

On the Home Front

Bi-monthly column by: Linda Skolnick

9 Benefits to Buying at the End of the Year

Interest rates are still hovering around 6 percent for 30 year fixed mortgages. So, what better time for renters to become buyers, growing families to move to larger quarters and Baby Boomers to find homes to match their evolving lifestyle? If you are trying to decide if October is a good time to make a move....read on!

Cathy Whatley, President of **The National Association of Realtors**, claims that the swing in mortgage interest rates has been somewhat of a surprise. "Mortgage interest rates have been lower than projected for most of 2003, but the 30-year fixed rate should remain between 6.0 and 6.5 percent for the rest of the year," she said. "We expect home sales to remain historically strong in the coming months."

In addition to low mortgage interest rates, there are other benefits to buying at the end of the year, including:

- Immediate Tax Savings. You will be able to deduct interest and any points you paid very soon after you have paid them. These deductions are significant, especially in the early years of a loan.
- Sellers tend to be more motivated, because they too can enjoy the tax benefits from their next purchase before the end of the year.
- Often, in new construction, a builder also benefits by closing before year end, and will sometimes share his good fortune with you by offering little extras.
- Generally speaking, housing choices during the fall are still healthy. By December, there are traditionally fewer houses on the market. October and November are great months to go house hunting.
- It will most likely be easier to book a moving company during the fall. Home buyers who close during the spring months may have to wait six weeks or more to secure a moving company.

In addition, you'll enjoy the many benefits that come with homeownership, regardless of what time to year you buy.

- It's better than renting. Each month when you are renting, your rental check goes towards something that will only last a month. If you own, your monthly payment goes towards something you own.
- Landlords can raise your rent periodically, but a mortgage lender will not change your monthly payments, unless that is something that you pre-negotiated. Thus, you can better plan your year to year expenses.

- When you improve your own house, over a place that you rent, your improvements are yours to keep...and only add value to your investment (instead of adding value to someone else's investment).
- All your payments and improvements will only help you gain equity in your home. As you pay down the interest, you will be paying a bigger portion of the actual dollar loan, and increasing your ownership equity. All of this, plus time and appreciation in the market will only increase your investment value.

There is no better time than today to buy a new home, except maybe yesterday!