

3 ways the stock market can affect real estate

On Monday, Feb. 5, Dow Jones dropped nearly 1,200 points, marking the worst plummet the stock has ever experienced in a single day. As you may expect, this caused widespread panic among investors, and people are beginning to worry about the residual, indirect effects that the drop of a major stock can have in other industries. In particular, there is much concern about the real estate market. Homeowners worry if they should sell, and buyers have a lingering fear that they may not be able to find a home to purchase. Let's take a look at how the stock market can impact the performance of the real estate industry. Higher interest rates on loans When people look to purchase a house, they often have to take out a loan to complete the process. Although down payments on homes are often approximately 10 percent of the property's total value, things can get pricey in the \$200,000-plus range. Not many buyers have enough capital to purchase a home without external help, and sometime...

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