

◆ TODD'S REAL NEWS ◆

November

2011

Temperatures are dropping and you now feel that fall chill in the air. Thanksgiving is right around the corner and my hope is this change of season finds you well. Once again after a review of last years business, I am very grateful for the referrals so many of you have sent my way.

The real estate market continues to bounce around at what many think is the bottom of our price declines. There are a couple of good reasons for thinking we are at the bottom. Currently affordability is very high for our area. The rule of thumb in the past was to try and purchase a home for not more than three times your income. This has been very difficult to do in this region as prices increased over the last decade. However, at today's prices and low interest rates this is once again possible and in the median price range includes a decent selection to choose from. The other thing I have noticed on a few recent settlement statements where I was familiar with rents in the particular neighborhood, is that the new purchase mortgage payment was less than the previous rental price. When purchasing is less than or close to the same as rents many people and investors choose to buy. This is a much more conservative financial environment for buyers and when the statistics confirm stable prices it will give the lenders the predictability they want to see in the real estate market.

I am optimistic about real estate in Snohomish county because we have good paying jobs in Everett with employers that have potential to grow and have survived the past few years. Unlike other states with higher foreclosure rates, we have not suffered as much and should recover sooner. Although these past few years have been rocky and slow, we have continued to make sales. While still favoring the buyer, when a house is priced and marketed correctly it typically will sell in less than 90 days. It is an opportune time to buy and I have noticed that investors able to get financing or buy for cash are coming back into the market. Although sales have not increased significantly, we are working through our excess inventory which is much lower now then it was a year ago, as seen on the chart below.

Market Trends

Graph data for zip code 98208
Active, pending and solds \$200-400K

While it may not be time for everyone to start buying real estate, I do believe that real estate remains a good choice depending on each persons circumstances and needs. If I can help with information, sales, prices in your neighborhood or to discuss the market, buying or selling a home, do not hesitate to contact me at 425-327-1243.

Thank you,

Todd

