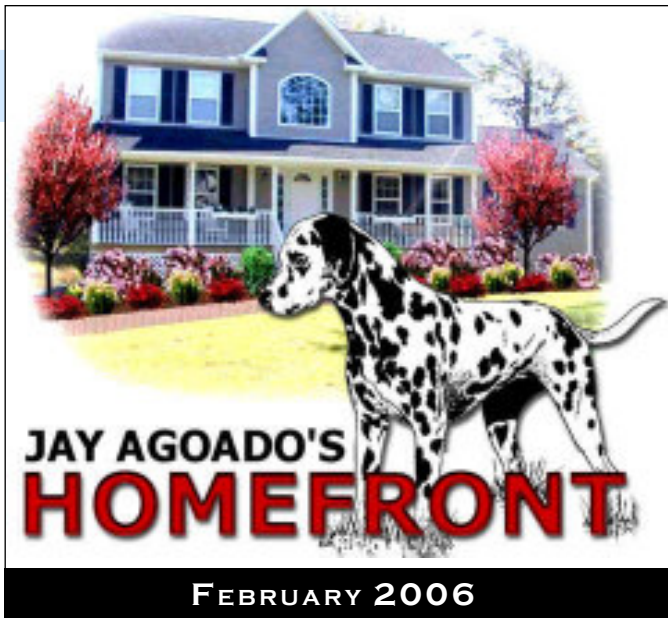


# Happy New Year !



What a year 2005 was. I think I say this every year.....Last year was the same as other years with low supply and high demand. The first 3 quarters of the year brought us multiple offers, pre-inspections, no finance contingencies, and many deals that fell apart. What we have found is that there seems to be more deals falling apart due to buyers having to make hurried and uninformed decisions. After they decide to buy the home, they get cold feet and back out. So,



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multiple offers can be great for Sellers and can also be stressful at the same time. The market continued to increase in value and the number of transactions continued to decline (supply vs. demand). At the start of this year, we are just now starting to see inventory levels pick up. With interest rates still low, this should keep buyers in the market.

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How was my year? I made the President's Elite (Top 3% of the company) for the fourth straight year! There are many new agents in the business so it certainly is more difficult to sustain this level. However, being in my 12th year has certainly helped me weather the influx of new agents. Looking at my deals, 85% of my business was a direct result of past clients, people I know, and referrals. Looking at what is currently on my plate, EVERY single person I am working with is either a past client or a referral! I love the fact that people trust me enough to refer their friends and family, and I love it that people trust me enough to use me again. Thank you so much!




## Before You Buy, Get Educated About the Community Association

by Phoebe Chongchua

You've found the perfect property to purchase, whether it is a condo or detached house. If it falls within the guidelines of a community association make sure you educate yourself on the bylaws before buying or else you run the risk of being terribly unhappy.

Homeowners association, property owners association, cooperative, condominium association, council of homeowners and common interest development are all names that mean there exists a governing body whose fiduciary responsibility is to preserve the nature of the community and the value of the property owned by members.

However, sometimes conflicts arise and often they happen because buyers become attached to a property and decide to buy it before they fully review the governing documents, including the Covenants, Conditions & Restrictions (CC&Rs).

"Most of the conflict in community associations comes down to this: it's the delicate balance between protecting the best interest of the community as a whole against the preferences of individual residents," says Frank Rathbun, vice president of communications for Community Associations Institute.

"When you move into a neighborhood it looks a certain way, the homes look a certain way ... the landscaping, the pool, the tennis courts ... . When you move into a neighborhood those are your expectations. It's the board's fiduciary responsibility to try to maintain those services and amenities," says Rathbun.

He points out that these regulations are for the benefit of the whole community, "If the community starts to go down, if for whatever reason curb appeal ... is diminished you're going to have a lessening of property values and that hurts everybody in the community."

*continued on back....*

## just the facts

### NWMLS Statistics for King, Pierce, & Snohomish counties Month of January 2006

#### Residential

	Closed Sales		Median Sale Price		% Increase in Sale Price	Market Time
	2006	2005	2006	2005		
King	1599	1677	\$ 390,000	\$ 329,950	18.20%	50
Pierce	901	784	\$ 258,000	\$ 214,950	20.03%	59
Snohomish	869	814	\$ 352,015	\$ 293,609	19.89%	53

#### Condo

	Closed Sales		Median Sale Price		% Increase in Sale Price	Market Time
	2006	2005	2006	2005		
King	542	555	\$ 290,773	\$ 244,943	18.71%	39
Pierce	89	71	\$ 231,083	\$ 196,461	17.62%	76
Snohomish	153	132	\$ 216,524	\$ 191,707	12.95%	48

## Before You Buy, Get Educated About the Community Association

According to research conducted by Gallup Organization, there are more than 54 million Americans living in properties governed by community associations. Approximately 75 percent of homeowners reported they were "very" or "extremely" satisfied with their community. Influencing factors were community appearance, safety, financial accountability, location and neighbors. Of those living in community associations, 30 percent of homeowners reported having an "extremely" positive opinion of their community that compared to 24 percent of homeowners who do not live in an association-governed community.

Those statistics may partly be responsible for community associations growing. The Community Association Institute states that close to four out of five housing starts since 2000 have been in



association-governed communities, including condominiums converted from existing rental units. Additionally, those living in community associations are active in their communities; more than 1.25 million people serve on community association governing boards, with another 300,000-plus involved as committee members.

However, despite the glowing report on community associations, problems still occur. The biggest problems are issues over: architectural guidelines such as outside paint colors, screen doors, etc.; pets; parking; maintenance of yards of individual homes; and even backyard items such as sheds.

According to the Community Association Institute there are very important questions to ask before you purchase a property that's governed by a community association so that you don't get locked into rules that you can't or don't want to abide by. Here are a few of them to keep in mind:

- How much are the assessments, and when are payments due? How often can assessments increase and by how much?
- What procedures are in place to collect delinquent assessments?
- What is the annual budget and how does it compare to similar communities?
- Does the community have a viable reserve to fund major, long-term maintenance and repairs?
- Are there restrictions on renting property?
- What are the rules with respect to pets, flags, outside antennas, satellite dishes, clotheslines, fences, patios, parking and home businesses?

### Rates on 30-Year Mortgages Edge Higher

Rates on 30-year mortgages, after falling for six straight weeks, edged up slightly this week as investors anticipated another rate hike from the Federal Reserve, according to a national survey released Thursday.

Mortgage giant Freddie Mac said its survey showed that rates on 30-year, fixed-rate mortgages rose to 6.12 percent, up from 6.10 percent last week. Rates had been falling since mid-December when the 30-year mortgage had hit a high of 6.32 percent.

"The minuscule rise in mortgage rates this week most likely reflects market expectations that the Federal Reserve will once again raise rates next

week," said Frank Nothaft, Freddie Mac's chief economist.

Other mortgage rates were up as well this week. Rates on 15-year, fixed-rate mortgages, a popular choice for refinancing a home mortgage, averaged 5.70 percent, up from 5.67 percent last week.

One-year adjustable rate mortgages edged up to 5.20 percent, compared with 5.18 percent last week.

Rates on five-year hybrid adjustable rate mortgages, however, were unchanged at 5.75 percent, the same level as last week.

The averages for mortgage rates do not include add-on fees known as points. The 30-year and 15-year mortgages carried a nationwide average fee of 0.5 point while the one-year and five-year

adjustable rate mortgages carried an average fee of 0.6 point.

A year ago, 30-year mortgages averaged 5.66 percent, 15-year mortgages stood at 5.14 percent, one-year ARMs were at 4.18 percent and five-year ARMs averaged 5.02 percent.



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