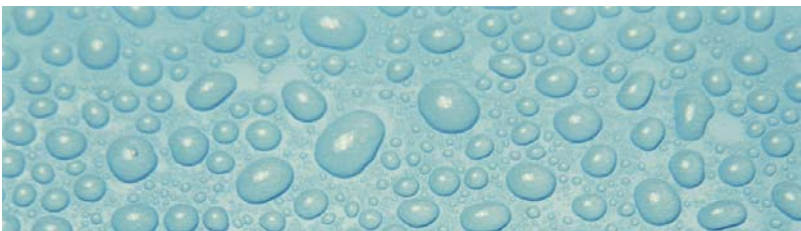


Slow Simmer

You know what it looks like: Tiny bubbles forming on the bottom of the pot, breaking free and rising to the surface. Signs that the water is heating. This is what it's starting to feel like in the housing market once again. That's not to say that we're headed for a raging, vigorous boil. Only that after sitting cold on the stove for months, we're finally seeing signs of heat. And a good part of that could be due to the economic stimulus package.

For one thing, the \$8,000 tax credit for first-time homebuyers is proving to be a significant incentive. Open house traffic is up, and first time homebuyers comprise a significant portion of the visitors. They're armed with info and questions, hitting the pavement to see what's out there. Many have been on the



sidelines, waiting to see when prices would hit bottom. But with an extra \$8,000 incentive on the table, some are starting to feel like 2009 is the year to purchase.

Second, TARP money is beginning to make its way through the system. A local example: one bank is using their funds to help builders offer buyers 3% toward closing costs, up to \$20,000! The benefits are twofold: developers can move the new construction inventory they've been sitting on, freeing up cash to move onto new projects; and buyers can cover closing costs, reducing the cash out-of-pocket they need in order to close. This means that on top of low purchase prices, a first time buyer could get up to \$28,000 (lender incentive + tax credit) to purchase now. Even sweeter, many can get in on FHA mortgages that require as little as 3.5% down.

These programs are working. The momentum at which homes have been selling is picking up noticeably, even over the past two

weeks (see charts on reverse). And if the desired effect continues, the activity will work its way up the chain. First-time buyers consume homes held by investors and move-up buyers. Once these groups have sold, they apply their equity to new purchases, and the cycle continues.

Key message? The market may be on the upswing. If you've been on the fence, waiting for prices to stabilize, it might be time to engage. Weigh the remaining potential price instability against incen-

Featured Listing



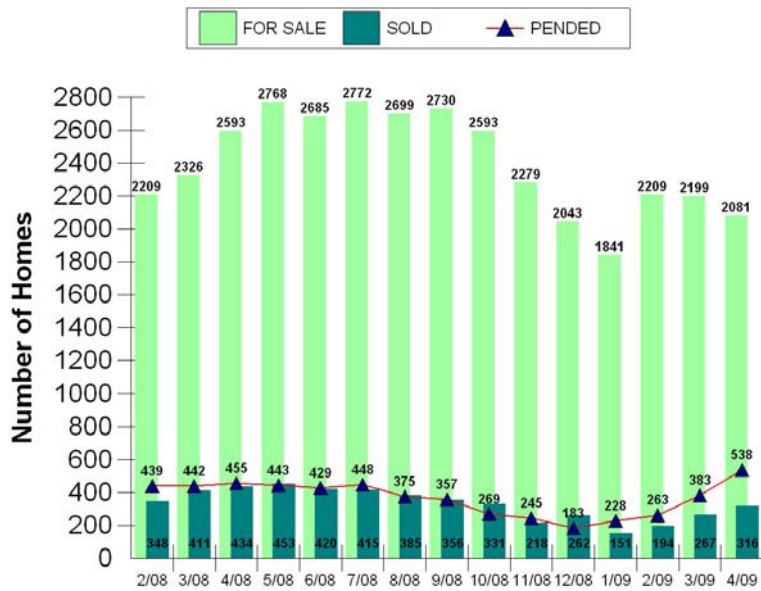
Pristine Leschi View Condominium
\$399,000
1 Bed + Den/Office
Unbelievable Lake Views
Impeccable 2005 Renovation
MLS #29047460

Photos at www.jhimschoot.com



Seattle Metro Area Sales Statistics, February 08-April 09

Seattle Metro Area Single Family Home Sales
April 2009 pending sales up 40% over March 2009



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tives that could help you insulate your up front cash investment.

Want to know if you qualify for the first-time homebuyer tax credit? Visit www.federalhousingtaxcredit.com.

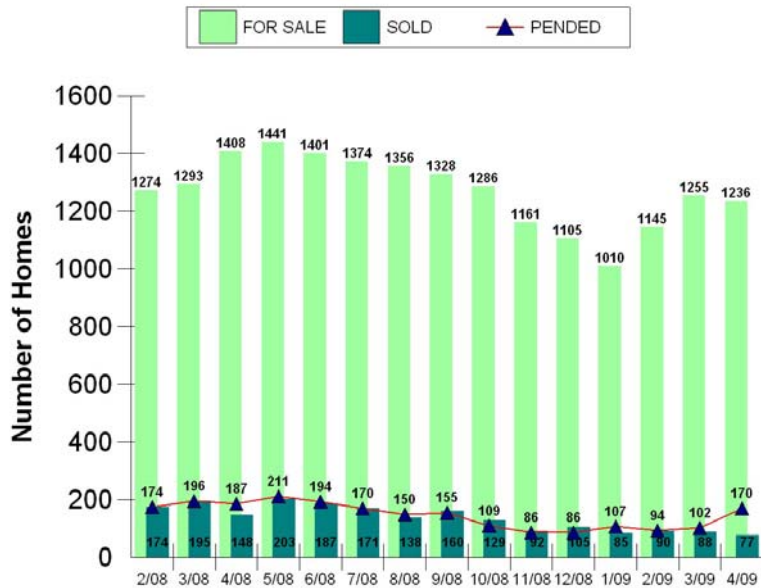
Interested in learning more about the special lender incentives described on page 1? Give me a call, or shoot me an e-mail, and I'll connect you with a mortgage advisor. But act quickly—the program to which I referred ends soon (buyers must be in contract by May 15 and must close by June 30).

Above all, get out there and enjoy some of the beautiful Seattle spring weather. The clouds are thinning, the sun is showing its face more often, and there's plenty to feel great about.

Cheers!

Jonathan

Seattle Metro Area Condominium Sales
April 2009 pending sales up 67% over March 2009



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