



What price paradise?

Now may be the best time to make that move to a new home

By [Joanna Beresford](#) 08/14/2008

To buy or not to buy? That is the question. Is it better to await the possibilities of further plummeting home values and rock-steady interest rates or, by acting now, avoid the potential effects of world affairs, federal regulations and other cosmic catastrophes? And by acting, perchance, to acquire the home of your dreams ...

Well, in a recent Los Angeles Times article, Celia Chen, director of housing economics for Moody'sEconomy.com, contends that housing prices will continue to deflate by as much as 25 percent. In the same story, Los Angeles economist Christopher Thornberg agrees (so emphatically, in fact, that he resorts to using a bad word; can you really write H-E-double toothpicks in the newspaper these days? Wow).

"There's no way in hell the house you buy now will be more expensive next year," asserts Mr. Thornberg. Or, asserted. I don't think he keeps on asserting it after the initial statement, in spite of literary convention, or unless he suffers from some form of Tourette's syndrome, or something.

Naturally, no absolute realities will provide us with a singular, satisfying response to the question.

Many experts will advise consumers: calm down, don't rush into anything, but consider MAKING A MOVE before the market turns something worse or different than upside down. So everyone scrambles to seize upon some semblance of a property, sell off the family heirlooms, scrape together a down payment, make an offer, and don't think about sleeping or eating until you get a response from homeowner or banker.

That's one way to go. But, then there's the voice of reason. First of all, the Pasadena and San Gabriel Valley region aren't equivalent to the country, the state, or even the county of Los Angeles. The region hardly comprises its own cohesive, discreet entity that can be uniformly assessed.

Enter two of my most enterprising, intelligent and doggone cute local resources. First, Martha Shanks, mortgage professional with Vesta Marketing, in Pasadena. Martha never freaks out or jumps to conclusions. Ask her about fluctuating markets and she replies with refreshing candor. "My initial response is this. I've always told people, and I've been saying until the last 30 days, that really time is on your side. You can buy or not, housing prices will probably continue to tumble. You're in a perfect position to find the house that really suits your needs."

Martha says won't be surprised if home prices in general continue to drop, but she's more likely, very recently, to consider the undulating landscape of world events, interest rates, etc. as potentially significant factors in the home-buying experience.

"It may make more sense to buy now," she concedes.

Then there's Irina Netchaev with Keller Williams Realty. I'm still toying with the idea that Irina is a beautiful Soviet-era spy, sent to the United States to report on our bad grammar, poor hygiene and other slovenly habits. She's so elegant. But she also really knows her business, so I accept her at agent/face value. Here's what Irina says about The Question.

"It is always a good time to buy real estate if you are prepared to buy real estate and have consulted with a real estate professional and lender to understand your options. For example, if a buyer has spoken with a lender, was preapproved and has a very clear understanding as to how much they can afford to pay monthly, what their closing costs will be and how much house they can afford, they are ready."

Irina also expresses some concern about the possibility of rising interest rates: "The interest rates are still very low ... If interest rates go up, even

if the home prices go down, waiting could be a serious mistake.”

Guess what? When the first Midwestern settlers purchased the land that would become Pasadena in 1873, they bought the property for about \$6.30 per acre. Boy, it’s a good thing they didn’t wait for the market to turn around, eh? In spite of the seemingly low-ball price, these Hoosiers (Indiana natives, mostly) believed they had stumbled upon an unlikely expanse of paradise, and that’s one thing that most of us, more than two centuries later, can agree on; so how do you put a price on that?

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