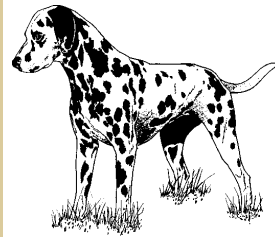


JAY AGOADO'S H.O.M.E..... FRONT

OCTOBER 2000



Summer is gone and fall is upon us. Summer was not a usual one in terms of real estate sales in King County. You will notice the chart below clearly showing that sales were down in September versus last year. What caused this? Interest rates being a bit higher. Volatility in the stock market. Bad publicity regarding the local real estate market. The fact of the matter is if you are a buyer it's time to jump in and get a good deal on a home/condo. If you are a seller, you better price your home correctly and stage it well so that it is in pristine condition. The days of pricing your home 5%-10% above market value are behind us for now.

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How have I been doing? I am up to 26 transactions and still going strong. My referrals are also going strong. Thanks to each and every one of you, I am constantly at 85%+ of my business coming from referrals from family, friends, and past clients. I love conducting my business this way because clients coming from referrals are the most rewarding in all aspects. Keep them coming!



On a personal note, my daughter Alexis is now 6 months old and is just about to crawl. She's growing everyday and Adrien and I are loving parenthood more than we could ever imagine.

Jay

Thinking About Buying a Home?

Your First Step Toward Buying a Home

When preparing to buy a home, the first thing many homebuyers do is look at "homes for sale" ads in newspapers, magazines and listings on the internet. Some potential buyers read "how-to" articles like this one. The next thing you should do – before you call on an ad, before you talk to a Realtor, before you shop for interest rates – is look at your savings.

Why? Because determining how much money you have available for down payment and closing costs affects

continued on back

justthefacts

NWMLS Statistics for King, Pierce, & Snohomish counties
for the month of Sept 2000

Residential

	Closed Sales		Average Closed Price		% Increase in Closed Price	Market Time
	1999	2000	1999	2000		
King	2123	1990	\$ 258,932	\$ 318,335	22.94%	41
Pierce	425	918	\$ 156,946	\$ 209,473	33.47%	68
Snohomish	959	978	\$ 196,567	\$ 221,701	12.79%	53

Condo

	Closed Sales		Average Closed Price		% Increase in Closed Price	Market Time
	1999	2000	1999	2000		
King	568	624	\$ 169,075	\$ 193,250	14.30%	43
Pierce	38	43	\$ 126,103	\$ 136,296	8.08%	81
Snohomish	138	120	\$ 130,330	\$ 153,741	17.96%	46

CONSTRUCTION NEW CONSTRUCTION REGISTRATION

Working with buyers over the years, I have noticed that many of them would prefer to go look on their own before they get an agent involved. Some do not want to waste an agent's time until they have narrowed down their geographical area. Some do not want to feel pressured into buying a home, which they feel occurs by involving an agent in the beginning of the search process. There can be a disadvantage in doing this.

If you happen to be looking at a new construction purchase, there are many builders who REQUIRE that an agent must accompany you to the site on your first visit, an agent must call ahead and register you as their client, or you, as the buyer, must register the agent on your first visit as representing you. If none of these scenarios take place, the builder reduces the selling office commission upwards to 66%! Many companies do not allow their agents to accept such a commission.

The bottom line is that real estate agents also have to earn a living. How motivated will an agent be if he/she is working for only 1/3 of the normal commission rate? Probably, not very. So, now what? The buyer now has to use the agent who is sitting at the new construction site for representation. In other words, the buyer is now using the agent who ALSO REPRESENTS the builder. You now have either no representation (No Agency), or are being represented by an agent who also represents the builder (Dual Agency).

My advice to you is to get the agent involved from the beginning. If you're feeling pressured into buying immediately by your agent, fire the agent. The agent can help answer many questions and get you off on the right track without having you feel pressured.



Thinking About

Buying a Home?

almost every aspect of buying a home – including how you write your purchase offer, the loan programs you qualify for, and shopping for interest rates.

Mortgage Programs

If you only have enough available for a minimum down payment, your choices of loan program will be limited to only a few types of mortgages. If someone is giving you a gift for all or part of the down payment, your options are also limited. If you have enough for the down payment, but need the lender or seller to cover all or part of your closing costs, this further limits your options. If you borrow all or a portion of the down payment from your 401K or retirement plan, different loan programs have different rules on how you qualify. Of course, if you have enough for a large down payment, then you have lots of choices. Your loan choices include such varied programs as conventional fixed rate loans, adjustable rate mortgages, buydowns, VA, FHA, graduated payment mortgages and all the varieties of each.

Shopping Rates

A very important reason you need to have at least some idea of your down payment is for shopping interest rates. Some loan programs charge a slightly higher interest rate for minimal down payments. Plus, the interest rates for different loan programs are not the same. For example, conventional, VA, and FHA all offer fixed rate loans. However, the rates vary from one program to another. If you shop lenders by phone, the loan officer will be able to tell which programs fit and quote you rates accordingly. However, if you are shopping on the internet, you have to have some idea of your loan program on your own.

Writing Your Offer

Another reason you need to have a clue about your down payment is because it affects how you write your offer to purchase a home. Not only are you required to put your down payment information in the offer, but different loan programs have different rules which also affect how you write your offer. This is especially important when

dealing with FHA and VA loans.

If you are asking the seller to pay all or part of your closing costs, you have to be certain your loan program allows what you are asking. For smaller down payments, lenders allow the seller to pay less closing costs than for larger down payments. Some loan programs will allow a seller to pay certain types of costs, but not others. Finally, your down payment also affects your ability to qualify for a loan. When you make a small down payment, lenders are fairly strict about having you conform to their underwriting guidelines. For larger down payments, they will tend to make allowances or exceptions to the rules.

Conclusion

As you can see, the down payment affects every choice you make when you buy a home. Although you should look at ads, familiarize yourself with neighborhoods, learn about prices, and read as much as you can - when you get ready to take action – the first thing you should do is figure out how much money you have available for the purchase.

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