

It's Time for some optimism! Embrace the low values and rates which will eventually vanish

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One of the great truths in life is that perception - for better or worse - is reality. What we perceive as being real may not be, but we treat it as such and make decisions based on that analysis. What creates the perception? The information surrounding us including, in today's world, a continual barrage of routinely negative media input.

At the risk of sounding naïve, and fully aware of the very difficult economic position many Americans currently find themselves in, I find lately that I'm asking the question, "Are things really that bad?" Yes, for the past few years we've experienced a comprehensive recession that had a crippling effect on the real estate industry. Yes, unemployment rates still hover near 10% and foreclosures are at record levels. But for anyone thinking about buying real estate, with a sound job and a reasonably good future outlook (90% of Americans), the reality is that we are in a very favorable time.

The current residential real estate market is one which we will look back on with mixed feelings. Once things pick up, we'll not miss the slowness of the recent market, but we will miss today's values and rates. Think about it: we currently enjoy the very unique - and rare - combination of low values coupled with low rates. Usually you have one factor or the other present, but not both. In other words, now is a great time to buy. When we remember this time, freed of the negative perception of today's economic climate, we'll realize the incredible opportunity we had in this market. Given that, why aren't the vast majority of Americans moving into their first, or next, home? Why aren't we experiencing a rush of sales to rival the heydays of past periods? Can you imagine a climate of today's real estate values and mid- 4% mortgage rates suddenly appearing five years ago? The rush of business would have completely overwhelmed our industry's ability to handle it all. The answer is simple: perception is reality. There is still a pervasive negative mood in America, born of the recession. We very abruptly came off a long and steady economic high that had people feeling overly positive about their personal economic position. The abrupt change knee-jerked us into a defensive "batten the hatches" mode. Was this necessary? Sure. Is it still a necessary? I say no. I believe our current national attitude is already a holdover attitude - it is obsolete. Yes, foreclosure rates are still at significant levels and unemployment rates need to drop, but we are most likely at the tail end of the deepest part of the recession, and signs of improvement are popping up like flowers in the Spring.

Recent indicators in New England are showing a positive trend. Not only have home sales increased for many months in a row, but in many areas prices are also increasing. The combination of the two indicates the real estate market is improving. So when you are asked by friends and family about whether or not they should buy a house, be optimistic. Explain to them that if they feel comfortable about their economic situation, they should embrace the low values and rates which will eventually

vanish, and buy now. In the years to come they will thank you for the advice.

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