


Summer Is Just About Here!

With Summer we typically see our real estate market slow down a bit compared to the frenzied pace of late winter/early Spring. We still get a surge just before school starts up again, but otherwise, people like to get out and enjoy our beautiful weather. What we've been seeing lately is that inventory is starting to pick up, in most areas of town, but it's still hard to find that "cream puff" home in certain price points and within certain geographic areas. The urban areas, Mercer Island, and Downtown Bellevue are still bucking the trend,



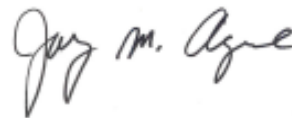
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and selling quickly at higher prices, while the suburban areas are taking much longer to sell due to supply and demand. In the suburbs, Buyers are able to take their time and find their perfect home without worrying too much about multiple offers and escalation clauses. Sellers are needing to price their home just right and present it in the best possible fashion.

How am I doing? I am currently at 9 transactions along with a few Sellers getting ready to list their homes for sale. Once I find homes for some of my Buyers, I will be cruising toward another great year! Many thanks to those of you who have recently referred family/friends to me - it means the world to me!




REAL ESTATE: The Safest Investment Tool for Your Money



A day doesn't go by that we don't hear about real estate investing. From infomercials promoting seminars that teach how "easy" it supposedly is to financial reports from leading pundits, real estate investing is all the rage. It's not just for the wealthy anymore.

And for good reason. Real estate continues to be one of the safest investment tools available. While it's true that investing in real estate requires more research and due diligence than other investments, it's more secure because it's based on an actual physical property.

Add to that the fact that people are constantly on the move-and will always need new places to live. It's a fact of life. Constant movement provides the industry with ebbs and flows that allow investors to step

in, purchase a property, then resell it for a higher price, rehab it, or rent it out.

Such "ebbs and flows" are safer than, say, the stock market's "highs and lows". True, Wall Street has made fortunes for many. But while it's easier to purchase stock, you could lose it all by 4pm any given weekday.

Real estate is also more secure because an investor can't just liquidate it with a simple phone call. There are so many steps to a real estate transaction that make this impossible. And while these steps may seem like a big pain in the neck while you're going through them, they protect you in the long run. The complicated process actually helps real estate investors to avoid irrational decisions made on the spur-of-the-moment.

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| justthefacts | | | | | | |
|--|--------------|------|-------------------|------------|---------------|--------|
| NWMLS Statistics for King, Pierce, & Snohomish counties | | | | | | |
| Month of April 2007 | | | | | | |
| Residential | | | | | | |
| | Closed Sales | | Median Sale Price | | % Increase | Market |
| | 2007 | 2006 | 2007 | 2006 | in Sale Price | Time |
| King | 2173 | 2344 | \$ 448,555 | \$ 419,500 | 6.93% | 56 |
| Pierce | 1005 | 1242 | \$ 280,000 | \$ 268,075 | 4.45% | 84 |
| Snohomish | 986 | 1199 | \$ 373,000 | \$ 329,900 | 13.06% | 69 |
| Condo | | | | | | |
| | Closed Sales | | Median Sale Price | | % Increase | Market |
| | 2007 | 2006 | 2007 | 2006 | in Sale Price | Time |
| King | 862 | 825 | \$ 285,000 | \$ 247,900 | 14.97% | 39 |
| Pierce | 98 | 86 | \$ 224,000 | \$ 220,825 | 1.44% | 76 |
| Snohomish | 232 | 217 | \$ 235,000 | \$ 199,950 | 17.53% | 39 |

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No matter what you plan to do with the property once you purchase it, it's a long-term investment in comparison to the stock market. It's something you need to understand fully before you leap into it. And no 3-day seminar that tells you it's "easy" is going to prepare you enough for some of the pitfalls you will experience along the way. You need a team of professionals on your side—real estate agent, attorney, financial advisors, and bankers.

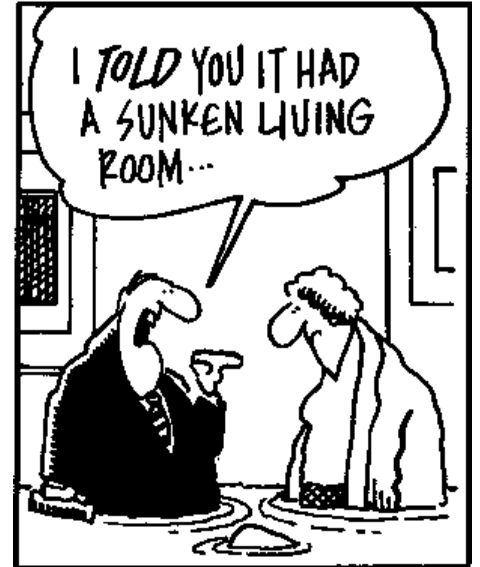


The last one is important for one simple reason: Banks love real estate. Why? Because it's secured. Go down to your local bank and try to get a \$300,000 loan to buy stock. You'll be laughed out the door. But even if your income is modest, a bank will most likely give you the same amount to purchase a home-

because it's a solid piece of property, they know where it is, and it isn't going anywhere.

If you're considering real estate investing, then I suggest you educate yourself by talking to true professionals, not seminar "gurus." Read your local paper and watch home transaction prices. Go to your courthouse and get familiar with how everything works. Talk to real estate attorneys about investors in your area and what works for them. And, most importantly, consult a real estate agent who works with investors.

I know investors and I work with them all the time. I can help point you in the right direction whether you're new to this or a seasoned pro.



4 Big Mortgage Mistakes

Not getting pre-approved for a loan

Many first-time borrowers confuse being "pre-qualified" with being "pre-approved." Pre-qualification is a pretty casual process, where a lender tells you how much money you probably can borrow based on how much money you make, how much debt you already have and how much cash you have for the down payment.

Getting pre-approval, by contrast, is a much more rigorous process and involves actually applying for a loan. You typically submit tax returns, pay stubs and other information. The lender verifies the information and checks your credit. If all goes well, the lender agrees in writing to make the loan.

Borrowing too much money

Many people take out the biggest loan they possibly can, figuring that their incomes will eventually increase enough to make the payments comfortable. But few first-time buyers have any clear idea of how expensive homeownership can be. Not only will you shell out more for mortgage payments than you probably did for rent, but you'll also need to cover

property taxes and homeowners insurance, as well as higher bills for utilities, maintenance and repairs than you faced as a renter.

Lenders are perfectly willing to let you overextend, knowing that you'll probably forgo vacations, retirement savings and new clothes for the kids rather than default on your mortgage.

Not planning for closing costs

The day you're scheduled to get your loan, known as closing, you'll also be expected to write a check for a number of expenses, which typically include attorney's fees, taxes, title insurance, prepaid homeowners insurance, points and other lenders' fees. Together, these are known as closing costs. Plan for closing costs by getting a good-faith estimate from your lender as early in the loan process as possible. Make sure you have the cash on hand (or rather, in your checking account) and that it doesn't "disappear" before closing.

Not having enough cash on hand after closing

After borrowing too much, and scraping together every last dime for closing costs, many home buyers have nothing left in the bank to pay for anything unforeseen happening—and something unforeseen always happens. Having three months' reserves, which means a fund equal to three months' worth of expenses, will help you handle the added costs of homeownership with much less stress.



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