

## Why is Now a Good Time to Buy A Home?

Despite the onslaught of stories in the news, of foreclosures on the rise and the lack of subprime loan products, research shows that now is a very good time to make an investment in your future and buy a home. This is particularly true for the real estate market in San Mateo County.

Conditions are ideal for 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. However, current market conditions will not last long. According to the National Association of REALTORS®, prices are beginning to stabilize and price declines are over. A modest increase in property values is expected in 2009. Simply put, prices in most markets won't go any lower and inventory, specifically here in San Mateo County, is abundant.

*The market is strong in 2008, and getting stronger . . .*

2007 will be the fifth best year on record, despite public apprehension about the real estate market. In fact, 2007 was very similar to the home sales and price gains experienced in 2002, when consumers were very confident about the market. More than seven million new and existing homes will be sold in the United States for the fourth consecutive year.

Economic research indicates that home prices will start to increase in the second half of 2008. FHA market share is expected to triple over the next three years, from an estimated four percent in 2007 to 12 percent in 2009. A modest recovery for existing home sales is expected in 2008. Pent-up demand, coupled with an abundance of safer mortgage products, will lead to near-term market improvements.

*Mortgage rates are ideal for buying.*

Mortgage rates are approaching 40-year lows. Rates remain nearly 1.5 percent lower than they were in 2000. Contrary to perceptions, conventional mortgages are widely available at favorable interest rates for the bulk of homebuyers. Low interest rates, coupled with recent corrections, give people looking to upgrade a unique opportunity to take advantage of market conditions.

*Homeownership has been – and continues to be – one of the best financial investments.*

Americans on average still believe buying a home is a good investment. Nine out of 10 consumers consider home ownership to be a sound financial decision. Given the leverage in purchasing a home, the average return on a five percent down payment over 10 years is usually three to five times greater than stock market returns. Just think – if you bought a house five years ago, it would be worth 49 percent more today!

Real estate has delivered the most consistent, positive return over any investment over the last 40 years. With current market conditions, favorable loan products – especially

from FHA, Fannie Mae and Freddie Mac – and an abundance of inventory, now is the time to invest in your future and buy a home in San Mateo County.

*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.*