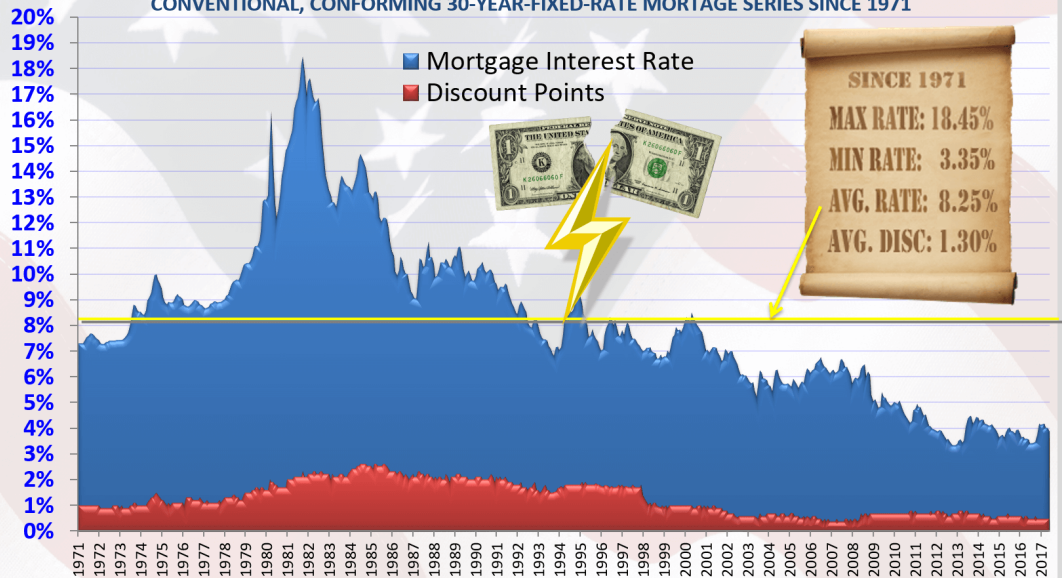


The Impact Of Rising Mortgage Interest Rates

Primary Mortgage Market Survey

CONVENTIONAL, CONFORMING 30-YEAR-FIXED-RATE MORTGAGE SERIES SINCE 1971



Source: Freddie Mac

As seen on the Tallahassee Real Estate Website www.manausa.com

Joe Manausa
Real Estate
www.manausa.com

The average rate that a home buyer has paid on a 30 year fixed rate mortgage loan over the past 47 years is down to 8.25%.

That means today's rates are still below 1/2 of the 47 year average, and they have been since the mid '90s.

The average reported for June was 3.90% with one-half a discount point.

People need to look at the graph above and realize (or remember) that rates were above 10% for more than 15 years!

Rising Rates Impact Home Sales

It is highly likely that Tallahassee will see (over the next 100 years) progress at a rate not too dissimilar from the previous 100 years (Tallahassee has reported gains in both wages and population size

in at least 9 of the 10 previous decades according to the US Census).

But what would happen if rates merely "returned to normal?" What if rates next month shot up to 8.25%? Probably not likely ... but an increase in a percent or so could happen.

And demand will have to shift downwards, as the borrowed dollar costs more (monthly), the ability to borrow will decline. I believe it will be immediately noticed in the upper 5% of the market.

The high end of the market needs to be prepared for declining demand, because more than 70% of all luxury home purchases in Tallahassee are financed, and an increase in rates of even 1% could very well reduce high-end demand by more than a quarter.



Barbara Corcoran's
Advice in Tallahassee



RESOURCES

- [Selling A Home](#)
- [Home Valuation Tool](#)
- [Property Search](#)
- [Tallahassee Life!](#)
- [Archives](#)
- [Testimonials](#)



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