

## **Home Sales Reach Record By Jeff Cooper**

U.S. home sales hit a new record last year, says the National Association of Realtors (NAR). Total sales of existing houses went up more than nine percent in 2004, making it the fourth year in a row that transactions rose to a record.

NAR forecasts that in 2005 home sales will stay strong, although they'll dip a little as mortgage rates rise. Home prices also will go up more than five percent, predicts NAR, after rising an average of eight percent last year.

Currently mortgage rates remain at low levels, even though consumer prices are going up. Last year higher fuel costs helped push inflation to its highest point in four years.

Eventually the combination of more-energetic inflation rates and continued short-term rate increases from the Federal Reserve will cause mortgage rates to pick up. Locking in great financing terms while they're still available is a wise choice – and that's true even if you prefer an adjustable-rate home loan.

“Hybrid” adjustables are some of the most popular mortgages today. That's because they offer low adjustable rates that won't change for anywhere from three to ten years. In 2004 about 40 percent of all adjustable-rate mortgages were hybrids that offered an initial fixed rate for five years.

We can't be sure how long today's attractive rates will be available. So no matter which loan works best for you, it's important to move as quickly as possible.