



FALL IS HERE

Was It Really a Miserable Market for Homes Sales Last Month?

Let's take a look at the NWMLS Statistics report that Seattle Times used for their October 5th news report and see what conclusions we might draw from it. The statistics report in question was the NWMLS report for the month of September, 2010.

When we read the NWMLS report, we discovered that a total of 1,653 homes were actually "Closed" in September. This includes all single family residential, condominium/townhome, and new construction housing. According to the Times, there were only 1,158 homes sold in September. They simply forgot to read the entire report and include all

other types of housing that sold in September as well.

We believe that there was a shift in the timing of purchases that was greatly influenced by the tax credit that was offered earlier this year, but which expired on May 31st. All of us in the business noted a lower level of activity during the late summer months, and we are all beginning to notice an increase in activity as the demand catches back up following that shift. In fact, what the Times article did not tell you was that there were 2,434 homes that went into contract for sale in the month of September. This is the real indicator of market strength.

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

CURRENT INTEREST RATES:

30 FIXED: 4% APR 4.086
5/1 ARM: 3% APR 3.08
7/1 ARM: 3.125% APR 3.159

RATES PROVIDED BY:
CHRIS BUTAUD
CLEVELAND STREET MORTGAGE
206-999-6941
CHRIS@CLEVELANDSTREET.COM

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Badgley & Badgley

425-895-8833 · 888-649-5462

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Q&A

Q?:

We are thinking of selling our home, but are not sure if now is the right time to put our home on the market. Do you think that prices are going to go up next year?

A:

Great question! We are asked this on a daily basis. All of the economic indicators that we look at are pointing to a long term recovery for the housing market (see our "Crystal Ball" article on page 3 of this newsletter for more detail).

Its not all bad though! Even though prices have not increased and we don't see them increasing anytime soon, homes are still selling. In King County in September, 1,653 homes sold (see graph on page 4). On a personal note, we have sold all but one of our listings and the last three that we put on the market, we received multiple offers. "In this market?" Yes, in this market!

If you or someone you know is interested or even possibly interested in selling their home, feel free to give us a call or e-mail and we can help provide you with the information necessary to help you make the decision if now is the right time for you.

ARE WE CRAZY?

Who would buy a house to flip in this market? We did!

In August we were offered a home that was in SERIOUS need of help, and after some SERIOUS negotiations, we bought it. After filling four 20 yard dumpsters, we were finally able to see what we bought and begin work.

Jim has been doing an outstanding job of directing the show and the end result is now emerging – it is going to be a masterpiece. We have enjoyed the services of an amazing group of contractors, all of whom were committed to the same degree of excellence that we sought in the reconstruction, and all of whom were thorough, prompt, and rock solid in their workmanship, and all were a great group to work with.

The kitchen went down to the studs before coming back with all new cabinetry, granite counter tops, and all new appliances and lighting. The bathrooms went down to the studs and re-emerged as something truly unbelievable, and the list goes on...

Special billing goes to Aimee Upper, our designer, who has worked with us for over 5 years. Aimee selected everything including all of the plumbing fixtures, lighting fixtures, carpet, paint, hardwood flooring, and the beautiful travertine tile used in the bathrooms and utility room.

Stay tuned for before and after photos and videos. The house will be on the market the first week of November.

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What's more, as I compile our weekly statistics, we continue see that level of activity rise as we progress into the fall season.

And, did the Times article tell you that the 2010 year-to-date statistics show that we are actually ahead of 2009 for the same period? Not a chance! But we are. With regard only to single family residential, we have already sold 18,403 homes this year (King County) compared to 16,362 homes for the same period last year!

Does bad news sell better than good news? We're never sure of the motivation behind some of the mainstream media reporting, but in this case, we were greatly disappointed in the lack of accuracy on the part of the Seattle Times in their October 5th report. This type of reporting hurts the market more than it helps.

THE CRYSTAL BALL



So What Does Our Crystal Ball Tell Us About the Market?

It doesn't, it's broken.

However, we must admit that with all of our focus on real estate, working the business as heavily as 50-60 hours/week, working with over 50 different clients per year, selling over 20 homes per year, following any and all news that pertains to real estate and the economy in general, and then doing a comprehensive statistical analysis of the market on a weekly basis, we do tend to develop some feeling for where the market is going at any given time.

Can we accurately forecast out over 4 to 6 months? No, we can't, but we see trend lines that form and these are what we operate on the basis of.

In the next few issues of this newsletter, we will talk about at least one trend per issue that we have noticed and that is noteworthy. In this issue we would like to talk about what we see with respect to Sellers becoming realistic about the market:

Sellers are becoming more realistic. Two years ago, most Sellers (and many agents) were pretty unrealistic about the value of their homes in the early months of the falling market. The result was that for those of us who correctly read the overall picture, it was pretty easy to be very competitive and get our homes sold for prices that reflected a very good return when compared to the falling market.



Now - some two years into a declining market - those Sellers are coming to grips with the realization that the market isn't going to return to the heady conditions of 2003-2006 anytime soon. Over this past year we have noticed that many Sellers (and their agents) are doing a better job of getting competitive with their listings in order to sell their homes. We believe that this is the primary reason (along with oversupply in the current market) that we continue to see a decline in real estate prices. This trend will likely continue for many months into the future.

DO YOU KNOW A BUYER FOR ONE OF OUR LISTINGS?

VIEW ALL OF THESE AND MORE ON OUR WEBSITE AT WWW.BADGLEYHOMES.COM



Waterfront

21732 E Lost Lake Road
Snohomish WA 98296
\$599,000
MLS #113944



**PENDING
in 10 Days**

15644 Lake Hills Blvd
Bellevue WA 98008
\$350,000
MLS #137892



**PENDING
in 6 Days**

14498 NE 58th St
Bellevue WA 98007
\$625,000
MLS # 134669



**PENDING
in 16 days**

8667 NE 123rd Place
Kirkland WA 98034
\$540,000
MLS #131271



SOLD

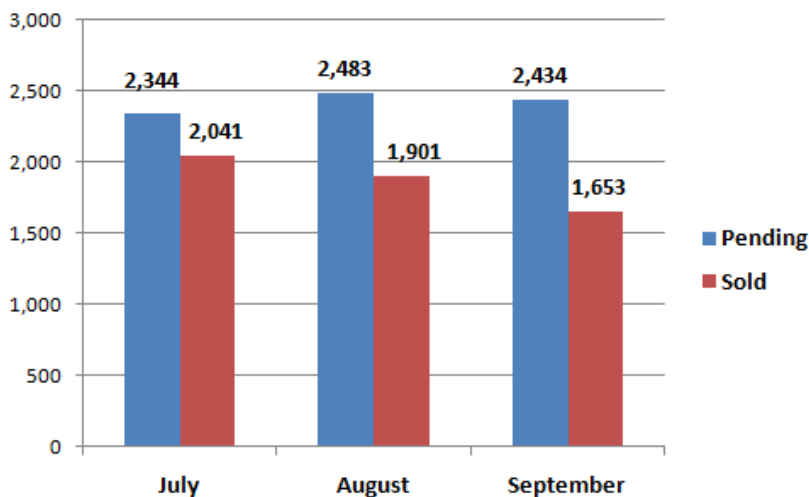
15520 91st Place NE
Bothell WA 98011
\$559,000
MLS #105930



SOLD

11141 SE 57th ST
Bellevue WA 98006
\$700,000
MLS # 76330

Housing Activity - 3rd Quarter 2010 King County



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425-895-8833

1-888-649-5462

3933 Lake Washington Blvd NE

Suite 100

Kirkland WA 98033


Windermere

HAVE YOU SEEN OUR BLOG?
WE WOULD LOVE TO HEAR WHAT YOU THINK!