

First Time Home Buyers: This is Their Market

In some ways, market conditions in many areas, such as San Mateo County, favor first-time home buyers; they have more choices and access to financing at near-historic low rates, and they do not have to sell an existing home to take advantage of current opportunities.

This has not been lost on many new buyers – research from the National Association of REALTORS® estimates that in 2007, first-time home buyers purchased approximately 2.5 million homes.

Conditions are ideal for first time home buyers. Prices have moderated, interest rates are approaching 40-year lows and the number of homes for sale is greater than it has been in 15 years. In fact, current market conditions, which are robust here in San Mateo County, won't last long. Research shows that prices are beginning to stabilize and price declines are coming to an end. A modest increase in property values is expected in 2009.

Lenders are also better able to assist this home buying group due to provisions of the recent stimulus package. Buyers are now able to make better use of the Fannie Mae, Freddie Mac and FHA loan products that now incorporate the increased loan limits of \$729,750.

Fortunately, San Mateo County is one of the first counties to be included in the initial increase, where the median home price is approximately \$875,000. Even in lower cost areas, such as Daly City and Pacifica, median home prices are in excess of \$550,000. The temporary increases on conforming loans not only allow troubled borrowers to refinance out of sub-prime loans, but also make it easier for many new, first time home buyers to qualify for mortgages in high-cost areas, like San Mateo County.

Due to the high amount of attention focused upon the downturn in the real estate market, many consumers have soured on the idea of buying a home. The truth of the matter is that now is the ideal time to buy as prices in the San Mateo County market are not likely to go any lower and inventory is abundant.

For more information about San Mateo County housing statistics, or how to find a REALTOR® to assist you, please contact the San Mateo County Association of REALTORS® at 650.696.8200 or visit 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.