

For Immediate Release

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Waiting to buy a new home may cost more than you think

Stable local housing market remains strong value

Holly Springs, NC, Dec 19, 2007 – Stanton Homes, a Raleigh area custom home builder, today announced cost analysis of buying now versus renting and waiting for a cheaper home selling market.

“If you’re considering renting for a while, you may want to check out the bottom line,” said Stan Williams, CEO of Stanton Homes.

- Renting a 2 bedroom, 1 bath, 900 sq ft apartment at \$800 per month (a bargain, bare-essentials home) - **\$9600 over one year.**
- If renting a 3 bedroom, 2 bath house, average rent is at least \$1200 per month. That’s **\$14,400 over one year’s time**, plus the extra moving costs and any nonrefundable deposits.
- Renting a storage unit to store excess household goods from your previous home - **\$1200** (for a small unit) **over one year.**
- Paying for a second U-Haul (economy do-it-yourself) to move from your temporary apartment to the home you eventually purchase - **\$300.** (You’ll need to move all your belongings from both the apartment and the storage unit – also be prepared to pay for pizza and beer for the group of friends that helps you move – again – or add an additional several hundred to thousands of dollars for professional movers.)
- Did you pack away too much? Add the cost of buying all the stuff that’s “somewhere” in the storage unit – dishes, furniture rentals, seasonal clothes...
- What are the costs of your family’s comfort? Renting can mean higher noise levels, shared walls and ceilings, limited parking, cars exposed to weather, fees and limited space for pets, rent and utility deposits – not to mention having to adjust to two different neighborhoods, schools, and churches within a year’s time.

“Average annual home appreciation in the Triangle for a home is about 6%, including the most recent totals for 2007,” said Williams. “Sales are slower, but homes are still appreciating, as they have been, slowly, steadily and predictably, over the past five years.”

According to the Office of Federal Housing Enterprise Oversight, national appreciation over the past five years is 28.5% - about the same as the Triangle.

“It’s places like San Jose, CA, that are seeing the downward trend you’ve been hearing about – and since they’ve had a 5 year appreciation rate of 87.3% - it’s not surprising that home prices there are now correcting,” said Williams.

Overall U.S. numbers for the 3rd quarter show that home values have a 1.7% decline from last year. This is represented mainly by problems in the Michigan, California, Arizona, and Florida markets – where home prices had increased to nearly double the levels of 5 years ago, and now are correcting.

“Nobody can guarantee what’s going to happen in the real estate market – but we do know that the Raleigh market has not overinflated, that jobs are plentiful, and that thousands of newcomers continue to move here,” said Williams. “The Raleigh/Durham/Chapel Hill area remains a top destination, for people wanting great jobs, climate, recreation, education, and people-friendly culture.”

- If Triangle homes continue to appreciate at the slow, steady average rate of 6% that they have over the past 5 years – that \$250,000 home will cost \$265,000 a year from now. You’ll have spent about \$11,000 on rent (for that small apartment,) have one less year paid down on your mortgage, and your new home will now cost you \$15,000 more than it did one year ago. **If you had bought when you first moved, you’d now have \$15,000 equity in your home, along with a year’s worth of payments on the mortgage.**
- If Raleigh area home appreciation slows down to a mere 2% - less than the annual inflation rate – that \$250,000 home will cost \$255,000 a year later. If you decided to rent an apartment and wait and see, you’ll have lost a year paying down on your mortgage, spent \$11,000 on rent, and your home will cost \$5,000 more than it did a year ago. **If you’d bought immediately, you’d have \$5,000 in equity, plus again a year’s worth of payments.**
- Suppose homes actually depreciate by 2% in the Triangle - an unlikely downswing of 9% from last year’s 7% appreciation rate – in a market area with lots of movement and lots of buyers. In this scenario, the home that was worth \$250,000 last year is now worth \$245,000, or \$5,000 less - but double the amount you’ve just spent on rent.

“No matter how you look at the numbers, it’s going to take a huge change in direction for local houses in the \$200-\$300K range to go down in price enough to make you money if you decide to rent for a year and then buy a permanent home,” said Williams. “And don’t expect builder end-of-year inventory sales to last long – the supply of homes in the \$200-\$300K range is actually very low in most locations throughout the Triangle. There simply isn’t that much long-term room to negotiate. ”

For more information about Raleigh area custom builder Stanton Homes, visit <http://www.stantonhomes.com>.

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