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Buy a Home Now and Save Big by Ben George

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The housing market remains at all-time, buyer-friendly levels well into 2012. Home prices are still near the bottom, and interest rates are at historical lows. The value you can get for a home now is so much greater than it was just a few years ago because your dollars go so much further. Some estimates have home prices down between 30-40 percent since 2007, which means your money will go further. Foreclosures and shorts sales still abound, and if you can deal with the hassle of the red tape, you can get even better deals there.

If you or someone you know is thinking of buying a home in the next year or two, there are a few things to consider. First, home prices are slowing rising, with increases in August 2012 of about 2% (for homes not in foreclosure or short sale). This may not be a significant increase, but over the life of the loan, small increases in principal costs can multiply as interest compounds over time. An increase of 4-6% could mean tens of thousands over the life of the loan. Secondly, we donâ€™t expect interest rates to rise quickly, but you want to be able to lock in a rate this low for the long term. Avoid any adjustable rate mortgages while rates are at these historic lows, and keep an eye out for signs of increases. Going up a half a point to a point on the interest rate can mean a major increase in the total loan cost over the life of the loan. Third, your rate and loan payment will depend on your credit rating and down payment, and taking a little time to fix up credit or get together a down payment can bring your rates and payments down some, but can be quickly offset by small increases in home prices or interest rates.

You can get educated on where you stand and when is the best time to buy by talking to a lender and starting the pre-approval process. This will tell you what you can expect for rates, how much you can borrow, and what you can do to improve those numbers. Getting armed with a pre-approval usually makes the entire process go smoother and reduces headaches once an offer is made on a home. If you can qualify for good rates now and get a great price for a home (and if fits in your budget), now may be the time to act. By purchasing a home when prices are low AND interest rates are low, you will come out better in the long run. Smart investors say that money is made in real estate at the purchase â€“ and getting a great deal and a great rate helps you win long term as home values increase over time.

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The Dinsmore Real Estate Team is a a Cumming GA real estate agent with a 93% close rate on home listings and is an effective partner that will help you sell your home or purchase your home.

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