

# With '30 buyers for every home,' Fort Collins real estate fetches thousands above asking prices

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What does the Tickle Me Elmo Christmas shortage of 1996 have to do with today's real estate market?

Like panicked parents paying obscene prices for a hard-to-find giggling red doll, potential home buyers are feverishly jockeying for a limited supply of Fort Collins homes.

Realtor Chris Hardy compares today's Northern Colorado real estate market to the "1996 Christmas shopping nightmare" and parents' willingness to pay anything to make holiday wishes come true.

A logjam of would-be homeowners are willing to offer tens of thousands of dollars over asking "just to have a shot at catching the seller's eye and having their offer selected from a dozen offers presented," Hardy said.

Unlike springing for a \$40 Elmo, however, potential home buyers are busting the bank to get a home under contract. Doing so is getting more expensive by the day with escalating prices and rising interest rates. [Median home prices in Fort Collins rose to \\$600,100 through March](#), with most properties selling for 4% over the list price.

That means a home put on the market for the median price of \$600,100 likely sold for around \$624,000.

"The over-asking numbers for many homes, however, are much much higher," Hardy said.

In the first three months of the year, 25% fewer homes were available to purchase, funneling buyers to aggressively compete for the scant number of homes that come on the market before being snatched up, often in a matter of days, he said.

With interest rates creeping up to just more than 5%, Hardy thinks there may be a slight market cooling. Price escalation may ease but with the general rule of thumb that every 1% increase in interest rates decreases buying power by about 10%, higher interest rates can push potential home owners out of the market and create a buying pool in which only those with a lot of cash can

compete.



## **Buyers put up \$100,000 over ask for seven Fort Collins homes**

The numbers are beyond what anyone has ever seen in Northern Colorado real estate market.

Seven of the 219 homes sold in Fort Collins in March closed for more than \$100,000 over the original asking price; 32 went for \$70,000 more. And nearly 40% sold for at least \$20,000 over list price.

“The lack of inventory, in spite of a spike in mortgage interest rates, is sustaining pent-up demand,” Hardy said. “The April numbers will likely be equally astonishing as far as over-asking sales prices are concerned.”

In the under \$700,000 price point, every home that comes on the market has between 30 and 70 showings in a span of just four or five days, Hardy said. “That means there are likely at least 30 buyers for each house on the market.”

Given the limitations of some listings' showing schedules, not all buyers are getting a chance to see a property before an offer is accepted, he said.

Dan Coogan, a longtime Fort Collins resident, put his home on the market in March, after the death of his wife, Cyd, in September 2020.

He listed his Morgan Street home for \$875,000. Within 24 hours Coogan had 15 showings, and 32 scheduled throughout the weekend.

Fifteen showings was enough, Coogan decided. He canceled those scheduled on Sunday and asked all offers be submitted by 10 a.m. Saturday. He got seven offers. Only one was at full list price; the other six were well over asking, said Realtor Mike Sibbald.

"He cut it off within 24 hours or he would have had many more offers," Sibbald said. "Unfortunately, we had some buyers and buyers' agents frustrated they didn't get a shot on Sunday."

The highest bid and the one Coogan accepted? \$990,000 cash — \$115,000 over list price. The buyer waived appraisal, had an inspection but agreed not to ask for any changes and is letting Coogan remain in the house until the end of May.

Sibbald, who's had his real estate license for 20 years, said he "has never seen anything like this, not even close. It's a challenge for buyers and sellers. It's very frantic; there's a lot of anxiety that goes along with it."

Coogan, who is moving to a small town in Virginia where the median home price hasn't topped \$400,000, said he didn't think \$990,000 "was out of the question," when he listed his home. Fully remodeled in 2020, it's in the desirable University Acres neighborhood.

"At first I wasn't convinced I would sell the Fort Collins house," he said. "I'd never lived anywhere for more than five years until I moved here. It just felt right. "

But, staying here after the loss of his wife "wasn't the right thing for me."

Now he's found a new relationship and a new place "that feels right" in the Blue Ridge Mountains, a community with a strong music scene like Fort Collins, organic farms and pastoral vistas.

Coogan said he saw where the Fort Collins market was going 10 years ago.

"I feel bad for people trying to move to Fort Collins," Coogan said. He said he will "certainly have a nicer house for less money" in Virginia where the market is competitive but still less costly than Northern Colorado.



## Want to win a bidding war? 'Give up the farm'

Realtor Mary Greenberg recently represented out-of-state buyers who paid \$782,000 for a home originally listed at \$679,000 in The Landings. That's \$103,000 over asking. The buyers waived inspection and appraisal, added an escalation clause up to \$800,000 and offered all cash.

"They're going in knowing they overpaid for the house, but that's what the market is," said Greenberg, who's been selling real estate in Northern Colorado for 30 years.

["Buyers are learning quickly if they want to get a home they have to give up the farm,"](#) she said. If they don't do it, other buyers will.

Real examples of an out-of-control market are everywhere, at all price points. A \$445,000 condo in Loveland sold for \$525,000 with all kinds of concessions from buyers; a \$320,000 condo that had 13 offers in three days is closing for \$54,000 over list price.

And, a \$1.6 million property on Linden Ridge Drive went for \$1.77 million. No matter the price point, it seems buyers are throwing as much money as they can at a house just to be competitive.

A 900-square-foot fixer-upper in Loveland listed at \$310,000 sold for \$365,000, \$40,000 over appraised value with the buyers offering to cover any gap between appraisal and sales price.



The lender will require an appraisal and "if it doesn't appraise (for sale price), which it won't, the buyer brings the leftover amount to closing," Greenberg said.

Her buyers for The Landings home looked at 10 homes and put in three offers before submitting the winning bid. "They regretted not doing what they needed to do the first time out," Greenberg said. On the second offer "they were OK if they didn't get it." After the second offer they got more aggressive.

Even in a high-octane market, real estate is still all about location.

Coveted neighborhoods like Indian Hills and University Acres that four years ago were seeing sales prices hit 10% or more over asking price are now seeing sales prices \$100,000 or more over asking, said Realtor Ken Weisbrod of Coldwell Banker Realty, who represented buyers of a home on Pawnee Court, in Indian Hills, listed at \$625,000 and sold for \$725,000. "Coveted neighborhoods always outperform the city and county at large."

Like Tickle Me Elmo buyers back in '96, "When multiple people have the same interest in a property, you will have to pay more for it and do things that you might not perhaps do in a different market," Weisbrod said.



## Homebuying dropouts

First-time homebuyers frustrated with the process, prices and finding themselves unable to compete are dropping out of the Fort Collins market, Greenberg said. "Unless you have a lot of cash or go to new construction, you're not going to win," she said.

Even new construction is tricky given supply chain delays and rising labor and construction prices. New construction advertised in the \$400,000s can be over \$500,000 by the time homes are completed, Greenberg said.

"Builders are only allowed to sell so many houses per month because they can't keep up," she said. Buyers are put on waiting lists, but by the time the house may be ready, price and interest rates have gone up.

A client in Old Town North waited months for a home as the builder ran into problems getting subcontractors, windows and appliances, Greenberg said. By the time the buyers were ready to close, interest rates had gone from 3% to 5%. "It's making a big difference on house payments," she said. "People are dropping out; it's just a crazy market."

Greenberg "strongly suggests" people look in other locations like Severance, which is still seeing new construction. "If I can get them to go to new construction they aren't going to have to come up with cash they don't have."

## **Seven Fort Collins homes sold for \$100,000 over list price in March**

**(Street, list price, sale price)**

- Pawnee Drive, \$625,000, \$725,000
- Maxwell Court, \$679,000, \$782,000
- Morgan Street, \$875,000, \$990,000
- Walkaloosa Way, \$925,000, \$1.175 million
- Golden Currant Boulevard, \$999,900, \$1.113 million
- Round Rock Court, \$1.05 million, \$1.15 million
- Linden Ridge Drive, \$1.6 million, \$1.77 million

## **Northern Colorado housing prices for January-March 2022**

**City, 2021 median price, 2022 median, percentage change**

- Berthoud: \$485,000, \$562,760, 16%
- Fort Collins: \$500,000, \$601,000, 20.2%
- Greeley: \$360,000, \$446,240, 24%
- Johnstown: \$421,500, \$494,845, 17.4%
- Loveland: \$410,000, \$533,550, 30.1%
- Severance: \$422,000, \$500,000, 18.5%
- Timnath: \$532,175, \$740,000, 39.1%

- Wellington: \$414,534, \$482,750, 16.5%
- Windsor: \$459,869, \$583,172, 26.8%

## **Single-family Fort Collins homes getting above list price**

### **Homes sold in March from \$310,000-\$499,500**

53 properties sold; 21 sold for between \$20,000 and \$55,000 over list price

### **Homes sold from \$500,000-\$599,000**

66 properties sold; 18 sold for \$20,000-\$48,000 over list; 12 sold for \$50,000-\$80,000 over list price

### **Homes sold from \$600,000-\$699,000**

39 properties sold; 20 sold for \$35,000 to \$96,600 over list price

### **Homes sold from \$700,000-\$799,000**

30 properties sold; 15 sold for between \$60,000 and \$103,000 over list price (two were \$100,000 or more)

### **Homes sold from \$800,000-\$999,000**

20 properties sold; 14 sold for between \$21,000 and \$115,000 over list price

### **Homes sold for \$1 million or more**

11 properties sold; three sold for \$50,000 over list price; three sold for \$100,000, \$130,000 and \$170,000 over list price, respectively.