



## NEWSLETTER

September 2011

### A PRETTY SURPRISING STATISTIC!

by Stuart Scott

To succeed as a buyer or seller of real estate in this crazy, crazy market, you need to understand the underlying facts. You know what makes your business work....but the real estate market (particularly THIS real estate market) seems incomprehensible.

Today I'll address a significant misconception. Ask the person next to you - "when a house sells in Colorado Springs today, how much less than the asking price will the seller receive?"

Surprisingly, if you take the average of all sales through MLS, the difference is about 3%! Although a lot of houses may be bought for a lot less than the asking price in other parts of the country, most houses in Colorado Springs sell close to the list price. A house listed for \$150,000 brings \$145,500. If it's \$200,000, expect \$194,000.

Given the headlines and water cooler discussions, can you believe that sellers are getting that close to their asking prices? The 3% difference is MLS wide. You'll want you to know the actual numbers in YOUR neighborhood. Time does not permit me to study every price range and neighborhood, so I picked a few in different areas and price ranges to give you an idea. Here's what I found for homes sold this year:

AREA	(PRICE)	DIF BETWEEN LIST/SOLD PRICE
EAST	(\$150-175,000)	2%
SOUTHEAST	(\$200-250,000)	2%
BRIARGATE	(\$500-600,000)	3%
TRILAKES	(\$600-700,000)	3%
CENTRAL	(\$300-400,000)	4%
NORTHGATE	(\$450-500,000)	7%
SOUTHWEST	(\$1 MILLION PLUS)	9%

My friends, here's what's really happening. These statistics do not reflect the difference between the **original asking price** and the eventual sales price. Buyers very seldom make offers on houses priced far above market value. Sellers often believe they have to price high because they'll get a "low ball" offer. Occasionally we see a low ball offer, which the sellers usually reject. More likely, the seller doesn't get any offers, because the buyers don't even look at the house.

Once a house is priced "right", or if it's priced right in the first place, my erudite broker friend Bruce Betts' research says there'll be an offer, on average, within 30 days, and on average the sales price will be within 3% of the asking price! Your broker can tell you what "market" is for your house so you can price right to start with, or change to match market conditions.

Obvious from the chart is that the spread between list price and eventual sales price is larger at higher prices. Also true is that the time the house is listed is longer for higher priced

homes. More than 5000 homes sold through MLS through July, but we're weighted to the lower prices because only 400 of the 5000 sales were over \$400,000.

Our inventory of homes for sale is very small today. An unsold house is probably priced above market. Some sellers believe values will go back up to match their price. Some think they'd be "giving it away" if they lowered it to today's market value. Of course it's always a seller's prerogative to price wherever they want to..... but usually buyers will exercise their prerogative not to make an offer until the price is competitive.

Next time I'll share why you actually have a better chance of selling your house in today's market than you did when the market was roaring!

## HOMES FOR SALE



**1885 Brantfeather**  
Stratton Preserve  
Price: \$1,400,000  
3 Bedroom / 4 Bath / 4 Car  
Stir your Senses



**6145 Perfect View**  
Rockrimmon Vista  
Price: \$265,000  
3 Bedroom / 3 Bath / 2 Car  
Pottery Barn Perfection



**27 2nd Street**  
Broadmoor  
Price: \$1,200,000  
4 Bedroom / 6 Bath / 3 Car  
Classic Elegance



**8160 Spire Court**  
Peregrine  
Price: \$429,000  
5 Bedroom / 4 Bath / 3 Car  
Unique double cul-de-sac lot



**412 Gold Claim Ter**  
Crown Hill Mesa  
Price: \$375,000  
4 Bedroom / 3 Bath / 3 Car  
Dynamic Custom Ranch



**3315 Clubview Cr**  
Country Club Estates  
Price: \$499,000  
4 Bedroom / 3 Bath / 2 Car  
Enormous All Brick Rancher

### *How's the market doing?*

Cumulative YTD			
Single Family Homes	Jan - July 2011	Jan - July 2010	% + or -
Sales	\$4,903	\$5,079	(3.5)
Ave Sales Price	217,274	224,712	(3.5)
Monthly Summary			
	July 2011	July 2010	% + or -
Sales	\$ 798	\$ 713	11.9
Ave Sales Price	224,776	237,029	(5.2)
Total Active	4,714	5,955	(20.8)

**What people are saying about us:**

*Stuart and his team have helped us sell and buy several homes in Colorado Springs; the most recent transaction was just a year ago and included his son Eric who had recently joined the company. One of the best things about working with Stuart and Eric is their ongoing and prompt communication--they kept us well-informed throughout the entire process, and they spent a lot of time educating us about the housing market so we were able to make good decisions on both the selling and buying side. Also important to us, once the deal is done, they don't disappear! They have helped us with issues long after the closing (even years later!). Once you've experienced such great service, you'll never look for another realtor.*

Amy



Celebrating the end of summer in style!



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