

## Homeownership in San Mateo County: A Realistic & Sound Investment

Homeownership is an investment in your future. It provides shelter, security, and fosters involvement in community life. Most importantly, homeownership provides lasting social and economic benefits.

Did you know that homeowners are more likely to vote, and they volunteer time for political and charitable causes more frequently than renters? Owners move less frequently than renters. On average, homeowners stay in their home six years. This trend translates into increased neighborhood stability. In turn, involvement in community quality-of-life issues helps prevent crime, improve childhood education, and support neighborhood upkeep.

Homeowners also derive a personal benefit: the power of leverage. Over ten years, a \$10,000 investment in the stock market, at a normal 10 percent market rate of return, would yield approximately \$23,600. The same investment as a down payment on a \$200,000 home at a normal appreciation rate of 5 percent would return nearly 5 times the stock market return, at \$110,300!

Nationally, the real estate market is declining. However, San Mateo County's market remains stable, healthy and moving. Simply put, it is as good a time as any, to buy a home in this County.

Some would-be-buyers in today's market might think that mortgages just aren't available to them in today's tighter lending climate, but buyers who are reasonable credit risks have more financing options than they might think.

For starters, Federal Housing Administration (FHA) loans are back. According the data from the National Association of REALTORS®, FHA loan originations saw nearly a 60 percent increase in 2007, and in 2008, the program's loan limits have been increased to a maximum of \$729,750 in high cost areas, such as San Mateo County. In fact, FHA market share for home purchases is expected to triple over the next 3 years, from an estimated 4 percent in 2007 to an estimated 12 percent in 2009.

In addition, tax law changes have made private mortgage insurance (PMI) more attractive. PMI premiums have been deductible on federal taxes since 2006, and last year, Congress enacted a three-year extension on PMI deductibility. This helps buyers who would otherwise be financing with piggyback loans, which are harder to get in today's market.

So prospective buyers should look at San Mateo County's real estate market and feel confident in taking the steps towards homeownership. For more information about home sales statistics, or how to locate a REALTOR® to assist you, please visit the San Mateo County Association of REALTORS® web site at [www.samcar.org](http://www.samcar.org).

*The San Mateo County Association of REALTORS® (SAMCAR) is a professional trade organization representing over 3,400 REALTORS® and Affiliate members engaged in the real estate business on the*

*Peninsula. SAMCAR promotes the highest ethical standards of real estate practice, serves as an advocate for homeownership and homeowners, and represents the interests of property owners in San Mateo County. For more information, please contact Michon Coleman, Director of Public Affairs at 650.696.8200.*