



APRIL 2012

Look At The 2012 Housing Market

It seems that everyone is talking about the state of real estate these days. As we slowly recover from the recession people are slowly emerging with thoughts of investment dancing through their heads, but there are many questions still being asked. Is this a good time to buy? Are we really safe investing in real estate when the economy is still shaky? Valid questions for sure so let's take a look at some of the issues being raised and see if we can't shed some light on them.

Good News From the National Association of Realtors

Pending sales in January, 2012, showed an 8% increase over the previous year and that is good news indeed. This is the highest level since April, 2010, and it is especially good news since January is notoriously a less active month than April. As a rule pending sales increase as we approach spring so to see pending sales this high this early in the year perhaps is a precursor to very good news in the months ahead.

Remember that last year pending sales were positively affected by the Home Buyer Tax Credit which is not available in 2012. This indicates a very positive trend as the market rebounds without outside influences.

Home Closings Are Up; Available Inventory Is Down

According to the NAR, available homes for sale were down 20.6% in January, 2012, compared to January, 2011, while sales of existing homes was up 3.8% and sales of new homes was up 3.8% during the same reporting period.

Another NAR study showed that the months of inventory remaining (how long it would take to liquidate all available home inventory at the present sales rate) is at 6.1 months for existing homes and at 5.6 months for new homes. Between three to six months is considered a balanced real estate market so one can see a definite improvement as the market shows definite signs of an upward swing.

Median Prices Remain Down But Condos Rebound

Remember that it takes a long time for the median prices to rebound after several years of decline. The median price for existing homes was \$154,000 in January, down 2.6% in comparison to January, 2011, and the median price of new homes was \$217,100, down 9.6%. However, condominiums had a positive 2% increase to \$156,600.

Breaking Down The Statistics: Who Is Buying?

Again according to the NAR report, 33% of the buying market was made up of first-time buyers, up from 29% the previous year. People purchasing for investment made up 29%, unchanged from 2011.

Of all homes sold, distressed homes were 35% of that total, down from 37% the previous year. Of these 22% were bank-owned and 13% were short sales.

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Don't Miss King Tut's Final North American Appearance!

May 24, 2012-January 6, 2013
At the Pacific Science Center

Explore the splendor of the pharaohs through more than 100 striking objects spanning 2000 years of ancient Egyptian history. Don't miss this once-in-a-lifetime chance to witness these stunning treasures at Pacific Science Center in Seattle, the exhibition's final stop before it returns to Egypt forever.

In this extraordinary exhibition, you'll see breathtaking treasures from King Tut's tomb—including the golden sandals found on his mummy—and the largest image of Tut ever unearthed, a 10-foot statue found at the remains of a funerary temple. Encounter artifacts from other powerful rulers and learn about the pharaohs in both the earthly and divine worlds.

Plus, relive the excitement of Howard Carter's 1922 discovery of King Tut's tomb and explore new scientific discoveries that provide insight into the Boy King's legendary life and death.

The exhibition includes

Tutankhamun: The Golden King and the Great Pharaohs takes you back 5,000 years in time and explores what it was like to live like a pharaoh through the "Golden Age," when Egypt was at the height of power and artistry. The exhibition spans 2,000 years and some of the most notable leaders of ancient Egypt. More than 100 artifacts from the tombs and temples of King Tut, his ancestors and contemporaries bring this rich history to life.

Among the 100+ stunning treasures, some of the crowd favorites include:

- The largest image of King Tut ever unearthed; a 10-ft quartzite statue found at the site of the funerary temple of his high officials
- A dazzling and intricate gold canopic coffi-nette that held King Tut's mummified stomach
- Gold sandals and finger and toe coverings found on King Tut's mummy
- A bed that King Tut most likely used in life
- The exquisite gold death mask of Psusennes I
- An imposing colossal bust of Amenhotep IV (Akhenaten), King Tut's father
- A sarcophagus that held a "royal" cat
- Statues of prominent pharaohs, including Khafre, builder of the Great Sphinx and one of the pyramids at Giza; Hatshepsut, the queen who became a pharaoh; and Ramesses the Great.

CoreLogic's March Report Points To "Negative Equity" As A Problem

The United States real estate market is still dealing with high percentages of negative equity sales. 22.8% of all residential homes with mortgages were in negative equity at the end of 2011, meaning that the market value of those homes was worth less than the amount owed on it, thus restricting the housing market by making it difficult for homeowners to sell without bringing money to closing. In addition another 5.7% of homeowners had less than five percent equity.

Please note that negative equity has nothing to do with late mortgage payments or danger of foreclosure but rather the value of a home vs. what is owed on that home.

Buffet and Trump Say Buy Now!

On CNBC's "Squawk Box" Warren Buffett made news in February by stating that he would buy "a couple hundred-thousand single family homes" if he had a way to manage them, a statement obviously in support of real estate investment. He went on to say that buying a home right now was "as attractive an investment as you can make now."

Donald Trump in effect agreed with Buffett the next day by telling CNBC that "housing is one of the great investments right now. I tell people all the time when they come up to me, they say, "What should I do, Mr. Trump?" I say go buy a house."

The implications of these two statements are enormous; if two of the richest men in the United States consider real estate to be a healthy investment then it is certainly worth considering.

Good News About Interest Rates

According to Mortgage-X, interest rates for a 30-year fixed mortgage is hovering right around four percent, still considered incredibly low by historical standards. However, in the past few weeks the interest rate has risen above four percent, leading us to believe that investors are beginning to heed the advice of Buffett, Trump and others and investment dollars are beginning to show up with increased regularity.

A Final Word of Cautious Optimism

The United States has in no way fully recovered from the recession and caution must be taken before investing in real estate. It is entirely possible that unemployment could rise above the current 8.3% but it is also very obvious that consumer confidence is growing.

With increased consumer confidence comes increased investment. It has historically been that way and there is no reason to believe it will not continue into the future. As of right now there are regional markets that offer great opportunities for investors and sellers are looking at the best news in years with the low inventory levels. All in all it can be said that we are entering March in a positive frame of mind.

Seattle Real Estate Market To Make Gains in 2012

CNN Money recently studied over 300 U.S. metros to find the most likely cities to recover first. Tacoma, WA took first place, with a projected 11.8% increase in home prices through 2012.

The Seattle-Bellevue-Everett market wasn't too far behind, with the current dip we're already experiencing putting us down for another six months, but our forecast through 18 months wiping out those losses. The overall direction projected from now through the third quarter of 2012 is a net 4% gain in Greater Seattle real estate prices.



Home Market News Pricing your home to sell

When it comes time to sell a home, most people want the property to sell quickly for the highest possible return. Setting the correct listing price is the most important step in reaching this goal. Price a property too low and it might sell quickly, but you could pocket less profit. Set it too high and you run the risk of pricing yourself out of the market.

Why overpricing a home is risky

Some sellers want to list their home at an inflated value, believing that they can always lower the price down the road if needed. But this can be a risky strategy. New listings generally get the greatest exposure in the first two-to-four weeks on the market, so setting a realistic price from day one is critical. If a home is priced too high, your strongest pool of prospective buyers is eliminated because they think it's out of their price range. Conversely, buyers who can afford it will compare it to other homes that have been fairly priced and decide that they can get more home for their money elsewhere.

Once it has been decided to reduce the price, you've unnecessarily lost time and money. Your strongest prospective buyers may have found another home, while the over-inflated price could result in a negative impression amongst agents and buyers who are still in the market. Not to mention, reengaging buyers after those first critical few weeks can be very challenging. As the saying goes, "time is money"; so the longer a home is on the market, the lower the selling price will likely be in relation to the initial listing price.

(Continued on page 4)

Northwest Folklife Festival

May 25-28, 2012
Seattle Center

This is the largest Folk Festival in the Country... drawing thousands of people from all over the world, to come and enjoy the multitude of Ethnic Traditions showcased here, which include: Food... Dance... Art... and Crafts.

Watch hundreds of Cultural Acts on 18 Stages set up around the 74 Acres of Seattle Center. Bring the kids... find a spot on the spacious lawns... and enjoy the sights and music on a beautiful Seattle spring weekend.

Northwest Folklife Festivities begin each day at 11:00 AM, and end at 11:00 PM.

SEATTLE SPORTS SCHEDULE

MARINERS MLB HOME GAMES

<http://seattle.mariners.mlb.com/>

5/4	7:10PM	VS.	MINNESOTA
5/5	6:10PM	VS.	MINNESOTA
5/6	1:10PM	VS.	MINNESOTA
5/7	7:10PM	VS.	DETROIT
5/8	7:10PM	VS.	DETROIT
5/9	7:10PM	VS.	DETROIT
5/21	7:10PM	VS.	TEXAS
5/22	7:10PM	VS.	TEXAS
5/23	12:40PM	VS.	TEXAS
5/24	7:10 PM	VS.	LAA
5/25	7:10 PM	VS.	LAA
5/26	4:15 PM	VS.	LAA
5/27	1:10 PM	VS.	LAA

SOUNDERS FC HOME GAMES

<http://www.soundersfc.com/>

5/2	7:00PM	VS.	GALAXY
5/5	1:00PM	VS.	UNION
5/12	7:00PM	VS.	REAL SALT LK
5/23	7:00PM	VS.	CREW

SEATTLE STORM HOME GAMES

<http://www.wnba.com/storm/>

5/18	7:00PM	VS.	LOS ANGELES
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Setting a home price too high has other costs

When a home languishes on the market, the seller loses in a number of ways. Each month the home goes unsold is another month of costs to the owner in mortgage payments, taxes, and maintenance—expenses that are not recovered when the home is sold. Furthermore, until the house is sold, the owner is on hold and can't move forward with whatever plans prompted the decision to sell. If the seller is still living in the home, it can also be fatiguing to keep the property in ready-to-show condition month after month.

How to set the right price for a home

It's not easy to be objective about your own home. That's why it's best to have a real estate professional work with you to set a reasonable price. According to a study done by the National Association of REALTORS®, homes that were sold using a real estate agent netted an average of \$25,000 more than those without agent representation.

There are a number of factors that your agent will consider when determining a sales price for your home. Here's a quick overview.

Comparable sales. One of the best guides to pricing your home is knowing what recent buyers were willing to pay for similar homes in your area. So, one of the first things your agent will do is prepare a Comparative Market Analysis (CMA). A CMA is a written analysis of houses in the community that are currently for sale, homes that have recently sold, and homes that were offered for sale but did not sell. While no two homes are identical, the report highlights only homes that most resemble yours. The CMA will include details about these properties, such as the number of bedrooms and baths, square footage, noteworthy amenities—and the listing price and sale

price. The report will also include the Days on Market (DOM) for each property, which is the number of days it took to sell the home once it was listed. The CMA helps determine a price range that will be appropriate for your home.

Unique property features. Since no two homes are exactly alike, looking at comparable sales is just one part of the equation. Many properties have distinctive features that add to their overall value when it comes to pricing. The importance buyers place on different features can vary by region, but examples might include a particularly pleasing view, artisan-quality interior detailing, outdoor entertaining space, or exceptional landscaping.

Current market conditions. The real estate market is constantly fluctuating, and those cycles have a direct impact on pricing. Here are some of the market conditions an agent may consider when evaluating how to price a home:

Are home prices trending up or down?

How quickly are homes selling?

Is the inventory of homes on the market tight or plentiful?

Are interest rates attractive?

How is the overall economy performing? Is the local job market strong or in decline?

Other factors that can impact pricing include the condition of the home, seasonal influences (i.e. summer versus winter), condition of surrounding neighborhood, local amenities, and how quickly the seller needs to move.

There are a lot of factors that go into setting a home's sales price, but it's by far the most critical step in the overall selling process. The best course of action is to look to your real estate agent for guidance; they have the experience and market knowledge that will help you achieve your goals and reach a desired outcome that best fits your individual needs.



September 10, 2011

I have had two experiences with Roger: once he was representing the seller when I was buying. This time he was representing me when I was buying. I had remembered Roger from 15 years ago when he worked to make sure the deal closed on time. I was impressed then by his knowledge, and his ability to make sure that obstacles are overcome. This time he was on my side because I remembered him and called him to help us buy my daughter and son-in-law a house. Roger did everything we asked. He always knew the right person to do everything. He replies immediately: by text, e-mail, or phone. He helped us to negotiate a good price. It was a short sale and it closed within 2 months. I would definitely recommend Roger to my friends and will use him again. He is both competent and mellow. And his knowledge of Seattle is amazing.

Thank You,
Laurie Sears



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