FALL 2025 EDITION

THINGS TO CONSIDER WHEN

Buying a Home

The 2 Mortgage Guys

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Is It Better To Rent or Buy a Home?

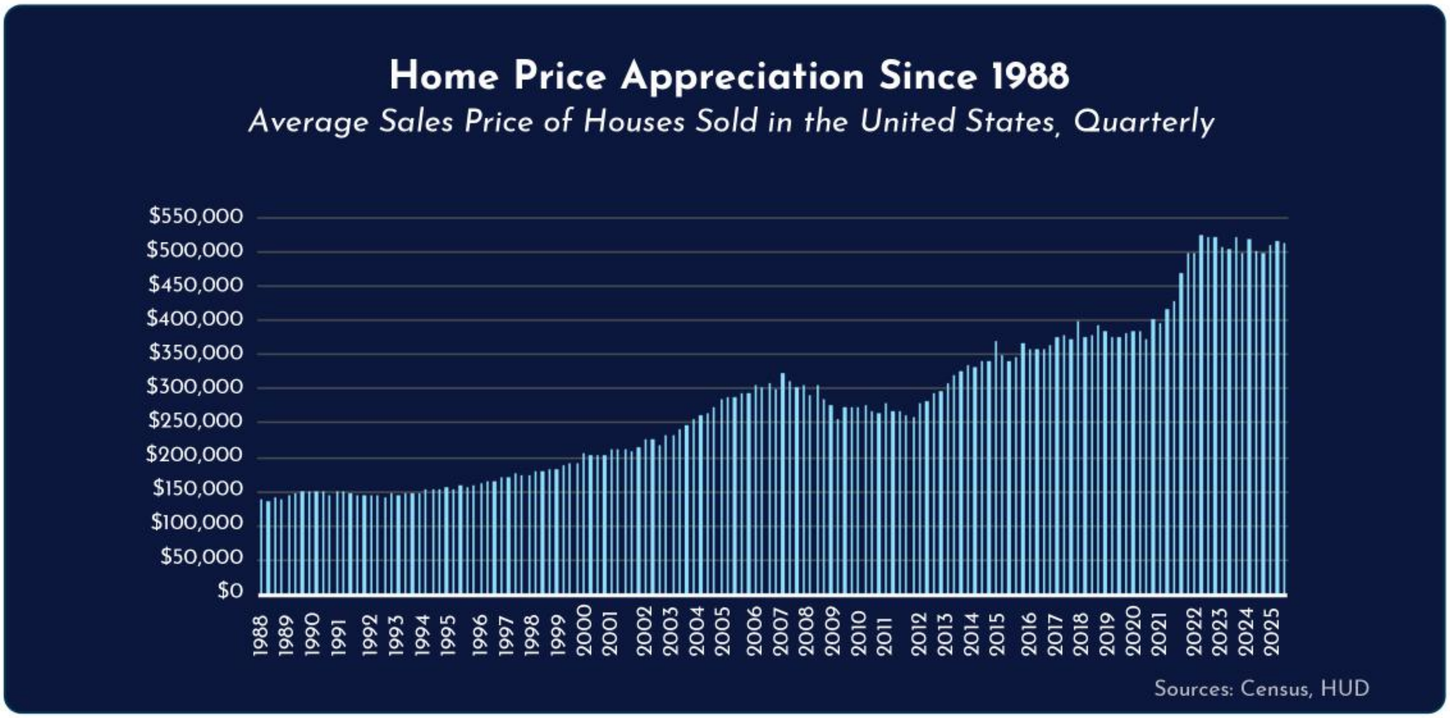
You've probably asked yourself lately: Is it even worth trying to buy a home right now?

With high home prices and mortgage rates, renting can seem like the safer choice. Or maybe even your only choice. That's a very real feeling.You should only buy a home when you're ready and able to do it, and if the timing is right for you. But here's the thing you need to know about renting.

While it may feel like a safer bet today – and in some areas might even be less expensive each month – it can really cost you more over time. A *Bank of America* survey found **70% of aspiring homeowners worry about what long-term renting means for their future.** And they're not wrong. While owning a home may seem way out of reach, if you make a plan now and steadily work toward it, **homeownership comes with serious long-term financial benefits.**

Homeownership Builds Wealth Over Time

Buying a home isn't just about having a place to live – it's a step toward building your future wealth. Why? Home prices typically rise overtime, which means the longer you wait, the more expensive it is to buy. And even in some markets where home prices are softening today, the overall long-term trend speaks for itself (see graph below):

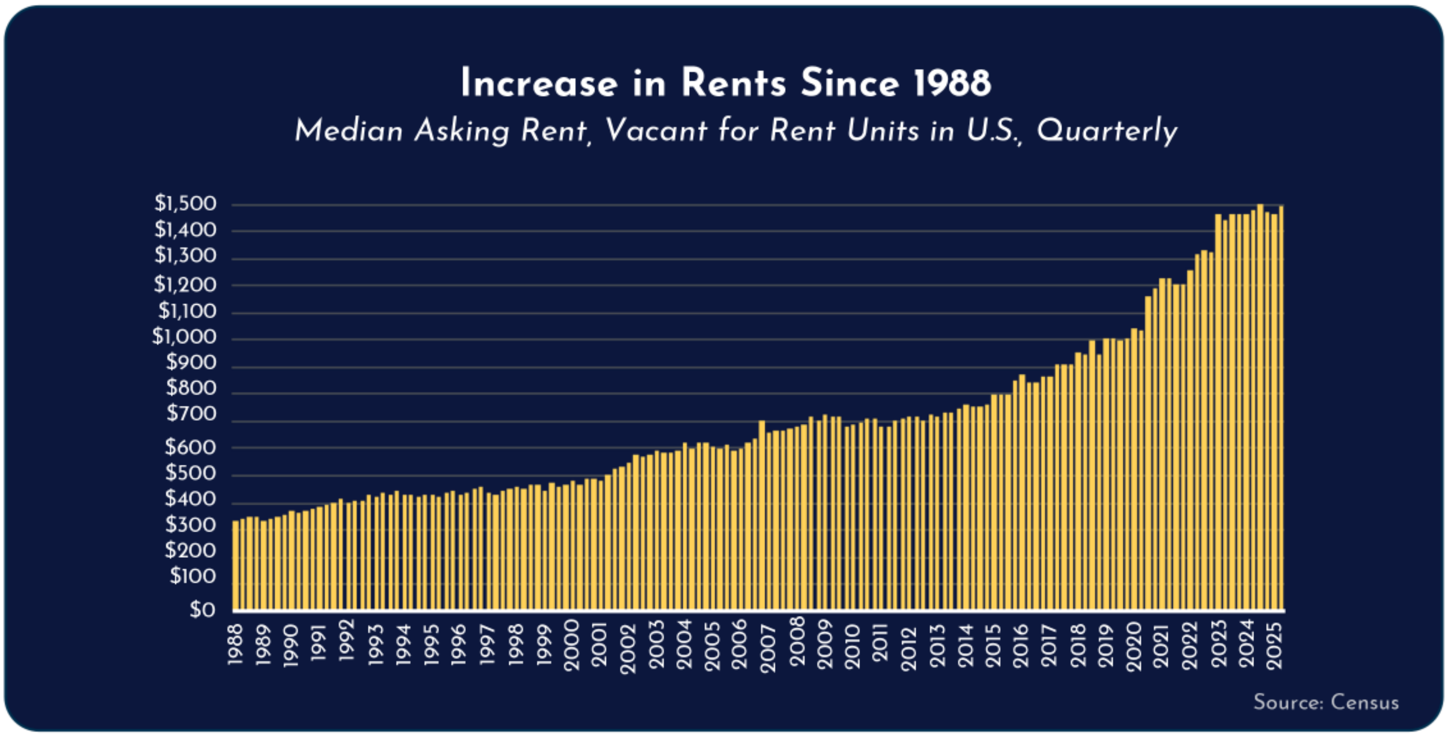


And as home values rise, so does your equity when you're a homeowner. That's the difference between what your home is worth and what you owe. So, with every mortgage payment, that equity grows. Over time, that becomes part of your net worth. That's why the shows the typical homeowner's net worth is 40X greater than the typical renters. Federal Reserve It's one of the reasons why Forbes says:

"While renting might seem like [the] less stressful option . . . owning a home is still a cornerstone of the American dream and a proven strategy for building long-term wealth."

The Biggest Downside of Renting

So, short-term, why does renting feel like a simpler choice? Lower monthly payments, less responsibility, no strings attached. But long-term? **It can sting.** For decades, while home prices have been rising, **rent has gone up too.** And while rent has held rather steady more recently, history shows the overall trend is up and to the right. That makes saving for a home more complicated than ever *(see graph below):*



Rent doesn't build wealth. It doesn't come back to you later. It pays your landlord's mortgage – not yours. So, whether you rent or own, you're paying a mortgage. The question is: **whose mortgage do you want to pay?**

Bottom Line

Renting may feel more do-able today. But over time, it could cost you more – without helping you build anything for your future. The first step toward getting out of the rental trap is to set a plan. Let's connect, so you're ready when the time is right for you.

What You Really Need To Know About Down Payments

The Misconception:

"I havetoput 20%of the purchasepricedown."

The Reality:

Many people don't, especially first-time buyers.

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

Common Misconception

First-Time Homebuyers

Source: NAR

And you don't even have to put that much down. There are some home loan options that require as little as 3.5% or even 0% down.

Plus, data shows **80%** of first-time buyers qualify for help with their down payment via down payment assistance programs.

Unfortunately, only **13%** actually take advantage of that.

The average program provides a benefit of roughly $17,000.

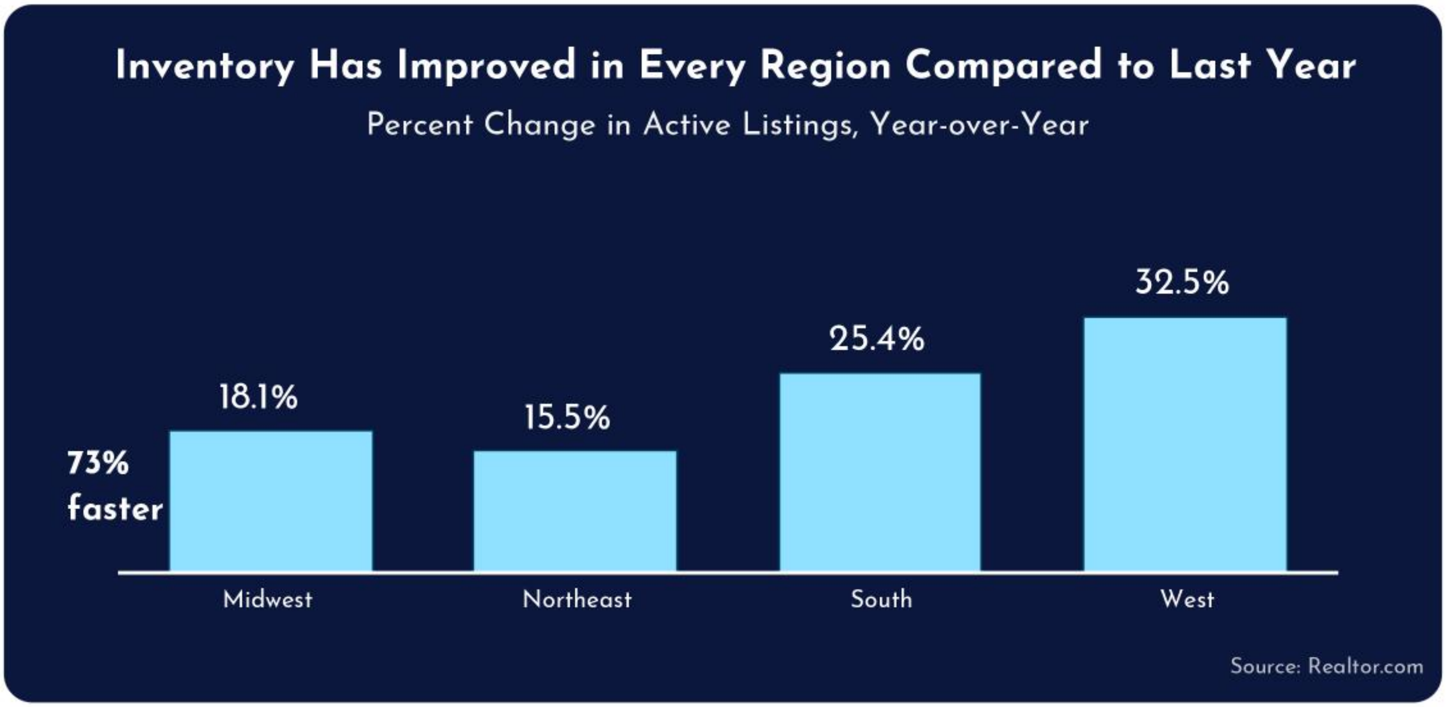
To learn more about your loan options or assistance programs, connect with a trusted lender.

The Biggest Bright Spot for Buyers: Inventory

There's no arguing the past few years have been challenging for buyers. But there's one big bright spot today that makes finding a home in your budget a bit easier: ***how much inventory has improved.***

Significant Growth Across the Nation

Nationally, the number of homes for sale is growing – and that's true in all regions of the country. That's shown in this data from Realtor.com (see graph below). In each of the four regions, inventory is up at least 15% compared to the same time last year. In the West, it's actually up almost 33% year-over-year:

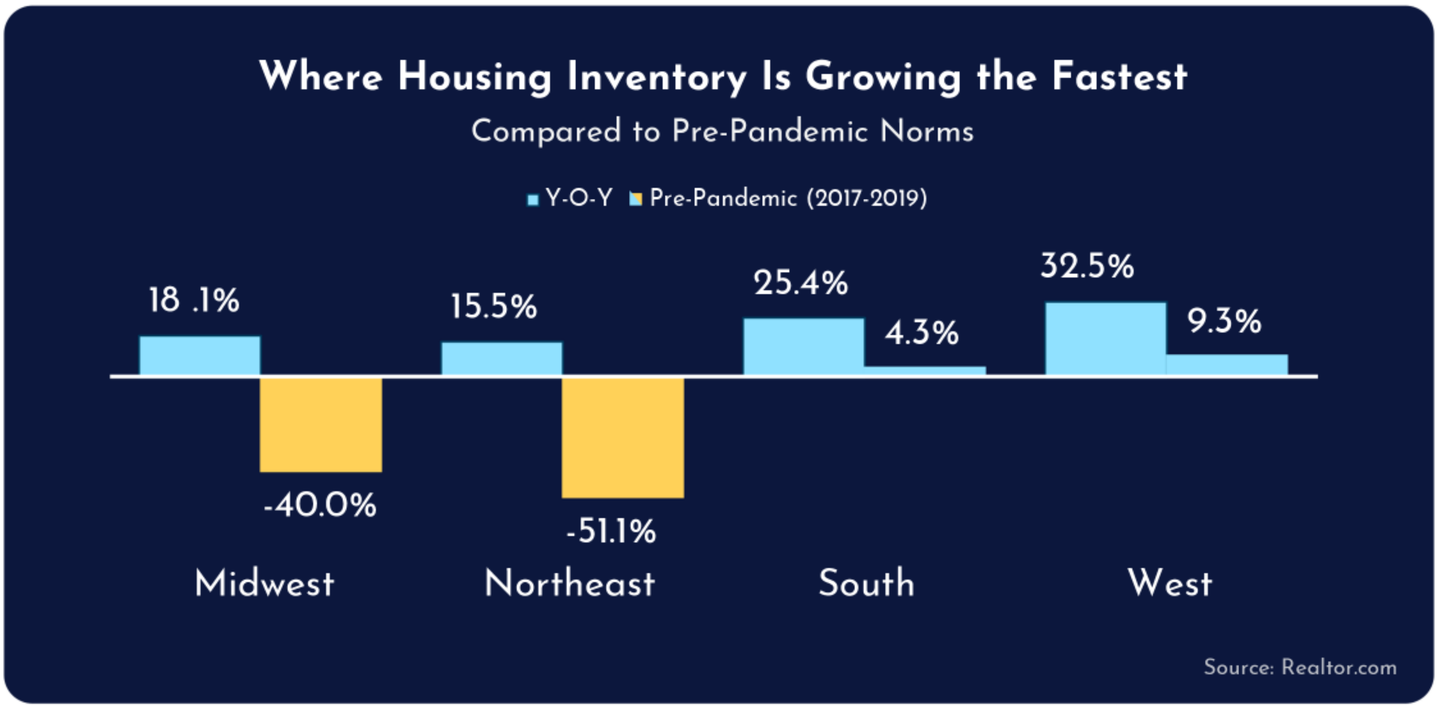


More homes for sale helps the market become more balanced. For the past few years, sellers have had the upper hand. Now, things are starting to shift. Nationally, it's not a full-on buyer's market yet, but it's heading toward a healthier place, especially for homebuyers.

How Much Growth We've Seen Varies by Area

But, how long it's going to take to achieve true balance is going to vary based on where you live. You can see that play out in the graph below. Just like before, the blue still shows that all regions have seen growth lately. The red and green are added context on how that compares to a more normal market (like what we had back in 2017-2019).

- The markets that have red bars still have less inventory now than what's normal, even with the recent growth. This is where you'll still want to start with your best offer.
- The markets that have green bars are already back at or slightly above normal levels, so you may find sellers are a bit more willing to negotiate in these places.



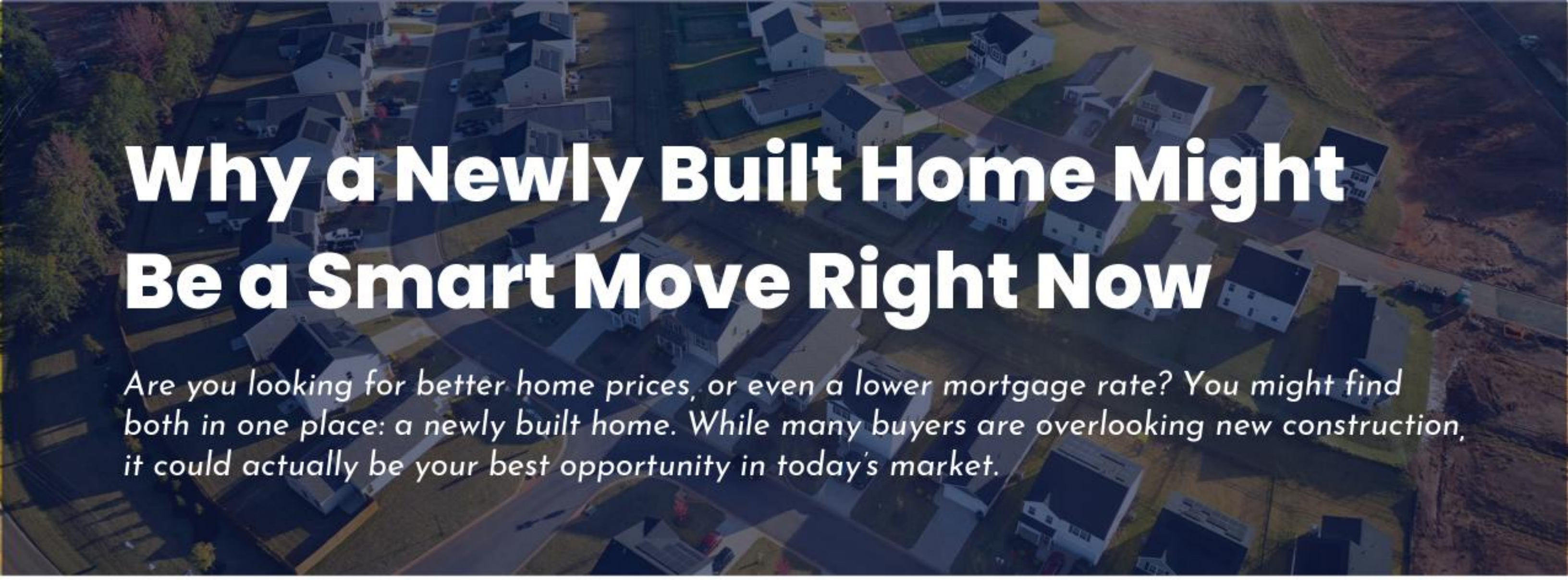
Across the board, you have more options now than you would've just one year ago. And that's a really good thing. As Ralph McLaughlin, then the Senior Economist at Realtor.com, says:

"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 means it should be a bit easier to find a home you love. But how much inventory has grown is going to vary by region, and even by neighborhood. And that's why you need an agent's local expertise so you can adjust your strategy accordingly.

Bottom Line

Reach out if you want to see what's available in and around our area.



Why a Newly Built Home Might Be a Smart Move Right Now

Are you looking for better home prices, or even a lower mortgage rate? You might find both in one place: a newly built home. While many buyers are overlooking new construction, it could actually be your best opportunity in today's market.

There are more brand-new homes available right now than there were even just a few months ago. **So, if you're not looking at newly built homes, you're missing out on a big portion of what's available.**

According to the most recent data from the *Census* and the *National Association of Realtors*(NAR), roughly **1 in 5 homes** for sale right now is new construction. And with more new homes on the market, builders are motivated to sell their current inventory. As a result, many are taking steps to draw in buyers.

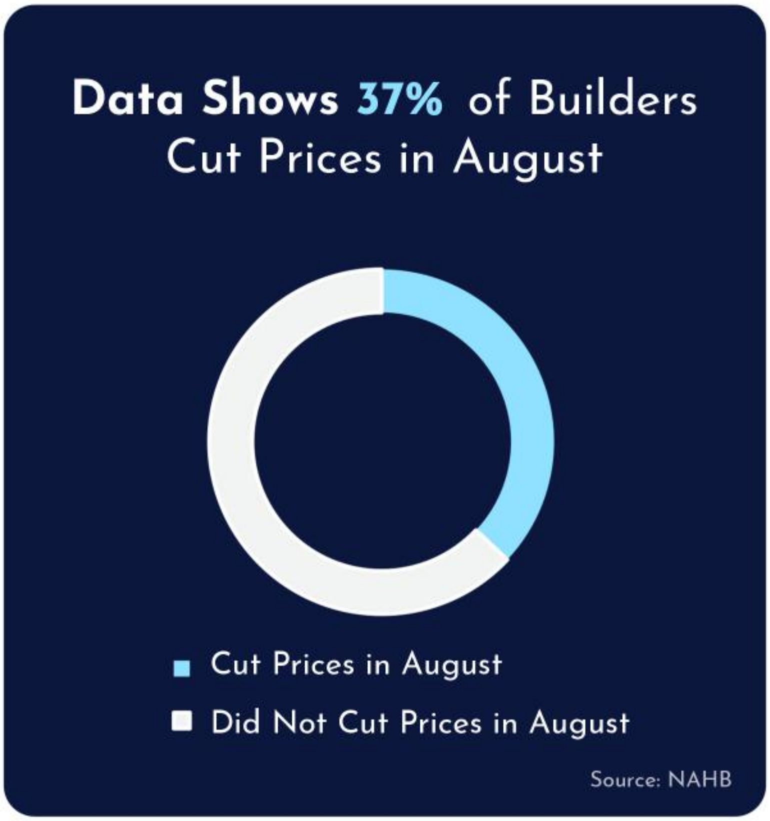
Builders Are Cutting Prices

According to the National Association of Home Builders (NAHB) **37% of builders cut their prices in August** *(see chart to the right)*.

That means builders are being realistic about today's market and adjusting to what buyers can afford. It's their way to keep their inventory moving.

So, builders may be more willing to negotiate price than you'd expect.

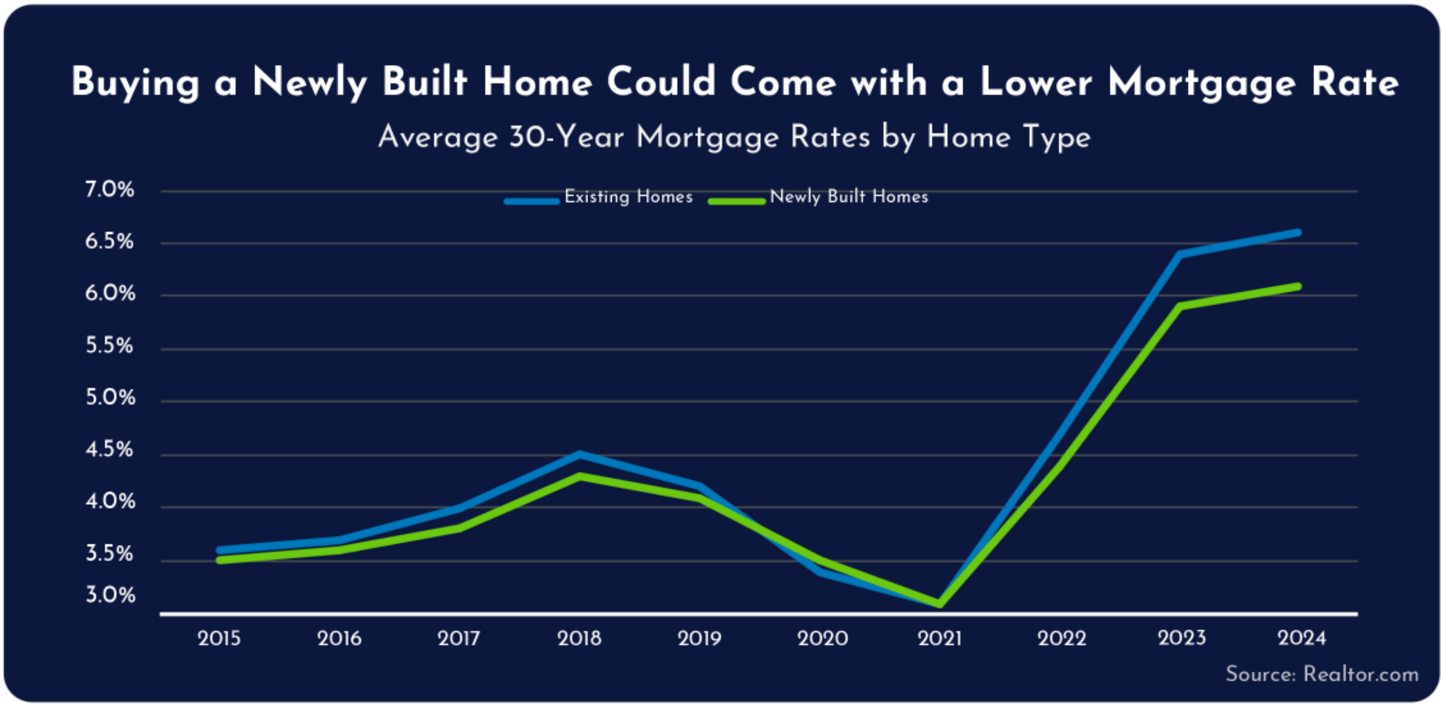
And that means your dollar may go further if you buy a newly built home. Lean on your agent to see what's available and what incentives builders are offering in and around your area.



Builders Are Offering Lower Mortgage Rates

Here's something most people don't know. Right now, buyers of brand-new homes often get better mortgage rates than buyers of existing homes. That's because many builders are also offering rate incentives to make their homes more attractive and keep sales moving.

Data from Realtor.com shows, in 2023 and 2024, buyers of newly built homes got a mortgage rate around half a percent lower compared to those who bought existing homes (see graph below):



That kind of savings adds up and makes a big difference when you're figuring out your monthly budget. So, if you haven't found something you love yet, it's time to add newly built homes to your search. You may find that what you've been looking for is already out there, it's just in a new home community.

Bottom Line

More choices, the potential to negotiate on the price, and maybe even better mortgage rates make these options a bright spot in today's housing market. **If you haven't considered a newly built home yet, what's holding you back?**

> *For those who are able, it may be an opportune time to get into the market, while the inventory is plentiful and the buyers can negotiate for lower prices.*
>
> Lawrence Yun
> Chief Economist,NAR

Housing Market Forecasts for the Rest of 2025

If you've been watching the market, you've likely noticed a few changes already this year. But what's next? From home prices to mortgage rates, here's what the latest expert forecasts suggest for the rest of 2025 – and what these shifts could mean for you.

Will Home Prices Fall?

Many buyers are hoping home prices will come down soon. And recent headlines about prices dipping in some areas are making people believe it's just a matter of time before there's a bigger drop. But here are the facts.

***While home price growth is slowing down, that doesn't mean we're headed for a crash**. It just means things are moderating and prices aren't climbing nearly as fast as they were. As the National Association of Home Builders (NAHB) explains:*

*"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.**"*

But like with anything, it varies by area. Some markets are cooling more than others. Even in markets where prices have come down slightly, the average dip is just -3.5%. That's a far cry from the nearly 20% decline the market experienced during the 2008 crash. Plus, those small changes are easily absorbed when you consider how much home prices have climbed over the past few years.

The takeaway? **Prices aren't crashing. They're expected to keep climbing nationally – just not as quickly these days.**

And some may argue they'll be closer to flat by the end of this year. But this is going to be different by market, with some local ups and downs. So, lean on a pro to see the latest price trends for your area.

Will Mortgage Rates Come Down?

Another common thought among today's buyers is: I'm just going to wait for rates to come down. But is that a smart strategy? According to Yahoo Finance:

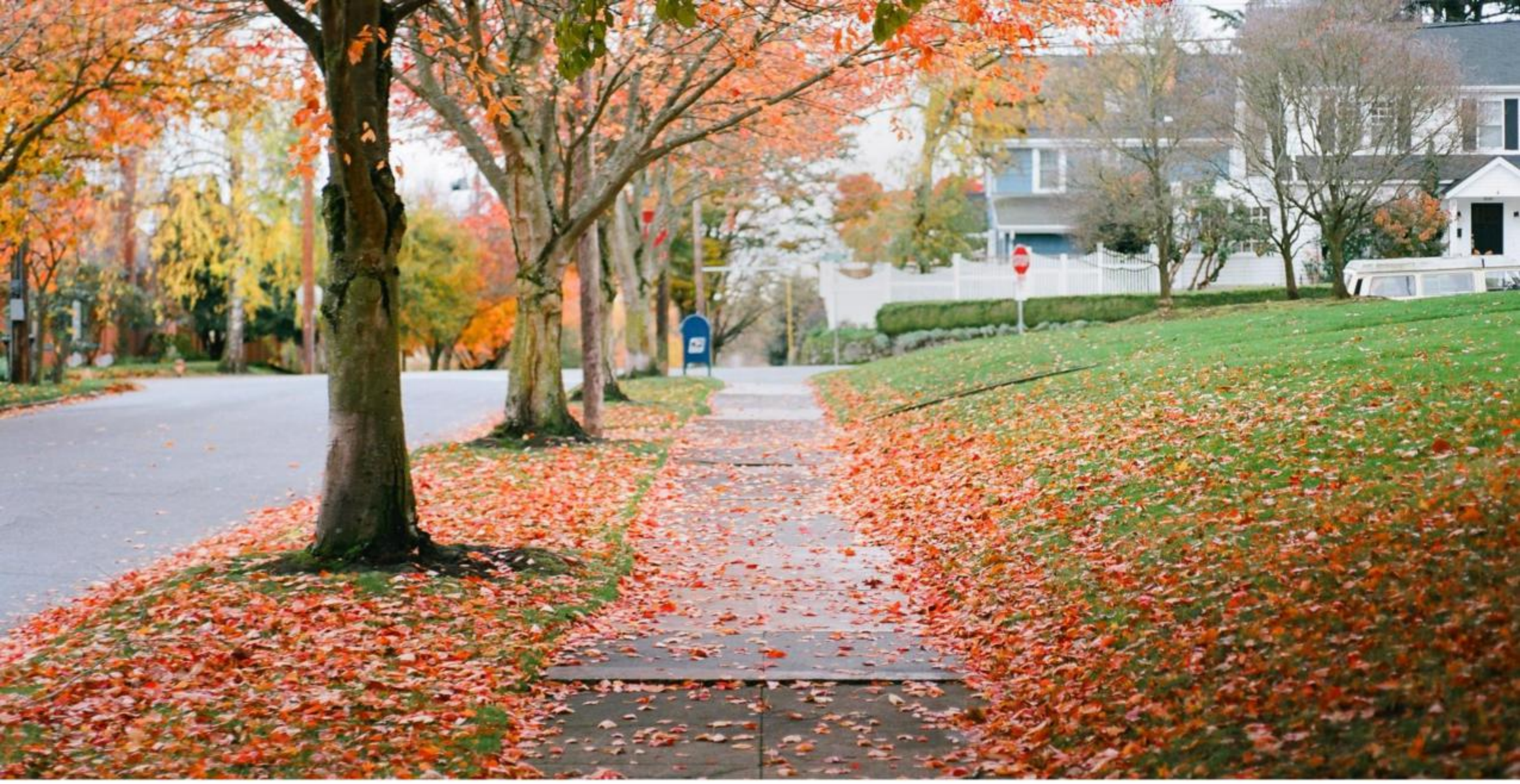
"If you're looking for a substantial interest rate drop in 2025, you'll likely be left waiting. The latest news from the Federal Reserve and other key economic data point toward steady mortgage rates on par with what we see today."

In other words, **don't try to time the market or wait for a drop that may not be coming**. While rates did come down a bit over the summer, most experts say rates will remain in the 6s, and projections have them settling in the mid-6% range by the end of this year (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

This market requires strategy, not guesswork. Prices are still rising nationally (just more slowly), and rates are projected to stay pretty much where they are, so **the bigger picture is one of moderation, not a meltdown**.

If you want to make a move, your best bet is to focus on your personal situation – not what the headlines say – and work with a real estate pro who knows how to navigate the shifting conditions in our local market. So, if you need to move, let's talk about how to make it happen and what you should watch for. Because while rates may not be as low as you want them to be, you don't want to put your needs on the back burner, hoping for a big drop the data shows isn't likely to happen.

Of course, things can change. That's why working with an expert who is keeping an eye on all the economic factors that can influence mortgage rates is going to be essential this year. That's because shifts in things like inflation, employment, and other key drivers could impact how mortgage rates move going forward.

Bottom Line

Let's talk about what's happening in our area to build a plan that works for you.

How Changing Mortgage Rates Affect Your Future Monthly Payment

Experts say rates will come down slightly by the end of the year – but some volatility is expected.

> ***Average mortgage rates will decline modestly but remain above6 percent, with likely bouts of volatility.***
>
> Fannie Mae

So, you shouldn't try to time the market. Instead, it's better to focus on how even a small change impacts your future mortgage 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

**Principal and Interest Payment. Total monthly payment may vary based on loan specifications such as property taxes, insurance, HOA dues, and other fees. Interest rates used here are for marketing purposes only. Consult your licensed Mortgage Advisor for current rates.*

Source: MortgageCalculator.net

The Top Two Buyer Mistakes Today

In today's complex market, you'll want to be sure you have advice from a team of professionals. If you don't lean on the pros, you may make some costly mistakes. Here are the top two other buyers are making right now and how your agent and lender can help you avoid each one.

1. Putting Off Pre-Approval

As part of the homebuying process, a lender will look at your finances to figure out what they're willing to loan you for your mortgage. This gives you a good idea of what you can borrow so you can really wrap your head around the financial side of things before you start looking at homes.

While house hunting can be a lot more fun than talking about finances, you don't want to do this out of order.
Make sure you get your pre-approval first before house hunting. As CNET explains:

"If you wait to get pre-approved until the last minute, you might be scrambling to contact a lender and miss the opportunity to put a bid on a home."

2. Buying More House Than You Can Afford

With today's mortgage rates and home prices, it's even more important to avoid stretching your budget too far. This is especially true because other housing expenses like home insurance and taxes are on the rise.

Be sure to factor these expenses into your budget so you don't overextend. Bankrate offers this advice:

"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."**

Bottom Line

The good news is you don't have to deal with any of these headaches, if you have the right partner by your side. Let's connect so you have a pro who can help you avoid these costly mistakes.

Things To Avoid After Applying for a Mortgage

Once a lender had reviewed your finances as part of the homebuying process, you want to be as consistent as possible.

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 advice? Once you've done your mortgage application, always talk to your lender before doing anything financial in nature.

5 Reasons You Need an Agent When Buying a Home

When it comes to buying a home, expert advice from a trusted real estate agent is priceless, now more than ever. And here's why. An agent does a lot more than you may realize.

Your agent is the person who will guide you through every step when buying a home and look out for your best interests along the way. They smooth out a complex process and take away the bulk of the stress of what's likely your largest purchase ever. And that's exactly what you want and deserve.

This is at least part of the reason why a survey from Bright MLS found an overwhelming majority of people agree an agent is a key part of the homebuying process (see visual below):

Of respondents agree "It would be **very stressful** to navigate the home buying process without a real estate agent or broker."

Of respondents believe "A real estate agent or broker is **an essential, trusted advisor** for a homebuyer."

Source: Bright MLS

To get a better idea of just a few of the top ways agents add value, check out this list.

1. **Deliver Industry Expertise:** The right agent – the professional – will coach you through everything from start to finish. With professional training and expertise, agents know the ins and outs of the buying process. And in today's complex market, the way real estate transactions are executed is constantly changing, so having expert advice on your side is essential.

2. **Provide Expert Local Knowledge:** In a world that's powered by data, a great agent can clarify what it all means, separate fact from fiction, and help you understand how current market trends apply to your unique search. From how quickly homes are selling to the latest listings you don't want to miss, they can explain what's happening in your specific local market so you can make a confident decision.

3. **Explain Pricing and Market Value:** Agents help you understand the latest pricing trends in your area. What's a home valued at in your market? What should you think about when you're making an offer? Is this a house that might have issues you can't see on the surface? No one wants to overpay, so having an expert who really gets true market value for individual neighborhoods is priceless. An offer that's both fair and competitive in today's housing market is essential, and a local expert knows how to help you hit the mark.

4. **Review Contracts and Fine Print:** In a fast-moving and heavily regulated process, agents help you make sense of the necessary disclosures and documents, so you know what you're signing. Having a professional that's trained to explain the details could make or break your transaction and is certainly something you don't want to try to figure out on your own.

5. **Bring Negotiation Expertise:** From offer to counteroffer and inspection to closing, there are a lot of stakeholders involved in a real estate transaction. Having someone on your side who knows you and the process makes a world of difference. An agent will advocate for you as they work with each party. It's a big deal, and you need a partner at every turn to land the best possible outcome.

Bottom Line

Real estate agents are specialists, educators, and negotiators. They adjust to market changes and keep you informed. And keep in mind, every time you make a big decision in your life, especially a financial one, you need an expert on your side. Expert advice from a trusted professional is priceless.

> *Buying a home is one of the biggest financial decisions of your life. If you think you're ready to buy a house in 2025, finding a real estate agent with the right experience to guide you through the process will be key.*

Bank rate

Let's Chat.

Do you have questions about something you read here or about buying a home in general? Don't hesitate to reach out.

Whether it's housing market related, or something about your specific situation, We've helped other buyers find success - and we can help you too.

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