

Stats at a Glance

- Total Eastside sales thru Aug of '08: 5,513
- Median Eastside home price: \$594K down 8.9% from '07
- Median Eastside condo price: \$335K up 2.7% from '07
- All houses for sale in King Co.: 11,949 up 14% from Aug '07
- Houses sold in August in King Co.: 1,533 down 34% from '07
- Washington ranks 49th of 50 states for least impact by foreclosures at under 4% and PMI ranks the Seattle area 2nd most likely metro region to see home values increase in 2010

Interest Rates Options:

Loans up to \$417K
30 Yr Fixed: 5.75%
15 Yr Fixed: 5.375%

FHA up to \$567,500
30 Yr Fixed: 5.875%

Loans above \$417K
7 Yr Fixed: 5.375%

You can still buy with 3-5% total out of pocket expenses; no gimmicks. **Yes you can!**

I recognize most of you are not planning to buy or sell a home in the next few months but I strive to keep you more accurately informed about the real estate market to counter so much of the erroneous media information. If you or someone you care about wants or needs to buy or sell a home, I hope you will give them my name or call me with theirs. I'd be honored to help them. Thanks for your time and interest. I appreciate them.

Market Talk with Paul Isenburg

Who Would Buy a House in Today's Market? Maybe You!

Given all the negative media attention regarding real estate, you and many others are probably asking this question. The answer is the many folks facing change in their lives. The main reasons people buy or sell homes is because of changes going on in our lives. Someone's work has changed locations, you got a raise, you're preparing for a family or a change in your family's size or you're planning on retiring and want to find a new long-term home choice. Many factors create change in our lives; many of these factors can cause a need or desire for a new home or investment property.

But why now; good grief the bottom is falling out and nothing is selling? Hucklebuck!! We had 698 sales in August on the

eastside alone. Yes we have lots of choices; isn't that a good thing if you're a buyer? Many seller's are highly motivated now and need to get their home's sold so they can get on with the changes in their lives. They are willing to make a deal. Some are adjusting their price to attract you; others are waiting for you to make them an offer. Interest rates have dropped in the past 2 weeks, with the national economic uncertainties. 5.625% for 30 year fixed rates are back again. Compared to the 6.375% of a month ago, this means a savings of \$200 per month for a loan amount of \$417,000; the equivalent of an 8% drop in the price of a home.

But Paul, the market has dropped 20% in the past year. Balderdash! Some areas and

price ranges have dropped 10-12% but most are off about 8% from last year to the same levels as 2006, above 2005 and beyond. So, are you buying a house this year to sell next year? Are your life changes that short-lived? If so, don't buy. It's never wise to buy a home with the idea of selling it in a year, unless you're buying an investment property, know how to make the repairs and can handle the risks. Most of us don't fit that profile. If you plan to own your home for several years, → →



With lots of choices and favorable interest rates, today's market can be a great time to be a buyer.

How Can You Sell Your Home in Today's Market

While the nuance answers to this question would require a book's worth of answers, the real factors come down to 3 things. First, are you truly motivated to sell your home? Has the change bug bitten you and you're truly committed to make a move. If not, then selling today is likely not a wise idea. We have too many under-motivated seller's homes on the market, creating part of our stagnant

market. This is not a market for "testing the waters". While good homes are selling in relatively short times, these sellers are prepared to have them sell too. So, you're committed; now what? We need to take a very close look at your home and put it in top show condition. This is not a market where buyers will accept homes needing lots of work, updates or creative touches. Most of us are too busy

with our lives to have the time to buy a project. Most buyers want to see a home that has been well maintained, freshly cleaned, painted if need be and does not present a list of "to-do's" with a mortgage attached. This means looking at your home for all the little things you kept meaning to get around to and getting them done before you come on the market. It may also mean hiring a home inspec-



A new home may be in your reach, if you have the courage to reach out and grab it.

The Federal Gov't wants to give you a \$7,500 tax credit; a 15 year interest free loan, if you'll buy a home by July 1, 2009



To sell for top dollar today, your home needs to shine inside and out. It's a beauty contest and price war too.

Who would buy a home today, maybe you cont. from pg 1

why worry about next month's or even next year's value. You won't be selling. Granted, we have to keep some perspective; none of us want our homes or any of our investments to drop in value, but don't get so worried about next year's value that you miss out on today's opportunities. If a major change comes into your life next year and forces you to sell, it may not be pretty, but then likely nothing about this new change is. The point is, the media does enough

worrying for all of us. Plan and live your life as you want it to be, not in fear of what if. If change is driving you to want a new home, embrace it and focus on the positives created by the change. We have many homes on the market, priced well, in parade-ready condition that are selling in 60 days or less in much of our market. With our present great rates and lower prices, this fall could be the best time to be a buyer, that we've seen this year. Interest rates

usually move higher come spring and that just means your payment didn't go down, even if prices drop 3 to 4% from today's values. Why not make an offer? You may save on price, rates and payments. Lenders are looking for good borrowers to loan money to. Banks only make money if people come to borrow it. Better rates are available for higher priced homes and investors too. If change is affecting you, give me a call to discuss if moving now is wise for you.

An Update on First Time Buyers and FHA Loans

The government wants you to buy a home. They are offering a tax credit of \$7,500 to people who haven't bought a home in the past 3 years. This amounts to a 15 year, interest free loan. The credit goes against your present tax owed and you're refunded the extra if your taxes due not reach \$7,500 for 2009. This credit is good for buyers who bought or buy between

April 9, 2008 and July 1, 2009. Basically an interest free loan for the next 15 years or until you sell the home. Many builders and sellers are now looking to add to this incentive to help buyers find a way into their first home and lenders are finding ways to maximize this credit to help you qualify for a home loan. FHA loans will start requiring a 3.5% down payment

in January, versus 3% now and the maximum loan amount is scheduled to drop from \$567 to about \$525K in January. If you know someone hoping and saving to buy their first home, have them give me a call so I can help them take advantage of these short term opportunities. You don't need large down payments, just good credit and verifiable income to buy a home.

How to sell your home in today's market cont. from pg. 1

tor or contractors to come give an honest evaluation of your home's condition and major systems reviews. In today's market, homes are in a beauty contest and a price war at the same time. Your home needs to sparkle, with no surprises coming up to scare buyers away. Still interested and committed to sell? If so, then price will be the final

factor in selling your home. In most areas we are looking at 40-60 homes for sale in any given price range and search criteria with 1-2 home sales a week. If you're home is going to sell, it has to be priced compellingly and shine. Anything less and it's an uphill climb for success. So Paul, are you saying we have to give our homes away if we

want them to sell? No but you need to consider a buyer's perspective. They'd like to buy a quality home, not a project list and they're expecting to pay \$500, \$650, \$900K or more for it. Wouldn't you expect a well-priced beauty for your money? If you've lived in our home for 3 years or more, you will likely still realize a pretty good return on

A few notes about Paul's mental health

After reading some of this information, you may be thinking "he's totally lost it". Ok, maybe you've been thinking that for a lot longer than just this reading. I grant that. It is difficult with the present economic conditions to not be worried about tomorrow, or even today. Most investments don't seem sound right now. So what can we do about it? I'm not wise enough to answer all the possibilities but I do know that we each need to live somewhere, take responsibility

for ourselves and endeavor to live our lives, as we'd like to, not in fear of impending doom, gloom or bailouts. Naïve? Perhaps. But what's the alternative? Hunker down, hide and hope? Why not hope and act instead? We'll all do better as individuals and as a whole if we smile, make decisions based on what we'd like to see happen and hope that our optimism is contagious. People have joys happening every day and we need to plan for more joys tomorrow. If we

don't, who will? I'm not so naïve as to not recognize the fear of taking steps forward, but I'm wise enough to know that standing still doesn't work for most of us. Now may not be the right time for you to buy or sell but don't let fears of tomorrow be what stops you, today. If a step forward for you involves a home change, do let me know. I'm happy to discuss what options are in front of you to consider. If not, and I'm crackers, I'd like more wine & cheese, please.

Things About Paul You May Not Know or want to ...

I was asked to include a column in an upcoming newsletter, about myself. I'm not sure if this will be interesting, but here's a few tidbits about me you may not have, or wanted, to know. I'm the youngest of 4 kids with 2 brothers and a sister. I grew up in a single parent household in the Kansas City area, moved here in 1979 after graduating from the University of Kansas with a degree in Psychology. I

moved here to go to UW for a masters in cognitive development. I used to be an avid water skier, doing all the fun trick ski moves, pyramids and kite skiing, too. I graduated from high school early to work and race dirt bike motorcycles with ambitions of owning a race bike shop, but then reality set in, along with many aches and pains from the daredevil antics of my youth, so I went to col-

lege. I've been married to my wife, Sandi, for 21 years; we're both avid pet lovers, presently with 2 dogs and a cat. Both of us also like to garden and cook, even though we don't grow food very well. I like to write, talk, debate and learn; I guess most of that helps me to help you. I still enjoy riding motorcycles and also like to play pool and cards. Enough personal exposure? I think so. If you need more, ask.

Selling your home in today's market

cont. from pg. 2

your investment and remember, you said you were committed to moving. If you're not, don't sell, wait. Too many sellers are making price reductions, chasing the market down. This supports the buyer's reluctance to buy. If you want to sell, you need to come on the market aggressively priced, so the motivated buyers recognize the value of your home and are compelled to act,

not wait. This usually means a 2-3% lower price than your best competition. In most cases this will save you time and money as a price reduction in this range, after you've been for sale for 2-8 weeks won't get noticed and you will ultimately make larger price adjustments, still hoping for a sale, than a more aggressive price position from the outset would have produced. Our pre-

sent market conditions and stiff pricing are likely to be with us into 2010, so time won't fix your projects or home prices for some time to come. A realistic evaluation of the market and your home's condition will help you make a sale and move on with your life's changes. Prices not be as optimistic as we hoped but you can still sell a home in today's market conditions. *Paul*



Who's the guy with hair and why is this necessary?



Have you seen my hair?



A couple of the kids; Dani & her little brother Dooley