

With rates likely to climb, now may be the perfect time to look for a new home

By Michael Streck
NORTH STATE BUILDING
INDUSTRY ASSOCIATION

The demand for new homes in the Sacramento region continues unabated. November is usually a slower sales month as people begin to focus on holiday festivities, but last month our members sold more homes than in any November since 2004.

That's despite the fact that inventories remain tight as builders face the same supply chain problems that we're all seeing. It's taking far longer to obtain needed lumber, appliances, garage doors — even paint. As a result, it's taking longer to build homes and many builders



Getty Images

have adjusted the number of homes for sale to match what they can deliver.

So if you're thinking of buying a new home as 2021 comes to a close, you're not

alone. I'd suggest that if you're seriously thinking about buying a new home

in the near future that you go to your computer and start checking out the

homes that are being offered to find ones that would meet your needs. Once you've narrowed your search, schedule a visit to the model homes. Because even if it takes longer than usual to build the home, if you buy now, you'll be in line — and who knows what future supply chain problems will cause.

But there's another important reason to consider buying now. We've all seen that first-hand that inflation has reached levels we haven't seen in decades. The prices of food, gasoline and other common household purchases have been rising at the fastest rate in 30 years. As a result, there are now strong signals from the Federal Reserve that

New Home

CONTINUED, FROM PAGE 1

they will begin raising interest rates during the first part of 2022. That means we may be nearing the end of mortgage interest rates below 4%.

And that would significantly increase monthly payments. The National Association of Home Builders projects that a quarter-point increase with zero points on a 30-year fixed-rate mortgage can price over 1.3 million U.S. households out of the market for the median-priced new home. So if you want to take advantage of today's near-record low rates, you may not want to put off your search much longer.

There are currently 195 active projects reported by BIA-member builders in Sacramento, Placer, El Dorado, Amador, Yolo, Yuba, Sutter and Nevada counties. These developments are located in the urban core, suburban areas and rural parts of the region, and include communities aimed at families, empty-nesters and active adults.

While many homes are priced at \$500,000 or above, there are still dozens of communities around the region offering brand-new homes priced in the \$300,000s and \$400,000s.

And of course, don't forget all the other reasons to consider buying a new home. Today's new homes are built for today's needs.

Many are in master-planned communities that feature a wide range of parks, trails and other amenities. And all can be customized with cabinets, flooring, appliances, countertops and other features to make your new home truly your home.

So take a look at the ads in the Bee's real estate section, then go online to learn more about the homes being offered. Once you've found models that really meet your needs and desires, schedule an appointment to see the floorplans in person and learn about options and financing plans.

The holiday season really is a good time to buy a new home.