

**Is the Rising Interest Rates discouraging you from purchasing a home?**

The truth is, interest rates are on the rise and they may go up even higher this year. Don't let interest rates stop you from buying a home! **Information** is important when deciding to make a big purchase. We need information that will prepare us to navigate buying a home in this marketplace.

Is it a good time to purchase a home?

This depends on your circumstances. It has been said what sells Real Estate is Location, Location, Location! However, it's also Timing, Timing, Timing!

I bet you are thinking you should have purchased a home months ago when interest rates were 3%? Right! However, that is if you could get your offer accepted amongst the 30 other offers, go substantially over the asking price and remove your appraisal contingency. That was insanity and not normal!

Today (a few months later), interest rates are around 5.3% (maybe higher) and the federal reserve is increasing rates faster than they have in decades. The federal reserve wants to put a hard stop to inflation; however, we are all feeling the effects of the rate hikes in prices from the pump to the grocery store, consumer loans like credit cards and yes Mortgages!

One of the effects that higher interest rates have on mortgages in the marketplace is, it reduces the number of qualified buyers. This will slow the market down and we may see some reductions from the overbidding of the past few months. On the Bright Side, it eliminates the over asking frenzy and returns the real estate market to normal. Meaning, since there are less buyers in the market, homes will be on the market a little longer than "2 hours" and buyers will have more opportunities at home ownership without the possibility of multiple offers.

Now, what are your circumstances? If you don't have a compelling reason or desire to buy right now – then DON'T! However, there may be a few reasons you're considering a move; if you are planning a family and you need more space, if 2 families are becoming one, if your spouse passed away and you were in a 3000 sq ft home and want to downsize and purchase a smaller space, etc. There are a lot of illustrations, however, it comes back to you! Your wants and needs simply put, regardless of what you do, will cost you more if you wait (Just look at the attached Spreadsheet, the numbers don't lie). There is a window of time to act before things out of your control affect your plans. There are other strategies like Loan Buydowns and ARMs that might make it worth it to make your move now. Contact a great realtor and lender today and make your plans!

Median sales price in Escondido for 2022 and 2021!

Single Family Home	Jan – June 2022	Jan – June 2021		#closed thru 6/2022	6/2021	
92025 Median Sales Price	\$925,000	\$755,000	up 22.5%	141	165	down 14.5%
92026	\$845,000	\$720,000	up 17.4%	217	269	down 19.3%
92027	\$795,000	\$666,000	up 19.4%	216	280	down 19.4%
92029	\$1,200,000	\$985,000	up 21.8%	140	141	down .7%