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**The Waiting Game**  
by David Curry

A recent study by [John Burns Real Estate](#) shows that real estate is now as affordable as it's been in the past 38 years. The study tells us that median home prices, when viewed against median mortgage rates and incomes, are wildly affordable.

The peak of unaffordability was in 2006, when an average family in the US needed to spend 44% of their income to purchase an average single family home. These numbers are fine and dandy, but they're obviously a national average, which means certain areas are more affordable, and many more areas less affordable. What's most interesting to me in the study isn't the affordability index, it's the information that homeowners revealed by another survey mentioned in this [Wall Street Journal](#) story.

The American Institute of Certified Public Accountants released their own ironic study that reveals 79% of Americans have no intention of buying or selling a home anytime soon. No word from the detail oriented CPA's on what the definition of "anytime soon" may be. In their study, the brilliant, financially savvy American public made comments that forced the CPA's to come to this mind numbing conclusion " Two-thirds of those who plan to sell are waiting for home values to come back up before putting their homes on the market"

American public, lean in a little, because I'm only going to tell you this once. If you're waiting for values to come back up before selling your home, you had better be prepared to wait. And wait. When you're done waiting, go grab a water and take a bathroom break, and then wait some more. The thing about home values is that this Realtor just doesn't see them coming back to where they were for a long, long time. Values were so very high, so very artificially inflated in several markets in this country, that values will not return to those levels for several years to come.

By several I mean 5-8. By 5-8 I might mean a decade. It's the cold hard truth of the revised attitude our nation has towards housing. We're smack dab in the middle of a period where housing prices might rise a little one quarter, and fall a little the next. We're in a sideways market, and that's going to be the new reality of housing for several years to come. While that might not excite you, it's not entirely a bad thing either.

I've long been saying that a rebound in the housing market will mean a rebound in liquidity first, and a possible rebound in pricing later. The 40% that many national markets have lopped off in mere months, might very well take 5-8 years to rebuild. So homeowners who are waiting out the bad times, you really need to assess your situation. Really take a look at why you're wanting to sell in the first place. Are you selling to cash out and retire? If you are, you probably don't have 5-10 years to wait. Are you selling to move up to a larger, nicer home? If so, selling low and buying low is the same as selling high and buying high. Value a dollar at a dollar, and movement, whether it's up, down, or lateral, doesn't make a difference. Selling a home you think is worth \$500k for \$400k and buying a home that another seller thinks is worth \$500k for \$400k isn't any different than selling and buying for the perceived some day value. Are you selling to move to a tropical island because you love coconuts and automatic weapon yielding natives? Sell now, because even 80 cents on your US housing dollar will last you a long time in Honduras.

I think people are waiting for the wrong reasons. Then again, I think people generally buy and sell real estate when they do for the wrong reasons anyway. If you're a buyer, buy because you love what you're buying. Buy because the lifestyle you're looking to live can more easily be accomplished with the purchase than without. If you're selling, sell because you want to sell. Sell because you need to sell. Sell because your neighbor is driving you crazy. Sell because the house you've always had your eye on just hit the market. Sell to move up in the market. Sell to liquidate, but if you really want to sell, just sell already. If you're waiting to sell until markets rebound, please realize that doesn't mean to list in October. That means you'll be listing several years down the road, and the reason you were planning on selling in the first place might not exist at that magical time in the future. None of us are promised today, let alone tomorrow. Let alone 6 years from now when you can possibly sell your home for 15% more money.

If you're in no hurry to sell, do your neighbors a favor and take your home off the open market. If you're wanting to sell, be realistic in your asking price and



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aggressive in your hunt for a buyer. If you're a buyer, John Burns seems to be telling you that it's a pretty good time to buy. I'm telling you it's a good time to buy, and my reasons are not the same as Mr. Burns'. Buy because you want to. Buy because you can. Buy because you know the purchase will make you look like a real estate savant 15 years from now. Welcome to 2009 and the new rules of real estate. Sell low, hopefully buy lower.

*David Curry is a Realtor at Geneva Lakefront Realty in Williams Bay, WI. He writes a blog at [genevalakefrontrealty.com/blog](http://genevalakefrontrealty.com/blog).*

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