



ANGIE SELLS HOMES
TURNING DREAMS INTO ADDRESSES

Summer 2024

BUYER'S GUIDE



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



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



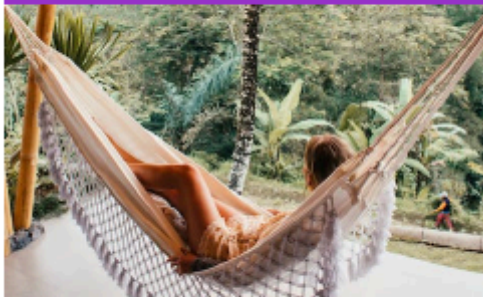
Locking in your monthly housing payment with a fixed-rate mortgage

Financial Investment



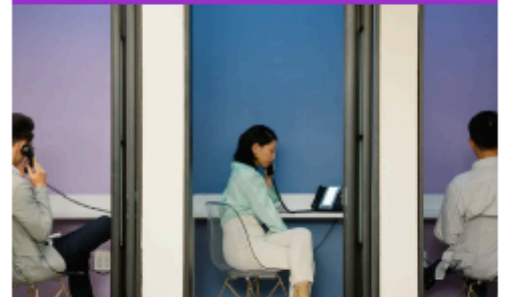
Growing your assets and net worth

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**.

The Best Method for Monitoring Mortgage Rate Trends

If you're considering buying a home, you're likely focused on mortgage rates. You know they affect how much you can afford in your monthly mortgage payment, and you want to ensure you're factoring that in as you plan your move. However, keeping track of mortgage rates can be overwhelming. Here's what you need to know.

What's Impacting Mortgage Rates?

Mortgage rates have been volatile, meaning they fluctuate frequently. You might be wondering why. The answer is complex because many factors influence rates. These include the broader economy, job market conditions, current inflation rates, decisions made by the Federal Reserve, geopolitical uncertainty, and more. Recently, all these factors have contributed to the volatility we've seen.

As Odeta Kushi, Deputy Chief Economist at First American, explains:

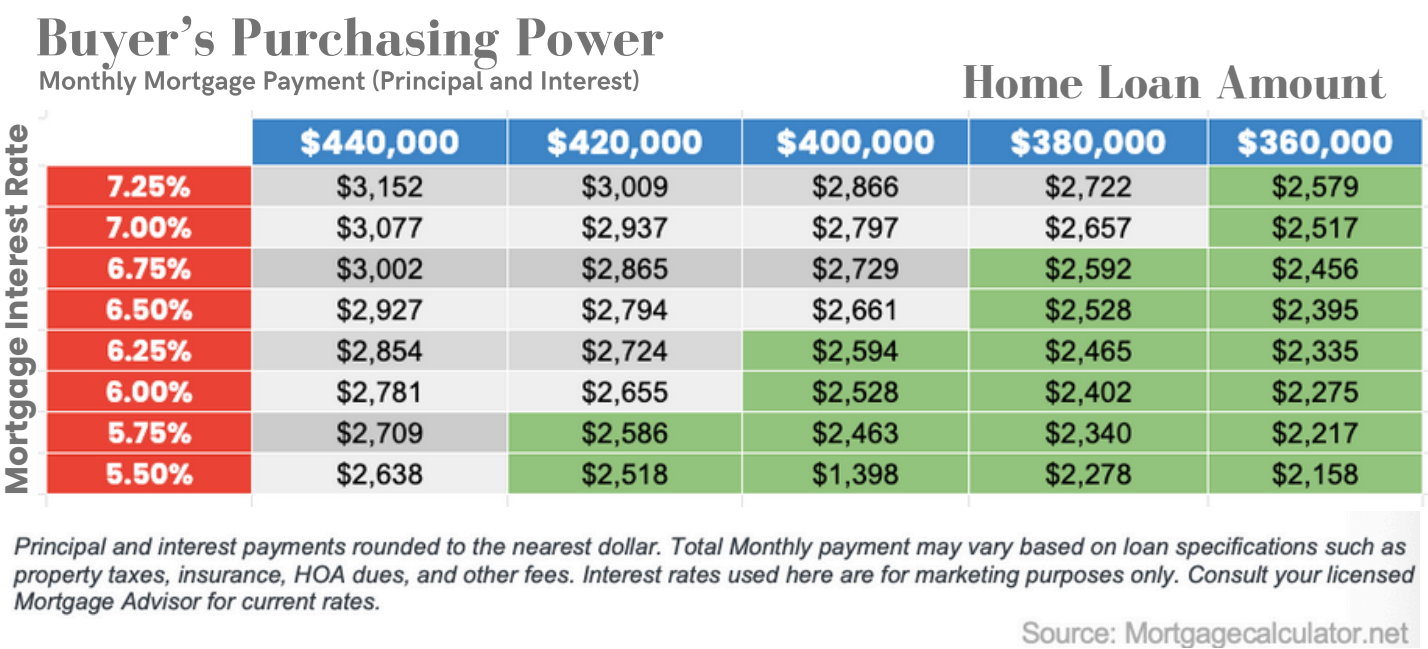
“Ongoing inflation deceleration, a slowing economy, and even geopolitical uncertainty can contribute to lower mortgage rates. On the other hand, data that signals upside risk to inflation may result in higher rates.”



Real Estate Professionals Can Help Make Sense of It All

Understanding how various factors impact mortgage rates can be overwhelming and time-consuming. Instead of diving into all the details yourself, rely on the professionals. Real estate agents guide people through market conditions regularly. They can provide you with a quick summary of broader trends, expert predictions, and how these factors affect you.

Take this chart as an example. It illustrates how mortgage rates impact your monthly payment when buying a home. If you aim to keep your payment between \$2,500 and \$2,600 (principal and interest only), the green section of the chart shows the rates at which your payment would fall within that range or lower.



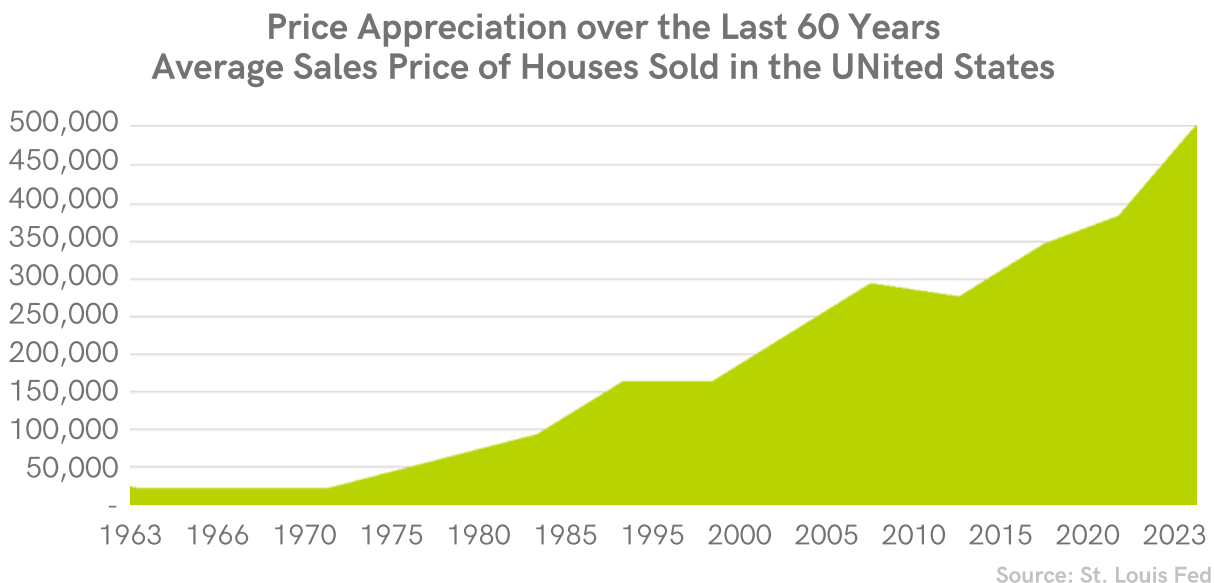
As you can see, even a small shift in rates can impact the loan amount you can afford if you want to stay within that target budget. Tools and visuals like these help translate market conditions into what they actually mean for you. Only a professional has the knowledge and expertise needed to guide you through these complexities.

Why Buy VS Rent

Are you wondering if it makes sense to buy a home right now? While today's mortgage rates might seem a bit intimidating, here are two reasons why it could still be a good time to become a homeowner.

Home Values Typically Go Up Over Time

There's been some confusion over the past year or so about which way home prices are headed. Make no mistake, nationally they're still going up. In fact, over the long-term, home prices almost always go up (see graph below):

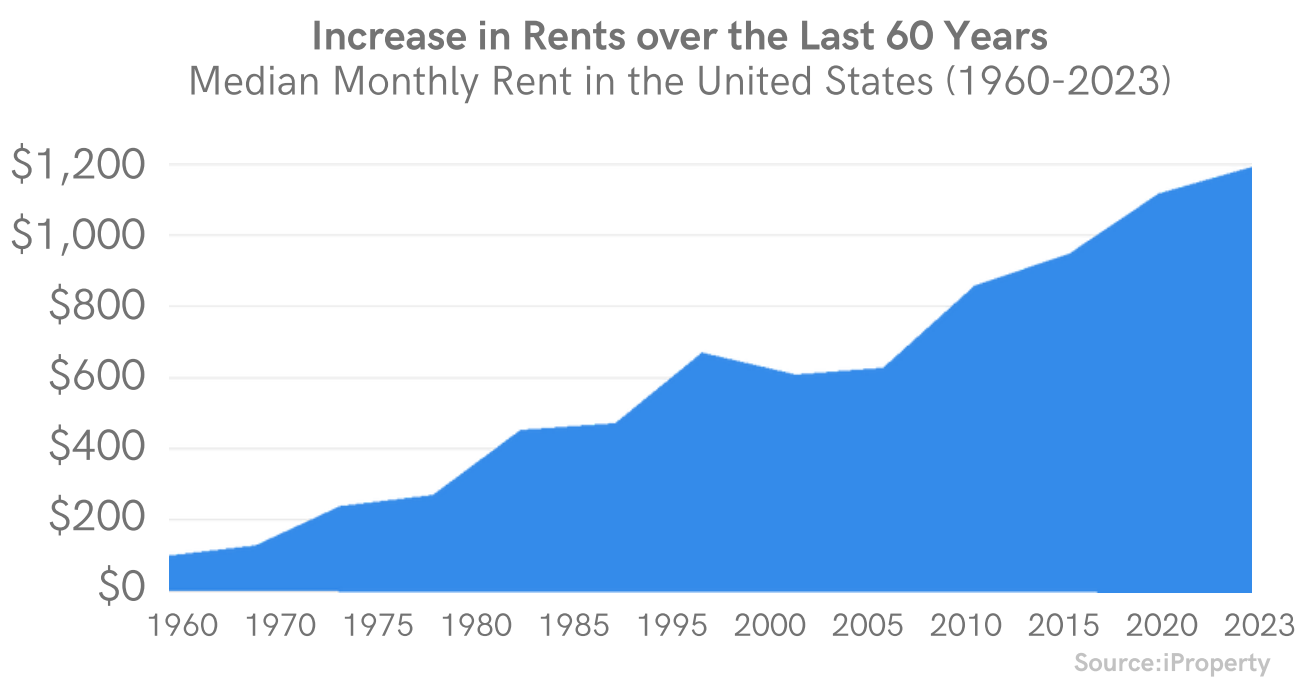


Based on the chart, home prices have generally increased over the past 60 years, except during the 2008 housing crash when prices fell. Overall, home values tend to rise.

This trend highlights why buying a home can be more beneficial than renting. As home prices increase and you pay down your mortgage, you build equity. Over time, this equity can substantially boost your net worth.

Rents Keep Rising in the Long Run

Another reason to consider buying a home instead of renting is that rents tend to keep rising over the years. While renting might be cheaper right now in some areas, every time you renew your lease or sign a new one, you’re likely to face higher rent. According to data from iProperty Management, rent has been increasing consistently for the past 60 years (see graph below):



How to Escape the Cycle of Rising Rents

Want to break free from the cycle of rising rents? Buying a home with a fixed-rate mortgage can help you stabilize your housing costs and avoid those frequent rent increases. This stability is significant.

Your housing payments become an investment in yourself rather than in your landlord. When you own your home, you're investing in your future. Even if renting is cheaper in the short term, the money you pay each month as rent is gone for good.

As Dr. Jessica Lautz, Deputy Chief Economist and VP of Research at the National Association of Realtors (NAR), explains:

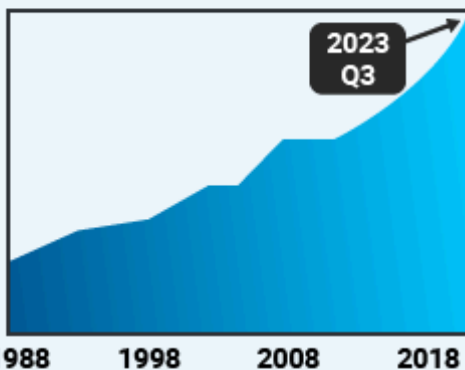
“If a homebuyer is financially stable, able to manage monthly mortgage costs, and can handle the associated household maintenance expenses, then it makes sense to purchase a home.”

The Difference Between **Renting** and **Buying a Home**

When deciding between buying a home or renting, think about these three important factors.

Buying a Home Means Avoiding Rising Rents

Median Asking Rent Since 1988



When You Rent:

Your monthly payment generally goes up each time you sign or renew a lease.

When You Buy:

With your fixed-rate mortgage, your monthly payment is locked in for the length of your home loan.

Homeowners Own a Tangible and Valuable Asset

“

... the average U.S. homeowner now has about **\$290,000 in equity.**

CoreLogic



When You Rent:

You won't get any return on your investment as you pay your rent monthly.

When You Buy:

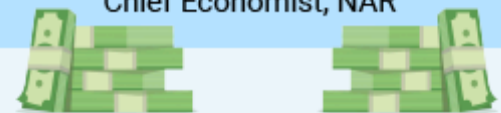
As home prices rise, and as you pay down your home loan, you build equity.

Owning Your Home Grows Your Wealth Over Time

“

A monthly mortgage payment is often considered a forced savings account that helps homeowners build a net worth about 40 times higher than that of a renter.

Lawrence Yun
Chief Economist, NAR



When You Rent:

When the cost of renting goes up, it's more difficult to save money for a down payment to buy a home.

When You Buy:

As you build equity through the years, you give your net worth a big boost.

How Homeowner Net Worth Grows with Time

If you're thinking about buying a home this year, be sure to consider the long-term financial benefits of homeownership

Home Equity Boosts Your Net Worth

Equity is the current value of your home minus what you still owe on your loan. It goes up when.

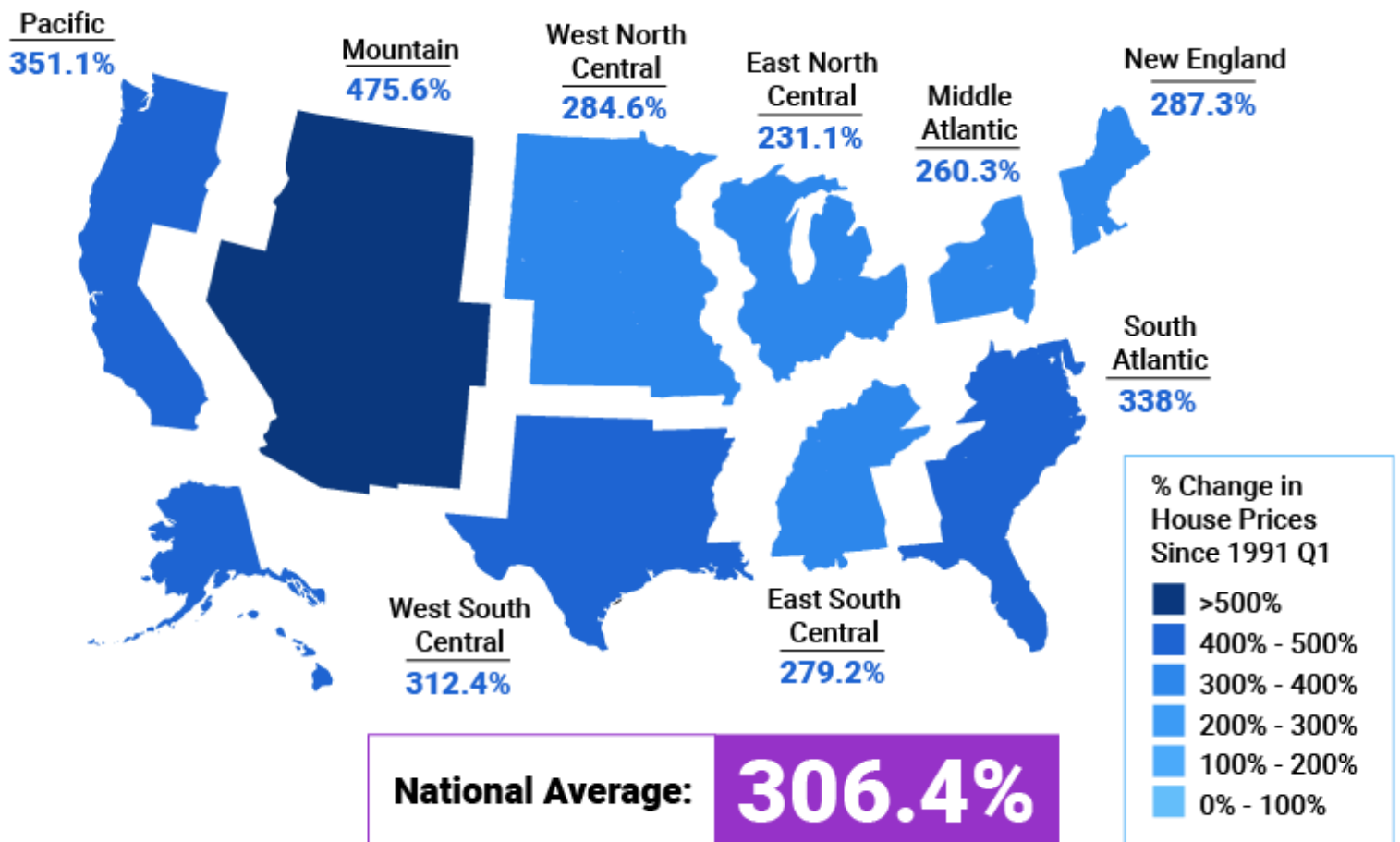
- You pay down your loan
- Home price appreciation makes your home's value go up



Here's a look at how just the home price appreciation piece can increase your wealth over time.

Percent Change in Home Prices

Since Q1 1991, Q3 2023





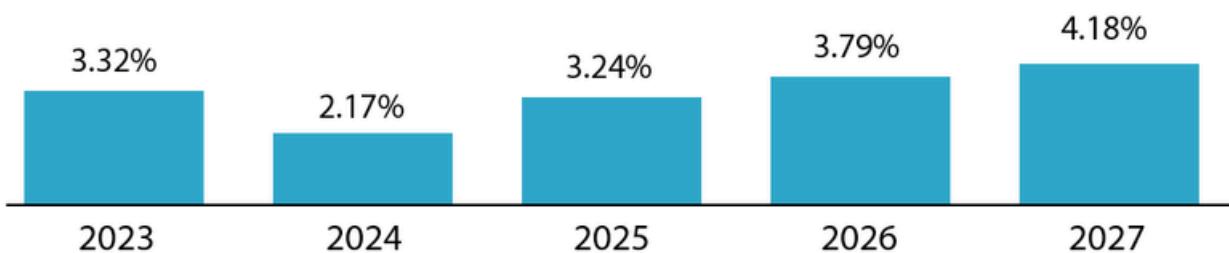
Looking to Buy? Ask Yourself: “

If you're considering buying a home and are curious about future projections for home prices and their potential impact on your investment, here's what experts are predicting.

Pulsenomics conducted a survey involving over 100 economists, investment strategists, and housing market analysts in the latest quarterly Home Price Expectation Survey (HPES). The results reveal the panelists' projections for home prices over the next five years. According to these expert forecasts, home prices are anticipated to rise consistently every year through 2027, as illustrated in the graph below.

Estimated Home Price Performance

December to December, as Forecasted in Q3 2023

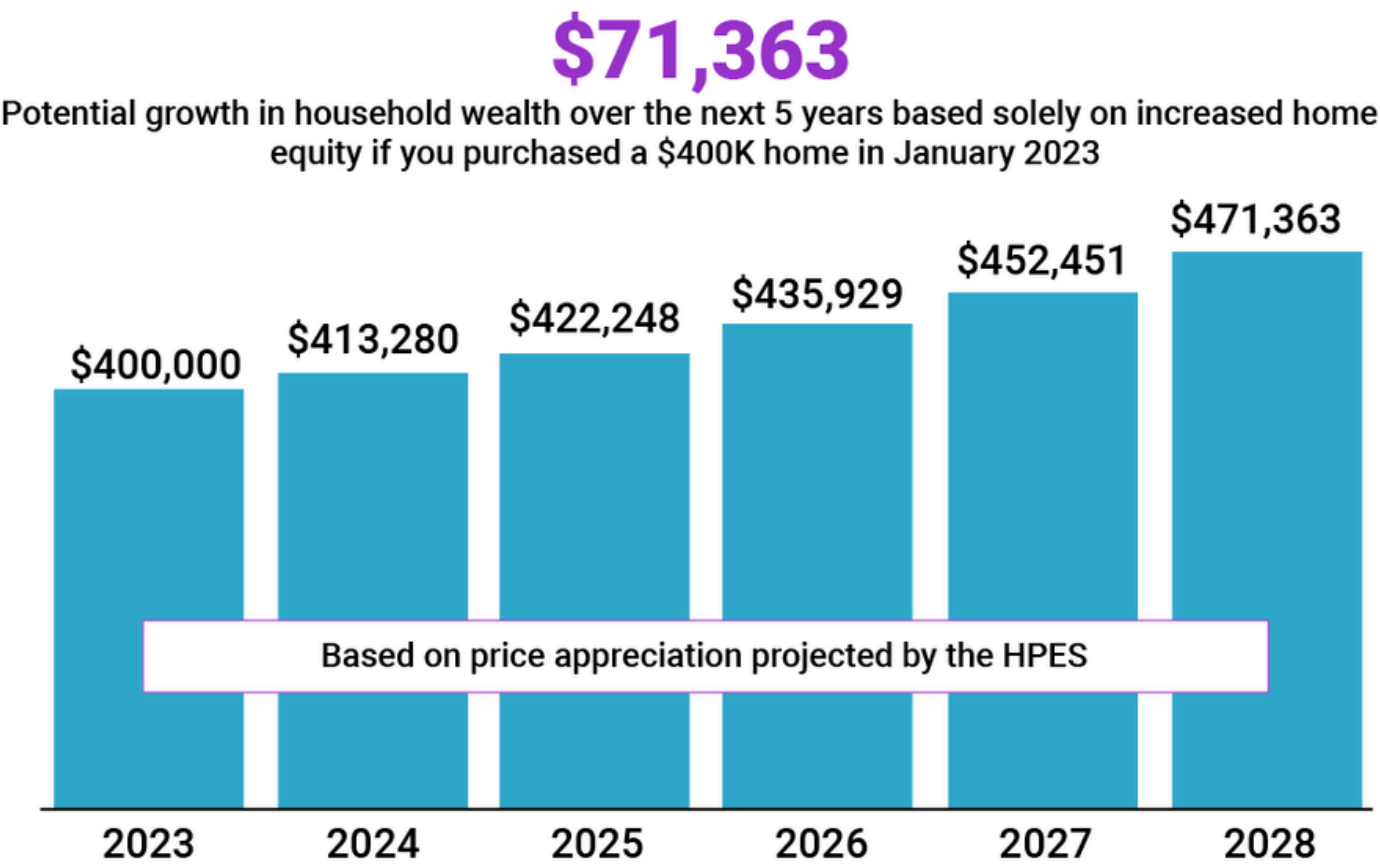


For those who may have been concerned about the possibility of home prices falling due to online stories, here's the key takeaway. Despite variations in home prices at the local level, experts foresee a continued upward trajectory in prices nationwide for several years. These projections signify a return to a more typical pattern of home price appreciation.

Although the projected increase in 2024 may not be as substantial as that in 2023, it's crucial to understand that home price appreciation is cumulative. This serves as a noteworthy example of why owning a home is a choice that yields significant benefits over time.

What Does This Mean for You?

Once you buy a home, price appreciation raises your home’s value, and that grows your household wealth. To see how a typical home’s value could change in the next few years using the expert projections from the HPES, check out the graph below:



In this scenario, let's consider that you purchased a \$400,000 home at the start of 2023. Taking into account the forecast from the Home Price Expectation Survey (HPES), there is the potential to accumulate over \$71,000 in household wealth over the next five years.

If you are contemplating whether buying a home is a wise decision, it's essential to recognize how it can serve as a potent means to grow your wealth significantly over the long term.

Ultimately

As per expert projections, home prices are anticipated to experience a more moderate and normal pace of growth over the next five years. If you're prepared to embark on the journey of homeownership, understanding that purchasing a home today can establish a foundation for long-term success is crucial. With the potential for both home values and your net worth to increase, let's connect and initiate the homebuying process today.



The Importance of Getting Pre-Approved When Buying a Home

If you're planning to buy a home, getting pre-approved is essential. It helps you understand your budget and demonstrates to sellers that you are a serious buyer. Let's explore what pre-approval entails and why it's crucial for homebuyers this year.

What Is Pre-Approval?

Freddie Mac explains it like this:

“A pre-approval is an indication from your lender that they are willing to lend you a certain amount of money to buy your future home. . . . Keep in mind that the loan amount in the pre-approval letter is the lender's maximum offer. Ultimately, you should only borrow an amount you are comfortable repaying.”

This last point is especially important given current affordability challenges. Understanding what you can borrow helps you grasp the financial side of things. However, it doesn't mean you should borrow the full amount. It just tells you the maximum you can borrow.



Why Pre-Approval Is So Important

If you want to buy a home, working with a trusted lender to get pre-approved should be a priority. Even though more homes are being listed for sale, the overall number of available homes is still below average. This means there aren't enough homes for everyone who wants to buy one, creating competition among buyers.

Pre-approval can help you stand out in this competitive market. It shows sellers you're serious because you've already undergone a credit and financial check. As Greg McBride, Chief Financial Analyst at Bankrate, explains:

“Pre-approval carries more weight because it means lenders have actually done more than a cursory review of your credit and finances. They have reviewed your pay stubs, tax returns, and bank statements. A pre-approval means you've cleared the hurdles necessary to be approved for a mortgage up to a certain dollar amount.”

Sellers appreciate this because it indicates the sale is more likely to proceed smoothly without unexpected delays or issues. In a competitive situation, having a pre-approval can give you an edge over other buyers, making it more likely you'll secure your dream home.

The Impact of Changing Mortgage Rates

If you're looking to buy a home, you should know even a small change in mortgage rates has an impact on your purchasing power. This chart shows how rates generally affect your monthly payment.



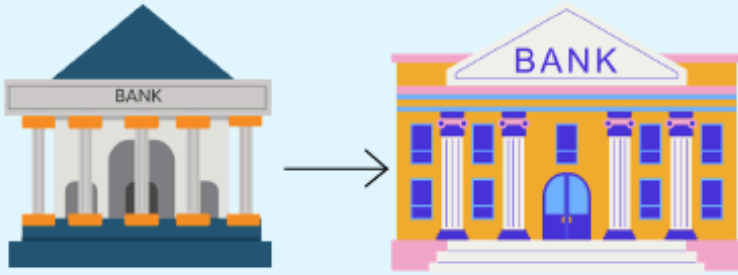
Home Loan Amount	Fixed Mortgage Interest Rate	Monthly Mortgage P&I*	Monthly Difference
\$250,000	8.0%	\$1,834.41	-
	7.5%	\$1,748.04	\$86.37
	7.0%	\$1,663.26	\$171.15
	6.5%	\$1,580.17	\$254.24
\$450,000	8.0%	\$3,301.94	-
	7.5%	\$3,146.47	\$155.47
	7.0%	\$2,993.86	\$308.08
	6.5%	\$2,844.31	\$457.63
\$800,000	8.0%	\$5,870.12	-
	7.5%	\$5,593.72	\$276.40
	7.0%	\$5,322.42	\$547.70
	6.5%	\$5,056.54	\$813.58

**Principal and Interest Payment.*

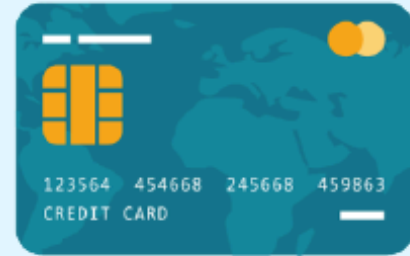
Total monthly payment may vary based on loan specifications such as property taxes, insurance, HOA dues, and other fees. Interest rates used here are for marketing purposes only. Consult your licensed Mortgage Advisor for current rates.

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.



How to Make A Strong Offer

1. Partner with a Real Estate Agent

Collaborate with a real estate agent who can support your home-buying goals. As PODS notes:

“Making an offer on a home without an agent is certainly possible, but having a pro by your side gives you a massive advantage in figuring out what to offer on a house.”

Agents are experts in the local market. They know what strategies have worked for other buyers in your area and understand what sellers are looking for. This advice can be crucial when deciding what offer to make.

2. Understand Your Budget

Knowing your budget is more important than ever. The best way to understand your financial limits is to work with a lender to get pre-approved for a home loan. This process helps you be more financially confident and shows sellers you're serious. It gives you a competitive edge. As Investopedia explains:

“... sellers have an advantage because of intense buyer demand and a limited number of homes for sale; they may be less likely to consider offers without pre-approval letters.”



3. Make a Strong, but Fair Offer

It's natural to want the best deal on a home, especially when affordability is tight. However, submitting an offer that's too low can have risks. You don't want your offer to be immediately dismissed. As Realtor.com explains:

“... an offer price that’s significantly lower than the listing price is often rejected by sellers who feel insulted ... if a seller is offended by a buyer or isn’t taking the buyer seriously, there’s not much you, or the real estate agent, can do.”

Your agent's expertise is crucial here. They can help you stay competitive by finding a price that is fair to both you and the seller.

4. Trust Your Agent During Negotiations

After you submit your offer, the seller may counter it. During negotiations, it's important to understand what matters to the seller. Being flexible on things like moving dates can make your offer more attractive.

Your real estate agent is your partner in navigating these details. Trust them to guide you through negotiations and help you develop the best strategy. As the National Association of Realtors (NAR) explains:

“There are many factors up for discussion in any real estate transaction—from price to repairs to possession date. A real estate professional who’s representing you will look at the transaction from your perspective, helping you negotiate a purchase agreement that meets your needs ...”



Why You Need an Agent

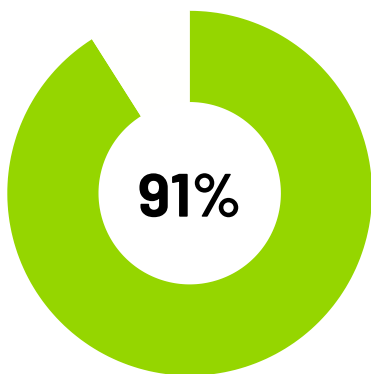
If you've decided you're ready to buy, you might be wondering where to start. It can feel overwhelming, but the good news is you don't have to navigate this process on your own.

The Value of a Trusted Real Estate Agent

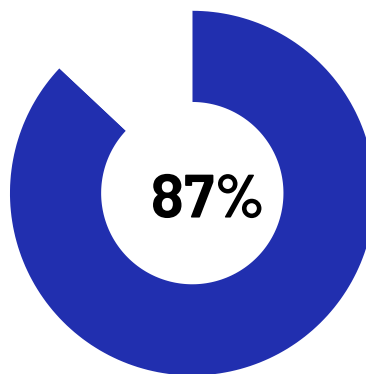
When it comes to buying a home, expert advice from a trusted real estate agent is invaluable, especially now. Here's why:

A real estate agent does much more than you may realize. They guide you through every step of the home-buying process and look out for your best interests. They simplify a complex process and alleviate much of the stress involved in what is likely your largest purchase ever. This is exactly what you need and deserve.

This is part of the reason why a recent survey from Bright MLS found that an overwhelming majority of people agree that an agent is a key part of the home-buying 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 home buyer

Source: Bright MLS

Top Ways Real Estate Agents Add Value

To give you a better idea of how agents can make a difference, here are some key ways they add value:

1. **Deliver Industry Expertise:** The right agent will guide you through every step of the buying process with their professional training and expertise. In today's complex and ever-changing market, having the best advice is essential.
2. **Provide Expert Local Knowledge:** A great agent can help you make sense of data, separate fact from fiction, and understand how current market trends apply to your unique search. They can explain how quickly homes are selling, highlight listings you don't want to miss, and provide insights into 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. They can tell you what a home is valued at in your market, what to consider when making an offer, and if there are potential issues with a property. Having an expert who understands true market value for individual neighborhoods is priceless. They ensure your offer is fair and competitive in today's housing market.
4. **Review Contracts and Fine Print:** In a fast-moving and heavily regulated process, agents help you make sense of necessary disclosures and documents. Having a professional explain the details could make or break your transaction, and it's certainly not something you want to figure out on your own.
5. **Bring Negotiation Expertise:** From offer to counteroffer, inspection to closing, there are many stakeholders involved in a real estate transaction. An agent will advocate for you, working with each party to achieve the best possible outcome. Having someone on your side who knows you and the process makes a significant difference, providing support and expertise at every turn.

For more information about
buying or selling your home,
contact me today!

*Let's Turn your
Dream into an
Address*



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