

L.A. LAND

THE RAPIDLY CHANGING LANDSCAPE OF THE LOS ANGELES REAL ESTATE MARKET AND BEYOND.

Is it time to buy? Pros and cons weighed



Today's newspaper asks the question many of you have already answered in your head: [Is this a good time to buy a house in Southern California? Simple question, right?](#)

The 30-second summary:

It's time to buy: because prices have fallen quite a bit from their peak. Besides, a home is not an investment; it's a place to live. Richard Green, the new director of USC's Lusk Center for Real Estate, just bought a home in Pasadena: "This was the house we wanted to live in," he said. "A house can be like a car, something you use and enjoy and have for a while. Whether it goes up or down in value may not be so important."

It's time to wait: because prices are high by historical measures and will likely continue to fall. Prices are still historically high relative to income and rents. Or, as economist Christopher Thornberg puts it, "There's no way in hell the house you buy now will be more expensive next year."

For what it's worth, I get this question all the time and I have a standard answer that's part cop-out and part real advice: It's a good time to buy if you can afford the house, you envision it as your home, you are planning to live there for six or seven years and won't be upset or inconvenienced if the value of your new house drops sharply in the next couple of years. If you're interested in buying as an investment, with hopes of profiting, you're on your own.

--Peter Viles

Your thoughts? Comments? E-mail story tips to peter.viles@latimes.com

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