



ANNUAL REVIEW & FORECAST

STAT PACK

The data found within the ERA Shields Real Estate Stat Pack is based on information from the Pikes Peak REALTOR® Services Corporation (RSC) or its PPMLS. 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. Additional sources include the Colorado Springs EDC, El Paso County Assessor, El Paso County Trustee, Colorado Springs HBA, PPAR, The Gazette, The CSBJ and NAR.

Welcome to the ERA Shields Stat Pack. The intention for providing this information to you is to educate you on the current local real estate market so you can better make decisions for you and your family. Real estate markets vary from city to city as well as neighborhood to neighborhood. When the national media reports on how the real estate market is doing, it is reporting on national numbers and it is likely very different from how your neighborhood is performing. You will find factual data within The Stat Pack from which you may draw your own conclusions. On the last page you will find a brief summary.

QUICK FACTS ABOUT 2011

- ⇒ Foreclosure starts for the year dropped dramatically from 4828 in 2010 to 3603
- ⇒ The number of Active Listings is down 24%, indicating the number of listings is very balanced
- ⇒ The number of Sales for the year were up 3.1% but 35% off the high in 2005
- ⇒ The number of Sales for the 4th Quarter are up 12%
- ⇒ The Average Annual Inventory is at its lowest level in 5 years
- ⇒ The Average Annual Sales Price was \$218,172 a decline of 4.4% from last year
- ⇒ 72% of all sales in 2011 were under \$250,000

QUICK LOOK AT 2012

- ⇒ In December the number of under contracts hit 1081, the highest number in 5 years
- ⇒ 2012 should continue to see the # of distressed sales decrease
- ⇒ Inventory levels will be similar to 2011, which is currently at 5.0 months
- ⇒ The high-end market is expected to begin a sustained recovery
- ⇒ The total number of sales should increase 3-5%, approaching 9000 units



PRICING TOOLS

Determine how your neighborhood is performing

2011 Area Comparisons for Single Family & Patio Homes

This chart is ideal for helping you determine how your neighborhood is doing.
If you are considering selling your home, this information is just one tool you can reference
to assist with pricing your home strategically.

This data is for all of 2011.

Area	Listings	Solds	DOM	Inventory	Avg List \$	Avg Sales \$
Black Forest	117	166	132	8.5	\$ 643,236	\$ 372,740
Briargate	182	531	92	4.1	\$ 326,979	\$ 288,586
Calhan	25	43	118	7.0	\$ 155,040	\$ 123,247
Central	199	535	81	4.5	\$ 229,165	\$ 150,283
Drennan	19	23	106	9.9	\$ 130,912	\$ 86,710
East	151	549	91	3.3	\$ 191,730	\$ 159,727
Ellicott	44	57	137	9.3	\$ 215,487	\$ 147,074
Fountain Valley	305	1100	76	3.3	\$ 189,547	\$ 161,797
Falcon	42	76	100	6.6	\$ 237,608	\$ 160,582
Falcon North	141	411	94	4.1	\$ 271,709	\$ 236,396
Manitou	32	58	126	6.6	\$ 383,462	\$ 237,226
Midway	15	10	74	18.0	\$ 234,189	\$ 168,364
Marksheffel	34	128	79	3.2	\$ 239,223	\$ 207,153
Northeast	188	663	86	3.4	\$ 260,255	\$ 209,996
Northwest	119	287	102	5.0	\$ 388,364	\$ 322,957
Northgate	111	275	92	4.8	\$ 491,619	\$ 341,370
Old Colorado City	68	199	77	4.1	\$ 198,953	\$ 157,199
Peyton	27	44	115	7.4	\$ 371,847	\$ 228,683
Powers	205	822	90	3.0	\$ 216,656	\$ 191,384
Rock Creek	7	11	98	7.6	\$ 655,385	\$ 284,909
Southeast	148	556	75	3.2	\$ 137,670	\$ 121,012
Southwest	224	487	96	5.5	\$ 612,431	\$ 328,218
Tri Lakes	195	410	109	5.7	\$ 504,585	\$ 373,812
Ute Pass	24	27	105	10.7	\$ 438,843	\$ 214,815
West	56	169	95	4.0	\$ 485,084	\$ 264,481
Woodland Park	94	169	109	6.7	\$ 403,212	\$ 235,512

**Inventory = The number of months it would take to sell through the current active listings at the current sales rate if no other homes came on the market.*

***DOM = Days on Market for the homes which actually sold.*

www.ERAShields.com/monthly-market

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2011 Price Range Comparisons for Single Family & Patio Homes

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This data is for all of 2011.

List Price	Active Listings Supply	Solds Demand	Days on Market Days to Sell	Inventory Months
Under \$75,000	89	353	84	3.0
\$75,000 to \$99,999	171	466	88	4.4
\$100,000 to \$124,999	250	565	81	5.3
\$125,000 to \$149,999	378	827	83	5.5
\$150,000 to \$174,999	371	953	83	4.7
\$175,000 to \$199,999	368	904	82	4.9
\$200,000 to \$224,999	251	681	86	4.4
\$225,000 to \$249,999	286	636	89	5.4
\$250,000 to \$274,999	210	386	77	6.5
\$275,000 to \$299,999	181	362	90	6.0
\$300,000 to \$324,999	137	221	100	7.4
\$325,000 to \$349,999	146	253	92	6.9
\$350,000 to \$374,999	105	159	114	7.9
\$375,000 to \$399,999	108	191	122	6.8
\$400,000 to \$424,999	60	93	121	7.7
\$425,000 to \$449,999	75	95	115	9.5
\$450,000 to \$474,999	41	60	124	8.2
\$475,000 to \$499,999	61	88	122	8.3
\$500,000 to \$549,999	54	75	121	8.6
\$550,000 to \$599,999	71	79	156	10.8
\$600,000 to \$649,999	31	42	130	8.9
\$650,000 to \$699,999	42	32	107	15.8
\$700,000 to \$749,999	18	12	253	18.0
\$750,000 to \$799,999	30	13	161	27.7
\$800,000 to \$849,999	14	7	121	24.0
\$850,000 to \$899,999	16	12	200	16.0
\$900,000 to \$949,999	6	2	84	36.0
\$950,000 to \$999,999	16	9	162	21.3
\$1 mil to \$1.50 mil	53	20	109	31.8
\$1.5 mil to \$2.0 mil	22	7	178	37.7
\$2.0 mil & above	11	4	113	33.0

PRICING TOOLS

Determine how your neighborhood is performing

4th Quarter Area Comparisons for Single Family & Patio Homes

This chart is ideal for helping you determine how your neighborhood is doing. If you are considering selling your home, this information is just one tool you can reference to assist you with pricing your home strategically.

This data is from October 1, 2011—December 31, 2011

Area	Listings	Solds	DOM	Inventory	Avg List \$	Avg Sales \$
Black Forest	117	34	148	10.3	\$ 643,236	\$ 372,851
Briargate	182	114	84	4.8	\$ 326,979	\$ 287,104
Calhan	25	15	110	5.0	\$ 155,040	\$ 106,853
Central	199	141	77	4.2	\$ 229,165	\$ 152,266
Drennan	19	7	123	8.1	\$ 130,912	\$ 75,300
East	151	145	84	3.1	\$ 191,730	\$ 157,129
Ellicott	44	13	122	10.2	\$ 215,487	\$ 161,776
Fountain Valley	305	261	72	3.5	\$ 189,547	\$ 170,998
Falcon	42	20	85	6.3	\$ 237,608	\$ 147,295
Falcon North	141	93	82	4.5	\$ 271,709	\$ 233,781
Manitou	32	12	234	8.0	\$ 383,462	\$ 257,208
Midway	15	3	54	15.0	\$ 234,189	\$ 161,083
Marksheffel	34	35	102	2.9	\$ 239,223	\$ 210,444
Northeast	188	141	89	4.0	\$ 260,255	\$ 209,733
Northwest	119	55	100	6.5	\$ 388,364	\$ 348,479
Northgate	111	66	92	5.0	\$ 491,619	\$ 349,494
Old Colorado City	68	53	102	3.8	\$ 198,953	\$ 164,970
Peyton	27	12	111	6.8	\$ 371,847	\$ 217,396
Powers	205	200	82	3.1	\$ 216,656	\$ 185,277
Rock Creek	7	3	82	7.0	\$ 655,385	\$ 365,666
Southeast	148	135	75	3.3	\$ 137,670	\$ 125,272
Southwest	224	127	89	5.3	\$ 612,431	\$ 349,337
Tri Lakes	195	102	131	5.7	\$ 504,585	\$ 356,159
Ute Pass	24	9	163	8.0	\$ 438,843	\$ 277,800
West	56	36	99	4.7	\$ 485,084	\$ 244,200
Woodland Park	94	37	125	7.6	\$ 403,212	\$ 245,262

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PRICING TOOLS

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4th Quarter Price Range Comparisons for Single Family & Patio Homes

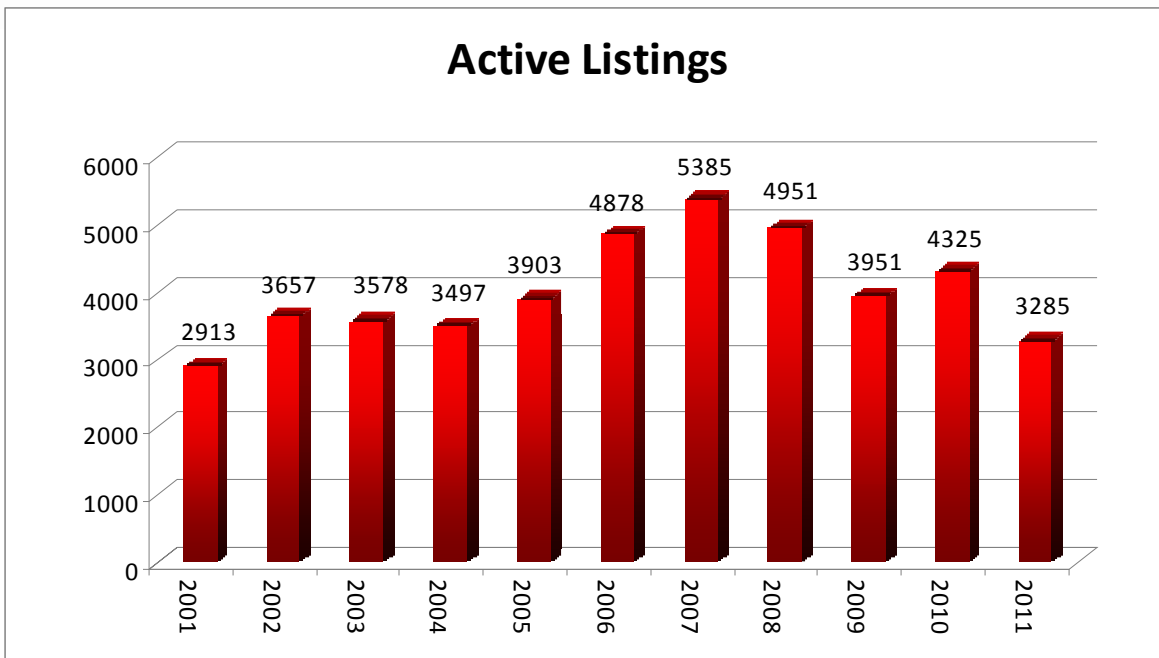
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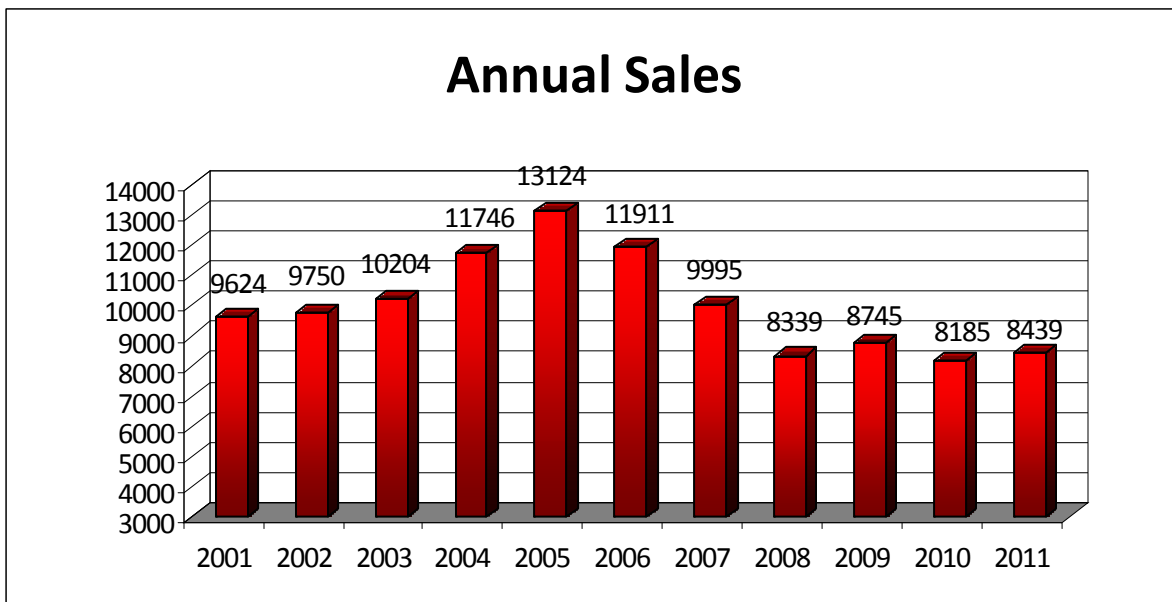
List Price	Active Listings Supply	Solds Demand	Days on Market Days to Sell	Inventory Months
Under \$75,000	89	80	79	3.3
\$75,000 to \$99,999	171	119	101	4.3
\$100,000 to \$124,999	250	145	80	5.2
\$125,000 to \$149,999	378	191	84	5.9
\$150,000 to \$174,999	371	204	73	5.5
\$175,000 to \$199,999	368	213	75	5.2
\$200,000 to \$224,999	251	176	101	4.3
\$225,000 to \$249,999	286	145	70	5.9
\$250,000 to \$274,999	210	74	69	8.5
\$275,000 to \$299,999	181	78	107	7.0
\$300,000 to \$324,999	137	61	105	6.7
\$325,000 to \$349,999	146	50	79	8.8
\$350,000 to \$374,999	105	43	127	7.3
\$375,000 to \$399,999	108	42	133	7.7
\$400,000 to \$424,999	60	16	87	11.3
\$425,000 to \$449,999	75	22	129	10.2
\$450,000 to \$474,999	41	13	155	9.5
\$475,000 to \$499,999	61	23	138	8.0
\$500,000 to \$549,999	54	15	140	10.8
\$550,000 to \$599,999	71	16	199	13.3
\$600,000 to \$649,999	31	8	154	11.6
\$650,000 to \$699,999	42	8	44	15.8
\$700,000 to \$749,999	18	4	291	13.5
\$750,000 to \$799,999	30	4	273	22.5
\$800,000 to \$849,999	14	1	87	42.0
\$850,000 to \$899,999	16	0	n/a	n/a
\$900,000 to \$949,999	6	0	n/a	n/a
\$950,000 to \$999,999	16	3	180	16.0
\$1 mil to \$1.5 mil	53	0	n/a	n/a
\$1.5 mil to \$2.0 mil	22	2	191	33.0
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ANNUAL DATA

COMPARING DATA FOR THE PAST 10 YEARS



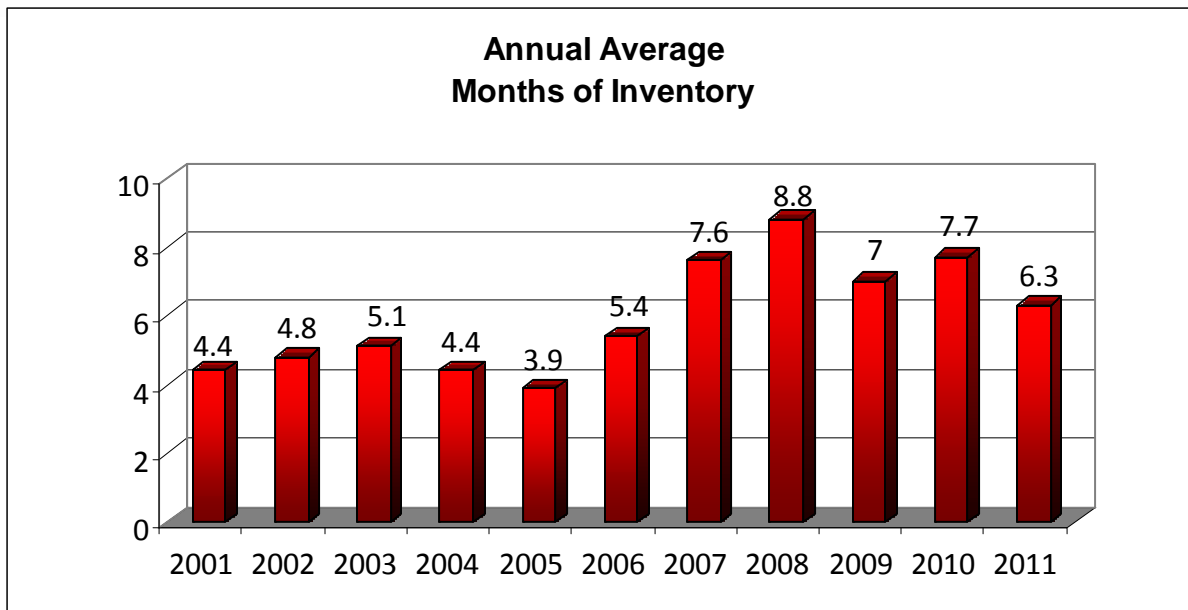
Active Listings at the end of December when compared to the same time the previous 10 years shows a remarkable improvement. Only 2001 had fewer homes on the market.



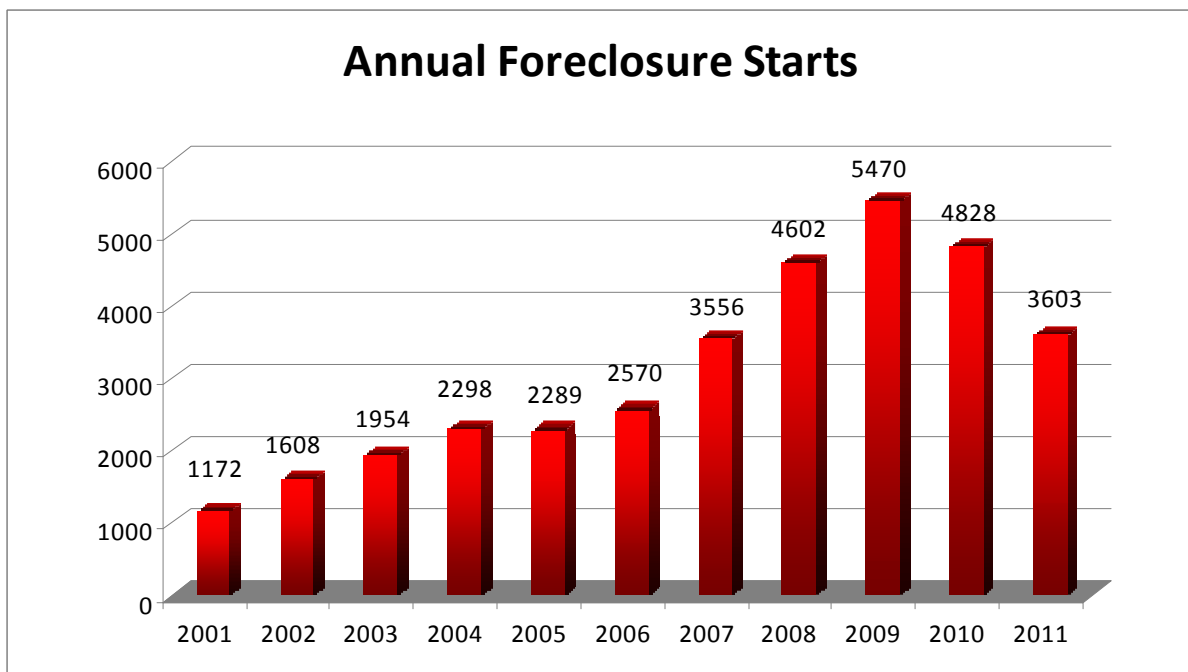
Although Annual Sales for 2011 were up more than 3%, this number is still below what would be considered healthy.

ANNUAL DATA

COMPARING DATA FOR THE PAST 10 YEARS



This graph compares the number of homes on the market to the number of sales and determines how many months it would take to sell through the current listing inventory. Most economists consider 6.0 months to be a balanced market.

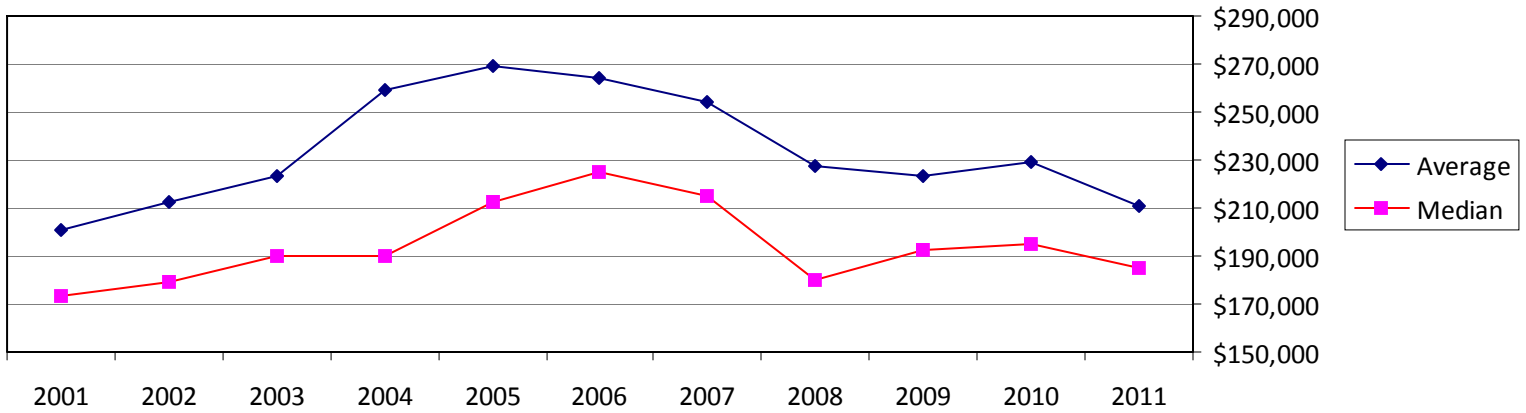


By looking at how many foreclosure starts there are, you can better gauge the current health of the overall real estate market. Although our market continues to be “under the weather”, it is a vast improvement from 2009.

ANNUAL DATA

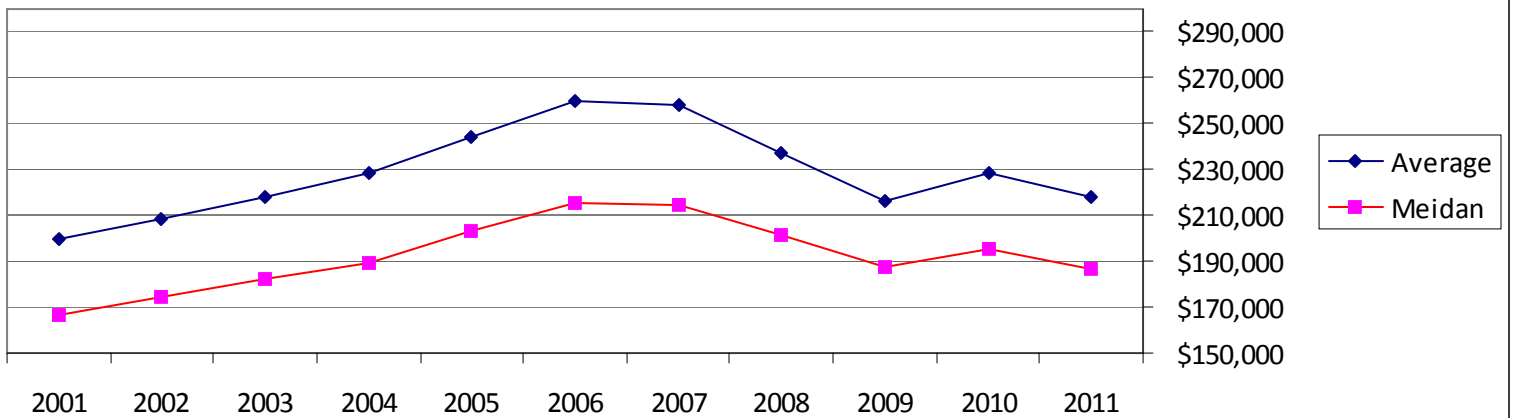
COMPARING DATA FOR THE PAST 10 YEARS

Monthly Average & Median Sales Price



The Average & Median Sales Prices for December 2011 were down 8% and 5% compared to 2010. When you look at 2008-2010 you notice an abrupt change in direction. This is due to the federal stimulus which gave first time homebuyers a tax credit.

Annual Average & Median Sales Price



This graph takes the Annual Average & Median Sales Prices (ie: the actual average sales price of all homes sold in the given year). Be sure to compare these prices to the early/mid 2000's which were the highest performing years for residential real estate ever.

2011 REVIEW

Looking back at 2011 and how the real estate market performed it seems it has finally turned the corner. The most impressive result was the number of foreclosure starts being down more than 25% from the previous year and almost 35% from their highest mark in 2009. At the beginning of 2011, economists & media were saying banks had been holding on to foreclosed properties in late 2010 but would be forced to flood the market with these under valued homes in 2011. It never occurred. Despite the vast improvement, foreclosures remain historically high and continue to negatively impact home values. Additionally, when many homeowners are losing their homes it creates uncertainty and lack of consumer confidence even to those who still own their homes.

Almost as impressive as the foreclosure numbers are the number of active listings and inventory levels. Active listings at the beginning of 2011 were nearly the same as 2010. But as the year dragged on listings began to disappear and on December 31 they had dropped to the lowest level since February 2002; almost 40% below the highest levels reached back in 2007. While the number of listings shrunk, the number of buyers actually increased pushing the inventory levels below 6 months.

The only negative numbers to come out of 2011 were slipping sales prices. The average sales price slid 4.4% and the median dipped 4.3% for the year. Most forecasters last year expected local home sales prices to drop more than 5% as the market was still recovering from the Great Recession as well as the first-time homebuyers tax credit in 2009/2010.

Twelve months ago the majority of economists were predicting a double-dip recession. In real estate they were saying it was only going to get harder to get a mortgage and home values were going to decline another 10% nationally. Somehow the American consumer began to realize this to not be the case. The fact is, mortgage rates actually dipped and remain at historically low levels and home values stabilized in most markets.



2012 FORECAST

As 2012 begins, the local real estate market looks to be relatively healthy especially when you consider how sick it has been over the past 4 years. There is reason for this optimism.

First and foremost is the number of homes which are currently under contract; 1081 which is the highest we've seen in 5 years. Add to this the low inventory levels, affordable home prices, historically low mortgage rates and the sinking number of foreclosures and the picture is quite rosy.

Perhaps the most significant impact to the housing market and the economy as a whole has nothing to do with these numbers. Rather it is the general feeling of measured optimism amongst consumers that the worst is behind us. The government tries to measure consumer confidence with sophisticated measuring techniques, ours is not so much;

Recently I took my family to a local restaurant for dinner and was initially disappointed that there was a wait. As I sat there waiting I thought about how this very restaurant in the early/mid 2000's required a 30+ minute wait anytime you showed up after 5:30. Over the past 4 years, when dining at this same restaurant there never was a wait and in fact the dining room was never full. My frustration over my current wait for a table turned to a glimmer of excitement and hope.

Another example of this was just last weekend when showing a buyer 6 homes on a Saturday. Two of the homes I showed we had to wait as another agent was also showing. Two of the homes I showed them they very much liked but wanted to think about them overnight; both went under contract. A few days later a home came on the market and I called them telling them I think we better look at this house today. After seeing it, the listing agent was kind enough to let me know he had just received an offer. We immediately submitted our offer and luckily ours was accepted.

Our forecast for 2012 is it will be a good year, not great. We will continue to see measured improvement and in fact expect home values to increase 3-5%. The housing market at \$250k and below has been strong for 2 years and will continue to be. The higher price ranges will finally see some movement which will drive the average & median prices up.

2012 will be a year when people will again realize residential real estate is an excellent investment. Renters will realize they can actually buy a home for little or no downpayment and their mortgage payment will be less than what they pay for rent. Current home owners will see they can move-up and keep their current monthly payment or downsize with a 15 year mortgage and have a lower monthly payment. Investors will realize they won't find a better return than real estate with current home values being so low, ridiculously low mortgage rates, high rental rates and the expectation of appreciation.