

BUYING PARADISE

New Year, New Home?

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The new year has arrived, bringing with it the ideal time for a fresh start. For many of us, particularly after spending more time at home last year and taking stock of our living environment, this may mean a decision to look for a new home in 2021, one that's better suited to your needs and interests. In moving forward on that resolution, however, you may wonder, is this the best time to make that kind of change?

According to those in the know financially, people who buy their homes this year could realize huge savings in the long run because interest rates are expected to remain low. The Mortgage Bankers Association (MBA) predicts the year will start off at a 3.1% average rate for 30-year loans, while Fannie Mae expects an even lower 2.8%. Freddie Mac projects a 3% average across the entire year. The benefits of low rates like these are that they can both reduce the monthly payment that comes with buying a house and can also expand your budget, making it more affordable to buy a higher-priced home.

Acting sooner than later is also advised because industry experts anticipate that home prices will most likely continue to rise. While the market slowed earlier in 2020 due to the COVID-19 pandemic, homebuying and selling prospects drastically improved into the closing days of the year, with unusually high activity late in the homebuying season as buyers were spurred on to beat out competition and lock in low mortgage rates. Heading into 2021, MBA projects that homes will see a 2.4% jump in prices and Freddie Mac figures the market will show a 2.6% increase, although this upward trajectory may be at a slower rate than it's been in previous years. On the plus side, the lower interest rates could help to blunt some of this impact; however, hesitating too long could mean having to scale down expectations and buy a smaller home, or having a slightly higher monthly payment.

Another advantage in looking now is that you may have more choices available to you. Forecasts show that housing starts



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are expected to steadily increase throughout the year, with both Fannie Mae and MBA predicting single-family construction to be stronger than it's been the previous two years. What this translates to is that more new construction properties will be hitting the market, which means a greater selection of homes for potential buyers.

In any discussion of these trends, though, it's important to remember the three key words of real estate: location, location, location. Housing conditions vary by market, so it is always best to connect with a local real estate professional to get a sense of what's going on in your particular area.

Checking in closer to home with two of our area's real estate professionals, Ali Johnston of West Villages Realty LLC and Helen Moore of Michael Saunders & Company, both would agree that this year is an excellent time to buy a home. Ali notes, "2021 is a new beginning in a lot of ways. People want, more than ever, to have a special place to call home. As a result, many are choosing

the established lifestyle-driven communities offering year-round outdoor activities and proximity to the Gulf."

Helen concurs, saying, "There is a lot to look forward to in 2021, and on that list is a continued strong real estate market here in the Venice area. Buyers want to be here, both part time and permanently, and many who already own a place here would like to make a move for reasons including wanting greater or lesser space, interest in a different neighborhood, and lifestyle changes without leaving this amazing part of Florida. My automatic default is 'optimism,' and that's exactly what I'm bringing with me into 2021."

As these Realtors note, the reasons to make a move in 2021 are plentiful, as are the opportunities to find a home ideally suited to your needs, interests, and lifestyle. To simplify the process, consider working with a real estate professional who can guide you every step along the way. You may find that this year is precisely the right time to buy a new home!