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FEAR AND REAL ESTATE

As everyone surely knows at this point, investment opportunities, from stocks and bonds to real estate, have taken a huge hit over the past year and a half. And for many of us, that has led to a very profound sense of fear about what tomorrow will bring; a fear that makes it difficult to make any decision at all about what to do next. And for that reason alone, we'd like to suggest that your real estate agent should be one of the professionals you turn to for advice in addressing your own housing needs and the decisions that go into it. It's also the time to recommend professionals to your friends and family that you have confidence will share with them what they need to know with professionalism and integrity. To remind you, this is who Blair and Jan are:

Local knowledge. First, generally speaking, there are few agents that know north Seattle as well as we do. To be sure there are some but darn few.

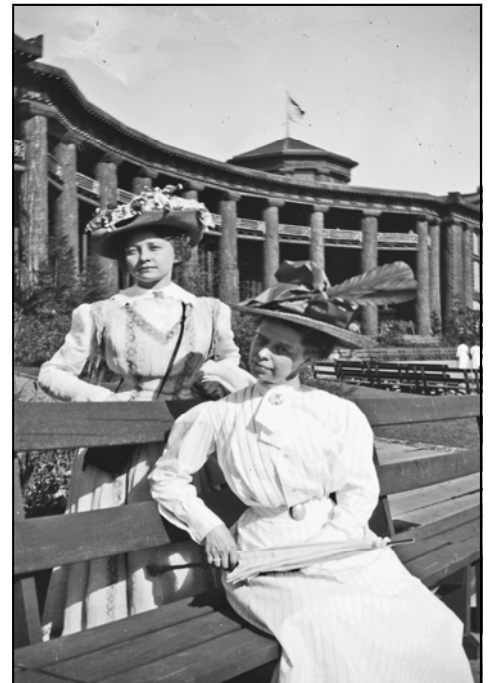
Problem solvers. Secondly, in a stressful and contentious time, this is precisely the time you want someone who is not intimidated by things like short sales or court approvals. We used to say during the good times, 75% of the time it didn't matter very much who your agent was, but 25% of the time it mattered a

"We Want Your Business" (Continued on page 4)

THE EXTRAORDINARY TIMES IN WHICH WE LIVE!

For over 15 years now we've published sales data about usually 4 homes in each of the 4 neighborhoods we've featured in northeast Seattle. We've also included the raw statistics of how many homes sold in the previous 3 months for an average of what price. Given the mortgage melt down, however, and the huge drop in sales volume over the past 14 months or so, we thought some year to year comparisons would be even more relevant. They are rather surprising.

The Extraordinary Times . . . (Continued page 4)



Two women in front of the Forestry Building at the Alaska-Yukon-Pacific Exposition in 1909
Photo Courtesy of the Eastside Heritage Center

***The 100th Anniversary
of the A-Y-P Expo is coming
Turn to Page 3***

***Thinking of buying a home? Thinking of selling? Doing Both? Have some questions about the market?
Please give us a call. We would love to be your realtors. Blair and Jan 206-853-1011.***

COMMUNITY NEWS

Blair & Jan are pleased to help sponsor the
NORTH END ARTS TOUR
DECEMBER 5-7
Friday 4 pm—9 pm
Saturday/Sunday
10 am-5 pm
artworks and fine crafts from the north end community



www.exclusivethreads.com/NEAT

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Located in Magnusson Park
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November 14-30

SEATTLE ART MUSEUM
Presents
S'ABADEB—THE GIFTS:
Pacific Coast Salish Art and Artists

through January 11



SAND POINT HOUSING

Donations of good, usable household items (no clothes or electronics please) are always needed and welcomed in the Resource Room for residents of Sand Point Housing. Call Kira Zylstra, Sand Point Housing Liaison for Solid Ground, 517-5499, to make arrangements for drop off.



NEWS FROM PRIMA BISTRO



Our daughter and her husband own the wonderful Prima Bistro in Langley on Whidbey Island. We are glad so many of you have had a chance to try Sieb's fabulous food. Maybe we will see you there one of these days! Jenn sends along this update which seems to mirror what we are seeing in this economy.

Well...we've lived through our 3rd and busier than ever (by far!) summer. So many thanks to all of you who made your way up to the island. And very interestingly it seems like most of Seattle decided to head to Whidbey over the last few months. The down turn in our economy did exactly what I had hoped it would do to our little Island...it helped us! The newly coined term, "staycation" was very evident in Langley. We spoke with many people who changed or cancelled more extravagant travel plans last summer because of financial uncertainty and chose to go with a more conservative and close to home summer holiday. A huge percentage of Seattle residents have some sort of Whidbey connection – grandparents who live here, a family beach cabin, friends with a cabin, snowbirds here for the summer, or making use of one of the MANY inns, b&b's or vacation rentals. The proximity to Seattle (a 30 minute drive to Mukilteo) with the quick and relatively inexpensive ferry ride (as opposed to the San Juans) resulted in huge crowds descending on Whidbey. These are financially unsettling times for all of us. Knowing that you can so easily get on that ferry and take that deep and calming breath as you head out over the water towards your week-end getaway, or even just a day trip (the public transit here is free and takes you straight from the ferry to Langley every day except for Sunday), is just what we all need to get through the next few months!

PRIMA BISTRO
www.primabistro.biz

WEBSITES YOU MIGHT LIKE

Neighborhood Service Centers
<http://seattle.gov/neighborhoods/nsc>

Seattle Public Schools
<http://www.seattleschools.org>

Interested in Seattle area history? Try:
www.historicseattle.org
www.historyhouse.org
www.historylink.org
www.seattlehistory.org (Museum Of History and Industry– MOHAI)
www.shorelinehistoricalmuseum.org



Our yard sale signs are yours for the asking. Just call and we'll deliver. They have ample space for an address or details to draw folks to your big sale. Save a tree or telephone pole, use Blair & Jan's yard sale signs.

206 853 1011

**THANK YOU
FOR YOUR
REFERRALS!!**

**Our Seattle Neighborhoods:
SEATTLE'S ALASKA-YUKON-PACIFIC EXPOSITION**

Planning is underway for the 100th anniversary celebration.

Many of us remember the 1962 Century 21 World's Fair but few are still with us who remember attending Seattle's first World's Fair—the Alaska-Yukon-Pacific Exposition held in Seattle in 1909. Blair's maternal grandmother, Mimi, was 16 in 1909 and wrote in a remembrance for the family that the AYP was “the biggest thing that had ever happened to Seattle — with band concerts (Sousa's Band) every night, the wonderful exhibits and all of the fun things that a 16 year old loved doing”.



Plans are well underway for the 100th anniversary celebration of Seattle's Alaska-Yukon-Pacific Exposition and so we thought we would give you a little background on this amazing fair that our city hosted a century ago.

The story of that fair begins with the July 15, 1897 announcement in the Seattle Daily Times of the discovery of gold in the Yukon Territory. Thousands of cheering citizens greeted the steamer Portland which arrived in Seattle two days later carrying the first miners to return from the Yukon with two tons of gold. From that day on, Seattle was no longer a little timber town but was on its way to becoming an important port and progressive city. Seattle Civic leaders proposed in 1905 that a fair be held in Seattle in 1907 to commemorate the 10th anniversary of the arrival of that first shipment of gold. Henry Broderick, then a young realtor, was one of the trustees of the A-Y-P and was the only official from that fair who was involved in the planning of the 1962 fair. We realtors have a lot of tenacity! Unfortunately the State of Virginia had already spoken for a 1907 fair to commemorate the 300th anniversary of the settlement of

Jamestown. Scheduling the AYP in 1909 rather than 1907 meant federal assistance to the tune of \$600,000 would be available so, needless to say, the organizers decided to wait. Before it opened, the scope of the fair was expanded to recognize the importance of trade with Hawaii, Alaska, Japan, the Philippines and Western Canada.

Although there were many possible sites for the fairgrounds, the land expense would have been considerable. Edmond Meany, a University of Washington History Professor and a member of the AYP executive committee, came up with the win/win suggestion of holding the fair on the newly relocated University of Washington campus in Seattle's heavily forested north end at no charge for the land but with the understanding that the landscaping and buildings put in place for the fair would become the property of the University after the fair was over.

In 1906 Charles Cowen purchased 40 acres of land north of the new UofW campus and platted and surfaced the streets to be ready for the increased interest in Seattle real estate he correctly expected as a result of the AYP. Thus, the “Exposition Heights” plat of land in Bryant. He also donated the 12 acres of Cowen Park to the City.

The only building left with a connection to the AYP outside of the University of Washington campus is The College Inn at 40th and University Way. Originally built as a hotel at the entrance to the AYP, over the years it has held housing and food services for UofW students as well as apartments. Today The College Inn is an European-style hotel and the building also houses the Café Allegro, the College Inn Pub, a convenience store and a coffee and lunch stand.

The eyes and ears of the world were focused on Seattle when the gate to the Alaska-Yukon-Pacific Exposition was opened on June 1, 1909.

Janet Paul

TO BE CONTINUED IN OUR NEXT ISSUE

**“It's Not Easy Being Green”
...But It's Getting Easier**

With the goal of making Seattle America's Green Building Capital, Mayor Nickels has established the **Green Building Task Force** which will be supported jointly by our city's Department of Planning and Development City Green Building Program and the Office of Sustainability and Environment. The 50 members of the Task Force bring experience as architects, developers, real estate brokers and from the areas of low income housing and environmental and building management. They will look at both new construction and existing buildings and their objectives are to:

- Increase energy efficiency in new and existing Seattle buildings
- Reduce energy costs for Seattle's residents and businesses
- Create green economy job opportunities

.....Sounds good to us. Let's watch for news about the accomplishments of this group.



THE EXTRAORDINARY TIMES IN WHICH WE LIVE.... RECENT NEIGHBORHOOD SALES

RAVENNA/BRYANT

In 2006, the last full year of unbridled optimism about the housing market in Seattle, this neighborhood turned over 305 properties and the average sale price was \$531,649. They took just 22 days on average to sell.

In 2007, however, as the hand writing started appearing on the wall, the volume dropped by 17% to 252 transactions. Nevertheless, the spiraling escalation continued on up and the average sale price climbed 13% to \$601,732. Really quite amazing, if you think about it.

In 2008, the numbers continue to be confusing. So far this year, through the first 3 quarters, we've had only 155 transactions, about 3/4ths of what we had in '06 for the same period. But consider this: In 2006 we had only 3 sales of over \$1 million, 2 in '07, but in 2008 we've had 8 sales over \$1million, the most recent of which closed in August. Wow!

In our judgment, the million dollar buyers have skewed the averages but of this we need to be very clear. In the upper ranges of our market, there is still great confidence in our economy though a lot of those folks have not been impacted by the tightening mortgage market. In the \$400,000 to \$800,000 segment, however, the middle class market, there can be no question tightening credit has been a big factor in the decline of sales volume.

WEDGWOOD

In 2006, Wedgwood had 140 sales with an average sale price of \$480,364. Like Ravenna/Bryant, market time was 22 days. In 2007, volume similarly fell 13% but the average price skyrocketed to \$552,782, the same 13% jump. So far this year, there have only been 88 sales and expectedly the average sale price has scaled back to \$521,516, about 6%. But like Ravenna/Bryant, in the upper ranges, price seems irrelevant to a certain segment of our population. Wedgwood had only one sale in 2006 over \$850,000. However, in '07, it had five over \$900,000 and 4 so far this year.

VIEW RIDGE/HAWTHORNE HILLS

In 2006, View Ridge and Hawthorne Hills had a total of 103 sales with an average sale price of \$682,314. Market time was 30 days. In 2007 surprisingly, total sales actually went up by 4 to 107 and the average sale price spiked up to \$779,418, a jump of 12%. In 2008, on 62 transactions thus far, the neighborhood average sale price fell only \$8,000 to \$771,053, a statistical anomaly. Amazingly, we've had 10 sales this year of over \$1 million, one of which was over \$2million.

WINDERMERE/LAURELHURST

In 2006, the average sale price on 98 transactions was \$1,218,904, of which 39 were for over \$1million. Eight of those were between 2 and \$6million. Average market time was 39 days. In 2007, on 99 transactions, the average sale price actually declined slightly to \$1,169,779 or about 4%. The over \$1 million buyers climbed, however, to 46. So far in 2008, we've had 51 transactions with the average sale price hanging fairly close to last year at \$1,153,190.

great deal. Problem was, until controversy developed you never knew which group you were in. But then, problems were rare. Not so today. Today it's 10% of the time it doesn't matter very much but the rest of the time it matters a whole lot.

Broad experience. Thirdly, we are conversant and experienced in most all the issues that buyers and sellers are running into today: bankruptcies, foreclosures, short sales, equity skimming, distressed properties, §1031 tax-free exchanges, TICs, RITs, triple net leases, charitable remainder trusts, divorces, estates and probate. These are some – not all – of the side issues that are amongst the motivators for people in selling these days and all have their twists that can complicate your transaction.

Ethics. Fourthly, we believe that we are driven by the highest ethical standards and we like to work with people of similar motivation. Yes, in chaos there is always opportunity but one doesn't have to cut corners to make something positive happen. To us, success is not measured by the enormity of the other side's loss; rather, a win-win result is the preferred end!

Positioning. And finally, are you waiting for the bottom of the trough to arrive? Are you afraid that you might be able to get another \$10,000 or \$20,000 off that home you really like if you just wait a little longer? We'd like you to think

about that question a little differently. Should you be worried more about pricing of the house or the pricing of the loan necessary to buy it? Using a starter home as an example, saving \$10,000 on the purchase price converts to \$60/mo on a 6% APR, \$250,000 loan. Going up just 1% on your interest rate, however, will raise your payment by \$165/mo or \$60,000 over the life of a \$250,000, 30 year loan. By buying now rather than two years ago, you've already saved a lot; as much as 10% to 25% depending upon the neighborhood. Isn't it time to think "home" rather than house?

There are going to be some great opportunities out there for the next couple of years, but opportunities for what? A home, an investment or both. It doesn't matter which it is but they are very different creatures. With clear goals and purpose we can help you get where you want to get. Test us!

Blair Paul

