

Is Now the Time to Buy? **By Jeff Cooper**

Rapid increases in home prices have some folks worried about whether they've gone too high now, and if they could soften in the future. Generally the best way to deal with these concerns is by looking at your specific situation.

It's important to focus on the one house you'll be purchasing, rather than trying to figure out the future of the entire real estate marketplace. While house values have risen rapidly in some places in recent years, many other neighborhoods have experienced slower, steady appreciation.

If the home you want to buy looks like a good deal to you now, then you can feel comfortable moving forward with a purchase. Chances are the people you'll buy from also were worried about whether they were overpaying when they first purchased the home! Here are some questions to consider when looking at homes.

1. Is this house fairly priced? See what similar homes in the neighborhood have sold for recently, while also reviewing how prices have changed over time. And make sure the house is in good shape by obtaining professional inspections to look for structural problems and pests.
2. How long will I probably want to live here? Someone who plans to sell soon could be disappointed if price appreciation slows down in the near term. The longer you hold a piece of real estate, the more likely you are to sell it profitably.
3. Can I afford the mortgage payments, both now and in the future? Go over how your mortgage payment could adjust later on, as well as how it fits into your budget now. Factor in expected changes to your income and expenses while you'll be living in the home, as well.