

Ready to Buy in 2025?

Five Steps to Help You Plan

BY TIM MURPHY
NORTH STATE BUILDING
INDUSTRY ASSOCIATION

If 2025 is the year you have decided to purchase a new home—whether as a first-time buyer or a seasoned homeowner—the best time to start preparing is now. In the greater Sacramento area, new home sales historically start to climb in January with the largest number selling in the spring. And while the number of existing homes for sale remains much lower than normal, there are over 180 new home communities currently active in the region so there's a wide range of locations, floor plans, and pricing options available. In addition, many are also offering builder incentives to make the purchase more affordable.

So, if you are considering moving up to a new home, you may want to



Getty Images

follow these simple strategies that can help place you in an ideal position to find a home that is a good fit for you and your family.

1. Take a Closer Look at Your Credit Score. The first step toward purchasing a new home is to examine your finances closely. Start by making sure you know your credit score. Your credit score

will help determine the interest rate and associated costs you pay on a mortgage loan. In general, the higher your credit score, the lower the interest rate you will qualify for.

2. Examine Your Finances. Before you search for a home, you must know how much house you can afford. Experts

recommend talking to a qualified lender to help you determine your price range. As the buyer, you are the best judge of what you can realistically afford, so you should not set your home-buying budget based on your maximum loan approval amount.

3. Plan for a Down Payment and Associated Costs. Once you figure out

how much you're willing to spend, you need to set a down payment goal. The longstanding myth is that you must put down 20 percent to purchase a home. You can move forward with a home purchase with a much lower down payment. Two factors that primarily impact your down payment amount are the home's price and the type of home loan you secure. In addition to your down payment, you must budget for loan fees and closing costs.

4. Evaluate Your Needs. Put pen to paper, outline what you need and want in a new home, and create a "must have" list. Start by thinking about why you're ready to purchase a new home.

Maybe you need a bigger space or want to move to a school district that fits your family's needs. Creating a list of what you need in your new home will save you time when you are ready to start looking. Your next home may not meet every item on your priority list, so you must decide what factors you can compromise on and how you can stay within your budget. As for

location, the top things to consider include travel and commute times, the distance to family and friends, the quality of schools, access to parks and nature, and community amenities.

5. Sell Your Current Home. If buying your new home is contingent upon selling your current residence, you should be prepared if the timing doesn't align perfectly. Another consideration is to ensure you have sufficient funds on hand if you cannot have concurrent home closings. A real estate agent can help you navigate the transitions. A buyer or seller market makes a difference in timing the transaction, and a real estate agent can shed light on local market factors.

Once you've done your "home" work, it's time to really dig into all the options available in the greater Sacramento region. Our members currently have homes for sale from Galt to Yuba City and Winters to Placerville, targeted at young families, move-up owners, and active adults. Follow these steps, and you are sure to find the right home in the right location in 2025.