

## BOARD OF REALTORS

# Should I buy a home now, or wait?

Will prices get better if I wait? Will mortgage rates be lower if I wait? Will I have a wider choice of homes if I wait? Good questions that deserve good answers.

► **Will home prices get better if I wait?** The average home price in the multiple listing service of greater Cincinnati has fallen by 13 percent over the past year. As the number of homes for sale shrinks, it will create pressure for higher home prices.

It may not happen over night, but it will happen. In a recent Baylor University survey, eight of 10 economists agreed home prices will rise in the next five years, as will rental costs.

► **Will mortgage rates be lower if I wait?** Today's mortgage rates are near 50-year lows. They are at bargain levels. Also, you don't have to pay 15 percent for a home loan, as you did in the early 1980s, or 7 to 8 percent in the 1970s and 1990s. Today, rates are between 4.75 and 6 percent. When inflation returns, it's likely that mortgage rates less than 7 percent will be gone.

► **Will I have a wider choice of homes to buy if I wait?** There are 14,182 homes listed for sale in the MLS of greater Cincinnati. A year ago, that number was 16,680. Two years ago, it was 17,880. The trend in the number of homes available is downward. The lower the inventory, the greater the pressure for higher prices.

If you are a first-time homebuyer or if you haven't owned a home in the past three years, you have extra good news. You may be eligible for a federal tax credit up to \$8,000 on the purchase of a home that is closed by that date, pure credit, not repayable.

There is an income limit. For single buyers, the household income limit \$75,000 a year; married couples, \$150,000. The credit decreases for single buyers earning between \$75,000 and \$95,000, and between \$150,000 and \$170,000 for home buyers filing jointly. If you finance your home through FHA, you may use the tax credit money to help pay for down payment or closing costs. You may also be eligible for further tax credits through the Ohio Housing Finance Agency.



**Debbie Pennington**  
President of the  
Hamilton Fairfield Oxford  
Board of Realtors



If you've been sitting on the fence, now is the time to get off that fence. Join the 75 million homeowners who enjoy the benefits of ownership (equity build-up, home appreciation, tax advantages, and pride of ownership) Call a Realtor. Realtors know local market home inventories, home values, lending programs and everything else to help you make your housing choice.