



Photo by Helen Robinson

# Sizzling real estate market spawns strong industry

Colorado Springs home prices are skyrocketing as homebuyers battle over limited inventory. With bidding wars becoming the norm, brokers are having to work harder – and smarter – to win houses and close deals.

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By Jeanne Davant

**O**n Jan. 4, only 341 single family detached homes in all price categories were for sale in El Paso County. Also listed that day were eight patio homes, 34 townhomes and 16 condos.

Harry Salzman, broker/owner at Salzman Real Estate Services Ltd. and an agent at ERA Shields Real Estate, pulled that data from the Colorado Multiple Listing Service.

In a county with a population currently estimated by the U.S. Census Bureau at more than 720,000, those figures reveal that homes are getting snapped up.

Another way to look at the local home market is months-supply data — the number of months it would take for current inventory on the market to sell, given the current pace.

At the market's high end — \$1 million-\$5 million — there are 6½ months' worth of inventory, said George Nehme, owner of The Nehme Team and 2021 Pikes Peak Association of Realtors board chair.

At \$750,000-\$1 million, inventory stands at 1.83 months. Below \$750,000, supply drops along with price.

From \$500,000-\$750,000, "we have just under a month of inventory," Nehme said. The supply is about half a month at the average price point — around \$300,000-\$500,000 — for homes in Colorado Springs, and there's only about a quarter of a month's worth of inventory at \$300,000 and below.

## RED-HOT MARKET

Local real estate experts say a number of factors are fueling this superheated market.

Natural beauty and a relatively low cost of living lure people to the area. A supply of good jobs attracts Millennials, and retirees who have built equity in higher-priced areas are cashing in and moving here.

A high population of military personnel are constantly moving in, and 37 percent of those who move here purchase homes, Nehme said.

The COVID-19 pandemic and escalating home

prices have incentivized some people, particularly those who are older, to stay in their homes.

At the same time, prices are still affordable when compared with Denver. With the big city only 50 minutes or so away, people can buy a home here for \$100,000 less than they would spend in Denver for a similar house.

Homes are selling rapidly. Single-family homes average 20 days on the market, but that doesn't tell the whole story.

Many homes generate multiple offers, especially if they're priced under \$400,000. Many sellers are accepting offers above list prices, and buyers are finding they're going to be engaged in bidding wars.

Salzman said he recently had a client who put an offer on a home in the Stratton Hills neighborhood listed at \$350,000. His client offered \$375,000 with 25 percent down.

"There were 14 offers on day one," Salzman said.

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## BUSINESS & LEGISLATION

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