

Jay M. Agoado
John L. Scott Real Estate

Direct 425.861.1573
Fax 206.493.1548
Cellular 425.260.0715
Web www.jayagoado.net
Email jay@jayagoado.net

Summer Is Here!



As the weather heats up so does the real estate market. The first quarter of the year was unusually slow for our real estate market. There were too many economic uncertainties causing people to stay on the sidelines this year. With interest rates continuing to drop people are starting to get off the fence and get their feet wet in the market. What I have found is that in the \$400K+ price range buyers are able to negotiate price reductions due to the market time of these homes. The homes under \$400K that are in great condition and great neighborhoods are still selling rapidly at or close to full price. This should continue at least throughout the summer months.

How am I doing? I, along with everyone else, am a bit behind from last year but am rapidly catching up. I sold 4 homes alone last week! The number of clients I receive through referrals is still up there in 80%+ range. I truly appreciate the referrals all of you have sent to me this year. The trust that you place in me with these referrals is so important that I will continue to work extremely hard to satisfy everyone's wants and needs.

Enjoy the summer!!!

Jay



How Much CAN I AFFORD?



By John Adams

Look at your income to get a guesstimate

As you think about applying for a home loan, you need to consider your personal finances. How much you earn versus how much you owe will likely determine how much a lender will allow you to borrow.

First, determine your gross monthly income. This will include any regular and recurring income that you can document.

continued on back...



how to choose a neighborhood

Narrow your home search by identifying neighborhoods that are right for you. When evaluating a neighborhood you should investigate local conditions. Depending on your own particular needs and tastes, some of the following factors may be more important considerations than others:

- *quality of schools*
- *property values*
- *traffic*
- *crime rate*
- *future construction*
- *proximity to schools, employment, hospitals, shops, public transportation, prisons, freeways, airports, beaches, parks, stadiums and cultural*
- *activities such as museums, concerts and theaters.*



Neighborhood search strategies

If you're a first time-buyer with limited financial resources, it's wise to buy a home that meets your primary needs in the best neighborhood that fits within your price range. You can maximize your home purchase location by incorporating some of the following strategies into your neighborhood search:

Look for communities that are likely to become "hot neighborhoods" in the coming years. They can often be discovered on the periphery of the most continuously desirable areas. Look for

...continued on back

justthefacts

NWMLS Statistics for King, Pierce, & Snohomish counties
Month of April 2001

Residential

	Closed Sales		Average Closed Price		% Increase in Closed Price	Market Time
	2001	2000	2001	2000		
King	2000	1948	\$ 323,114	\$ 312,434	3.42%	42
Pierce	992	845	\$ 171,776	\$ 170,279	0.88%	62
Snohomish	967	858	\$ 231,521	\$ 222,812	3.91%	56

Condo

	Closed Sales		Average Closed Price		% Increase in Closed Price	Market Time
	2001	2000	2001	2000		
King	613	536	\$ 203,274	\$ 199,642	1.82%	47
Pierce	38	30	\$ 134,842	\$ 136,461	-1.19%	73
Snohomish	142	141	\$ 149,575	\$ 150,418	-0.56%	61

how to choose a neighborhood

...continued

a home in a good neighborhood that is a bit farther out of the city. If commuting is a concern, purchase a home that is close to public transportation.

Look at the neighborhood demand by asking your REALTOR® whether multiple offers are being made, whether the gap between the list price and sale price is decreasing, and whether there is active community involvement. You can also drive around neighborhoods and see how many “sale pending” and “sold” signs there are in a particular area.

Look into purchasing a condominium or townhome, rather than a house, in a desirable neighborhood. This way you still may be able to purchase in a prime area that you otherwise could not afford.

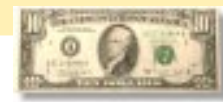


Jeff Tisdale
Sky Mortgage

400 108th Ave. NE #402
Bellevue, WA 98004
Direct: (425) 453-5733
Web: www.jefftisdale.com
e-mail: jeff@jefftisdale.com
Fax: (425) 453-5736



How Much CAN I AFFORD?



...continued

Unfortunately, if you can't document the income or it doesn't show up on your tax return, then you can't use it to qualify for a loan. However, you can use unearned sources of income such as alimony or lottery payoffs. And if you own income-producing assets such as real estate or stocks, the income from those can be estimated and used in this calculation. If you have questions about your specific situation, any good loan officer can review the rules.

Next, calculate your monthly debt load. This includes all monthly debt obligations like credit cards, installment loans, car loans, personal debts or any other ongoing monthly obligation like alimony or child support. If it is revolving debt like a credit card, use the minimum monthly payment for this calculation. If it is installment debt, use the current monthly payment to calculate your debt load. And you don't have to consider a debt at all if it is scheduled to be paid off in less than six months. Add all this up and it is a figure we'll call your monthly debt service.

In a nutshell, most lenders don't want you to take out a loan that will overload your ability to repay

everybody you owe. Although every lender has slightly different formulas, here is a rough idea of how they look at the numbers.

Typically, your monthly housing expense, including monthly payments for taxes and insurance, should not exceed about 28 percent of your gross monthly income. If you don't know what your tax and insurance expense will be, you can estimate that about 15 percent of your payment will go toward this expense. The remainder can be used for principal and interest repayment.

In addition, your proposed monthly housing expense and your total monthly debt service combined cannot exceed about 36 percent of your gross monthly income. If it does, your application may exceed the lender's underwriting guidelines and your loan may not be approved.

Remember that there are hundreds of loan programs available in today's lending market and every one of them has different guidelines. So don't be discouraged if your dream home seems out of reach.

Another Fed Rate Cut

U.S. Economy: Fed Cuts Bank Rate to Seven-Year Low (Update 1)

By John Cranford

Washington, May 15 (Bloomberg) — Federal Reserve policy makers lowered benchmark interest rates a half percentage point in the fifth such reduction this year and suggested another is possible to spark a rebound in U.S. business investment.

Fed Chairman Alan Greenspan and his colleagues on the Open Market Committee cut the target rate for overnight loans between banks to 4 percent, the lowest in seven years. Restrained purchases of equipment, possible weakness in consumer spending and slow global growth continue “to weigh on the economy,” the Fed said in announcing the decision.

The Fed's “focus remains firmly on a slumping manufacturing sector and slowing business investment,” said Vincent Boberski, senior economist at Dain Rauscher Inc. in Chicago. *“This announcement opens the door to another half-point cut in rates.”*

Minutes after the announcement, Bank of America Corp. and Bank One Corp., the third- and fifth-largest U.S. banks, said they would cut their prime rate by a half point to 7 percent tomorrow. That is likely to boost the economy, which stalled late last year and has recently begun to rebound.

Since the first of the year, the Fed has reduced its target rate 2 1/2 percentage points, the most aggressive period of rate-cutting ever by the Greenspan Fed. As they have with each rate reduction this year, central bankers warned the economy faces a risk of continued weakness.



Jay M. Agoado

John L. Scott Real Estate
16564 Cleveland St. #H
Redmond, WA 98052