

# Pricing Perspectives: WHY IS NOW THE TIME TO BUY?

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A recent survey shows that many people hesitate to purchase a home today for fear of continued declining prices. As always, there are many factors to consider when making a financial decision. The chart below should assist in removing the fear and adding a high level of confidence as you choose to purchase that new home, sell your existing home, or boldly move into investing in real estate to secure your financial future. As clearly stated, home purchasing is the only thing in the last 22 years that has doubled in value yet the monthly commitment has remained relatively the same. With interest rates near all time lows, if real estate values did continue to decline and interest rates went up just 1% the benefit of the lower interest rate would certainly exceed the decline in value.

- ❖ Did you know currently in Palm Beach County if you own a home that is valued at \$300,000 or less and your mortgage amount does not exceed the value, there is a shortage of inventory? When priced appropriately homes are going under contract in an extremely short period of time and many times multiple offers are being made. Don't let anyone tell you that now is not the time to sell.
- ❖ Did you realize that many of the bank owned properties are at a price point, when purchased as an investment could be rented out, cover the payment, and return a monthly profit?

## MONTH OF MAY 2011

### Palm Beach County Total # of Sales: 2396

**Cash Transactions: 1595**

**Short Sales: 353**

**Conventional: 446**

**FHA: 297**

**Bank Owned: 291**

	<b>1989</b>	<b>2010</b>	<b>2011 YTD</b>
Bread	\$0.67	\$2.49	\$2.49
Gas/gal.	\$0.97	\$2.73	\$3.87
New Car	\$15,350	\$28,400	\$28,400
Median Existing Home Price	\$94,000	\$173,000	\$156,100
Mortgage Rate	10%	4.69%	4.91%
Monthly PMT	\$825	\$896	\$829