

WHAT YOU NEED TO KNOW ABOUT

Higher

INTEREST RATES

A GUIDE CREATED FOR HOME BUYERS



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WHAT DO HIGHER INTEREST RATES MEAN FOR HOME BUYERS?

It isn't new news that the real estate market has been crazy over the past few years. We experienced historic record low-interest rates that many homeowners were excited to take advantage of. This created an extremely high demand for houses and led to bidding wars and an extremely competitive market for home buyers. Then interest rates started to soar.

Interest rates have finally dipped some so as a home buyer, you might think that now is the perfect time to buy a house...

Here is what you need to know about higher interest rates and how it will affect you if you plan to purchase a home. For home buyers, this means that they can afford less house for the same amount of money. This is because when you take out a mortgage, your monthly payment is based on the interest rate of your loan and the principal amount borrowed. When interest rates go up, so does your monthly payment. Home prices are beginning to decrease, homes are staying on the market longer, and more price reductions are happening, but it's important to understand that higher interest rates will affect your home buying power. I created this guide to help educate you to understand what's going on and all of the options you have.

If you want to know more about the current real estate market and purchasing a home, please reach out! The best way to contact me is by phone at 573-586-7711. I look forward to hearing from you soon!

Helping you find home



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HOW INTEREST RATES AFFECT YOUR MONTHLY MORTGAGE PAYMENTS

As you can see in the example to the right, when the interest rates rose from 4% to 7% the monthly mortgage payment increased over \$600.

Keep in mind this is just an example and type of loan, down payment, credit score, taxes, etc. will affect the your monthly payment.

The best way to know what price point you should begin your home search at is to get pre-approved by a lender. They will be able to give you an approval price range and monthly mortgage payment estimate so you be sure that you are shopping for homes that would be a suitable fit for your budget.

01

INTEREST RATES AT 4%

Calculator

Monthly payment Purchase budget

Include taxes & fees

Home price \$ 350,000

Down payment \$ 12,250 3.5%

Loan term 30-yr fixed Interest 4%

State Credit score 700 - 719

Property tax (yearly) \$ 4,375

Home insurance (yearly) \$ 1,225

Private mortgage insurance (monthly) \$ 279

Homeowners association (monthly) \$ 0

Total monthly payment \$ 2,358

Loan \$ 1,612

Taxes & fees \$ 746

02

INTEREST RATES AT 7%

Calculator

Monthly payment Purchase budget

Include taxes & fees

Home price \$ 350,000

Down payment \$ 12,250 3.5%

Loan term 30-yr fixed Interest 7%

State Credit score 700 - 719

Property tax (yearly) \$ 4,375

Home insurance (yearly) \$ 1,225

Private mortgage insurance (monthly) \$ 279

Homeowners association (monthly) \$ 0

Total monthly payment \$ 2,993

Loan \$ 2,247

Taxes & fees \$ 746

FINANCES

Before you officially begin your home search, I always recommend to begin with talking to a lender and getting pre-approved. A lender will be able to answer all of your questions regarding finances and give you a clear understanding of the exact price range you will be pre-approved for and an estimate of the expenses to expect.

Questions to ask when interviewing potential lenders...

- What is the best type of loan for me?
- Do I qualify for any special discounts or loan programs?
- What interest rate can you offer?
- When can you lock in my rate?
- What fees can I expect from you?
- What are my estimated closing costs?



FINDING YOUR HOME

MY RECOMMENDED LENDERS

LOCAL MORTGAGE LENDERS

Please feel free to reach out and interview some of the lenders that I know and trust.

Shawn Cordry, Flatbranch Home Loans



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scordry@fbhl.com
320 Ichord Avenue, Suite Z | Waynesville, MO 65583

Brad Shelton, Maries County Bank



573.336.4411 Office
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926 Old Route 66
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Erin Adamson, Jefferson Bank



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THINGS TO KEEP IN MIND

1

INTEREST RATES ARE NOT EXPECTED TO DROP IN THE IMMEDIATE FUTURE

As interest rates rise, so does the cost of borrowing money. Financial Analysts are now looking to September or November as the earliest point the Federal Reserve might lower rates. If history is any indicator, inflation will have to drop below the Federal Reserve's goal of 2% before they lower interest rates significantly.

2

INTEREST ON RENTING IS 100%

While it can seem intimidating to consider buying a home with increasing interest rates, it is important to remember that the interest rate on renting is 100%. This is money spent towards paying someone's mortgage as opposed to the opportunity to begin building equity in your own home.

3

DON'T PURCHASE AT THE TOP OF YOUR BUDGET

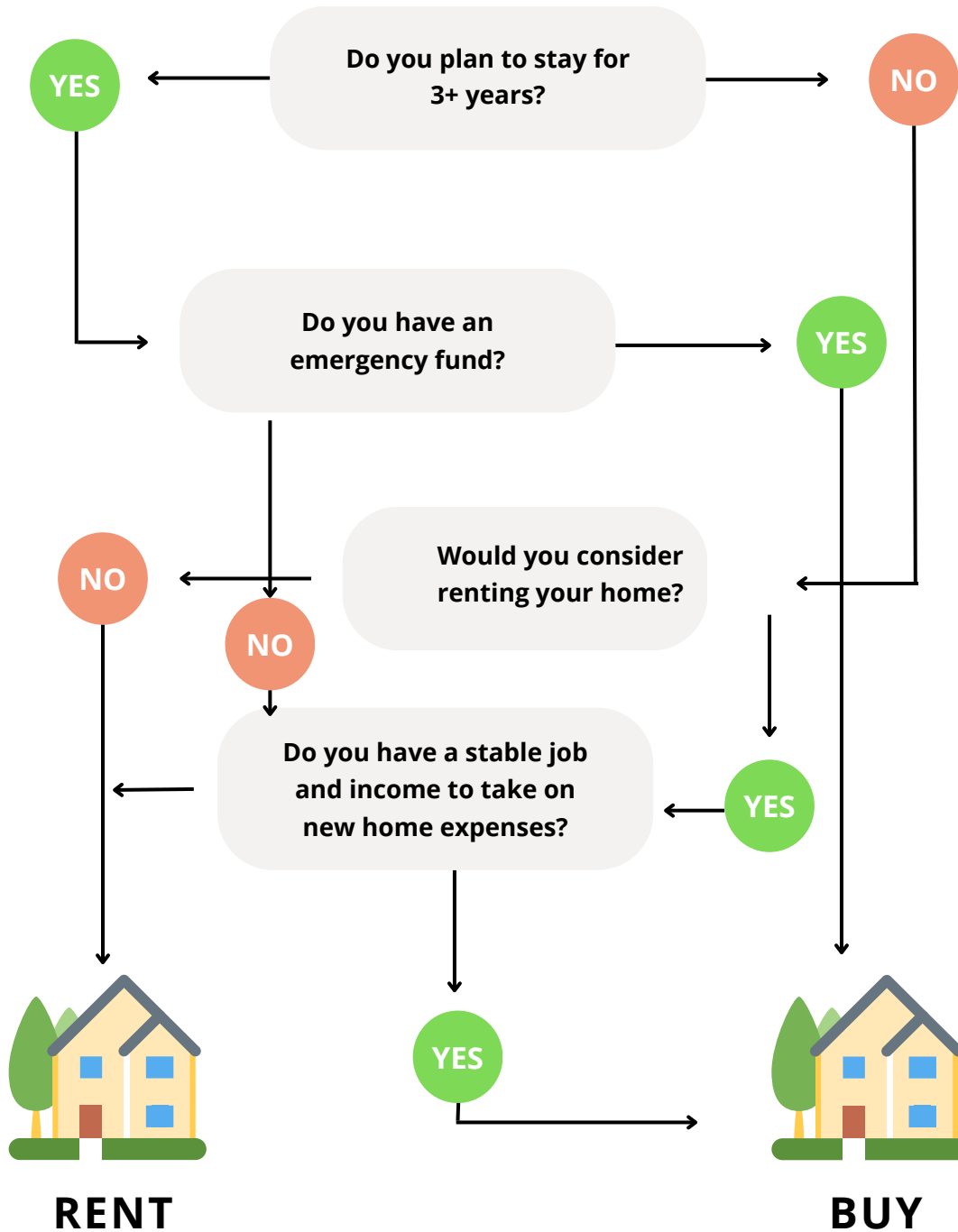
Along with all of the benefits of homeownership also come new responsibilities. Expenses like property taxes, maintenance, home repairs, and home improvements can add up. Be sure that your monthly payment isn't at the top of your budget so you can afford the new costs.

4

IT'S DIFFICULT TO TRY TO TIME THE MARKET

I always recommend looking at your own unique situation, your finances, goals, and desires to make a decision that works for you. The market is ever-changing so rather than try to time the market, make a decision that works for you.

SHOULD YOU RENT OR BUY?



THE TRUE COST OF RENTING

The cost of renting can add up quickly. Use this chart to help you understand how much you will be spending over time at your current rent rate.

IF RENT IS	1 YEAR	5 YEARS	10 YEARS	15 YEARS
\$700	\$8,400	\$42,000	\$84,000	\$126,000
\$800	\$9,600	\$48,000	\$95,000	\$144,000
\$900	\$10,800	\$54,000	\$108,000	\$162,000
\$1,000	\$12,000	\$60,000	\$120,000	\$180,000
\$1,100	\$13,200	\$66,000	\$132,000	\$198,000
\$1,200	\$14,400	\$72,000	\$144,000	\$216,000
\$1,300	\$15,600	\$78,000	\$156,000	\$234,000
\$1,400	\$16,800	\$84,000	\$168,000	\$252,000
\$1,500	\$18,000	\$90,000	\$180,000	\$270,000
\$1,600	\$19,200	\$96,000	\$192,000	\$288,000
\$1,700	\$20,400	\$102,000	\$204,000	\$306,000
\$1,800	\$21,600	\$108,000	\$216,000	\$324,000
\$1,900	\$22,800	\$114,000	\$228,000	\$342,000
\$2,000	\$24,000	\$120,000	\$240,000	\$360,000



Understanding whether you should continue renting or decide to purchase can be tricky. I'd love to help guide you through my signature process to help you decide what's best for you.

CLIENT TESTIMONIALS

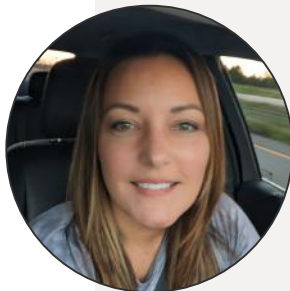
MEET SOME OF OUR HAPPY CLIENTS



"We can't thank Jenny enough..."

We can't thank Jenny enough for the incredible experience we had purchasing our new home. Her dedication, expertise, and genuine care made the entire process seamless and stress-free. She listened to our needs and guided us every step of the way. Jenny went above and beyond, not just as our realtor but as a trusted friend. We are so grateful for her support and highly recommend Jenny to anyone looking to buy or sell a home!

Javier and Nola Estrella



"Jenny made the process easy and stress free."

"Jenny did a phenomenal job with selling our home and helping us find the right new home! She made the processes easy and stress free. She didn't care how many questions or concerns I had, she always responded and put my mind at ease. When it's time to sell our current home we won't be going to anyone else! Thank you Jenny, you and your dedication are so appreciated!"

Sonya Schutte



"Jenny exceeded our expectations on selling our properties!"

Jenny exceeded our expectations on selling our properties. She is very knowledgeable on all aspects of buying and selling. She kept us informed through the whole process. Highly recommend Jenny Post.

Jerry and Brenda Mathis

HIGHER INTEREST RATES]



"HOME is something we're so passionate about at Post Realty. I'm committed to making sure every one of my clients achieve their real estate goals and have an absolutely exceptional home buying experience."

JENNY POST BURTON



I hope this guide gives you a better idea of what higher interest rates mean for you. Whether you have all intentions of buying a home this week, next month, or in 5 years or are just curious about the current real estate market, I am here to be a resource for you.

As a local native of Pulaski County combined with my 17 years of real estate experience, I am prepared to help you navigate this tricky market and purchase your home in the quickest amount of time, for the lowest amount, and with the least amount of stress.

Please know that I am always available to answer any questions about the real estate market or help in any way. If you have any questions about your guide, give me a call!

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POST REALTY & ASSOCIATES, LLC

YOUR HOME MATTERS

HELPING YOU UNDERSTAND YOUR OPTIONS IN AN EVER-CHANGING AND QUICK-MOVING REAL ESTATE MARKET.

As you embark on the exciting journey toward homeownership, I pledge to dedicate the time and effort required to truly understand your unique needs, preferences, and aspirations for your new home. Our collaboration will be grounded in open communication and mutual respect, ensuring that your vision for your dream home is clearly defined and pursued with precision. With my expertise in the local real estate market and a comprehensive understanding of the home-buying process, I am committed to offering you informed advice and strategic insights. From property searches to negotiations and closing, you can count on my professional guidance to navigate the complexities of buying a home. In closing, I want you to know that your trust in me is not taken lightly. I am honored to have the opportunity to be part of this pivotal chapter in your life and am dedicated to making your home-buying experience as seamless and rewarding as possible.

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Your Home Matters

Thank you for choosing me to guide you through the wild journey of home hunting! I can't wait to team up with you to conquer all your real estate dreams. Let's do this!



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