



## Should You Buy Or Rent In Today'S Market?

*It's a seller's market, but that doesn't mean you should wait to purchase your dream home.*

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It's a seller's market. In fact, it has been since January according to [CNN Money](#). Home prices are on the rise and loans are becoming more expensive. Although the market is skewed to favor sellers, that doesn't necessarily mean to wait to purchase your dream home.

[ESTATENVY](#) spoke with Camille Canales, co-founder of the Buckner Canales Group at [North Clybourn Group](#), and she broke down some of the things you should take into account before making the decision to rent or buy.

### Lifestyle Needs

When deciding if buying or renting is the right step for you, it's most important to look at your

lifestyle and take inventory of the things that are important to you. Do you like the flexibility of being able to move neighborhoods or cities at the drop of a hat? Does making a large down payment seem daunting, or even impossible? If these questions resonate with you, then renting might be the journey you need to be on right now.

Canales understands that sometimes renters are comfortable and don't see the value of buying right now, but that doesn't mean it's the best option. "Rent historically tends to increase year over year. If you're renting three years at \$1,800 per month that's a good chunk of change that could've been put towards a mortgage. The pro of renting is the flexibility it offers if you're not sure of the location you want to be in or if your job isn't stable. The cons are that you're not getting any tax benefits from renting and you're paying someone else's mortgage."

### Interest Rates

Just as [CNN Monday noted earlier this year](#), interest rates are on the rise. As of now, rates are closer to 4.5, higher than they were when many homeowners bought during the recession. Canales pointed out that this is one of the reasons it's currently a seller's market. Buyers got a great deal in 2012 and in the cyclical timeline for real estate, they should be getting ready to move on to their next home. Instead, they're staying put, not wanting to buy into the current interest rates, therefore, creating high demand for homes with very little inventory.

However, according to Canales, this isn't something that should scare you away from pulling the trigger and buying now. "The trade wars right now can affect the market volatility—rates can dip down or jump up day to day and change from when you start looking to when you buy. There's a consensus that rates are going to continue to go up and there's a hike on the horizon. At a certain point, the rates are going to be at 5 or 6 and it's going to affect how much money you can afford per month on your mortgage."

### Timeline

If you are willing to pull the trigger now, it's likely you'll lock in a lower rate than you will in a couple months. Canales noted that a lot of her clients want to wait and save more money before they buy, but if they go that route, it's likely the rates will increase so much that they could be losing money each month. "Right now, the pros for buying is getting in before the prices continue to climb. A market correction isn't on the horizon, so it's important to look for areas where the threshold for the cap of appreciation is higher."

### Location

Obviously, where you are buying is also going to impact if you should or shouldn't buy right now. Being based in Chicago, Canales noted that certain neighborhoods have reached their cap of appreciation, so if you buy in those areas, it's likely you will not get a great return on your investment. Neighborhoods such as Logan Square and others on the west side have seen an influx of stores and restaurants which has created high demand in the area—whereas such as Lincoln Park and Gold Coast are established areas that are likely not going to develop enough to enhance the value on your home.

Regardless of where you are in your life plan, it's important to weigh in what you value as a potential buyer. The marketplace will continue to go up and down, but as interest rates continue to rise, there's no time like the present to purchase your dream home.

"It's personally and financially fulfilling to purchase your own home and you always have something that is yours that you can use in a myriad of ways," shared Canales.