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## Lock-In Effect Unlikely to Ease Soon: 47% of Homeowners Say Mortgage Rates Need to Be Below 5% for Them to Be Comfortable Buying a Home This Year

*3 in 10 homeowners cite the same threshold for selling their home this year*

NEW YORK - July 24, 2024 - Nearly half of current homeowners (47%) say mortgage rates need to be below 5% for them to be comfortable purchasing a new home this year, while 38% say they need rates to be below 4%, according to a new Bankrate survey. Additionally, nearly 2 in 5 homeowners (38%) say there is no mortgage rate where they would be comfortable purchasing a home this year. Click here to learn more:

<https://www.bankrate.com/mortgages/mortgage-rates-sentiment-survey/>

According to Bankrate data, the last time mortgage rates were below 6% was in August 2022, while rates were last below 5% in April 2022, and below 4% in March 2022.

(<https://www.bankrate.com/mortgages/analysis/>)

In general, current homeowners are more likely to say they would need lower mortgage rates in order to feel comfortable purchasing a home this year, compared to non-homeowners and Americans overall.

| <b>Mortgage rate needed to be comfortable purchasing a new home this year*</b> | <b>Current homeowners</b> | <b>Non-homeowners</b> | <b>Americans overall</b> |
|--|---------------------------|-----------------------|--------------------------|
| Less than 4%   | 38%                       | 25%                   | 31%                      |
| Less than 5%   | 47%                       | 31%                   | 39%                      |
| Less than 6%   | 52%                       | 35%                   | 44%                      |
| 6% or higher   | 2%                        | 2%                    | 2%                       |
| Don't know   | 8%                        | 16%                   | 12%                      |

|   |     |     |     |
|---|-----|-----|-----|
| There is no mortgage rate that would be comfortable | 38% | 48% | 43% |
|---|-----|-----|-----|

\*Respondents could select more than one

“Expectations about mortgage rates keep changing,” said Bankrate analyst Jeff Ostrowski. “The U.S. economy is still going strong, and the Federal Reserve keeps putting off its first rate cut. Add those things together, and the consensus is that mortgage rates will remain in the range of 6.5% to 7% by the end of 2024.”

Furthermore, 3 in 10 current homeowners (30%) say mortgage rates need to be less than 5% for them to be comfortable selling their home this year, while 21% say they need to be less than 4%, and 11% say below 3%. Overall, 35% of homeowners say they need a mortgage rate less than 6%, while just 5% of homeowners say they would be comfortable selling their home this year with mortgage rates higher than 6%.

Finally, 42% of current homeowners say there is no mortgage rate where they would be comfortable selling their home this year, while 19% say they don’t know what mortgage rate they would need.

“The mortgage lock-in effect has frozen home sales for the past couple of years,” added Ostrowski. “Alas, these results don’t bode well for an unfreezing of the market. Many homeowners aren’t keen to sell at all, and many would-be buyers are waiting for mortgage rates to dip below 6%.”

**Methodology:**

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,294 U.S adults, of which 1,133 are current homeowners. Fieldwork was undertaken between June 18-20, 2024. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results. \*Respondents could select more than one

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