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## **Time to buy? Things are looking up for the housing market**

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Let's just for argument sake assume that the worst housing slump since the Great Depression is in fact coming to an end. One would think such an event would end with fireworks, the uncorking of fine champagne or even a balloon drop. But the housing market is just that, a market, an intangible force of economics that affects all of us that no one person can control, not even our beloved fed chairman. There is no finite beginning or end to a housing collapse or boom but timing is everything.

As the housing crisis began to become an ugly reality in 2008, homeowners had to face the hard truth that real estate values can actually decline. Up to that point the U.S. housing market had enjoyed six or seven years of steady (almost giddy) market appreciation. Over the past four years we've experienced a shortage of buyers but not a shortage of blame as to why it all happened.

Whatever the reasons, conventional wisdom is changing once again as market evidence indicates that the bottom has finally been reached and things are starting to look up. Recent news from market analysts such as CoreLogic, Case-Shiller and the National Association of Realtors report that home prices are climbing, inventories are down, marketing times are shortening, sales concessions are disappearing all while mortgage rates remain at record lows. The housing crisis produced a strong demand for apartment rentals as first time home buyer demand declined at a greater pace than prices. This pushed rents up much to the delight of landlords and multifamily developers. Now with deflated prices purchasing a home may be less expensive than renting in many markets.

Home ownership is the fundamental principle of achieving the American Dream. Historically, it is the single best way to create wealth through equity build up. The sacred mortgage interest deduction is another significant advantage. The obstacles are obvious; the elusive down payment, the coveted high credit score and the means to make mortgage, tax and insurance payments. Many affordable entry level homes are either REO or short sales that usually need repair or significant rehabilitation. Mom and dad are probably still mired in student loan payments and your rich uncle has most likely taken a beating in the stock market. Don't forget about your dear Uncle Sam.

The U.S. Department of Housing and Urban Development (HUD) 203K program provides financing for acquisition and rehabilitation without significant initial investment. The Connecticut Housing Finance Authority (CHFA) is another conduit to assist first time home buyers with a variety of mortgage options. Local realtors and mortgage brokers often provide alternative strategies for obtaining financing. When making a purchasing decision be careful to consider external factors which are beyond your control.

These include real estate tax rates, distance to employment, schools and shopping; adverse noise factors and potential environmental hazards. While the process can be daunting now may be the time to get into a home sweet home of your very own.

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