



NEWS UPDATE

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How The Coronavirus Has Affected The Real Estate Market



COVID-19 has affected many markets over the course of 2020, the real estate market being no exception. As uncertainty over the future remains, many Americans who may have been thinking of listing their homes are staying put until a more clear trajectory of the housing market is known.

Now while there may not be an abundance of houses on the market, there are many buyers. ***In an attempt to stimulate economic growth, The Federal Reserve cut interest rates to record-breaking lows. The average rate on a 30-year fixed mortgage has dropped below 3%.***

The long-term savings on buying a home are proving significant. Using a mortgage calculator, if you were to buy a 30-year fixed mortgage for \$200,000 at a 6% interest rate your monthly mortgage would be \$1,199. But at the current rate, if you were to buy that same home at a 2.9% interest rate the monthly cost would be \$832. This would account for a savings of \$131,990 over 30 years in interest alone.

Buying A Home

As fewer sellers are willing to list their homes, ***the current market is demonstrating a high-demand from buyers with a shortage of homes. This, in turn, has caused houses to sell at a premium price.***

Although for those who would like to take advantage of the current low-interest rate, finding a home may be difficult. Fortunately, there are online services available that can connect buyers with already-vetted homes.

Experts are still uncertain about the future of the real estate market but for those who are willing to take the plunge, the ROI may be a substantial one.

Source: <https://finance.yahoo.com/news/coronavirus-affected-real-estate-market-152427562.html>

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