

March 2009

Mary Ryan's Renton's Multi-family

newsletter



Renton Multiple Family Properties Sold in last six

Address	Listing Price	Units	Status	Sale Price	Sale Date
13248 Renton Ave S	\$173,900	2	Pending		
904 N 5th St	\$403,000	4	Pending		
748 Vashon Pl NE	\$549,818	2	Pending		
909 Harrington Av NE		2	Sold	\$189,200	Sept-2009
222 S 15th St		2	Sold	\$214,575	Sept 2009
2804 NE 7th St	\$379,000	2	Sold	\$335,000	Jan-09
13951 SE 173rd Pl	\$599,000	4	Sold	\$556,250	February-09

Expired Listings

15 properties came on the market and either expired or were cancelled.

On Market Today

Address	Listing Price	Units
2812 NE 6th Pl	\$289,999	2
401 Williams Ave N	\$310,000	2
622 Index Ave NE	\$325,000	2
1923 Harrington Cir NE	\$350,000	2
1144 Harrington Ave NE	\$395,000	2
100 NW 3rd Pl	\$475,000	3
17622 109th Ave SE	\$539,950	4
17628 109th Ave SE	\$539,950	4
306 Morris Ave S	\$675,000	6
626-638 Moses Ln S	\$1,050,000	10
906 Glennwood Ave NE	\$1,275,000	12

From Seattle Times 2/5/09:

“Seattle-area apartment vacancy rates will climb this year, in part because supply will increase as more condominium buildings revert to rentals.

More than 100 condo buildings in King, Snohomish and Pierce counties — many of them apartments originally — are becoming rentals again because the units haven’t sold well in this down market, said Greg Wendelken, vice president and regional manager for brokerage Marcus & Millichap.

That, in combination with rising unemployment, will push the regional apartment vacancy rate to about 7.7 percent, Wendelken said, up from 5.6 percent last year and 4.3 percent in 2007.

Jim Hebert, of Bellevue-based Hebert Research, forecast a smaller increase, from 4.1 percent last year to 4.8 percent this year. Vacancies won’t rise much more than that unless the market is significantly overbuilt, he added.

Wendelken said he expects rents will slip about 2.7 percent this year. Several weeks ago, Marcus & Millichap had forecast increases of about 2 percent, but Wendelken said those projections were revised to reflect the most recent economic bad news, including Boeing layoffs.

What Mary Ryan thinks:

Vigilant multiple family landlords are out there buying buildings that have been reasonably well maintained. They expect to break even with a large down payment and they can do so with these interest rates. Examine the spreadsheet below. Yes, landlords have to work harder and smarter to fill their vacancies. The new units at The Landing will bring new tenants to Renton and once their leases expire some of those tenants will be fair game to these vigilant Renton landlords. I think the multiple family market is considerably stronger than the single family market. Seven sales in six months is a poor showing compared with the last 3 years but not the last ten years.

Purchase Price	\$500,000	
Downpayment in percent	20%	
Downpayment in dollars	\$100,000	
Balanced Financed	\$400,000	
Monthly payment 30 year loan at 5.75%		\$2,334
Monthly tax payment		\$350
Monthly insurance		\$125
Water Sewer Garbage		\$200
Total Monthly expenses		\$3,009
Monthly Rental Income per unit	\$850	
Times four units		\$3,400
There is cash flow		\$391

Hebert, in contrast, said rents should rise, in part because demand will increase as more people find buying or owning problematic. People are more likely to remain renting while they save for down payments on houses or condos.

Wendelken said the next two or three years will be challenging for landlords. But he, too, saw some silver linings.

Marcus & Millichap recently rated Seattle the No. 5 apartment market in the country. And the region’s long-term economic prospects still appeal to investors, Wendelken added.

“There are a lot of good things happening in Seattle,” he said. “You probably couldn’t own in a much better location.”

Large plumbing jobs	Acclaim Plumbing	253-852-8626
Small drain jobs	Richard Smith (he has a 50' snake)	425 271 6044
Repairs -	Richard Smith	425 271 6044
Painting -	Steve Yunker	253 568 7948
Painting	Jennifer Greeley	425 442 5697
Gas Furnace	Jeff Schultek	425 226-6217
Attorney	Ray Walters	206 634 2660
Flooring	Al Sieg	253 941 2364
Appliance Repair	Ray Roberts	425 255 7116
Do you need lot clearing? I found this fellow in the Little Nickle. He is excellent. Dan Hecker 253-631-9920		
Do you need an architect. Emily Buckwalter 425-503-9733 Emily was great and reasonable.		
Danny the roofer just did a roof for me. His labor was \$1300. It was a 3 layer tear off. Needed all new plywood underlay. I bought materials and paid dump charges. If you want to look at the finished job, it is house in front at 500 Whitworth Av S.		
Roofer	Danny Sheeks	425-679-2583

Do you have competent, reasonably priced workman you will share with the rest of us? Call or email me with the contact numbers.
marypatryan@comcast.net
425 271 8800.
Mary Ryan
You can trust each and every one of these people to do a good job and their costs will be at or under market.



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What has sold in the last six months?

What is For Sale Today.

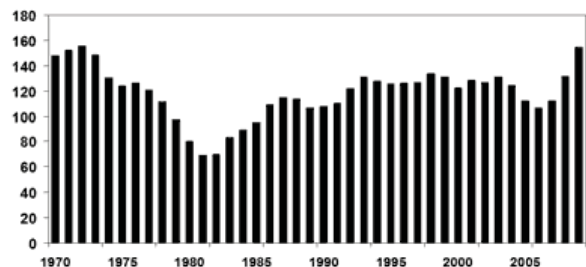
Thinking of Selling? Please call me for a market analysis, Mary 425 271 8800

National Association of Realtors, Chief Economist, Dr. Lawrence Yun spoke to Puget Sound

Realtors February 27th in Bellevue. He did not say this recession is over. He said we will still loose thousands of jobs in 2009 in WA state. But look at the graph of the current housing affordability index (to your right)! With owner occupant interest rates at 5.2%, housing is more affordable today than in 1973. (Smart buyers are out looking for the best deals.) He said Washington follows California and California real estate activity is up measureably. He concluded with the following:

1. Stimulas and falling inventory will help stabilize prices.
2. There should be an 10% to 20% increase in 2009 activity.
3. California now seeing an 80% increase in sales from 2008.
4. Builders will likely not see a recovery until 2010.

Housing Affordability Index
(Higher numbers mean more people can afford to buy a home)



Source: NAR; 2009 projection based on 5.2% mortgage rate

You can find local projections from Washington State's head economist Arun Raha by inputting his name in the search box at the Washington State Public Affairs TV Network.
<http://twv.org/>