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Is it a good time to buy a home?

That's always a challenging real estate question because, well, you have to ask real estate people for the answer. And, well, they have a habit of being overly optimistic.

Nevertheless we decided to ask real estate pros around town what they'd tell the inquisitive relative or neighbor who asked the quintessential property question. And, yes, we heard' "It's a good time'" a lot.

Let's start with residential outlooks …

Len Herman, 2013 president of the Orange County Association of Realtors and agent with Keller Williams Realty in Mission Viejo, says the timing is perfect to buy.

"It may be the best time ever to buy a home which you plan to keep. Home prices are down about 40 percent off their peak and interest rates remain at or near record lows. Additionally, prevailing market rents versus mortgage payments favor home ownership."

Gary Watts, broker for Impact Real Estate in Mission Viejo, says cheap loan rates are key for the house shopper.

"For a buyer, please get in as soon as possible because before long, interest rates will have to rise. With today's low interest rates, house payments can be less than renting, and if we are at or near the bottom of the house-price cycle, then add potential future appreciation to your acquisition."

Veronica Hicks, broker from CondosEtc., had similar thoughts for those with a long-

buy in 2009 and 2010 when everyone else was running for the hills. Your best bet is to stay conservative and buy less than you can afford, leaving a margin for the unexpected. If you’re investing in a property as a rental, simply leave an extra cushion between what you pay each month (principal, interest, taxes, insurance) and what the property generates in rental income each month. If you’re flipping start with a property that is well below what you can afford and leave big margins in your budget to plan for the unexpected. In general, flipping would be a better strategy in Orange County while buying rentals is probably a better strategy in the Inland Empire.”

Meanwhile, in commercial real estate …

Rand Sperry, CEO of the Sperry Van Ness commercial real estate franchisor in Irvine, says investors of big properties, too, should keep cheap money in mind.

“In the last 35 years, I have never seen rates near the sub-4 percent level we are seeing today. I believe we are at or near the bottom and don’t believe there is much more downside. We may have even pushed off the bottom. The availability of positive leverage, low interest rates, rental rates on commercial properties at five-year lows and improving market fundamentals lends itself to a unique investment environment.”

Nick Lieberman, president of Bona Fide Mortgage of Irvine and treasurer of the Apartment Association of Orange County, says successful rental buyers will have reasonable expectations.

“Don’t expect large returns in initial years. A 2 percent to 5 percent annual yield is probably all one can expect on a well-located, stabilized income-generating property. But compared with interest paid on savings — typically less than 1 percent — that may be a perfectly acceptable return. Depreciation benefits (for as long as they may remain a deduction) offer an addition boost to yield. The last five years of economic stress have put real estate values through the ringer, meaning reduced risk

will be rewarded by changing tastes in housing choices.

“I believe we are seeing a paradigm shift in how many Americans approach their housing decisions. The economic difficulties over the last few years have made homeownership less attractive and consequently boosted rental housing demand.”

And, finally, Jeff Ingham, senior managing director at the Jones Lang LaSalle commercial real estate brokerage, says selectivity will be key.

“Since real estate is relatively custom and location-specific, there tends to be hidden opportunities in product type in most flat as well as improving market cycles. If you’re considering investing in core Class A office product, prices have fully recovered and are currently trading at peak values. However, if you are looking for a long-term investment, the market has plenty of value-added Class A and B product to consider with higher, risk-adjusted returns. Class C product would be tough to invest in with any confidence in a return.”

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