



Home sales up 6 months in a row; Here are 3-4 good reasons to buy now

More ‘hopeful’ home buyers will become ‘real’ buyers after the first of the year, predicts the Cincinnati Area Board of Realtors. Why? It’s all about home buying economics:

- 1) **Home loan mortgage rates are near 5%. That’s unbelievably low, and it won’t last.** Interest rates, overall, are expected to rise in 2010. The federal stimulus program of 2009 resulted in a massive amount of new debt, as well as continuing federal deficit budgets. That kind of scenario historically has resulted in inflation-driven economics. Which means higher interest rates. It’s not a matter of “if,” but “when.” Buying a home now will help you get a more affordable home loan rate today... compared to higher-cost home borrowing of tomorrow.
- 2) **There is an ample supply of homes from which to select, but it’s decreasing.** Housing supply is measured by an inventory count. A year ago, the inventory was 12.5 months of homes for sale. Today it is 7.99 months. A balanced market is 5-6 months. The lower the figure, the more a buyer typically has to spend to get the home of his or her choice.
- 3) **The federal home tax credit program expires April 30, 2010.** Buy before that date, and you may be eligible for a tax credit from \$6,500 to \$8,000. Buy after that date and you get \$0 tax credit. Your Realtor has all the details, including income limits.

Another potential reason, 4) You can now buy a home with an FHA-insured loan with only a 3 ½% down payment. That could – we repeat *could* -- grow to 5% sometime in 2010.

Home buying has been on the climb the past six months. That’s because many persons have already seen the advantages of home buying, and didn’t want to miss the opportunity. Look at the numbers below, and it will make you a believer in the growing trend of... *buying now, not later.*

