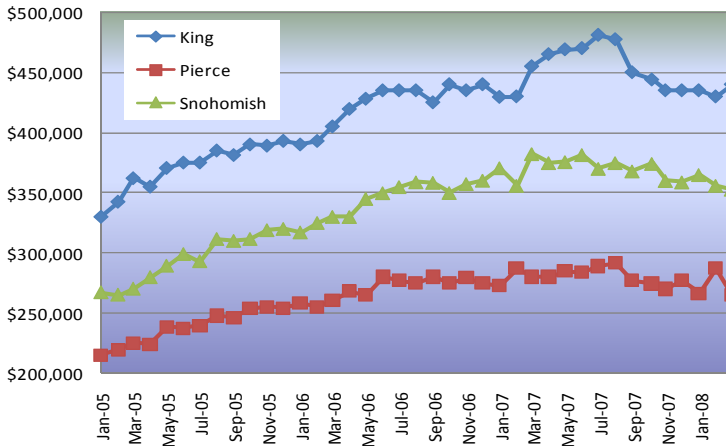




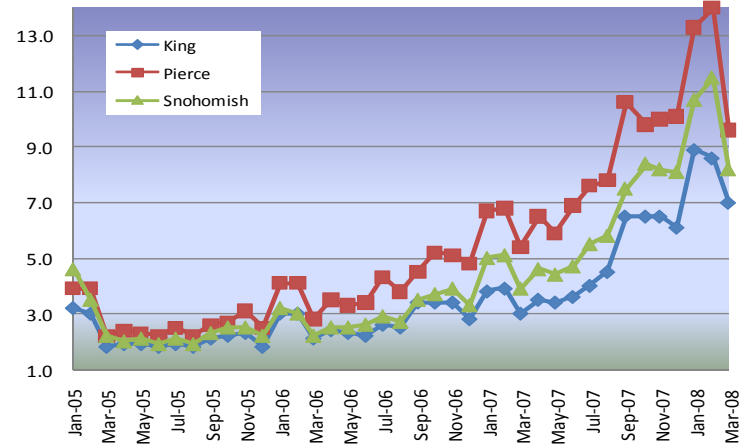
## Single Family Supply and Median Price Trends

The median single family home price increased to \$439,900 in **King County** in March and the inventory improved to 7.0 months from the 8.9 month inventory in January. **Pierce County** saw a decline in the inventory of homes to 9.6 months but the median home price declined to \$264,600 which was the level of May 2006. **Snohomish County** showed similar trends as the number of sales increased in March. All three counties showed **improvements** in the inventory level with the March sale increases over normal seasonal trends. We have detailed charts showing the number of sales, number of listings, and median home prices since January 2005 - please email [Kate@fedmtg.com](mailto:Kate@fedmtg.com) or [Conrad@fedmtg.com](mailto:Conrad@fedmtg.com) and we will be happy to send it to you. We still have excellent programs for home buyers—call Larrisa for details!

**Median Price**



**Months of Inventory**



## Discount Rate, Prime Rate, and Average 30 Year Fixed Mortgages

|        | Prime | 30 Yr |        | Prime | 30 Yr |
|--------|-------|-------|--------|-------|-------|
| Apr-04 | 4.00% | 5.83% | Apr-06 | 7.75% | 6.51% |
| May-04 | 4.00% | 6.27% | May-06 | 7.75% | 6.60% |
| Jun-04 | 4.00% | 6.29% | Jun-06 | 8.00% | 6.68% |
| Jul-04 | 4.25% | 6.06% | Jul-06 | 8.25% | 6.76% |
| Aug-04 | 4.25% | 5.87% | Aug-06 | 8.25% | 6.52% |
| Sep-04 | 4.50% | 5.75% | Sep-06 | 8.25% | 6.40% |
| Oct-04 | 4.75% | 5.72% | Oct-06 | 8.25% | 6.36% |
| Nov-04 | 4.75% | 5.73% | Nov-06 | 8.25% | 6.24% |
| Dec-04 | 5.00% | 5.75% | Dec-06 | 8.25% | 6.14% |
| Jan-05 | 5.25% | 5.71% | Jan-07 | 8.25% | 6.22% |
| Feb-05 | 5.25% | 5.63% | Feb-07 | 8.25% | 6.29% |
| Mar-05 | 5.50% | 5.93% | Mar-07 | 8.25% | 6.16% |
| Apr-05 | 5.75% | 5.86% | Apr-07 | 8.25% | 6.18% |
| May-05 | 5.75% | 5.72% | May-07 | 8.25% | 6.26% |
| Jun-05 | 6.00% | 5.58% | Jun-07 | 8.25% | 6.66% |
| Jul-05 | 6.25% | 5.70% | Jul-07 | 8.25% | 6.70% |
| Aug-05 | 6.25% | 5.82% | Aug-07 | 8.25% | 6.57% |
| Sep-05 | 6.50% | 5.77% | Sep-07 | 7.75% | 6.38% |
| Oct-05 | 6.75% | 6.07% | Oct-07 | 7.50% | 6.38% |
| Nov-05 | 7.00% | 6.33% | Nov-07 | 7.50% | 6.21% |
| Dec-05 | 7.00% | 6.27% | Dec-07 | 7.25% | 6.10% |
| Jan-06 | 7.25% | 6.15% | Jan-08 | 6.00% | 5.76% |
| Feb-06 | 7.50% | 6.25% | Feb-08 | 6.00% | 5.92% |
| Mar-06 | 7.50% | 6.32% | Mar-08 | 5.25% | 5.97% |

When the Fed changes the discount rate the Prime Rate changes right away the same percentage, however it is not really connected to the average 30 year mortgage rates. As can be seen on this graph, the 30 year fixed rate mortgages have been mostly between 5.50% and 6.50% for the past four years while the Prime Rate rose from 4.00% to 8.25% then back down to 5.25%. We have seen a “rubber floor” on the 30 year mortgage rates at 5.50% recently - many lenders have reduced staffing and cannot handle the volume when the rates decline to that point, so they increase the rates to slow down applications. In any event we are near the lowest fixed rate mortgages in over 30 years: the lowest weekly average FHLMC rate was 5.23% in June 2003. Call us on 206-325-8400 for the best rate today!

