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

MARKET UPDATE

Why Do We Watch the Numbers?

Statistics and numbers. What is so important about market statistics and numbers? Why do we continue to bore you with this stuff?

Just as in a football game, the winner on the scoreboard is usually the team with the best results throughout the game: yards gained on the ground and in the air; the number of yards the defense has held the other team to; yards lost to penalties; number of quarterback sacks; and so much more. By the middle of the 3rd quarter you have a pretty good idea of what the final game outcome will be just by reviewing

the stats, and you can watch it unfold on the turf.

The Northwest Multiple Listing Service provides a monthly report that we can go to for the market statistics, and we have developed our own (very rich) set of statistics that we track on a weekly basis. Every Monday morning (early), I start the day by pulling all of the data in for all of King County and all of Snohomish County, then that data is sorted, filtered, counted, and summarized in a manner that provides us with an instant understanding of the market strength for every major neighborhood within those two counties.

...continued on page 2

CURRENT INTEREST RATES:

15 YEAR: 3.375% APR 3.644%
30 YEAR: 4.125% APR 4.251%

RATES PROVIDED BY:
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GUILD MORTGAGE
(206) 999-6941
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Lender Spotlight

This month's column is brought to us by our friend and mortgage lender, Chris Butaud with Guild Mortgage.

Forget the Ducks; Get Your Dough in A Row Before You Start Shopping for a Home

Everyone knows that underwriting standards are tougher these days, but, with a little advance planning, you can avoid some of the more common loan underwriting hang-ups, such as documenting the funds you will use to purchase your home.

To avoid problems in this area, isolate the funds that will be needed to purchase your home into a separate, personal (not business) account with limited deposit and withdrawal activity. If at all possible, put yourself in a position to provide underwriters with two months complete bank statements with all the funds needed already included in the beginning balance of the earliest statement and keep all but the most easily documented deposits out of this account until your loan has closed. It is not uncommon for underwriters to ask for documentation of miscellaneous deposits as little as \$100. And watch out if you plan to transfer money from a business account – underwriters will ask for a letter from your CPA stating that the transfer will not hinder your ability to operate your business and most CPA's insurance carriers (not to mention professional standards) prevent them from giving these types of assurances.

This has been a source of extremely valuable data for Jim and I as we continue to work with our real estate clients.

And so to maintain a keen sense of what and how the market is doing, we continue to study and rely on all of this information.

Because we have had such a tumultuous few months in the world financial markets over the duration of the 3rd quarter, I was very interested to see how our local real estate market had fared during this period.

To compare our market strength in the 3rd quarter of this year to the same quarter of the previous 2 years, I did the homework and discovered the following (see the chart for a pictorial representation):

Homes Active (dark bars on the chart):

- 10,711 in 3rd quarter 2009
- 10,322 in 3rd quarter 2010
- 8,307 in 3rd quarter 2011

Homes Pending (entered into purchase and sale contract):

- 2,044 in 3rd quarter of 2009
- 1,691 in 3rd quarter of 2010
- 2,076 in 3rd quarter of 2011

The Good News Is:

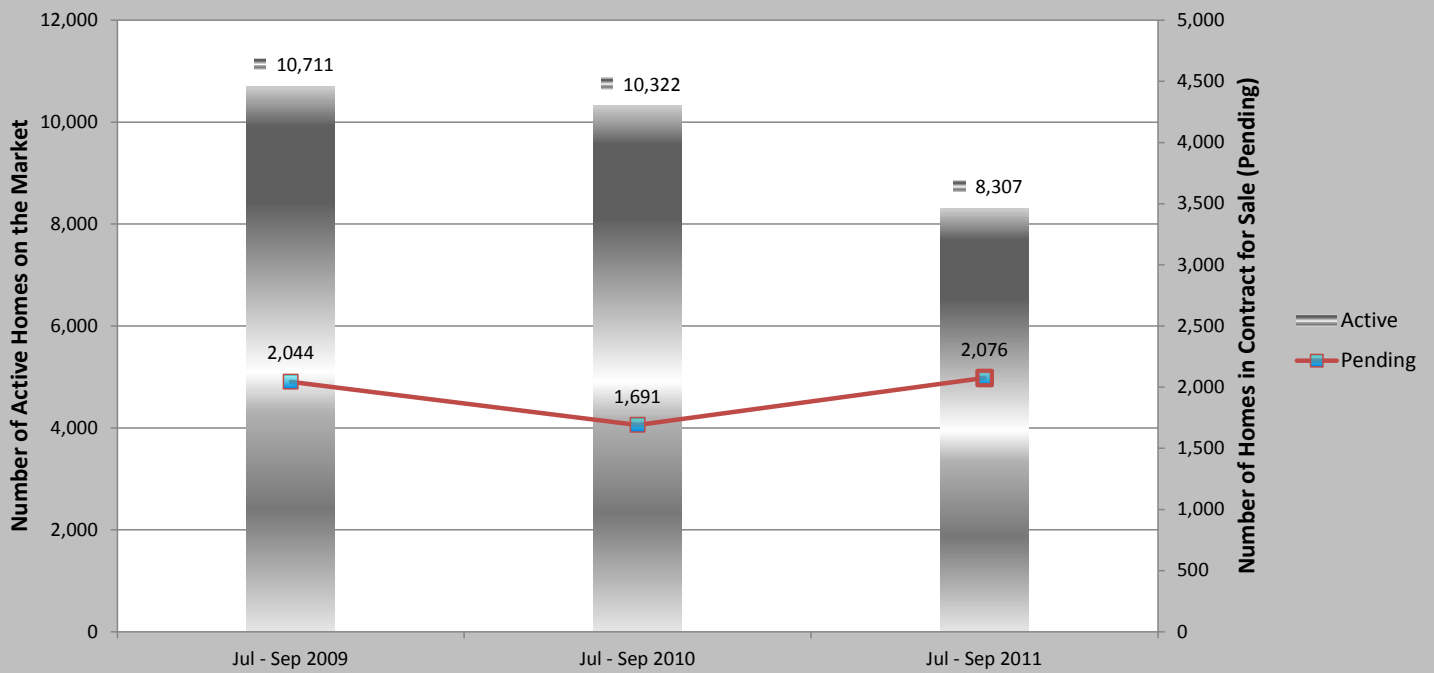
- Active homes have actually decreased by 22% since 2009
- Pending contracts have increased slightly since 2009
- Pending contracts have increased significantly since 2010

We measure market strength by the number of homes that are "Active" in the market compared to the number of homes that have recently gone into contract ("Pending"). The market improves when either the Active count decreases, or the Pending count increases. As you can see from the chart, both occurred over the past 3 years for an overall improvement in the market from 2009 to 2011.

This is excellent news! Our Pacific Northwest economy still remains stronger than many areas in the country, and the close-in core business areas of the Pacific Northwest (Seattle, Bellevue, Everett) have shown the greatest resilience over the past several years.



Eastside Market Comparison of Active Listings to Pending Sales July - September Last 3 Years



OUR LISTINGS ARE SELLING! WE NEED MORE TO SELL!

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Waterfront

432 Overlake Drive E
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\$2,400,000
MLS #289177



Just Listed

12522 SE 48th Place
Bellevue WA 98006
\$500,000
MLS #282694



**Sold
2 offers**

9246 NE 25th ST
Clyde Hill WA 98004
\$1,050,000
MLS #213965



SOLD

8614 134th Ct NE
Redmond WA 98052
\$389,950
MLS #261446



SOLD

204 173rd Place NE
Bellevue WA 98008
\$675,000
MLS #251992



SOLD

2433 274th Ave NE
Redmond WA 98053
\$560,000
MLS #234254



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