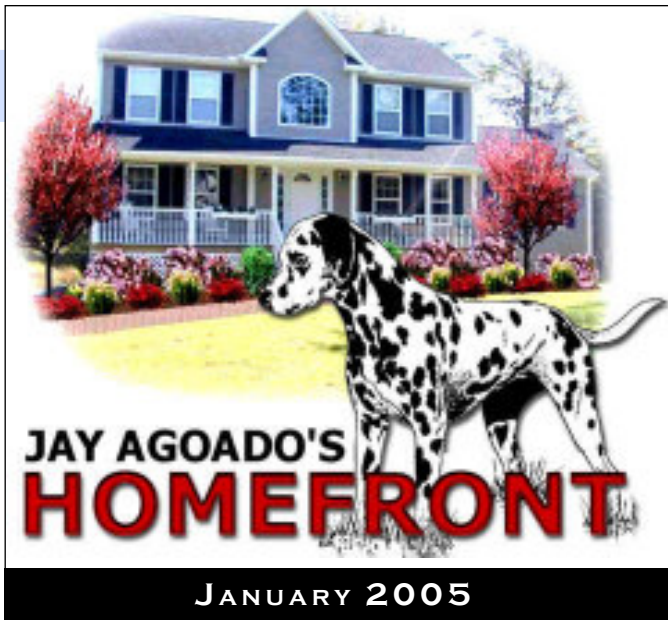


Happy New Year!



What a year 2004 turned out to be! Throughout the year we saw record low inventory levels, which

helped with the increase in our prices. If you were a buyer, many times you found yourself in a multiple offer situation. Buyers in the Seattle market were particularly hit hard with this situation whereas buyers in the suburbs experienced this in lesser doses. If you were a seller, and your home was in top condition, priced correctly, and in a desirable location, you were generally rewarded with a good



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sales price. Also, we saw commercial property investments rise, along with multiple offers, due to the uncertainty of the stock market. It was a great time to purchase with the lower interest rates and a great time to sell with the influx of Buyers.

How was my year compared to past years? Thanks to each and every one of you, it was another great year! My final total for 2003 was 23 closed transactions and, once again, I was awarded the President's Elite Award for all of John L. Scott Real Estate (top 3% out of 3000 agents). As usual, past customers and referrals were a huge source of business for me, with 91%!!! of my closed transactions coming from these two sources! I never get sick of saying this but you are the foundation of my business and I wouldn't be successful without each and every one of you - THANKS!

As I start my ELEVENTH year in the business (who would have thought???), I think how lucky I am to be in a career I love and am good at. I get to meet a lot of very nice people, whether it is to help sell their home, move up to a larger home, or help a first-time Buyer realize their dream of homeownership. Here's to a happy, healthy, and prosperous new year to all of you! THANKS!!!

Jay

Buyers waive home inspection in *Seller's Market*

by Barry Stone

In a sellers' market, buyers sometimes agree to waive a home inspection, just to make the offer more attractive to the seller. But this is not a way to "get a good deal." It's a way to get a risky deal.

Waiving the right to a home inspection makes as much sense as bidding at an auction while wearing a blindfold, the primary difference being that far more money is at risk when buying a home. Not only is there the certainty of buying unseen defects, there is the potential risk of undisclosed safety problems. Homes are simply too costly and too complex to be purchased without knowing what you are acquiring for your money. Even if you agree to an as-is purchase, at least get an inspection for your own information, for your protection, and for your peace of mind. To make your offer more attractive to the seller, it is possible to have a home inspection without it being a contingency of the purchase. So waive the contingency if you must, but at least know what you're buying before you buy it.



just the facts

NWMLS Statistics for King, Pierce, & Snohomish counties
Month of November 2004

Residential

	Closed Sales		Average Closed Price		% Increase in Closed Price	Market Time
	2004	2003	2004	2003		
King	2460	2055	\$ 399,464	\$ 368,496	8.40%	47
Pierce	1094	937	\$ 234,718	\$ 207,254	13.25%	60
Snohomish	1022	814	\$ 287,171	\$ 263,488	8.99%	54

Condo

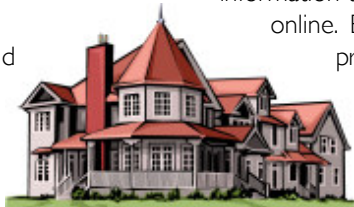
	Closed Sales		Average Closed Price		% Increase in Closed Price	Market Time
	2004	2003	2004	2003		
King	667	518	\$ 235,508	\$ 223,735	5.26%	57
Pierce	69	45	\$ 199,244	\$ 169,301	17.69%	88
Snohomish	207	136	\$ 182,074	\$ 166,873	9.11%	59

When You And Your Spouse Can't Agree On A House

She adores the kitchen; he hates the back yard. Or he loves the proximity to work but she thinks they need an extra bedroom. In today's real estate environment, with many regions of the country in hot sellers' markets, agreeing on a house can potentially be a relationship test for some couples.

Compromising, keeping a level head, and being objective are key for house-hunting couples. And the experts say the house hunters should be out in hordes this year.

If you and your spouse find yourself searching for a house in a tight sellers' market, then agreeing on a house will likely be even tougher than under normal conditions.



Some things to keep in mind to help you evaluate each house you and your spouse are considering:

1. The neighborhood. Remember that you're not just buying a house, but you're deciding on a neighborhood and a way of life. If you have kids

and being close to a neighborhood school and park is important, you'll want to consider that. How close are shopping, restaurants, church, and other services? Are the streets maintained? Are homes maintained well? How long will your commute to work be?

2. The schools. If you have school-aged children, consider the reputation of the neighborhood schools. You can usually find general district information and state standardized test results online. But once you're this deep in the process, you'll want to visit the schools and receive the information firsthand from school officials. You should also talk to teachers and parents in the neighborhood.

3. The house compared to others in the neighborhood. It might be enticing to have the biggest house on the block, but real estate experts say it's best to have a smaller or mid-sized house (compared to others in the neighborhood). The value of the biggest houses will be bogged down by the lowered value of the smaller ones.

4. The layout of the house. Before you start looking at houses, determine how many bedrooms and special spaces — home office, playroom, hobby room, etc. — you need. If the houses you are looking at don't meet these physical needs, they should be eliminated from consideration, even if you fall in love with the kitchen.

5. The potential. If you or your spouse is put off by the blue carpet, purple walls or vinyl flooring in the kitchen, think about how you can eventually improve and change with new flooring and paint. Look at the major structural elements and layout of the house. Always keep in mind that cosmetic aspects can be changed.

6. Your budget. The amount you plan on spending on down payment, closing costs and your monthly mortgage should be determined before you start looking at houses. Once those figures are established, your real estate agent will be able to help you determine the price range of houses you should be looking at. If you or your partner eyes a house outside the budget, you should discount it unless you both agree you can afford more than originally agreed upon.

The US Dollar

The dollar and bond prices fell early Wednesday after a report showed the U.S. trade deficit widened way beyond expectations to a new record in November.

The trade data highlighted structural economic imbalances that have trapped the dollar in a three-year declining trend and which threaten to keep pressing the currency lower, especially given the magnitude of this latest number, analysts said.

In the bond market, the benchmark 10-year note lost 2/32 of a point to 100, yielding 4.25 percent, up from 4.24 percent late Tuesday. The 30-year bond fell 7/32 of a point to 108-18/32 to yield 4.79 percent, up from 4.78 percent late Monday. Bond prices and yields move in opposite directions.

The trade gap ballooned to \$60.3 billion in November, defying Wall Street expectations that it would narrow to \$54 billion. October's deficit was revised to a wider \$56 billion.

If Americans keep buying foreign goods faster than U.S. businesses can sell their output overseas, the outflow of dollars will stay heavy, putting steady pressure on the currency.

Despite the dollar's three-year descent making U.S. exports cheaper to sell abroad, "exchange rate movements certainly haven't had any impact yet" on the wide U.S. trade deficit, Wells Fargo's John Beerling said.

While the trade deficit has been a key factor in the currency's descent, recently rising U.S. interest rates and stronger U.S. economic data than in Europe had started to lend the greenback tentative support. That support appeared to evaporate on Wednesday.

Treasury Secretary John Snow, speaking in New York on Wednesday, tried to put a positive spin on the record trade gap, saying the U.S. economy was growing faster than that of its major trading partners. He said Europe and Japan needed to boost economic growth.

He had surprised the market Friday by saying he wants to "do things" to sustain the dollar and work with the Congress to cut the budget deficit.



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