

2025 HOME TRENDS *insights*

**Better
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REAL ESTATE



THE POWER OF TRENDS

in the 2025

REAL ESTATE MARKET

The belief in the value and investment potential of homeownership remains strong. But in this dynamic market, homeowners and real estate professionals alike are enthusiastically embracing home improvement trends, as well as tried and true staging tips to continue to move the housing market forward.

Read along as we share our take (with some help from our friends at Better Homes & Gardens® and their parent company, Dotdash Meredith) on the 2024 market, what matters to home buyers and sellers in 2025 and how you can position any home to shine in today's market.

RESEARCH BEHIND HOMEOWNERSHIP *in 2024*

Better Homes and Gardens® Real Estate recently teamed up with the data journalists and editors at Investopedia to research which trends drove the 2024 home-buying market.

We then turned to a few of media giant Dotdash Meredith's brands, including our partner, Better Homes & Gardens®, and The Spruce, and the publisher's recent studies to uncover what is currently concerning home buyers and sellers.

We also asked Better Homes and Gardens Real Estate affiliated agents to share their best suggestions for enhancing a home and making any space shine like a diamond.

Finally, our team dug deep into data that revealed which home improvement projects might provide the best return on investment and where your DIY time could be best spent.

Here's what we found.



“Americans still view homeownership as the best long-term investment.”

HOMEBUYING AND SELLING IN TODAY'S REAL ESTATE MARKET

Americans still believe in the homeownership dream and its investment potential—they view real estate as the best long-term investment—better than gold, stocks and mutual funds, interest-bearing savings accounts and CDs, bonds, and cryptocurrencies. Investopedia Editor in Chief, Caleb Silver, shares that “homeownership is the most important investment people make in a lifetime, but it's more difficult to measure the emotional wealth that owning a home brings.” Americans view homeownership as a cornerstone emotional investment, providing a sense of stability, personal fulfillment and the chance to build emotional equity through cherished memories, secure environments and the opportunity to personalize their homes.

Yet, moving transactions forward has been slowed by homebuyers' and sellers' fear of “messing up” what's considered to be the single most important purchase of one's life.

CHALLENGES TO AFFORDABILITY

Consumers generally feel that not having enough money for a down payment is their biggest barrier to homeownership, followed by high mortgage interest rates. While affordability can be a challenge (more than 75% of United States consumers agree that housing prices are an issue in their area¹, the good news is that today's younger generations have a higher threshold for interest rates, marking a changed sign of the times on housing rates. Recent Investopedia research shows:

- 66% of potential home buyers say interest rates less than 5% are reasonable (73% of this group are Gen X and Boomers)²
- 31% state they would tolerate rates between 5% and 10% (40% of this group are Gen Z and Millennials)²

OWNING A HOME COSTS THE
AVERAGE U.S. CONSUMER
\$929,955 OVER THE LIFETIME
OF THEIR MORTGAGE.

Source: *Cost of The American Dream Report*,
Investopedia 2024.



REVISITING THE 2024 HOUSING MARKET AND PREPARING FOR 2025

Statistics from the National Association of REALTORS® (NAR), the U.S. Census Bureau, Yard Matrix, Freddie Mac and more, all indicate that home prices increased in 2024 from the previous year and these sources point to continued rising prices in 2025. But, while home prices aren't decreasing just yet, all signs point to interest rates coming down. The average interest rate for a 30-year fixed rate mortgage in 2024 was 6.7290% (up 2 basis points from 2023)—experts say to prepare for rates around 6.4% in 2025³.

What do higher home prices and uncertain interest rates mean as we approach 2025? Many consumers take the sign of the times—and not

knowing what tomorrow will bring—as an indication that their housing dollars are best spent improving and remodeling their current residence, often on a budget. They're searching for renovation advice and planning how to best prepare their residences to sell for top dollar. They're tackling their own home maintenance and repairs to save money. Consumers are finding ways to make the most of their homes and spending money where they'll get the greatest return on investment.

Navigating today's real estate market and deciding whether to buy, sell, or stay may seem complicated, but real estate professionals are stepping up with valuable insights and guidance. Utilizing home design trends and home improvement solutions, they are empowering homeowners and buyers to enhance their living spaces in impactful and affordable ways.



TOP 3 WAYS

to Add Value to Your Home

1

MODERATE KITCHEN UPGRADES

2

UPDATES TO BATHROOMS

3

FRESH INTERIOR PAINT

THE 1-2-3 OF HOME IMPROVEMENT

“Understanding how individuals enjoy and enhance their homes is vital for real estate professionals,” said **Ginger Wilcox, president of Better Homes and Gardens® Real Estate**, “as it allows consumers’ aspirations to achieve the utmost value and emotional satisfaction from their investment.” Agent expertise is helping buyers and sellers make informed decisions and seize opportunities in this dynamic market, reducing the apprehension that has weighed on consumers. These professionals are providing insights into what it takes to sell a home for top dollar so they have a bigger downpayment for a new property (keep reading for design tips you’ll love whether you’re in the market or not).

Homeowners who aren’t afraid to tackle renovation projects (or who love DIY) are finding budget-friendly solutions for transforming outdated and smaller homes. They’re embracing current and future trends and discovering how rewarding and enjoyable maximizing space can be— in a home they’ve just purchased or are prepping for market.

Better Homes and Gardens Real Estate took an in-depth look into home improvements by talking to the affiliated real estate professionals in our network. In our survey, agents felt that the majority of today’s consumers are curious about DIY but are wary of taking on too much and messing up. Other agents felt that consumers were open to taking on DIY projects, but needed help visualizing changes they would make.

We searched for insight into which projects consumers are most likely to tackle themselves (and when they’re likely to start renovations).

Only 14% of agents felt that today’s buyers expected turnkey homes.

We also asked our network which home improvement projects added value to a home when selling. The top projects included painted cabinets and new backsplashes in the kitchen, updated vanities and floors in the bathroom, and fresh paint on ceilings and walls. Followed by new fixtures, upgrading utility spaces such as mudrooms, entryways, laundry rooms, and converting space in garages and basements for additional living areas.

And the data supports these findings. Our brand partner, Dotdash Meredith, captured a Home Improvement & Décor Snapshot across their brands, including Better Homes & Gardens® and found that homeowners today want their kitchens to work harder and feel that making budget-conscious kitchen upgrades (to their existing or new homes) is worth the time and investment. 90% of BHGRE affiliated agents say that moderate kitchen updates, such as painted cabinets and new backsplashes, bring the most value to a home when selling.



DESIGN TRENDS

To Give You a Leg Up When GETTING A HOME READY FOR MARKET

Gen Z is pushing maximalism to the extreme.

Roughly 48% of the members of this generational group opt for bold design style, which includes cottage core, farmhouse and vintage décor. Think dramatic colors, flashy designs, lots of knick-knacks, thrifted and velvet furniture, and gallery walls.

Minimalism is winning over Millennials.

About 67% prefer modern, sleek, Scandinavian-inspired home decor style (i.e. monotone and muted colors, clean lines and simple shapes, open floor plans, multi-functional and clean furniture, and blank walls with minimal decorating).

Cottage décor and farmhouse style are still going strong.

With a 70% and 67% year-over year growth, respectively.

They also found that DIYers want low-risk ideas and inspiration, as well as tips and tricks to cost-effectively improve their kitchens. For example, new homeowners buying homes with vinyl floors are learning how to remove old flooring quickly. Additionally, they're having fun painting outdated cabinets and upgrading backsplashes.

Dotdash Meredith saw a 56% interest in kitchen layout content up year-over-year across its brands. From an increase in interest in hosting parties to an uptick in hybrid work situations, consumers are finding themselves in scenarios where it seems beneficial to invest in kitchens that pull their weight and are multi-functional.

Across the DDM ecosystem consumers increased their bathroom renovations searches, with a 72% increase in content on bathroom vanities and peaks in traffic for DIY Home Painting Projects.

Homeowners are teaching themselves DIY projects like installing wainscoting and millwork, resulting in a 134% increase in pageviews for power tool-related content according to DDM.



MAKING SPACE

Consumers that opted for smaller, more budget-friendly spaces when making their homebuying purchase are turning towards maximizing their current spaces.

- **“Small entryways” are a trending search term across The Spruce, with style and functional features being added in to the smallest areas.**
- **Homeowners are looking for sleek and stylish methods for making spaces more functional.** DIY built-ins are transforming homes across the country—social media trends like turning IKEA furniture into built-ins for bookcases and storage are common DIY focuses.
- **Basements and garages are becoming desirable areas being used to complete homeowners’ visions.** Common DIY trends among homeowners in 2024 (and likely into 2025) include replacing and insulating garage doors, converting garages into living areas, finishing basements and adding a bathroom to a basement.

LEAVE IT TO THE PROFESSIONALS

Staging is the process of readying a home for sale, but some design tips that professional stagers implement are so good you’ll love them whether you sell or stay. Enhancing a home’s overall look is a stager’s primary job, but a stager’s efforts also focus on cooperating with a homeowner to achieve five goals:

1. **Boosting curb appeal**
2. **Decluttering**
3. **Cleaning**
4. **Making repairs**
5. **Styling**

43%

OF THE BHGRE® AGENT NETWORK

say a wow-worthy exterior makes the best first impression

81%

OF BHGRE® AGENTS

say their clients are looking for neutralized spaces (grey, beige, clean, and decluttered spaces)

36%

OF THE BHGRE® AGENT NETWORK

say updated home décor makes the best first impression

MAKING REPAIRS

Repairs are easier to take on when you start with a decluttered and clean home. Professional stagers advise that it's always better to assess a home and be proactive in fixing potential issues before they become too large (and too unattractive) for buyers.

The top two factors that could hinder a home sale, according to **Jessica Poulos, broker/owner of Better Homes and Gardens Real Estate Northwest Home Team:**

- **Deferred maintenance** – roof cleaning, gutter cleaning, HVAC service, exterior paint.
- **Dirty home** – dirty windows, flooring or even concrete that needs to be pressure washed, can make a buyer question the condition of the home or make them assume it needs to be fixed or replaced.

Attend to the quick fixes at the least, such as repairing cracks in walls and ceilings, ensuring cabinetry hardware works and is in good condition, leak-proofing all plumbing fixtures, and sealing any gaps in moldings and tiling.

Tour your home's exterior and look for flaking or peeling paint. Check fascia boards and gutters and ensure they're mounted correctly. Walk your sidewalks and driveway and look for cracks and trip hazards.

Benjamin Smail, from Better Homes and Gardens Real Estate The Good Life Group in Omaha Nebraska, shares three important tips:

- **Touch up paint on walls and trim with the correct color and sheen.** For just \$100 in paint and a day's work completing touch ups, you can shift a buyer's thinking. Eliminating the perception that a house needs a full paint makeover prevents buyers from deducting \$5,000 to \$15,000 of value from a home.
- **An unkempt home can cost thousands of dollars in buyer enthusiasm.** A buyer doesn't feel warm and fuzzy purchasing a home from a seller who doesn't care enough to clean it well and prepare it for sale.
- **Every room should have the right number of possessions, positioned in the right places.** Too many items are overwhelming. Too sparsely decorated and the room feels abandoned and sad. As a last resort, a completely empty space is ok if clean and well kept.





HERE'S WHAT TO DO WHEN *styling to sell:*

- Give your bedrooms a boutique hotel vibe by replacing bedding with a new white cover and adding throw pillows.
- Use mirrors to create the look of more space and light.
- Open curtains to fill rooms with natural light.
- Hang art at a visually appealing height (about five feet from the ground).
- Bring in fresh greenery and flowers.

STYLING TO SELL

After you've decluttered, cleaned and made repairs, it's time to put on your decorator's hat (or let your agent handle your home's styling). Staging gives a property a cohesive and neutral look that attracts buyers from various backgrounds and with different tastes.

Annmari Grenga from Better Homes and Gardens Real Estate Metro Brokers said staging is vital: "Staging a home is incredibly important. It helps buyers see themselves living in the space. It can create a warm, welcoming environment and can be what makes a home stand out amongst the other listings."

If you're following a stager's advice simply to refresh your house and not sell, you might want to focus on a specific design style while still implementing the pro's decorating tips. Generally, however, stagers can teach us a thing or two about creating an interior design that's both functional and visually appealing.

Let it go. Selling your house can be difficult, especially as you overhaul your home's look and feel to impress strangers. The more you detach yourself from that process, the easier it will be to apply your real estate agent's advice and ideally get top dollar for your property.

Home trends are helping consumers turn houses that align with budgets, into dream homes. By diving into home improvements, consumers are remaining active in the real estate market, helping them create spaces that will sell faster or create a home they'll want to stay in for years.



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Nobody Knows Homes BetterSM

1: NAHB, 2024. 2: The Harris Poll, The Status of Real Estate in 2024. 3: Investopedia, The Real Feel of the Homebuying Market in 2024-2024 Federal Reserve Bank of St. Louis, 30-Year Fixed Rate Mortgage Average in the United States. © 2024 Better Homes and Gardens Real Estate LLC. All rights reserved. Better Homes and Gardens®, BHGRE® and the Better Homes and Gardens Real Estate Logo are registered service marks owned by Meredith Operations Corporation and licensed to Better Homes and Gardens Real Estate LLC. Better Homes and Gardens Real Estate LLC fully supports the principles of the Fair Housing Act and the Equal Opportunity Act. Each franchise is independently owned and operated. 24SDPE_BHG.12/24