

THIS MAY BE YOUR LAST CHANCE!

As we weather this economic storm, there are three essential principles we can count on for the future:

1. Inflation leads to higher interest rates.
2. Houses are selling in high quantities.
3. If you're a seller, it's time to cut your price and be decisive; if you're a buyer, it's time to purchase or miss out on the opportunity.

Inflation leads to higher interest rates

"Get ready for inflation and higher interest rates."
— Arthur B. Laffer, *Wall Street Journal*, June 11, 2009.

Houses Are Selling in High Quantities

According to the National Association of REALTORS®, the U.S. is currently in position to sell 4.68 million homes this year. That would put 2009 within the top 5% of homes sold in U.S. history. Although many people are purchasing distressed properties in foreclosure or short sales, there's also a large number of purchases made on non-distressed property sales. The market is indicating that we may have reached the bottom.

Buyers and Sellers

If you're a seller, it's time to cut your price and be decisive; if you're a buyer, it's time to purchase or miss out on the opportunity.

- Buyers—don't make the mistake of waiting for everybody else to make a move before you feel comfortable enough to purchase. Many people have made a purchasing decision already, and we never know what the bottom of the market is until it has passed. Here's one thing you can take to the bank—higher interest rates are the equivalent of a price increase.
- Sellers—if you're serious about selling your property, adjust your price to where the market is moving, take your lumps and move on, or you'll be waiting a long time.

Look at the difference that just a 1% point increase makes in these loans:

Loan Amount	Type of Loan	Interest Rate	Monthly Payment
\$250,000.00	30 year fixed	5%	\$1,342.05
\$250,000.00	30 year fixed	6%	\$1,498.88
\$250,000.00	30 year fixed	7%	\$1,663.25

People are waiting for prices to continue to drop; however, when rates go from 5% to 7%, it is the equivalent of a 20% increase in price to the borrower. **Now's the time to buy!**