

Environment for First-Time Buyers Improves

In the real estate market of 2007 and prior – doesn't it all seem so long ago? – first-time buyers were at a distinct disadvantage. The market was something close to rabidly competitive among buyers, and if you didn't have all of your ducks in a row, you'd lose out to the guy who saw the apartment five minutes before you. In fact, there was a chance that the guy that saw the apartment ten minutes after you had a suitcase full of unmarked bills and was just waiting to throw down.

OK, so the last part of that paragraph might have been hyperbole. But the point remains: It was tough to buy your first home. It's quite the process to begin with, but to have to compete with a seemingly endless set of other buyers made it feel next to impossible at times.

These days, however, the market for [NYC apartments](#) has become something akin to Goldilocks' porridge for first time buyers. It's not too hot, not too cold. Home values have stayed relatively steady over the past several months. Demand has dropped off just enough that first time buyers can spend a little more time getting to know the process, but not so much that buying is no longer a solid investment in many cases.

First-time buyers, of course, face other hurdles than just getting to know the process. They lack a track record with home loans, so, all things being equal, banks will consider them riskier investments than most potential buyers.

That part, at least, hasn't gotten any better recently. While mortgage rates remain quite low, the credit crunch and the press coverage of the subprime crisis has led most residential real estate lenders to tighten their lending standards, according to a recent report by the Federal Reserve.

Another thing that has helped first-time buyers recently: As the market has shifted away from being a seller's market, those with homes already that have to sell them first are at more of a disadvantage than they were when homes were selling like hotcakes. This has left first-time buyers who have been approved for a loan at a distinct advantage in the eyes of many sellers.

All in all, as the hyper-hot [NYC apartment](#) market cools, first-time buyers are more likely to find the home-buying process an agreeable process that lacks many of the eccentric challenges that the city's real estate market was home to.

About the Author

Nicholas Adams Judge is a freelance writer specializing in business, politics and economics. He holds a B.A. in political science and will begin his PhD studies in political economy and public opinion next fall. He has studied economics and political science at a number of different institutions, both here and in the U.K., including Amherst College, Warwick University, Oxford University and the University of Massachusetts-Amherst.

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