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Mortgage Rates Breach 50-Year Average

	\$400,000	Borrowed @	30 Years	Changes I	of the part was a consider.	Ant Antimeter Scientist	Property lines
	Rate	P&I	Vs. Low	Rates	mpact	ts Buyers	入里
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	3			Today	Rate 7.76% 8.26% 9.26% 9.26% 9.76% 10.26% 10.76%	Loan Amount \$400,000 \$381,453 \$364,282 \$348,362 \$333,580 \$319,834 \$307,034	Vs.

For the first time since November of 2000, mortgage interest rates pushed higher than the 50-year average. Last week's average rate (Freddie Mac's 30-year fixed rate weekly survey) reached 7.76%, slightly surpassing the 7.74% average recorded over the past 600 months.

The tables above demonstrate the impact of changing mortgage interest rates, which posted a market-low of 2.68% in December of 2020.

Back then, I strongly advised clients to buy as much house as they could handle, as future move-ups and move-downs would be very difficult when rates moved higher.

Somebody who chose to purchase in December of 2020 is sitting on a loan

that will make it very difficult to move.

For example, \$400,000 borrowed in December of 2020 to purchase a \$420,000 home yielded a monthly mortgage payment (P&I) of \$1,618 per month. Had that buyer chosen to wait until today, home values have appreciated 41% and interest rates have moved significantly higher (more than double).

The \$420K house would now cost \$592,000, and the same loan program would result in a loan of \$562K with a monthly payment of \$4,033!!

Thus waiting three years resulted in a payment that is 2.5 times what was required just three years ago! When you hear that home affordability is now a crisis, you can understand why.

Tallahassee Real Estate Weekly Special

www.JoeWillSellYourHome.com

