



Economic collapse now imminent: Mortgage demand has bottomed out as rents also begin to slow

Description

USA: In another sign of a pending economic calamity across the nation as Joe Biden and his fellow Democrats continue to run the country into the ground, the Federal Reserve's massive rate hikes being imposed to slow inflation are starting to take a heavy toll.

According to the most recent data, demand for new mortgages is down nearly 50 percent from a year ago and rent increases are slowing dramatically as well, signaling that consumers are nearing their breaking point.

Currently, average mortgage rates are hovering above 7 percent when we started 2022 with rates around 3 percent, so that's more than a 50 percent increase.

Infowars notes further:

To put it in perspective, a \$400k house bought at a 3.25% interest rate earlier this year would have a mortgage payment of around \$1750, but the same house would cost nearly \$2800 a month now with a 7.5% interest rate, an increase of over \$1000.

Interest rates are so high that there's less than 150,000 borrowers who would benefit from refinancing, out of the millions of homeowners in the country.

Additionally, rent increases are starting to slow down in many parts of the US.

"High interest rates are also weighing on home prices," CNBC reported earlier this week. "While prices are still higher than they were a year ago, the gains are now slowing at a record pace. Homebuyers are also reconsidering their purchases."

“It’s a dramatic reversal from just months ago, when people were fighting over a limited supply of apartments, getting on waiting lists or paying multiple application fees to land one home,” added *Bloomberg News*. “Now, particularly in pandemic boom markets such as Las Vegas and Phoenix, the application piles have thinned out and listings are lingering longer.”

This comes as Republicans have pointed out that “Bidenflation” is costing the average American an entire month’s pay, meaning families and individual earners are having to pay 12 months’ worth of bills with 11 months of pay.

“Everyone knew that wasteful Washington spending would spur inflation. Millions in hardworking taxpayer dollars were sent to luxury resorts and ski slopes, even stimulus checks to prisoners like the Boston Marathon bomber. Yet after more than a year of crushing inflation, Democrats still have no plan to solve it. Americans can’t afford Democrats’ policies, but we are certainly all paying for them,” House Republican Leader Kevin McCarthy’s website notes.

Inflation has increased 550 percent under Biden and Democrats while food prices have climbed more than 13.5 percent after the government spent \$9 trillion in total — all of which has contributed to the current period of “stagflation,” which is stagnant economic growth combined with inflationary conditions.

In addition, gasoline prices have risen as much as 60 percent while electricity prices are up 20 percent.

“Once money is created out of ‘thin air’ and employed in the economy, it sets in motion an exchange of nothing for something. This amounts to a diversion of real wealth from wealth generators to the holders of newly created money,” [notes the Mises Institute](#). “In the process, genuine wealth generators are left with fewer resources at their disposal, which in turn weakens the wealth generators’ ability to grow the economy.

“So contrary to alternative theories, money cannot grow the economy even in the short run. On the contrary, an increase in money only undermines real economic growth,” the institute adds.

There are also lingering supply chain issues during the Biden era.

“The frightening supply shock of baby formula this year was the tip of the iceberg of a broken supply chain that has increased costs and left store shelves empty. Record inflation is driving increases in the price of everyday essentials, while our country remains dangerously reliant on foreign countries like China for critical supplies, medicines, and technology,” the House Republican Leader notes.

by: JD Heyes

Category

1. Economy-Business-Fin/Invest
2. Main
3. Politics-Geopolitics-Gov.-Events
4. Survival-Prepping-Security

Date Created

11/02/2022