

Get Off The Fence!

There are no guarantees in real estate. Except maybe this one. I'm going out on a limb, "I guarantee you there will never be a better time to buy a home". How can I prove this? I really can't. Let me tell you why I think the way I do.

My first reason is record low interest rates. During the third week of August the average rate for a 30 year fixed mortgage was 5.12%. The average rate for a 5/1 hybrid adjustable rate mortgage which offers a fixed rate for 5 years and then adjusts was at 4.57%. While the short-term ARM's got many home buyers in trouble over the past few years, the 5/1 hybrid is still a viable option for buyers who don't expect to stay in their homes longer than 5 years. Understand the pros and cons of the ARM's before you make a commitment.

The National Association of Realtors believes these low rates are unlikely to last. With increased national spending and a mounting budget deficit staring us in the face, interest rates are likely to increase.

The second reason is the first-time home buyer's tax credit which I have written about several times during the past 7 months. If you and or your spouse have not owned a home in the past 3 years, you may qualify for a tax credit up to \$8,000. Check with your accountant to determine your eligibility. To qualify for this tax break, you must close on the home by November 30, 2009. There is no guarantee this tax credit will be extended.

Take advantage of the window of opportunity that may narrow or slam shut in the coming months. Get off the fence and talk to your realtor and banker. Hopefully you won't be someone who in a few years will say "if only I had made a move in 2009..."

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