

# 9 FACTS

You Should Know About Today's Illinois Real Estate Markets.  
Think locally and long-term, and do your homework.

## 1 Affordability is at a generational high.

The combination of lower home prices and historically low mortgage rates has made housing exceptionally affordable relative to household income.



## 2 Grab a low interest rate while they're still here.

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Mortgage rates remain at historic lows but this scenario can't last forever. A quarter percent change in the interest rate can mean tens of thousands of dollars in costs over a 30-year mortgage. For example, an increase from 5 to 6 percent on a 30-year \$200,000 loan can change the monthly payment of principal and interest by \$125, an increase of 11.6 percent.

## 3 Today's market offers opportunities for first-time, trade-up and investment buyers.

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If you've been thinking about buying your first home, a move-up home or second home—or find you have to relocate—current inventory levels plus historically low interest rates and affordable prices make this an excellent buying opportunity.

## 4 Sellers must set a compelling price.

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To sell quickly in today's market make sure your home carries a competitive price, not just a comparable one. Seek help from a real estate professional to better understand current market conditions. With foreclosures and short sales at discounted prices, plus more supply of homes than demand from buyers, selling today requires realistic expectations related to pricing and time on market.



## 5 When you sell, recoup when you buy.

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Waiting until later may cost you in the long run. What a seller may lose on the sell side can be recovered on the buy side when you take advantage of the low interest rates and lower priced homes.

## 6 Good credit and staying within your budget key.

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Lending rules have tightened after the turmoil in the financial markets in recent years, and this will affect your ability to get a loan. It's important to pre-qualify for a mortgage to know how much home you can afford. Check your credit report for free at [www.annualcreditreport.com](http://www.annualcreditreport.com) and take steps to safeguard or improve your credit history.

## 7 Safe and affordable mortgages are available...even for people with less-than-perfect credit.

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A mortgage backed by the Federal Housing Authority ([www.FHA.gov](http://www.FHA.gov) or [www.HUD.gov](http://www.HUD.gov)) can be the answer for first-time buyers who have a hard time getting financing and enough money for the down payment. Also, the Illinois Housing Development Authority ([www.IHDA.org](http://www.IHDA.org)) offers special loan programs that include down payment assistance. See [www.YourIllinoisHome.com](http://www.YourIllinoisHome.com), click on Financing.



## 8 Owning Makes Sense.

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The vast majority of both home owners and renters say that owning a home is a smart decision over the long term. Even in today's challenging economy, 95 percent of owners and 72 percent of renters believe that over a period of several years it makes more sense to own a home.

(NAR American Attitudes About Homeownership, 2/11)



## 9 Getting help from an Illinois REALTOR® is a smart financial decision.

It has never been more important to work with a REALTOR®, the local market expert, to properly assess market values. Some areas have two levels of pricing—distressed sales and traditional sales. REALTORS® have access to the most up-to-date and comprehensive property listings and sales information. REALTORS® know your market and can offer trusted counsel for both buyers and sellers.

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