



# When *Buying and Selling* Real Estate, *Keep an Eye on* Interest Rates

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*If you are already working with an agent, this is not meant as a solicitation for that business.*

*I*f you're in the market for a new home—or if you're selling a home—then one major factor to consider is interest rates. While they have been low for a couple of years, it looks like this may change soon.

With the recent media attention following the rising stock market, it is inevitable that interest rates will trend upward. If you're buying real estate you must take this into consideration. Right now, the numbers are in your favor—and you might want to make your decision while they still are.

For buyers, it's simple. The lower the interest rate, the more buying power you have. For sellers, it's equally simple. The lower the interest rate, the more buyers are able to purchase your home.

These are amazing times we live in. Interest rates have been at historic lows—lower than at any time during our lives. This is a great opportunity to make the purchase of a lifetime -- before it's too late!

Many buyers are still waiting for the "perfect" home or a super-motivated seller. They may not realize that their wait could lead to missing the boat on the current low rates.

The true perfect home is the one that's going to not only be a joy to live in, but also a sound investment with appreciation value. If you're

concerned about seller motivation, why not just make a great offer? That's how to turn a lukewarm seller into a super-motivated one.

In the long run, it's actually worth it to pay a slightly higher price because of the low interest rates. In effect, you're getting that house at a discount.

If you wait for the price of a house to come down, you will save some money in the short term. However, in the long term, you will have paid more for that house at a reduced price and a higher interest rate.

By paying asking price (or close to it) at a reduced interest rate, you actually pay less when you add up the total of a loan after it's all paid. This is because interest rates are amortized over a very long period of time.

If you're a seller, the best way to take advantage of the current low interest rates is to do a price reduction now. This will attract the buyers that may be on the fence, but who want to buy now to get in before rates go up.

Want more data on interest rates and where the market is headed? Just give me a call at (360) 620-2690 or send an email to [mollyells@windermere.com](mailto:mollyells@windermere.com). I have a few projections of what's going to happen in our area and I'd love to share them with you.

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