

REAL ESTATE

YOUR LIFE | YOUR HOME



Climate Change and Real Estate

Climate change is reshaping the real estate landscape as extreme weather events become more frequent and severe.

Rising temperatures, increasing wildfires and intensifying hurricanes are affecting home values and making insurance coverage more costly and, in some cases, difficult to obtain.

One of the most visible effects of climate change on real estate is the growing risk of property damage from natural disasters. Hurricanes have become more intense due to warmer ocean temperatures, leading to stronger winds, heavier rainfall and more severe flooding. Coastal properties, once considered prime real estate, are now at greater risk of storm surge and flood damage, which can lead to significant depreciation in value.

Similarly, wildfires have become an increasing threat, particularly in the western United States. Rising temperatures and prolonged droughts have created ideal conditions for wildfires to spread rapidly, devastating communities and displacing thousands of residents. Homes in wildfire-prone areas face higher risks, and some properties have become uninsurable or require costly mitigation efforts to maintain coverage.

As the risks of natural



© ADOBE STOCK

disasters grow, so do the financial burdens on homeowners. Many insurance companies have started reassessing their exposure to climate-related disasters, leading to skyrocketing premiums in high-risk areas. In some cases, insurers are pulling out of certain markets altogether, leaving homeowners struggling to find affordable coverage. Flood insurance, which was once widely available, is becoming prohibitively expensive in coastal and low-lying regions. Similarly, in fire-prone areas,

insurers are either refusing to cover wildfire damage or offering policies at exorbitant rates.

Beyond insurance concerns, the long-term value of real estate is being affected by climate change. Homebuyers are increasingly factoring environmental risks into their purchasing decisions. Properties in areas prone to extreme weather events are seeing slower appreciation and, in some cases, declining values. On the other hand, communities with climate resilience measures, such as improved

infrastructure, flood-resistant construction and fire-resistant landscaping, are becoming more attractive to buyers.

Local governments and policymakers are responding to climate risks. Some cities are implementing stricter building codes to ensure construction can withstand extreme weather conditions. Others are investing in infrastructure projects to mitigate flooding or prevent wildfires. While these efforts may help protect property values in the long run, they often come with increased costs for

developers and homeowners.

For prospective buyers and homeowners, understanding the effect of climate change on real estate is more important than ever. Researching a property's risk factors, evaluating insurance options and considering climate-resilient upgrades can help protect investments. As the effects of climate change continue to unfold, the real estate market will need to adapt, with sustainability and resilience playing a central role in shaping the future of housing.

The Rise of Co-Living Spaces

Co-living spaces have emerged as an answer to rising housing costs and more densely populated urban areas.

An alternative to traditional renting, this shared-living model is gaining traction among young professionals, digital nomads and even retirees looking for community-oriented housing options.

As cities struggle with housing shortages and affordability crises, co-living is expected to continue expanding. Developers are recognizing the demand and investing in purpose-built co-living communities. With innovative designs, tech integration and community-focused amenities, co-living is reshaping the way people think about housing.

Co-living spaces provide affordable, flexible and community-driven housing. Co-living arrangements typically offer fully furnished private bedrooms while sharing common areas such as kitchens, living rooms and workspaces. Some even include cleaning services, utilities and social events as part of the package.

Co-living spaces differ from conventional roommate arrangements in that they are professionally managed, often by companies that specialize in creating a communal living experience. Some well-known



© ADOBE STOCK

co-living companies include Common, Ollie and WeLive, which cater to urban dwellers seeking affordability and a built-in social network.

WHY IS CO-LIVING GAINING POPULARITY?

Several factors contribute to the rise of co-living spaces:

- **Affordability.** Renters save money by sharing amenities and services that would otherwise be expensive in traditional apartments.
- **Flexibility.** Many co-living

companies offer flexible lease terms, making it an attractive option for people who travel frequently or have unpredictable work arrangements.

- **Community.** Loneliness and social isolation are growing concerns, especially in urban environments. Co-living fosters a sense of belonging through shared experiences, events and collaborative spaces.

- **Convenience.** Co-living arrangements often include utilities, wifi, cleaning services

and other perks in a single bill, reducing the hassle of managing multiple accounts.

WHO IS CHOOSING CO-LIVING?

Co-living is particularly popular among millennials and Gen Z renters who prioritize experiences and community over material possessions. Many digital nomads and remote workers find co-living appealing as it provides networking opportunities and a structured social environment.

In addition, retirees and empty nesters looking to downsize are exploring co-living as a way to maintain an active social life while reducing housing costs. Some developments even cater specifically to seniors, offering co-living spaces with amenities tailored to their needs.

TRENDS IN CO-LIVING

According to Nevestate, a major 2025 real estate trend is that the co-living concept will merge with the co-working concept. Many developments are creating hybrid spaces where a residential building has a co-working space. Hotels are offering long-term stay options with co-living amenities.

Artof identifies the following co-living trends for 2025:

- Increase in advanced technologies such as keyless entry, smart home systems and app-based management platforms.
- Incorporation of wellness amenities such as yoga studios, meditation rooms and fitness centers.
- Multigenerational and senior communities with shared support systems and social networks.
- Use of AI to manage community interactions, predict maintenance needs and personalize resident experiences.
- Integration with local communities by sourcing goods and services locally.
- Rise of pop-up or temporary co-living arrangements.
- Emergence of niche communities such as artist collectives or tech hubs.

Choosing the Right Agent

Buying or selling a home is a significant financial and emotional undertaking, and a real estate agent can be an invaluable partner in the process.

A skilled professional can help navigate the complexities of the market, negotiate on your behalf and ensure a smooth transaction. Understanding the role of a real estate agent and how to select the right one can make all the difference in your home-buying or selling experience.

Real estate agents act as intermediaries between buyers and sellers, providing guidance and expertise throughout the transaction. Their primary responsibilities include:

- **Market analysis.** Agents assess the local real estate market, analyzing trends and comparing prices to determine fair market value for homes.
- **Property marketing.** For sellers, agents list homes on multiple listing services (MLS), host open houses and market properties through various channels, including online platforms and social media.
- **Home search assistance.** For buyers, agents identify properties that meet specific needs, arrange showings and provide insights on neighborhoods and local amenities.
- **Negotiation expertise.** Agents negotiate terms, including price, contingencies and closing dates, ensuring the best possible outcome for their clients.
- **Contract management.** They oversee the paperwork, ensuring compliance with legal and financial requirements, and facilitate communication between all parties involved.
- **Guidance through closing.** Agents



© ADOBE STOCK

coordinate inspections, appraisals and financing to help finalize transactions smoothly.

CHOOSING THE RIGHT REAL ESTATE AGENT

Not all real estate agents are the same and different people need different things, so finding the right fit is important. Here are key factors to consider when selecting a real estate professional.

Look for an agent with a proven track record in your specific market. Knowledge of local neighborhoods, school districts, property values and market

trends can significantly affect your buying or selling experience.

Ensure the agent is properly licensed and a member of a reputable organization such as the National Association of Realtors (NAR). Some agents also have special designations, such as Certified Residential Specialist (CRS) or Accredited Buyer's Representative (ABR), which indicate additional expertise.

Choose an agent who is responsive and communicative. Ask about their availability, preferred communication methods and how frequently they will provide updates.

Check online reviews, testimonials

and ask for references from past clients. An agent's reputation and past performance can provide valuable insight into their professionalism and effectiveness.

Understand the agent's commission structure, typically ranging from 5-6% of the home's sale price, split between the buyer's and seller's agents. Ensure there are no hidden fees before signing a contract.

A real estate agent plays a critical role in making the home-buying or selling process as seamless as possible. The right real estate professional can be a trusted guide through every step of the journey.

Rise of Mixed-Use Projects

Mixed-use developments are transforming the real estate landscape by offering a seamless blend of residential, commercial and recreational spaces.

These developments are gaining popularity among homebuyers and investors as they redefine urban living with convenience, walkability and a strong sense of community.

Mixed-use developments integrate different property types — such as apartments, office spaces, retail outlets, entertainment venues and green spaces — into a single, cohesive area. Unlike traditional zoning that separates residential and commercial areas, these developments foster a live-work-play environment within a walkable radius.

WHY ARE THEY GAINING POPULARITY?

- **Convenience.** Residents can access essential services, dining and entertainment without the need for extensive commuting.

- **Sustainability.** Reducing the reliance on cars lowers carbon footprints and supports eco-friendly urban planning.

- **Economic growth.** Businesses benefit from steady foot traffic, while property



© ADOBE STOCK

owners see increased demand and value appreciation.

- **Community engagement.** Public spaces, parks and shared amenities create vibrant neighborhoods where residents can interact and connect.

TYPES OF MIXED-USE DEVELOPMENTS

- **Vertical mixed-use.** A single building that houses

residential units above commercial spaces, such as retail stores or offices.

- **Horizontal mixed-use.** A collection of adjacent buildings that serve different purposes, maintaining a pedestrian-friendly layout.

- **Live-work spaces.** Units designed for small business owners or freelancers who want to operate their businesses from home.

maintaining harmony within the community.

As cities grow and urban living evolves, mixed-use developments are likely to become the norm rather than the exception. With an increasing emphasis on sustainability and convenience, these communities are shaping the future of real estate by offering dynamic, multi-functional spaces that cater to diverse lifestyles.

The DLR Group identified three mixed-use development trends for 2025. The first is that higher education campuses are adopting the concept. New student housing projects are leaving behind the typical dorm model and building housing that includes such amenities as bike shops, juice bars, study spaces, jam rooms, fitness centers and meditation spaces.

A second trend focuses on creating generational equity through affordable housing that integrates cooperative ownership and a protection of historical integrity. The third is transforming underused urban building into vibrant and sustainable residential units — or “adaptive reuse projects.”

For homebuyers and investors looking for properties that align with modern living trends, mixed-use developments provide a compelling opportunity.

As demand continues to rise, these spaces will play an integral role in redefining the way people experience urban life.

CHALLENGES AND CONSIDERATIONS

While mixed-use developments offer numerous benefits, they also come with challenges. Zoning regulations, financing complexities and increased construction costs can pose hurdles for developers. Additionally, striking the right balance between commercial and residential spaces is crucial to

Homebuying for Military

For veterans and active-duty military personnel, homeownership can be more attainable thanks to a variety of programs designed to make purchasing a home easier and more affordable.

With exclusive benefits such as VA loans, financial assistance and special tax exemptions, military homebuyers can take advantage of opportunities tailored to their unique needs.

VA LOANS

One of the most significant advantages available to military homebuyers is the VA home loan, a program backed by the U.S. Department of Veterans Affairs. VA loans offer several benefits, including:

- **No down payment.** Unlike conventional loans, VA loans do not require a down payment, making homeownership more accessible for veterans and active service members.

- **No private mortgage insurance (PMI).** Most conventional loans require PMI if the down payment is less than 20%, but VA loans waive this requirement, reducing monthly costs.

- **Competitive interest rates.** VA loans typically offer lower interest rates than



© ADOBE STOCK

conventional mortgages, helping buyers save money over time.

- **Flexible credit requirements.** VA loans have more lenient credit score requirements, making them more accessible to a broader range of buyers.

- **Limits on closing costs.** The VA restricts the types of closing costs that lenders can charge, ensuring affordability for homebuyers.

GRANTS AND FINANCIAL ASSISTANCE

In addition to VA loans,

veterans and active-duty service members may qualify for grants and other financial assistance programs:

- **The VA's Specially Adapted Housing (SAH) Grant.** This program provides financial assistance to veterans with disabilities to help modify or purchase homes that accommodate their needs.

- **State and local programs.** Many states and municipalities offer homeownership assistance programs exclusively for military personnel and veterans, including down

payment assistance and property tax relief.

- **The Military Housing Assistance Fund (MHAF).** This nonprofit organization helps cover closing costs for military homebuyers.

- **The Good Neighbor Next Door Program.** Although not exclusive to veterans, this program from the U.S. Department of Housing and Urban Development (HUD) offers eligible buyers, including law enforcement officers and military personnel, a 50% discount on homes in revitalization areas.

ADDITIONAL BENEFITS FOR MILITARY HOMEBUYERS

Beyond loans and financial assistance, military personnel may qualify for additional benefits when purchasing a home:

- **Basic Allowance for Housing (BAH).** Active-duty members stationed in the U.S. receive a tax-free housing allowance that can be used toward mortgage payments.

- **Property tax exemptions.** Some states offer property tax reductions or exemptions for veterans, particularly those with service-connected disabilities.

- **Streamlined refinancing options.** The VA Interest Rate Reduction Refinance Loan (IRRRL) allows veterans to refinance their mortgages with minimal paperwork and no appraisal requirement.

Homeownership is a significant milestone, and for veterans and active-duty military personnel, various programs make the process more accessible and affordable.

By taking advantage of VA loans, grants and additional financial assistance, military homebuyers can achieve homeownership with greater ease.

If you are a veteran or active service member considering buying a home, explore the benefits available to you and work with lenders and real estate professionals experienced in military homebuying programs to maximize your options.

Loans to Help You Go Green

For homebuyers looking to make their new homes more energy-efficient, specialized financing options can help cover the costs of improvements while potentially lowering long-term utility expenses.

Energy-efficient mortgages, or EEMs, provide buyers with additional borrowing power to finance upgrades that reduce energy consumption, making homes more affordable to own in the long run.

EEMs are available through conventional, Federal Housing Administration and Veterans Affairs loan programs. These mortgages allow borrowers to finance energy-efficient improvements as part of their home loan rather than taking out separate financing. By incorporating these costs into the mortgage, buyers can spread payments over the life of the loan, often at a lower interest rate than other types of financing.

BENEFITS

One of the key benefits of an EEM is that it enables borrowers to qualify for a larger loan amount based on anticipated energy savings. Since energy-efficient homes typically have lower utility bills, lenders recognize that homeowners will have more disposable income to allocate toward their mortgage payments. This expanded borrowing power can be particularly useful for first-time homebuyers or those purchasing older properties in need of efficiency upgrades.

PROCESS

To qualify for an EEM, homebuyers



© ADOBE STOCK

must undergo an energy assessment, typically conducted by a certified home energy rater. This evaluation determines the home's energy performance and identifies cost-effective improvements, such as upgrading insulation, installing energy-efficient windows or replacing outdated heating and cooling systems. The assessment provides a report outlining the estimated savings and expected return on investment, which lenders use to justify the additional financing.

FHA EEMs allow borrowers to finance the lesser of 5% of the home's value, 115% of the median area price or 150% of the national conforming mortgage limit. VA EEMs, available to eligible military personnel and veterans, offer financing for energy-efficient improvements up to \$6,000. Conventional lenders may have their

own guidelines, but many follow similar principles, incorporating energy-saving calculations into their underwriting process.

For buyers considering an EEM, working with an experienced lender familiar with energy-efficient financing is essential. Not all mortgage providers offer EEMs, and some may have additional requirements or limitations. Additionally, buyers should coordinate with their real estate agent and contractor to ensure upgrades align with both financing guidelines and personal needs.

HOME IMPROVEMENTS

Beyond the financial advantages, energy-efficient homes contribute to environmental sustainability by reducing overall energy consumption. Improvements such as high-efficiency

appliances, smart home technology and solar panels can lower carbon footprints while increasing property values. Many buyers also find that energy-efficient features enhance overall comfort, making their homes more livable year-round.

For homeowners interested in retrofitting their existing properties, refinancing with an EEM can provide a pathway to affordable improvements. By rolling upgrade costs into a refinanced mortgage, homeowners can spread payments over time and potentially benefit from lower interest rates compared to traditional home improvement loans.

As energy costs continue to rise, EEMs present a practical solution for buyers and homeowners looking to invest in efficiency while securing financial savings.

Home Ownership and Taxes

Being able to afford a home is more than just the monthly payment and home maintenance.

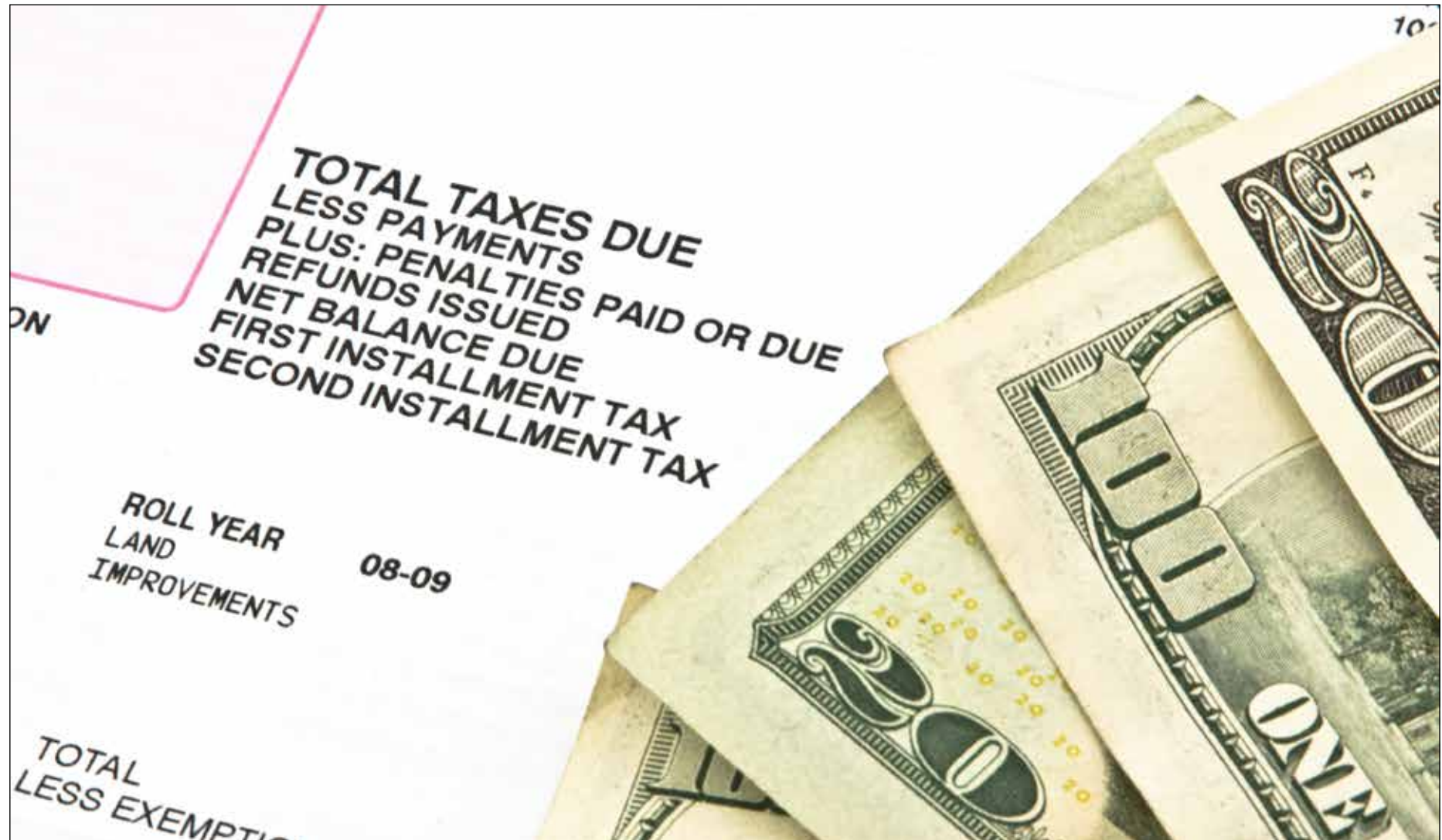
Property taxes are a significant financial portion of the cost. Understanding how they are assessed and how they affect home ownership can help homeowners plan for long-term financial stability.

Property taxes are determined by local governments as a way of paying for essential services such as schools, police and fire departments, road maintenance and other public services. The amount a homeowner pays is based on the assessed value of their property and the local tax rate.

Local assessors evaluate properties periodically to determine their market value. This process varies by jurisdiction, with some areas reassessing properties annually while others do so every few years. Assessors consider factors such as recent sales of similar properties, improvements or renovations and changes in neighborhood property values. Once an assessment is made, the local government applies a tax rate, often referred to as the millage rate, to calculate the homeowner's tax bill.

FACTORS THAT INFLUENCE PROPERTY TAXES

Several factors can impact



© ADOBE STOCK

property tax rates and assessments:

- **Location.** Property tax rates vary widely depending on the city, county and state. Some regions have higher tax rates due to greater demand for public services.

- **Property value.** A home's assessed value directly affects its property tax bill. Renovations, additions and local market trends can cause fluctuations in assessed value.

- **Local government budgeting.** Tax rates are set based on municipal and county budgets. If local governments require more revenue to fund ser-

vices, tax rates may increase.

- **Exemptions and deductions.** Many jurisdictions offer property tax exemptions for specific groups, such as senior citizens, veterans or homeowners with disabilities. Some areas also provide homestead exemptions, which reduce taxable value for primary residences.

WHAT HOMEOWNERS NEED TO KNOW

Understanding your property tax obligations can help you avoid surprises and plan accordingly.

Homeowners receive a tax

assessment notice detailing their property's assessed value. Review this carefully and ensure the assessment reflects the property's actual value. If the valuation seems too high, homeowners can appeal the assessment through their local tax authority.

Property taxes are typically due annually or semi-annually. Homeowners with a mortgage often have property taxes included in their monthly payment through an escrow account, while others must pay the full amount directly to the tax authority.

Budget for the payments so that there are no surprises.

Many jurisdictions offer programs that reduce tax burdens for eligible homeowners. Researching available exemptions and deductions can help lower tax bills. Local governments periodically adjust tax rates based on budgetary needs. Attending town meetings or reviewing municipal budgets can provide insight into potential tax increases. By staying informed and proactive, homeowners can better manage their property tax obligations and avoid unexpected financial burdens.