

# Rental Prices Soaring as Home Values Stay Low

MIAMI, Fla., Dec. 7, 2011 (SEND2PRESS NEWSWIRE) – Foreclosure Deals, a leading provider of foreclosure listings, news and information, [has released new research on home prices and rent values across the nation](#). Drawn on data collected from regional and local real estate markets, the numbers demonstrate the relationship between the average cost of rent and the average cost of a home purchase in each state, which can help homebuyers choose the best markets in which to invest.

“Foreclosures have had a huge impact on home values,” remarked [John Evan Miller](#), a real estate analyst with Foreclosure Deals. “In almost every market, prices are well below their 2008 values, simply because there are so many homes available.”

Foreclosure Deals presents the new data compared with values recorded in 2008 using an [infographic](#) available on their web site, and the impact of the foreclosure wave is clear. In many areas, home prices are extremely low, while rent prices are notably higher.

“Rents are up, and they’re going to stay up,” said Miller. “Even though it’s the best market for homebuyers we’ve seen in over a decade, the recession made a lot of people reconsider spending at the time, so they rented. This drove up demand, and prices, for rental properties.”

Despite the sluggish economy, Miller points out that this is the perfect market for real estate investment. He adds that mortgage interest rates are also at historic lows, creating other opportunities for value investing.

“Not only do you have rock bottom prices, you’ve got a terrific market to rent out your property while you wait for prices to rise. And they will rise. Home values will come back, but the days of 3.5 percent and 4 percent mortgages aren’t going to be around forever. Once home values rise, those interest rates will rise too.”

Experts currently predict average rental costs to be 4.5 percent higher than by the end of 2011 than their value last year, and up another 3 percent in 2012. In contrast, foreclosure homes currently offer savings of anywhere from 10 percent to 50 percent off market value. As buyers who put off buying a home during the recession look to start buying again once the economy improves, it will create the opportunity for big profits for foreclosure investors.

“In a great many cases, you’re going to end up paying less on a monthly mortgage payment if you buy a home than you would in rent on the same property,” said Miller. “Could there be a better reason to buy than that?”

View large version of research infographic image at:

<http://www.foreclosuredeals.com/wp/2011-rent-vs-buy-infographic-choose-the-be>

st-real-estate-investment/ .

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