

SHOULD I WAIT UNTIL INTEREST RATES GO EVEN LOWER TO BUY A HOME?

Interest rates for 30-year, fixed-rate mortgages currently stand just above 6 percent and are extremely favorable for buyers. In fact, they are hovering near 30-year lows. But waiting to time the market is a dangerous – and losing – game. Even those who follow the market for a living can't figure out when interest rates will bottom out. If they could, they would all be multi-millionaires.

Also, home prices don't necessarily move in unison with interest rates. So, if you decided to roll the dice and wait to purchase a home, and the price were to actually drop \$10,000 from where it is today, you could still end up losing money. How? If interest rates were to move up by a half-a-point during this period, the savings on the reduced home price would be more than offset by the higher monthly payment you would be making over the life of the loan.

In short, the smartest and safest time to buy is now. We know that interest rates are low today. We know that home prices are down. We know that there are plenty of homes on the market to choose from. We know that sellers are willing to bargain. And we know that builders are willing to offer attractive incentives to get your business. Any, or all of these favorable variables could change for the worse six months from today.