

# Buy Now or Wait?

Should you buy a home now or wait?  
Here is our answer.

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**Whether you should be buying a home now, or whether you should be waiting is a very important question that most potential home owners ask themselves.**

Unfortunately, there is no easy answer as to whether you should buy now, or wait in case home prices start falling. However, a recent Realty Times article discussed some of the reasons that makes home buying a great investment, regardless of the future market.

## **The bottom line:**

If you are worried that a seller's market will turn into a buyer's market, then you need to look at what is happening in that market. There are two key indicators to consider. First, look at job growth - if jobs are growing, and migration into the state is growing, then demand for houses will grow. This increased demand will lead to increased house prices. Second, look at the supply of homes. If there are more homes on the market than buyers, then there is a supply surplus, which will have the effect of bringing house prices down. One easy way to determine what the market might do is to look at the offers, rebates, upgrades, etc. that builders are offering. If the extras are more generous than normal, then there is a good chance a seller's market is turning into a buyer's market.

Although it is important to consider what is going to happen in the marketplace - it would not be prudent to make such a large investment without at least considering it - there are a number of good reasons why home buying can make good economical sense regardless of the housing market:

Homeowners build equity in their homes that can be used as collateral for a home equity loan, or as part of a retirement plan when you finally downgrade into a smaller home.

Built up home equity can also be used for putting money down toward your next home.

Prolonged home ownership brings with it equity growth in the form of debt reduction and general inflation.

Even if the market starts declining, history tells us that this will only be short-lived, and the market will start increasing again.

By using your income to pay of your mortgage, your income is in effect working for you. The opposite is true with renting.

One of the biggest benefits to having a mortgage is that, in most cases, the interest portion of your mortgage payment is tax deductible, which can save you a lot of money every year.

Making the decision to invest in such a way is never going to be easy, but by looking sensibly at the market, and by really considering whether the advantages espoused above apply to your specific situation, you are able to make a more informed and reasoned decision!

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