

# MARKET TALK WITH PAUL

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Summer 2006

## How High Can Your Castle Grow? Home Prices Climb



The spring and early summer statistics keep pointing in one direction—up, for home prices. While some headlines will say sales are slowing, the reality is only in price categories where homes are no longer avail-

able. Homes priced under \$500K are the only down numbers, but when you see the available inventory, you learn the rest of the story. On the greater eastside we have 269 homes in this category, but if we take out the Preston, Fall City, Snoqualmie Valley area that drops to 189. If I include Carnation & Duvall, it grows back to 213. If I require at least 3 bedrooms, 1.75 baths and some form of garage it drops to 135 homes, under \$500K in about a 400 square mile area. No surprise the sales are down. In all other price categories the sales are up from 19-79% for June; the 79% is in the 1-1.5M price category. In most areas prices are up over \$100K from last year, with the exception of the Totem Lake/Bothell/Woodinville area

only up \$35K. Mercer Island and West Bellevue median prices are now at \$1M and \$1.2M. While no one can expect home values to continue to rise so dramatically the continuing inward migration to our area plus job growth and internal “organic” population growth are keeping great upward pressures on housing demand. To meet this demand developers are continuing to look outward as well as for “teardown” infill properties as well as mixed use building in the urban centers, where commercial, professional and retail may be on the lower floors of downtown areas with condominiums on the upper floors. None of these help the bottom end of the price ranges

as the present cost of land and development regulations have driven up pricing. Still, this does help with availability and commutability for the infill and multi-use buildings in urban areas. So how high can we go on our pricing climb? Only time will tell but right now the east Bellevue/Redmond areas, Totem Lake, Bothell and Woodinville areas look like the best bargain areas. North Seattle, Renton, Kent and south Snohomish County also have room to grow and offer some of the most plentiful, affordable inventory. Condominiums also fit much of the affordable housing budget and are seeing very strong appreciation and high demand. If you want help identifying the best choices for you, your family or friends, give me a call. I'd be honored to help you.

## Agent Advocacy, who's watching out for your real estate interests

With the growing use and impact of the internet many people don't understand the role of a real estate agent. Yes, you now know almost as much about our home inventory as I do, with maybe a 1 hour delay in publishing. But knowing that a home is for sale isn't all an agent does. Yes you can look up tax re-

cords and see what a seller paid and now you can even pull up recent sold properties in the area on many websites. Great information. The problem is in assimilating this information and crafting strategies or action plans that benefit you. We are now seeing builders, in the condominium market

particularly, that are trying to market directly to buyers, without agent participation. Their theory being if they can eliminate this cost, the buyer saves and wins. The problem is the buyer isn't capturing these savings, the sellers are. As well, the buyer isn't al-

### Interesting Points & Stats to Know

30 Yr Fixed Rate	6.375
15 Yr Fixed Rate	6%
Eastside homes for sale under \$350K	40
Inventory vs. '05	+10%
Inventory vs. '01-04	-40%
Sales from \$1.5-3M '06 vs. '05	+40%
Average months supply of homes	2.4

*Inventory & sales stats are for greater eastside area only, houses & condos combined*

## Paul Sells the Most Important Homes...Yours!



It's football season again and this year let's hope we only have to beat the opposing teams and not the officials too. After last year's Super Bowl appearance, lets all hope the Hawks can keep the excitement flowing and have another great season. With expectations set so low for the Huskies, hopefully they will surprise us with more victories. The Cougars don't get much respect anyway, so that should make for a better Apple Cup rivalry and hopefully some pleasant surprise victories too. Regardless, it's always an exciting season of get togethers and anticipation. Since the Mariners have had another disappointing season and all the Sonic and Storm turmoil, lets just root for the home teams and have some fun watching.

**GO HAWKS !!**

## Agent Advocacy, looking out for you cont.



*I bring focus to the information so you can see the best opportunities and how to make them work for your benefit.*

ways getting the full story. For instance, a builder plans to sell 60 condominiums in a building but doesn't want to sell them all at once, so they "release" them in 10-15 unit groupings. This artificially limits choices and creates a scarcity of opportunity that isn't real. While they pitch that the next release will be higher priced, that isn't always the case. As well, in some cases they plan to build 300 over the next 3-4 years but again only release 20-40 at a time. Market

conditions may well be different in 6 months or 2 years and that scarcity may be an abundance in the future as some present buyers find a need to sell while the builder still has their need to sell. Now pricing can be lower. Some buyers are also agreeing that they won't or can't sell their homes for 1-2 years from closing so the builder won't be competing against you and if your value has increased you agree to allow the builder to buy it back first or share in that gain in value. How is that in your best interest? The point is, if you aren't fully aware of all of your opportunities, you only know what you know and may not be asking all the right questions. My role is to not only help you

be aware of choices but also trends, issues and complications that you need to know about. This isn't unique to condos, some housing choices, especially in the second or vacation market places have similar pitfalls to be aware of. The point is, while many opportunities exist in real estate it is best to have someone to represent you and be sure all of your interests are being addressed. The money you might think you saved not using an agent can disappear quickly when you find out news you wish you knew earlier. Let me help you see all of the picture and be your advocate, not your tour guide. The web is information; I am a resource for your success. Call me; I can help you win.

*Thank you for your time and interest, Paul*