

## Why They Are Saying to Buy A Home Now

Posted By [The KCM Crew](#)

Despite what appears to be a non-stop wave of tough news regarding real estate, four major media players have come out this month with the same advice: It Is Time to Buy a Home! Here are the four articles and a breakdown as to why the advice makes sense.

**The Wall Street Journal:** [Why It's Time to Buy](#)

**CBS Money Watch:** [Why the Time to Buy is Now](#)

**Forbes Magazine:** [9 Reasons to Buy a House Now](#)

**National Public Radio:** [For Many, It's Still a Good Time to Buy a Home](#)



With prices continuing to depreciate in most regions of the country, some may wonder why these four entities are suggesting to their readership that now is the time to buy. Each organization realizes that PRICE is not as important as COST. The cost of a home can go up even if prices continue to fall. Unless you are an all cash buyer, you must take into consideration the expense of mortgaging when calculating the full cost of a home. Here is some information to consider.

### Interest Rates

Currently, interest rates sit at historic lows. However, Fannie Mae, Freddie Mac, PMI and the National Association of Realtors are all [projecting](#) approximately a 1% increase in mortgage rates over the next year. **A one percent increase in rate negates a ten percent fall in prices.**

### Lending Standards

The government has proposed a tightening of lending standards called **Quality Residential Mortgage** (QRM). If accepted as proposed two things will happen:

1. The [qualification process](#) for loans will become more difficult
2. The cost of a loan will [increase](#)

### Bottom Line

There is a reason more and more financial organizations are suggesting to their followers that now is the time to buy a home: because the cost of purchasing a home is about to increase (even if prices continue to fall).