



## Reasons To Buy A Home Around The Holidays

From Thanksgiving until Valentine's Day is one of the slowest periods for home sales. That's one reason you, as a smart buyer, should be out there looking.

In most parts of the United States, house sales follow predictable seasonal patterns. They're strongest in spring and summer and bottom out around Christmas and the New Year before picking up again in spring.

That means that late December/early January is a great time to look for a house. There are other advantages to buying at year-end, too. So if you are thinking of purchasing a home in the near future, consider fast-forwarding your plans and starting your house-hunt now.

Here are five good reasons:

[1] Lower prices. A lot of people don't have the time or the desire to look for a house during the holiday season; they're too busy shopping, going to holiday parties and catching up with family and friends. The slackening of demand is reflected in softer house prices. Houses that failed to sell in the pre-holiday period may have reduced prices; new listings, though sparse, will be priced to reflect the slow market, which picks up only gradually in the New Year. It's a good time to find a bargain. Many sellers who are not motivated take their house off the market in the dead of winter. So those who are still on the market may be more motivated, hence more negotiable.

[2] Less buyer competition. With fewer active house-hunters out there, you are unlikely to end up in a bidding war that would drive up the price for the house you want or put it out of your financial reach. Less competition also means less stress for you during the bidding process.

[3] Motivated sellers. Many sellers who failed to make a deal before the holidays will be very motivated now, especially if their houses have been on the market for several months. They will be eager to sell and to avoid scheduling their holiday plans around viewings by prospective purchasers, so they are likely to look at any reasonable offer favorably and to negotiate on price. They may also be open to requests for extras like appliances and window coverings, and to giving you the closing date you want.

[4] Favorable mortgage terms. Fewer home sales translate into less demand for mortgage money during the holiday season. Lenders may be willing to shave a few basis points off the interest rate they offer you or to forgo some of their fees in order to get your business. Make sure you shop around to get the best deal available.

[5] Tax deduction. If you close on or before December 31, you are likely to be eligible to deduct the interest component of your first monthly mortgage payment from your taxable income for that year. You may also be able to deduct any money you pay for points to reduce the interest rate on your loan. Consult a tax advisor to see how the mortgage interest deduction applies in your situation.