

Buying a Home

When people talk about the American Dream and what it means to them, buying a house is often near the top of the list. However, the care and responsibilities of owning a home can sometimes be overlooked: You're not only buying the house but also committing to a new roof every couple of decades, keeping the electrical and plumbing systems in good repair, and replacing the water heater. You may need to take care of landscaping or lawn maintenance, as well. It can quickly become a considerable to-do list! And, this list only becomes more complicated when you're thinking about a second home.

But before we get ahead of ourselves, here are a few things to think about:

The Money

Whether you're financially ready or just starting out, most questions about home ownership come down to money. Have you saved enough for a down payment? Can your budget accommodate a monthly mortgage? Is your income seasonal or steady? How's your credit history? These questions all relate to your ability to "thread" that financial needle and make the purchase happen.

- **Did you know** that 74 percent of all buyers financed their home purchases in 2024? This is a decline from 80 percent in the previous year.¹
- **First-time buyers were more likely to secure financing**, with 91 percent doing so compared to 69 percent of repeat buyers. A record-high 26 percent of homebuyers paid in cash in 2024.¹
- Among recent buyers, **49 percent used their savings to fund their home purchases**, down from 54 percent in 2024. For first-time buyers, savings were the most common source at 69 percent. In contrast, 25 percent used a gift or loan from a relative or friend for their down payment. Interestingly, 52 percent of first-time buyers opted for a conventional loan whereas 29 percent chose an Federal Housing Administration (FHA) loan, and 9 percent used a Veteran Affairs (VA) loan.¹
- **Buyers continue to view purchasing a home as a wise financial decision**, with 79 percent believing it to be a good investment, and 39 percent of those believing it was better than other investments.¹

The Time

People rent for many reasons. Some may not have the money to buy a home, while others might view home ownership as a hassle. The responsibilities of home ownership are considerable, after all, regardless of location. Ultimately, it's a personal question of, "How much time and energy do I want to spend?"

- **Did you know** that the median age of first-time homebuyers increased to 38 years old, up from 35 years of age in the previous year? Meanwhile, the typical age of repeat buyers rose to 61 years young, up from 58.¹
- **Among recent buyers**, 62 percent were married couples, 20 percent were single females, 8 percent were single males, and 6 percent were unmarried couples.¹
- Notably, 73 percent of recent buyers who **did not have children under 18 in their homes** represent the highest percentage recorded.¹
- Additionally, 17 percent of homebuyers purchased **multigenerational homes** for reasons such as cost savings (36 percent), caring for aging parents (25 percent), accommodating children or relatives over 18 returning home (21 percent), and housing children over 18 who never left (20 percent).¹
- Among recent buyers, **16 percent were veterans** and **2 percent were active-duty service members**.¹
- The primary motivation for purchasing a home was the **desire for ownership**, cited by 22 percent overall, but rising to 64 percent among first-time buyers.¹

The Research

Some of the information a homebuyer may want to gather can be categorized as "money considerations." You'll want to ask yourself: Are you pre-qualified or pre-approved by a lender? Remember, pre-qualification doesn't require as much information and is only based on estimates, while pre-approval is based on more detailed income verification. This may be important as it gives you a measure of what you are able to buy.

When applying for a loan, be certain to understand your options. For example, some may find down payment assistance programs and grants for households with low- to moderate-income attractive.

- **Did you know** that 88 percent of home buyers used a real estate agent or broker?¹
- Meanwhile, 5 percent of **buyers bought directly from a builder or their agent**, and another 5 percent purchased straight from the previous owner.¹
- The primary reasons home buyers used an agent or broker were to **find the right home** (49 percent), and to **negotiate the sale terms** (14 percent).¹

The Search

The actual house-hunting can begin once the research is out of the way. While this may be the most fun part of the process for many, it can be both exhilarating and exhausting! Since this is such a big commitment, it will help if you clearly understand what you need from your house. For example, are you bringing family members, or will there need to be room for family members to come? How big is the yard, and what do you want to do with it?

- **Did you know** buyers spent a median of 10 weeks searching for a home in 2024, typically viewing seven homes, some exclusively online.¹

- **Every home buyer utilized the Internet in their search**, finding the most valuable information to be photos (41 percent), detailed property information (39 percent), and floor plans (31 percent).¹
- Additionally, 21 percent of buyers **contacted a real estate agent** as their initial move.¹
- **Real estate agents played a pivotal role**, with 86 percent of all buyers using their services, making it the most utilized source of information.¹

Buying a home may be the largest purchase of your life. It's a place where you and your loved ones can gather and enjoy your lives. I'm not a real estate expert, but I can speak to how a home fits into your overall personal finances. I encourage you to work closely with qualified professionals who can guide you through the process as you prepare to make one of the biggest purchases of your life.

1. National Association of Realtors, June 23, 2025.

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security. Copyright FMG Suite.