

NOW'S THE TIME TO BUY, IF . . .

COLLEGE STATION— “It appears we are at the bottom of the housing market in most Texas cities,” said Real Estate Center Director Mark Dotzour after reviewing the state's latest home sale numbers.

Dotzour mentioned two years ago that new home construction needed to fall dramatically to avoid the level of overbuilding that could damage Texas housing markets. He even picked summer 2009 as the bottom of the housing cycle because bankers would constrain credit to homebuilders and developers.

Apparently he was right on all counts. The Texas inventory of unsold new and existing homes is in good shape.

“I feel now is the time to buy a house in most Texas cities,” he said. “Housing affordability has never been higher, and I never thought I would see 5 percent mortgages in my lifetime. If you plan to live in the house for at least two or three years, now is the time to buy.

“If you are planning to build a home to retire to in the near future, now is a great time to do it. Contractors are plentiful, construction costs are lower and mortgage money is cheap,” he said.

Dotzour said mortgage rates should remain low as long as the federal government continues to purchase almost all residential mortgages. When they stop, rates will move up.

The Center's chief economist is quick to note, however, that everything hinges on one crucial assumption — ***“that the federal government doesn't cause further damage to the U.S. economy with higher levels of intervention in healthcare, taxation, cap and trade and rewriting accounting and legal standards.”***