



## Is Now the Time for Some Home Buyers to Make a Deal?

HOMES, BUYING, REAL ESTATE, HOUSING, PRICES

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While **housing prices are continuing to fall**, prospective home buyers may not want to wait much longer for the market to hit bottom, experts say.

"Most of the big declines in home prices have occurred," says Lawrence Yun, the chief economist at the National Association of Realtors. "Any more will probably be minimal."

Part of the reason is that homeowners are becoming more realistic in listing their asking price.

"Home prices are where they should be," says Robert Abbott, co-owner and VP of Abbott & Caserta Realtors in northern New Jersey. "Sellers are accepting the current reality and are pricing more realistically."

The latest Case-Shiller report shows that home prices in 20 cities dropped 18.6 percent in February from a year earlier. But for the first time in 16 months, that rate of decline eased from the prior month.

A look at the median home prices across the U.S. shows that some prices have actually risen in recent weeks, according to the National Association of Realtors.

Region	January '09	February '09	Northeast	\$227,000	\$251,000 (up)	South	\$143,300	\$146,700 (up)
	Midwest	\$131,000	\$131,000 (same)	West	\$215,000	\$204,600 (down)		

The median prices are still down from the same time in 2008, but that's more a reflection of what were over inflated prices, says Abbott.

"We're experiencing an adjustment in prices," Abbott says. "From my area, we've been in a down market since 2005 and I think we are now at a stabilized place."

The current price level of homes seems to be drawing more buyers into the market, says Jim Gillespie, CEO of Coldwell Banker.

"We are seeing a lot of activity across the nation," says Gillespie. "Of course we're in the Spring market, but we've seen more buyers in the market now than at this same time last year."

More people are not only 'kicking the tires' but actually buying right now, says Abbott.

"We are showing significant activity when it comes to sales," Abbott says. "The number of days for a house on the market are going down."

But not all levels of housing are seeing the benefit, according to Cindy McLellan, a real estate broker in Denver, Colorado.

"Lower levels of home prices are seeing more of the activity," says McLellan. "Higher priced homes, those in the \$1 million range and above, are still taking some time to sell. High enders still have trouble getting jumbo loans and sellers are still trying to make a profit."

McLellan says it's the first time home buyers that are driving the market. "With the \$8,000 tax break from the Obama Administration and lower interest rates, first time buyers really have an incentive to buy and they are."

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Not everyone thinks housing prices have bottomed or might not even go lower. Fred Skolich, president of Skolich Real Estate in New Jersey says prices remain in flux.

"I think they are still going to come down," says Skolich. "We're in the middle of the Spring market. After we get away from that, I think you'll see some further adjustments in price."

"There's no need to rush," says J. Andrew Hansz, an associate professor with the department of finance and real estate at the University of Texas at Arlington. "It's a buyer's market right now. If you need a place, it's a good time, but buyers are in control."

But home buyers waiting on the sidelines to time the market could be making a mistake, says Skolich. "You might wait for a lower price, but then interest rates could go up," Skolich says. "It's like a stock, you don't know if you're really buying at the bottom or not."

And those prospective buyers making low offers, might find themselves in a bidding war, says NAR's Yun.

"I think some buyers are trying to steal property by offering low prices," says Yun. "But even in those markets that plunge, buyers are coming back and making bids."

"We've seen some bidding wars" says Robert Abbott. "It's very competitive especially when the home is priced right."

Whether someone is in the market to buy, just looking or waiting for prices to drop even more, analysts say the current state of housing is the best it's been for some time.

"I'm not just saying this because I'm in real estate, but I think it's as great a time to buy as I have seen in my 34 years in the business," says Coldwell Banker's Gillespie. "Houses are affordable, there are plenty of homes to choose from and you have record low interest rates on 30 year mortgages."

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