

Spring has Sprung!



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Hopefully, the rain will subside and we can all get back to our normal lives again. Luckily, the rain hasn't put much of a damp on the local real estate market. Although it is not as furious as last year this time, it is still a hot market. Some price ranges seem to be more popular as others. For example, a home that my buyers made an offer on this past weekend received 5 other offers! The price of the home was in the \$290's in Kirkland. If you are a buyer in this price range and geographic location, get pre-approved! If you are a seller in this price range and geographic location, get ready for some fun!



Again, I would like to thank my many past clients who have been referring new clients. It seems like this past month has been the busiest for me in terms of referrals. Your referrals put me into the President's Club once again for the 1998 year. I was ranked in the top 4% of the company nationwide (2200 + agents)! I will continually pull out all the stops to please these new clients and to continue to earn your support and confidence.

Have a great spring!

Jay

What kind of seller am I?

Brokers say there are three kinds of sellers in the world: the wishful thinkers, the realists, and those who are desperate and anxious.

"Wishful thinkers are sellers who are kind of pie-in-the-sky [dreamers]. They perhaps don't have a good feel for what their property is worth and they overprice it," explains John, a managing broker in South Bend, Indiana. Price itself isn't the only issue for wishful thinkers. Sometimes, John says, they overestimate the value of the condition of their home.

Ken, the owner of a brokerage firm in Lake Tahoe, Nevada, says his firm once worked with a wishful thinker who had a decorating problem. "This lady has collected knickknacks from every corner of the globe. We asked her to pack them up, but she wouldn't. Her treasures were so overwhelming that buyers only looked at them and not the home. In the meantime, she lowered the price of the home four times. She redecorated, but instead of putting in neutral tones, she put in outdated floral carpeting," says Ken, adding: "She simply couldn't understand why her home took so long to sell."

Realists, on the other hand, are sellers who have a thorough understanding of the market. They know where their home fits in. "Realists are very tuned in to what the home is worth and what needs to be done to market it properly," says John. Consequently, sellers who are realistic usually enjoy the benefits of a fairly quick sale.

Realists are also quick to take their brokers' decorating suggestions. If the yard needs cleaning

up, it's done within a few days, say brokers. If someone suggests that the porch needs repainting, it's taken care of quickly. "Realists are the sellers brokers prefer to deal with. We like them all, but realists tend to help us out the most," John notes. Bettina, a fifty-something homeowner in Phoenix, Arizona, is a realist. "I wanted to sell my condo within three months and I decided the best way to do that was to listen carefully to what the brokers were saying," she says.

When interviewing several brokers prior to listing her unit, Bettina asked them what they thought she could do to improve her chances of a quick sale. "They each suggested I repaint my orange-and-red hallway white. Two suggested I have the rugs cleaned, and another suggested I have the windows washed so that buyers could see the views from my window," Bettina says. She took all the advice, hired one of the brokers, and ended up selling her condo in six weeks.

The last group of sellers are the desperate or the anxious. These "nervous Nellies" are usually motivated by a financial, marital, or job transfer situation. Or they feel the need to get out in time for their children to start the semester at their new school. "Any time you have a time limitation, the sellers are going to be anxious," says John. "Selling can be a very stressful thing."

Sometimes the stress is self-inflicted. "We had some sellers who had too large a home and

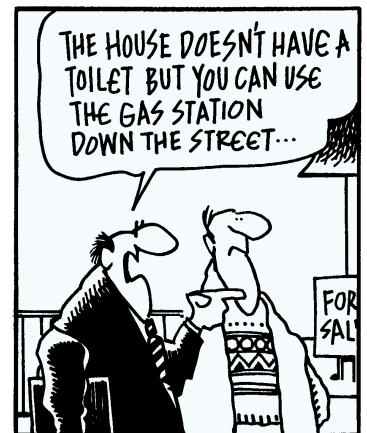


closing strategies

When you choose to schedule your closing will be a point of negotiation between you and the seller. The issues you need to consider are personal timing and money. Here are some points to help you clarify why timing is everything:

1. Set the closing date according to when your current lease ends. If you're living in an apartment, it's foolish to close when you still have six months left on your lease, unless you can easily sublet your apartment or you have an escape clause. If you close at the beginning of a month and your lease expires at the end of the month, and you don't need to do any work in your new home, you'll be paying double rent for one month, which can be costly.
2. If you close at the beginning of a month, the lender will require you to prepay the interest on your loan from the day of closing to the end of the month. Therefore, the cash you would need at closing will be more than what you would need if you chose to close at the end of the month. For example, if you close April 15, you'll have to prepay your mortgage from April 15 to April 30. If you close April 30, you only pay one day's mortgage interest.

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justthefacts

NWMLS Statistics for King, Pierce, & Snohomish counties for the month of Mar 1999

Number of Bedrooms	Number Sold	Average Sale Price	Average time on market
homes			
3	503	\$198,861	62 days
4	235	\$263,938	64days
5 or more	62	\$531,304	91 days
condos			
1	32	\$109,182	39 days
2	85	\$165,342	45 days

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* If your home is currently on the market, this is not a solicitation

What kind of seller am I?

wanted to sell it right away. At first, we thought the price was too high, but there was interest. Still, the sellers called us every week, asking why their home hadn't sold. The wife was making herself sick keeping it clean," says Ken.

Wishful thinkers and those who are desperate to sell need to come to terms with what it takes to sell in their neighborhood, brokers say. If you hear that a home sold for a price that sounds too good to be true, it probably is. Perhaps that sales price got inflated while making the neighborhood gossip rounds. Or perhaps it included furniture. Unless you see the sales contract, you won't know.

If you're desperate to sell, the best way to motivate buyers is by lowering your price. If your property has been on the market for three months without an offer, have your broker do another market analysis to see where your home should be priced. And try to get feedback on buyers who went through your home. Ask their brokers where they eventually bought and why.

closing strategies

- If you're trying to decide whether to close December 31 or January 2, remember that you get to take deductions for your house in the year that it closes, even if it's on the last day of the year. If you close December 31, the points you pay at the closing on a purchase, plus any prepaid interest, are deductible on your income tax statement for that year. But you should make sure if you choose to close on December 31 that these deductible costs will be greater than the standard deduction allowed to you by the IRS. Talk to your accountant or someone familiar with these real estate tax issues to find out how they might affect your situation.



15, you would pay a half month's mortgage interest in cash at closing. You would then pay nothing until June 1, when you would pay the interest for the month of May. On July 1, you pay interest for the month of June. And so on. The reason for this is that your loan payments are computed at a certain rate and that rate remains constant, like a fixed-rate loan. The lender must manually compute the amount of interest from the day of closing to the end of the month.

First-Time Buyer Tip:

If you decide to close at the end of the month, which is the day your lease expires, be sure you have a back-up place to live just in case you don't close on the property—even if it means moving back home with the folks for a few nights.

The articles "Closing Questions" and "What Kind of Seller Am I?" were taken from Ilyce R. Glink's latest book entitled *10 Steps to Homeownership: A Workbook for First-Time Buyers*. Ms. Glink hosts Real Estate USA, a weekly real estate radio talk show, and a weekly real estate chat-session on the Internet at Quicken.com.

Note: Mortgage interest and principal payments are paid in arrears—that is, you pay on July 1 for money you've borrowed in June. If you close April



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WESTERN STATES MORTGAGE CORP.

Do I have to get pre-qualified before I buy a house?

There is no law requiring you to be pre-qualified. However, most Sellers and Listing Agents will not even consider your offer until you have consulted with a Loan Officer.



Seller if you have been pre-approved. At a minimum, if you made an offer at the same time as another Buyer, your offer will be accepted more times than not if the other Buyer is not pre-approved.

How much do pre-approvals cost?

Usually \$25. If there are some credit difficulties, it may cost as much as \$90.

Do I have to get pre-approved before I buy a house?

Like pre-qualification...there is no law requiring you to get pre-approved prior to making an offer on a home. However, you will most likely secure your best price and terms with the

How long are pre-approvals good?

Provided that your income, debts, assets, credit rating and interest rates stay stable...almost indefinitely.



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