

10 Reasons You Should Buy A Home Now



Excerpt taken from the Wall Street Journal, WSJ.com | By Brett Arends

You Can Get A Good Deal

You can get a house at a bargain price now. This is a buyer's market.

Mortgages Are Cheap

You can get a 30-year home loan for about 4.3%. What's not to like? These are the lowest rates on record. As recently as two years ago, they were about 6.3%. That drop slashes your monthly repayment by a fifth.

You'll Save On Taxes

You can deduct mortgage interest from your income taxes. You can deduct your real-estate taxes. And you'll get a tax break on capital gains, if any when you sell.

It'll Be Yours

When you own, you can have the kitchen and bathrooms you want. Also, you'll feel better about your home if you own it.

You'll Get A Better Home

In many parts of the country, it can be hard to find a good rental. All the best places are sold as condos. Money talks.

It Offers Some Inflation Protection

Although housing can't entirely protect you from inflation, studies by professor Karl "Chip" Case, of Case-Shiller, and others suggest that over the long term, housing has tended to beat inflation by a couple of percentage points a year. That's valuable inflation insurance, especially if you're young, raising a family and thinking about the next 30 or 40 years.

It's Risk Capital

Your home isn't the stock market, and you shouldn't view it as a way to get rich. But if the economy does surprise us all and start booming, sooner or later real-estate prices will head up again, too.

Equity in a home is another way of linking part of your portfolio to the long-term growth of the economy.

It's Forced Savings

Once again, you have to do the math, but the part of your mortgage payment that goes to principal repayment isn't a cost. You're just paying yourself by building equity. As a forced monthly saving, it's a good discipline.

There's A Lot To Choose From

More homes keep coming onto the market, too, as the banks slowly unload their inventory of unsold properties. That means great choice as well as great prices.

Sooner Or Later, The Market Will Clear

Demand and supply will meet. The U.S. population is forecast to grow by more than 100 million people over the next 40 years. That means maybe 40 million new households looking for homes.

Meanwhile, this housing glut will work itself out. Many of the homes will be bought. This is already happening.

And, finally, a lot of the glut simply won't matter to you. It's concentrated in a few areas, such as Florida and Nevada. Unless you live there, the glut won't have any long-term impact on housing supply in your town.