



SPRING 2025 BUYERS GUIDE



SCAN FOR A
LOCAL MARKET
UPDATE AND
VALUABLE
BUYING TIPS



MERLA TURNER
the **MARKETING REALTOR**

(816) 328-2887
GREATMISSOURIHOMES.COM





Table of Contents

- 3 Top Reasons To Own Your Home**
- 4 Two Bright Spots for Today's Homebuyers**
- 6 Expert Forecasts for the 2025 Housing Market**
- 8 How Changing Mortgage Rates Affect Your Monthly Payment**
- 9 The Real Benefits of Buying a Home This Year**
- 12 Time in The Market Beats Timing the Market**
- 14 The Biggest Mistakes Buyers Are Making Today**
- 16 Things To Avoid After Applying for a Mortgage**
- 17 The Top 5 Reasons You Need an Agent When Buying a Home**

Top Reasons To Own Your Home

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

Privacy



Having the key to a place that's truly your own

Wealth Building



Growing your net worth as your home value climbs and you pay down your mortgage

Tax Benefits



Getting a tax break - talk to your accountant or financial advisor to learn more

Personal Expression



Customizing your home to your unique style

Community



Putting down roots creates a greater sense of belonging and connection

What's the top reason you'd love to own a home?

Two Bright Spots for Today's Homebuyers

There's no arguing the past few years have been challenging for homebuyers, especially on the affordability front. And if you're trying to buy a home, it's easy to worry you won't find one within your budget. But here's what you need to know.

The number of homes for sale has grown a lot lately, and that's true for existing (previously lived-in) and newly built homes. Here's a look at those two bright spots for buyers right now and why they may make it a bit easier to find the home you've been looking for.

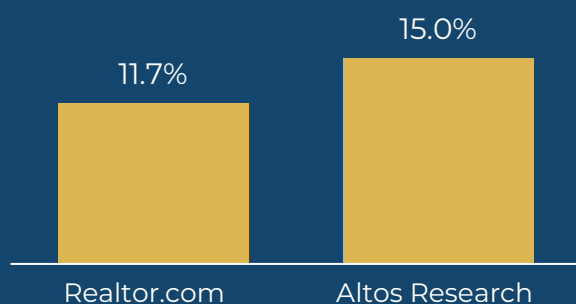


1. There Are More Existing Homes for Sale

Data from *Realtor.com* says the number of existing homes for sale improved by an impressive 22% in 2024. And experts say your pool of options is expected to get even better this year. Forecasts show inventory is projected to grow **another 11-15%** by the end of 2025 (see graph below):

2025 For-Sale Inventory Forecasts

Year-Over-Year Percent Increase for Existing Homes



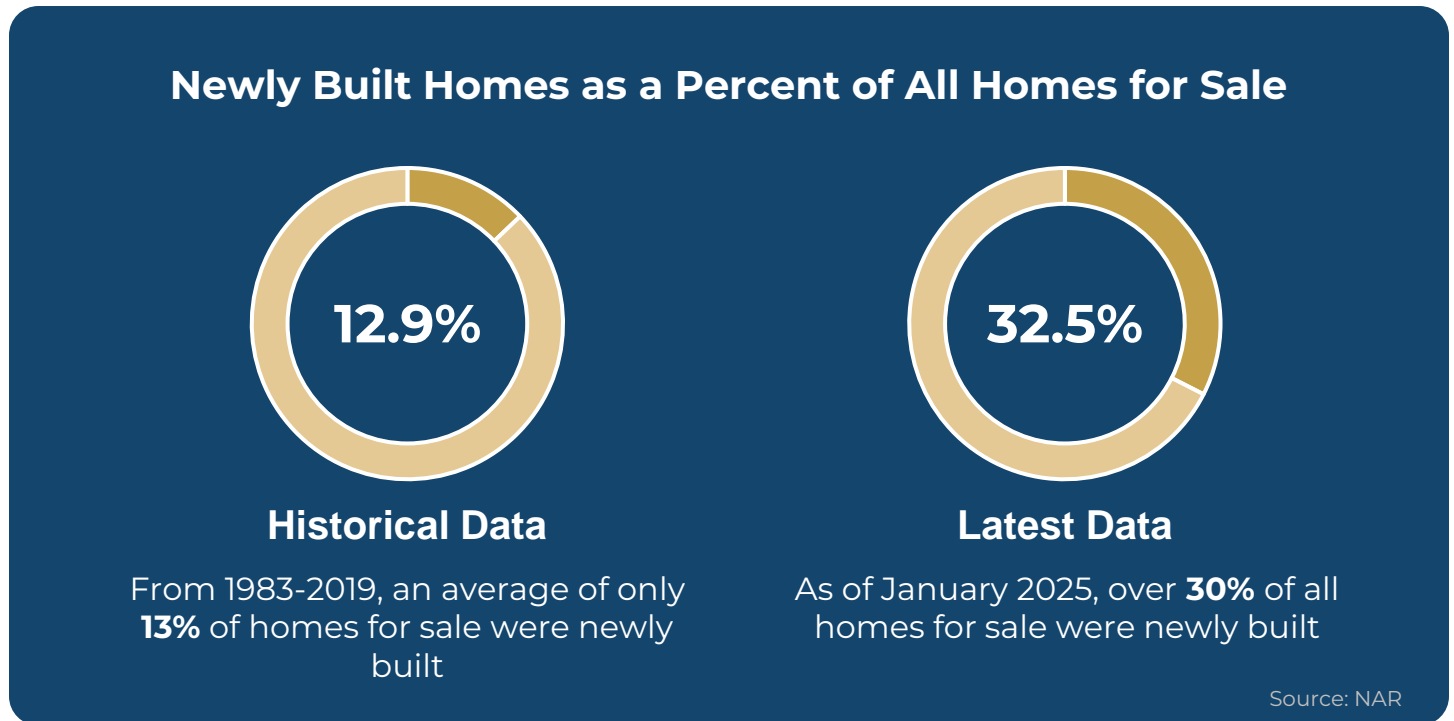
Source: Realtor.com

This is good news for your search. If you haven't seen a house with all the features you need, know that you'll have more options as the number of homes for sale grows. That means a better chance of finding a home that checks all your boxes. As Ralph McLaughlin, 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."

2. There Are More Newly Built Homes on the Market

According to data from the *Census* and the *National Association of Realtors* (NAR), 32.5%, or roughly 1 in 3, homes on the market are newly built. 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.



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 many people write off new construction because it's easy to assume the costs are way higher, lately, that price gap isn't as big as you'd think. 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 within your budget, it's time to ask your agent about new builds. If you don't, you may cut your pool of options by about a third.

Bottom Line

More choices could be the key to unlocking your homebuying goals in 2025. Reach out to see what's available in and around our area.

Expert Forecasts for the 2025 Housing Market

*Wondering what's in store for the housing market this year?
What does it all mean for you if you plan to buy a home?
Here's what the experts say lies ahead.*

Will Mortgage Rates Come Down?

Everyone's watching mortgage rates and waiting for them to come down. So, the question is really: how far and how fast? The good news is they're projected to ease a bit in 2025. But not by much. You shouldn't expect 3-4% mortgage rates to return. Experts are forecasting rates could settle in the mid-6% range by the end of the year (see chart below):

Mortgage Rate Projections

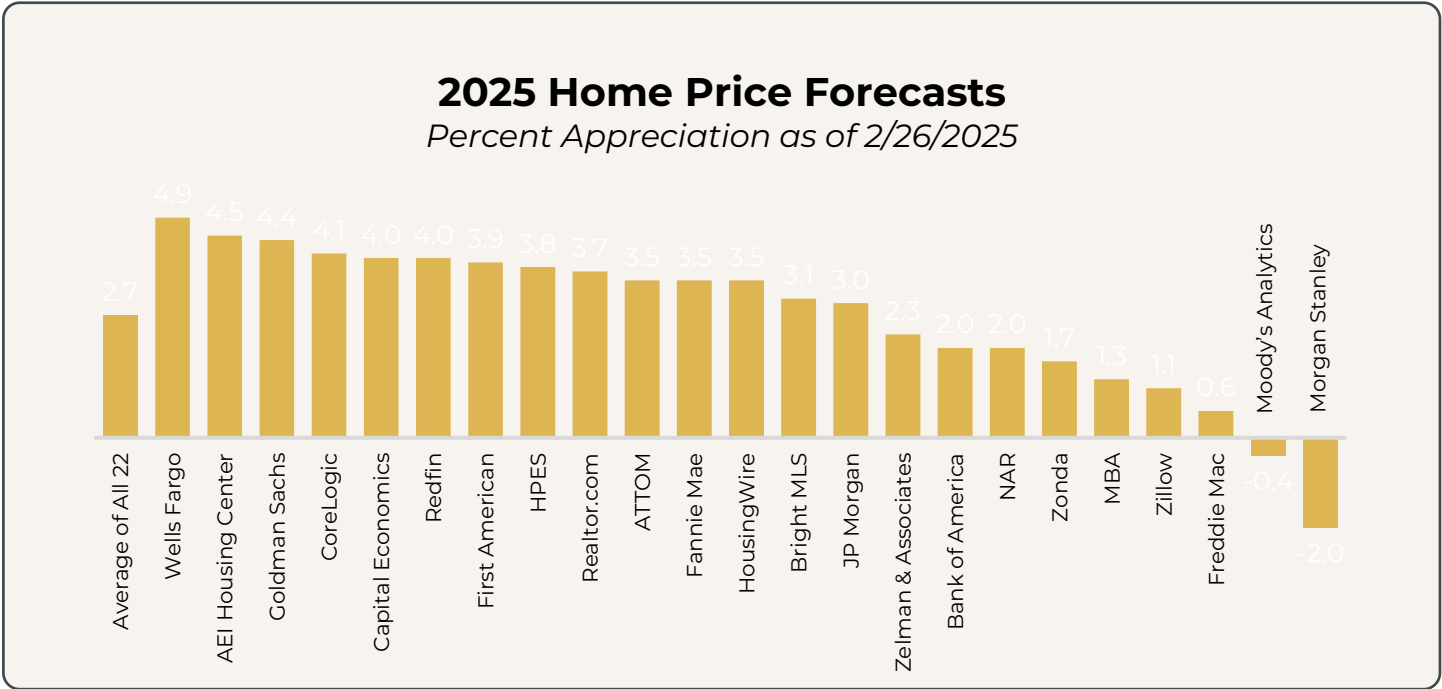
30-Year Fixed Rate as of 2/20/2025

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%

But you should remember that this will continue to change as new information becomes available. Expert forecasts are based on what they know right now. Since everything from inflation to economic drivers impacts where rates go from here, brace for some rate volatility. Don't get caught up in the exact numbers here, and try to time the market. Instead, focus on the overall trend and that even a small decline can help bring down your future mortgage payment.

Will Home Prices Fall?

The short answer? Not likely. While mortgage rates are expected to ease a bit, home prices are projected to keep climbing in most areas at a more normal, sustainable pace. If you average the expert forecasts together, you'll see prices are expected to go up about 3% in 2025, with most of them hitting somewhere in the 3 to 4% range (see graph below):



So don't expect a sudden drop that'll score a big deal if you're considering buying this year. While that may sound disappointing, if you're hoping prices will come down, refocus on this. It means you won't have to deal with the steep increases we saw in recent years, and you'll also likely see any home you buy go up in value after you get the keys in hand. And that's a good thing.

Keep in mind, though, that the housing market is hyper-local, so prices will vary by area. Some markets will see even higher prices, and some may see prices level off or even dip a little if inventory is up in that location. In most places, though, prices will continue to rise (as they usually do).

Bottom Line

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

How Changing Mortgage Rates Affect Your Monthly Payment

Experts say rates will come down slightly in the year ahead – 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 Real Benefits of Buying a Home This Year

A recent report from *Bank of America* highlights that **70% of prospective buyers fear the long-term consequences of renting**, including not building equity and dealing with rising rents.

If you're unsure whether to rent or buy, know that buying a home has powerful long-term financial benefits if you can make the numbers work.

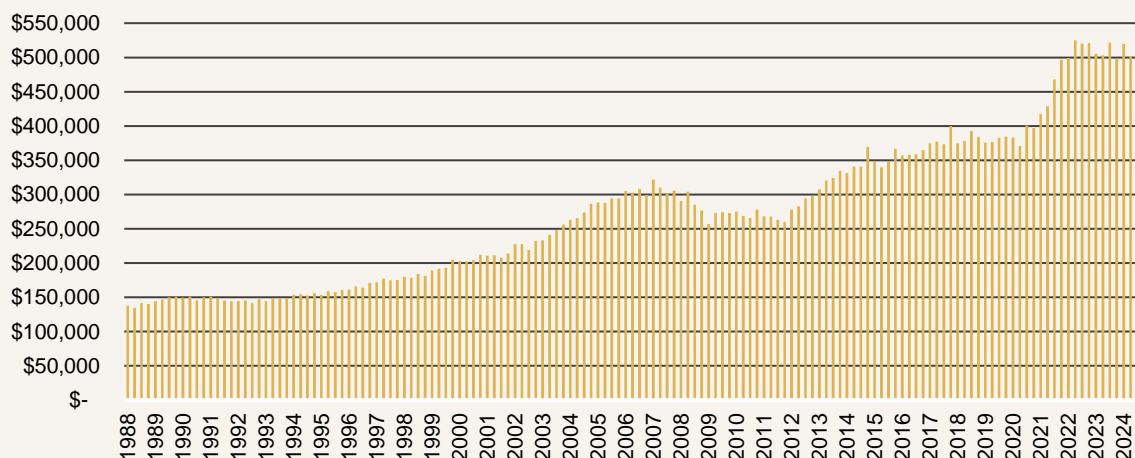


Buying Builds Wealth Over Time

Buying a home lets you turn your monthly housing costs into a long-term investment. That's because, as shown in data from the *Census* and the *Department of Housing and Urban Development* (HUD), home prices tend to increase over time.

Home Price Appreciation Since 1988

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

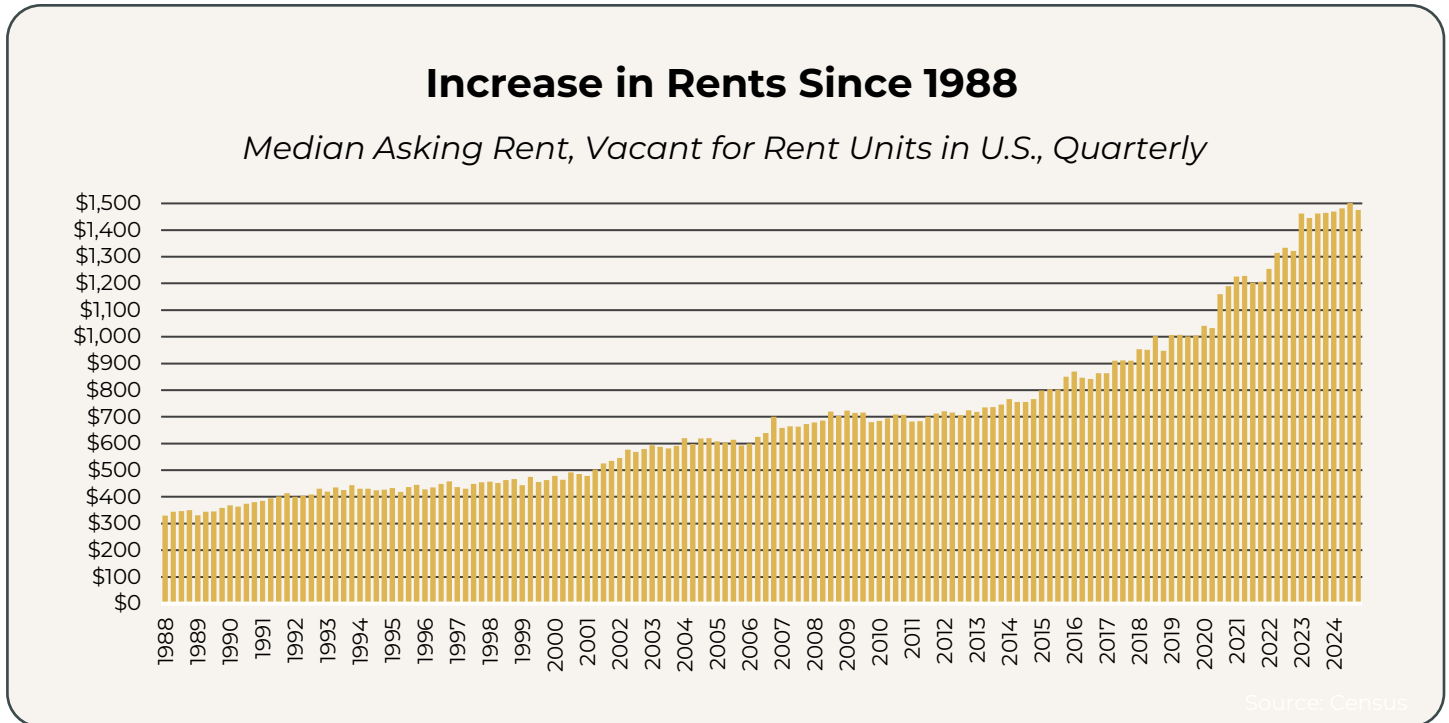


Sources: Census, HUD

Rising home prices directly benefit homeowners. That's because when you own a home, you build equity — meaning your ownership stake in your home grows as you pay down your mortgage and your home's value appreciates. And that, in turn, makes your net worth grow, too.

Renting Comes with Rising Costs

Renting may feel more affordable in the short term, but the reality is that rent almost always goes up over time. Look at the data, and you will see that play out. According to *Census* data, rents have significantly increased over the decades.



If you decide to rent, you'll likely face growing expenses each time you renew or sign a new lease – and that'll happen without building any wealth in return. Plus, those rising costs may make it harder to save up to buy a home.

Renting vs. Buying: The Long-Term Impact

When you own a home, your payments are an investment in your future. Conversely, renting means your money is gone for good — it helps your landlord build equity, not you.

Renting is a good option for those not ready (or able) to buy today. But buying at today's rates and prices helps you build equity and sets you up for long-term financial success. So, even though renting may seem easier now, it can't match the benefits of homeownership.

Bottom Line

If you can afford it, take control of your financial future by making homeownership part of your plan. It's an investment you won't regret.



There's never a one-size-fits-all answer to whether now is the right time to buy a home... There's also no way to predict precisely what the market will do in the near future... Perfectly timing the market shouldn't be the goal. This decision should be determined by your personal needs, financial means and the time you have to find the right home.

U.S. News Real Estate



Time in the Market Beats Timing the Market

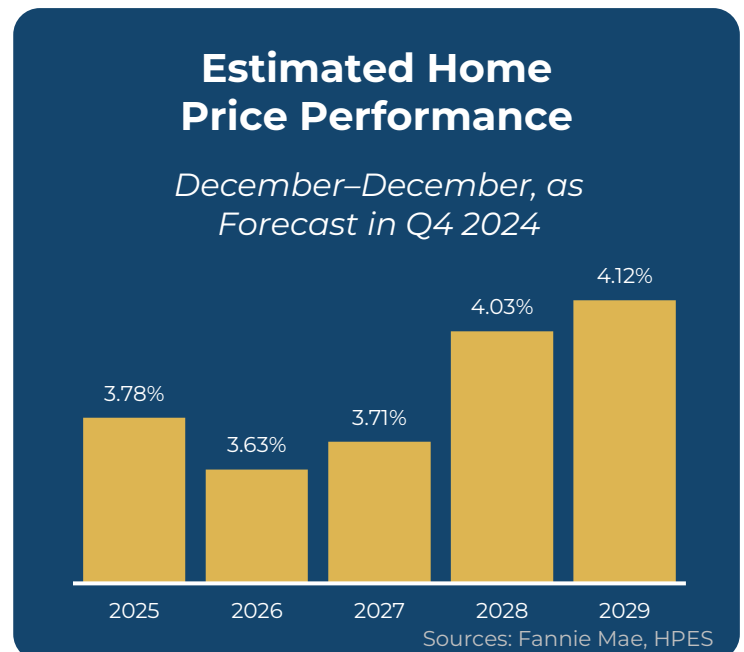
Are you trying to decide whether buying a home now or waiting makes more sense? There's a lot to consider, from what's happening in the market to your changing needs. But generally speaking, aiming to time the market isn't a good strategy — too many factors are at play for that to be possible. That's why experts usually say time in the market is better than timing the market.



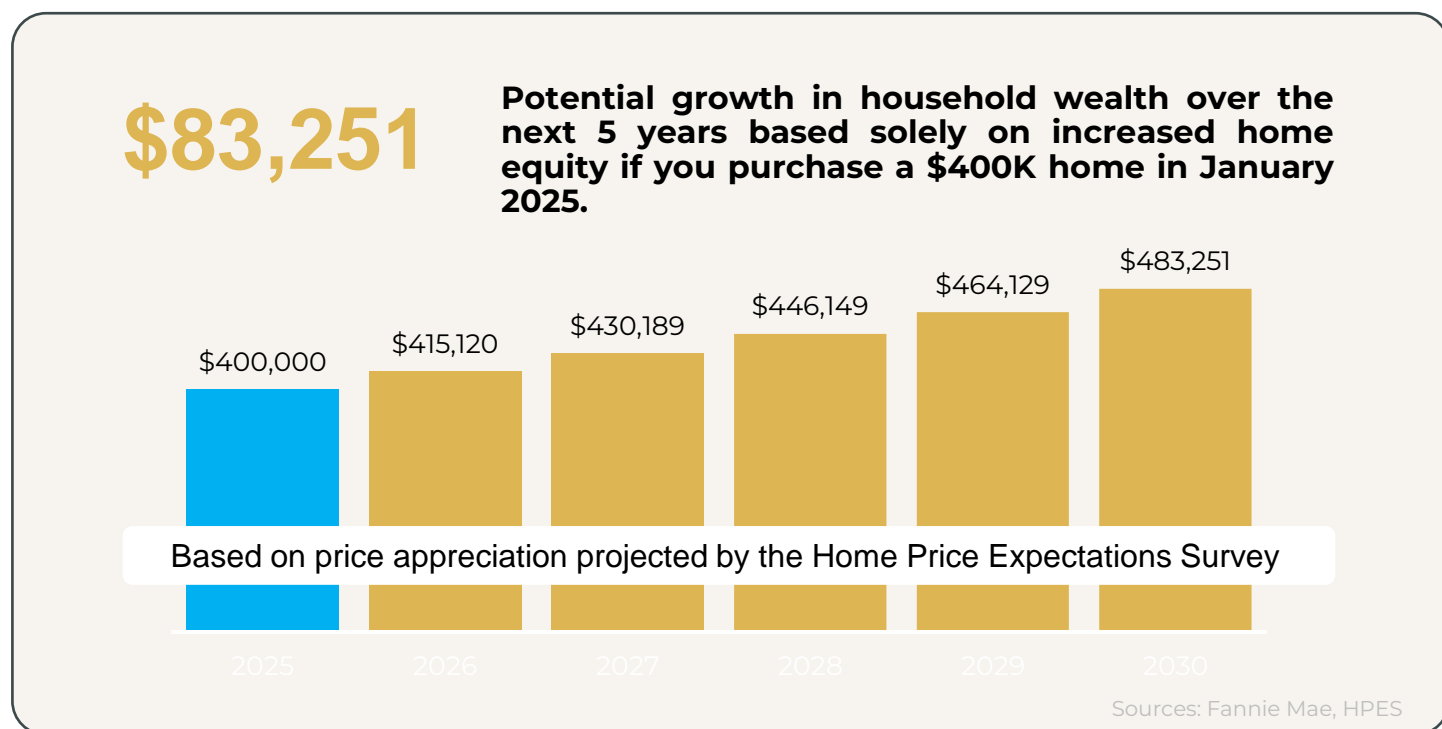
In other words, if you want to buy a home and you can make the numbers work, doing it sooner rather than later is usually worth it. *Bankrate* explains why:

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

Here's some data to break this down so you can see the benefit of buying now versus later. Each quarter, *Fannie Mae* releases the *Home Price Expectations Survey*. It asks over one hundred economists, real estate experts, and investment and market strategists what they forecast for home prices over the next five years. In the latest release, experts are projecting home prices will continue to rise through at least 2029 — just at a slower, more normal pace than they did over the past few years (see the graph):



But what does that mean for you? To give these numbers context, the graph below uses a typical home value to show how it could appreciate over the next few years using those HPES projections (see *graph below*). This is what you could start to earn in equity if you buy a home in early 2025:



In this example, let's say you bought a \$400,000 home this January. Based on the expert forecasts from the HPES, you could gain more than \$83,000 in household wealth over the next five years. That's not a small number. If you keep renting, you're losing out on this equity gain.

While today's market has its fair share of challenges, buying is worth it in the long run.

If you want to buy a home, don't give up. There are creative ways we can make your purchase possible. From looking at more affordable areas to considering condos or townhomes or even checking out down payment assistance programs, there are options to help you make it happen.

So sure, you could wait. But if you're waiting to time the market perfectly, this is what you're missing out on. And that decision is up to you.

Bottom Line

If you're torn between buying now or waiting, remember that time in the market, not timing the market, truly matters. Let's talk through it if you have questions.

The Biggest Mistakes Buyers Are Making Today

No one likes making mistakes, especially when they happen in what's likely the biggest transaction of your life — buying a home. That's why partnering with a trusted agent is so important. An expert's insights will help you avoid the top mistakes homebuyers are making today.



1. Trying To Time the Market

Many buyers try to time the market by waiting for home prices or mortgage rates to drop. This can be a risky strategy because there's so much at play that can impact those things. As Rick Sharga, CEO of CJ Patrick Company, says:

“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.”



2. Buying More House Than You Can Afford

If you're tempted to stretch your budget further than you should, you're not alone. Many buyers are making this mistake right now.

But the truth is, it's important to avoid overextending your budget, especially when other housing expenses like home insurance and taxes are on the rise. You want to talk to the pros to ensure you understand what'll work for you. 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.”

3. Missing Out on Assistance Programs

Saving up for the upfront costs of homeownership takes some careful planning. You must consider 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 that can make a big difference!

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

4. Not Leaning on the Expertise of the Pros

This last one may be the most important of all. **The best way to avoid making a costly mistake is to lean on a pro.** With the right team of experts, you can easily dodge any missteps.

Bottom Line

The good news is you don't have to deal with any of these headaches. Let's connect so you have a pro on your side who can help you avoid these costly mistakes.



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 income, assets, or credit changes with your lender so you don't jeopardize your application.

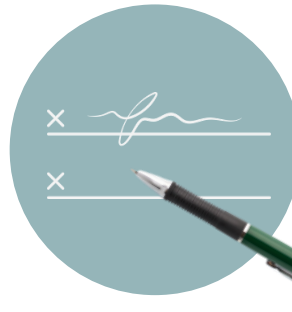


Don't change bank accounts.



Don't apply for new credit or close any credit accounts.

Don't deposit cash into your 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.

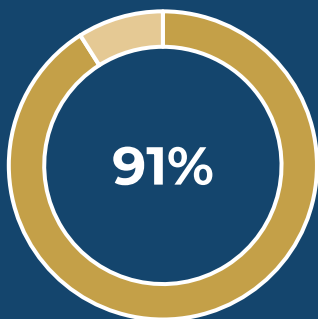
The Top 5 Reasons You Need an Agent When Buying a Home

When it comes to buying a home, expert advice from a trusted real estate agent is priceless, now more than ever. Why?

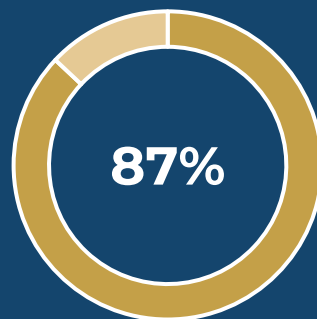
A real estate agent does a lot more than you may realize.



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 remove the bulk of the stress of a significant purchase. And that's precisely what you want and deserve, which is a reason why a survey from *Bright MLS* found an overwhelming majority of people agree an agent is a key part of the home buying process:



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. 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 powered by data, a great agent can clarify what it 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 gets true market value for individual neighborhoods is priceless. A fair and competitive offer 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 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, many stakeholders are 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; 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 remember, every time you make a big decision, especially a financial one, you need an expert. 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

Merla Turner, the dedicated realtor and owner of **Great Missouri Homes**, is passionate about guiding homebuyers through every step of their journey. With a deep understanding of Missouri's housing market and a commitment to **honesty**, **community**, and **service**, Merla goes beyond simply finding houses - she helps clients find homes that truly fit their lifestyle and goals.

Known for her patient, no-pressure approach, she listens closely to her clients' needs, offering **personalized advice** and **market insights** that make the process seamless. Whether **navigating** competitive listings, **negotiating** deals, or **connecting clients** with trusted local resources, Merla's expertise and care ensure a smooth, stress-free experience. When you're ready to buy or sell your Missouri home, Merla is here to help you make it happen!



Merla Turner





Let's Chat.

Do you have questions about something you read here or about buying a home in general?

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.



MERLA TURNER
the **MARKETING REALTOR**

Great Missouri Homes
Lee's Summit, MO
merla@greatmissourihomes.com
greatmissourihomes.com
(816) 328-2887