

REAL ESTATE REALITIES



As summer heats up the Real Estate markets keep cooling down when it should be exactly the opposite. We have had another price reduction (banks predict they have another 1,000,000 foreclosed homes coming on the market) and rates are at the lowest levels in history, around 4%, and yet buyers are afraid to buy. Why? The government tax incentive that expired at the end of April did help get buyers to buy homes but overall the program has proven to be another short sighted/short term government program that has not done what it was intended to do. What we saw the program do is capture future buyers and cause them to move sooner than normal and the end result is we now have a glut of homes for sale and no buyers willing to buy them.

The ironic issue is that the current buyers are waiting to see if there will be another tax credit program before they decide to buy (thinking the \$8,000 tax credit will save them money) but in reality they would be better off to buy NOW because interest rates are so low (between 3.75 to 4.25%) that the interest savings in your payment over the term of your home loan is greater than a one-time tax credit. The interest savings on a 30 year loan are well over \$20,000+ in savings and if you have not refinanced to the new lower rates you're also missing out.

Having a lower interest rate on your house not only will save you on your monthly payment but will also help you in the resale of your home in the future.

If you have any questions on this please feel free to call Bob Beutler. He'll be glad to show you how the numbers add up and how you can save thousands.

For a free consultation, call Bob Beutler. All information is confidential and private. You can reach Major Bob Beutler (ret) at: Cell: 612-558-7355 or Email Bob@callbob.net. Go to www.callbob.net to see all the homes for sale in MN. "No One in the World Sells More Homes than RE/MAX"