

❖ The Cook Group Review ❖

Volume XIX

RE/MAX Northwest

Issue I

Housing In 2012

Americans have not seen a boring housing market since the last millennium. You know -- the average, ordinary kind of market where supply just about matches demand, prices are steady, and real estate ceases to be a topic of daily conversation. Instead, we have had six years of an upside frenzy followed by three years of downside. Now we are in a tug-of-war between those who think we have finally found a bottom and those who are convinced that the overhang of unsold homes is going to push prices considerably lower.

**Real Estate In 2012
Will Be Shining Bright!**

**The Cook Group
Heather & Chuck**

In 2012 we may finally get back to blissful boredom. With any luck, three years should be long enough for the U.S. economy to recover and for the nation's housing inventory to shrink to more normal levels. During this year, housing should return to its old ways, with prices governed not by national mood swings and global credit crises but by local issues ranging from zoning to immigration to job growth.

Prices? While they are likely to keep falling a little while longer under the weight of foreclosures, the market is definitely closer to the bottom than the top. Experts expect prices to drop a bit more at the start of the new year and then stabilize before starting to rise with incomes. Based on the National Association of Realtors national median



home price of \$180,000 for the fourth quarter of 2008, and then a median home price of \$152,000 at the end of 2009 there is an expected rebound to \$179,000 by the end of 2012.

All Real Estate Is Local

Of course, the national median price is an artificial construct, since there is no such place as National Median, U.S.A. Local job growth is one of the most important factors to study when assessing a market's prospects. Demographic change, another trend often examined, is equally influential. Other important factors are even more local than those, such as how far a house is from the nearest supermarket. You will know we are back to an ordinary, boring real estate market when buyers focus less on the intricacies of foreclosures, short sales, and the like and go back to the things that used to matter most: What are the schools like? How quiet is the neighborhood? When am I going to have to replace that roof or cut down that overgrown tree?

Homebuilders are helping by absorbing their share of the pain. In general, the U.S. needs about 1.5 million new homes a year to accommodate the growing population and the demolition of decayed properties. Builders exceeded that rate during the boom, but now they are building fewer than 500,000 homes per year. Their cutback should reduce

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the glut of homes and bring the market into better balance in 2012.

Predictions Unclear

Most important, the economy should be growing briskly again by 2012, according to Moody's Economy.com. In May the firm predicted gross domestic product would shrink 3% this year before growing 1.4% in 2010, 4.7% in 2011, and a robust 5.8% in 2012. It is also looking for home buying and building to return to their pre-bubble paces -- no higher and no lower -- by the end 2012.

Even if the economy performs as projected, there is still plenty that could go wrong in the housing market. Because conditions have been so unusual, it is very hard for the model to extrapolate, based on past experiences, what is going to happen this time.

So much has gone wrong with housing lately that it is easy to imagine worst-case scenarios. But in the more likely case, the market may fall some more, bounce off its lows, and then gradually start growing. ❖

Market Watch

Residential sales in Seattle and King County have been active and continued higher (2011 vs 2010) for the past several months. The increase varies by area, but overall sales were significantly higher in many neighborhoods compared to 2010. Prices continued to decrease though not by as much as in previous months. The explanation (no surprise) still seems to be that higher sales volume is a result of the low interest rates and lower prices. 2012 will start with the same conditions, so it may still be a reasonable time for your next real estate move if you are in a position to do so.

Just a brief note that Heather has completed her first set of law school exams. She is very busy with school, but somehow manages to spend some time on real estate. ❖

Save On Everyday Expenses

In this uncertain economic climate, consumers are feeling the strain on their personal finances. Now more than ever, it is important to save on everyday expenses, wherever possible.

Saving does not have to mean making huge sacrifices. Rather, there are convenient and easy ways to save on everyday purchases. By making small adjustments, like doing extra research before making a big purchase, you can work toward saving for the future. Here are three tips for saving on everyday expenses and making the most of your money:

1. Dare to compare: There are numerous websites that allow you to comparison shop quickly and easily to find the best price before buying. A little research goes a long way, particularly for more expensive items.

2. Buy according to plan: Save money at the grocery store by creating a weekly meal plan and a corresponding shopping list. Adhering to the list will prevent temptations and impulse buys. Search for coupons on products you use and sign up for your supermarket's loyalty program.

3. Stretch the dollar at the pump: Keep your vehicle properly maintained so it runs more efficiently, allowing for better gas mileage and savings.

If you use a credit card for purchases, consider one that provides cash back rewards. If you do use a credit card, try to pay the balance in full each month or pay more than the minimum payment to help save money on interest charges. ❖

Three Simple Steps To Maximize Any Fitness Routine

Your health is always a priority, and making sure you exercise regularly is your goal. Because life is busy, you want to get the most out of any time you dedicate to getting in shape. So how can you maximize your efforts?

Whether you are a professional athlete or an 'average Jane or Joe', adopting some simple strategies can make a huge difference in your physical fitness.

❖ **Step one: Prepare** - If you are just starting a fitness program or have not exercised in some time, it is important to see your physician first. After you get the go-ahead, remember that preparing before any physical activity is crucial. What you put into your body can make all the difference, so getting adequate sleep and eating healthy foods gives your body what it needs for peak performance.

❖ **Step two: Perform** - You have given your body all the fuel it needs to perform well, so now it is time to get in the game. After a good warm up, your body is ready for physical activity. If you are beginning a new workout routine or trying a new activity, remember to start slow and go at your own pace. Listen to your body's internal cues and slow down or take a break if you need one.

The goal is to exercise a minimum of 30 minutes for five days a week at a light to moderate intensity. This means at an intensity level before you break a sweat. Alternatively you could exercise three days a week at a light to moderate level, and two days you could push yourself to a level where you do break a sweat.

To promote joint and muscle health, remember to stay hydrated. A basic rule for sedentary people to follow is to drink one ounce of water for every two pounds you weigh, daily. More may be needed as you become more physically active.

Fitness does not have to be boring, so choose an activity you enjoy. Remember to have fun and enjoy the endless ways you can exercise to get healthy.

❖ **Step three: Recover** - Be sure to follow any physical activity with stretching to help reduce muscle soreness. A proper cool down, including gentle stretching, allows the body to relax and recover.

After a workout your energy stores will be depleted. It is a smart idea to eat a combination of protein, along with a carbohydrate source such as a sports drink, within two hours after your exercise. This gives your body additional fuel to heal and rebuild muscles.

These three tips can help anyone of any age perform better. ❖

Referrals Appreciated...

If you know someone who is thinking of buying or selling a home, call

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PLAN NOW FOR HOME IMPROVEMENTS THROUGHOUT THE YEAR

If you have finished making your new year's resolutions, do not put the pen and paper away just yet. It is also a great time to look a bit further into the future, and plan for home improvement projects now to help prioritize and budget.

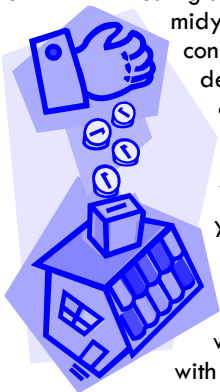
Spending more time indoors at home might be bringing some potential projects to your attention. Maybe you have noticed fraying carpet under your toes, chipped paint on a window frame or a paint color that feels outdated - whatever needs to be addressed should get marked down on your fix-it list.

Give yourself a deadline for completing the list and then call a household meeting to start prioritizing. One of the most important things you can bring to that meeting is an idea of how much you can afford to spend. Given that the economy is still lagging - and many people are feeling that pull on their pocketbooks - it is wise to avoid going into debt to accomplish everything you want to do.

Setting a home improvement budget gives you parameters to work within as you weigh the importance of each project on your list. However, you should also come to the table with a reasonable idea of how much it will cost to complete each of the tasks you want to finish.

Once armed with your list and your budget figures, go through each item, weighing the pros and cons of both doing it now and letting it wait. You will inevitably have a lot of options, including putting things off and saving more money throughout the year, or investing some money in repairs now and letting your savings grow for midyear projects. Naturally, you will also need to consider the constraints of weather on your projects - if you want to put on a new deck, you may have to wait until spring. Consider the fact that an outdoor project might feel a lot more necessary when warmer weather arrives than it does now.

Your long-term plans for your home should also come into play. If you are planning on selling anytime soon, consider carefully whether the projects you plan on doing will pay off at sale time. Additionally, if you plan on catching a buyer's eye, take an objective look at what might help you make the sale. If you are working with a real estate professional, you may want to discuss with them the best fix-ups and repairs within your budget. ❖



Simple Painting Project: UPDATE A DOOR

Changing the color of an interior door can make a big impact in any room. The key to getting this update right: color selection. Choose color similar to your walls for the door, because you do not want the contrast to be jarring. Be sure to paint the frame too, so the door does not seem to float in space, and use a gloss or semi-gloss finish.

Begin by removing the door and hinges from the wall. Make sure the door is clean dull and dry. Prime bare, sanded wood-work; there is no need to prime previously painted surfaces if they are in good condition. However, if you are going over an existing oil-based paint with a latex paint, follow the instructions on the paint can on how to prime. When applying paint or primer, work from the center of the door outwards in the following order: molding, inside panels, rails, stiles. Once paint is completely dry, re-hang door using existing hinges.

Remember: Painting is the easiest way to make a dramatic and instant impact on a room. ❖

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