

THE WAITING GAME

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A friend once told me that, “Urgency is the ante to play.” I wish I would’ve known that growing up because I’ve always played The Waiting Game. Playing the game to see if I can wait others out, wait for the stock to drop a little bit or just wait to see if something better comes along. Now, while that strategy has definitely paid dividends in waiting to find my wife (huge brownie points right there), it isn’t the best strategy in real estate.

In today’s real estate market, The Waiting Game is something you’re going to lose if you end up playing it. Homes aren’t lasting long on the market and money is cheap given interest rates. So, if you’re sitting on the fence wondering whether or not if now is the right time to act upon either listing or selling your home, I’ve got a simple piece of coaching for you: don’t wait!

You see, The Waiting Game is not for the faint of heart when it comes to real estate right now. Waiting to buy a new one can have serious implications on your equity in the home or in the price that you’re able to get for it.

In this real estate market, buyers may be playing The Waiting Game and losing before it even starts. Sure, there are advantages to playing this game, like having more time to save money for a larger down payment. But as we’ve just seen with a small increase in interest rates this week, waiting could also mean you end up paying more in interest, and then having less equity in the house you’re purchasing.

Working with a licensed Realtor® can help you see the positives and negatives that this game brings. But today, in this article, you got me! Let’s take a look at a real-life example in today’s market right here in the Mahoning Valley with the help of Tri-County real estate data comparing Jan. 1, 2020-March 5, 2020 to this year.

The average home price in the Mahoning Valley is up 24% year-over-year. That means that last year the house you could’ve bought for \$145,000 will cost you \$178,000 this year!

If you purchased that \$145,000 house last year, with a 2.75% interest rate on a 30-year mortgage and put 10% down, your mortgage payment would be approximately \$533 a month. But if you decide to wait a year and play The Waiting Game, the interest rate is now 3.25%, causing your mortgage payment to balloon to \$697 per month! That’s almost \$2000 extra you will be paying for that same house by waiting!

Pulling the trigger and making that decision would have also increased the equity that you have in your home by \$33,000, even though you paid less for it.

Everybody’s situation is unique. A licensed Realtor® is not there to pressure you into buying a home right now, nor am I. But when you look at the numbers, and you’re considering buying a house this year vs next year, doing so will not only earn you the title of “homeowner,” but also, “winner,” when it comes to The Waiting Game.

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