

newsworthy trends

Beat The Market: Buy A House

(NAPSA)—Rising real estate values have made home ownership a better investment than stocks over the past several years, experts say.

Want to beat the stock market? Buy a house.

According to the National Association of Realtors, the median home resale price in 1991 was \$97,100. At the end of 2001, that same home was worth \$147,500.

Even better news is that over the last three years, home equity grew at an annual rate of 20.5 percent. In 1998, if you bought the median-priced home at \$128,400 with a 20 percent down payment of \$25,680 and a mortgage of \$102,720, you would now have a home worth nearly \$150,000. In contrast, over the same period, the stock market rose only about 10 percent.

As recently as the 1998 Survey of Consumer Finances, the median net worth of all American households was \$71,600. That's only slightly more than the \$69,820 of equity built by the 10-year homeowner in the scenario above. In other words, a single investment decision to own a home 10 years ago was enough to take a family into the mid-range of American wealth today. Add a steady job, modest annual savings and a typical employer match for a 401(k) plan, and many people could have vaulted into the top half of all wealth holders over the last 10 years.

Other key benefits to buying a home include:

- The interest you pay on your mortgage is tax deductible, so homeowners stand to gain a significant reduction on their income tax.

- Unlike renters, homeowners can modify their properties as they wish. Improvements can increase the value of a house, in turn giving owners more money



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when they sell.

- Through home equity loans, homeowners can tap into the value of their house for other purchases, such as a car or college education.

Home equity is the largest component of personal wealth for about 90 percent of all Americans. Increases in home values have very likely offset stock market losses in recent years, said Scott Burns, MSN Money expert and personal finance columnist for the Dallas Morning News.

For more information on managing your finances to purchase a home, visit CNBC on MSN Money (<http://www.money.msn.com>), or use the planning tools within Microsoft Money software to help you prioritize and reach your home-buying goals. To find the right home for you, visit MSN HomeAdvisor (<http://www.homeadvisor.msn.com>), which offers a complete guide to the home-buying process in addition to comprehensive tools for finding homes and loans on the Web.