



# New Year, New Home? Set Homeownership Goals Whether You're Buying, Selling, or Staying Put

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The start of a new year always compels people to take a fresh look at their goals, from health and career to relationships and finance. But with historically low mortgage rates, increased home sales and price growth, and a tight housing inventory, the time is right to also make some homeownership resolutions for 2021.

Read on to discover key action steps to take to achieve your homeownership goals this year, whether you're a home buyer, home seller, or a homeowner not yet planning on moving.

## HOME BUYERS

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***Resolution #1: Qualify for a better mortgage with a higher credit score.***

Your credit report highlights your current debt and bill-paying history and is used to calculate your credit (or FICO) score, affecting whether you'll qualify for a mortgage. Generally, a credit score of 740 or higher is very good to excellent.<sup>1</sup> If your score is below 740, work at boosting it before house-hunting.

***Resolution #2: Improve your credit health by paying down debt.***

Debt hurts your buying power (the amount of home you can afford) and your credit score. The less debt you have, the higher your FICO score and the better mortgage you can obtain. Try to reduce (or eliminate) the balances on each account.

***Resolution #3: Save up to create a financial safety net.***

A down payment is typically 7% of a home's purchase price, and closing costs currently average \$3,700.<sup>2,3</sup> You'll also need money for moving expenses and any initial maintenance tasks that might pop up, and having some liquid savings will ensure that you can still pay your mortgage if a crisis occurs.



## HOME SELLERS

### **Resolution #4: Decide on the right time to sell.**

There is no one month or season that is the perfect time to sell your home. Instead, the right timeline for you takes into account factors such as when you'll earn the highest profit (listing prices historically peak by May), personal convenience, and whether your home is even ready to put on the market.<sup>4</sup>

### **Resolution #5: Boost your home's resale value by making your property shine.**

You can maximize your home sale price with some simple fixes to make sure your property outshines your neighbors' for sale down the street. For example, finishing existing hardwood floors recoups 100% of the cost at resale.<sup>5</sup>

### **Resolution #6: Invest in your "extra" living space.**

Thanks to COVID-19's impact on their lifestyles, buyers are currently looking for homes with home offices, private outdoor spaces, and updated kitchen appliances.<sup>6</sup> If you've got an underutilized room, consider turning it into an office, home gym, or schoolroom to attract better offers on your home.

## HOMEOWNERS

### **Resolution #7: Evaluate your household budget to reflect financial changes.**

A work-from-home arrangement could mean less money spent on commuting and dining out, but it could also mean increased expenses, such as faster Wi-Fi and higher energy bills. Update your income and expenses and review last year's spending habits.

### **Resolution #8: Save money now (and earn more later) with home maintenance.**

With a regular home maintenance plan, you'll avoid some surprise "emergency fixes," can lower your energy costs, and when you're ready to eventually sell your home, you'll get higher offers from buyers who aren't put off by overdue repairs.

### **Resolution #9: Invest in real estate for a better standard of living.**

Even if you don't plan on leaving your current residence, real estate is a great way to improve your quality of life in 2021. A vacation home in a getaway location you love lets you safely spread your wings. And if you have been looking for a second stream of income, an investment property might be your answer.

## LET US HELP YOU WITH YOUR 2021 GOALS

Whether you're looking to buy, sell, or stay put in your home, it helps to connect with a trusted real estate agent. As local market experts, we have the knowledge, experience, and networks to help you achieve your homeownership goals, whatever they may be. Reach out to us today for a free consultation and commit to a happy and prosperous new year.

Sources: 1. Equifax 2. NerdWallet 3. Zillow  
4. Realtor.com 5. National Association of Realtors 6. HomeLight

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