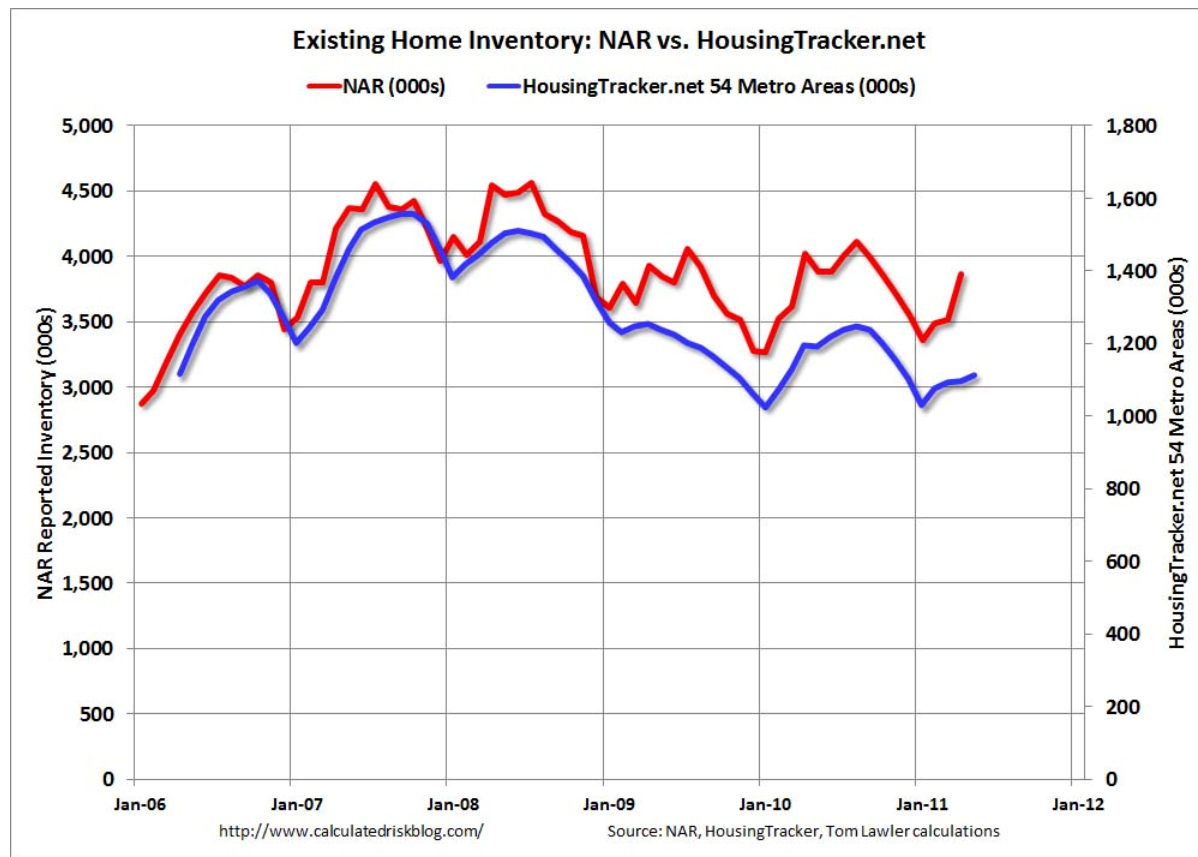


The Wall Street Journal Says After Five Years Of Bust It Is Time To Buy

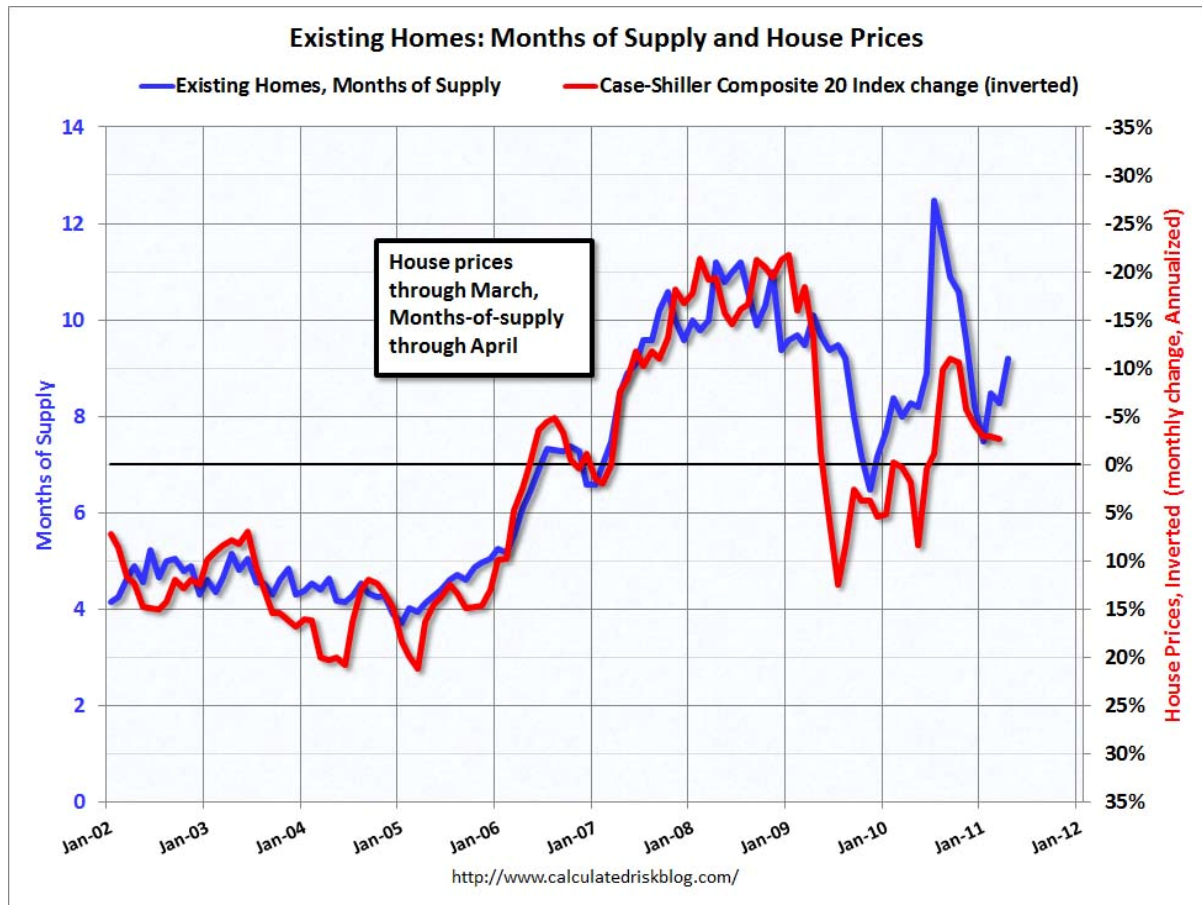
Mortgage rates are near 50-year lows. Affordability has improved dramatically. The ratio of home prices to income is 21% lower than its 15-year average. An excess of 3 million vacant units makes this a buyer's market. Household formation averaging 1.2 million a year in the next decade should clean out the excess.

"Whatever the excess supply of housing is, it is shrinking pretty fast," says Thomas Lawler, a regular source at Calculated Risk, the leading arbiter of housing data. He is quoted in [Why It's Time To Buy](#). (Please see the chart below showing positive inventory trends. Click chart for large image.)



The obvious long-term goal of ownership is free-and-clear title with no mortgage. If your mortgage is paid off at retirement your monthly nut is significantly reduced. You don't have to pay rent. You can sell the house and collect the equity on the way out.

The journal reporters suggest an "ultraconservative" approach to purchasing by waiting for the monthly cost of principal, interest, property taxes, fire insurance and upkeep -- the primary costs of ownership -- to equal the rent bill for a similar home. (Please see the chart below showing price and inventory trends. Click chart for large image.)



"While we might not see rapid growth in the next couple of years, there are a tremendous number of positive signs that could lead to a rebound," says Anthony Sanders, a real-estate finance professor at George Mason University.