



Community Spirit News

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Jan/Feb 2010

Welcome to the third year of “Community Spirit News” being published and hand delivered to you by your friends and neighbors. Like PBS, we need your support: if you can deliver to 15 or 20 houses, only six times a year, it sure would help. In March, the website will be upgraded to include a weekly blog and the newsletters will be posted on-line. Good news for those readers who catch the typo’s and grammar mistakes, **Erin Anderson** is now the official proofreader.

on the web at

TGJONES.COM

Welcome to the Neighborhood



Freddie and Tamara Chambless relocated to Seattle from Los Angeles in 2006 when Freddie was offered the Senior Appraiser position with the IRS for the Northwest Region of the United States. Tamara grew up in the Puget Sound and has family in Sequim, so she welcomed the opportunity to be closer to them and to renew old friendships. She quickly landed a position with an IME Clinic in Silver Lake where she supervises clinic operations.

When they were first looking at homes back in 2006, prices were still high and they could not afford anything in Seattle. When the \$8,000 First Time Home Buyer Tax Credit was offered last year, they broadened their search north. They were searching for an older home with character and the amenities that only a city can provide. They came to Everett in June where they found a wonderful home at 4615 Hoyt Avenue. The Sounder commuter train service was also a deciding factor in moving here. They are a one car family now. Tamara drops Freddie off and picks him up at the train station which is a 5 minute drive from their home.

They have been married for over 20 years and are in the process of adopting their first child. If everything goes as planned (keep your fingers crossed) a new family member will be joining them in March. To help with the adoption fees, they are opening their home and having an Open House -Vintage Collectibles Sale at the end of the month. Please stop by and say hello; you might just find something you need to buy.◇

Vintage Collectibles Sale

4615 Hoyt Avenue

Sat, Jan 30th from 10 to 3 p.m.

Sun, Jan 31st from 10 to noon

Letter from the Editor



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A Year in Review: 2009 Sales Report

As I was gathering data from the public records at the Snohomish County Recorder's Office for the Annual Sales Report, I noted there were no closings in January or February 2009. In prior years, there were four or five closings by the end of February. Then I remembered how bad the economy was last winter and spring with headlines of strikes, layoffs and job losses all across the country.

The first sale closed on March 20th and by September the market started to pick up as first time buyers took advantage of the \$8,000 tax credit and record low prices caused by Short Sales and Bank Owned Real Estate (known as "REO's").

Builders also continue to build new homes in Pinehurst, Lake Stevens and Silver Lake bringing down the home prices. Many younger first time buyers are attracted to the new homes with their shiny hardwood floors and stainless steel appliances. Experienced move-up buyers are far more attracted to Glacier View with its established neighborhoods, sidewalks, close proximity to downtown dining and city amenities. Move-up buyers don't mind updating the home themselves and they know a good deal when they see it. The median sales price was \$260,000, with the high end sales in Claremont and the low end in Laurel Heights.

My short sale listing at 5030 Rucker sold quickly before the Thanksgiving holiday and now we are waiting for approval from the bank; which may take several months. It will probably close in March.

This winter will not be 'business as usual' for the housing market, thanks to historically low interest rates, adjusted home prices and the passage of the extended/expanded tax credit. Inventory area-wide is at its lowest level in nearly two years and buyers are out there looking for the best bang for their buck. The REO on the corner of 47th & Colby that was offered for \$166,000 sold after two weeks on the market.

If you have to sell your home this year, you need to get it ready for market as soon as possible to take advantage of the tax credit.

Homebuyer Credit Expanded and Extended

Under the new law, an eligible taxpayer must buy, or enter into a binding contract to buy, a principal residence on or before April 30, 2010 and close on the home by June 30, 2010 to receive the \$8,000 tax credit. The new law also:

- Authorizes a \$6,500 credit for long-time homeowners buying a replacement principal residence.
- Raises the income limitations for homeowners claiming the credit.

For more details go to: www.IRS.gov

Glacier View 2009 Real Estate Sales Report

Date	Address	Bed/Bath	Legal status	Condition	Price
03/17/09	5604 Commercial	2/2	none	good	\$218,000
03/20/09	5705 Wetmore	4/3	REO	average	\$250,000
04/02/09	4705 Colby	4/1.5	owner financing	good	\$300,000
06/16/09	4920 Colby	3/1.5 unfinished basement	estate	average	\$250,000
06/29/09	4928 Wilmington	3/1	estate	average	\$228,000
06/30/09	5102 Rucker	4/2 – two fireplaces finished basement	none	good	\$329,000
07/16/09	4501 Rucker	3/2	estate	poor	\$173,000
07/28/09	1307 50 th St.	3/2	none	excellent upgrades	\$360,000
07/29/09	4615 Hoyt	2/1 finished basement	none	good	\$275,000
09/02/09	4607 Colby	4/1.75 finished basement	none	excellent	\$275,000
09/08/09	5627 Wetmore	3/1	None	average	\$240,000
09/28/09	5210 Wetmore	3/2	REO	poor	\$199,000
10/02/09	5615 Lowell	3/1	none	average	\$165,000
10/07/09	2220 Fairfax	3/2	none	good	\$243,000
11/05/09	5501 Rockefeller	2/1	None	average	\$180,000
11/12/09	5107 Rucker	2/1 unfinished basement	estate	good	\$264,000
11/12/09	5914 Wetmore	2/1	none	average	\$190,000
11/25/09	4912 Colby	3/2.5 finished basement	REO	good	\$239,000
11/30/09	5007 Delaware	3/2 - two fireplaces and finished basement	none	excellent	\$330,000

Investment Property

Several of you have asked me “IS THIS TIME TO BUY INVESTMENT PROPERTY?” The answer is: YES. Does that mean go crazy and buy the first property you come across? Of course not, you must be selective and have set goals.



Here are the most common ways to make money with real estate:

1. Buy and Hold. Buy a property and rent it out for the long term (at least 10 years).
2. Flip it. Buy and fix-up for a quick flip. This is what 5-year ARMs were intended for. You will need construction experience and tools of the trade to make this profitable. Often a good paint job inside and out, refinishing the hardwood floors, new carpet in the bedrooms, new fixtures and cutting back all the over grown bushes is all it takes to flip it.

Several advantages to owning investment property are known as **A-C-E-S**:

Appreciation: People often think of “buy and hold” as the only form of appreciation. Forced Appreciation and Purchase Appreciation are also forms of appreciation. Forced Appreciation is when you renovate and update to immediately increase the value. Purchase Appreciation is buying a bargain priced below market value with a built-in appreciation.

Cash Flow: Buying investment properties with a negative cash-flow is not for the unseasoned novice. The only time this would make sense is if you feel the appreciating is so strong that it's worth the risk. On the other hand, positive cash-flow properties are the ideal. Just think of all the people that have lost their homes due to the economy. . . they are now renters.

Equity Building: A portion of your monthly payment is being applied to the mortgage balance and building equity. And guess what? Your tenant is helping you pay off the loan while you provide them with a nice place to live. It's a win-win.

Shelter: Real estate offers a fantastic tax sheltering opportunity. I'll leave that for you to discuss with your accountant or tax expert.

Financing Your Investment Property

The easiest way to buy investment property is to tap into your (idle) home equity by refinancing or using a line of credit. Then apply the (now liquid) equity proceeds to the investment property purchase. You will not be able to take advantage of the tax credit; but you'll receive a low interest rate and bargain price on the property. There are other financing options available if you don't have sufficient equity in your main residence.

For more information and mortgage advice, contact **Greg Rielly** or Team Rielly Assistant **Anne Ramsey** at Mortgage Advisory Group in downtown Everett. You can call them directly at **425-212-2572** or visit them online at Magloans.net/GregRielly or TeamRielly.com.