



THINGS TO CONSIDER WHEN BUYING A HOME



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REASONS TO BUY

If you're thinking about buying a home, here are the top reasons to start your search sooner rather than later.

1. HOMEOWNERSHIP BRINGS MANY BENEFITS

Homeownership is the ultimate goal for many Americans. Not only does it have tangible financial benefits, but owning your own home can also change lives.

When homeowners feel secure and successful in their homes, they're more likely to engage with other aspects of life. This means the impact on mental health is huge - especially today as we've seen an increase not only amongst veterans but also civilians who are dealing with a pandemic from the COVID-19 virus. When the pandemic has made you reconsider your priorities, homeownership might be a good way to deliver what matters most. It offers financial perks and emotional satisfaction that can help with recovery from any economic disaster in life.

2. MORTGAGE RATES ARE GOING UP

This year has seen the lowest mortgage interest rates in history. However, they're beginning to rise again. When mortgage rates go up, it can make buying a home more expensive. Experts project that by 2022 they will continue going up which means if you wait to buy your house.

We all have our own unique ways of going about the homebuying process, but it's important to be working with a trusted advisor who can help you navigate any obstacles that may come up. For those who are thinking about purchasing a home over the next year or two, learning what it takes now may be their most affordable option. When you're educated on the process and working with an agent at your side, it can help make making decisions about homeownership more informed.

3. HOME PRICES HAVE BEEN INCREASING

With a shortage of homes on the market and an increase in buyer activity, prices are increasing more quickly than they would otherwise. To understand why the housing market is so hot right now, it's important to know that buyers are more active than sellers. And though data shows there will be plenty of homes available for purchase this winter, supply won't increase overnight. Expert opinion is that prices will continue to rise while demand remains higher than the supply. According to Danielle Hale, Chief Economist at realtor.com:



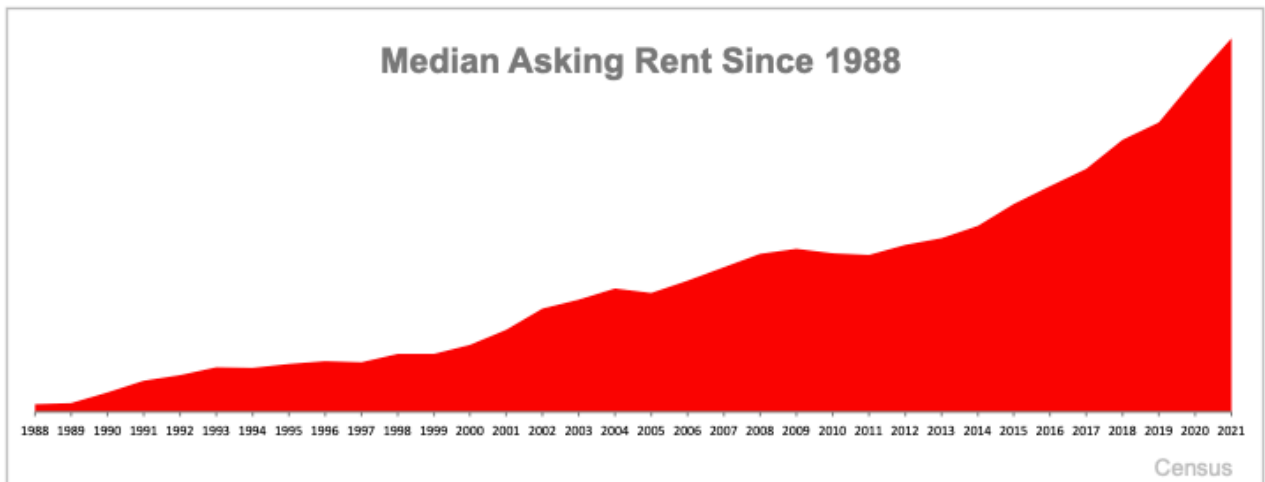
Home prices continue to rise due to a mismatch between supply and demand... This means that housing affordability will be an increasingly important consideration for buyers, but with rents rising by 13.6%, buying may be the relatively more affordable housing option for some.



The decision to buy now is not one you should take lightly. The prices of homes are still affordable, but they will likely go up in the near future before returning back down again - so make your move while there's still time.

4. RATES OF RENT ARE UP

The median monthly rent is rising year after year, according to *census* data. (see chart below):



Having your own home is not only an escape from the cycle of paying more for less but also acts as forced savings that comes back to you in equity. Your monthly mortgage payment locks in at one low rate, so why would you want it any other way?

BOTTOM LINE

Ready to take the next step in your home ownership journey? I'll be there with you every step of the way. Let's connect so that together, we can make this dream come true!

HOME PRICES ARE ON AN UPSWING. WHAT WILL THE FUTURE HOLD?

CoreLogic's report on the nationwide trend of home prices shows that they've grown 18% over last year. This can lead to many questions for potential buyers, like why are these values climbing so quickly and how long will it last?

WILL HOME VALUES CONTINUE TO RISE?

The dramatic increase in the cost of homes has been largely due to increased demand and not enough supply. When demand for property increases, so does its value because there aren't many houses available on the market at any given time.

With the future of property pricing in limbo, buyers are looking at different options. What will they decide? Let's take a closer look at some terms you may have heard recently.



Appreciation

is an **increase** in the value of an asset.



Depreciation

is a **decrease** in the value of an asset.



Deceleration

is when something happens at a **slower** pace.

While home prices have increased for nearly 10 years now, they are still not at their peak. Greg McBride from Bankrate says that this trend will continue into further increases in the near future:



...Waiting in expectation that prices will fall seems unlikely to pay off.



THE NON-FINANCIAL BENEFITS OF HOMEOWNERSHIP



Homeownership is a rewarding experience that offers financial stability, but what many people don't know about the benefits are how much pride and comfort they get from owning their own home.

We are living in a time of great change, and homeownership has changed for many people. In the State of American Homeowners Report by Unison: 2021:

“

“Last year, staying home became a necessity and that cause many homeowners to have renewed gratitude for the roof over their head.”

”

We've spent more time than ever at home: working, eating and schooling. We changed almost overnight with our needs shifting to accommodate the changes in society around us; shelters became a place that protected us on an entirely new level. A study done by Unison found out some interesting stuff:

91%

feel secure or successful owning their own home

64%

of American citizens agree that living through the pandemic has made their property more important to them than ever before

83%

reported being safe within our homes during COVID-19 pandemic

Homeownership is a great way to find security and stability in uncertain times. It provides the connections we all seek, whether or not it's just for financial reasons.

BOTTOM LINE

When buying a home, don't just consider financial benefits. Think about the non-financial perks and how they can change your life when you need them most.

KEY TERMS TO KNOW WHEN BUYING A HOME



AGENCY

An organization who represents their clients with respect to real estate transactions such as finding homes or helping negotiate on price.



HOME WARRANTY

A coverage plan providing repairs if something happens after delivery (examples include water leaks).



HOME INSURANCE

Protects owners against financial loss due directly or indirectly by covered claims such as fire damage; theft (including burglary); destruction caused by natural disasters. This type of insurance also provides coverage for personal property inside homes--such as furniture that can be replaced.



TITLE COMPANY

This company takes care of all aspects related with registering your new property such as titling (ownership). They also handle any issues regarding mortgages or deeds for homeowners who want them done.



CLOSING COST

Usually paid by buyer at the end of the transaction. It includes all fees associated with the transaction.



EARNEST MONEY

Funds, pledge and trust, when a buyer and seller enter into contract. The buyer offers an agreed upon amount as security to the seller.



APPRAISAL

An appraisal is an important part of the process that ensures your new property has been correctly valued and won't require any additional repairs before closing.



INSPECTION

The first step in any real estate transaction, an inspection gives you valuable information about the condition of a property and whether it's safe for living or worth investing more time into purchasing as-is (or possibly renovating).

10 STEPS TO MOVE-IN



VIPs INVOLVED IN YOUR PURCHASE



REALTOR

Agent that will represent a buyer or a seller during a real estate transaction. They also provide valuable information about properties before sale so buyers and sellers know what they're getting into financially speaking.

HOME INSPECTOR

A general home inspector is someone who looks at all aspects of the home's physical condition and make an informed decision on what needs fixing or replacing.

LENDER

In the real estate industry, a lender is someone who provides money for your purchase. There are three major types of loans. The three major types of loans are FHA, conventional and VA loans. The job of the lender is to ensure all the criteria are met for funding.

APPRAISER

The appraiser is an independent professional who determines the market value of assets. They are responsible for acting impartial during transactions, using observations as well data-based statistics in order to provide an accurate opinion on what someone might reasonably expect when buying or selling. The appraiser presents their findings in a written appraisal.

INSURANCE AGENT

Insurance agents decide what type of insurance is best for your needs. Based on their recommendations, the buyer will decide the coverage and deductible that is best for them and their house.

ESCROW OFFICER

The escrow officer is an unbiased third party who ensures a real estate transaction will be carried out according to contract. They watch over the terms of any agreements made, and make sure all parties are honoring their end as well.

DON'T DO THESE THINGS

There are a lot of steps to take before applying for the mortgage, and consistency will be key. Make sure that you talk with your lender about any changes in income or assets if they occur during this time because it could jeopardize approval.



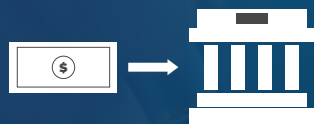
DON'T CHANGE BANK ACCOUNTS



DON'T MAKE ANY LARGE PURCHASES



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

Full disclosure is the best policy when it comes to financial matters. If you have any intentions of doing something financially related, be sure that your lender knows about them ahead of time so there are no surprises later on down the line.



LET'S CHAT.

I'm sure you have questions and thoughts about the real estate process.

I'd love to talk with you about what you've read here and help you on the path to buying your new home. My contact information is below, and I look forward to working with you.



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