



## **For Immediate Release**

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### **Kentucky Housing Market May Benefit From Fed Rate Cut**

**Lexington, KY** – The recent announcement from the Federal Reserve to slash the federal funds rate by three quarters of a point was an action designed to help stimulate the economy and stave off a recession. The reduction, the largest in almost 20 years, may also lead to a possible boost in the Kentucky housing market.

The current housing situation in Kentucky has not been as negatively affected like many parts of the country, however, this move may provide more of an incentive to home buyers who have been on the sidelines waiting for a positive indication that now is the time to buy.

The surprise rate reduction will continue to provide home buyers across the state with a great opportunity to enter the market as home ownership is more attractive when it becomes more affordable.

“Inventories in Kentucky remain at higher levels than in previous years and consumers can now take advantage of this opportunity to find the home of their dreams without spending as much money as they would have in the past,” stated Robert Damron, president of the Kentucky Association of REALTORS®.

Mortgage rates are already at historic lows and may see more decreases from the recent Fed decision. In the upcoming regularly scheduled meeting at the end of the month, analysts are expecting another cut in the federal funds rate which will continue to make housing even more affordable.

As an example of how a decrease in mortgage rates can affect housing costs, consider a \$200,000 loan with the average 30-year fixed rate at 5.69%. That loan will cost \$1,159 a month as compared to \$1,224 a month on a 6.2% loan. That’s a savings of \$65 every month or over \$23,000 over 30 years.

“Homeownership is a secure way to build long term wealth and provides a safe place for families to grow together,” says Damron. “Why not capitalize on the best long-term investment by buying now when rates are down, giving you more house for your dollar.”

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