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Now Could Be the Right Time to Sell

Sometimes it seems like the only news about the housing industry today is bad news. Foreclosure rates are rising on subprime loans, investors are backing out of the markets, there is less money to be lent to borrowers, home sales are declining, and prices are decreasing. While market conditions have markedly slowed from a year or two ago, the fact is that people are still buying home and getting mortgage loans. If you have been scared to put your house on the market because of all the negative media output, you should consider the following reasons why now is as good as any to sell your home.

Home Sales are Still Historically High

Even though home sales are down compared with last year, there are still plenty of people buying homes. The drop in the market is largely due to the exit of speculators and investors as price appreciation has decelerated. The National Association of Realtors recently predicted that existing-home sales would total 5.78 million units this year, accounting for the fifth largest year of U.S. sales on record. So, while it may take a few extra months in today's market to sell, there are still buyers out there.

Reasonable Mortgage Rates

Not only are people still buying homes, but the interest rates on mortgage loans are still low by historical standards, making home-buying doubly attractive. Rates on 30-year fixed rate loans have been ranging between 6.25 percent and 6.50 percent for the last several months, allowing for affordable monthly payments. While borrowers do have to meet stricter credit standards presently, because of the low interest rates now may be a great time to sell your home and attract buyers.

Strong National Employment Rates

Even though the housing market may be struggling currently, many other parts of the economy are still thriving. The national job market, for instance, is still going strong. Plenty of new jobs are being created and wages are consistently increasing, helping to narrow the gap between home prices and incomes in many places. With new employment, often comes relocation, which means potential home buyers for your property.

Consumer confidence is still running high, meaning Americans feel good about the future of the economy and their jobs. That translates into buying power as people feel safe making long-term decisions in today's market.

Take Advantage of New Home Prices

It is true that in general home prices have been stagnating and even declining in some areas. The NAR recently predicted that the national median home price would fall 1.3 percent this year. Yet the new-home median price is likely to fall even more, by 2.1 percent. That means the gap between new and existing-home prices is closing. By selling your home now, you would have an easier time buying a new home than you would in an up-market. If a new home has been your goal, now is the perfect time to sell.



While everyone would love to buy at the low of a down-market after selling at the peak of an up-market, it is simply impossible to predict what the market will do. If you sell now, you may have to wait several months for a buyer and you may have to lower your asking price, but you can also buy another home for a low price. Eventually, the housing market will swing up again and your investment will have paid off as the price appreciates. The bottom line: don't be afraid to sell your home now; it is possible and even profitable.