

Re: Book on buying a house?

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- *From:* "sinister" <sinister@xxxxxxxxxxxxxxxx>
 - *Date:* Fri, 14 Mar 2008 03:43:36 -0400
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<royls@xxxxxxxx> wrote in message news:47d96254.9143286@xxxxxxxxxxxxxxxxxxxx

On Tue, 11 Mar 2008 13:58:07 -0400, "sinister"
<sinister@xxxxxxxxxxxxxxxx> wrote:

For better or worse (well, probably for worse) I might buy a primary residence this year.

Why not wait a year? I've been expecting China to pull the plug after the Beijing Olympics, and times could then get very interesting, in the Chinese proverbial sense...

One word: "Wife".

My own model is that, while the bubble has deflated somewhat recently, (1) it takes quite a while for prices to adjust downward---at least a year in response to changes in the fundamentals, (2) prices will really take a beating when interest rates go up.

I don't know when rates will go up again, but the rest of the world cannot keep lending to the US forever. My estimate is that in 15 years, it's a certainty that this part of the world economy (trade balance, etc) will have gone back to equilibrium. 10 years, very likely. Five years, probably but not at all certain.

My wife really wants to buy, and even though I've explained the fundamentals to her and she's not at all stupid...well, let's just say that my impression is that on average women are much more emotionally attached to the idea of owning an abode.

The safest and most profitable time to buy real estate is when prices have been steady for a year after a crash.

Re: Book on buying a house?

Agreed...like I said above, though, the real crash won't happen until rates go up 100+ basis points, and I think that's coming, but my wife's patience will be exhausted first.

:-)

Does anyone have a book they could recommend on what to do, look for, pitfalls, etc? (Meaning, the house, inspection, loans etc.)

Your local public library does.

-- Roy L