## Many Sacramento-Area Home Builders Offer Incentives to Help Cushion Higher Interest Rates

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f you've been reading the Sacramento Bee lately, you'll know there's been an uptick in mortgage interest rates recently. That's because financial markets are adjusting to the likelihood that the Federal Reserve will not begin lowering interest rates soon because inflation remains stubbornly above the Fed's target levels.

Rates in the 7% range make buying a home less affordable than it was a couple of years ago. Coupled with the fact there are still fewer existing homes on the market than normal, buying an existing home is still more difficult than is typically the case.

However, it's important to note that there is a wide range of new homes available in the greater Sacramento area — and that homebuilders can provide incentives that can make it easier for you to purchase the new home of your dreams.

BIA member homebuilders have new homes for sale in nearly 200 communities in Sacramento, Placer, Yolo, El Dorado, Yuba, Sutter and Amador counties. These homes range in price from the \$400,000s to over \$1 million and are aimed at a wide variety of lifestyles, from young families to active adults.

Many of our builders are able



The Lodge at Taylor Morrison's Esplanade at Turkey Creek development in Lincoln enables residents of the active adult community to enjoy resort-style living. Amenities like that are a reason many people choose to buy new homes.

to work with prospective buyers in a number of ways, including offering lower interest rates or providing credits that can be used for such things as closing costs. And of course, if you're trading up or downsizing from your existing home, your costs will likely be far less, making these incentives even more valuable.

Besides financing incentives, there are many other reasons to consider buying a new home.

One of the most compelling reasons is the ability to customize the home to fit your personal tastes and needs. When buying a new home, buyers often can select flooring, cabinetry, appliances and other features that ensure the home meets their preferences from the start. This eliminates the need for immediate renovations or compromises that might come with an existing home.

Another significant advantage of purchasing a new home is that they incorporate modern construction standards and materials, often resulting in better energy efficiency and lower utility costs. All new homes come with solar panels and feature more efficient heating and cooling systems, better insulation and advanced window systems that conserve energy.

Additionally, newer homes incorporate smart technology, such as automated thermostats, security systems and eco-friendly appliances, which enhance comfort and convenience while also providing energy savings.

New homes also require less

maintenance since everything from appliances to roofing is brand new and under warranty. This can save homebuyers significant money and time as they won't have to deal with the wear and tear that often comes with older homes. This is particularly attractive for buyers who are not inclined towards DIY projects or who prefer a more turnkey solution when moving into a new house.

Finally, buying a new home often means moving into a planned community with amenities such as parks, community centers and pools that may not be available in older neighborhoods. These communities are designed with a lifestyle in mind that includes plenty of open spaces, walking trails, and communal areas that promote a sense of community and wellbeing. Such environments can significantly enhance the quality of life for residents, making new homes an attractive option for those looking to buy.

So if you're thinking about rightsizing where you live, don't forget to keep the new home advantages in mind. You'll be glad you did.

Murphy is President & CEO of the North State Building Industry Association, which represents builders, developers, subcontractors, suppliers and related professionals dedicated to providing new housing opportunities in the Greater Sacramento region.