



Fence Sitters – The Time to Buy is Now!

By Fred Jaeger

If you've been uncertain about whether or not to buy Real Estate in the current market, let me be the first one to help you down off of the fence. This is not just a great time to buy, its a classic "Buyer's Market" out there, combining seemingly a "perfect storm" of contributing circumstances that appear to be making this perhaps one of the best times *ever* to purchase your dream home or investment property. Here's why:

Prices are down. You don't need me to tell you that the name of the game with any investment strategy is to *buy low and sell high*, so it should be obvious that it's good idea to take advantage of the opportunity that presents itself now. However, the first thing a savvy investor might say to me is.. "Ok Fred, sure prices are down, but what guarantees do I have that they're not going to continue slipping down?" The answer, of course, is that there are no guarantees. I'll be honest; it's actually my opinion that prices will, in fact, continue to decline slightly, *in the short term*. However, in the long term, buying now could turn out to be the smartest investment decision you could ever make. Real Estate has proven over time to be one of the best, if not *the* best long-term investment you can possibly make. If you're waiting for prices to decline to an ultimate low, you may be missing the boat by overlooking other variables that should be entered into the equation at this time...

Available Inventory is Up. There's a lot to select from. If you're a buyer, in addition to lower prices there's more to look at and select from which increases the likelihood that you'll find not just a house that works for you, but a better value that fits your taste. In a seller's market, buyers often feel compelled to settle for something that perhaps isn't quite right while simultaneously paying more (or even too much) for the privilege of that compromise. Buyers presently can take their time, take a good look around long enough to make better decisions.

Lending Interest Rates are Low. Buyers are still enjoying the huge benefits of lending rates that are really reasonable. Right now rates are hovering around 6%. Your principal & interest payment on thirty year fixed loan on \$250,000 would be around \$1500/month (before taxes and insurance.) If the rate increases to just 7% that payment would become \$1663/mo... at 8% \$1834/mo, etc. You can save substantial money by taking advantage of the current rates.

Sellers are Motivated. A lot of the current inventory has been out there a long time and sellers are willing to negotiate now more than ever. Not only is price an area that can flex, but also financing terms, personal property, even buyer closing costs, repair requests and more can potentially be mixed into, or out of the deal.

Buyers can make Real Offers. The occurrences of multiple competing offers arriving above the asking price are few and far between these days, and buyers know it. Offers that at one time may never have been taken seriously are now not looking so silly. Unreasonable “low balls” are never appreciated when received by a Seller, but the point on the scale that defines such an offer, has definitely shifted into blurry territory.

It's a great time to buy Real Estate now and not just because of the recent downturn in prices. Added affordability combined with historical lows for rates in the lending industry, huge selection due to massive increases in available inventory and market forces that are forcing sellers to be more flexible than ever, are factors now allowing buyers to be nearly ideally positioned. For buyers sitting on the fence waiting for the perfect time to jump in, it would be hard to imagine a time that could possibly be more advantageous than now. Even if you're just thinking about buying but can't quite decide, talk to your local Realtor to show you what's now available; you're more than likely to be very excited with the current possibilities.

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