



## Top 11 Reasons to Buy a Home Now!

1. **Buying is still cheaper than Renting** - Even with the recent increase in prices and rates, it's cheaper to buy than to rent in all 100 of the largest real estate markets, according to an analysis by Trulia.com. Nationally, it's 37 percent cheaper to buy than to rent, assuming the buyer stays in the home for at least seven years. In fact, rates would have to more than double to over 10 percent for markets to tilt in favor of renting in 78 of the largest 100 real estate markets.

2. **Eventual economic recovery** will almost certainly boost housing prices. Following the recessions of 1973-75 and 1981-82, home prices rose by about 20% in real terms (i.e., not counting price increases from inflation) within seven years or less. The drop in home prices in the most recent recession was at least four times as large as the declines in those two previous recessions. As a result, the recovery is taking longer to get going, but the eventual rebound could be proportionately greater. Price increases resulting from inflation would be on top of those real gains.

3. **Prices Will Continue to Rise.** The Home Price Expectation Survey polls a distinguished panel of over 100 economists, investment strategists, and housing market analysts. Their most recent report released last week projects appreciation in home values over the next five years to be between 12.3% (most pessimistic) and 32.8% (most optimistic).

4. **Mortgage Interest Rates Are Increasing.** As reported by Freddie Mac, interest rates for 30-year fixed-rate mortgages have risen about one full percentage point over recent historic lows. The National Association of Realtors, the Mortgage Bankers Association, Freddie Mac and Fannie Mae, in their July forecasts, have all projected 30-year-fixed mortgage interest rates to be between 4.8 and 5.1% by this time next year. An increase in rates will impact YOUR monthly mortgage payment. Whether you are moving up or moving down, your housing expense will be more a year from now if a mortgage is necessary to purchase your next home.

5. Landlords have a tendency to **increase rent every year** or two to accommodate for inflation. This won't happen if you own your home. Having a fixed-rate mortgage means that you'll make the same

payment for the life of your loan, so you won't ever pay more unless you want to.

6. **Home prices won't be this low forever.** Prices have been sitting pretty low for a while now, but this isn't going to last: home prices are officially on the rise. 2013 could be your final chance to snag a cut-rate price before it becomes ancient history.

7. **Save a lot on next year's taxes.** As a homeowner, you'll be able to deduct everything from real estate taxes, to private mortgage insurance, to loan points paid on a purchase.

8. **Owning your home feels a lot more permanent** than renting. Your kids won't have to worry about changing schools, making new friends, or having to start anew in a strange city every few years. If you have kids, buying a home is one of the best decisions you can make for their mental well-being.

9. You should think of your mortgage like a **"forced savings"** program. Yes, you're writing your mortgage company a check each month, but that money, save the interest you're paying, is still yours in the form of equity. In essence, the difference between renting and owning a home is that homeownership lets you build up your own monetary value, instead of your landlord's.

10. Making mortgage payments on time will **boost your credit score** and show that you're capable of taking on big financial responsibilities. And your credit score impacts so much more than your mortgage rate: It can affect the interest rate you get on car loans, credits cards, and any other kind of loan that you'll conceivably take out in your lifetime. Good credit can be a powerful tool.

11. You can't help but feel a real **sense of accomplishment** when you're handed the keys to your very first home. Your house is the physical manifestation of your years of hard work and financial responsibility. And nothing says "success story" like owning your very own piece of the American dream.