

*home buyer*

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# Winter 2025

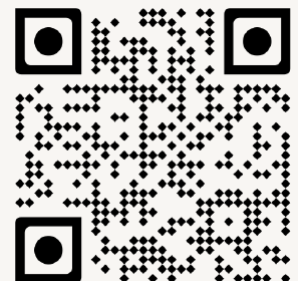
## BUYER'S ADVANTAGE

Current Trends, Insights & What to Expect in Winter 2025

"It's not about how many houses I sell. It's about how many people I help."



SCAN for Buyer Tips and  
How to Have the Winning  
Offer! One-on-One  
Consultation.



# Should You Rent or Buy a Home?

Chances are, you've asked yourself recently: Is buying a home even worth it right now? With today's higher mortgage rates and elevated prices, renting can feel like the easier—or sometimes the only—option. And truthfully, the choice to buy should always come down to whether you're financially and personally ready. But here's the catch about renting:

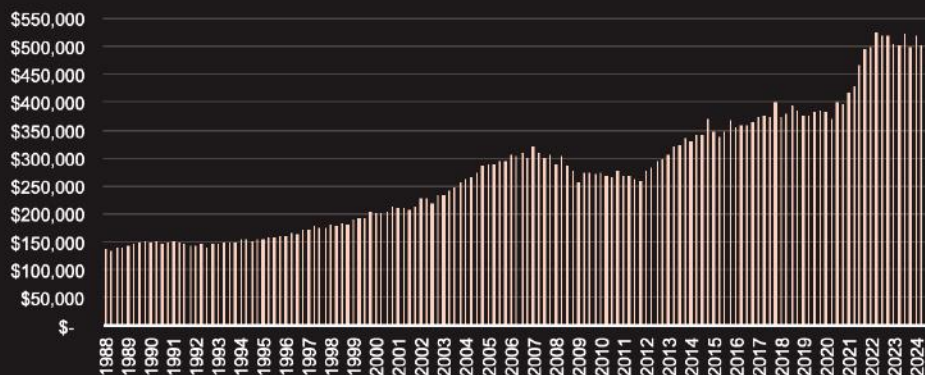
While it may feel like the safer, even more affordable move in the short run, it often ends up being the costlier path over the long term. In fact, a Bank of America survey revealed that 70% of renters hoping to own one day are concerned about the impact of long-term renting on their financial future—and they're right to be. Even if homeownership feels out of reach right now, creating a plan and working toward it can set you up for powerful long-term financial gains.

## Why Owning Matters for Your Wealth

Purchasing a home is more than finding a place to live—it's a strategy for building lasting wealth. Here's why: historically, home values trend upward. That means the longer you delay, the higher the price tag is likely to be. Even in markets where prices dip temporarily, the long-term picture shows steady growth (see graph below).

### Home Price Appreciation Since 1988

Average Sales Price of Houses Sold in the United States, Quarterly



Sources: Census, HUD

As property values climb, homeowners benefit through growing equity—the difference between what the home is worth and the remaining balance on the mortgage. Each payment chips away at the loan and increases that equity, which directly contributes to your overall net worth. This is why Federal Reserve data shows the typical homeowner’s net worth is 40 times higher than that of the average renter. Forbes puts it simply:

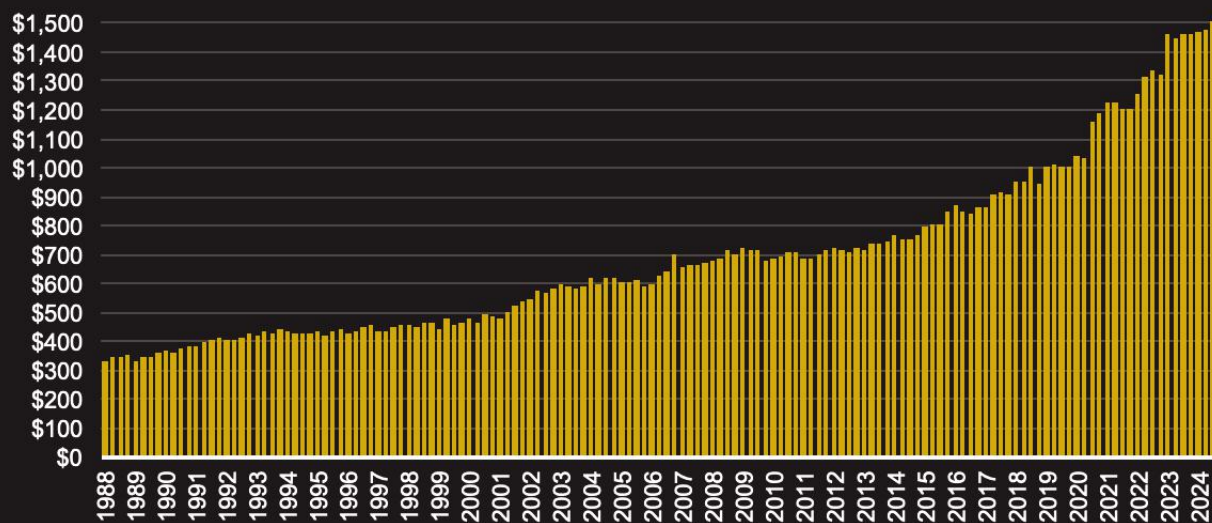
“Renting may seem like the easier path . . . but owning a home remains a cornerstone of the American Dream and a proven way to build long-term wealth.”

### The Real Drawback of Renting

So why does renting often feel like the smarter move in the short term? Monthly costs might be lower, there’s less maintenance to worry about, and you’re not tied down. But when you zoom out, the picture changes. For decades, as home values have steadily increased, rents have too. And while rent growth has cooled in certain areas recently, the long-term pattern is clear: rents almost always rise. That makes it harder for renters to set money aside and eventually make the leap into homeownership (see graph below).

## Increase in Rents Since 1988

*Median Asking Rent, Vacant for Rent Units in U.S., Quarterly*



Source: Census

### The Biggest Drawback of Renting

In the short term, renting might feel like the simpler choice—lower monthly payments, less responsibility, and no long-term commitments. But in the long run? It can come back to bite you.



# The Truth About Down Payments

## True:

“I need a 20% down payment to buy a home.”

A lot of buyers—especially first-timers—believe this, but it’s simply not the case. According to NAR, the median down payment for first-time buyers is well below 20%.

VS

## False:

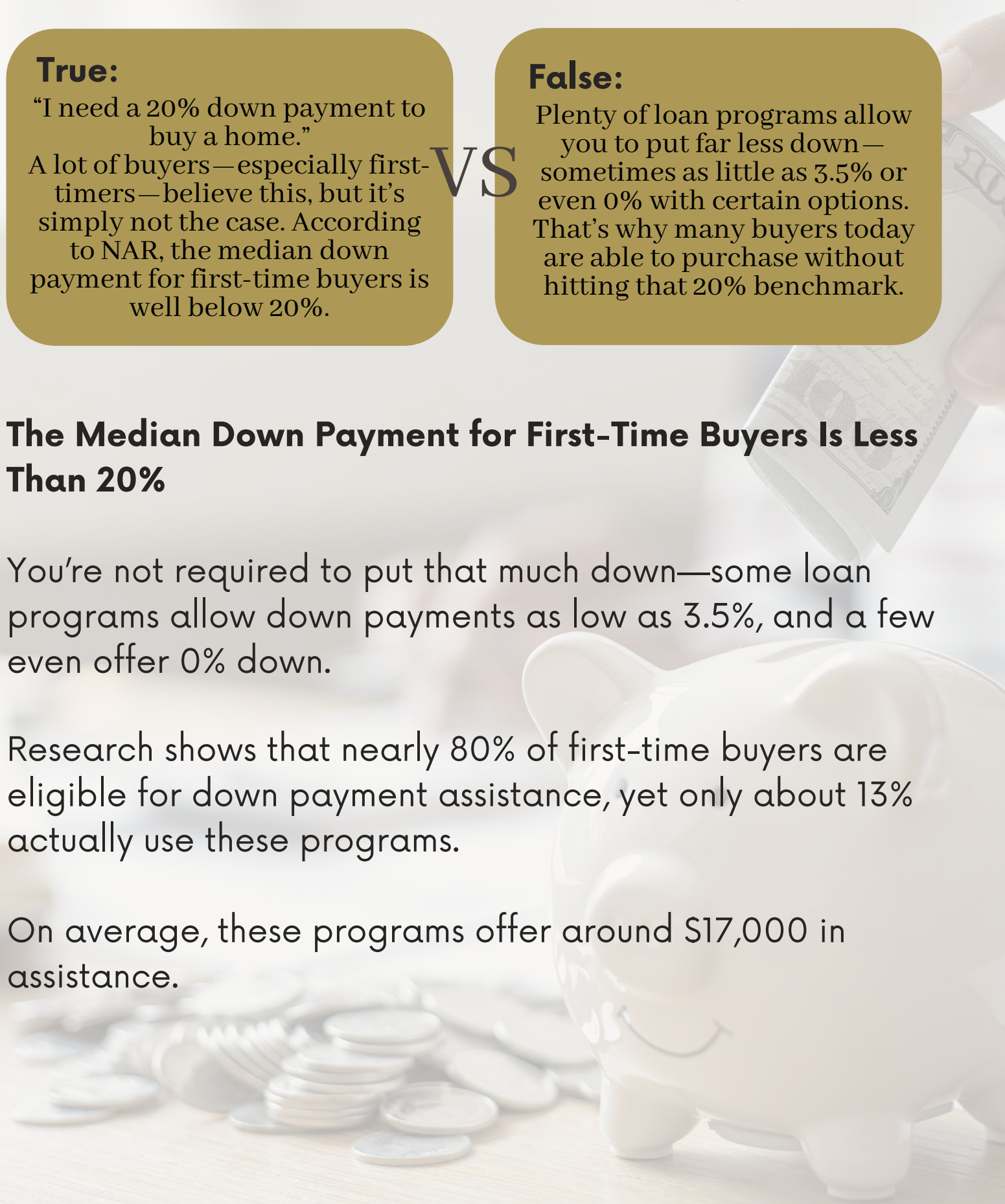
Plenty of loan programs allow you to put far less down—sometimes as little as 3.5% or even 0% with certain options. That’s why many buyers today are able to purchase without hitting that 20% benchmark.

## The Median Down Payment for First-Time Buyers Is Less Than 20%

You’re not required to put that much down—some loan programs allow down payments as low as 3.5%, and a few even offer 0% down.

Research shows that nearly 80% of first-time buyers are eligible for down payment assistance, yet only about 13% actually use these programs.

On average, these programs offer around \$17,000 in assistance.



# Good News for Buyers: More Homes to Choose From

It's no secret that the last few years have been tough for buyers. But right now, there's a major upside making it easier to find a home within your budget: inventory levels are improving.

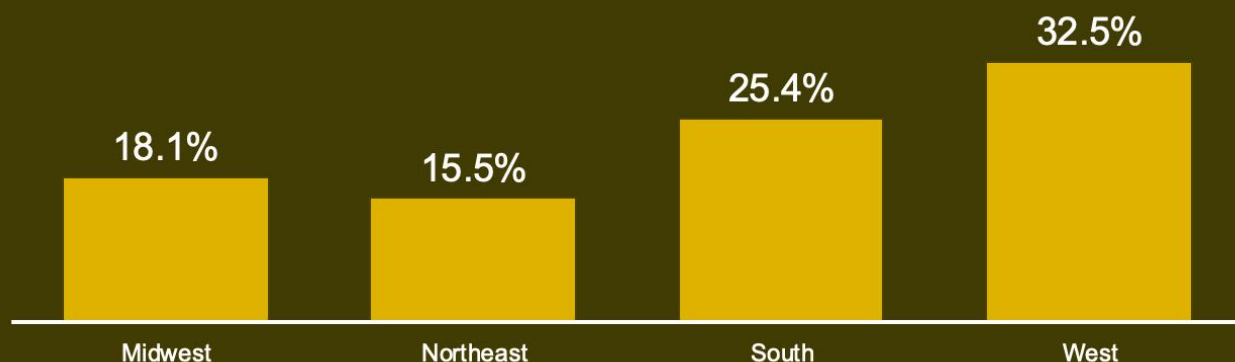
## Big Gains Nationwide

Across the country, the number of homes on the market is on the rise—and that's true in every region. According to data from Realtor.com (see graph below), each of the four regions has at least 15% more listings than this time last year. In the West, the jump is even more dramatic, with inventory up nearly 33% year-over-year.

With more homes hitting the market, conditions are beginning to level out. For the last several years, sellers have largely held the advantage—but that's starting to change. While it's not officially a buyer's market on a national scale just yet, the shift is moving toward a healthier, more balanced environment—one that gives buyers better opportunities.

## Inventory Has Improved in Every Region Compared to Last Year

Percent Change in Active Listings, Year-over-Year



Source: Realtor.com

## Inventory Growth Looks Different Depending on Location

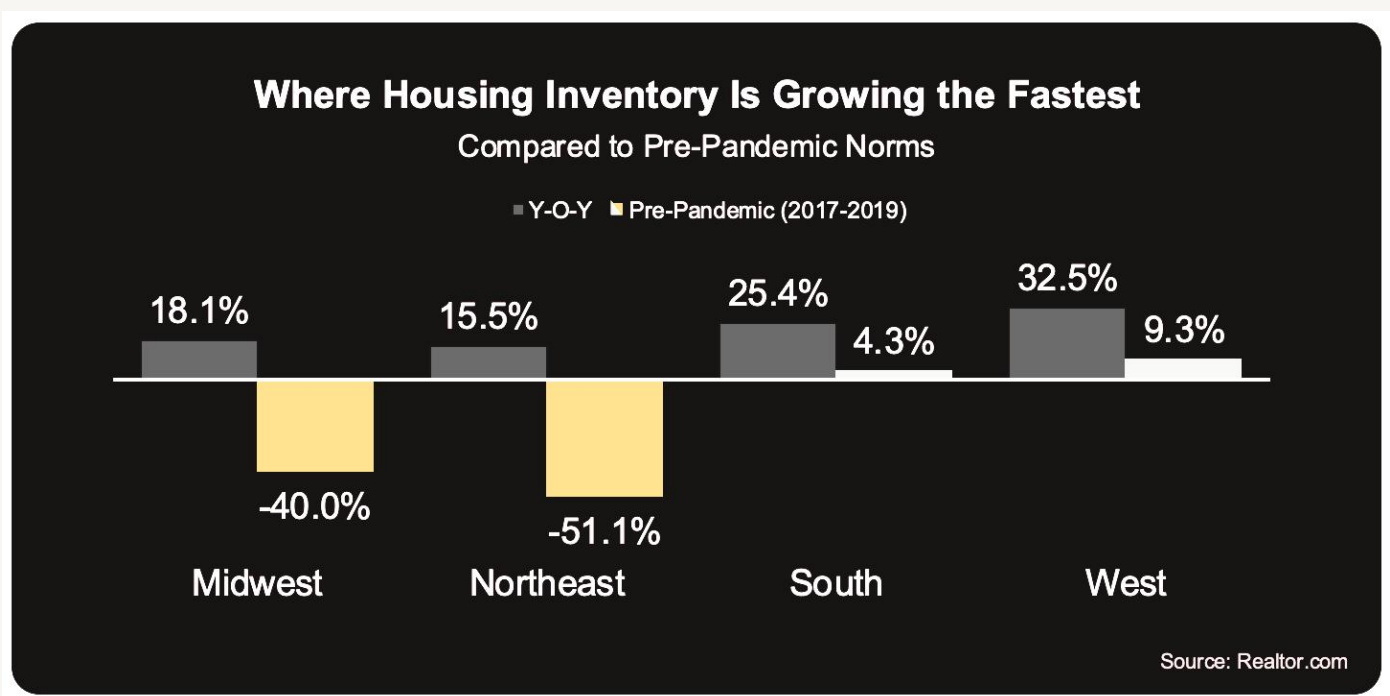
The timeline for reaching a truly balanced market will depend heavily on where you live. The graph below highlights this point. As before, the blue bars show that every region has experienced recent inventory growth. The red and green bars provide added perspective by comparing today's levels to what we'd consider a more typical market (like 2017–2019).

- Red bar markets: Even with recent gains, these areas still have fewer homes available than normal. That means competition remains stronger, and starting with a solid offer is often the best strategy.
- Green bar markets: These regions are already back to—or even above—historical norms. In these places, sellers may be more open to negotiation.

You have more options today than you did a year ago. As Ralph McLaughlin, former Senior Economist at Realtor.com, put it:

"It could be a particularly good time to get out into the market . . . you're going to have more choice. And that's not something that buyers have really had much over the past several years."

More choices make it easier to find a home that truly fits your needs. Still, the amount of inventory growth varies not only by region but even from one neighborhood to the next. That's why working with a knowledgeable local agent is so important—they can help you fine-tune your approach to match the realities of your area.

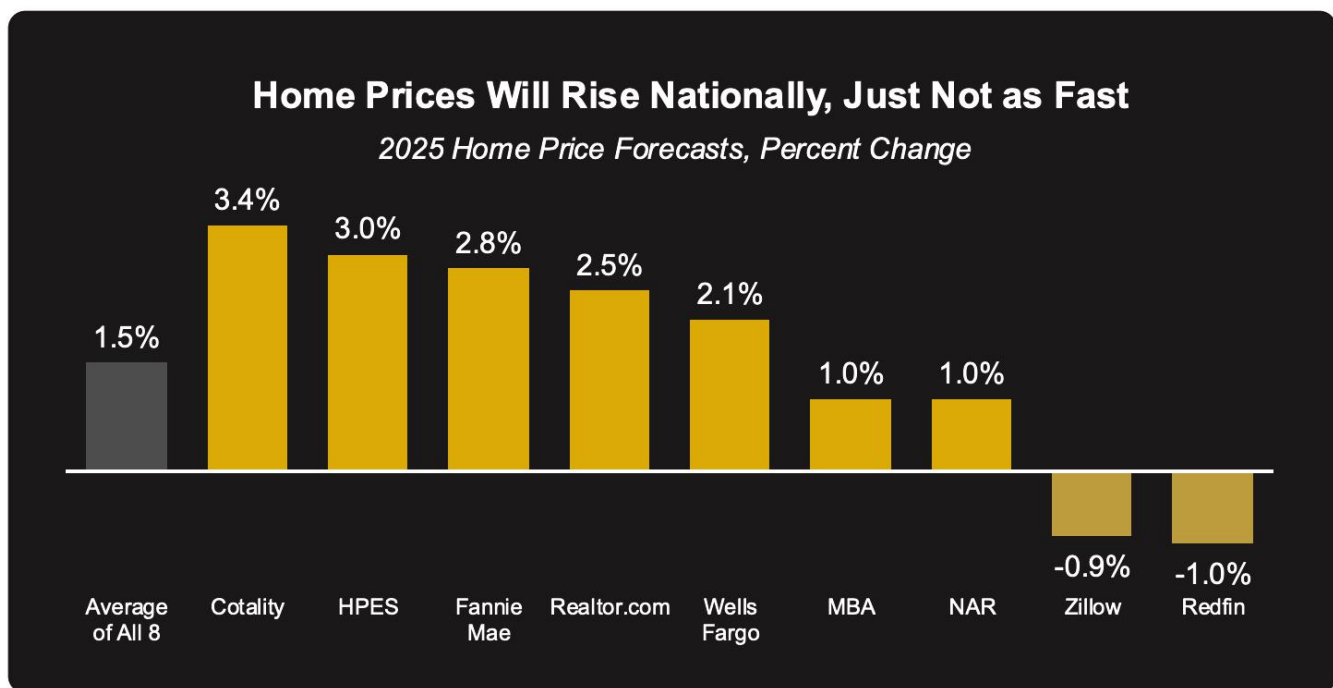


# What to Expect in the Housing Market Through 2025

## Will Home Prices Drop?

It's common for buyers to hope that prices will fall, especially with headlines about small dips in certain areas. This leads many to believe a bigger drop is just around the corner. But the reality looks different.

Home price growth is slowing down, but that doesn't signal a crash. Instead, it means prices aren't rising at the breakneck pace we've seen in recent years. The National Association of Home Builders (NAHB) explains it this way:



“House price growth slowed . . . partly due to a decline in demand and an increase in supply. Persistent high mortgage rates and increased inventory combined to ease upward pressure on house prices. These factors signaled a cooling market, following rapid gains seen in previous years.” In other words, the market is moderating, not collapsing.



It's important to remember that housing trends vary from one market to another. Some areas are cooling faster, while others are holding steady. Even in places where prices have dipped, the average decline is just about 3.5%—a far cry from the nearly 20% drop during the 2008 crash. And when you factor in how much values have risen in recent years, those small decreases are easily absorbed.

The bottom line: Prices aren't collapsing. Nationally, they're expected to keep rising—just at a slower pace. Some experts predict prices could level off in certain areas by the end of the year, but movement will continue to look different from one local market to the next. That's why it's so valuable to work with a trusted real estate professional who can keep you informed about the latest trends in your area.

### What About Mortgage Rates?

A lot of buyers are asking themselves: Should I just wait for rates to drop?

According to Yahoo Finance, that strategy may not pay off:

"If you're looking for a substantial interest rate drop in 2025, you'll likely be left waiting. The latest news from the Federal Reserve and other key economic data point toward steady mortgage rates on par with what we see today."

In other words, waiting for a dramatic rate drop could leave you on the sidelines.

While rates eased slightly over the summer, most forecasts suggest they'll hover in the 6% range and likely settle in the mid-6s by year's end (see chart below).

#### Don't Expect a Big Drop in Mortgage Rates

*30-Year Fixed Mortgage Rate Projections*

Quarter	Fannie Mae	MBA	Wells Fargo	Average of All 3
Q3 2025	6.70%	6.70%	6.65%	6.68%
Q4 2025	6.50%	6.60%	6.55%	6.55%
Q1 2026	6.40%	6.50%	6.50%	6.47%
Q2 2026	6.20%	6.50%	6.50%	6.40%



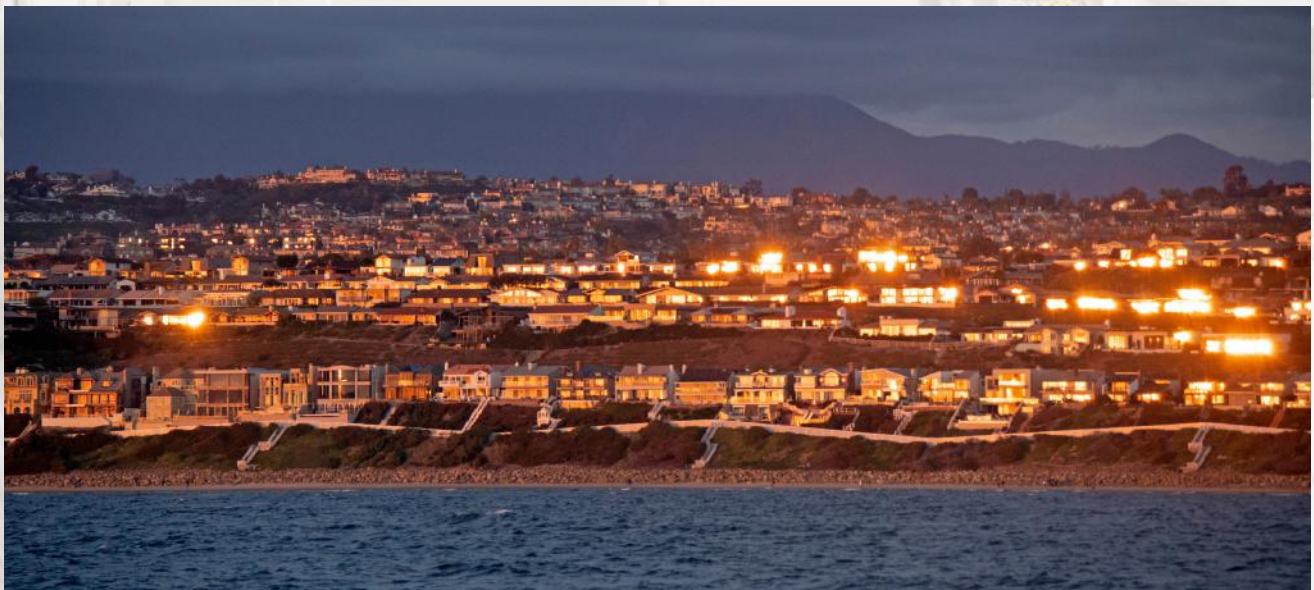
# The Takeaway for Buyers

Today's market calls for planning, not guesswork. Home prices are still edging upward nationwide (just at a slower pace), and mortgage rates are expected to hold fairly steady. That means we're looking at a market that's cooling—not collapsing.

If you're considering a move, the smartest approach is to base your decision on your personal circumstances rather than chasing headlines. Partnering with a local real estate professional who understands the shifting conditions in our market can give you a real advantage.

Remember: waiting for a dramatic drop in rates isn't a strategy the data supports. If you have a genuine need to buy or sell, let's sit down and map out a plan that works for you.

Of course, the market can always shift. Factors like inflation, employment trends, and other economic drivers will continue to influence mortgage rates. That's why working closely with an expert who tracks these changes is the best way to stay prepared and make confident decisions this year.





# How Changing Mortgage Rates Affect Your Monthly Payment

Home Loan Amount	Fixed Mortgage Interest Rate	Monthly Mortgage P&I*	Monthly Savings Compared to 7.5%
\$250,000	7.5%	\$1,748	-
	7.0%	\$1,663	\$85
	6.5%	\$1,580	\$168
	6.0%	\$1,499	\$249
\$450,000	7.5%	\$3,146	-
	7.0%	\$2,994	\$152
	6.5%	\$2,844	\$302
	6.0%	\$2,698	\$448
\$650,000	7.5%	\$4,545	-
	7.0%	\$4,324	\$221
	6.5%	\$4,108	\$437
	6.0%	\$3,897	\$648





# Top Reasons To Own

## Accomplishment



Feeling proud of your achievement

## Stability



Locking in a large portion of your monthly housing payment with a fixed-rate mortgage

## Appreciation



Home values usually rise, and that makes owning a home a good investment

## Wealth Building



Growing your net worth as your home value climbs and you pay down your mortgage

## Tax Benefits



Getting a tax break, if your situation applies. Talk to your accountant or financial advisor to learn more.

What's the top reason you'd love to own a home?



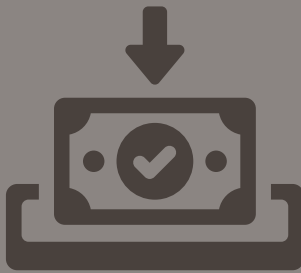
# Things To Avoid After Applying for a Mortgage



Don't change bank accounts.



Don't apply for new credit or close any credit accounts.



Don't deposit cash into your accounts before speaking with your bank or lender.



Don't co-sign other loans for anyone.



Don't make any large purchases.

The best plan is to fully disclose and discuss your intentions with your lender before you do anything financial in nature.



# The Takeaway for Buyers

## **The Top 2 Buyer Mistakes in Today's Market**

In a market this competitive, having expert guidance is key. Without it, buyers often fall into costly traps that can delay or even derail their home purchase. Here are the two biggest mistakes many buyers are making right now—and how your agent and lender can help you steer clear of them.

### **1. Skipping Pre-Approval**

Getting pre-approved may not feel as exciting as touring homes, but it's a critical first step. A lender reviews your financials and determines how much they're willing to loan you, giving you a clear picture of your budget before you start shopping.

If you wait until the last minute, you risk scrambling to line up financing—and possibly missing the chance to make a strong offer. As CNET explains: "If you wait to get preapproved until the last minute, you might be scrambling to contact a lender and miss the opportunity to put a bid on a home."

Bottom line: Get pre-approved before you start house hunting. It'll give you confidence, clarity, and a competitive edge.

### **2. Buying More House Than You Can Afford**

With home prices and mortgage rates where they are today, stretching your budget can backfire quickly. And it's not just the mortgage you need to consider—expenses like property taxes, homeowners insurance, and maintenance are all on the rise.

Bankrate puts it best:

"Focus on what monthly payment you can afford rather than fixating on the maximum loan amount you qualify for. Just because you can qualify for a \$300,000 loan doesn't mean you can comfortably handle the monthly payments that come with it along with your other financial obligations."

The smarter move? Build your budget around what you can comfortably pay each month, not the maximum you qualify for.

# The Biggest Mistakes Buyers Are Making Today

## 1. Waiting for the “Perfect” Moment

A lot of buyers are hitting pause, hoping for home prices or mortgage rates to drop. But here’s the truth—trying to time the market is like trying to predict the weather months in advance. There are just too many moving parts.

Rick Sharga, CEO of CJ Patrick Company, says it best:

“Don’t try to time the market — it rarely works with stocks, and almost never works when it comes to buying a house. Only buy what you can reasonably afford given whatever the current market conditions are.”

In other words, focus on what you can control—your budget, your goals, and your timeline. If it makes sense for you now, that's what matters most.

## 2. Stretching Your Budget Too Far

It’s easy to fall in love with a home that pushes your budget—but just because a lender says you can borrow a certain amount doesn’t mean you should. When you factor in rising costs like insurance, taxes, and maintenance, overextending can create serious stress later on.

Bankrate gives solid advice:

“Focus on what monthly payment you can afford rather than fixating on the maximum loan amount you qualify for.”

Stick to what fits comfortably within your budget, not just what looks good on paper. Long-term peace of mind beats short-term pressure every time.





### 3. Overlooking Financial Assistance

A lot of buyers assume they're on their own when it comes to upfront costs—but that's not always true. There are programs out there designed to help with down payments, closing costs, and more. The problem? Most people don't even know they exist.

Realtor.com reports that nearly 80% of first-time buyers qualify for down payment assistance—but only 13% actually use it. That's a huge missed opportunity.

Talk to a trusted lender or agent. Whether it's your first home or your fifth, you could be leaving money on the table.

### 4. Skipping the Experts

This might be the most important mistake to avoid: trying to go it alone. The homebuying process is complicated, and having the right team in your corner—an experienced agent, lender, and advisor—can save you time, stress, and money.

A great pro will guide you around common pitfalls, help you understand your options, and make sure you're making smart moves at every step. Don't wing it—lean on the people who do this every single day.





# Top 5 Reasons You Need an Agent When Buying a Home

If you're thinking about buying a home, here's the truth: having a great agent by your side isn't just helpful—it's a game-changer. Here are five key reasons why working with a pro makes all the difference:

## **1. You Get a True Expert in Your Corner**

Buying a home is a big move, and the process is always evolving. A great agent knows the latest rules, trends, and tools—and they'll walk you through every step. You don't need to figure it all out alone.

## **2. They Know Your Local Market Inside and Out**

An agent doesn't just show you homes—they help you understand your market. They know what's selling, what's sitting, and where the opportunities are. They'll help you cut through the noise and focus on what really matters for your goals.

## **3. They'll Help You Make the Right Offer**

What's the home really worth? Is the price fair? Could there be hidden issues? An experienced agent will help you figure out how to structure a strong, smart offer—without overpaying or missing something important.

## **4. They Handle the Contracts and the Fine Print**

Real estate comes with a lot of paperwork—and it's full of terms, deadlines, and disclosures you don't want to overlook. Your agent will make sure you know exactly what you're signing and why it matters.

## **5. They're Your Negotiator and Advocate**

From the first offer to the final walkthrough, your agent is your voice. They'll negotiate on your behalf, manage communication with the seller's side, and protect your interests every step of the way.

Bottom line? Buying a home is too important to do alone. The right agent isn't just a guide—they're your partner in getting it done right.

# Home Buyer Blueprint

## What You'll Learn



### What You Don't Know About Getting A Mortgage (That Can Cost You Later)

A lot of people think getting a loan is simple... until surprise fees, credit issues, or confusing terms show up. I'll explain it all in a simple way, no stress, no pressure.



### Is Now Even A Good Time To Buy? Here's How To Know If You're Truly Ready

Buying a home is a big step. But it's not just about money, it's about timing, lifestyle, and feeling secure. I'll help you figure out if it's the right move for you, without pushing you into it.



### Why Some Buyers Overpay Without Even Realizing It (And How A Good Agent Stops That)

It's easy to fall for a home and miss small details that cost big money. I'll show you how a buyer's agent protects your wallet, even before you make an offer.



### Why Some Buyers Miss Out On Their Dream Home While Others Get Their Offer Accepted Instantly

Learn the buyer strategies that set you apart from the competition—I'll reveal the exact **pre-approval approach** and **offer structure** top agents use to win in any market.



### The Little-Known Secrets To Getting The Best Home At The Best Price (Without Costly Mistakes)

From avoiding overpriced homes to knowing what to look for in disclosures and inspections—I'll show you the **insider techniques** that protect your investment and help you buy with confidence.



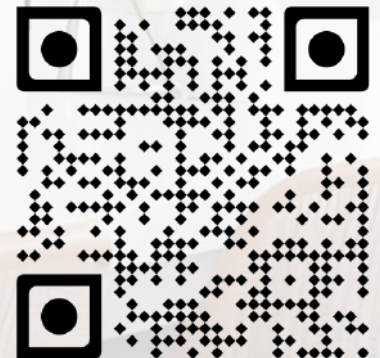
### The Critical Mistakes That Can Derail Your Home Purchase—Even After Your Offer Is Accepted

It's not just about finding the right home. I'll walk you through the top buyer deal-killers and show you how to protect your earnest money, avoid bad loans, and ensure a stress-free closing.

## You're Invited to a One-On-One Seminar

### Scan Here to Register

Whether you are considering buying or just want to get valuable insights from an experienced real estate agent, this virtual seminar is for you.



## Leilani Serrao-Baker

YOUR LOCAL REALTOR® | FOUNDER  
CIVITAS REALTY

Serving Dana Point and Surrounding  
Areas for the last 14 years

*follow on*





For more information  
about buying or selling  
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