American Homebuyers Struggle as Housing Prices and Payments Soar to Record Highs

April 24, 2024 - Amid soaring housing prices and skyrocketing mortgage rates, American homebuyers are facing unprecedented challenges. Recent reports reveal that the median monthly housing payment has surged to a record-high $2,775, up 11 percent from the previous year.

With the median U.S. home-sale price hovering around $400,000, prospective buyers are grappling with the daunting reality of affording a home. The average 30-year fixed-rate mortgage has climbed to 7.10 percent, marking the first time it has surpassed 7 percent this year.

For many Americans, the dream of homeownership is slipping further out of reach. A staggering 22 percent of homeowners and renters are struggling to make ends meet, resorting to drastic measures such as skipping meals, working extra hours, taking on second or third jobs and/or selling their belongings.

Analysts warn that the situation is unlikely to improve anytime soon. According to Bankrate, an annual income of $110,871 is now required to afford a median-priced home - a nearly 50 percent increase over the past four years. In fact, a six-figure income has become a prerequisite for homeownership in 22 states and the District of Columbia.

It also needs to be pointed out that prices around the country vary substantially. In higher priced markets such as Los Angeles, San Francisco and New York, median home prices and mortgage payments are significantly higher than those quoted here. And that means that the income requirements to be able to afford to purchase are also significantly higher.

As housing costs continue to spiral upwards, the prospect of owning a home is becoming increasingly out of reach for many Americans.
by Jim Malmberg
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