

THE BUYER'S ADVANTAGE:

Current Trends, Insights & What to Expect in Spring 2025

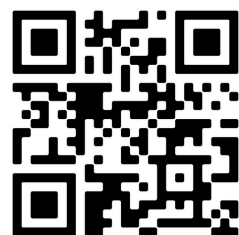


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SCAN FOR A
LOCAL MARKET
UPDATE AND
BUYER TIPS



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?

Two Reasons It's a Great Time to Buy

Let's be real—the last few years have been tough for buyers, especially when it comes to affordability. If you've been trying to buy a home, you've probably felt like prices are high and options are limited. But there's some good news you should know.

Inventory is finally growing. That means there are more homes available—both resale and new construction. And with more homes to choose from, you've got a better shot at finding something that actually fits your needs and your budget.

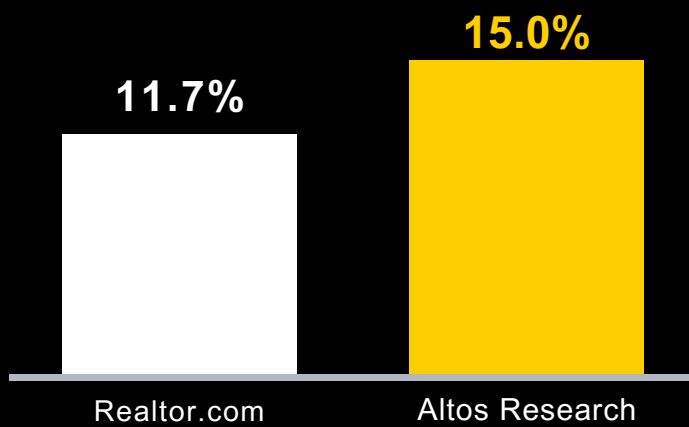
Here are two reasons it's getting a little easier to become a homeowner right now.

1. More Resale Homes Are Hitting the Market

If you've been feeling like there just aren't enough homes out there, you're not imagining things—until recently, inventory was super low. But things are changing. According to Realtor.com, the number of resale (existing) homes on the market jumped by 22% in 2024. And it's not stopping there—experts are predicting another 11–15% increase by the end of 2025. That's a big deal for buyers.

2025 For-Sale Inventory Forecasts

Year-Over-Year Percent Increase for Existing Homes



Source: Realtor.com

More inventory means more options. If you haven't found a home that checks all your boxes yet, don't get discouraged. As more homes hit the market, your chances of finding your perfect match go up.

Ralph McLaughlin, Senior Economist at Realtor.com, put it best:

"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." So if you've been waiting—now might be the time to start looking again.

2. New Construction Is on the Rise

Here's something else working in your favor—there are more brand-new homes available right now than usual. In fact, about 1 in every 3 homes on the market today is new construction, according to the Census and the National Association of Realtors.

That's higher than normal, but it doesn't mean builders are overbuilding. It just means they're finally catching up after years of not building enough homes to meet demand.

For you, this means even more options—especially if you're looking for something move-in ready with modern features.

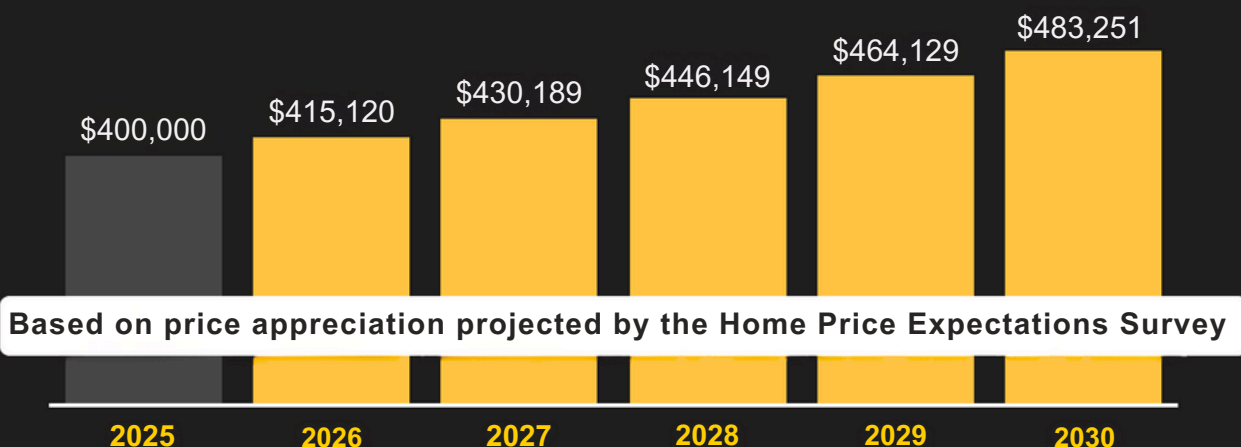
Most people assume a brand-new home automatically means a higher price tag. But right now, that's not always true. Builders have been adjusting, and many are focused on creating smaller, more budget-friendly homes. That means you might be able to buy a brand-new home for the same price—or even less—than an older one.

In some areas, new builds are showing up at prices that would surprise you. So if you've been skipping over new construction, you could be missing out on a big opportunity.

Here's the deal: about one-third of all homes on the market right now are brand new. If you're not considering them, you're cutting your options way down. Ask your agent to include new builds in your search—you might find the right fit faster than you think.

\$83,251

Potential growth in household wealth over the next 5 years based solely on increased home equity if you purchase a \$400K home in January 2025.



Sources: Fannie Mae, HPES

Expert Forecasts for the 2025 Housing Market

Are Mortgage Rates Going to Drop? Here's What to Know

A lot of people are sitting on the sidelines, waiting for mortgage rates to fall—and it's a fair concern. But if you're holding out for those ultra-low 3% rates again, that's probably not going to happen anytime soon.

The outlook for 2025 shows rates might come down a bit, but not drastically. Most experts are predicting they'll settle somewhere in the mid-6% range by the end of the year.

So, while a small drop could help, don't wait around hoping for a huge dip. It's more about watching where things are headed and being ready to take action when the numbers make sense for you.

Rates Will Fluctuate—So Stay Focused on the Big Picture

One thing to keep in mind: mortgage rates aren't set in stone. They move based on a ton of factors—like inflation, the economy, and decisions made at the federal level. That means forecasts can shift quickly as new data comes in.

Trying to time the market perfectly? That's a gamble.

Instead of stressing over exact percentages or daily rate changes, pay attention to the bigger trend. Even a small drop in rates can make a real difference in your monthly payment. So if you see rates dipping and you're ready to buy, it might be worth locking something in while the opportunity's there.

Mortgage Rate Projections
30-Year Fixed Rate as of 2/20/2025

Quarter	Fannie Mae	MBA	Wells Fargo	Average of All Three
2025 Q1	6.90%	6.90%	7.10%	6.96%
2025 Q2	6.80%	6.90%	6.90%	6.86%
2025 Q3	6.70%	6.70%	6.65%	6.68%
2025 Q4	6.60%	6.50%	6.50%	6.53%

Are Home Prices Going to Drop? Probably Not.

If you've been hoping for a big dip in home prices, don't count on it. While mortgage rates might come down a bit, home values are still expected to rise—just at a slower, more manageable pace.

Most experts agree that we're looking at steady, moderate growth—about 3% on average in 2025, with some forecasts reaching closer to 4%. That's not the rapid price jump we've seen in recent years, but it does mean waiting could still cost you.

The takeaway? Prices aren't crashing. So if you're waiting for a major drop before jumping in, you might be waiting a long time.

Waiting for a Big Price Drop? Don't Hold Your Breath.

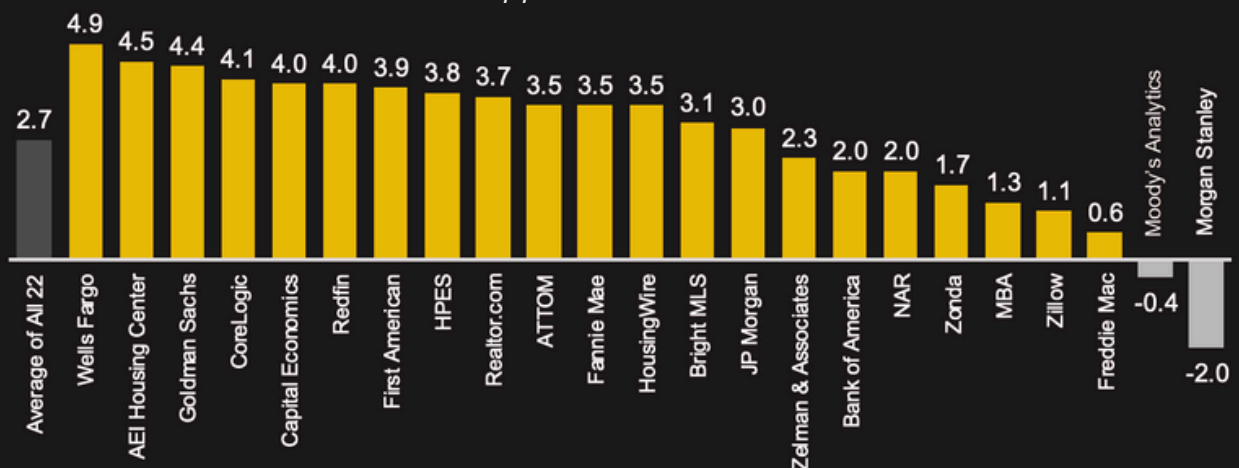
If you're hoping to score a major deal by timing the market, here's the reality: a sudden drop in home prices isn't likely this year. And while that might feel frustrating at first, there's actually a silver lining.

Instead of wild price spikes like we've seen in the past, the market is expected to grow at a steadier, manageable pace. That means less pressure as a buyer, and the added bonus of knowing that the home you buy today is likely to gain value over time.

But remember—real estate is local. Some areas will see prices rise faster than others, while a few may stay flat or dip slightly if more homes hit the market. Still, in most markets, home values are expected to keep climbing. So if you're ready to buy, focus on long-term value—not short-term timing.

2025 Home Price Forecasts

Percent Appreciation as of 2/26/2025



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



The Real Benefits of Buying a Home This Year

Still Debating Between Renting and Buying?

According to a recent Bank of America report, 70% of potential buyers are worried about what renting long-term could cost them—like missing out on building equity and dealing with rent that keeps going up.

If you're stuck deciding whether to keep renting or take the leap into homeownership, here's the bottom line: if the numbers make sense for you, owning a home can set you up with serious long-term financial advantages. It's not just about having a place to live—it's about investing in your future.

Owning a Home Helps You Build Wealth—Month After Month

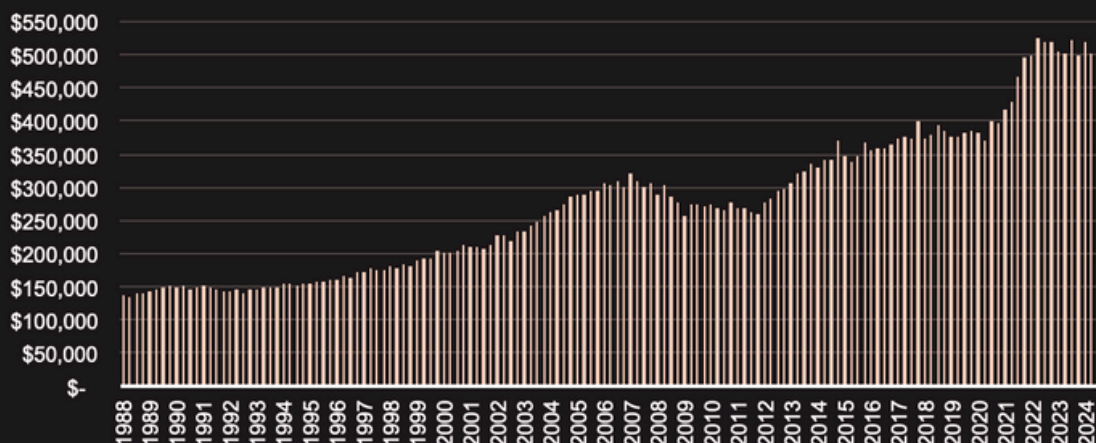
When you buy a home, you're not just paying for a roof over your head—you're investing in something that can grow in value over time. Instead of sending money to a landlord every month, you're building equity in something that's yours.

History shows home values generally rise over time. That means as you make your mortgage payments and your home increases in value, your ownership stake grows—and so does your net worth.

So while renting may feel easier short-term, owning is what helps you build long-term financial stability.

Home Price Appreciation Since 1988

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



Sources: Census, HUD

Renting Might Feel Cheaper—But It Doesn't Stay That Way

Sure, renting can seem like the more affordable option right now, especially with current home prices and interest rates. But here's the catch—rent almost always goes up over time.

If you look at the long-term trend, rents have climbed steadily for decades. That means the price you're paying today probably won't be the price you're paying next year—or the year after that.

When you rent, you're at the mercy of rising costs. But when you own, you lock in your monthly payment and start building something that pays you back in the long run.

Renting Comes at a Long-Term Cost

If you choose to rent, chances are your costs will keep going up every time your lease renews—and that extra money? It's gone. You're not building equity or getting anything back in return. You're just helping your landlord grow their wealth, not yours.

And the more rent rises, the harder it can be to save for a future down payment. It creates a cycle that keeps pushing homeownership further out of reach.

Renting vs. Owning: What It Really Means Over Time

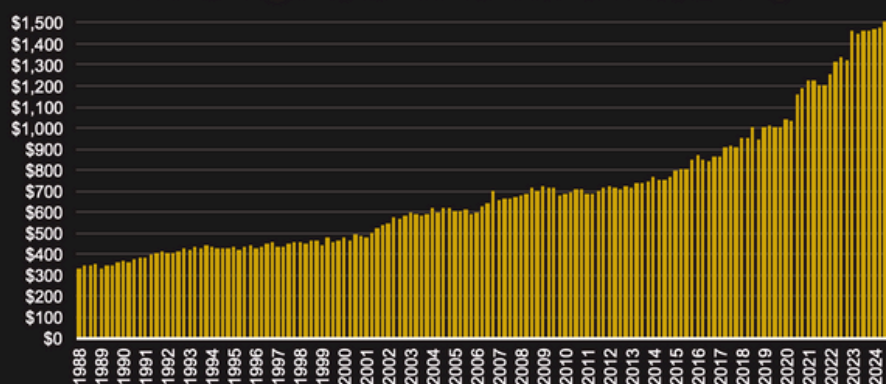
Owning a home turns your monthly payment into an investment. Every payment builds your equity, your wealth, and your future. Renting just doesn't offer the same payoff.

Renting makes sense if you're not ready to buy yet—but if you are in a position to purchase, even at today's prices and rates, you're setting yourself up for long-term financial growth.

Bottom line? Buying may take a little more upfront, but the benefits it brings over time are hard to beat.

Increase in Rents Since 1988

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



Source: Census

Time in the Market Beats Timing the Market

Thinking About Buying Now or Waiting? Here's the Real Question.

Trying to figure out if now's the right time to buy? You're not alone. With so much going on in the market—and in life—it's easy to wonder if you should wait it out or make a move. But here's the thing: timing the market perfectly almost never works. There are just too many moving parts—interest rates, inventory, home prices, personal goals—to get it exactly right.

That's why most experts agree it's not about trying to buy at the perfect moment. It's about owning for the long haul. Because the longer you're in the market, the more opportunity you have to build equity, grow your wealth, and create stability.

Why Buying Sooner Can Pay Off

If buying a home is on your radar—and the numbers make sense for you—waiting might not be the best move. The sooner you buy, the sooner you start building equity. And that equity can grow into long-term wealth.

Bankrate puts it simply:

"No matter which way the real estate market is leaning, though, buying now means you can start building equity immediately."

Time in the Market Matters More Than Timing It

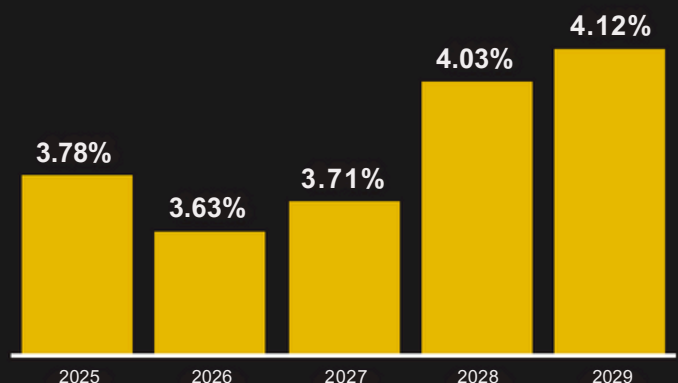
Trying to guess the perfect time to buy is almost impossible. The market shifts constantly, and there are too many factors you can't control—interest rates, inflation, supply, demand. That's why the real advantage comes from time in the market, not trying to hit it just right.

Fannie Mae surveys over 100 experts every quarter to get their take on where home prices are headed. According to the latest Home Price Expectations Survey, prices are projected to rise steadily through at least 2029—just not as fast as they did during the last few years.

So if you're financially ready, waiting could mean paying more down the line for the same home you could buy today—and missing out on years of equity growth in the meantime.

Estimated Home Price Performance

*December-December,
as Forecast in Q4 2024*



Sources: Fannie Mae, HPES

So What Does That Mean for You?

Let's break it down. Using the expert projections from the Home Price Expectations Survey, we can estimate how much a typical home might increase in value over the next few years.

If you were to buy a home in early 2025, you wouldn't just be purchasing a place to live—you'd be setting yourself up to build equity year after year. The longer you own it, the more that equity can grow.

That's the power of getting in sooner rather than later. While prices may rise slowly, they're still rising—and that appreciation adds up over time.

The Cost of Waiting? It's Bigger Than You Think.

Let's put this into perspective. Say you bought a \$400,000 home at the start of 2025. Based on what the experts are projecting, that home could earn you over \$83,000 in equity over the next five years. That's real money—and real wealth you're building just by owning your home.

If you keep renting, that equity doesn't go to you. It disappears into someone else's pocket.

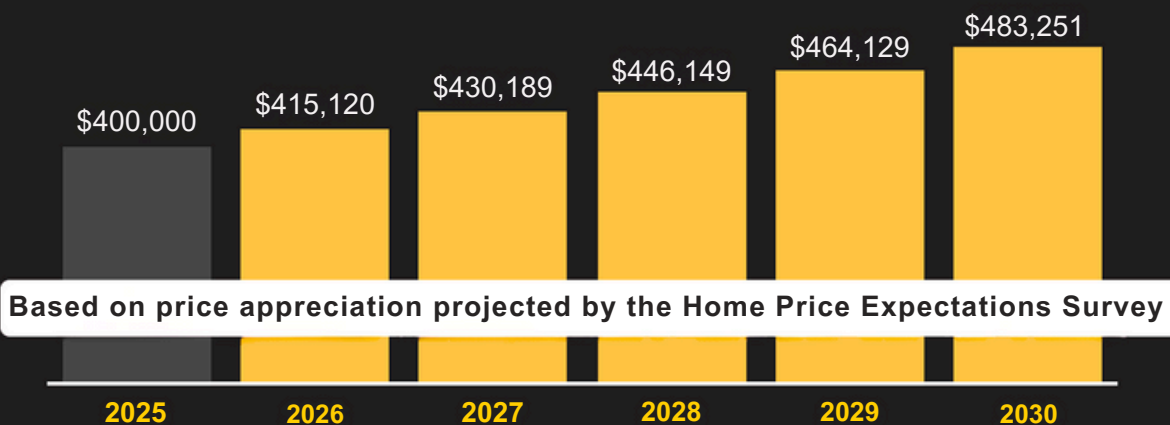
Yes, today's market has its challenges. Prices are high. Rates aren't where we'd like them to be. But this is exactly why buying now can pay off big in the long run.

And here's the good news—you don't have to figure it out alone. Whether it's exploring more affordable neighborhoods, looking at condos or townhomes, or tapping into down payment assistance programs, there are real strategies to help you buy smart—even in this market.

So if you're ready to become a homeowner, let's talk through your options. Because while you can always wait, just know this: the longer you sit on the sidelines, the more potential equity you leave behind. The choice is yours.

\$83,251

Potential growth in household wealth over the next 5 years based solely on increased home equity if you purchase a \$400K home in January 2025.



Sources: Fannie Mae, HPES

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.



5 Powerful Reasons You Shouldn't Buy a Home Without an Agent

Your Agent Is Your Advantage

Buying a home is a big deal—financially and emotionally. That's why having the right agent by your side is more than helpful—it's essential. A great agent guides you through every step, keeps your best interests front and center, and helps take the stress out of what's likely one of the biggest purchases of your life.

And most buyers agree. A recent survey from Bright MLS shows that the vast majority of people see a trusted agent as a crucial part of the homebuying process. When the stakes are this high, you want someone in your corner who knows what they're doing.

Don't make any large purchases.



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 change bank accounts.



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.

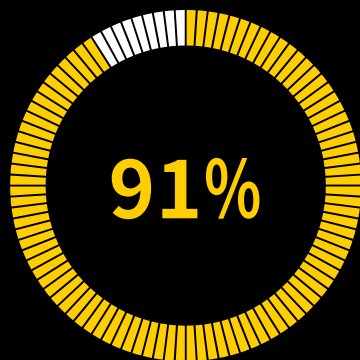
4. They Handle the Contracts and the Fine Print

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.

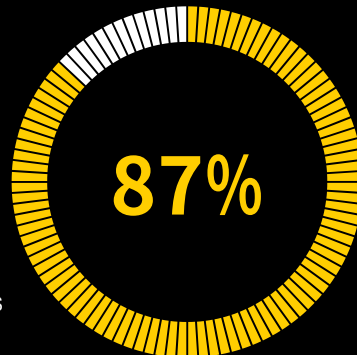
5. They're Your Negotiator and Advocate

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.



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

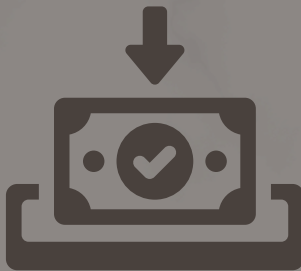
Things To Avoid After Applying for a Mortgage



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.



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