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Thank God I'm Homeless

Ok, maybe the title is a bit misleading. My family isn't living in a van down by the river. We aren't living in a cardboard box. No crashing on a friend's couch for a few weeks or moving back in with Mom and Dad. We rented a nice apartment just down the street.

Over the last year or two we became concerned with the real estate market in Houston. We saw that ~20% of our neighbors were in financial trouble and that we would have several foreclosures on our street.

Our desire to relocate just added fuel to the fire. If the market crashed we were screwed. There would be no way to move without taking a significant hit when selling our house, assuming that we could sell it at all!

Taking the fear out of a scary decision

Going against conventional wisdom is always scary. It didn't help that we had spent almost a decade in our home. We had renovated it from top to bottom, and it was pretty much exactly as we wanted it. Our kids had grown up here, and there were a ton of memories.

Immediately we started second guessing ourselves. What if we are overreacting and the market recovers? Do we really want to leave our home? Heck, do we really want to have strangers invade our privacy (showing your house to prospective buyers can be invasive)? Do we want to have to deal with keeping our home showroom clean?

Coming back to the facts made the decision simple

I learned a long time ago to create a pro/con list to help make emotional decisions. This simple tool cuts out the emotion (it becomes a data point) and helps you see the best course of action. If you really want to get fancy, weight each factor based on their importance to you.

What we found was that there was minimal downside. If we were wrong, it would only cost us a few thousand dollars in closing costs and our time. If we were right, it would save us financially. It would allow us to move on a moments notice.

Actual events validated our decision

Now that it's been several months since we sold our house, actual events have validated our decision.

- Prices in our area dropped 8% two weeks after we finalized the sale.
- Housing sales almost came to a complete stop.
- Two houses on our street are in foreclosure. Two more are likely to be foreclosed by year end. Another is on the bubble. Since our street only had 22 houses, this means that over 20% of the houses could be foreclosures.
- Unemployment is picking up.
- Our neighbors are scared and don't know what to do.

The biggest lesson

To be successful you need to learn to question assumptions, evaluate situations, and think for yourself. The problem with most advice is that it is aimed at the huddled masses, the lemmings, at the "other 80%." The winner thinks for himself, and while he may look crazy at times (our neighbors thought we were nuts), in the end he looks like a genius.

You can also find this article published on [Thank God I'm Homeless](#), and on the tag pages [Wealth](#).