



## SPRING IS HERE

“The recession is over.” Those were the words of Matthew Gardner, a noted Northwest economist who spoke to a large audience of Windermere agents at Benaroya Hall in downtown Seattle on Friday, February 5, 2010. They were the sweetest words regarding the economy that we have heard in the last two years, and we have begun to see evidence that Mr. Gardener is right.

Last year, we spoke of the returning market strength in the sub \$500,000 price range and this continues to be the case. However, we have now seen the market show signs of recovery in certain geographical areas in price ranges that approach the \$2,000,000 mark. Among

the trends that we have noted is that location is still important and the stronger locations are always those that offer the buyers a short commute to the business centers – with Bellevue being the strongest in the Eastside marketplace.

One of the most interesting trends we observed during the latter half of 2009 was the sale of nearly all of the expensive short sale and foreclosure properties in the west Bellevue and Clyde Hill communities. However, it must be noted that these homes sold for far less than what they were originally built to sell for, with many lenders suffering some serious losses in their short sale or foreclosure clearances.

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WE WOULD LIKE TO  
EXTEND A BIG THANK  
YOU TO THOSE OF YOU  
WHO HAVE REFERRED  
FRIENDS & FAMILY

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### CURRENT INTEREST RATES

30 YEAR: 4.75%

15 YEAR: 4.25%

A.P.R.: 4.873% AND 4.347%

RATES PROVIDED BY OUR TRUSTED  
LENDING PARTNER:

CHRIS BUTAUD  
CLEVELAND STREET MORTGAGE  
206-999-6941  
CHRIS@CLEVELANDSTREET.COM  
WWW.CLEVELANDSTREET.COM

This newsletter was custom made by Jim and Bill Badgley. Graphic design help was provided by my good friend, Jennifer Ward with Pick of the Litter Designs. I couldn't do these newsletters without her! Thanks to Ivana at our office for processing these for mailing.

# Badgley & Badgley

425-895-8833 · 888-649-5462

WWW.BADGLEYHOMES.COM

# Q&A

Q?:

How are you guys doing in this market?

A:

We have been asked a thousand times how we are doing in this market. 2009 was our second best year ever! I love the look of surprise when people hear that. It has taken a lot of hard work, but it has paid off. We also could not have done it without our wonderful clientele that keep referring us to their friends, family and coworkers. Thank you!

Q?:

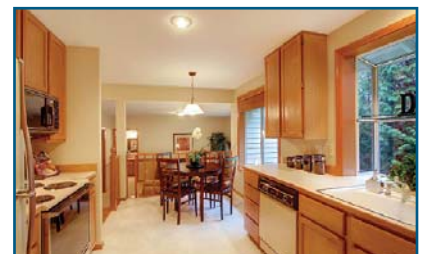
What are interest rates going to do this year?

A:

Nobody knows for certain, but the economists are predicting interest rates to increase by the end of the year. Matthew Gardner is one of the most trusted local economist and he believes rates will hit 6% by the end of this year. This is still very low, but any increase in interest rate will have a direct impact on the market and pricing of homes that sell. For example, a buyer purchasing a \$500,000 home at today's interest rate of 4.875% will only be able to afford a \$450,000 home with a 6% interest rate.

## TURNKEY SERVICES

We just finished up a sale in Redmond that sold in four days and had multiple offers! In December, the seller handed us the keys and we went to work. In only three weeks, Jim oversaw the entire project from start to finish. We were able to triple the sellers investment and sell the home quickly and for more than list price. Who said this market is slow? Below are before and after photos.



Here is the list of items we completed on this home:

- Packing
- Moving
- Estate Sale
- Rubbish Removal
- Painting
- Interior Designer
- Yard Cleanup
- Power Washing
- New Flooring
- New Light Fixtures
- Handyman
- Drainage Repair
- Housekeeper
- Staging

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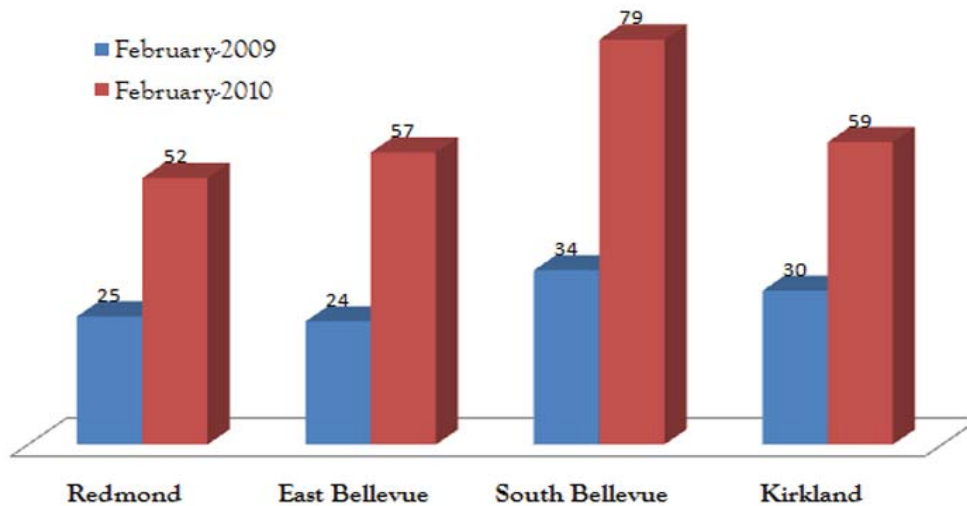
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Another strong indicator that confirms that our local real estate market is recovering is the overall reduction in inventory at the same time that we have more activity in the market. The table below shows the comparison between the “Pending” inventory from one year ago compared to the current inventory. What an improvement!!

The “Pending” sales reflect a dramatic improvement from one year ago, and with inventory down, this means a much more robust market for sellers. Home values will begin to recover in this kind of market, but we would still urge a lot of caution in your expectations regarding that improvement. A closer look

at what makes up these statistics also shows that average home prices are down 10% or more from February 2009. It's still the lower priced homes that are selling. Above \$500,000 the market continues to be spotty and lethargic. Homes over \$500,000 are selling, but it takes compelling prices to compete for a successful sale.

**Number of Pending Sales in the last 30 days for Single Family Residential under \$1 million compared to one year ago**



# DO YOU KNOW A BUYER FOR ONE OF OUR LISTINGS?

VIEW ALL OF THESE AND MORE ON OUR WEBSITE AT [WWW.BADGLEYHOMES.COM](http://WWW.BADGLEYHOMES.COM)



Multiple offers!

8230 140th Ave NE  
Redmond WA 98052  
\$400,000 / Sold for \$406,000  
MLS #3661



Sold in 4 days

1302 1st ST  
Kirkland WA 98033  
\$650,000 / Sold for \$662,000  
MLS #7916



1531 24th CT NE  
Issaquah WA 98029  
\$997,500  
MLS #8247



13408 179th Avenue NE  
Redmond WA 98052  
\$749,900  
MLS #10139



Sold in 58 Days

17431 29th Drive SE  
Bothell WA 98012  
\$359,950 / Sold  
MLS #29132137



Sold

4416 239th Place SE  
Bothell WA 98021  
\$550,000 / Sold  
MLS # 17136

WE ARE ON FACEBOOK AND LINKEDIN. HAVE YOU SEEN OUR BLOG?  
VIEW IT ALL ON OUR WEBSITE AT [WWW.BADGLEYHOMES.COM](http://WWW.BADGLEYHOMES.COM)

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