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Market stats at a glance

Homes under \$500 for sale on eastside	134
Homes sold under 500K on eastside since 1/1/06	421
Homes for sale from \$500 to \$1M on eastside	598
Homes sold from \$500-\$1M on eastside	466
Homes for Sale in Seattle under \$350K	81
Homes for sale in Seattle under \$500K	242
Homes sold under \$350K in Seattle since 1/1/06	216
Homes sold under \$500K in Seattle since 1/1/06	319
Home sales over \$1M for Seattle and Eastside 90 sales in '05 time frame	111
Interest rate options	
30 Yr Fixed	6.25%
5/1 ARM, fixed 5 yrs	5.625%

- Our inventory absorption rates range from less than one month for homes under \$500K in most areas to 4 months for homes up to \$1M.
- Homes over \$1M have inventory levels from 9 to 37 months, depending on their area.
- You benefit from a dedicated advocate to represent your interests

Sales Pace Still Racing Ahead, Despite Headlines

We've all been hearing the news anchors and seeing the headlines saying the market is changing. Inventory is growing and buyers are gaining the upper hand in sale negotiations. Beware of what you read. The Puget Sound market is the most resilient and active in the nation. While our local sales numbers are off slightly from last year's record pace, our supply of homes to sell is down dramatically. In homes under \$350K our inventory is down 80% over last year with only 18 detached homes for sale in all of the greater eastside areas. Homes under \$500K are also down, 53% from last year, with 116 in available inventory. Multiple offers are very common on homes up \$1M as our population continues to grow and those of us who live here look for a new home to fit our current lifestyle and household needs. What the media is talk-

ing about is a national trend for a slightly cooling market but they forget to mention that the nation has had 2-5 straight years of record home sales and price appreciation. In many markets where sales are actually slowing and inventories are growing, prices are still climbing. This tells you that good homes in desirable areas are highly sought after and more people are still in the market than available homes. Markets, like Phoenix, where inventory went from 6,000 to 16,000 in the past year is seeing some softening of home prices; but in our market our inventory is still incredibly tight. Don't expect to find major price reductions on good homes in desired areas. I've seen home prices bid up well over \$100K in negotiations on homes already near \$1M. These aren't under-priced homes, this is just market demand. What does



Beware of what you read in national media. Seattle continues to be the strongest market in the nation with rising prices and declining inventory.

this mean for you? If you want to take advantage of market levels, it's a great time to sell. If you're moving up in price range, you'll likely find more inventory to shop from than the buyer for your present home. If you're trying to find "affordable" housing, you need to act soon and diligently as prices will continue to rise and homes under \$400K become harder to find. Condominium living will offer the most affordable choices but also some of the most expensive. If you need specific information on your situation, give me a call to talk. I'm honored to help you.

The Internet Revolutionizes Real Estate Practices

Well, sort of. There is little doubt that many home buyers and sellers do home shopping and price comparisons on line. Many web sites tout themselves as having more complete data and features to help you find your home or accurately price it. The issue is that most of these don't have complete inventory of available home

choices and most are using older data, from county tax records. If you're looking for complete data on homes for sale, you won't find more complete choices than on Windermere or John L. Scott's websites. These are usually updated every 15 -30 minutes from the local MLS site that the brokerage community uses. These

sites will map out the neighborhoods, show you schools and social infrastructure as well as offer multiple photos and property descriptions. You don't need to scour 5, 10 or 30 sites to try to compile all this info; go to windermere.com or paulisenburg.com and see it all. If you need or want more details, call me and I will put together

<u>Zestimate value</u>	<u>Market value</u>	<u>Value difference</u>
\$394,634	\$525,000	24.8%
\$553,980	\$715,000	22.5%
\$276,306	\$346,000	20.3%
\$303,581	\$373,000	18.6%
\$705,635	\$635,000	-11.1%
\$362,015	\$347,500	-4.7%

We compared 22 recent sales of existing homes to Zillow's estimate of value. The results were:

- 5 properties not found
- 2 homes w/in 5% of actual value.
- 7 homes between 5-10% of value
- 5 homes off 10-20% of value
- 3 homes off by more than 20%

Zillow, the recent Seattle entrant into area real estate info offers "zestimates" of your home's value. Here's some sample results we found in our fact hunting. Zillow rates their accuracy at 4.7-7.2% of market value, depending on the city.

5,000 new condominiums to be built in the next 2 years with room service, luxury, views and convenience at your doorstep. Are you ready to make one yours? You're not alone; they're moving quickly.

*Thank you for your time and interest.
Paul*

Internet Revolution in Real Estate

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a comprehensive report on the market conditions affecting you, whether you're a buyer, seller or both.

All of us like to be able to look at information for ourselves and make our own interpretations. The internet can help us to gather this information. However, if the information is incomplete, how accurate can your conclusions be? Many new entrants to real estate websites rely on agents to supply them with data on homes for sale. These sources don't have any means to verify the accuracy or completeness of their information. Most of them also use county tax re-

cords for sale information.

While this is good, it's often 4+ months dated. It isn't telling you about market times for homes that sold last week or last month, new trends in the marketplace, actual differences in the properties and most importantly they don't give any input on market demand and subjective desires for homes.

To know that a home sold for \$650K is good information. To know whether it sold in 5 days or 5 months is better information. To know about price changes, condition comparisons, sale failures and market trend changes since it sold is better information. This isn't a

knock against any one company or the internet. It's just a reality that it's impossible for computer programs to discover, assimilate and communicate all the complicated factors that go into pricing a home for buyers or sellers.

I encourage you to use the internet to gain knowledge on the market place, but I would caution you that before you act on that information, contact me to be sure you know "the rest of the story". While our home prices are appreciating so rapidly, studying history isn't the best predictor of home values nor pricing ideas to benefit you. Give me a call; I can help you see the details of the whole picture.

What's happening with condominiums?

The condominium market has come full circle and is charging ahead at full speed. No longer are condominiums considered glorified apartments or poor real estate investments. Baby boomers, Gen Xers, vacation and investment buyers look to these places for quality, security, and convenience. As well, our cities are turning to rejuvenation plans by rebuilding with

mixed use structures, including condominiums. Seattle's downtown, along with Bellevue, Kirkland, Redmond and other metropolitan cities around the Sound and the country are bursting with new opportunities. Some are revitalized apartment buildings, but many are new, top shelf, luxury home markets in the core downtown areas. There are nearly 5,000

new construction condos on the books for build out in downtown Seattle and Bellevue alone, to be completed by 2008. If you're looking for easy commutes and luxury living, it's available and growing. Prices may scare you at \$400-\$2K per square foot, but the luxury and views will amaze you. These are not your kids condominiums. They're tailored for all of us.