

Market Talk with Paul Isenburg

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Ready or Not, It's The Holidays—Grab the Eggnog!

While many of us may not be feeling too merry, it is time to count our blessings, if not our assets. I hope you will take some quiet time to reflect on what is positive in your life and be thankful for all that you have. No matter how negative the head-

lines, we have blessings in our lives and we need to make sure we're seeing them and telling those we care most about how important to us they are. We have plenty of time to resume worrying about tomorrow; we might as well give ourselves a present today and say hello and thank you to others for being a part of our life. To that end, I want to extend a warm and heartfelt thank you, to you, for being a part of my life. I don't get the chance to talk with you as often as I'd like but I'm working

on that. I hope this holiday season finds you healthy, smiling and surrounded by friends, family or loved ones; your choice. If not, take some time and use the enclosed calendar to make plans for the coming year to find, share and create new joys in your life. We all need and deserve more joy, so I hope you'll help spread more joy around. It's contagious. Best wishes for 2009. Let me know if I can help you make 2009 a better year for you and your family. Cheers to you for the best of Holidays!!



It's time to count our blessings. I'm counting you as one of the blessings in my life.

Win \$1,000 for the Holidays!
 Windermere has launched a new web page and wants you to take a look. Register by December 19th and you could win a \$1,000 credit at Home Depot. Visit Windermere.com

Stats at a Glance:

<i>Eastside median house price Oct '08</i>	\$616,474
<i>down 3.9% from '07</i>	
<i>Eastside sales pace thru Oct '08 vs. Oct '07</i>	down 33%
<i>Eastside condo sales</i>	down 43%
<i>Eastside condo price now at \$300,215</i>	down 13%
<i>Seattle median house price, down 32% to:</i>	\$351,028
<i>Conforming loan limit dropping Jan 1 to:</i>	\$506,000
<i>Interest rate options in the last week from</i>	5.75% to 7.25%
<i>Payment differential for \$500K loan equals</i>	\$493.02

Brief Comments On The Market

The deluge of negative news regarding the housing market continues but, as usual, with no sense of perspective or need for accuracy. Yes, home sales are down but when we've seen the stock market

decline 30+% in 45 days is it surprising people are hesitant to make one of the biggest investments in their life? When the headlines say the median home price is the lowest in 2+ years, please keep

in mind they're only reporting on homes that sold, not what the median value for all the homes in our area. The most active market is with investment buyers looking for homes to rent and they →

I Appreciate Referrals

During your holiday gatherings, if you're talking with someone that needs real estate advice, please consider giving them my name or calling me with their name. I'd be honored to help them. The market is challenging for everyone and I would appreciate your support. *Thank you*

Are You Ready For the Opportunities in 2009?

None of us really knows what will be happening in the coming year but we can look at what we do know, at what we do want and for opportunities that might be present for us in the coming year. What I do know is most every economic stimulus package being discussed involves getting real estate moving again. It impacts so many facets of the economy, it's critical to any recovery. I know that several incentives are being proposed to make buying or investing in real estate more attractive. I know interest rates are near historical lows and likely have to rise in the coming years to offset our debts. I know our region still has positive inward migration and job growth. I know rental rates are rising. I know that many sellers will be putting their homes up for sale, looking for offers so they can move ahead with changes in their lives. I know that everyone's life will be facing changes.

Now ask yourself, am I living in

my dream home? Am I living in the home I want to live in for the next 5-7 years? Do I own all the real estate that I want to own? Is there a home or community, that I'd prefer to live in or retire in? Can I find an opportunity there now? Can I help my children or grandchildren secure a home for their future? With low interest rates, lower home prices and overwhelming pessimism in the streets, is there a better time to be looking at real estate for better future gains? If not now, in the midst of all this negative news, then when? If now is the right time, are you truly informed on what opportunities are out there and how you can take advantage of them? We have a current tax incentive for first time buyers to receive a \$7500 tax credit if they buy before July 1, 2009. While many have been waiting for home prices to decline, they're missing a window for lower interest rates and an interest free loan of \$7500 which may be converted to a gift. This

amounts to much more savings than an 8-10% drop in a home's price. You can help a family member take advantage of this or other programs, if you're willing to act. You can help fund your retirement, buy your retirement home today, fund your kids college and give them a place to call home by being alert to opportunities in the coming year. This isn't a time for frivolous investing but it is a time for prudent planning and looking for alternatives and diversification in our investment strategies. Real estate can be a critical factor in securing your financial future. Change is taking place in our lives and our plans. Change is what drives real estate markets and our present economic conditions are definitely creating change. Whether you're selling or buying, opportunities are coming. Give me a call to discuss how to be prepared for them. I'd be happy to help you create positive changes in your future, in 2009 or beyond. Opportunity will be knocking; are you ready to answer?

Brief Comments on the market cont. from pg 1

are competing with first time buyers to find the best of the low-priced homes. Lower priced homes usually make better rentals, so it's no surprise that the median price is lower than in recent years. We've had almost no homes under \$300K in recent years. Now, due to short sales, foreclosures and slower markets, we have choices. Combine this with declining interest rates and you create a demand and opportunity for home sales. Homes in the middle price ranges are selling, too. We sold 224 homes, on the eastside, in October, priced between \$350-750K. Yes this is down from 338 sales last year but there are still sales. The market is being hampered by hope-

ful sellers and agents pushing the values on homes that are ill-prepared or priced for this market. In our strong markets of 2005-2006 we had 40% of homes not selling. Today only 15% of homes are selling, so it takes more effort to find the best plums but they're out there. Our market is also hampered by many short sales, when sellers owe more than their home's value, so we're waiting on banks to decide what they will accept. These decisions are taking 3-6 months, stalling or killing many sales. Hopefully we'll see this process improve in the coming year which will help reduce our inventory and improve the market pace. It would be nice to see



Your home is still a very sparkly asset in your investment portfolio

some stability to our overall economy, too. News of layoffs and a free-fall in the stock market create apprehension in all of us. The media may be hyping home values dropping from \$500K to \$300K but the reality in most of our region is more like \$460K. *Thanks for your time.*

Paul