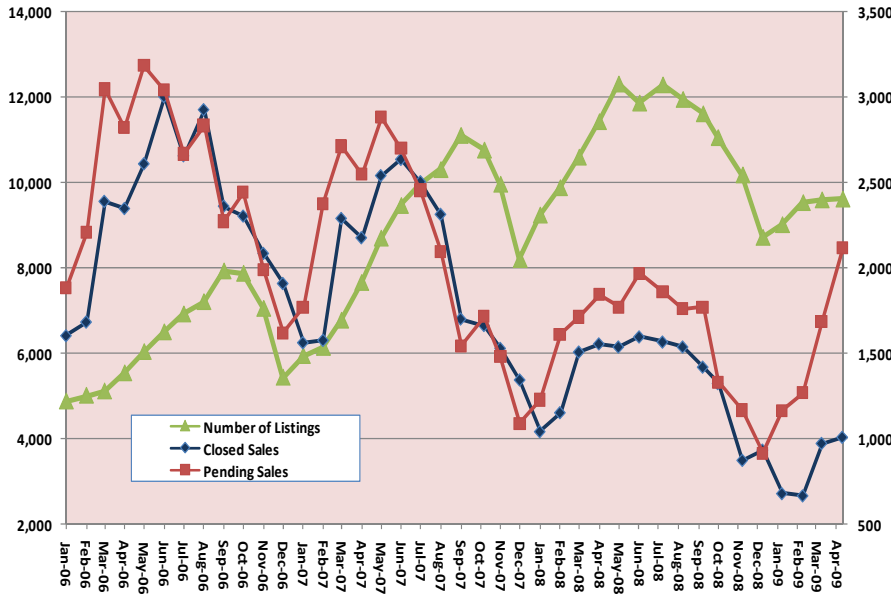




Housing Sales Trends - Special Edition May 26, 2009

King County Residential Sales Trends

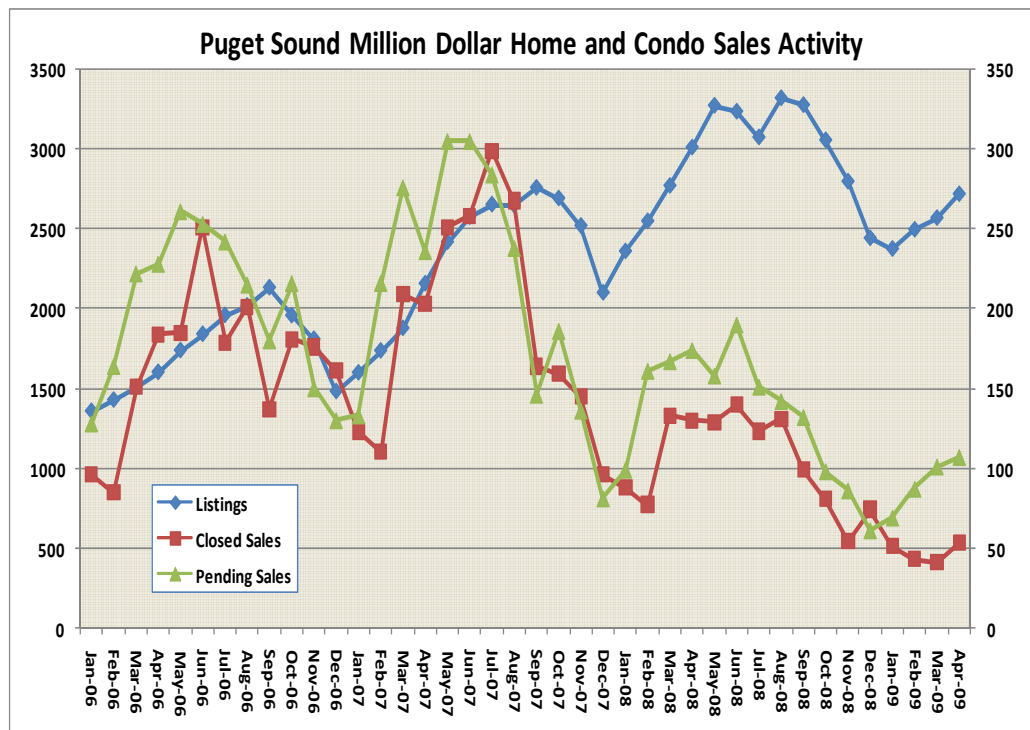


Pending Home Sales on the Rise

The **Pending Sales** data for residential homes in King County showed a **positive trend** the past few months. At the end of April there were 2,114 pending sales which was the highest since August 2007. **Median home prices in King County also showed a trend up and increased to \$380,000** in April – a 4.4% increase from the month earlier, however a 20.9% decline from the all time high of \$481,000 in July 2007. Of the 1,004 closed home sales in April **33 sales** were noted as a **Short Sale**. The number of **listings** moderated (in a month which normally shows an increase) to 9,608 listings and indicated a 9.6 month inventory supply: much better than the high of 14.4 months in February of this year and it indicates improving market conditions for home sellers. The **time lag** from Pending to actual closed sales may be longer now due to strict fully documented underwriting and very busy mortgage companies. With **30 Year Rates at 4.875% with Zero Points**, motivated sellers and the new \$8,000 tax incentive we are seeing an increase in first time homebuyers.

Million Dollar Residential and Condo Sales

The **Million Dollar** residential home and condo sales in Puget sound also showed an improvement in pending sales activity the past few months and shows a slight trend upward in closed sales. However, the number of homes listed for sale increased to 2,718 at the end of April and with just 53 closed sales it indicated a **51 month inventory**. The pending sales climbed to 107 at the end of April and reached 123 as of May 25th which should translate into a similar increase in closed sales. For April we looked at all the closed sales and found that **34% were purchased with cash**, and of the financed properties 42% had a 70% loan to value, and 24% obtained financing with over 70% LTV. Overall the average days on market was 115 days, however 18 sold in less than 60 days, and 21 took more than 180 days to sell. Interesting to note that **60% of the sales were under the Tax Assessed Value**. Also 47 of the 53 sales were under \$2 Million with just 6 sales over that, and the largest sale at \$2,650,000. Of the April **Pending Sales** there were 16 listed over \$2 Million. **The best Jumbo financing options** now are a **5 Year ARM at 4.50%**, a 7 Year ARM at 5.00% and a 15 year fixed at 5.00% all with **zero points**. The programs are all subject to strict loan to value, credit score, debt to income, and cash reserve guidelines so please call **Mary Kay Morse or Conrad Wouters at 206-325-8400** to discuss specific Jumbo programs. We will provide solutions and a detailed Good Faith Estimate for you, your family, and your clients.





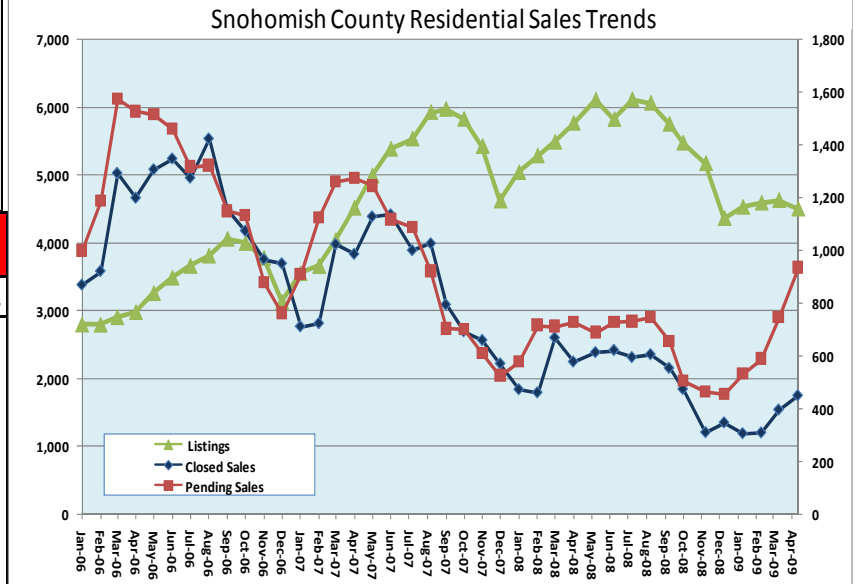
Conrad's Comments: *The good news* is that the recent gain in Consumer Confidence is a very good sign, and the slow return to a positive yield curve can indicate an improving economy. Also, the increase in pending home sales can portend improved sales numbers and mortgage rates are at historic lows. **However**, it may be several months before the demand and supply for homes in Puget Sound reaches historically "normal" levels and improve depressed home prices. **In the next few months**, once home prices show a definitive upward trend and the Economic Stimulus Packages really take effect it all really could indicate a much brighter future for housing in Puget Sound!

~ Conrad

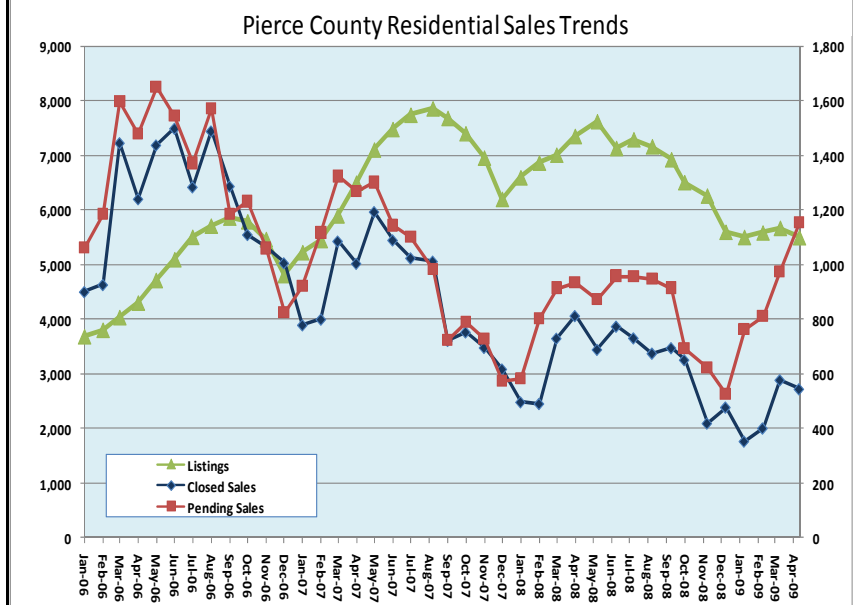
The upward trend in pending home sales was also evident in the past few months in **Snohomish County** with an increase to 934 pending sales in April. In conjunction with a decrease in the number of listings to 4,500 it improved the months of inventory to 10 months (still high but much better than the 16.7 month inventory in November last year). Of the 449 homes sold in April they averaged 101 days on market with a median \$299,950 sales price.

King County Residential Sales Activity

| | Closed Sales | Pending Sales | Number of Listings | Median Sales Price | Inventory |
|--------|--------------|---------------|--------------------|--------------------|-----------|
| Jan-06 | 1,599 | 1,879 | 4,865 | \$390,000 | 3.0 |
| Feb-06 | 1,679 | 2,206 | 4,999 | \$392,950 | 3.0 |
| Mar-06 | 2,386 | 3,044 | 5,100 | \$405,000 | 2.1 |
| Apr-06 | 2,344 | 2,820 | 5,526 | \$419,500 | 2.4 |
| May-06 | 2,606 | 3,183 | 6,027 | \$427,950 | 2.3 |
| Jun-06 | 3,000 | 3,040 | 6,489 | \$434,950 | 2.2 |
| Jul-06 | 2,653 | 2,665 | 6,909 | \$435,000 | 2.6 |
| Aug-06 | 2,923 | 2,832 | 7,199 | \$435,000 | 2.5 |
| Sep-06 | 2,358 | 2,271 | 7,919 | \$425,000 | 3.4 |
| Oct-06 | 2,300 | 2,440 | 7,865 | \$440,000 | 3.4 |
| Nov-06 | 2,081 | 1,985 | 7,040 | \$435,000 | 3.4 |
| Dec-06 | 1,905 | 1,615 | 5,423 | \$440,000 | 2.8 |
| Jan-07 | 1,558 | 1,766 | 5,932 | \$429,495 | 3.8 |
| Feb-07 | 1,572 | 2,375 | 6,124 | \$429,925 | 3.9 |
| Mar-07 | 2,286 | 2,710 | 6,762 | \$454,950 | 3.0 |
| Apr-07 | 2,173 | 2,548 | 7,649 | \$465,000 | 3.5 |
| May-07 | 2,537 | 2,881 | 8,689 | \$469,000 | 3.4 |
| Jun-07 | 2,632 | 2,700 | 9,458 | \$470,000 | 3.6 |
| Jul-07 | 2,501 | 2,453 | 9,947 | \$481,000 | 4.0 |
| Aug-07 | 2,310 | 2,094 | 10,298 | \$477,345 | 4.5 |
| Sep-07 | 1,697 | 1,541 | 11,103 | \$450,000 | 6.5 |
| Oct-07 | 1,659 | 1,711 | 10,756 | \$443,950 | 6.5 |
| Nov-07 | 1,525 | 1,476 | 9,955 | \$435,000 | 6.5 |
| Dec-07 | 1,340 | 1,086 | 8,187 | \$435,000 | 6.1 |
| Jan-08 | 1,037 | 1,225 | 9,231 | \$435,000 | 8.9 |
| Feb-08 | 1,148 | 1,608 | 9,875 | \$429,900 | 8.6 |
| Mar-08 | 1,503 | 1,710 | 10,592 | \$439,900 | 7.0 |
| Apr-08 | 1,551 | 1,840 | 11,424 | \$448,500 | 7.4 |
| May-08 | 1,533 | 1,766 | 12,310 | \$440,000 | 8.0 |
| Jun-08 | 1,592 | 1,965 | 11,863 | \$449,700 | 7.5 |
| Jul-08 | 1,562 | 1,855 | 12,288 | \$445,000 | 7.9 |
| Aug-08 | 1,533 | 1,757 | 11,949 | \$423,950 | 7.8 |
| Sep-08 | 1,415 | 1,767 | 11,610 | \$415,000 | 8.2 |
| Oct-08 | 1,319 | 1,327 | 11,050 | \$392,000 | 8.4 |
| Nov-08 | 869 | 1,163 | 10,174 | \$395,000 | 11.7 |
| Dec-08 | 929 | 911 | 8,707 | \$403,500 | 9.4 |
| Jan-09 | 674 | 1,159 | 9,006 | \$382,500 | 13.4 |
| Feb-09 | 661 | 1,264 | 9,525 | \$375,000 | 14.4 |
| Mar-09 | 968 | 1,683 | 9,588 | \$363,850 | 9.9 |
| Apr-09 | 1,004 | 2,114 | 9,608 | \$380,000 | 9.6 |



Pierce County also enjoyed a surge in pending sales in April to 1,156 which is the highest since May 2007. The median home price was **\$229,475** which is down 20.0% from the all time high of \$286,980 in February 2007.



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