

Buying a home a good idea?

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Let me say this right upfront. As a long-term investment, homeownership is STILL one of the best investments for individual households.

"Why" you may ask? After all, the headlines say the housing market is down and out, with defaults rising at an alarming rate. This is simply a correction to the sub-prime lending in the past.

What buyers need to realize is that housing markets, like all markets, inevitably have their ups and downs. And homeownership has a track record that is virtually unmatched by any other purchase in terms of its real benefits.

Despite the turmoil in mortgage lending, if you have good credit, a job and steady income, you will find there is still plenty of mortgage credit to be had at good rates. For well qualified buyers, rates are running at about six-and-a-half percent, which is a very good range on a historic basis.

Another thing to keep in mind is that there are a lot of homes for sale, more than there have been in a very long time. That means you have a great selection from which to choose and should have no problem finding exactly what you're looking for.

Once again, it's important to understand that

the long-term fundamentals for housing remain positive. Look at anticipated population and household growth; consider the increasing scarcity of available land in metro markets where jobs are located and where people want to live. Over time, these factors will help drive up the value of housing.

One more thing to consider: To make the argument that prices will keep going down, you have to believe that the cost of building a home is going to go down. That won't happen. Land, material and labor costs will only continue to rise. So the price of new homes will increase overall, and the price of existing homes, due to market competitiveness, will increase as well.

A home should first and foremost be a place in which to live and raise your family. Too many people in the recent past got carried away with the idea of making a quick buck by purchasing a home or condo and then reselling it right away at a profit.

The bottom line is this: if you are looking for a place to live and for a solid long-term investment, now is a good time to buy a home.

For more information on why now is a good time to buy, visit www.nahb.org/timetobuy or contact the Home Builders Association of Greater Spartanburg at (864) 583-5471.

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