

the best places to search for a home. This is because there is “healthy job growth and more houses available than people to buy them. This is not due to foreclosures or economic downturn, but to overbuilding which should balance out in time.”

#### 4. BUYING A HOME IS A SOLID INVESTMENT.

Most people list their home as their most significant investment. Thanks to “leveraging,” purchasing a home is by far the best long-term investment. Leveraging means putting down a small amount of money to earn a big return.

For example, let’s say you use \$10,000 to purchase a new \$250,000 home, and the house appreciates 5 percent in the first year. That means, after one year, the house is worth \$262,500 — a gain of \$12,500. Your annual return on your \$10,000 investment would be a whopping 125 percent.

By contrast, if you put that same \$10,000 in stock and it posted a 5 percent gain, you would net only \$500 return.

As a homeowner, your savings will continue to grow in other ways.

First, every year a greater portion of your monthly mortgage payment goes to the principal, reducing the amount of your overall loan. Second, your home appreciates over time, making it one of your best financial investments. Third, mortgage interest can be tax deductible, which means you pay Uncle Sam less and keep more of your own money.

### Did You Know?

- **70% OF AMERICANS** said interest rates were likely to affect their decision of whether to buy a home.
- **97% OF FIRST-TIME** homebuyers would never go back to renting.
- **HOMEOWNERS UNDER 40** with incomes from \$20,000 to \$50,000 have 10 times the median net wealth of renters.
- The **HOMEOWNERSHIP RATE** in the United States is 69% — the highest in the world.
- Nearly **SEVEN OUT OF 10** call their home their most valuable investment.

# New Home vs. Old Home

With the abundance of vacant newly built and existing homes, buyers have a choice. Here are five reasons buying a newly built home might be right for you.

- 1. CONVENIENCE.** Kitchens in new homes usually have all the modern appliances built-in for convenience. Most also include central heating and air conditioning. They are also wired for the technology of today.
- 2. ENERGY EFFICIENCY.** Better windows, more efficient heating and cooling systems, and greater use of insulation — among other things — leads to a home that uses less energy and lowers your monthly utility bills.
- 3. LESS MAINTENANCE.** New homes are available with siding, stucco, windows and trim that never need painting.
- 4. HEALTH.** New homes use materials that are better for your health than older homes. Asbestos is no longer used in shingles, pipe, cement board, roof tar, floor tiles, ceiling tiles or insulation. Lead is no longer used in paint or as a solder for plumbing. Builders are now installing systems to control radon gas.
- 5. SAFETY.** Occupants of newer homes are less likely to die from fire because they have hard-wired smoke detectors on every level. Electrical power systems in new homes are properly sized for the heavier electrical demands of today’s homes.

## Utah County Home Buying Facts

- Utah County is being recognized as a **GREAT PLACE TO BUY A HOME** right now based on its strong economy and large inventory of existing homes — not because of foreclosures.
- Interest rates near a **30-YEAR LOW** enable homebuyers to stretch their investment dollars.
- Residential building starts have dropped significantly because of the **BUILDERS’ DECISION** to hold the number of homes they have for sale in inventory rather than slashing prices to reduce the homes available for purchase.
- The effect of increasing regulatory and **IMPACT FEES** by local municipalities is placing significant upward price pressure on housing.
- Utah was named the **SECOND BEST PLACE IN THE NATION** to do business, and it is known as the most dynamic economy in the nation. Utah County mirrors Utah’s strong economic base.



For more information contact the Utah Valley Home Builders Association **801.225.8893**