

REASONS TO BUY A HOME

Determining if the time is right to buy a home is your first step in the home buying process. Here are some reasons to consider buying now rather than waiting for a future date.

1. Home Prices Will Continue to Rise

CoreLogic's latest Home Price Index (HPI™) reports that home prices have appreciated by 6.3% over the last 12 months. The same report predicts that prices will continue to increase at a rate of 5.2% over the next year. The Home Price Expectation Survey polls a distinguished panel of over 100 economists, investment strategists, and housing market analysts. Their most recent report projects home values to appreciate by more than 3.2% a year for the next 5 years.

2. Mortgage Interest Rates Are Projected to Increase

Freddie Mac's Primary Mortgage Market Survey shows that interest rates for a 30-year mortgage have remained around 4%. Most experts predict that they will begin to rise over the next 12 months. The Mortgage Bankers Association, Freddie Mac & the National Association of Realtors all project that rates will be up almost a full percentage point by this time next year. An increase in rates will impact your monthly mortgage payment. A year from now, your housing expense will increase if a mortgage is necessary to buy your next home.

3. There are Substantial Tax Benefits

Homeowners are able to deduct mortgage interest and property taxes from income. Talk to your CPA or tax professional to understand your particular situation.

4. Equity

Money paid for rent is money that you'll never see again, but mortgage payments let you build equity ownership interest in your home.

5. It's the Right Time in Your Life

Other factors to consider when deciding if now is the right time to buy can include life events and/or stages.

Stability Remaining in one neighborhood for several years allows you and your family time to build long-lasting relationships within the community. It also offers children the benefit of educational and social continuity.

Budgeting Fixed mortgage rates, unlike rents, do not fluctuate allowing you to have more predictable yearly costs which can prove beneficial for budgeting purposes. Other costs of homeownership may be subject to increases however, like property taxes and insurance, which you will want to factor into your budget.

Freedom Ownership allows you to have the freedom of choice to decorate and/or do renovations based upon your own tastes and desires. The latest National Housing Pulse Survey from NAR reveals that 80% of consumers believe that purchasing a home is a good financial decision.