



**1<sup>ST</sup> QUARTER 2022**  
**PUEBLO**

**REAL ESTATE**  
**TRENDS**



# ABOUT US

## ABOUT SHOREWOOD REAL ESTATE

Founded in 1969, Shorewood Real Estate has experienced steady growth over the past 50+ years. Acquired by Your Castle Real Estate in 2017, Shorewood gained access to a tremendous team of managing brokers, data researchers, marketing professionals and more. This has elevated Shorewood Real Estate from an already premier position in the Colorado Springs market to a higher plateau of prestige and insight. We now proudly serve the entire Colorado Front Range, with offices in Denver, Colorado Springs, and Loveland.

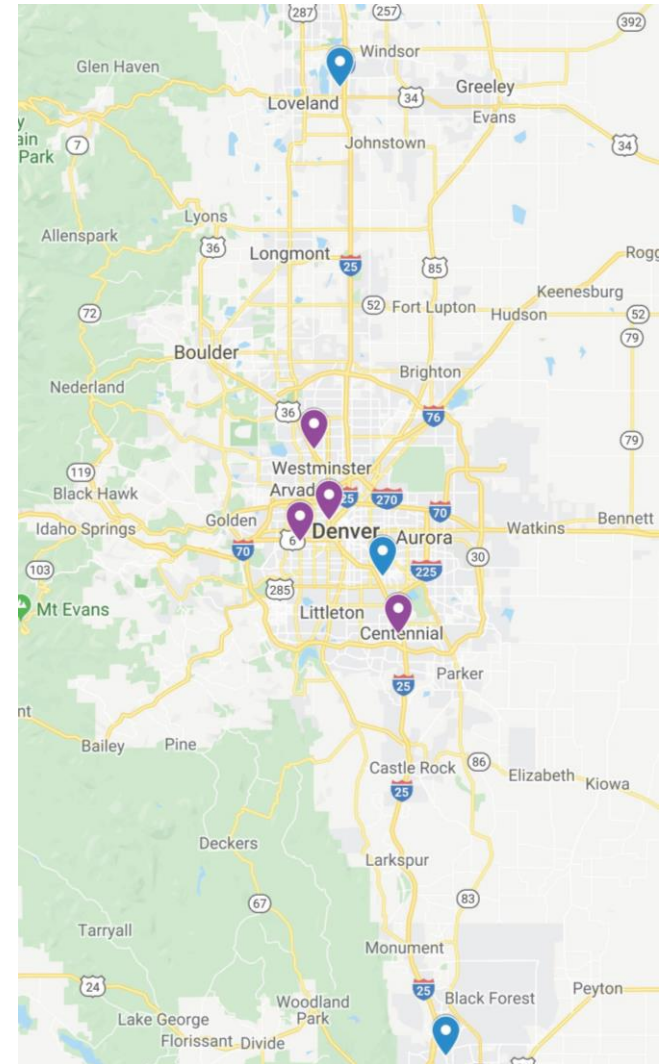
## BROKERS & SALES ASSOCIATES

Shorewood Real Estate and its affiliates employ 750+ real estate agents in six offices across Colorado. We sold over \$3 billion of real estate in 2021, and conduct approximately 5,200 transactions per year. Our agents have access to a team of a dozen managing brokers who can help guide them through even the most complex transactions.

## COMMUNITY ENGAGEMENT

Investment in our community has always been an integral part of our company's mission. The brokerage gave \$175,000 to local charities each year from 2018 - 2021. We're a proud sponsor for the Ronald McDonald House and Boys and Girls Clubs in Colorado. Since 2014, Shorewood Real Estate has also volunteered over 17,500 hours in the community.

## OFFICE LOCATIONS



# KEY MESSAGES FOR HOMES

As prices rise in areas like Colorado Springs and Denver Metro, we see more activity in the Pueblo region. Prices have been increasing at 8-17% year over year since Q2 of 2017. The past twelve months have seen incredible appreciation, and sale count continues to grow as well. Pueblo is a very strong sellers' market and is getting even stronger!

## \*TTM = TRAILING 12 MONTHS

METRIC	PERFORMANCE (TTM*)		OBSERVATIONS
Average Home Price	3Q18 vs 3Q18: 1Q20 vs 1Q19: 3Q20 vs 3Q19: 1Q21 vs 1Q20: 3Q21 vs 3Q20: 1Q22 vs 1Q21:	+10% +10% +10% +17% +24% +22%	Prices were relatively steady from 2004 – 2015, hovering between \$105,000 and \$130,000. Then in 2015 prices jumped to \$150,000, and have been steadily increasing since Q1 2016., with double-digit growth since 3Q2018.
Number Sold	3Q18 vs 3Q18: 1Q20 vs 1Q19: 3Q20 vs 3Q19: 1Q21 vs 1Q20: 3Q21 vs 3Q20: 1Q22 vs 1Q21:	-2% +6% +6% +8% +12% +10%	The number of homes sold per quarter has been somewhat volatile over the past 15 years. The most homes are typically sold in the second and third quarter each year. Sale count was on a slow decline in 2019, came back in 2020 and is growing even more in 2021.
(MOI) Months of Inventory	10/04/19: 04/04/20: 10/05/20: 04/05/21: 10/04/21: 04/04/22:	2.2 1.5 1.1 0.5 1.4 0.8	Pueblo's inventory continues to decrease, indicating a seller's market – similar to what the rest of the nation is experiencing. It's tightening up a bit, most likely due to some Coloradans being priced out of their markets (such as Colorado Springs) and buying in areas such as Pueblo. The slight increase in MOI is very typical of this time of year.

# PUEBLO - CURRENT MARKET

T1 - Time Period 1: April 2020 - March 2021

Note: Data from PAR MLS (4/13/2022); analysis by Shorewood Real Estate

T2 - Time Period 2: April 2021 - March 2022

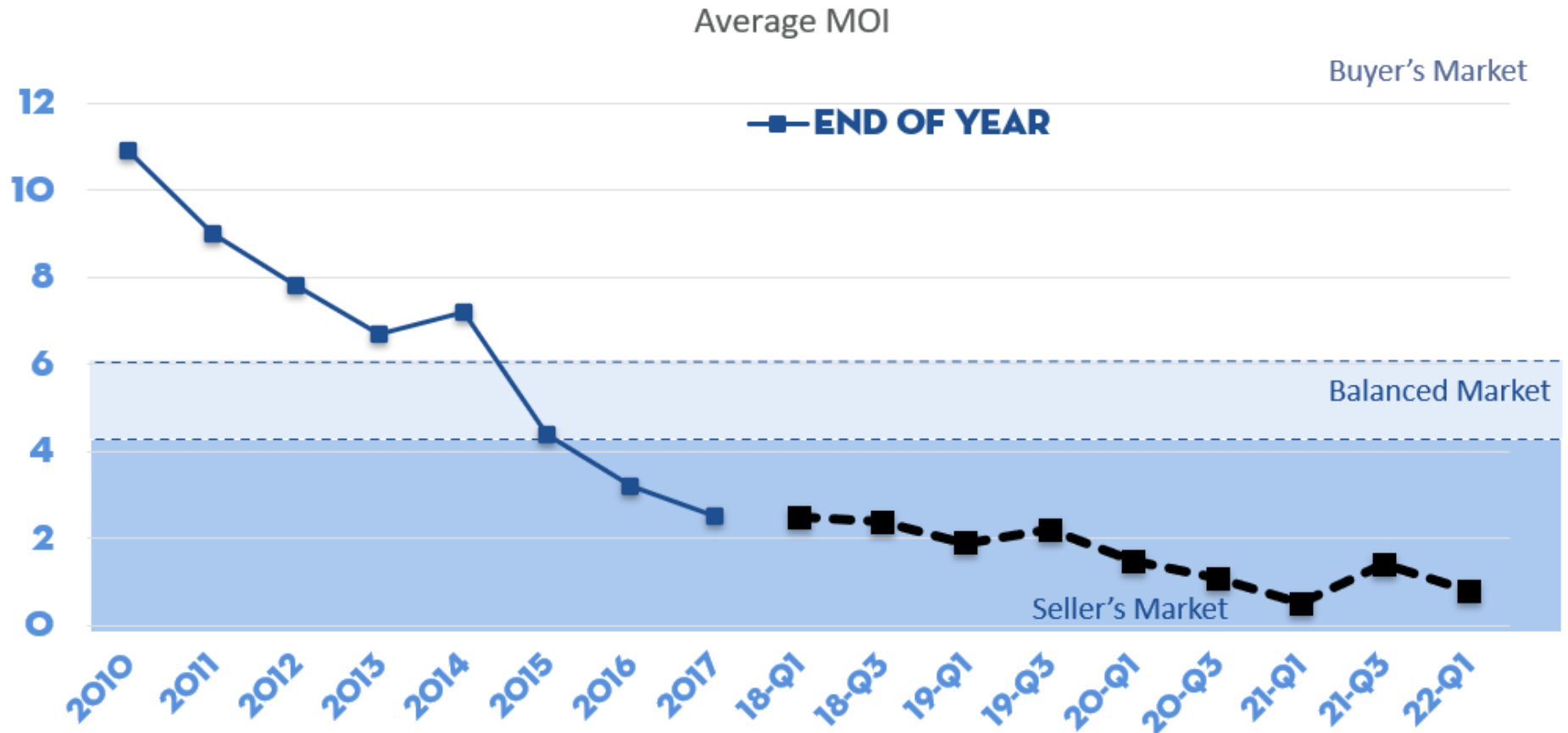
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PUEBLO SALES	Number of Sales								Days on Market			Avg SOLD \$000			
	Current Active	Current U/C	% Listings U/C	Sold t1	Sold t2	Chg Sales	MOI	Sold t1	Sold t2	Chg in DOM	Average Asking	Sold t1	Sold t2	Chg Price	AVG Disc
Avondale	2	2	50%	21	18	-14%	1.3	79	61	(18)	295	197	238	21%	-1.5%
Beulah	0	4	100%	28	37	32%	-	95	100	6	0	419	399	-5%	-3.7%
Boone	1	4	80%	12	11	-8%	1.1	84	99	16	575	169	383	127%	-3.0%
Canon City	9	17	65%	95	102	7%	1.1	102	67	(35)	649	306	349	14%	-0.6%
Colorado City	7	14	67%	73	74	1%	1.1	95	89	(6)	368	238	328	38%	-1.6%
Colorado Springs	2	16	89%	70	117	67%	0.2	58	47	(10)	767	350	445	27%	2.3%
Florence	3	11	79%	25	22	-12%	1.6	76	74	(2)	837	268	326	22%	-0.5%
Fowler	2	4	67%	34	34	0%	0.7	86	79	(7)	331	133	183	38%	-1.6%
La Junta	12	7	37%	90	92	2%	1.6	113	88	(25)	247	149	184	24%	-3.8%
Lamar	11	5	31%	51	59	16%	2.2	102	70	(32)	213	140	170	22%	-2.7%
Las Animas	5	4	44%	31	41	32%	1.5	110	87	(23)	254	162	155	-5%	-5.1%
Manzanola	2	2	50%	9	8	-11%	3.0	126	99	(27)	346	157	181	15%	-16.2%
Ordway	5	2	29%	23	26	13%	2.3	114	124	10	238	114	164	44%	-5.7%
Penrose	5	3	38%	30	30	0%	2.0	91	85	(6)	628	300	390	30%	0.3%
Pueblo	129	333	72%	1,993	2,228	12%	0.7	65	59	(6)	394	220	268	22%	0.5%
Pueblo West	49	124	72%	838	868	4%	0.7	72	70	(2)	455	326	396	21%	1.2%
Rocky Ford	9	10	53%	55	43	-22%	2.5	114	98	(16)	265	151	179	18%	-3.2%
Rye	7	7	50%	49	46	-6%	1.8	132	95	(37)	1,316	312	362	16%	-2.7%
Swink	0	2	100%	10	11	10%	-	99	58	(41)	0	144	201	40%	-3.2%
Walsenburg	15	14	48%	57	76	33%	2.4	131	129	(3)	328	181	236	30%	-4.1%
Westcliffe	4	10	71%	57	55	-4%	0.9	187	94	(94)	1,657	455	524	15%	-1.8%
<b>Grand Total</b>	<b>279</b>	<b>595</b>	<b>68%</b>	<b>3,651</b>	<b>3,998</b>	<b>10%</b>	<b>0.8</b>	<b>76</b>	<b>67</b>	<b>(9)</b>	<b>438</b>	<b>249</b>	<b>304</b>	<b>22%</b>	<b>0.1%</b>
1 < 865 sq ft (smallest 10%)	36	65	64%	371	436	18%	1.0	68	58	(9)	157	124	165	32%	-0.7%
2 865-1079 sq ft	33	93	74%	537	608	13%	0.7	65	59	(6)	191	163	206	26%	-0.2%
3 1080-1429 sq ft	43	165	79%	937	1,025	9%	0.5	69	63	(6)	303	213	258	21%	0.4%
4 1430-1824 sq ft	62	156	72%	913	984	8%	0.8	78	70	(8)	367	280	338	21%	0.5%
5 1825-2199 sq ft	49	77	61%	534	560	5%	1.1	84	72	(12)	476	327	404	23%	0.5%
6 2200+ sq ft (largest 10%)	56	39	41%	359	385	7%	1.7	101	84	(17)	914	409	502	23%	-1.3%
<b>Grand Total</b>	<b>279</b>	<b>595</b>	<b>68%</b>	<b>3,651</b>	<b>3,998</b>	<b>10%</b>	<b>0.8</b>	<b>76</b>	<b>67</b>	<b>(9)</b>	<b>438</b>	<b>249</b>	<b>304</b>	<b>22%</b>	<b>0.1%</b>

# HISTORICAL CONTEXT

Pueblo: Inventory has steadily tightened since 2010, with a slight bump in 2014. We're seeing a lot of investor activity moving from the large metro areas to Pueblo as well, which is helping sellers.

## MONTHS OF INVENTORY (MOI)

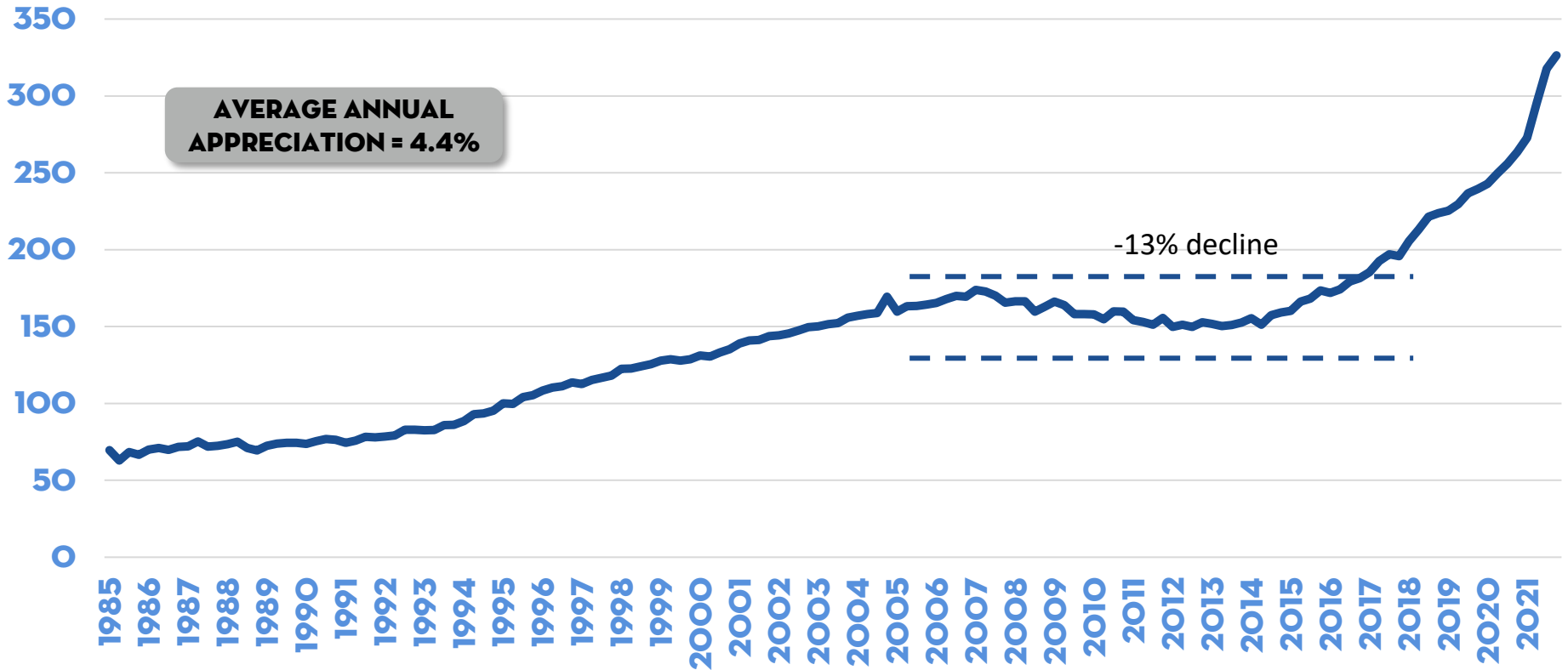


# HISTORICAL CONTEXT

Average Pueblo home & condo price from 1985-1990 was somewhat stagnant, then it was an upward march to 2007. In the last recession, the Pueblo market dropped -13% to \$150k. Denver declined 25% in that recession. The fourth quarter 2021 saw an average sales price of \$326,300. This data from the Federal Reserve and is their estimate for ALL properties (homes + condos).

## PUEBLO METRO (ALL TRANSACTIONS HOMES/CONDOS)

Sales Prices in \$000

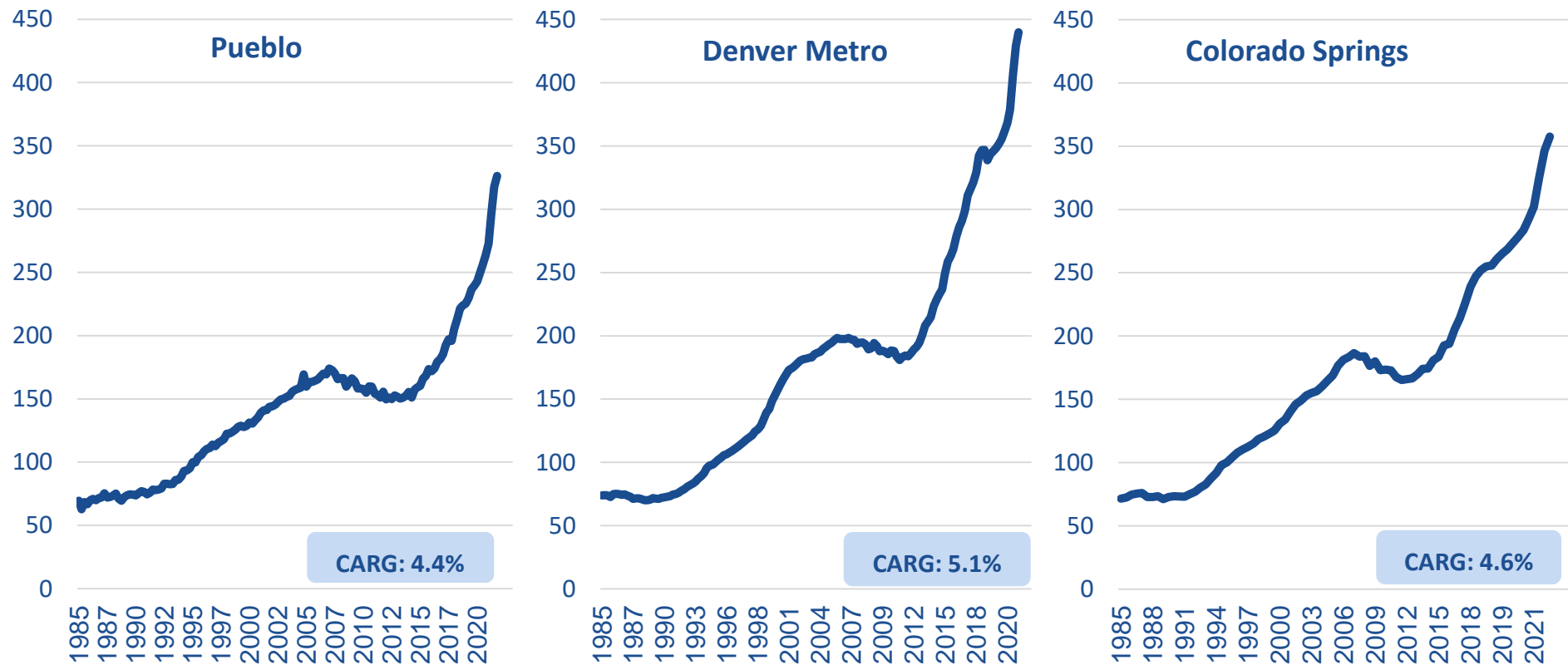


# HISTORICAL CONTEXT: MARKET COMPARISONS

Similar patterns across all three markets: Pueblo, Denver Metro, Colorado Springs. All three markets have surpassed the 2007 boom, having bounced back from the last recession. Denver has had the fastest rate of growth.

## ALL TRANSACTIONS (HOMES/CONDOS)

Sales Prices in \$000



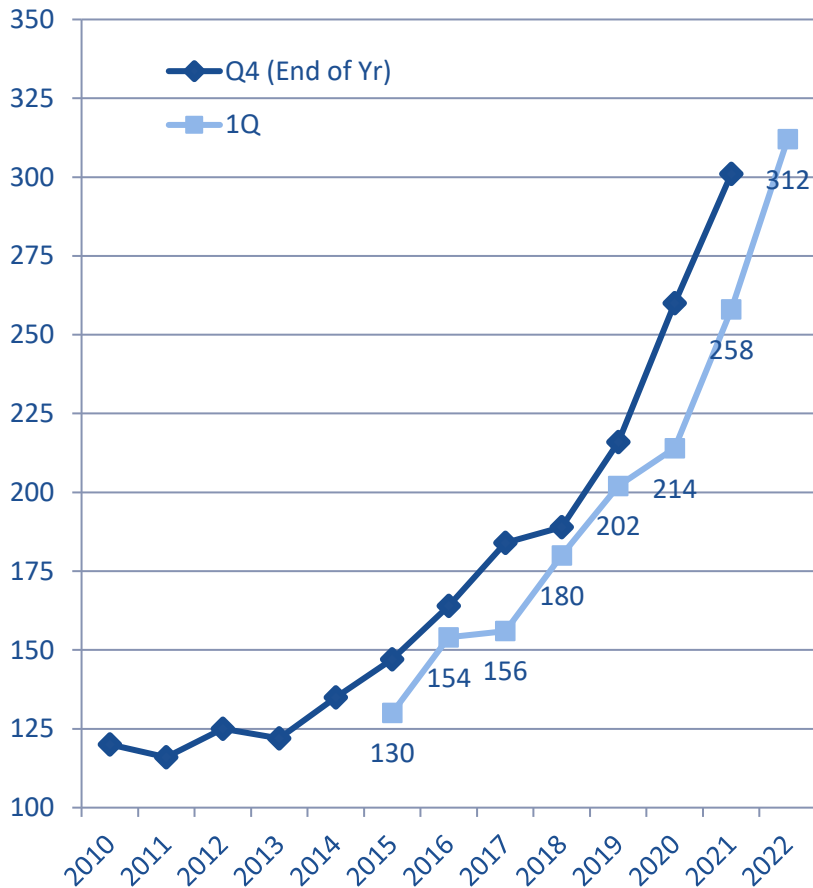
CARG = Compound Annual Rate of Growth

DATA SOURCE: [HTTPS://FRED.STLOUISFED.ORG](https://fred.stlouisfed.org)

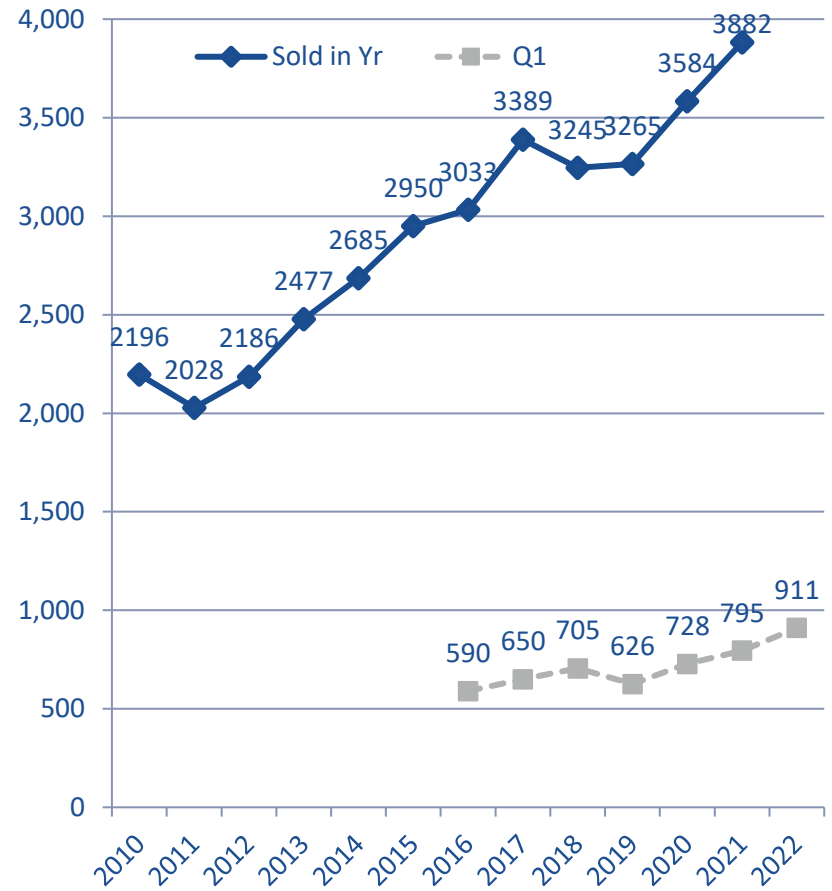
# HISTORICAL CONTEXT

Pueblo sales prices have been steadily rising since 2013. Number of properties sold per quarter is a bit less consistent.

## AVERAGE SOLD PRICE



## NUMBER PROPERTIES SOLD

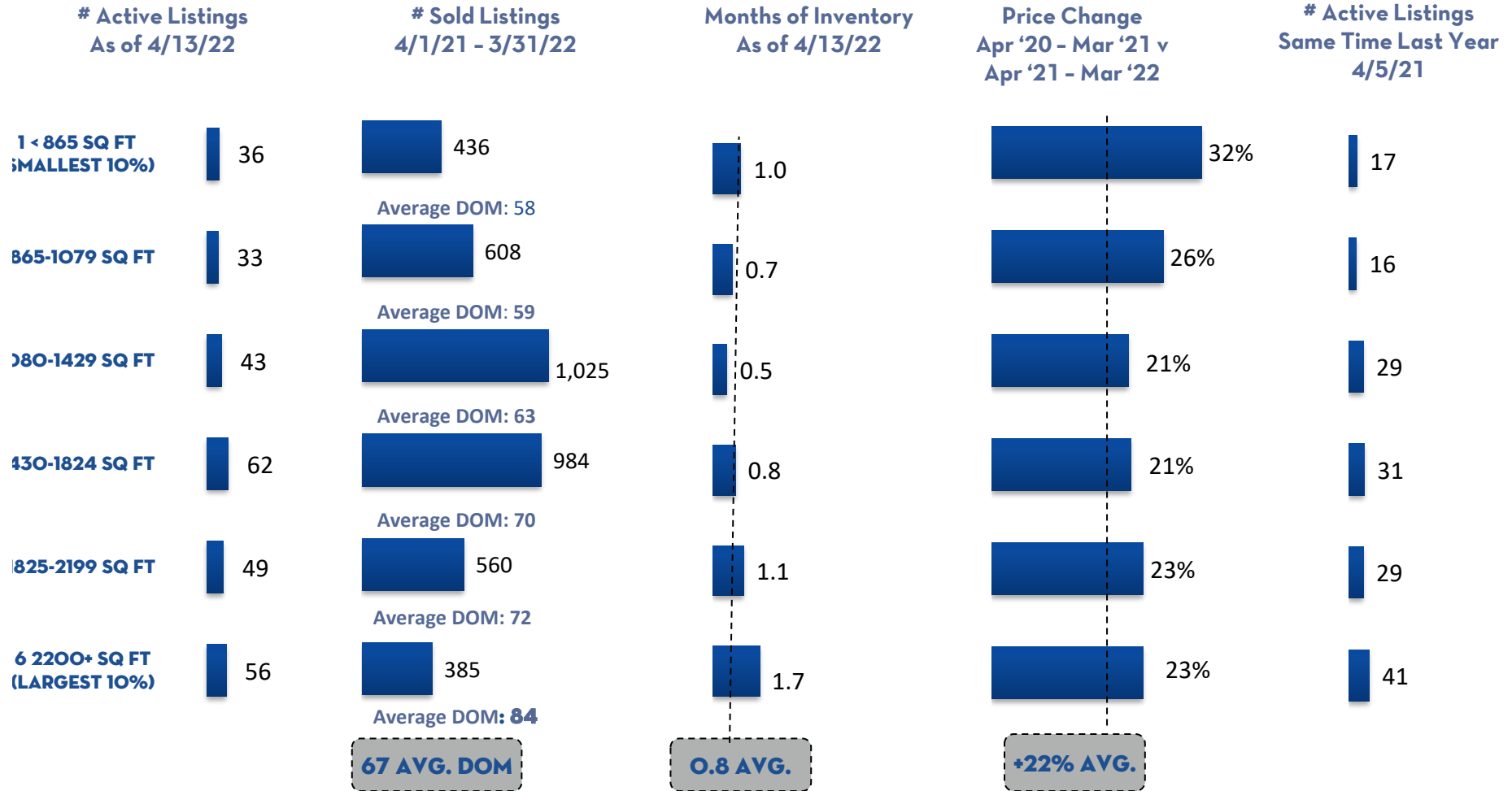




# CURRENT MARKET

While MOI remains incredibly low, there are a bit more active listings than this time last year. Days on market are much longer than other metro areas with similar MOI, but still shortening. The average appreciation rate across the entire market is 24% year over year!

## PUEBLO HOMES BASED ON ABOVE GRADE SF

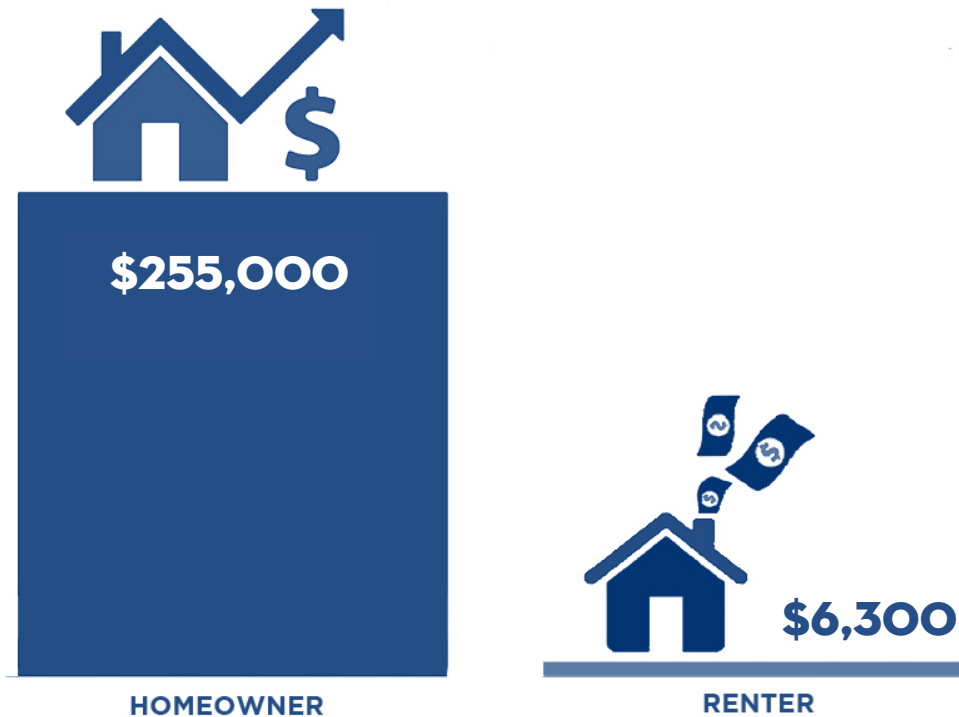


# NET WORTH FOR OWNERS IS HIGHER THAN RENTERS

Buying is generally more affordable and less expensive than renting. In addition, research by the Federal Reserve found that homeowners accumulate ~40.5x more net worth than renters over their lifetime.

## AN AMERICAN FAMILY'S NET WORTH

### IT'S STILL A VERY GOOD IDEA TO BUY VS. RENT.



DATA SOURCE: FEDERAL RESERVE

# 1<sup>ST</sup> TIME BUYER - WHY IT MAKES SENSE TO BUY

If you buy a home today vs. next year (First Time Buyer). Over \$195,000 in wealth creation in ten years!

## ASSUMPTIONS

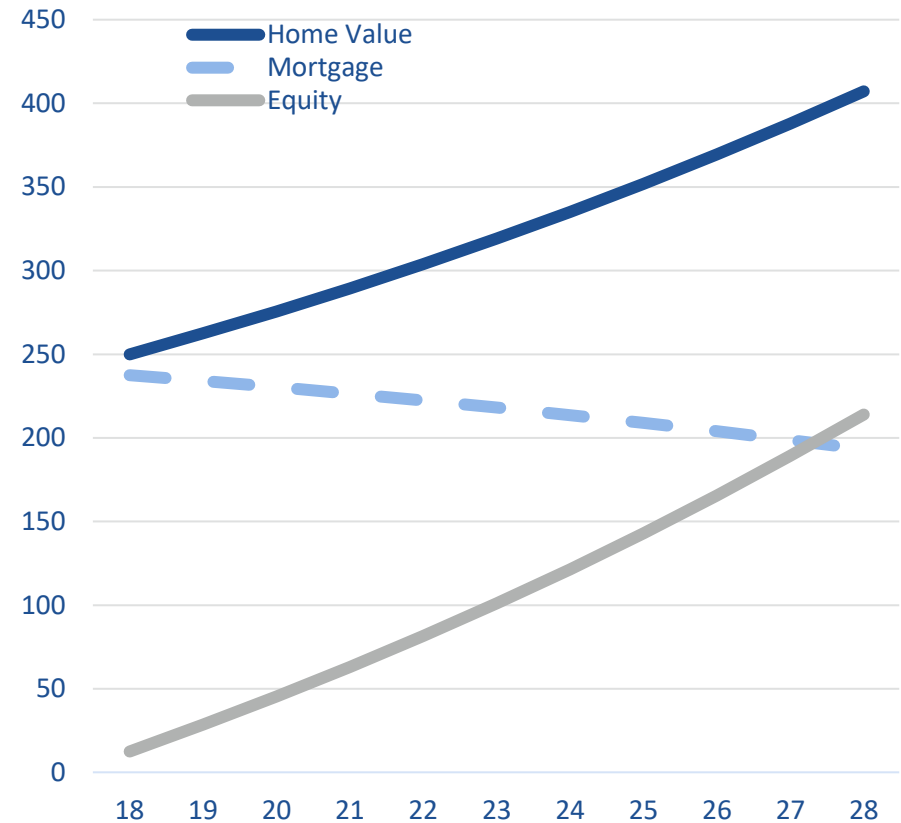
### BUY NOW

▪ Purchase price:	\$250,000
▪ Down payment %:	5%
▪ Down payment \$:	\$12,500
▪ Rate:	5.0%
▪ Amortization:	30 years
▪ Payment:	\$1,275
▪ Appreciation %:	5% per year
▪ Appreciation \$:	\$160,000
▪ Loan pay down:	\$ 61,000
▪ Simple ROI*:	1280%

### WAIT 12 MONTHS (“WATCH MARKET”)

▪ Assume mortgage rates	+0.5%
▪ Assume home appreciation	+5%
▪ Payment in '18:	\$1,415
▪ Payment change:	+11%

## PROJECTED CHANGE IN HOME VALUE



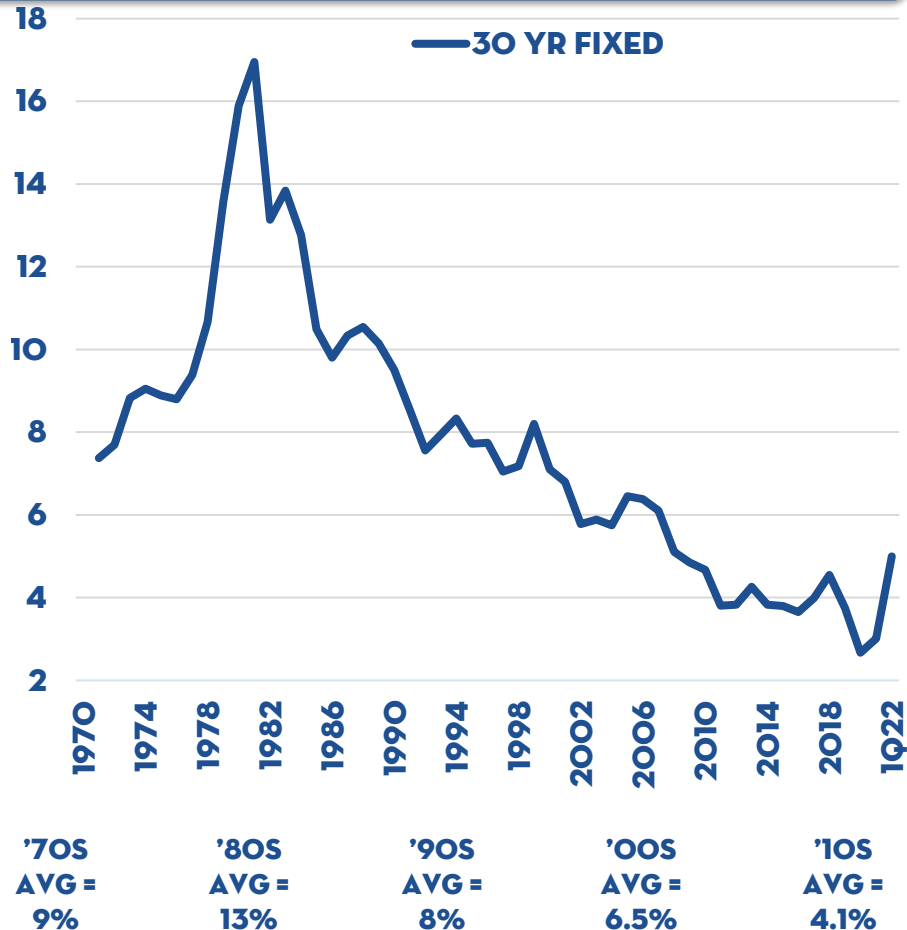
DATA SOURCE: BANKRATE.COM

\*THIS DOES NOT INCLUDE THE NEARLY \$100K PAID OUT IN INTEREST OVER FIRST 10YRS OF LOAN.

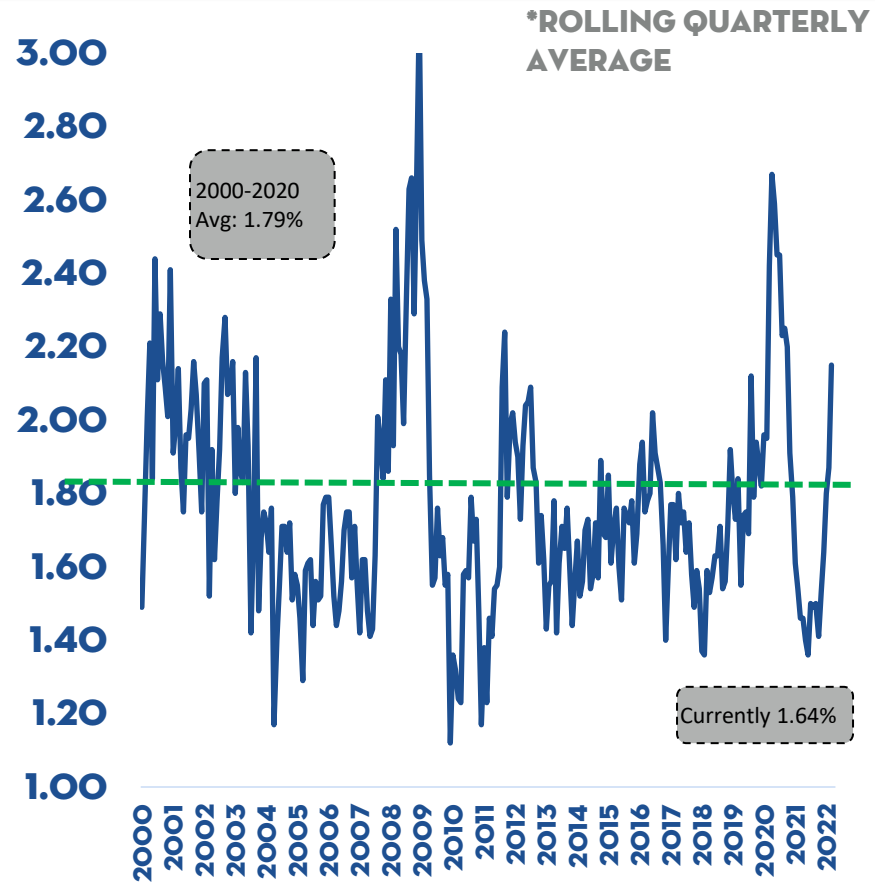
# HISTORICAL CONTEXT: MORTGAGE RATES

The average mortgage rate was 5.00% on 4/18/22. At 2.65%, a \$1490 P&I payment could buy a \$390k house with 5% down. A half percent increase in the interest rate to 3.15% would decrease one's buying power *a bit*, to \$365k in order to keep the same \$1,490 P&I payment. While rates may be slowly rising, they are still at near 50-year lows.

### 30 YEAR FIXED RATE: 1971-2021



### MORTGAGE/BOND SPREAD



SOURCE(S): FREDDIE MAC, SHOREWOOD, [FRED](#), [US10Y](#)

Notes from the attorneys...

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Source: Shorewood Real Estate analysis. Based on information from Pueblo MLS and REColorado.com. Not all properties were listed and/or sold by Company. This representation is based in whole or in part on content supplied by the MLS. The MLS does not guarantee nor is it in any way responsible for its accuracy. Content maintained by the MLS may not reflect all real estate activity in the market.

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