



**COMMONWEALTH**

Colorado's Oldest Apartment Firm

Number One in Sales for 32 Years

# **APARTMENT SALES REPORT**

**30 Units & Larger**

**COLORADO SPRINGS, COLORADO**

**Mid-Year Report 2007**

***“Includes Data From 1990 –June 2007”***

**AUTHORS: RON SPRAGGINS, CCIM**  
PRESIDENT OF COMMONWEALTH

**SHANE SPRAGGINS**  
PRESIDENT OF SALES

**RYAN SPRAGGINS,**  
VICE PRESIDENT-RESEARCH

***Serving Colorado Springs Since 1975***

## Our Locations

**COMMONWEALTH**  
**Holly Sugar Building**  
**2 North Cascade Suite 1100**  
**Colorado Springs CO 80903**  
**719-685-0600**



**HOLLY SUGAR BUILDING**  
**2 North Cascade, Suite 1100**  
**Located Downtown Colorado Springs**

**KEY BANK BUILDING**  
**1115 Elkton Drive**  
**Suite 300**  
**Located north-west at**  
**Garden of the Gods**



**PRESIDIO BUILDING**  
**1155 Kelly Johnson Blvd.**  
**Located North off I-25 at North Academy**

*THIS PARAGRAPH SAYS IT ALL...*

*COMMONWEALTH, THE AREA'S OLDEST APARTMENT FIRM HAS CLOSED MORE APARTMENT COMPLEXES THAN ALL OTHER COLORADO SPRINGS APARTMENT FIRMS COMBINED!*

*#1 in apartment Sales for 31 Years!*

Commonwealth, area's oldest apartment firm, continues its record-setting sales pace.

Ron Spraggins, CCIM and his two sons, Ryan & Shane, closed the largest sale of the decade with the 440-unit Grand River Canyon closing. The sale is also the second largest in history, only a sale in 1996 of 496 units is larger.

Ron and his sons represented both the buyer and the seller. The complex had previously been listed with a "national" firm with no success.

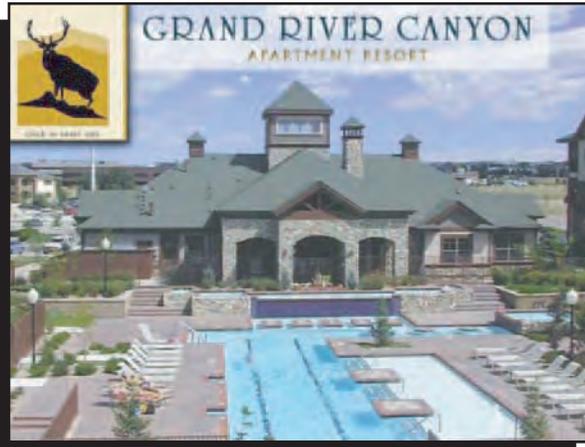
The Spraggins Team sold the project to a local client of theirs since 1990, proving once again that "REAL ESTATE IS A LOCAL MARKET."

The Spraggins Team also sold the Oasis Apartments, a 252-unit luxury complex next to Kissing Camels, and recently closed the Sunset Ridge complex – 240 units for \$21.6 million. Again, Commonwealth represented both the buyer and seller.

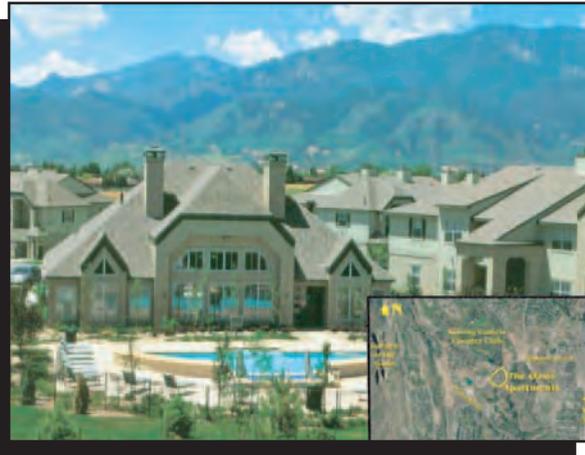
Commonwealth, formed in 1975 and the region's oldest apartment firm, has closed more Colorado Springs apartment sales than all other Colorado Springs apartment firms combined.

Ron Spraggins, CCIM, has personally closed over 120 apartment complexes, more than all other Colorado Springs apartment brokers combined. Notable sales by Spraggins include Grand River Canyon (440 units), Wildridge (305 units), Windmill (304 units), Timberland/Tanglewood (260 units), Oasis (252 units), Sunset Ridge (240 units), Normandy (206 units), Garden Terrace (196 units), Broadmoor Villa (102 units) sold three times, the award-winning Glen Pond apartments, etc.

*We have over \$200 million in liquid funds for apartments. Call for quick price we would pay for fast closing!*



LARGEST SALE OF THE DECADE & 2ND LARGEST EVER!  
GRAND RIVER CANYON - 440 UNITS - \$34 MILLION



THE OASIS APARTMENTS  
252 UNITS – \$25 MILLION



SUNSET RIDGE APARTMENTS  
240 UNITS – \$21.6 MILLION



# WHY COMMONWEALTH

**THIS PARAGRAPH SAYS IT ALL . . . .**

**COMMONWEALTH, COLORADO'S OLDEST APARTMENT FIRM, HAS CLOSED MORE COLORADO SPRINGS APARTMENT COMPLEXES THAN ALL OTHER COLORADO APARTMENT FIRMS COMBINED!**

**"REAL ESATE IS A LOCAL MARKET"**

**SELLING APARTMENTS IS ALL WE DO**

**COMMONWEALTH WAS FORMED IN 1975 TO MEET THE NEED FOR A "PURE" INVESTMENT REAL ESTATE FIRM. MOST REAL ESTATE FIRMS TRY TO SERVE MANY MASTERS, I.E. HOMES, COMMERCIAL, RANCHES, MANAGEMENT, ETC. AS IT HAS BEEN SAID, ONE CAN ONLY SERVE ONE MASTER . . . . AT COMMONWEALTH IT'S APARTMENT EXPERTISE. WE'VE BEEN NO. 1 IN SALES FOR OVER 31 YEARS!**

**NO PROPERTY MANAGEMENT. NO BUILDING. NO HOMES, OFFICE BUILDINGS, OR SHOPPING CENTERS. NO ACTIVITIES THAT DIVERT OUR ATTENTION FROM SELLING YOUR APARTMENT COMPLEX. WE SPECIALIZE IN SELLING APARTMENTS. THAT'S ALL WE DO & WE DO IT WELL!**

**KNOWLEDGE & SALES ABILITY**

**RON SPRAGGINS, CCIM, PRESIDENT OF COMMONWEALTH, IS A NATIONALLY RECOGNIZED EXPERT IN THE APARTMENT INDUSTRY. SPRAGGINS HAS PERSONALLY CLOSED MORE APARTMENT COMPLEXES THAN ALL OTHER COLORADO SPRINGS APARTMENT BROKERS COMBINED.**

**HE WAS A SENIOR INSTRUCTOR FOR THE CCIM PROGRAM FOR OVER 13 YEARS. ALSO AN INSTRUCTOR FOR ADVANCED REAL ESTATE COURSES FOR THE UNIVERSITY OF COLORADO AND OKLAHOMA STATE UNIVERSITY. SPRAGGINS IS THE PAST PRESIDENT OF THE FOLLOWING: STATE OF COLORADO APARTMENT ASSOC., THE COLORADO SPRINGS APARTMENT ASSOC., AND THE COLORADO/WYOMING CCIM CHAPTER**

**THE REASONS ARE MANY FOR YOU TO CONTACT COMMONWEALTH WHEN YOU WANT TO BUY OR SELL APARTMENTS. WE'RE GEARED TO PERFORM. WE KNOW WHERE THE BUYERS & SELLERS ARE. PEOPLE WE CAN CALL ON YOUR BEHALF TODAY. PEOPLE WHO KNOW US & LISTEN TO US. WHEN YOU'RE BUYING OR SELLING, CALL US. THEN KEEP YOUR PHONE LINES OPEN!**



**COMMONWEALTH**

Holly Sugar Bld

North Cascade

Suite 1100

Colorado Springs, CO 80903

ron@commonwealth-realestate.com

Ph: 719-685-0600

Email: [Ron@CommonwealthUSA.net](mailto:Ron@CommonwealthUSA.net)

## COMMONWEALTH SCORES 100% ON FORECASTS SINCE 1969!

This sentence says it all:

“

*FORECASTS ON WHEN TO BUY & WHEN TO SELL HAVE BEEN 100% ACCURATE SINCE 1969.”*

SUGGESTED BUYING IN 1975: We formed our first partnership in 1975, the worse market in history (over 22% vacancy). Average price was \$5,000 per unit! Vacancies went down to 16% in 76 & continued downwardly to 6% in 79.

SUGGESTED SELLING IN 1983: We sold all partnership properties & advised clients to sell in 1983 when vacancies were at 4%. Unit prices had risen to the \$35-45,000 range. Vacancies soared to 12% in just one year (1984) & continued up to 15% in 1986.

SUGGESTED BUYING IN 1990: Our next buying cycle didn't occur until 1990. Vacancy was at 12% & the RTC had closed the savings & loans & many local investors thought the apartment market would never come back. Vacancies plummeted down to 4% in 1992, & continued to a historical low of 1% in 1994!

SUGGESTED SELLING IN 2000: Vacancy tripled from 3% to 9% in 2001, 12% in 2002, & peaked at a 16 year high at 15%! We did not place one investor into an apartment complex from 2000 until summer of 2004!

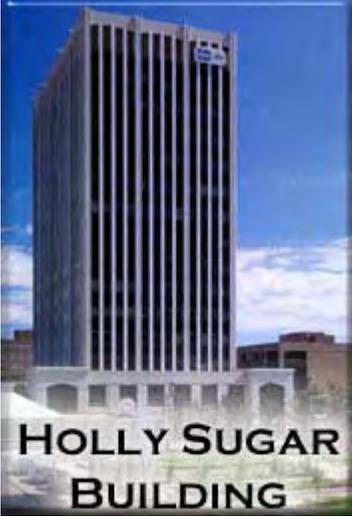
In Commonwealth's October, 2000 Apartment Newsletter we advised clients to sell their complexes, as we felt we were close to the top of the market (lowest vacancies & highest rents) & values would go down when the new product (supply) came on line. Since vacancies were at 3% & rents had been rising, many questioned our logic?

*“Most brokers were putting investors into apartments in 2000 & predicting a strong future market since the Cap Rates were high & vacancies low. (The other apartment surveys also predicted a strong market)!”*

Many times we're too close to the trees to see the forest!

Obviously, hours & hours are required to obtain & decipher the data found in the Commonwealth report to determine the right time to buy or sell . . . & also very important is the “GUT FEELING” about the market, economy, etc. ,which only comes from years of experience in that LOCAL MARKET.

Never forget that Real Estate is a Local Market.



HOLLY SUGAR BUILDING



# COMMONWEALTH'S APARTMENT NEWS

## COMMONWEALTH

AREAS OLDEST APARTMENT FIRM  
HOLLY SUGAR BLDG SUITE 1100  
NO. 1 IN SALES FOR ALMOST

**OCTOBER 2000!!!**

## Sell Colorado Springs apts now?

**"WHY NOT HOLD YOUR PROPERTY UNTIL THE MARKET RETURNS TO LOW VACANCIES & MARKET VALUES ARE HIGHER?"**

**"30 YEARS OF CYCLES SHOW IT TAKES 6-8 YEARS FOR HIGH VACANCIES TO GO DOWN TO 5% AND "0" APPRECIATION DURING THIS PERIOD"**

**"OWNER'S HAVE TO ASK THEMSELVES TWO QUESTIONS.**

**CAN YOU SUPPORT THE COMPEX IF THE CASH FLOW BECOMES NEGATIVE AND IS THAT GOOD MONEY FOLLOWING BAD MONEY?**

**WHAT COULD YOU DO WITH THE EQUITY IF YOU SOLD & PLACED THE DOLLARS IN SOMETHING ELSE?"**

In a recent APARTMENT NEWS interview with **Ron SPRAGGINS, CCIM, President of Commonwealth**, he suggested that now may be the opportune time to sell your apartment complex. Ron is a nationally recognized expert in the apartment industry. He has personally closed more Colorado Springs apartment complexes than all other area apartment brokers combined (over 120 closed sales). During his 31-year career he has been President of the State of Colorado Apartment Assoc., President of the Colorado Springs Apartment Assoc., and President of the Colorado/Wyoming CCIM Chapter. Ron was a Senior CCIM Instructor for 13 years and supplied the information for the Apartment Section for the



RON SPRAGGINS, CCIM  
PRESIDENT OF COMMONWEALTH

**CCIM Course on Marketing Research. He was the first person in Colorado Springs to receive the coveted CCIM Designation. Commonwealth is Colorado Springs oldest apartment brokerage firm, serving Colorado for over 27 years. Members of the firm have closed more apartment sales than any commercial real estate firm in Colorado Springs.**

**APARTMENT NEWS: RON, YOU'VE SUCCESSFULLY PREDICTED THE UPS & DOWNS OF THE MARKET SINCE 1969.**

IN 1972 YOU ADVISED SELLING WHEN THE VACANCY WAS AT 1% & RISING RENTS. IN 1976 YOU URGED CLIENTS TO BUY WHEN THE VACANCY WAS A RECORD HIGH 22%. THE 22% WENT DOWN TO 4% IN 1983 & YOU RECOMMENDED SELLING. IN 1990 THE VACANCY WAS 14%, YOU STRONGLY SUGGESTED BUYING.

**THE MARKET IS AT 4% & RENTS RISING, WHY SELL NOW?**

**SPRAGGINS: WE'VE ALL HEARD THE 3 MOST IMPORTANT WORDS IN REAL ESTATE ARE LOCATION, LOCATION, LOCATION. THIS IS PARTIALLY TRUE, HOWEVER, I FEEL TIMING, TIMING, TIMING IS MORE IMPORTANT. I'VE SEEN INVESTORS LOSE MONEY IN A GREAT LOCATION IF THEY PURCHASED AT THE WRONG TIME. LIKE ALL INVESTMENTS, THE IDEA IS TO BUY LOW AND SELL HIGH.**

**THE HARD PART IS DETERMINING WHERE THE MARKET IS ON THE APARTMENT CYCLE. PREDICTING THE MARKET IS A MATTER OF CONSTANTLY DOING A LOT OF RESEARCH & UNDERSTANDING THAT THE MARKET IS CONTROLLED BY SUPPLY & DEMAND.**

**APARTMENT NEWS: HOW DID YOU DETERMINE THAT LATE 1990-91 WAS AN IDEAL TIME TO START BUYING APARTMENTS WHEN THE VACANCY WAS AT 14%?**

**SPRAGGINS: YOU START WITH CURRENT VACANCIES. NEXT STEP IS FORECASTING THE INCREASE IN POPULATION TO ARRIVE AT HOW MANY NEW HOUSEHOLDS (DEMAND) WILL BE ADDED EACH YEAR. YOU NEXT HAVE TO DETERMINE HOW MANY OF THESE HOUSEHOLDS WILL RENT APARTMENTS. YOU NOW HAVE AN ANNUAL ABSORPTION NUMBER TO APPLY TO THE CURRENT VACANCIES. DON'T FORGET FUTURE APARTMENT & NEW HOME CONSTRUCTION (SUPPLY). WE'VE COVERED THIS IN A PARAGRAPH, OBVIOUSLY, HOURS & HOURS ARE REQUIRED TO OBTAIN & DECIPHER THESE FACTS. ALSO IMPORTANT IS A "GUT FEELING" ABOUT THE LOCAL MARKET, ECONOMY, ETC. WHICH ONLY COMES FROM YEARS OF EXPERIENCE IN THAT LOCAL MARKET. REAL ESTATE IS A LOCAL MARKET ( THAT'S THE REASON WE'VE SEEN OUT OF STATE BUILDERS GET BURNED BADLY IN THE PAST). INCREASES IN BASE JOBS IS ALSO A CRITICAL FACTOR. THERE IS NO SUBSTITUTE FOR GETTING ON THE STREET & BURNING A LOT OF SHOE LEATHER.**

**APARTMENT NEWS: WHERE ARE WE ON THE APARTMENT CYCLE TODAY?**

**SPRAGGINS: WE'RE SOMEWHERE BETWEEN THE ACCELERATED NEW CONSTRUCTION & OVER-BUILDING PHASE. IF ALL OF THE NEW PROPOSED CONSTRUCTION HAPPENS, WE WILL GO INTO THE "HIGH VACANCY" PHASE OF THE CYCLE! I'VE VISITED WITH SEVERAL RESIDENT MANAGERS & OVER 50% OF THE COMPLEXES ARE OFFERING INCENTIVES. WHEN I SEE "PETS OK" IN ADS, I KNOW THE MARKET IS SOFTING UP. INCREASE IN RENTAL RATES ARE AT THE LOWEST % IN MANY YEARS. MOST OF THE NEW COMPLEXES ARE TARGETING THE SAME MARKET, WHICH IS THE SAME MARKET THE SINGLE-FAMILY HOME BUILDERS ARE SEEKING.**

**APARTMENT NEWS: WHY NOT JUST HOLD YOUR PROPERTY UNTIL THE CYCLE GOES BACK TO THE "INCREASING RENTS" PHASE?**

**SPRAGGINS: IN OBSERVING OVER 30 YEARS OF CYCLES, I'VE FOUND THAT THE CYCLE TAKES SEVERAL YEARS TO CORRECT ITSELF. IN 1975 THE 22% VACANCY TOOK OVER 8 YEARS TO GO DOWN TO 4% IN 1983. OVER-BUILDING HAPPENS MUCH FASTER. BY THE END OF 1984 THE VACANCY HAD RISEN FROM 4% TO OVER 12%. IT TOOK 6 YEARS TO GO DOWN TO 5%. AS AN OWNER YOU HAVE TO ANSWER TWO QUESTIONS: CAN YOU SUPPORT THE INVESTMENT IF THE CASH FLOW BECOMES NEGATIVE? SECONDLY, WHAT COULD YOU DO WITH YOUR EQUITY IF YOU HAD SOLD THE COMPLEX & PLACED THE DOLLARS IN SOMETHING ELSE? IN A SOFT MARKET THE RETURN ON YOUR INVESTMENT IS EXTREMELY LOW OR NEGATIVE. MARKET VALUES ARE SLOW TO INCREASE COMING OUT OF AN OVER-BUILT MARKET. THE MARKET VALUE OF APARTMENTS IN 1984 WENT DOWN TO A LEVEL THAT TOOK US UNTIL ALMOST 1994 TO GET BACK TO 1984 VALUES. IN ESSENCE, THESE PROPERTIES HAD "0" APPRECIATION FOR 10 YEARS! FOR EXAMPLE, WE SOLD THE WILDRIDGE APARTMENTS (305 UNITS) FOR \$4.6 MILLION IN 1991. THESE INVESTORS SOLD IT FOR \$8.6 MILLION TWO YEARS LATER! NOT A BAD RETURN FOR A \$400,000 DOWNPAYMENT. THIS COMPLEX HAD SOLD FOR ALMOST \$10 MILLION IN 1984, PRIOR TO THE OVER-BUILT MARKET. THIS COMPLEX IS WORTH OVER \$15 MILLION TODAY. WE SOLD THE WINDMILL APARTMENTS (304 UNITS) FOR JUST OVER \$3 MILLION IN 1991. THE PROJECT SOLD 8 YEARS LATER FOR OVER \$12 MILLION! IT'S VALUE TODAY IS IN THE \$15 MILLION RANGE. THESE TYPES OF RETURNS DON'T HAPPEN UNLESS YOU ARE BUYING NEAR THE BOTTOM OF THE MARKET. MOST SELLERS WAIT FOR THE LAST DOLLAR OF APPRECIATION & ARE FORCED TO SELL AT THE WORSE TIME. IN LATE 1983 THERE WERE MORE BUYERS THAN PROPERTIES AVAILABLE. IN JUST ONE YEAR YOU COULDN'T FIND A BUYER FOR APARTMENTS IN OUR AREA & THIS LASTED 6 YEARS, UNTIL 1991.**

**APARTMENT NEWS: I GUESS WE'LL HAVE TO WAIT & SEE IF YOU'RE RIGHT ... AGAIN.**



# COMMONWEALTH

COLORADO'S OLDEST APARTMENT FIRM  
NO. 1 IN SALES FOR 31 YEARS

## WHY THE BROKER?

**RONALD F. SPRAGGINS, CCIM**, PRESIDENT OF COMMONWEALTH

*This paragraph says it all . . .*

**RON SPRAGGINS, CCIM, HAS CLOSED MORE APARTMENT SALES IN COLORADO SPRINGS THAN ALL OTHER APARTMENT BROKERS COMBINED! HE HAS PERSONALLY CLOSED OVER 120 COMPLEXES.**

### NOTABLE APARTMENT SALES BY RON SPRAGGINS, CCIM

**\*LARGEST SALE OF THE YEAR\***

**GRAND RIVER CANYON - 440 UNITS - \$34 MILLION**

**- 2<sup>ND</sup> LARGEST SALE IN HISTORY - BOTH IN TERMS OF TOTAL UNITS & SALES PRICE**

**THE OASIS - 252 UNITS - \$25 MILLION - 3<sup>RD</sup> LARGEST SALE OF THE YEAR  
SUNSET RIDGE - 240 UNITS-**

**WILDRIDGE - 305 UNITS**

**NORMANDY - 207 UNITS**

**GARDEN TERRACE - 196 UNITS**

**BROADMOOR VILLA - 102 UNITS (SOLD 3 TIMES)**

**CHELTON MANOR - 95 UNITS**

**CASA VEGA - 83 UNITS**

**CASCADE PARK - 73 UNITS**

**WINDMILL - 304 UNITS**

**TIMBERLAND/TANGLEWOOD - 260 UNITS**

**FIRESIDE MANOR - 108 UNITS**

**HOLIDAY TERRACE - 93 UNITS**

**SHADOWS - 73 UNITS**

**GLENPOND - 75 UNITS (VOTED BEST  
APARTMENT COMPLEX IN THE SPRINGS)**

**. . AND OVER 100 MORE SALES.**

**RON IS A NATIONALLY RECOGNIZED EXPERT IN THE APARTMENT FIELD. HE WAS A SENIOR INSTRUCTOR FOR THE CCIM PROGRAM FOR 13 YEARS. INSTRUCTOR FOR ADVANCED REAL ESTATE COURSES FOR THE UNIVERSITY OF COLORADO AND OKLAHOMA STATE UNIVERSITY. SPRAGGINS IS PAST PRESIDENT OF THE FOLLOWING: STATE OF COLORADO APARTMENT ASSOC., COLORADO SPRINGS APARTMENT ASSOC., AND THE COLORADO/WYOMING CCIM CHAPTER.**

**WHEN YOU'RE READY TO BUY OR SELL, CALL RON AT COMMONWEALTH AND START PLANNING FOR A CLOSING!**



# COMMONWEALTH

HOLLY SUGAR BLD 2 NORTH CASCADE SUITE 1100 COLORADO SPRINGS, CO 80903  
PH: 719-685-0600 EMAIL: Ron@CommonwealthUSA.net

# COMMONWEALTH SURVEY

## CLASS DESCRIPTIONS

### CLASS A:

Includes the best complexes in terms of Location, Amenities, & Quality of Construction. Typically includes larger unit sizes, washer/dryer hook ups & garages/carports. Tenant Population is typically white-collar able to afford single family home, if desired.

### CLASS B:

Includes complexes located in neighborhood settings. Amenities typically include pool & Formal play area. Properties are better maintained & enjoy better curb appeal than Class C complexes. Tenant population includes young families & single parents. School District is often important.

### CLASS C:

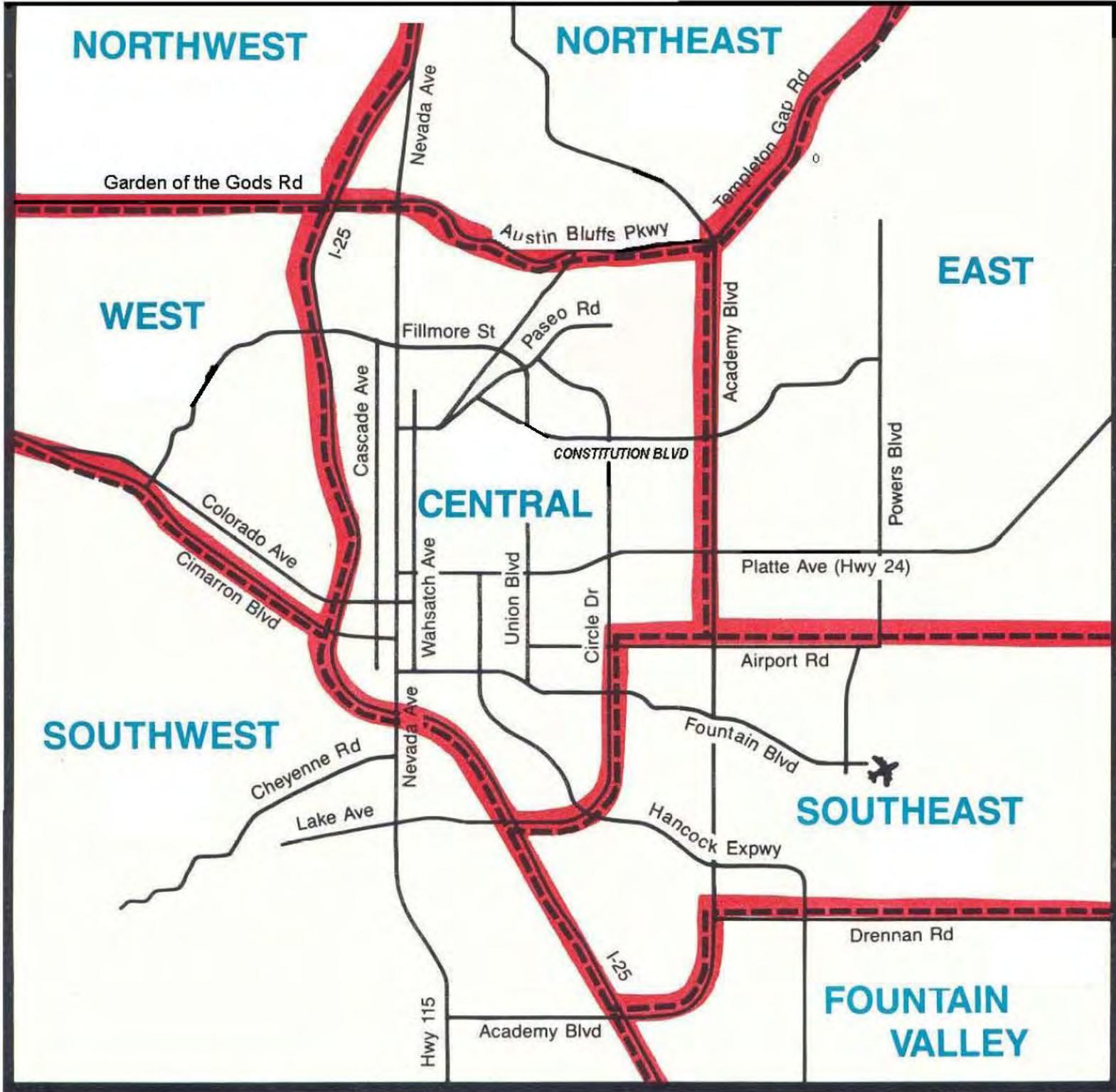
Includes complexes in transition areas between commercial sectors & residential neighborhoods. Often found in cluster with other apartment complexes. Amenities are similar to Class B complexes, but properties are not as well maintained. Tenant population is varied. Price often more important than location & amenities.

We assembled representatives from the leading Apartment Rental Agencies, Owners/Investors, & Resident Managers to determine geographic areas and descriptions to be used in classifying complexes by Class A, B, & C. The descriptions & geographic lines were arrived at after many hours of discussions by over 25 leaders in the apartment industry. These people deal directly with these items on a daily basis. They have first hand knowledge of how tenants/owners view geographic lines & quality of complexes.



**COMMONWEALTH**  
 REGIONS OLDEST APARTMENT FIRM  
 NO. 1 IN SALES FOR 30 YEARS

# GEOGRAPHIC AREAS



**COMMONWEALTH'S  
COLORADO SPRINGS APARTMENT SALES REPORT  
30 Units and Larger  
Mid-Year 2007  
(JANUARY-JUNE)**

**SUMMARY**

<b><u>COMPLEX SIZES:</u></b>	<b>FROM 41 TO 440 UNITS</b>
<b><u>PRICE PER UNIT RANGE:</u></b>	<b>\$32,000 TO \$135,000</b>
<b><u>PRICE PER SQUARE FOOT RANGE:</u></b>	<b>\$42 TO \$140</b>
<b><u>TOTAL SALES VOLUME:</u></b>	<b>\$154,258,337</b>
<b><u>TOTAL UNITS SOLD:</u></b>	<b>2,011</b>

**BY CLASS A-B-C QUALITY**

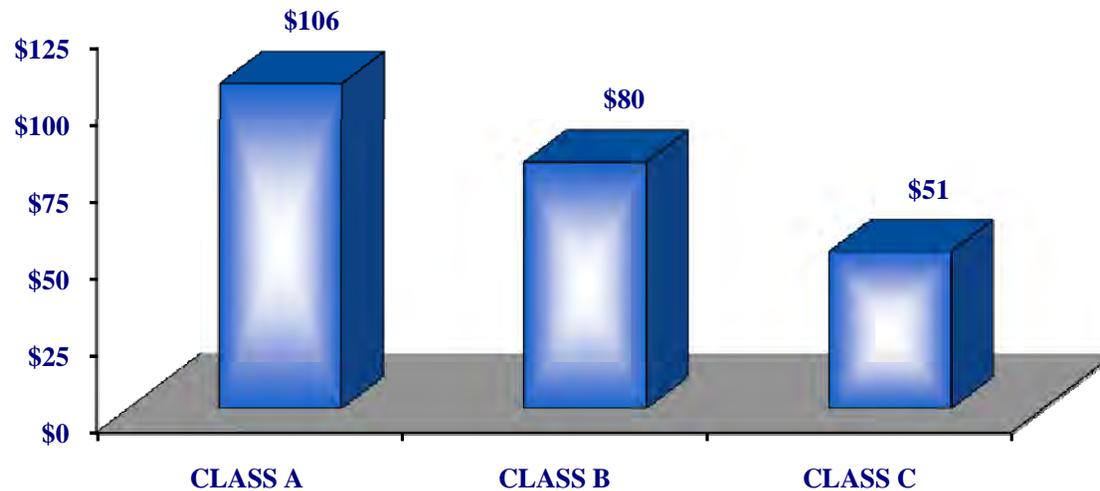
	<b><u>UNITS SOLD</u></b>	<b><u>SALES VOLUME</u></b>	<b><u>PRICE PER UNIT</u></b>	<b><u>PRICE PER SQ FT</u></b>
<b><u>CLASS A:</u></b>	<b>716</b>	<b>\$76,250,000</b>	<b>\$106,494</b>	<b>\$127</b>
<b><u>CLASS B:</u></b>	<b>412</b>	<b>\$33,164,723</b>	<b>\$ 80,497</b>	<b>\$ 84</b>
<b><u>CLASS C:</u></b>	<b><u>883</u></b>	<b><u>\$44,843,614</u></b>	<b>\$ 50,786</b>	<b>\$ 68</b>
<b><u>TOTALS:</u></b>	<b>2,011</b>	<b>\$154,258,337</b>		

# COLORADO SPRINGS APARTMENT SALES

## MID YEAR REPORT

JANUARY - JUNE 2007

Dollars Per Unit By Class (In Thousands)



*SOURCE: EL PASO COUNTY RECORDS*

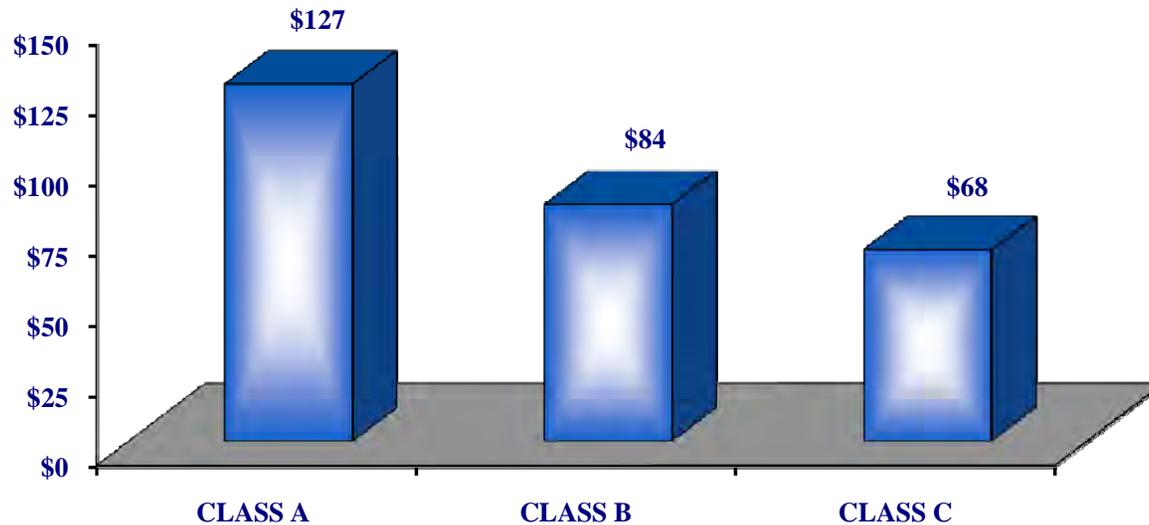
**FOR DETAILED INFORMATION CONTACT:  
RON SPRAGGINS, CCIM (719) 685-0600**

# COLORADO SPRINGS APARTMENT SALES

## MID YEAR REPORT

January-June 2007

DOLLARS PER SQ. FT. BY CLASS



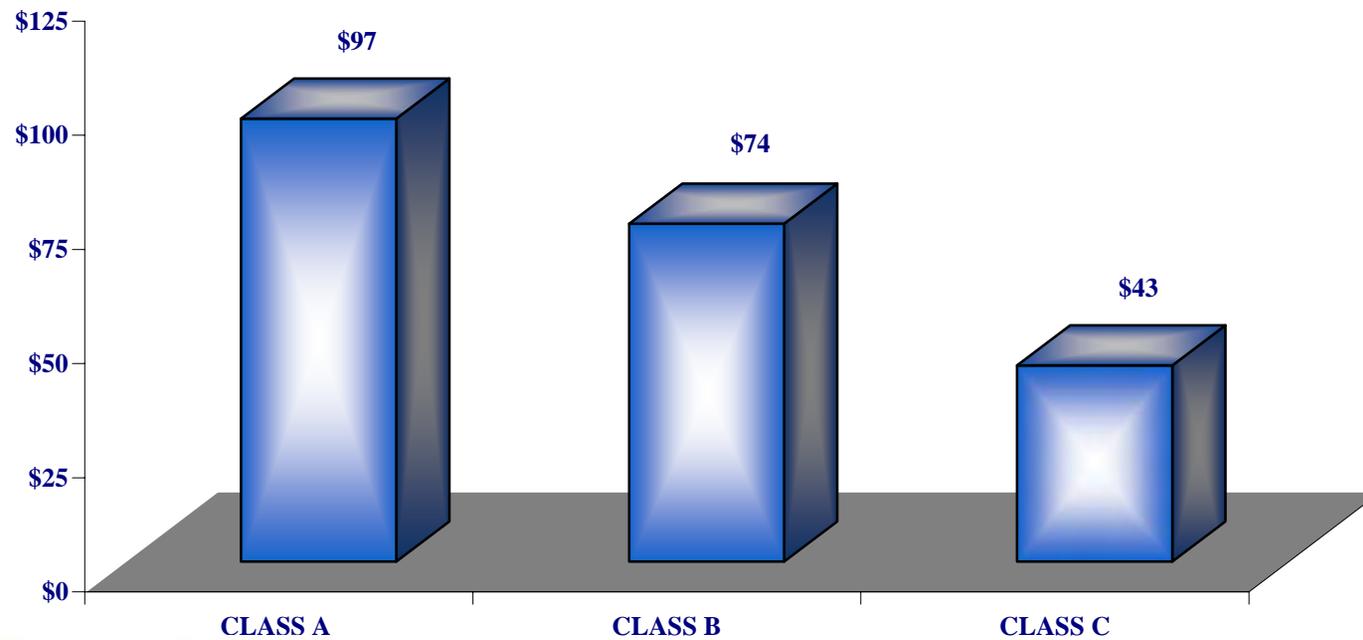
*SOURCE: EL PASO COUNTY RECORDS*

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# COLORADO SPRINGS APARTMENT SALES

## 2006

### DOLLARS PER UNIT BY CLASS (In Thousands)



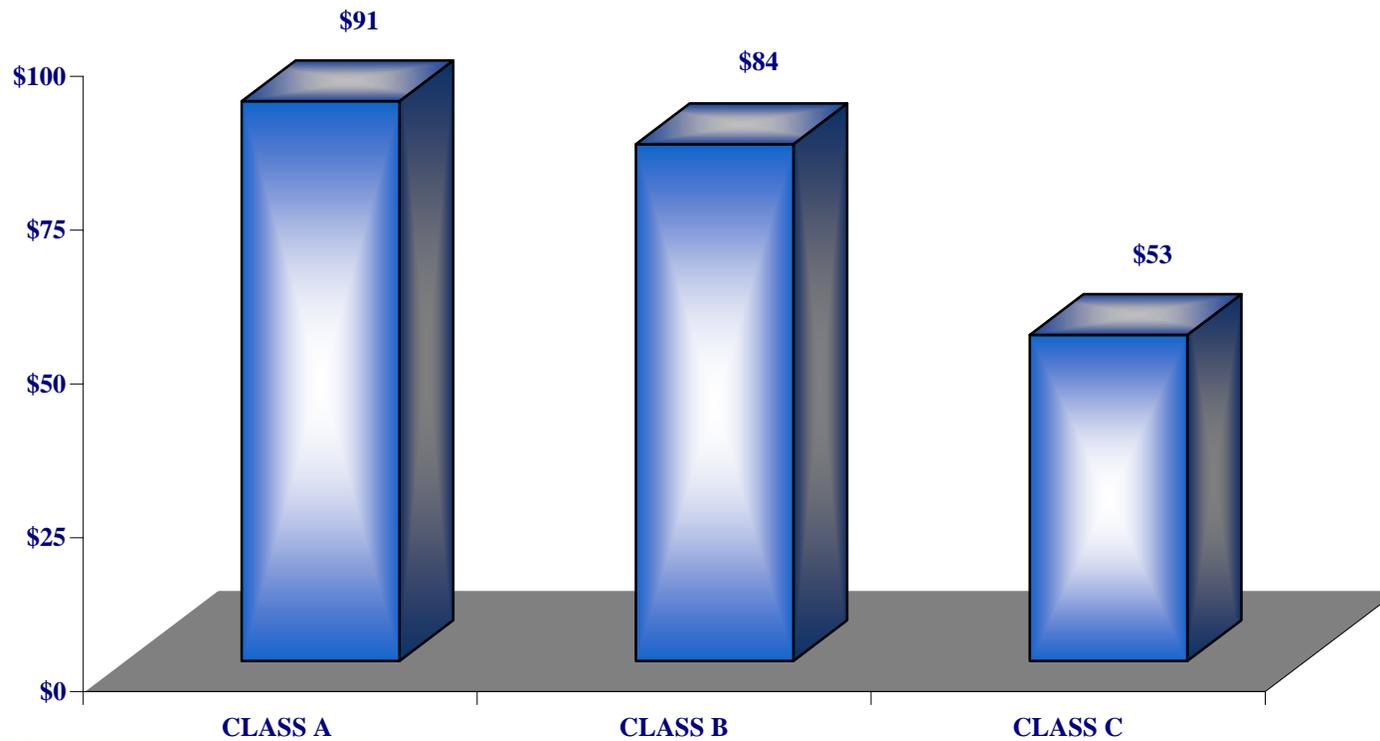
*SOURCE: EL PASO COUNTY RECORDS*

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# COLORADO SPRINGS APARTMENT SALES

## 2006

### DOLLARS PER SQ. FT. BY CLASS



**COMMONWEALTH**

REGION'S OLDEST APARTMENT FIRM  
NO. 1 IN SALES FOR 30 YEARS

*SOURCE: EL PASO COUNTY RECORDS*

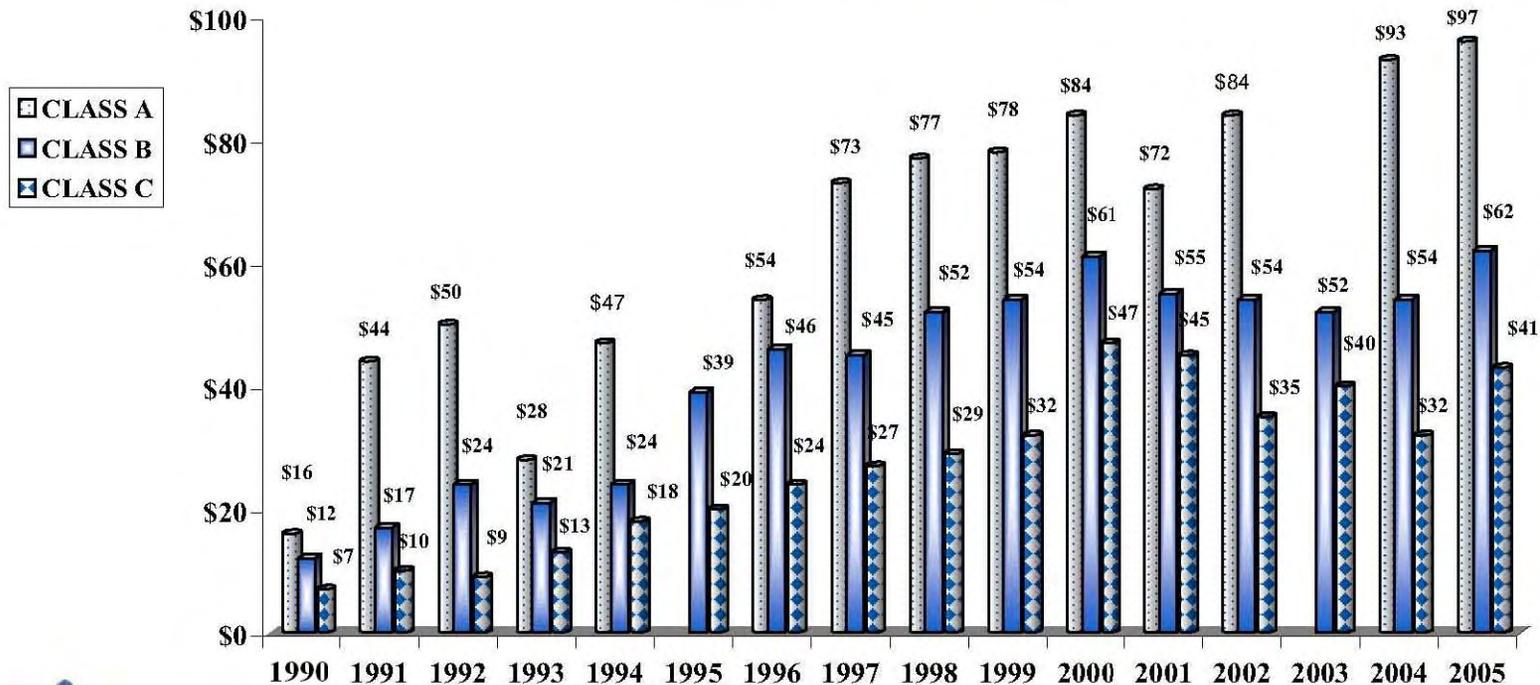
**FOR DETAILED INFORMATION CONTACT:  
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# COLORADO SPRINGS APARTMENT SALES

1990-DECEMBER 2005

## DOLLARS PER UNIT BY CLASS

(IN THOUSANDS OF DOLLARS)

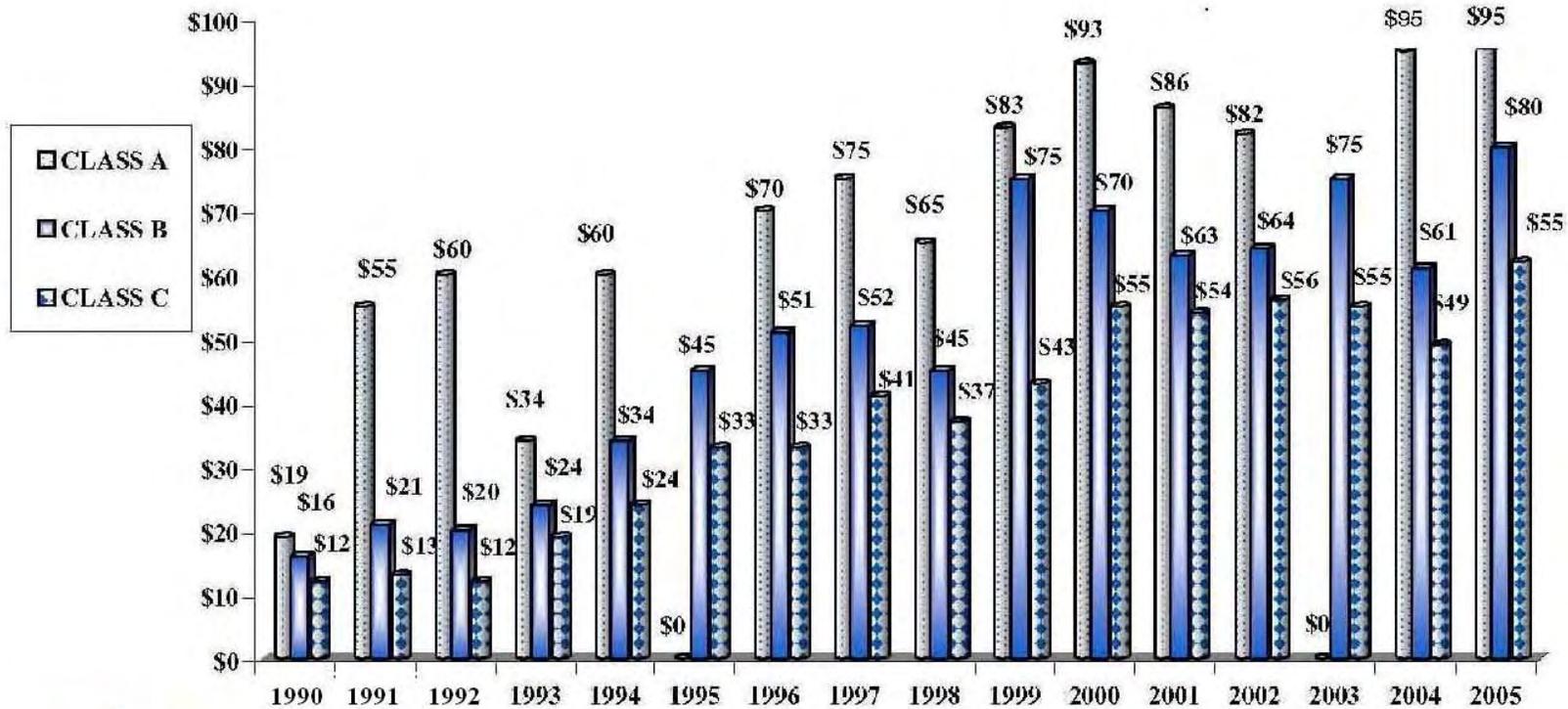


SOURCE: EL PASO COUNTY RECORDS

FOR DETAILED INFORMATION CONTACT:  
RON SPRAGGINS, CCIM (719) 685-0600

# APARTMENT SALES 1990-DECEMBER 2005

## COLORADO SPRINGS DOLLARS PER SQUARE FOOT BY CLASS



SOURCE: EL PASO COUNTY RECORDS

FOR DETAILED INFORMATION CONTACT:  
RON SPRAGGINS, CCIM (719) 685-0600

# **Commonwealth's Apartment Sales Report**

## **Mid-Year 2007**

*(30 Units and Larger)*

### **COLORADO SPRINGS, CO**

#### **SALES SUMMARY**

By: Ronald F. Spraggins, CCIM  
President of Commonwealth

#### **RECORD HIGH PRICES PAID FOR COLORADO SPRINGS APARTMENTS**

Grand River Canon, a 440 unit complex, sold for a record high of \$116 per square foot when it closed in February. The price was \$39 million. Commonwealth sold the complex to the sellers for \$34 million in 2004.

The Talon Hill (276 units) sale in May was the highest price ever paid for a Colorado Springs apartment complex, both in terms of price per unit and price per square foot. The project commanded a price of \$135,000 per unit and almost \$140 per square foot.

Total sales volume for the first two quarters was \$154,258,337, which is approximately \$63 million more than 2006's volume for the same period.

The 2,011 total units sold (30 units and larger) ranged in complex size from 41 units to 440 units.

The price paid per unit ranged from a low of \$32,000 for a Class C complex, to a high of \$135,000 per unit for the Class A – Talon Hill project.

“The \$103,000 difference in unit price between the Class A sale and the Class C sale clearly shows why apartment data, including vacancy and rent reports, must be separated into classes by quality of the complex and location in order to be useful. Averaging wide data points results in useless averages. Commonwealth's reports are the only Colorado Springs apartment reports that separate the complexes into Class A, B, & C. We also rate each complex in its class, i.e. Class A's are rated from 90 to 100, B's 80-89, and C's 70-79.

Separating complexes by the year of construction, as some reports do, makes no sense. There was junk built in this last building cycle and some of our best constructed and located complexes were built in the 60's! Other reports only separate by their geographic location.

Commonwealth believes the 3 most important words in apartment investing are, **Timing, Timing, Timing.**

**It takes a local brokerage firm, knowledgeable in the market, to understand these cycles. When out of town brokers find out . . . it's usually too late!**

### **CLASS A – APARTMENT SALES**

There were only two Class A sales, as prices are approaching, and in some cases, exceeding replacement costs! A danger sign that the project may have trouble competing with the new complexes during the next building cycle. There were only three Class A complexes sold in 2006 during this period.

The 2007 sales have averaged over \$106,000 per unit and \$127 per square foot. This compares to \$100,000 per unit and \$89 per square foot for the same period in 2006. This high unit and square foot price is some what skewed due to the record setting price of Talon Hill. For example, the other Class A sale closed for approximately \$88,000 per unit. We must understand that Talon Hill is really a condo that's being used as an apartment complex, i.e., double attached garages, 1,300 plus square feet units, etc.

Total sales volume for Class A complexes was \$76,250,000, which included 716 total units sold. Total units sold in 2006 equaled 640, with a sales volume of \$64,215,000 for the first two quarters.

The 716 total units sold included a 440 unit and a 276 unit complex.

Class A complexes averaged almost \$56,000 per unit more than Class C complexes and \$26,000 more than Class B complexes. Again, this illustrates why **data must be separated into classes in order to be useful.**

Class A prices have escalated to a point that are difficult to make economic sense at today's rents, so buyers have been more active in the depressed Class C prices. Class A owners planning to sell in the next couple of years will command a better price if they sell while there are still out of town investors willing to pay big bucks for quality projects.

### **CLASS B – APARTMENT SALES**

There were 412 Class B units sold with a total sales volume of \$33,164,723. This compares to 156 units sold and a sales volume of \$11,200,000 in 2006 for the first two quarters, clearly showing the buyer movement from the Class A complexes.

The Class B sales averaged \$80,497 per unit and \$84 per square foot for 2007 in contrast to \$72,000 per unit in 2006 and \$62,000 per unit that was paid in 2005. Price per unit was \$54,000 and \$61 per square foot in 2004 . . . and **\$61,000 per unit and \$70 per**

**square foot in 2000!** The year 2000 was the worse year to buy Colorado Springs apartments during this cycle. Most projects went down in value for the next 4 years or more! Again, timing and understanding that real estate is a LOCAL MARKET.

The size of the complexes sold in 2007 ranged from 196 units to 216 units.

### **CLASS C – APARTMENT SALES**

Class C complexes had the most sales with 7 closings that averaged just under \$51,000 per unit and \$68 per square foot. The 2006 prices were just over \$39,000 a door and \$53 per square foot.

This large increase in price is somewhat misleading, as there were a few sales of upper end Class C (78 rating out of 79) complexes that closed and in some cases, the out of town buyer simply paid more than market value. There are several Class C complexes on the market in the upper \$20,000 to upper \$30,000 per unit range. Most Class C complexes that have relied on Ft. Carson for tenants have a high vacancy problem and consequently negative cash flow. Several owners are in default on their loans and are willing to walk away with nothing! Again, they were put into the deal at the wrong TIME in the cycle.

There have been 7 Class C sales in 2007, totaling 883 units, which ranged in complex size from 41 to 280 units. Total sales volume was \$44,843,614.

However, the majority of the **Class C complexes are still selling for less than the previous record setting \$47,000 per unit set in 2000!** In essence, a complex bought in 2000 for \$47,000 per unit, is now selling for less than paid for 7 years ago!

**This again shows the importance of “timing” and using a local brokerage firm that knows the local-market.** The majority of the “bad deals” have been brokered by “large national brokerage firms” that don’t even have an office in Colorado Springs!

Class C complexes continue to have the highest vacancies. Many of these complexes still have vacancies in the mid-high teens, some are worse! The local Vacancy Reports do not separate complexes by quality, therefore their 10% average does not tell the real story.

The Class C complexes are usually the last to increase occupancy and raise rents after an over-building cycle.

**FOR THE COMPLETE 30 PAGE REPORT, INCLUDING SALES DATA FROM 1990 TO PRESENT OR BACK TO 1971 IF YOU NEED IT! PLEASE CONTACT:**

Ron Spraggins, CCIM

President of Commonwealth

719-685-0600 [Ron@CommonwealthUSA.net](mailto:Ron@CommonwealthUSA.net)

[www// CommonwealthUSA.net](http://www.CommonwealthUSA.net)

# Class A Sales

# Apartment Sale



**COMMONWEALTH**

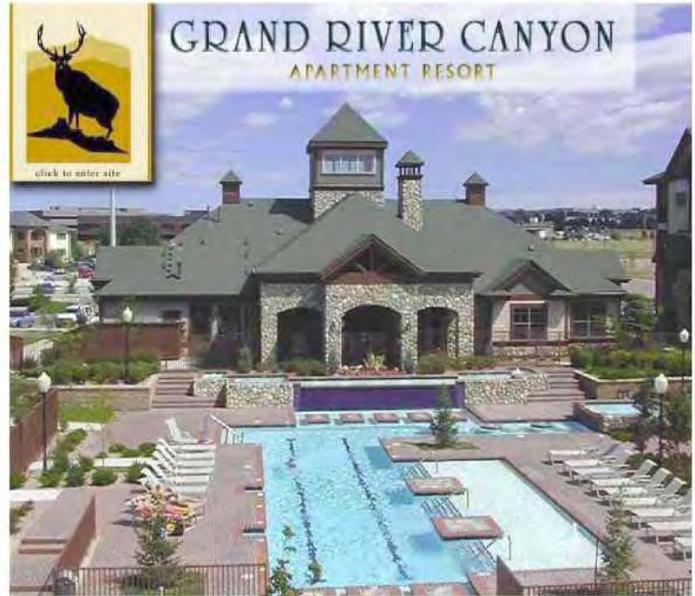
*Colorado's Oldest Apartment Firm*

*Number One in Sales Since 1975*

## GRAND RIVER CANYON 7715 Kaleb Grove COLORADO SPRINGS,

### Sale Details

Sale date:	2/1/2007
Units:	440
Sale price:	\$39,000,000
Price/unit:	\$116
Price/foot:	\$88,636
Class Rating:	Class A-92



### Property Details

Location:	
Sq. ft.:	335,667
Lot size:	755,330
Yr. built:	1999
Parcel:	6305302053

### Amenities

### Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
1Br/1Ba	292	630 - 825
2Br/2Ba	136	925 - 925
3/2	12	1,200 - 1,200

For more information contact:

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**Ryan Spraggins**

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# Apartment Sale



## TALON HILLS APTS 1640 PEREGRINE VISTA HEIGHTS Colorado Springs, CO 80921



### Sale Details

Sale date:	5/17/2007
Units:	276
Sale price:	\$37,250,000
Price/unit:	\$135,000
Price/foot:	\$140
Class Rating:	Class A-96

### Property Details

Location:	North/NE
Sq. ft.:	266,793
Lot size:	683,021
Yr. built:	2005
Parcel:	6217401024

### Amenities

--

### Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
1/1	140	701 - 810
2/2	108	1,075 - 1,290
3/2	24	1,406 - 1,424

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# Class B Sales

# Apartment Sale



**PARC AT BRIARGATE**  
**8175 Summerset Dr.**  
**Colorado Springs, CO 80918**



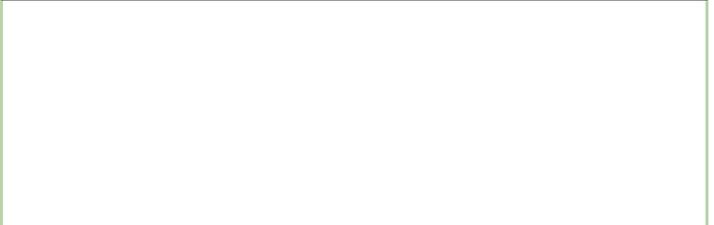
## Sale Details

Sale date:	1/11/2007
Units:	196
Sale price:	\$14,850,000
Price/unit:	\$76,000
Price/foot:	\$71
Class Rating:	Class B-81

## Property Details

Location:	NE
Sq. ft.:	209,908
Lot size:	404,236
Yr. built:	1983
Parcel:	6304207001

## Amenities



## Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
1Br/1Ba	64	800 - 800
2Br/2Ba	132	1,049 - 1,049

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# Apartment Sale



**MADISON AT ROCKRIMMON  
260 RIMVIEW DR.  
COLO. SPRINGS, 80919**



## Sale Details

Sale date:	4/10/2007
Units:	216
Sale price:	\$18,265,327
Price/unit:	\$84,562
Price/foot:	\$80
Class Rating:	Class B-83

## Property Details

Location:	NW
Sq. ft.:	228,181
Lot size:	506,167
Yr. built:	1984
Parcel:	7313401001

## Amenities



## Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
1Br/1Ba	108	737 - 794
2Br/2Ba	108	927 - 1,062

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# Class C Sales

# Apartment Sale



**TANGLEWOOD APTS**  
**3803 HALFTURN RD**  
**COLO. SPRINGS, 80917**



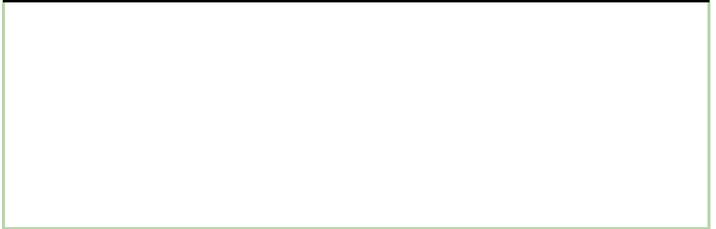
## Sale Details

Sale date:	1/31/2007
Units:	112
Sale price:	\$4,925,000
Price/unit:	\$44,000
Price/foot:	\$67
Class Rating:	C-73

## Property Details

Location:	East
Sq. ft.:	72,980
Lot size:	122,839
Yr. built:	1973
Parcel:	6326309030

## Amenities



## Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
1Br/1Ba	64	560 - 560
2Br/1Ba	24	720 - 720
2Br/2Ba	24	836 - 836

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# Apartment Sale



**AMBER MEADOWS  
107 UNIVERSITY DR  
COLORADO SPRINGS, CO**



## Sale Details

Sale date:	2/7/2007
Units:	41
Sale price:	\$1,499,360
Price/unit:	\$37,000
Price/foot:	\$77
Class Rating:	Class C-70-

## Property Details

Location:	East
Sq. ft.:	19,348
Lot size:	30,735
Yr. built:	1969
Parcel:	6415401053

## Amenities

## Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
	41	0 - 0

## Notes

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# Apartment Sale



**AMBER RIDGE aka El Dorado**  
**3967 EAST BIJOU**  
**Colorado Springs,**



## Sale Details

Sale date:	2/10/2007
Units:	120
Sale price:	\$3,800,000
Price/unit:	\$32,000
Price/foot:	\$47
Class Rating:	Class C-70

## Property Details

Location:	
Sq. ft.:	81,060
Lot size:	172,498
Yr. built:	1995
Parcel:	6414205014

## Amenities

## Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
	120	0 - 0

**ORIGINALLY BUILT AS A TAX CREDIT/AFFORDABLE HOUSING PROJECT.**

**FORECLOSURE SALE IN FEBRUARY**

For more information contact:

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# Apartment Sale



## BROADMOOR PARK TERRACE 920 ARCTURUS DR. COLO. SPRINGS, 80906



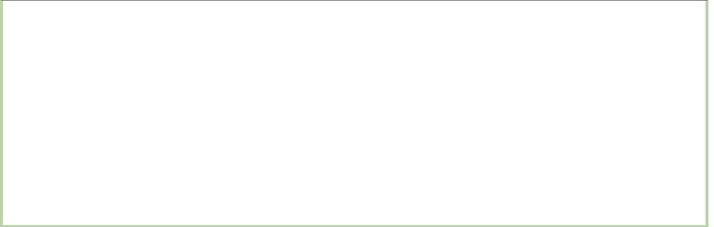
### Sale Details

Sale date:	3/10/2007
Units:	58
Sale price:	\$3,200,000
Price/unit:	\$55,000
Price/foot:	\$63
Class Rating:	Class C-76

### Property Details

Location:	SW
Sq. ft.:	51,010
Lot size:	52,708
Yr. built:	1969
Parcel:	7425200075

### Amenities



### Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
1Br/1Ba	29	734 - 734
2Br/1Ba	19	1,022 - 0
Studios	10	449 - 449

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# Apartment Sale



## MADISON AT FALCON POINTE 1844 RALPHS RIDGE COLO. SPRGRS, 80910



### Sale Details

Sale date:	4/2/2007
Units:	280
Sale price:	\$17,918,614
Price/unit:	\$63,995
Price/foot:	\$88
Class Rating:	Class C-74

### Property Details

Location:	Cental SE
Sq. ft.:	203,020
Lot size:	775,803
Yr. built:	1986
Parcel:	6428110001

### Amenities



### Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
1Br/1Ba	128	649 - 649
2Br/2Ba	60	908 - 908
Studios	92	497 - 497

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# Apartment Sale



## PARK HILL APARTMENTS 2827 PIKES PEAK AVE E COLO. SPRINGS, 80909



### Sale Details

Sale date:	4/30/2007
Units:	56
Sale price:	\$2,000,000
Price/unit:	\$36,000
Price/foot:	\$43
Class Rating:	Class C-71

### Property Details

Location:	Central
Sq. ft.:	47,040
Lot size:	89,733
Yr. built:	1964
Parcel:	6415305016

### Amenities

--

### Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
1Br/1Ba	32	700 - 700
2Br/2Ba	24	900 - 900

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# Apartment Sale



**GREENTREE VILLAGE APTS**  
**3562 North Carefree Circle**  
**COLO. SPRINGS, 80917**

## Sale Details

Sale date:	5/4/2007
Units:	216
Sale price:	\$13,000,000
Price/unit:	\$60
Price/foot:	\$67
Class Rating:	Class C-75



## Property Details

Location:	
Sq. ft.:	194,596
Lot size:	348,915
Yr. built:	1973
Parcel:	6326309035

## Amenities

## Sale Comps Units

<u>Unit type</u>	<u>Units</u>	<u>Square Feet</u>
2Br/1Ba	216	870 - 998

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