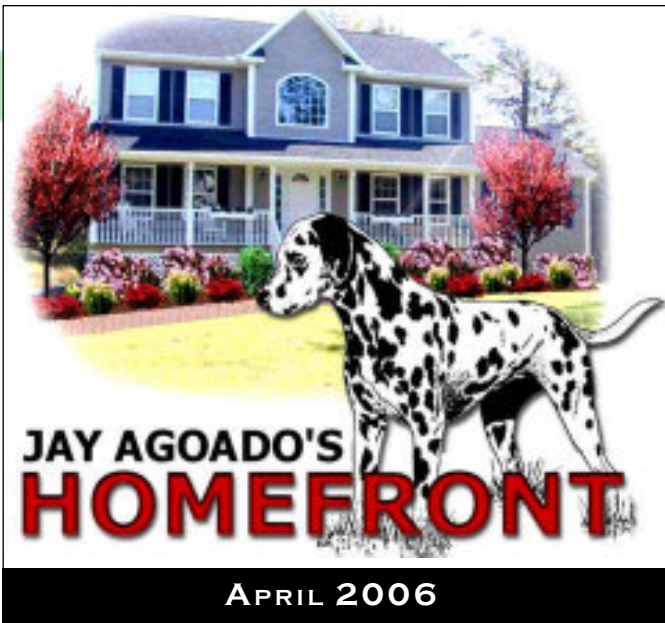


SPRING IS HERE!



And what a market it is! You keep hearing about the so-called "bubble" and how it is supposed to burst. Well, I don't see any bubble in our market! Simple economics tells us that low supply and high demand will create multiple offers and escalating prices. However, keep in mind that this scenario is most prevalent in homes that are priced at market value, "staged", and are in desirable locations. We are now seeing "pre-inspections" becoming the

norm for real estate transactions. A "pre-inspection" is when a buyer has the home inspected prior to making an offer on that home. That way, the buyer knows the defects of a home and, if those defects can be lived with, the buyer can make an offer without including an inspection contingency. In this market, the fewer the contingencies, the more attractive their offer looks to the seller.

How am I doing? I am already up to 10 transactions and have already earned the President's Award for the 10th year in a row! Of those ten transactions, nine were either referrals from past/current clients or were past clients doing another transaction with me. The referrals and the past clients using me again means the world to me. I am humbled by the fact you would place your trust in me.

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Real Home Value *Not Found Online*

by Broderick Perkins

Appraisers are cautioning consumers to be aware of the difference between online home valuation services and an eyes-on, hands-on appraisal. Internet home valuation sites, such as the recently-launched Zillow.com, and older sites like HomeGain.com and Domania.Com provide an estimated value of residential property based on information available largely from public records, but also other sources.

While the valuations can be a handy house-to-house comparison tool, a source for past sales prices or as a guesstimate of home value growth, they won't pass muster with lenders who need a certified appraisal to grant a home loan. They also aren't reliable enough to use to set a sales price. That's because they can't pinpoint a specific home's current value.

The sites use computerized data crunching tools called "automated valuation models," or AVMs. The crunching typically begins with public records — tax assessments, deeds, demographics, property characteristics and sales price trends, but can also include data from mortgages, multiple listings and appraisals.

AVMs run an address and ZIP code through mathematical models to compare the home with others recently sold in the same area. Historical trends may be considered and some of the most sophisticated can take into account a home's unique characteristics — number of bedrooms, baths, etc. — and compare it with similar properties.

The results can vary widely, however, because:

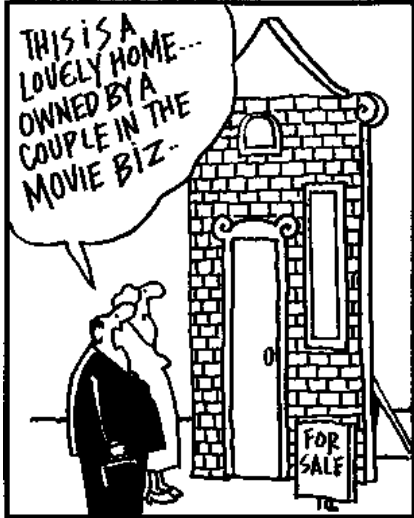
- Each site interprets data differently.
- The websites don't all use the same pool of data.
- There's lag time before a sale is available as a public record that can be used in the data pool and those lag times vary from state to state and even from individual filing to individual filing.
- In some states property records are not available to the public.

continued on back...

justthefacts						
NWMLS Statistics for King, Pierce, & Snohomish counties						
Month of February 2006						
Residential						
	Closed Sales		Median Sale Price		% Increase	Market
	2006	2005	2006	2005	in Sale Price	Time
King	1679	1755	\$ 392,950	\$ 342,500	14.73%	52
Pierce	927	801	\$ 255,000	\$ 219,000	16.44%	65
Snohomish	921	782	\$ 324,950	\$ 265,000	22.62%	53
Condo						
	Closed Sales		Median Sale Price		% Increase	Market
	2006	2005	2006	2005	in Sale Price	Time
King	602	532	\$ 265,521	\$ 234,705	13.13%	37
Pierce	76	66	\$ 194,000	\$ 168,995	14.80%	65
Snohomish	188	154	\$ 199,000	\$ 176,475	12.76%	37

Real Home Value *Not Found Online*

The Los Angeles Times recently reported that each of three online AVMs came up with a different valuation for one five-bedroom Pasadena, CA home. The valuations ranged from \$351,177 to \$700,000 and two of the valuations were value ranges, not specific values. Such a value spread is of questionable use, especially if you are trying to set a home's sales price.



Even real estate agents' "comparable sales" or "comps" go further. Real estate agents use comps to set sales prices. Whenever possible, comps are culled from the most recent sales and listings in the same neighborhood as the house due to put up for sale. Typically the data is obtained from the local multiple listing service. The data can be insider information available only to real estate agents, including data that hasn't yet been filed as a public record or data that may not make it to public records. Comps are also homes as similar as possible to the home being valued, in terms of age, size, features, number of rooms, even floor plan and lot size.

An appraisal goes even further and can include a visual inspection to account for factors even comps can overlook, including recent upgrades, modernized appliances, floor-plan utility, and the age and condition of not just the home, but specific areas in the home such as a basement or detached garage.

"Internet valuation sites lack the experience and judgment of a professional appraiser," said Don Kelly, a spokesman for the Appraisal Institute.

"They only give users a 'ballpark figure' of what their home is worth rather than a well-researched and unbiased opinion of value," Kelly added.

Using AVMs to set real prices or value is a lot like expecting a word processor to crank out a writer, tax software to generate accounting prowess or a blog to conjure up a journalist.

The real danger said Appraisal Institute president Richard Powers, "... is that someone will make a real estate decision based on the site rather than getting someone to perform an actual appraisal. A free Internet valuation might be adequate if you want a quick estimate, but when making decisions about your largest investment, there is no substitute for an appraisal."

Economic Report

On March 28th, the FOMC raised rates 25 basis points to 4.75 percent. This is the 15th quarter point move in a row, the longest stretch in more than 25 years. Despite the market already predicting a 0.25-point move, U.S. Treasury prices dropped after the news. The price decreases continued throughout the week.



The same day, the Conference Board announced consumer confidence index rose to its highest level in almost four years. The index rose to 107.2 from 102.7 in February. Fourth quarter gross domestic product grew at a 1.7 percent pace. This is a sharp decline from the final third quarter GDP growth of 4.1 percent. U.S. initial jobless claims fell to 302,000 in the week ended March 25. Personal income in February increased 0.3 percent and personal spending increased 0.1 percent. The University of Michigan announced its index of consumer

sentiment also increased in March. The index was up to 88.9 from 86.7 in February. Factory orders increased 0.2 percent in February.

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