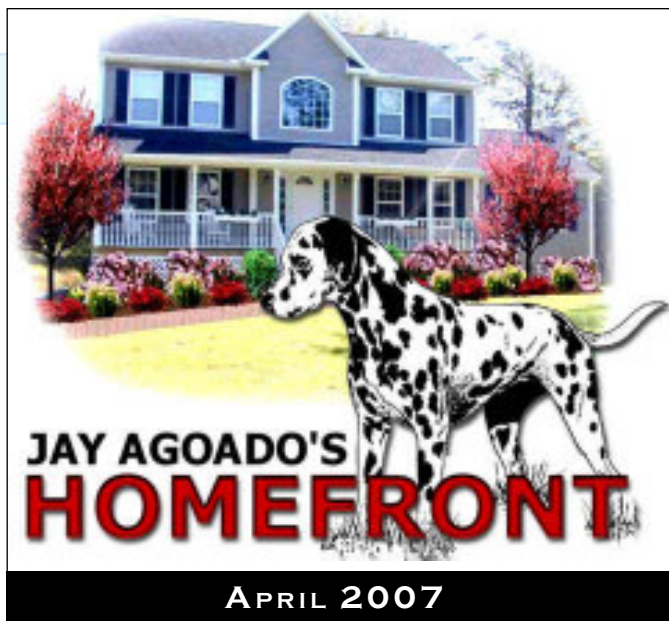


Spring Is Here!



As usual during this time of year, the real estate market is hot! We are seeing multiple offers in price ranges all across the board and in many geographic locations. There was a home on Mercer Island that actually had 17 offers! We are also seeing homes that are not selling because they are clearly overpriced or are not in good condition. Even in this type of market, your home must be priced correctly and in good showing condition or it will sit on the market. Buyers, you must minimize your contingencies! Sellers are

typically allowing buyers time to view their home prior to reviewing offers so, I recommend a pre-inspection which will uncover defects for your knowledge but will allow you to eliminate this contingency in your offer. Also, if you're pre-approved for a loan, you may want to eliminate your finance contingency. The cleaner the offer the better chance you have in acquiring the home.

How am I doing? I am at 7 transactions so far, of which 4 are from referrals. As usual, referrals are what fuel my business so I thank all of you who have been generous enough to refer friends and family to me. I would not be where I'm at today if it weren't for you.

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What's 'beautiful' worth? About \$12,500

by Marilyn Lewis

The right phrasing in real estate listings can speed a sale and even boost the final price, a Canadian study says. And here's a tip: If you must sell, don't put "must sell" in your ad.

In real estate listings, what's the difference between describing your home as "beautiful" versus "move-in condition"? About \$12,500 on a \$250,000 home.

Professor Paul Anglin, a real estate economist in Guelph, Ontario, says that homes described as "beautiful" in real estate listings sell for 5% more while "move-in condition" has no effect on sale price.

Anglin and his colleagues from the University of Windsor and researchers from Canada Mortgage and Housing examined about 20,000 real estate listings and sales data in Windsor and Essex counties, Ontario, from between 1997 and early 2000. Among other things, they studied how listings' phrasing affected sale prices and the length of time it took for the listings to close.

When speed is of the essence

Listings with the words "beautiful" or "gorgeous" sold 15% faster. "Landscaping" in a listing hastened a sale by 20%. Describing a property as in "move-in condition" quickened the sale by 12%. Calling a home a "handyman special" cut sale time by half (researchers excluded listings that used the term to describe a workshop or hobby area).

Other familiar jargon, such as "must see" or "vacant," or including the information that a seller was moving, had virtually no effect on the time before a sale.

The kiss of death appears to be language that reeks of desperation — words such as "motivated" and "must sell." These slowed sales by 30%. The term "ranch" house slowed sales by 10%. Properties described as rentals (income producing) took 60% longer to sell.

Though Anglin assumes the basic effects he identified are universal, the size of their impact will vary by locale, he says.

Do you believe in magic words?

Is there magic in these words? Does the concrete, visual nature of

continued on back...

just the facts

NWMLS Statistics for King, Pierce, & Snohomish counties Month of February 2007

Residential

	Closed Sales		Median Sale Price		% Increase in Sale Price	Market Time
	2007	2006	2007	2006		
King	1572	1679	\$ 429,925	\$ 392,950	9.41%	68
Pierce	800	927	\$ 286,980	\$ 255,000	12.54%	90
Snohomish	723	921	\$ 356,000	\$ 324,950	9.56%	71

Condo

	Closed Sales		Median Sale Price		% Increase in Sale Price	Market Time
	2007	2006	2007	2006		
King	544	602	\$ 285,820	\$ 228,950	24.84%	43
Pierce	92	76	\$ 231,750	\$ 194,000	19.46%	54
Snohomish	183	188	\$ 222,990	\$ 199,000	12.06%	50

What's 'beautiful' worth? About \$12,500

"landscaping," for example, fire a buyer's imagination?

Stella Frize, a real estate agent in Cerritos, Calif., believes so. But for her, the magic word is "turnkey."

"Anytime I see the word 'turnkey,' I expect that house is in immaculate condition," she says.

Frize's business partner has his own favorite turn of phrase: "He always writes, 'This could be the best buy in town.' He believes in this wholeheartedly. We put it on every listing. It's



like good karma for us. We have sold 100% of our listings."

What surprises Anglin is that some hot words not only speed a sale but also seem to raise the closing price. "If a house is described as 'beautiful,' everybody expects it to sell for a higher price," he says. "The thing that surprised me is that it sells for a higher price — and faster. . . . I don't have a good explanation for it."

Maybe, he says, buyers' idea of beauty includes features such as structural integrity, a good neighborhood and excellent upkeep, qualities agents call "curb appeal," which allay the fears buyers usually bring to big transactions.

The right words pay off in speed and money*

Term	Effect on time until sale	Effect on list price	Effect on selling price
Beautiful	-15%	+5%	+5%
Move-in condition	-12%	Insignificant	Insignificant
Good value	-5%	-6%	-5%
Must see	Insignificant	+4%	Insignificant
Starter home	-9%	-10%	-10%
Vacant	Insignificant	-5%	-8%
Rental property	+60%	-7%	-9%
Handyman special	-50%	-30%	-30%
Moving	Insignificant	-1%	-1%
Motivated	+30%	-6%	-8%
Landscaping	-20%	+5%	+6%

Source: "House Prices and Time-till-sale in Windsor," professor Paul Anglin, University of Guelph, Ontario

Economic Report

Everyone involved in the subprime mortgage lending chain, from borrowers to lenders to regulators, has had their world shaken up as market woes continue to dominate headlines in financial America.

The apparent downfall—at least from the high perch of wealth-creating investments du jour—of the subprime mortgage market is largely a result of a booming housing market that quickly cooled. As the housing market strengthened in the past, more lenders were willing to deal in the subprime mortgage market, which caters to customers who lack either the credit score or down payment capabilities to borrow in the prime market.

Once the loans were made, many were packaged and sold to investors. While big banks, small lenders and investors alike were making money, lenders also

began reaching out to potential borrowers with more creative ways to justify making loans.

Soon, a combination on marginally qualified borrowers and increased interest rates on mortgages were leading to delinquent payments, defaults and foreclosures. Contracts involving the sale of the loan by the mortgage lender often called for the lender to buy back loans that defaulted or were delinquent early in the life of the loan.

The rash of delinquencies and defaults caused crippling troubles for many lenders having to buy back loans that not too long ago were a hot commodity for investors. Even the loans the lenders were able to get rid of often came at a financial hit to the companies. Within the last year, a slew of companies across the country have voluntarily pulled from the subprime

market, been bought out, sought bankruptcy protection or have otherwise shut down.

The future doesn't look particularly promising either. The Center for Responsible Lending predicts that almost 20% of subprime mortgages originated in the last two years will end in foreclosure.



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