



## Five Reasons to Buy

- 1. Prices in the neighborhood you are interested in are relatively stable.** Either they are holding their own or increasing, or the pace of decline is slowing significantly. If you have to move and don't like apartments, the small penalty you pay for missing the bottom may not mean much.
- 2. You plan to stay in the home for more than five years.** If you can stick it out that long before selling, economists say you'll probably ride out any downturn and come out ahead on price.
- 3. Your rent rivals a mortgage payment.** If you can afford to buy, it can give you one bonus that renting can't: the mortgage-interest deduction on your taxes.
- 4. You've found the right house in the right area for you.** The schools are great. You love the area and know it would be hard to find another house like the one you have your eye on. In a better market, you would most likely have much more competition for that home.
- 5. You've built equity in your house and are moving to a place where homes are cheaper.** In your new market, your money will go a lot further.

## Five Reasons Not to Buy

- 1. You've lived in your house less than two years.** Chances are you haven't had enough time to accumulate equity in your home. Indeed, you may have negative equity, if you live in many areas such as California, Florida, Arizona or Nevada.
- 2. Your job security is uncertain.** If your company or business is in distress, it's probably better to stay put until the smoke clears.
- 3. You don't plan to stay in your next house at least five years.** While it's not important to buy at the exact bottom of the market, it is important to stay long enough to ride it out completely.
- 4. You don't have good credit or a decent down payment.** Do you have a job and income you can document? As a result of the sub-prime lending crisis, lenders are much more careful about whom they're giving their money to.
- 5. You have an existing home to sell in a neighborhood where prices are dropping precipitously or where the number of foreclosures is spiking.** In this climate, you're probably better off waiting out the storm.