

Buying Against the Grain: Real Estate

Marching to the beat of your own drum. A Contrarian. Unique. The ones who contradict the masses are usually celebrated for their tendency to think “outside the box.” It is no different with real estate. Right now, the percentage of Americans who believe real estate to be a safe investment has dropped to a mere 64%, the lowest ever reported in the [national housing survey](#). But this could be good sign for the contrarians of the world. [Austin real estate](#) company HomeCity says that with houses at dirt cheap prices and the lowest interest rates in years, now could be the best time for you to buy.

Mortgage rates are currently at an all-time low, below 5%, giving you a great opportunity to save a pretty penny if you’re in the market for a house. One study by Deutsche Bank shows that homeowners now pay just 9.8% of their income in after-tax mortgage, tax, and insurance payments, down from 17.2% at the market’s peak in 2007. However, [economists](#) project, “as we get closer to the summer of 2011 there is a very good chance that we could see interest rates start to rise” along with the economy.

Additionally, houses are at their lowest prices in decades. The [National Association of Realtors](#) explains that “Housing affordability reached a record in December.” The group bases their data namely on property prices, mortgage rates, and median U.S. income. As a result, economists and investors are recommending that the public buys now. Phil DeMuth, co-author of the hot-of-the-press [Little Book of Alternative Investments](#), encourages his readers to buy by explaining that “Housing prices are where they were in 2002.” “If you can qualify for a good mortgage,” DeMuth says, “I’d say this is an excellent time to take that kind of position.”

But, as Contrarians will often report, the masses always catch up to the trend-setting, ‘against the grain’ others. “Home sales,” according to the [Mortgage Bankers Association](#), “will rise 4.1% to 5.1 million in 2011, with the biggest increases in the second half of the year.” That means to get the best possible deal, you should act fast and act now. Buy low and sell high!

James Kim writes for [Austin Real Estate](#) service Homecity.com. HomeCity combines powerful online Austin MLS search technology and other online tools with personalized real estate services to provide clients with the knowledge they need to make the right buying and selling decisions.