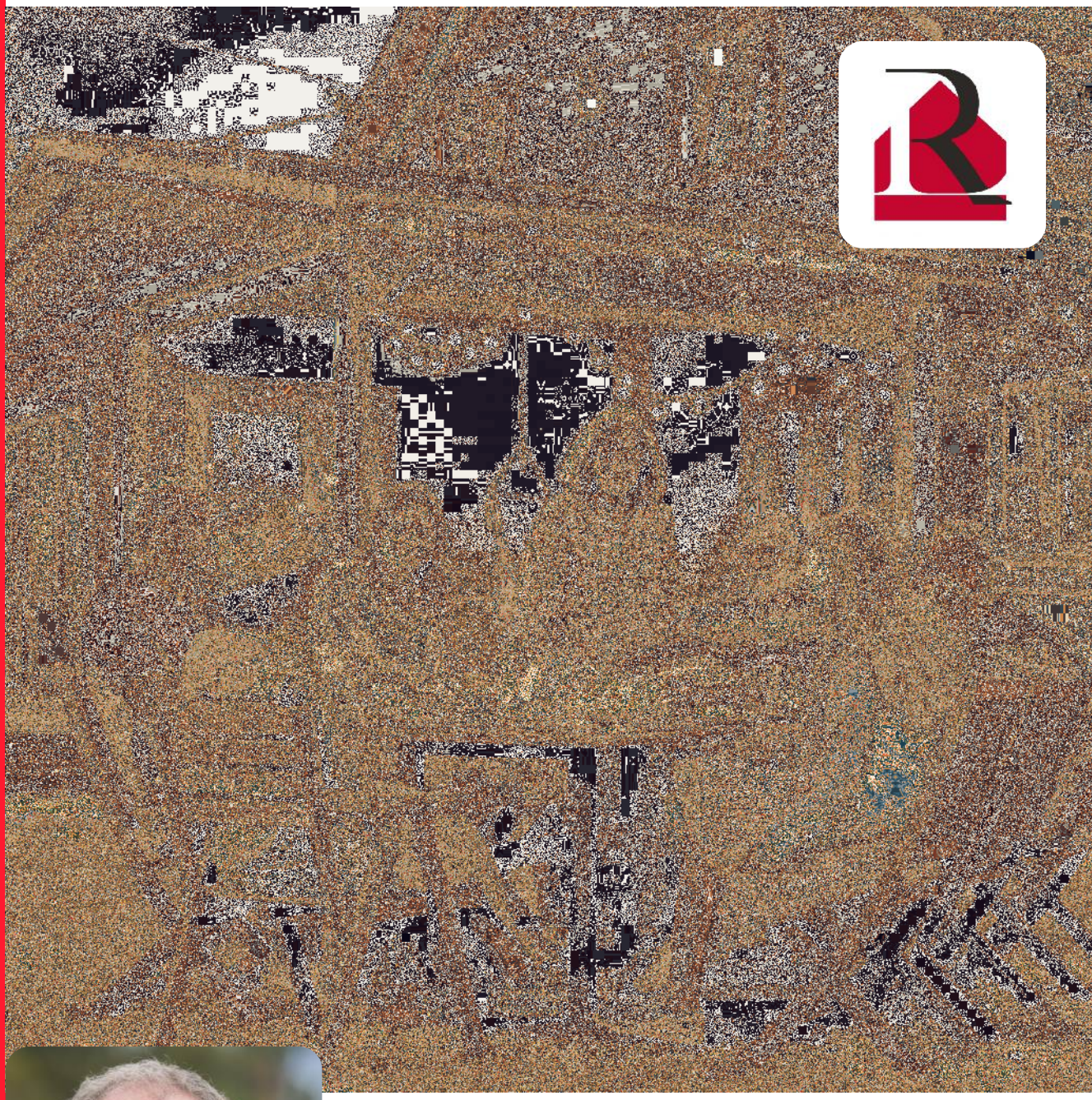
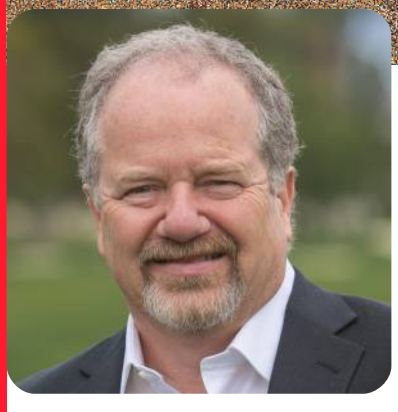
SUMMER 2025 EDITION

THINGS TO CONSIDER WHEN

Buying a Home





Rob Levy

The Rob Levy Team
Keller Williams Realty Professionals
Portland, OR
rob@roblevy.com
www.roblevy.com
(503) 906-1444



Table of Contents

3 Is It Better To Rent or Buy a Home?

7 Why Your Home Search Just Got Easier

9 What an Economic Slowdown Could Mean for the Housing Market

12 Expert Forecasts for the Second Half of the Year

14 How Changing Mortgage Rates Affect Your Monthly Payment

15 The Top 2 Buyer Mistakes Right Now

16 Things To Avoid After Applying for a Mortgage

17 5 Reasons You Need an Agent When Buying a Home

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?*

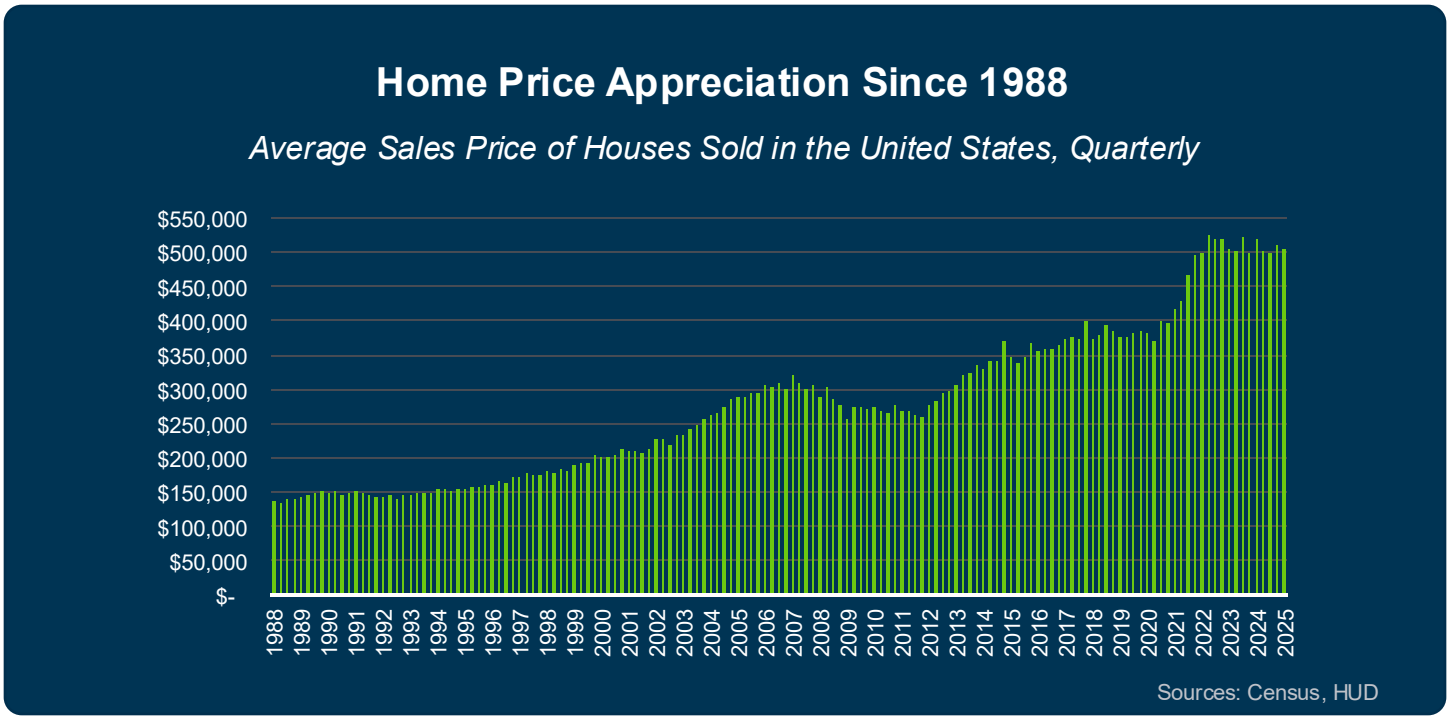
With high home prices and stubborn mortgage rates, renting can seem like the safer choice right now. Or maybe your *only* choice. That's a very real feeling. You should only buy a home when you're ready and able to do it, and *if* the timing is right for you. But here's the thing you need to know about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



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

Homeownership Builds Wealth Over Time

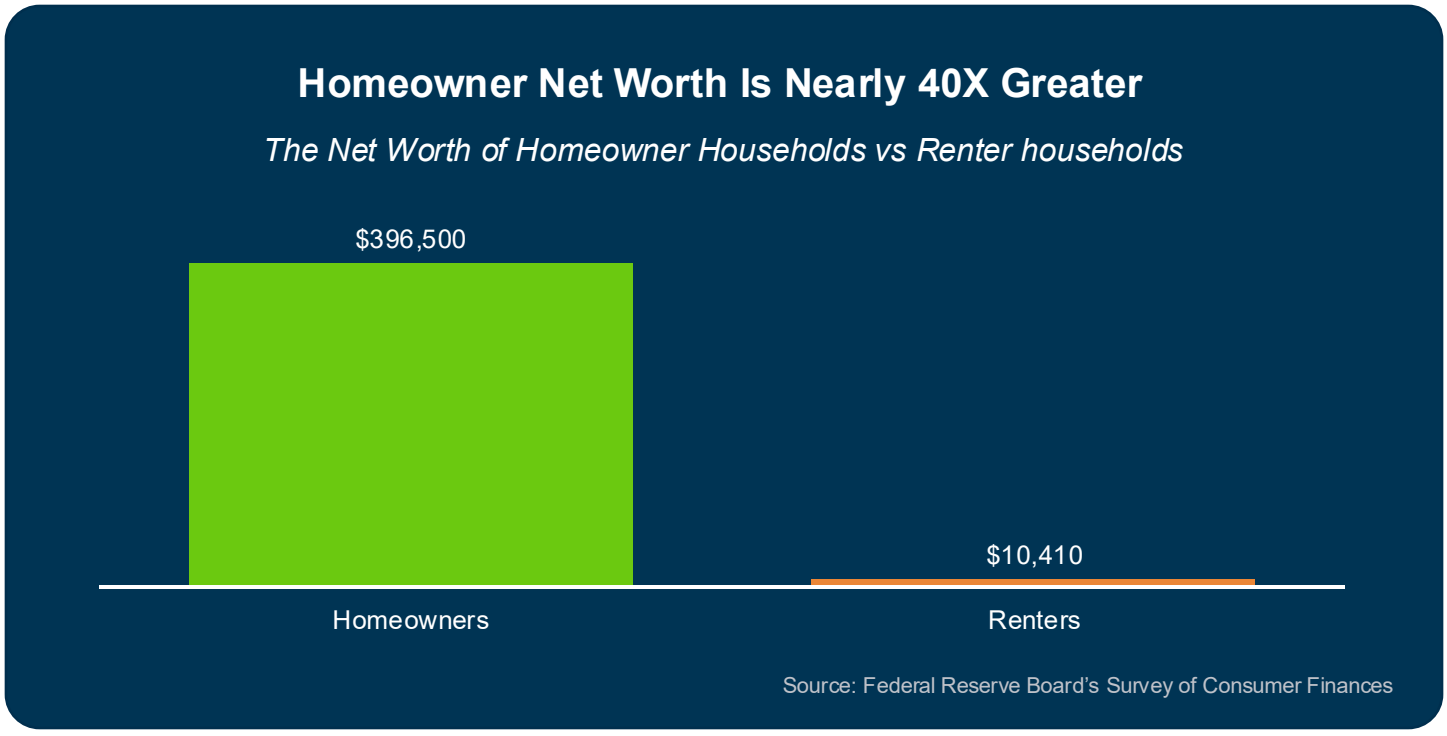
Buying a home isn't just about having a place to live – it's a step toward building your future wealth. Why? Home prices typically rise over time, which means the longer you wait, the more expensive it is to buy. And even in some markets where home prices are softening today, the overall long-term trend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

Today, the **average homeowner's net worth is nearly 40X greater than that of a renter**. That's a shocking difference, and the dollars in the visual below don't lie (*see graph below*):



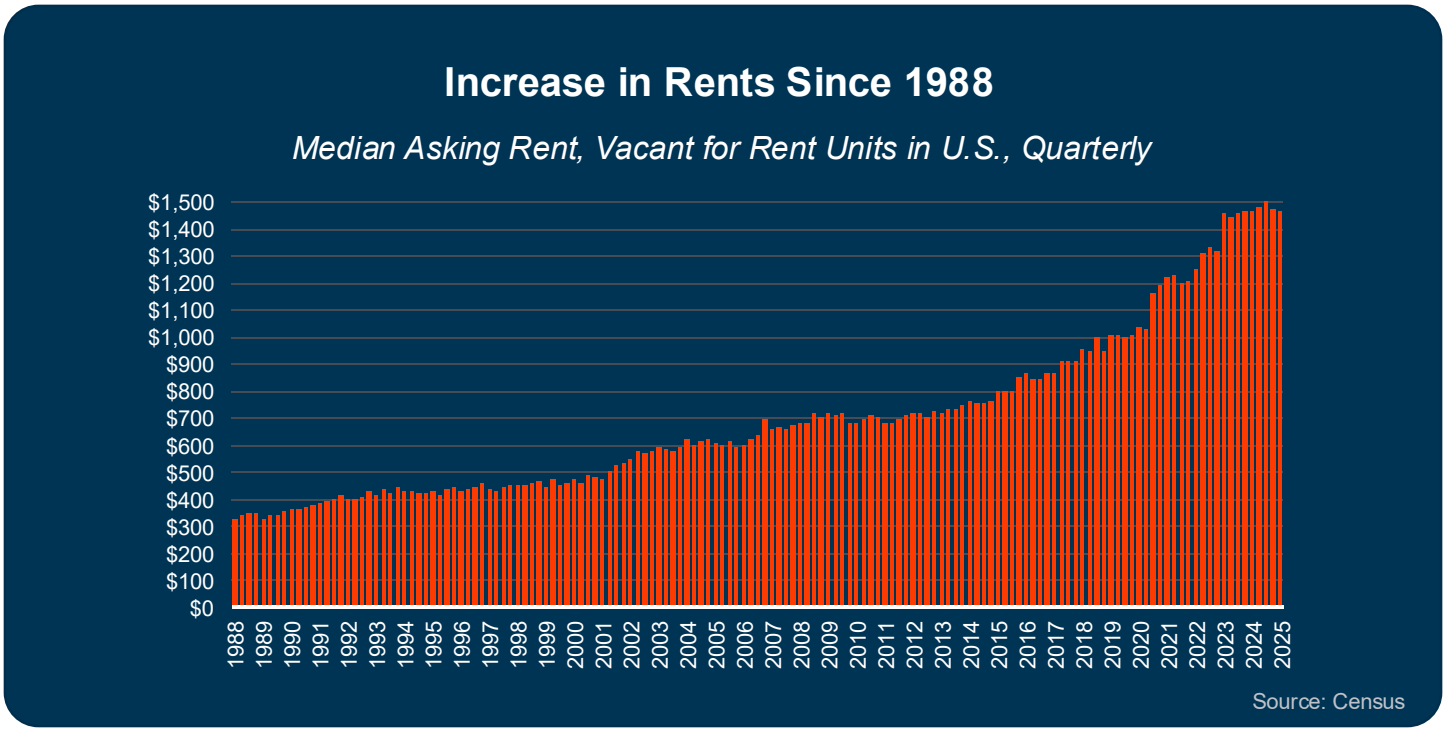
And it's one of the big reasons why *Forbes* says:

"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):*



That kind of financial uncertainty has a real impact. In the same *Bank of America* survey, 72% of potential buyers said they worry rising rent could affect their current and long-term finances.

Because 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?**

Renting vs. Buying: What Really Matters

Think of it this way. Renting means your money is gone once you pay it. Owning means your payment builds equity – **like a savings account you can live in.** Sure, buying comes with responsibility. But it also comes with the kind of reward that grows over time. And that's why you need a solid plan to get there.

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.

If homeownership feels out of reach today, you're not alone. And the first step toward getting out of the rental trap is to set a plan. Let's connect, set your specific goals, and explore your options – so you're ready when the time is right.



Households working on their budget will find it much easier to continue to rent than to go through the expenses of homeownership. However, they need to consider the equity and generational wealth they can build up by owning a home that they can't by renting it. In the long run, buying a home may be a better investment even if the short-run costs seem prohibitive.

Joel Berner
Senior Economist, Realtor.com

Why Your Home Search Just Got Easier

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. And that's how much inventory has grown.

Let's look at two areas where we've seen a lot more options lately, so you can start dreaming of the possibilities.



1. There Are More Existing Homes for Sale

Data from *Realtor.com* shows the number of existing homes for sale (ones that have already had an owner) has **gone up by 30.6%** compared to the same time last year. And experts say your pool of options is expected to get even better throughout the year. Forecasts show inventory is projected to grow 11-15% by the end of the year (*see graph below*):



That means you'll have a better chance of finding a home that meets your needs and budget now that inventory has grown. 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."*

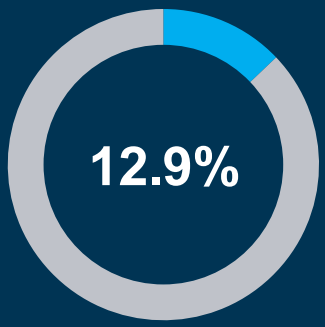
Daryl Fairweather, Chief Economist at *Redfin,* seems to agree, saying:

*"**Now is the best time to buy in the last two years** . . .there is significantly more inventory . . ."*

2. There Are More Newly Built Homes on the Market

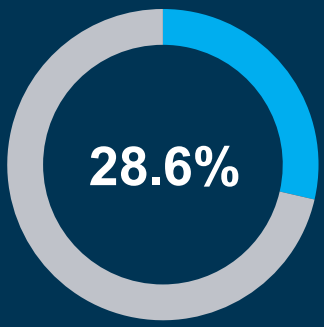
According to data from the *Census* and the *National Association of Realtors* (NAR), 28.6% of homes on the market right now are newly built homes. That's more than the norm (*see charts below*). But don't worry, that's not because builders are overdoing it – it's just that they're trying to catch up after years of underbuilding.

Newly Built Homes as a Percent of All Homes for Sale



Historical Data

From 1983-2019, an average of only **13%** of homes for sale were newly built



Latest Data

As of April 2025, almost **30%** of all homes for sale were newly built

Source: NAR, Census

And the best part is, since builders have been focusing on smaller homes with lower price points, you may actually find out new builds are less expensive than you'd expect. So, while a lot of people write off new construction because it's easy to assume the costs are way higher, lately, that price gap isn't what you'd expect. As *CNET* says:

"If you live in an area where there's a lot of new construction happening . . . ***you might be able to purchase a new house for a price similar to or even less than a pre-owned one****."*

If you haven't been able to find a home that's in your budget, it's time to ask your agent about new builds. If you don't, you may be cutting your pool of options by about a third.

Bottom Line

More choices means more opportunities for you. Reach out if you want to see what's available in and around our area.

What an Economic Slowdown Could Mean for the Housing Market

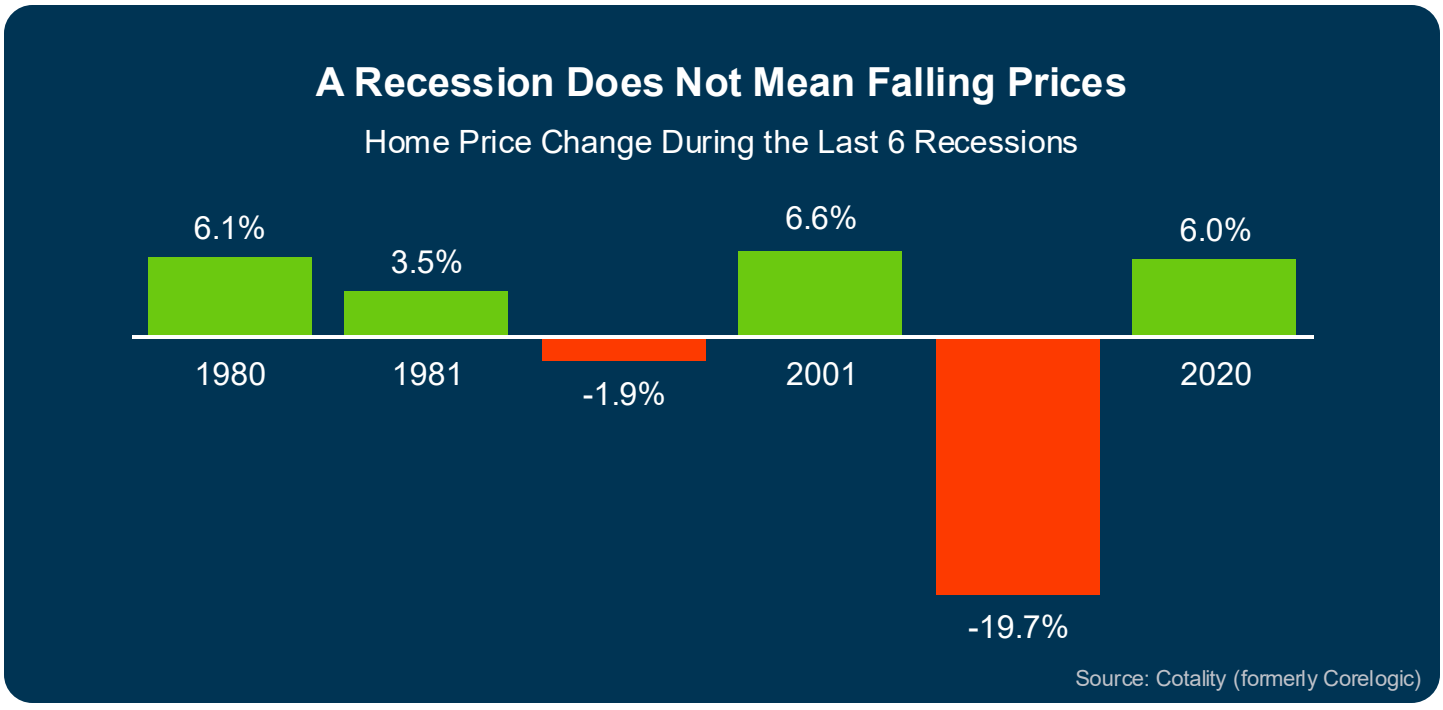
Talk about the economy is all over the news, and the odds of a recession are rising this year. That's leaving a lot of people wondering what it means for the value of their home – and their buying power.

Let's take a look at some historical data to show what's happened in the housing market during each recession, going all the way back to the 1980s. The facts may surprise you.

A Recession Doesn't Mean Home Prices Will Fall

Many people think that if a recession hits, home prices will fall like they did in 2008. But that was an exception, not the rule. It was the only time the market saw such a steep drop in prices. And it hasn't happened since, mainly because inventory is still so low overall. Even in markets where the number of homes for sale has started to rise this year, inventory is still far below the oversupply of homes that led up to the housing crash.

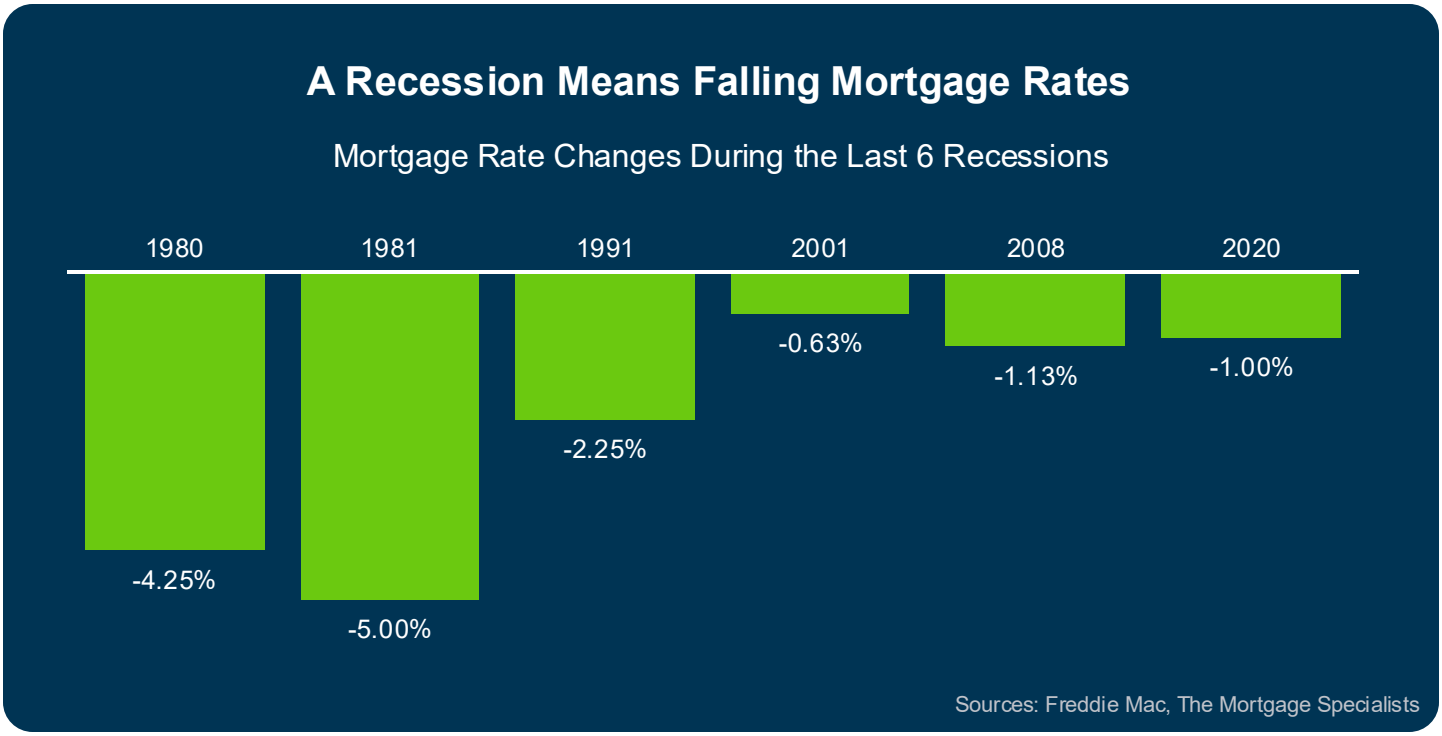
In fact, according to data from *Cotality* (formerly *CoreLogic)*, in four of the last six recessions, home prices actually went up (*see graph below*):



So, don't assume a recession will lead to a significant drop in home values. The data simply doesn't support that idea. Instead, home prices usually follow whatever trajectory they're already on. And right now, in most places home prices are still rising, just at a slower pace.

Mortgage Rates Typically Decline During Recessions

While home prices tend to stay on their current path, mortgage rates usually drop during economic slowdowns. Again, looking at data from the last six recessions, mortgage rates fell each time (*see graph below*):



So, a recession means rates could decline. And while that would help with your buying power, don't expect the return of a 3% rate.

Bottom Line

The answer to the recession question is still unknown, but the odds have gone up. However, that doesn't mean you have to worry about what it means for the housing market – or the value of your home. Historical data tells us what usually happens.



It is very reasonable that buyers may feel hesitant to make a significant financial decision while the path forward feels uncertain. However, home shoppers can prepare to be successful by making sure they are looking at homes that fit very comfortably in their budget. ***If the right house comes onto the market at the right price, buyers can feel confident moving forward with a home purchase****.*

Hannah Jones
Senior Economic Research Analyst, Realtor.com



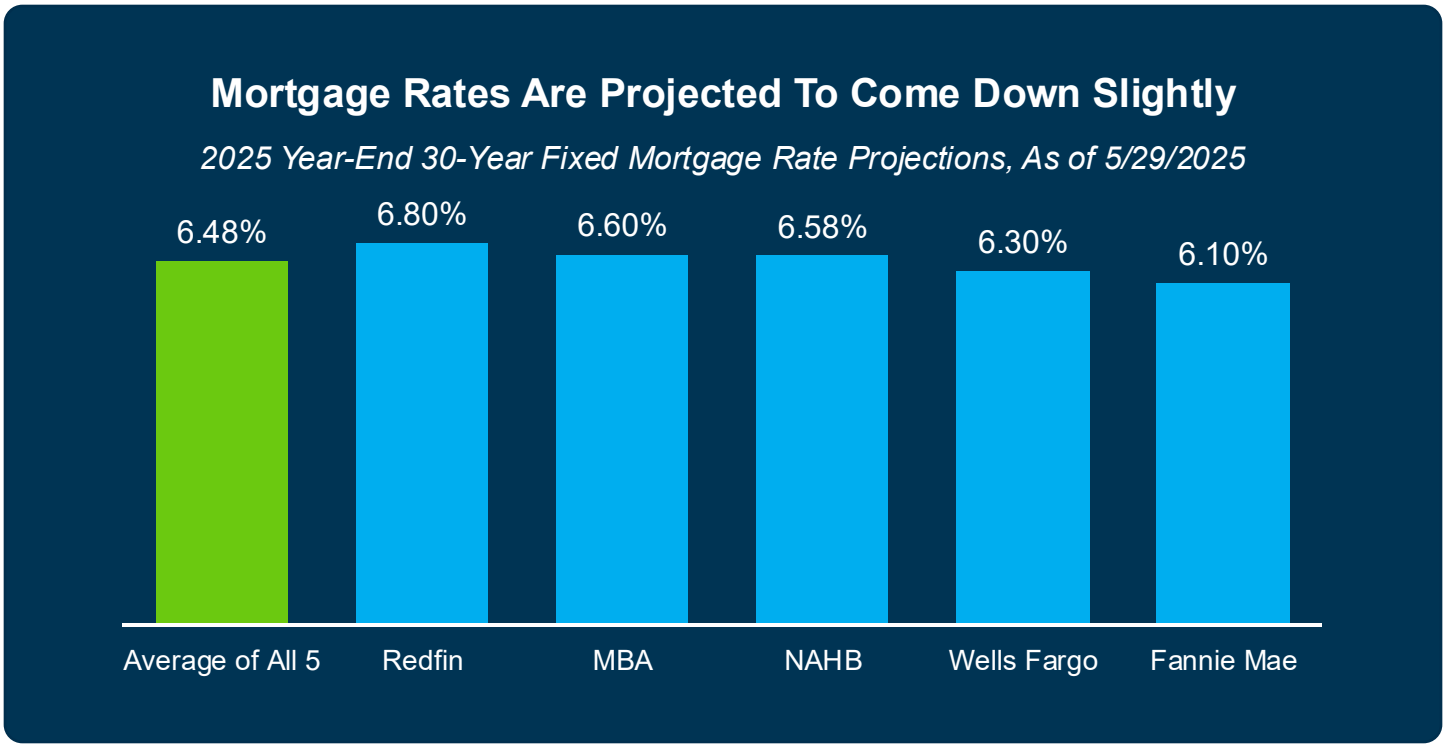


Expert Forecasts for the Second Half of the Year

From high home prices to mortgage rate swings, the housing market has left a lot of people wondering what's next – and whether now is really the right time to move. There is one place you can turn to for answers you want the most. And that's the experts. Their forecasts will give you clarity – and maybe a little more optimism than you might expect.

Mortgage Rates Should Come Down (Slightly)

While a major drop isn't on the table, forecasters are calling for a modest decline in rates in the months ahead as the economic outlook becomes more certain. Based on the information we have right now, here's a look at where they say rates should be by year-end (*see graph below*):



Even this slight decrease is a welcome change. A seemingly small decline can still help bring down your future mortgage payment and give you a bit more breathing room in your budget.

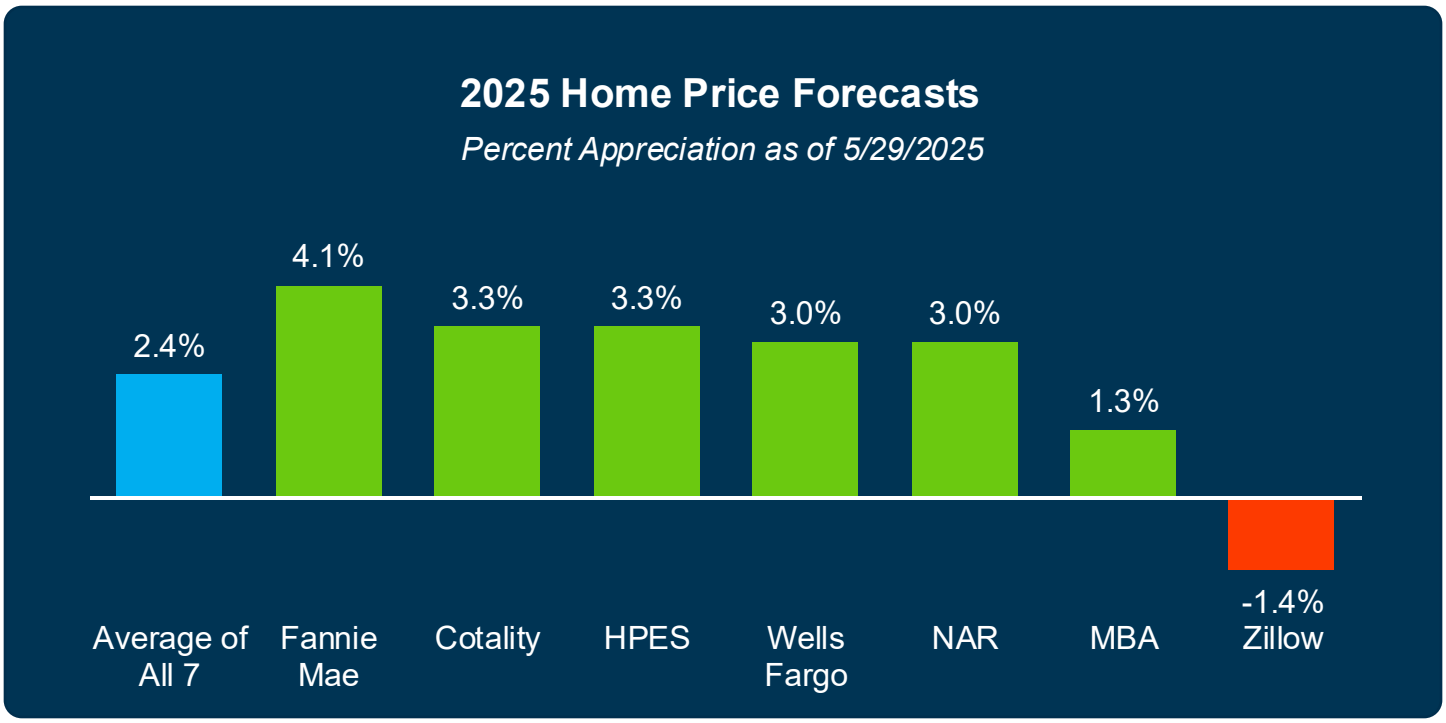
Just remember, everything from inflation to employment and broader economic shifts will have an impact on where rates go from here. So, don't try to time the market. And do expect some volatility along the way.

Inventory Will Continue To Grow

Inventory has already improved a lot this year. A big portion of the growth the market has already seen is because homeowners are getting tired of sitting on the sidelines. If rate forecasts pan out as the experts say, that could be enough to tip some more sellers off the fence and back into the market – giving you even more options for your move.

Home Prices Are Moderating

As more homes hit the market, there will also be less upward pressure on home prices. Expert forecasts are still calling for growth, but the pace of that growth is slowing down as inventory climbs. The average of all 7 forecasts shows prices will rise about 2% this year (*see graph below*):



That means you could finally get a little bit of relief from rapidly rising home prices. When you combine the forecast for healthier price growth with projections for slightly lower mortgage rates, that could mean more buying power in the months ahead.

Keep in mind, though, the housing market is hyper-local. So, this is will vary by area. Some markets will see prices higher. And some may even see prices dip a little if inventory is up significantly in that location. So, lean on an agent for insights into what's happening in your area.

Bottom Line

Let's talk so you can get the scoop on what's happening in our area and advice on how to make your next move a smart one.

How Changing Mortgage Rates Affect Your 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 above 6 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 2 Buyer Mistakes Right Now

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 2 other buyers are making right now and how your agent and lender can help you avoid each one.



1. Buying More House Than You Can Afford

It's important to avoid stretching your budget too far, especially when other housing expenses like home insurance and taxes are on the rise. And one of the best ways to get a good idea of your numbers is by getting pre-approved by a lender before you start your search. That helps you know what you can borrow for your home loan, so you can determine a realistic price point you're comfortable at. *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.****"*

2. Missing Out on Assistance Programs

Saving up for the upfront costs of homeownership takes some careful planning. You have to think about your closing costs, down payment, and more. And if you don't work with a team of experienced professionals, you could miss out on programs out there that can make a big difference for you. This is happening more than you realize.

According to *Realtor.com*, almost 80% of first-time buyers qualify for down payment assistance – but only 13% actually take advantage of those programs.

Talk to a lender about your options. Whether you're buying your first house or your fifth, there may be a program that can help.

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.



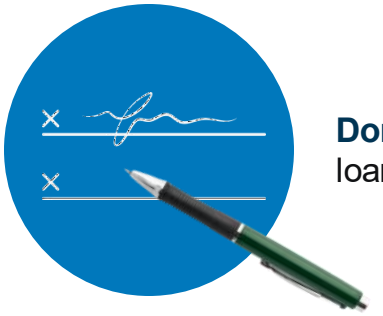
Don't change bank accounts.



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.

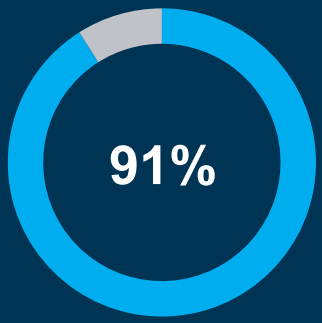
5 Reasons You Need an Agent When Buying a Home

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. ***A real estate agent does a lot more than you may realize.***

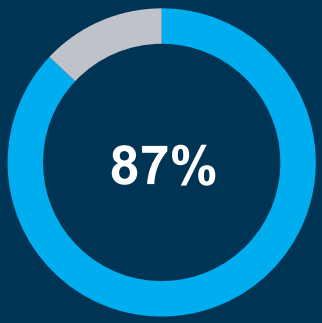


Your agent is the person who will guide you through every step when buying a home and look out for your best interests along the way. They smooth out a complex process and take away the bulk of the stress of what's likely your largest purchase ever. And that's exactly what you want and deserve.

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.

The complexities of the current conditions mean that, now more than ever, it's smart to lean on the guidance of an experienced local real estate agent. If you want to enter the housing market in 2025, whether as a buyer or a seller, let a pro lead the way for you.

Bankrate



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, I've helped other buyers find success - and I can help you too.

Rob Levy

The Rob Levy Team

Licensed in Oregon
Keller Williams Realty Professionals
Portland, OR
rob@roblevy.com
www.roblevy.com
(503) 906-1444

EQUAL HOUSING OPPORTUNITY