

Many people are asking the age old question, "Should I buy now, or wait for the market to bottom out?" In most parts of the country, prices have fallen over the past 4 years. [Real estate](#) goes in cycles. We have had a big run up in prices from the early 2,000's to 2005. It hit a peak, and then started to tumble down. At that time, many people started to sell [properties](#). Others waited for the market to rebound. Few could have forecast the beating some markets have taken. Some of the hardest hit areas have been in Michigan, Arizona, and Florida. Conversely, these areas may hold the greatest potential for real estate to make a comeback.

If you are purchasing to hold onto for at least 5 years, this is a great time to buy. There was a time when prices appreciated to a point where a house could not command the proper rent to at least break even. [Investors](#)

were purchasing, knowing that they would have a negative [cash flow](#), to later sell at an appreciated value. This is a different ball game, and a different market. In today's market, you can purchase at a price that will allow you to hold onto a property and have a positive cash flow. We will not know we are at the bottom until we are about 6 months out of it.

In today's readjusted market, investors are able to purchase by the tried and true, bread and butter principles that have always worked and made fortunes for many. Buy at a price where you can have a reasonable cash flow and net 8%-10% on your money. Purchase for cash flow, sell for profit. Now is one of the best times to buy, if you are in a position to. We know where prices were 4 -5 years ago. We know where they are now. We can speculate where they will be in 4 -5 years from today. The people who buy today will profit greatly within 5 years.

The bottom of a real estate market is not an exact date. The economy has gone through some rough times. Most people think it has been through the worst. As the economy starts to rebound and the [stock market](#) continues to climb, more and more people will be in a position to purchase real estate, and this will drive up the prices. As the price of real estate appreciates, more people will be inclined to buy. If you can find a good deal, now is a great time to purchase real estate, and in many markets, even paying market value is a good deal.