



Winter 2025

BUYER'S GUIDE

**SCAN FOR A
LOCAL MARKET
UPDATE AND
BUYER TIPS**


Windermere
REAL ESTATE



MLS
MULTIPLE LISTING SERVICE



Top Reasons To Own Your Home



Accomplishment



Feeling a sense of achievement and pride

Loved Ones



Prioritizing the needs of those closest to you

Stability



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

Financial Investment



Growing your assets and net worth

Comfort



Enjoying features that enhance your lifestyle

Privacy



Having a space that's your own

Personal Expression



Tailoring your home to your unique style

Community



Being a part of a broader social group

If you're ready to buy a home, let's get the process started **today.**



Opportunities for Homebuyers Today

This past year has undoubtedly been a challenging one for homebuyers. However, the market is now shifting, which opens the door to three significant opportunities for buyers.

1. You Have More Options To Choose From

Data from Realtor.com shows inventory is up more than 29% year over year. This means you have a better chance of finding a home that suits your needs and preferences. But that doesn't mean there's a sudden surplus. Inventory levels are still roughly 21% lower than they were in more normal, pre-pandemic years (see graph below):

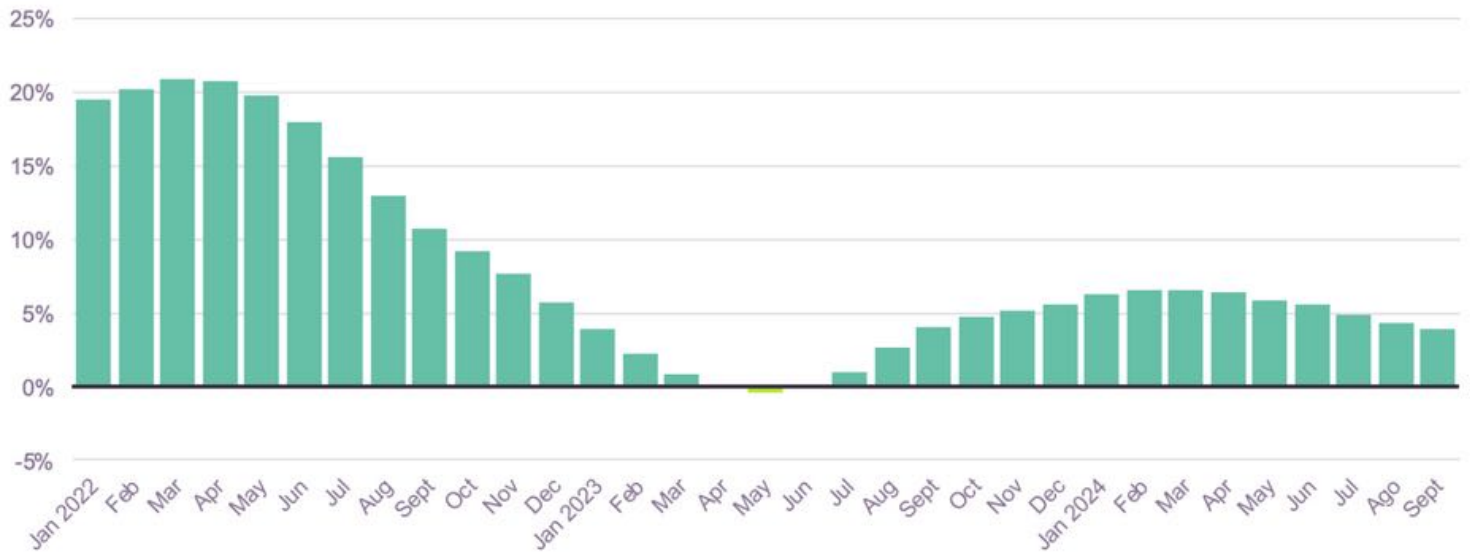
2. Increased Availability of New Home Construction

If you're not finding an existing home that fits your needs, consider exploring newly built homes. Data from the Census Bureau and NAR reveals that 28.8% of homes currently on the market are new construction. This isn't a result of overbuilding—it's simply builders working to recover from years of underbuilding. Plus, many builders are now focusing on smaller, more affordable homes, which can expand your options significantly when you include new builds in your search.



Home Price Growth is Slowing To More Normal Levels

Year-Over-Year Change in Home Prices



Source: Case-Shiller

3. Home Prices Are Stabilizing

Home prices are beginning to show signs of moderation, which is a refreshing change after the fast-paced appreciation of recent years (see graph below). This shift offers buyers more opportunities to enter the market at more manageable price points.

Marco Santarelli, Founder of Norada Real Estate Investments, explains it well:

“This moderation is largely driven by supply and demand. With supply increasing and demand becoming more balanced, prices aren’t climbing as quickly. However, make no mistake—this doesn’t mean prices are dropping. They’re simply rising at a more normal, sustainable pace. This slower price growth means buyers are less likely to encounter the rapid price hikes experienced in recent years.”





What to Expect from Mortgage Rates and Home Prices in 2025

Curious About the Housing Market in 2025? Here's What Experts Predict

If you're wondering what's ahead for the housing market in 2025, here's a look at expert predictions for two critical factors that influence your buying decision: mortgage rates and home prices.

Mortgage Rates Are Expected to Ease and Stabilize in 2025

Following a period of volatility and uncertainty throughout 2024, experts anticipate that mortgage rates will begin to stabilize over the course of 2025. Forecasts also suggest rates may decline slightly compared to their current levels (see graph below).

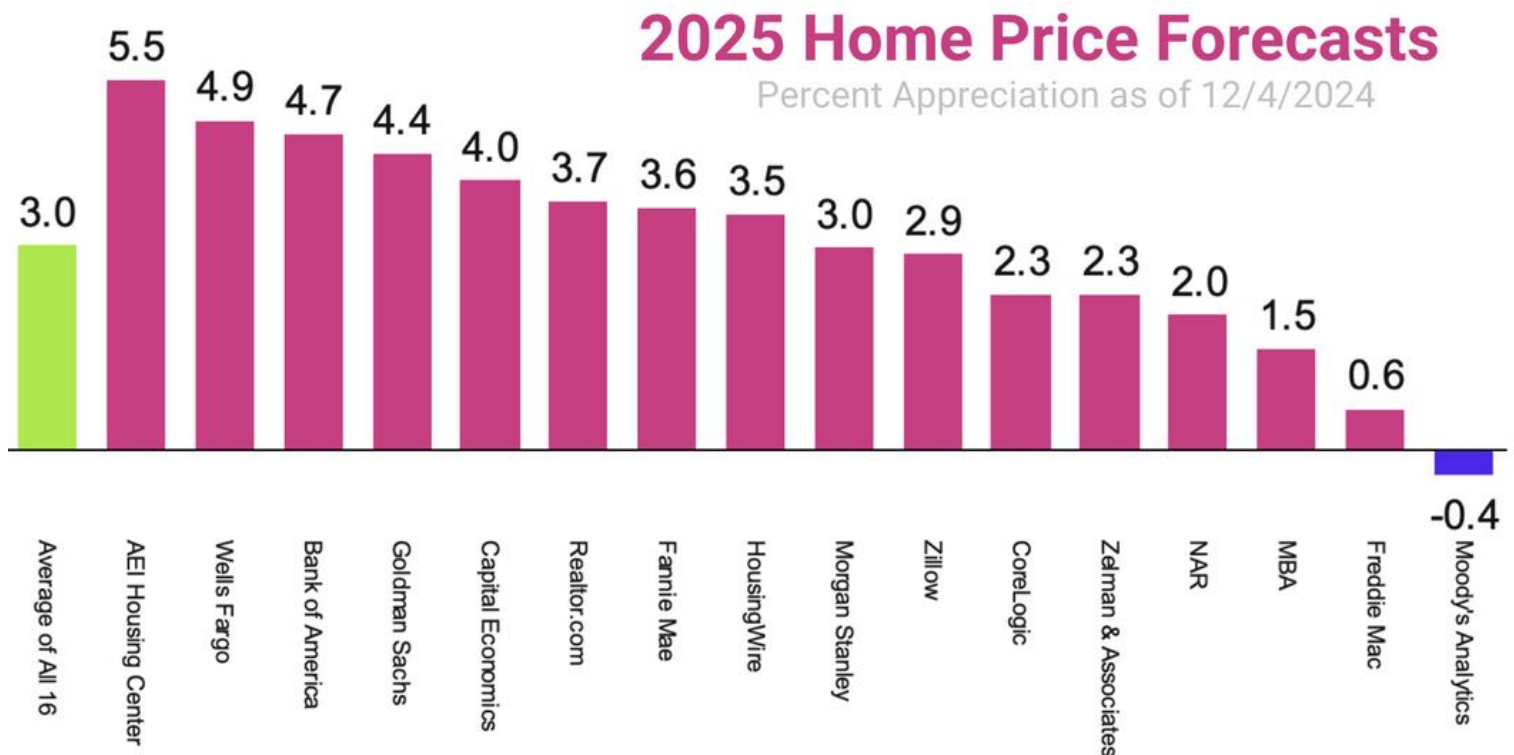
It's worth noting that mortgage rate predictions are among the most difficult to make in the housing market. These forecasts depend on several key factors aligning, such as inflation, economic conditions, government policies, and more. While rates are expected to decrease slightly, they will remain somewhat unpredictable.

To navigate these fluctuations effectively, it's essential to stay in close contact with a trusted real estate agent and lender. They can provide you with the most up-to-date information and expert advice to help you understand how these changes might impact your plans.



Home Prices Expected to Show Steady Growth

While mortgage rates are anticipated to ease slightly, home prices are projected to continue rising—though at a much slower and more sustainable rate compared to the rapid appreciation seen in recent years. According to experts, home prices are expected to grow by an average of approximately 3.0% nationally in 2025 (see graph below).



This slower, more manageable price growth is a welcome shift from the double-digit increases seen in recent years in some markets.

So, why are home prices still rising? It all comes down to demand. While the supply of homes for sale has improved, it's still not at the level of a more typical, pre-pandemic housing market. This ongoing lack of inventory means there aren't enough homes to meet buyer demand, which keeps upward pressure on prices.

However, it's important to note that national trends might not align with what's happening in your specific area. That's why it's essential to connect with a local real estate expert who can provide insights into your market and help you make informed decisions.



How Changing Mortgage Rates Affect Your Buying Power

While rates are projected to ease slightly, it won't be a straight line down. Here's a look at how even a small change can impact your monthly payment.

Home Loan Amount	Fixed Mortgage Interest Rate	Monthly Mortgage P&I*	Monthly Savings Compared to 7.5%
\$250K	7.5%	\$1,748	-
	7.0%	\$1,663	\$85
	6.5%	\$1,580	\$168
	6.0%	\$1,499	\$249
	5.5%	\$1,419	\$329
\$450K	7.5%	\$3,146	-
	7.0%	\$2,994	\$152
	6.5%	\$2,844	\$302
	6.0%	\$2,698	\$448
	5.5%	\$2,555	\$591
\$650	7.5%	\$4,545	-
	7.0%	\$4,324	\$221
	6.5%	\$4,108	\$437
	6.0%	\$3,897	\$648
	5.5%	\$3,691	\$854

*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: Mortgage Calculator.net

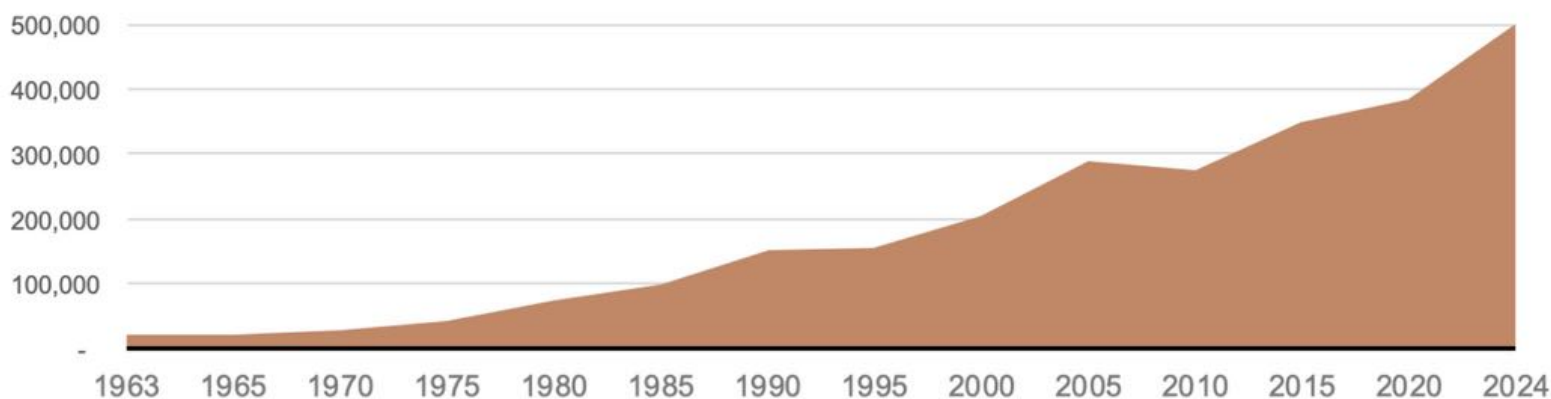
Why Should You Buy VS Renting

Home Values Tend to Increase Over Time

In the past year, there's been some uncertainty about the direction of home prices. However, make no mistake—on a national level, home prices are still rising, just at a slower pace. This trend isn't surprising, as history shows that over the long term, home values almost always appreciate (see graph below).

Price Appreciation over the Last 60 Years

Average Sales Price of Houses Sold in the United States



Source: Census, HUD

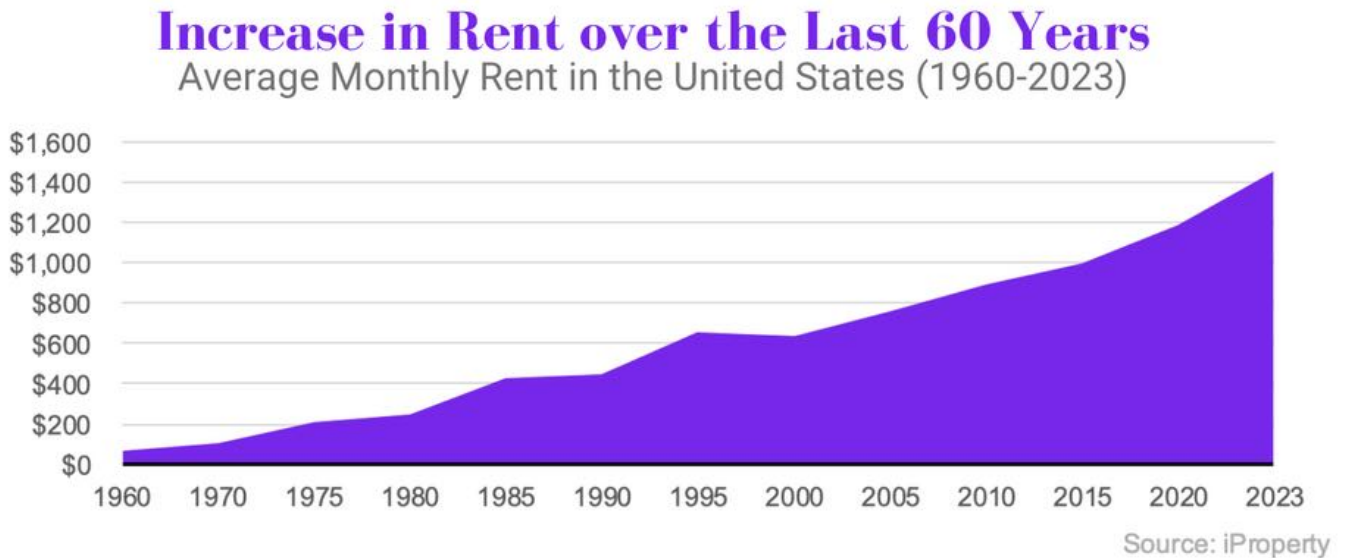
As shown in the graph above, home prices have followed a steady upward trend over the past 60 years. While the 2008 housing crash was an exception to this pattern, the general trajectory of home values has been one of consistent growth.

This long-term appreciation is one of the biggest advantages of owning a home compared to renting. As home prices rise and you continue to pay down your mortgage, you build equity. Over time, this equity can significantly contribute to your net worth, making homeownership a powerful tool for building long-term financial stability.



Rents Continue to Climb Over Time

Another compelling reason to consider buying a home instead of renting is that rent prices tend to rise steadily over the long term. While renting may seem like the more affordable option in some areas right now, renewing your lease or signing a new one often comes with the sting of higher monthly payments. Data from iProperty Management reveals that rent prices have consistently increased over the past 60 years as well (see graph below). This ongoing trend highlights the value of locking in a fixed housing payment through homeownership, which can provide stability and protect you from future rent hikes.



How to Break Free from Rising Rent Costs

Tired of watching your rent climb year after year? Buying a home with a fixed-rate mortgage allows you to stabilize your housing costs and eliminate those frustrating rent increases. That kind of predictability can bring real peace of mind.

When you purchase a home, your monthly payments become an investment in your future—not your landlord's. Even if renting seems less expensive in the short term, the money you pay in rent each month is gone forever.

On the other hand, homeownership helps you build equity and long-term wealth. As Dr. Jessica Lautz, Deputy Chief Economist and VP of Research at the National Association of Realtors (NAR), explains:

“If a homebuyer is financially stable, able to manage monthly mortgage costs and can handle the associated household maintenance expenses, then it makes sense to purchase a home.”

Owning your home is more than a place to live—it's an investment in yourself and your financial future.

Ultimately

In the end, buying a home provides far more benefits than renting, even in a market with higher housing costs. Homeownership helps you avoid the cycle of rising rent payments while allowing you to build equity and benefit from long-term home price appreciation.





Buying IS Worth It - Here is Why

Should You Buy Now or Wait?

This is a common question on the minds of many people today. While the right choice ultimately depends on your personal circumstances, there's one important factor to keep in mind as you weigh your options. Let's take a closer look to help you make an informed decision.

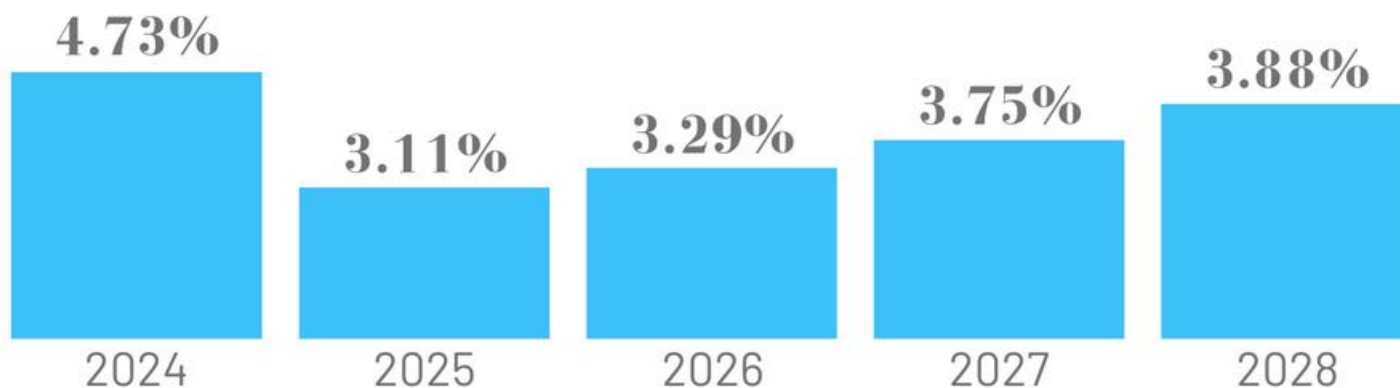
Start Building Equity Now

One of the biggest benefits of buying a home is that you begin building equity right away. And you might be surprised at how quickly that equity can grow, even with today's more moderate home price appreciation.

Every quarter, Fannie Mae publishes the Home Price Expectations Survey, which gathers insights from over 100 economists, real estate experts, and market strategists. According to the latest survey, home prices are projected to continue rising nationally through at least 2028 (see the graph below). This means the sooner you buy, the sooner you can take advantage of this long-term growth and start building wealth through homeownership.

Estimated Home Price Performance

December to December, as forecasted in Q3 2024



Source: Q3 2024 HPES

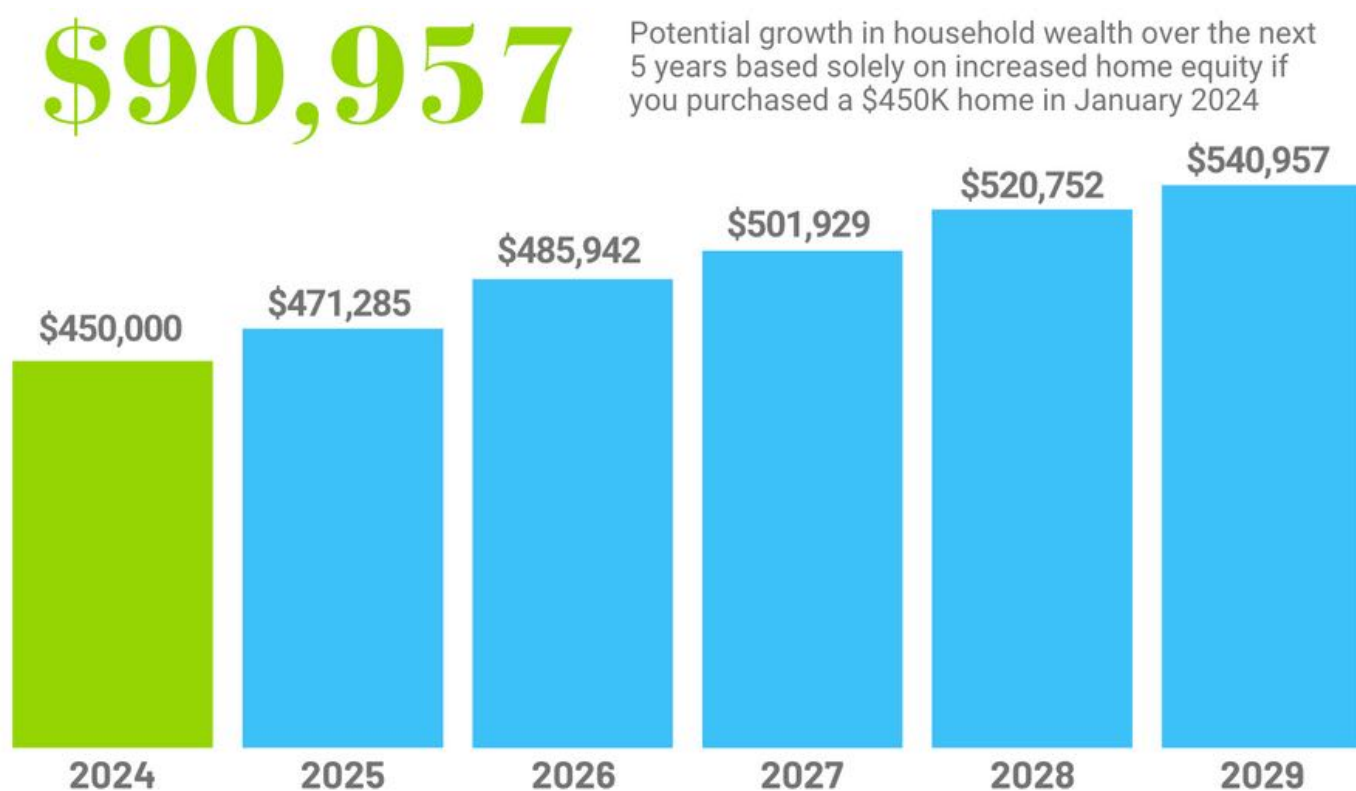


Home Prices Are Expected to Keep Rising

While home prices will vary depending on your local market, experts agree that, on a national level, they're expected to keep climbing. The rate of growth may fluctuate year to year, but the key takeaway is that home prices are projected to increase steadily—albeit at a more moderate pace.

At first glance, rising home prices may not seem like great news if you're considering buying now. However, once you own a home, that price growth becomes a significant advantage, helping you build equity over time.

The graph below illustrates how much equity you could potentially gain using a typical home's value and the latest Home Price Expectations Survey (HPES) projections. It's a powerful reminder of the long-term financial benefits of homeownership.



Source: Q3 2024 HPES

If someone purchased a \$450,000 home at the start of this year, based on that initial value and expert forecasts from the Home Price Expectations Survey (HPES), they could build over \$90,000 in household wealth through equity growth in just five years. That's a substantial financial gain. So, if you're ready and in a position to buy—and growing your wealth is one of your goals—this is an incredible opportunity to consider. Homeownership not only provides a place to call your own but also serves as a powerful tool for building long-term financial security.





Mistakes Other Buyers Are Making We Want You To Avoid

Avoid Costly Mistakes When Buying a Home

No one wants to make mistakes, especially when it comes to what's likely the largest financial transaction of their life—buying a home. That's why working with a trusted real estate agent is so crucial. Their expertise and guidance can help you steer clear of the most common mistakes homebuyers are making today, ensuring a smoother and more successful home-buying experience.

1. Trying To Time the Market

One of the most common mistakes buyers make is trying to time the market by waiting for home prices or mortgage rates to drop. While this might seem like a smart strategy, it's actually a risky gamble due to the many unpredictable factors that can influence the market. As Elijah de la Campa, Senior Economist at Redfin, explains:

"My advice for buyers is don't try to time the market. There are a lot of swing factors . . . that could cause the housing market to take unexpected twists and turns. If you find a house you love and can afford to buy it, now's not a bad time."

The key takeaway? Focus on what works for your personal circumstances instead of waiting for market conditions to align perfectly—they rarely do.



2. Buying More House Than You Can Afford

Another common misstep is stretching your budget beyond what's financially comfortable. While it can be tempting to push for your dream home, overextending your finances can leave you vulnerable, especially as other housing costs, like insurance and property taxes, continue to rise.

It's crucial to understand what you can truly afford. As Bankrate advises:

"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."

By sticking to a realistic budget and working with financial and real estate professionals, you can make a smart decision that sets you up for long-term success.

3. Missing Out on Assistance Programs

Saving for the upfront costs of buying a home, such as your down payment and closing costs, requires careful planning. However, many buyers overlook the variety of assistance programs available that could significantly ease the financial burden.

This is more common than you might think. According to Realtor.com, nearly 80% of first-time homebuyers qualify for down payment assistance, but only 13% actually take advantage of these programs. That means a large number of buyers miss out on valuable opportunities that could make homeownership more attainable.

Whether you're purchasing your first home or your fifth, be sure to talk with a trusted lender. They can guide you through the available programs and help you determine if you qualify for any assistance. Don't leave money on the table—these programs could make a big difference in helping you achieve your homeownership goals.

4. Not Leaning on the Expertise of a Pro

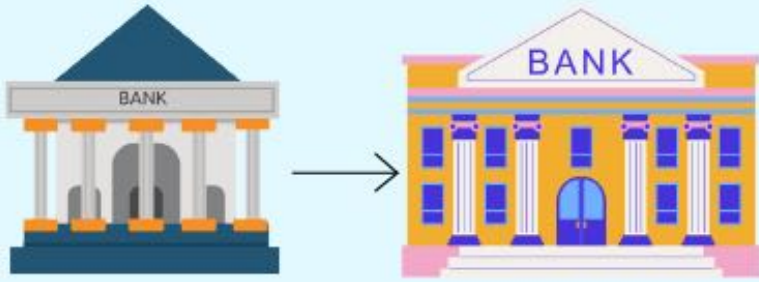
This might be the most crucial point of all. The best way to avoid making costly mistakes is to rely on the expertise of a professional. A trusted real estate agent and lender can guide you through every step of the process, ensuring you avoid common missteps and make informed decisions.

With the right team of experts by your side, you'll have the support and knowledge needed to confidently navigate the home-buying journey and make choices that set you up for long-term success.



Things To Avoid After Applying for a Mortgage

Consistency is the name of the game after applying for a mortgage. Be sure to discuss any changes in income, assets, or credit with your lender, so you don't jeopardize your application.



Don't change bank accounts.



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



Don't deposit cash into your bank 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.



Why You Should Hire an Agent When Buying

Ready to Buy? Here's Why You Need a Real Estate Agent by Your Side

If you've made the decision to purchase a home, you might be wondering where to begin. With so much to think about, it's normal to feel a little overwhelmed. The good news? You don't have to navigate the homebuying process on your own.

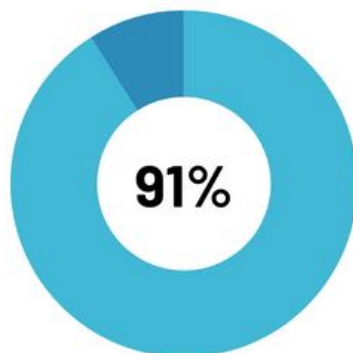
When it comes to buying a home, having the expert guidance of a trusted real estate agent is more valuable than ever. Here's why:

A Real Estate Agent Does More Than You Might Think

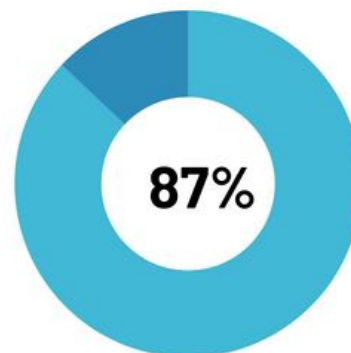
Your real estate agent will guide you through every step of the homebuying journey, always keeping your best interests in mind. From explaining the process and finding the right home to negotiating on your behalf and helping you avoid pitfalls, an agent simplifies what can otherwise feel like an overwhelming and stressful experience.

This level of support is invaluable, especially when you're making what's likely the biggest purchase of your life. You deserve someone in your corner who can help you navigate the complexities of the process with confidence and ease.

It's no wonder that a recent survey from Bright MLS found that the overwhelming majority of buyers agree a real estate agent is a key part of the homebuying experience (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 home buyer"

Source: Bright MLS

Having experienced agent by your side isn't just helpful—it's essential to making your home buying journey as smooth and successful as possible.

Top Ways a Real Estate Agent Adds Value to Your Homebuying Journey

When you work with a trusted real estate agent, you gain more than just a guide—you gain a true partner who helps you navigate the complexities of the homebuying process. Here are five key ways an agent adds significant value to your experience:

1. Deliver Industry Expertise

A great agent is your personal coach, guiding you through every step of the homebuying process. With professional training and in-depth knowledge of how real estate transactions work, they ensure you're informed and prepared. In today's ever-changing market, their expertise is especially critical as they stay on top of the latest practices, regulations, and trends.

2. Provide Expert Local Knowledge

In a data-driven world, having someone who can interpret the numbers and trends specific to your local market is invaluable. A knowledgeable agent separates fact from fiction, helping you understand key details like how quickly homes are selling, what's new on the market, and what to watch out for. They provide clarity, so you can make confident decisions tailored to your unique situation.

3. Explain Pricing and Market Value

Understanding home values and market trends is a vital part of making smart financial decisions. A skilled agent helps you analyze the latest pricing data, ensuring you don't overpay or miss out on a great opportunity. They'll help you craft an offer that's both fair and competitive, leveraging their local expertise to ensure you're getting the best value. Plus, they can spot potential red flags with a property that you might not notice, helping you avoid costly mistakes.

4. Review Contracts and Fine Print

Real estate transactions come with a mountain of paperwork, disclosures, and legal documents. Your agent ensures you understand everything you're signing, breaking down the fine print so there are no surprises. Their training and experience in reviewing contracts are crucial in protecting your interests and ensuring the transaction goes smoothly.

5. Bring Negotiation Expertise

From crafting a strong initial offer to navigating counteroffers and resolving inspection-related issues, negotiations are a critical part of the homebuying process. An experienced agent acts as your advocate, negotiating with multiple stakeholders—including sellers, their agents, and inspectors—to secure the best possible outcome for you. Having a skilled negotiator in your corner is essential to ensure you don't leave money or opportunities on the table.



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