

**Q: I want to get the best possible deal and my friends tell me to wait a while longer. So, why would I buy now when I can save more money in a couple of months?**

A: No one can tell you for sure what the market will be like a year from now, 6 months from now or thirty days from now. What we do know are the favorable buyers' advantages that exist today: low prices, high inventory, affordable interest rates and the ability to negotiate. If you buy a home now, you will have control over the buying process. Moreover, like those who purchased during the last downturn in 1997 and 1998, you could end up making a killing due to price appreciation. There are just too many good reasons to buy now. Spoken like a true Floridian, if you have a sunny day, go outside and enjoy it. Tomorrow there might be rain.

**Q: The economy really seems shaky to me. I need my new house to appreciate in value. Shouldn't I hold off until I know more?**

A: Even though the economy did undergo a rapid inflation period, economic growth has contributed to its stabilization. Factors such as growing occupational opportunity and a predicted 2.5% increase in the nation's GDP spell good news for the homebuyer. In addition, it is predicted that the moderate economy will not lead to immediate heightened interest rates. All in all, the economy is secure. With the market favoring the buyer, this is an ideal time to purchase a home.

**Q: Isn't renting a smarter move right now?**

A: You want to feel secure. That is understandable. However, renting, compared to owning a home, is not a safer or a more beneficial alternative for several reasons. The most obvious - when you buy a home, you accumulate equity. The sooner you purchase a home, the more equity you can earn. Moreover, when you purchase a home, you know exactly what your mortgage payment is going to be during its lifespan, something you can't say about your lease. Increases in prices can happen year after year, and you're either left biting the bullet or having to move. Lastly, as a renter, you don't get tax breaks and you don't accrue price appreciation. When you look at the entire picture, renting is clearly not the smarter decision.

**Q: Everyone talks about interest rates. I realize they are "near" historic lows, but they aren't the lowest they can go. Why not wait?**

A: Waiting will not always work. Experts have a difficult time predicting falls and increases in interest rates. It's a better decision to stick with the facts, especially when they are so favorable. Interest rates have been stable, staying around 30-year lows. Lastly, since they are so low, in striving for balance, it is more likely that rates will actually increase.

**Q: I really want to sell my home now and get a bigger one. But, I'm going to lose about \$30,000 dollars. That's really a huge amount. Should I just hold off selling until I can find a buyer who will pay the price I want?**

A: Although the value of your house has dropped, the price of move-up, high-end homes has lowered. And, in a buyer's market, it is always better to trade up.

However, just for argument's sake, let's say that a \$500,000 move-up home has also dropped 10 percent in value and now sells at \$450,000. If you sold your home today for \$270,000, down 10 percent, and purchased the larger house for the selling price, the difference in price would be \$180,000.

If you wanted to recoup the 10 percent value on your home and sold it at \$300,000, chances are the market that would support your increase would also yield a higher price for that same move-up home, increasing it to \$500,000.

That's a \$200,000 price difference between the two homes. So by selling today, you would actually save \$20,000. And most likely, by jumping into the market today, your savings would be even greater because consumers have much more bargaining power when shopping for high-end homes in a buyer's market.

**Q: I have \$10,000 that I could put towards my first home. Is it a better decision to invest that money in the stock market or move forward with a home purchase?**

A: Leveraging allows you to put down a small amount and end up gaining a large return. If you were to use that \$10,000 to purchase a \$150,000 home, and the house appreciates five percent during the first year, that means after one year, the house would be worth \$157,500. That is a gain of almost \$7,500. Your annual return on your \$10,000 investment would be an amazing 75 percent. By contrast, putting the same \$10,000 in the stock market and posting a similar five percent gain would only net a \$500 return on investment.

And, as a home owner, your savings continue to grow in two ways. Every year, a greater portion of your monthly mortgage payment goes to the principal, reducing the overall loan amount. Second, your home appreciates over time, making it one of the very best financial investments. Not only is homeownership a stepping stone to a future of financial security, it also helps to build neighborhoods and strengthen communities. It is truly the cornerstone of the American way of life and the fulfillment of the American dream.

**Q: I'm a first-time buyer and still can't afford the type of home that I want. Is it best to wait and hope that prices eventually move lower?**

A: Rents continue to increase throughout Florida while home prices are currently moderating. Because there are so many homes that are currently on the market, your best strategy may be to scale back expectations for your starter-home. Instead of trying to buy a 2,000 square-foot home, consider shopping for a \$1,500 square-foot home. Remember, the sooner you make the jump from renter to homeowner, the quicker you being to create and build up wealth for your family. After a few years, you will be able to leverage this investment and buy a bigger house.