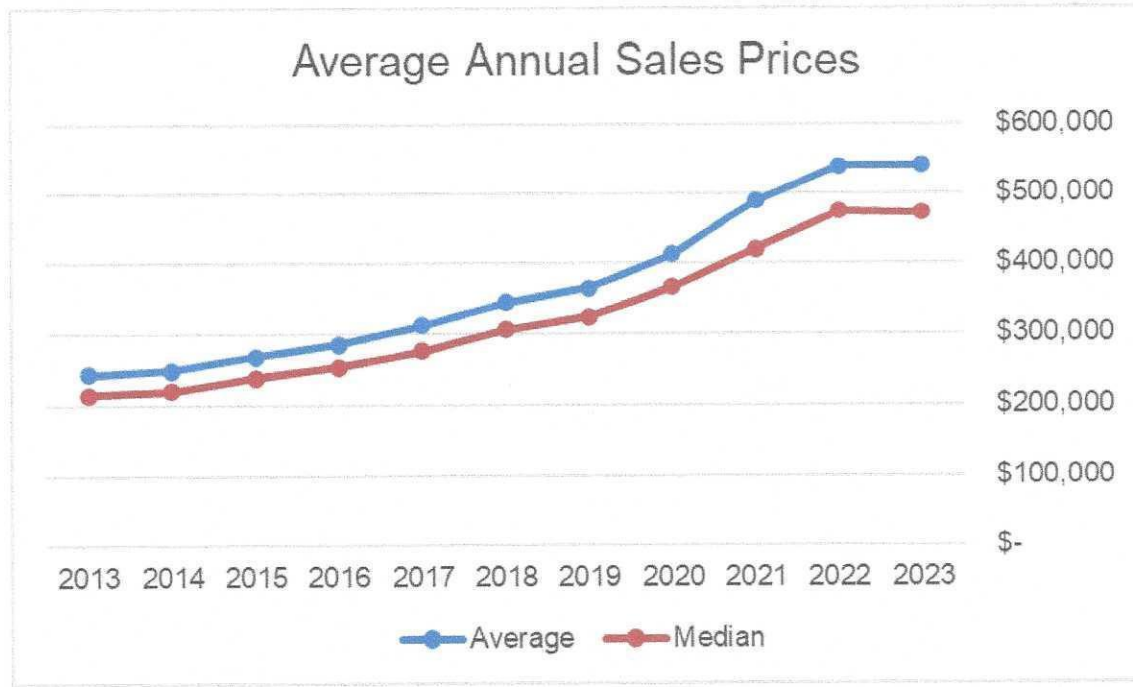


The number of sold units is a great barometer to gauge the health of a market. Last year, the total number of sales decreased nearly 3000 units (23%).



## Looking Back at 2023

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. Last year the average sales price and average median sales price were both flat (.3% and .4% respectively).

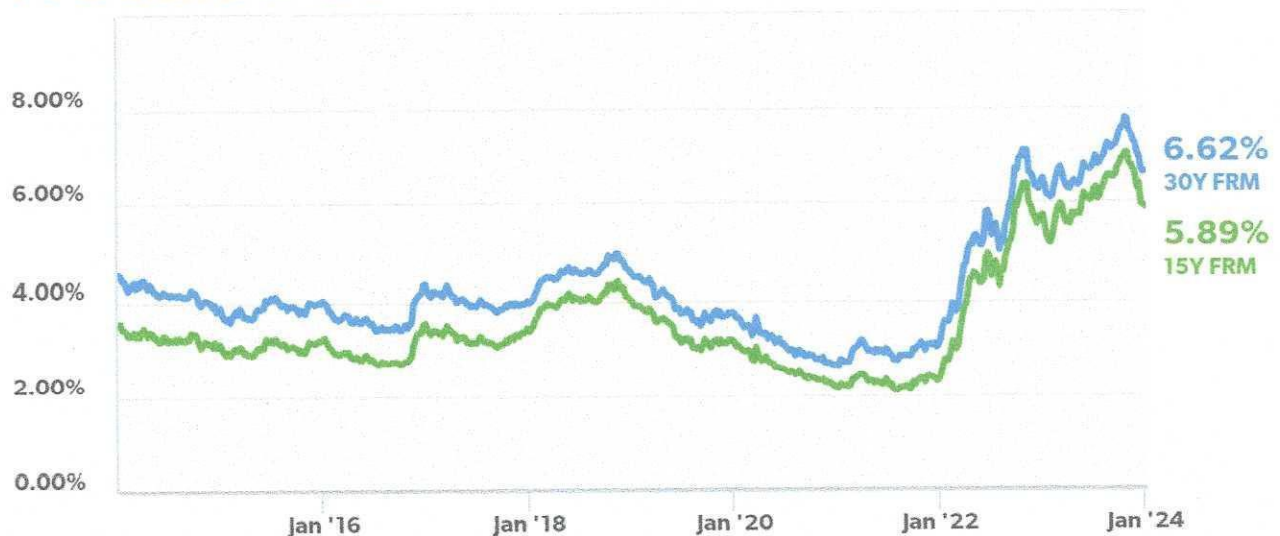


Rates in October 2023 hit 7.76%, but by the end of the year they dropped to 6.61%. A good rule of thumb is when rates move up or down a full percentage point, the affect to a buyer's buying power is about 10%.



### Primary Mortgage Market Survey®

U.S. weekly average mortgage rates as of 01/04/2024



# Looking Back at 2023

This graph shows the annual appreciation/depreciation for all 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 - 2023 HOME PRICE INDEX

\*NOTE: 2023 APPRECIATION RATES BASED ON ONLY JAN-SEP DATA

\*\*APPRECIATION BASED ON PURCHASE ONLY DATA

AVERAGE ANNUAL APPRECIATION: **5.9%**

20%

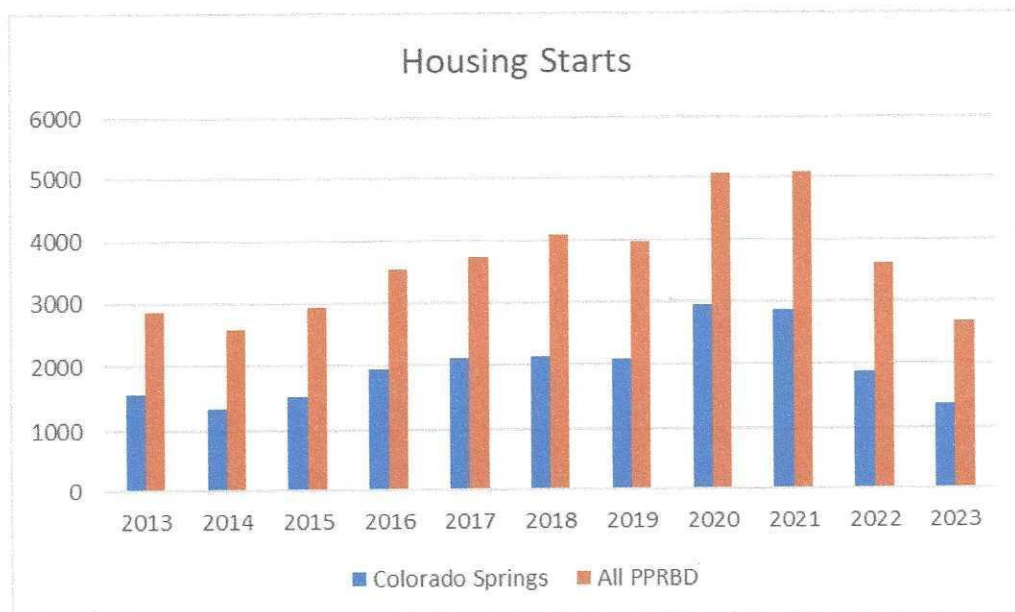
### RECENT QUARTER APPRECIATION

4Q'22	1Q'23	2Q'23	3Q'23
-1.65	-1.24	0.77	2.08



DATA REPORTED: 11/29/2023, SOURCE: WWW.FHFA.GOV

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 down significantly when compared to the last two years.





# Looking Back at 2023

## Fun Facts From 2023 (El Paso County)

- ◇ Most expensive sale—A home near Black Forest on 28 acres sold for \$4,500,000.
- ◇ Largest home sold—An estate home (pictured) across from The Broadmoor Hotel had 12,134 square feet, 7 bedrooms, 12 bathrooms and a 4-car garage.
- ◇ Cheapest home sold—The town of Ramah takes bragging rights for the 3rd year in a row with the sale of a single family home for \$55,000.
- ◇ Smallest home to sell—A cozy little cottage with just 464 square feet near Old Colorado City.

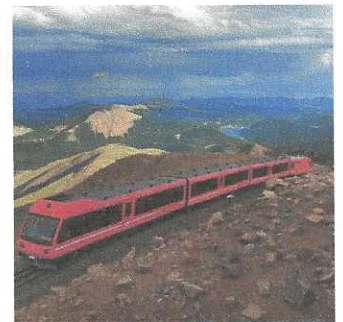


## Quick Hits From 2023 (El Paso County)

- ◇ Number of units sold was 9,471, a drop of 2874 (↓23%) units from last year
- ◇ Average sales price for the year was \$539,342 an increase of \$1733 (↑.03%)
- ◇ The median sales price was \$471,524, down \$2033 (↓0.4%)
- ◇ The number of active single family listings on 1/1/2024 compared to 1/1/2023 slipped 59 units to 1347
- ◇ Inventory levels for the year averaged just under 8 weeks, compared to just 5 weeks in 2022
- ◇ New home permits totaled 2665, down 940 units (26%)

## Why Olympic City USA Is Such A Great Place To Live

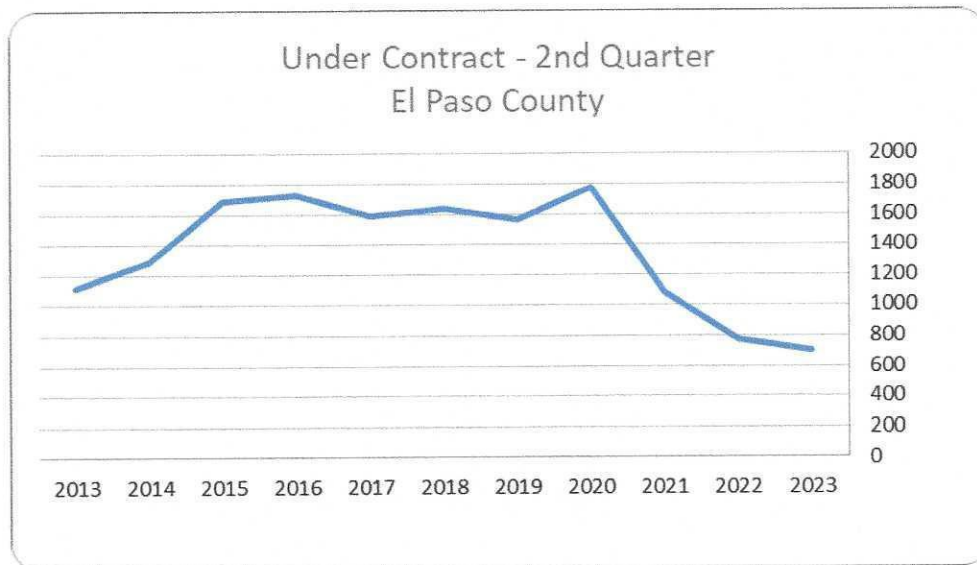
- ◇ Home to the United States Air Force Academy, US Space Command, Fort Carson, Peterson AFB, Schriever AFB, US Olympic Committee & 23 Olympic NGB's, US Olympic Training Center, Northern Command, NORAD, Garden of the Gods Park, US Olympic and Paralympic Museum, Cheyenne Mountain Zoo, Pro Rodeo Hall of Fame, Space Foundation
- ◇ Outstanding higher education institutions; US Air Force Academy, University of Colorado at Colorado Springs, Colorado College, and Pikes Peak State College
- ◇ Diverse industries including Aerospace, Healthcare, Cybersecurity, Defense Technology, Military, Manufacturing, Sports, and Tourism
- ◇ Remarkable event venues including The Broadmoor Resort Hotel & Convention Center, Fine Arts Center, The Broadmoor World Arena & Pikes Peak Center, Weidner Field, Robson Arena, and the ENT Center for Performing Arts
- ◇ Excellent business climate—highly educated workforce, high-tech infrastructure, and local airport
- ◇ World-class trails for hiking and biking
- ◇ Centrally located to allow residents the opportunity to enjoy all Colorado has to offer





# Looking Forward 2024

Here is what is currently under contract in the Pikes Peak MLS.  
Most under contract homes close within 30-45 days.



The graph above shows the average number of active listings on the market over the last quarter. Inventory has improved since 2021, but is still well below traditional levels.



# Looking Forward To 2024

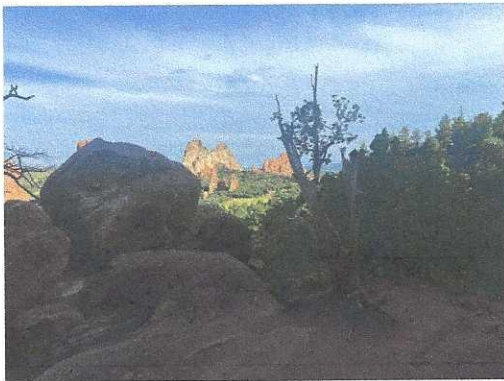
## "Looking into our crystal ball"

One year ago, we predicted the local real estate market would increase 1%-3% in values, inventory would improve slightly, and there would be a 5% bump in total sales. We were correct with the first two, but missed the mark on the number of sales as we underestimated the impact of ultra-low mortgage rates on sellers, convincing many to postpone selling.

Looking ahead to 2024, we anticipate a landscape similar to 2023, characterized by persistently low inventory which will again hinder the number of sales. Prices will see modest gains, while mortgage rates will fluctuate in the 6% range. Buyers & sellers are more comfortable with these rates and we expect more of them to jump into the market.



In the Pikes Peak Region, we anticipate the economy to sustain its slow and steady rebound. We will begin to see the addition of several thousand high-tech jobs which pay above the median salary for El Paso County. The allure of Colorado Springs and the broader Front Range persists, attracting individuals with its climate, outdoor recreation, increased job opportunities, and expanded cultural offerings.



Similar to many U.S. cities, the Colorado Springs Metro Area faces a shortage of available homes (single-family, townhomes, condos). In fact, our inventory is lower than most, and in 2024, we do not foresee a surge in the construction of homes to alleviate this issue. The lack of ownership opportunities will continue the trend of more apartment development for the foreseeable future.

For Buyers in 2024, navigating this market involves acting swiftly, especially for homes in excellent condition and priced competitively. To position yourself favorably, obtain a list of reputable local lenders from your REALTOR and secure a pre-approval before house hunting. Also, be sure your agent possesses the necessary experience and negotiation skills to guide you to a successful closing.

Sellers in 2024 should focus on getting their home in pristine condition and make sure they are priced competitively and strategically. Websites like Zillow are a good place to start but often times they are not very accurate. You also need to identify comparable homes and make adjustments for factors such as condition, size, amenities, and current market conditions to determine an accurate value for your property.



## ERA Shields Real Estate

was founded in 1985. The firm is locally owned and comprised of a TEAM of nearly 100 individual real estate brokers who work TOGETHER to provide professional real estate services. Our offices are designed to enhance the SYNERGY amongst our TEAM as we continually set the bar for success in real estate.

## 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.

## 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 Anywhere Real Estate, the largest real estate company in the world which also owns Sotheby's, Coldwell Banker, Century 21 and Better Homes & Gardens.

## ERA Shields Real Estate

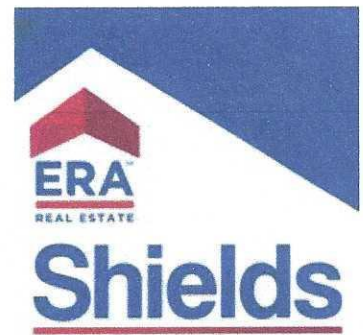
is an award-winning residential real estate company in the Pikes Peak region. Annually we are recognized locally & nationally for our service, production and involvement in our COMMUNITY. Our agents are full-time professionals working to be *Your Trusted Advisor*.

## ERA Shields Real Estate

is committed to the COMMUNITY. Our TEAM volunteered across our COMMUNITY more than 2000 hours and we are a past recipient of The Community Kindness Award & ERA's Ed Bilinkas Award. Investing in our COMMUNITY is good business.

## ERA Shields Real Estate

is a recognized leader in real estate. Locally, our team boasts 4 past presidents for PPAR, past NAR vice president, past president of CAR, and 2 past presidents of ERA Colorado Broker Council. Nationally we have been on the USAA MoversAdvantage Advisory Council, CARTUS Relocation Director Advisory Board, ERA's Advisory Board and Directors with NAR.



*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 CountyTrustee, 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.*