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Bidding Wars in a Seller's Market

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Going once, going twice, and SOLD to the highest bidder. The Wellington real estate

market has the frenzied feel of Smelker's Auction on a Friday night. Since January of 2014, homes in Wellington, on average, are selling at 100% or above their asking price. At the height in June of 2015, homes were selling 101.3% above their asking price.

The current median sales price in Fort Collins is \$364,000 while Wellington currently enjoys a median home value of \$308,000. Wellington homes have caught the attention of those priced out of our neighboring markets. The attraction and short supply of affordable homes has created bidding wars, especially in homes in good condition priced below \$300,000.

For example, in August a 2 bedroom, 1 bath remodeled & updated home built in 1922 with a large detached garage and shop was listed at \$260,000. Within days, it received four offers and sold for \$10,000 over asking price at \$270,000.

In addition to big dollars, buyers are wooing sellers by offering additional concessions such as a free rent back period. The buyer will allow the seller to stay in the house for 30-60 days after closing. "AS-IS" contracts are common where the buyer vows to not ask for any repairs or concessions. Buyers are also offering to pay fees such as HOA transfer fees or title fees to win out over their competition.

What goes up must come down. As interest rates rise and market factors trend towards a more even market, Wellington sellers may have to put the auctioneers gavel back on the shelf in upcoming years.

