



TAP TO READ

Rising Mortgage Interest Rates Impacting Homes Sales in Greene County and Beyond

By Matt Beardmore

In late October, mortgage interest rates in the United States hit their highest point in nearly a quarter century. Patricia Meyers, broker and owner of Lake and Mountain Realty, LLC in Athens, NY, since 1999, said that with borrowing costs up and inventory down, many who are looking to purchase a home in this market – if they are even still eligible to secure a mortgage – will need to change their expectations of what type of home they would like to move into, or just sit tight until the market changes.

Those who are looking to sell also might have to think twice due to the costs of securing a new mortgage once they jump into the buyer's market.

According to Freddie Mac, the average rate on a 30-year fixed rate mortgage on Oct. 19, 2023, was 7.63%, which is the highest reported percentage since it was



7.65 on Dec. 1, 2000. A result of this increased cost of lending is the number of sales of existing homes in the U.S. falling to a 7-month low. In Greene County, the number of home sales in September 2023 was 77 – a decrease of 26.3% from the same period a year earlier – and year-to-date are down 26.5% from 2022, according to Columbia County & Northern Dutchess Multiple Listing Service (MLS) data provided by the Albany-based New York State Association of REALTORS.

"The interest rates are impacting everybody nationwide – it's not just geographical," Meyers said. "When the interest rates were 4 or 5%, I was telling people to buy a house because it was like they were giving money away. At 8% it's still a favorable rate, but it's still impacting people's buying power because obviously the monthly payment goes up. Maybe before you qualified for a \$400-500,000 loan, but maybe now it's down to \$350,000 or 400,000."

I've talked to other realtors, and for first-time homebuyers, they're looking for places up to a certain price-point – in the Greene County area, maybe it's up to \$300,000, but there aren't any homes available at that price, so you're going to be looking at lower price housing. You are going to have to sit tight."

Q: According to Columbia County & Northern Dutchess MLS data, sales prices this year in Greene County have increased 7.3%, up to \$494,764. Considering this, how are increasing mortgage rates hurting sellers?

A: The problem is people who want to move are stuck because they could be at 4% or something under 7%, and if they move they don't want to give up on the lower interest rate mortgage. It's a quandary for people who want to move. There's limited inventory and higher mortgage rates and a higher payment. A lot of people are just hunkering down and just sitting – you just don't know what the Fed is going to do.

Q: What if someone does not want to hunker down and wait for the mortgage rates to improve before then look for a new home and move?

A: You might have to look for something that's a fixer-upper or not move-in ready so you could put your own spin on things. You might have to adjust what your goal is. Everyone goes through the magazines and sees how they want their house to look when they move in, but you might not get a move-in ready house. The old adage is to "buy location," so if you can find the worst house in the neighborhood you want to be in, you have to be open to doing some work on the house.



Q: What advice do you offer those trying to buy and sell a home in your region right now, or someone looking to move to Greene County?

A: Greene County is still a very affordable area – our tax rate is a little lower than across the river or down the road a little, so that is attractive to buyers and actually the cost to purchase is a little bit lower. If you look at houses in Woodstock, N.Y., they are much higher and we're just 40 minutes away. Someone that wants a little bit of space is probably more inclined to come to Greene County. It has a homey feeling – it's not very urban.

Q: The average 30-year fixed-rate mortgage in the U.S. has been above 7% for more than two months now. What levels do you think interest rates will need to drop to in order for more buyers to jump back into the market?

A: If the rates go up to 10%, that's definitely going to price people out. If it drops to 6? I don't know if that's going to be a big change for people. It's the new norm – people have to get over the fact we have no control over the rates. If you can't afford that mortgage payment then you have to stay where you are. It's a sad reality of the situation unfortunately. It is what it is – this is what we have to deal with.

Meyers and her team are available if you have other questions about interest rates or buying/selling a home in Greene County. Contact info@lakeandmountainllc.com, or visit www.lakeandmountainllc.com.