



Buying A Home In A Buyer's Market

When is the best time to buy a house? With many markets reporting an abundance of homes for sale, and interest rates remaining at near historic lows, now might be one of the best times in recent memory. While today's real estate market does offer advantages to buyers, consumers still need to be savvy in order to get the best deal they can.

Following are some things that the professionals at Coldwell Banker At Your Service think every homebuyer should keep in mind:

Don't Try to Time the Market. When home prices are lower, it is very tempting for potential buyers to try to wait as long as possible in the hopes that prices will decline even further. This strategy can be detrimental because when there is high inventory, smart sellers price their homes properly – not according to past sales but according to current conditions – so their homes will sell in a timely fashion. Once a home is priced to what the current market will bear, buyers will make offers.

Shop Around. But Don't Wait Too Long. The National Association of REALTORS reports that, on average, homes stay on the market for 7.5 months. The increased inventory gives homebuyers a great opportunity to compare homes that meet their needs. However, this does not mean that homebuyers should procrastinate. If you find a house you love, put in your bid and negotiate. Don't provide an opportunity for another buyer to make an offer.

Watch Mortgage Rates. Studies such as the 2006 **Coldwell Banker**[®] Homeownership in America Index revealed that that majority of people move based on lifestyle changes such as new job, marriage, divorce or family expansion. Pay attention to the mortgage rates and recognize that buying a new house will likely result in a change in mortgage rates. How much? A monthly payment of a 30-year fixed 5.875 mortgage rate on a 300,000 loan is \$1,774.61. The monthly payment at today's 6.381 rate is \$1,872.79, representing a \$98.18 increase.

Negotiate on the Incentives. Sellers eager to move their homes may offer you a variety of incentives such as cars, trips, and even credit card bill payment. If you accept an incentive, make sure it makes sense for you. Instead of having your bills paid, you may opt to have the seller renovate the master bathroom or install new flooring. Of course, you can always ask the seller to simply deduct the amount in question from the list price.