2020 Q2 Housing Wealth Gains Report

Harrisburg-Carlisle, PA

NATIONAL ASSOCIATION OF REALTORS®

Homeownership and Wealth

Homeownership is associated with higher wealth. In 2016, homeowners' median net worth was $231,400, or 45 times the median net worth of renters. Housing was the largest source of wealth: the average net housing wealth was $197,500, or 85% of median homeowners' net worth.

Median Family Net Worth (in Thous. $)

Year	Homeowners	Renters	Ratio
1989	$187.2	$3.6	52.0
1992	$165.8	$5.4	30.7
1995	$163.1	$7.6	21.5
1998	$194.9	$6.3	30.9
2001	$233.8	$6.5	36.0
2004	$234.9	$5.1	46.1
2007	$271.9	$5.9	46.1
2010	$192.8	$5.6	34.4
2013	$201.5	$5.5	36.6
2016	$231.4	$5.2	44.5

Source: Federal Reserve Board, Survey of Consumer Finances

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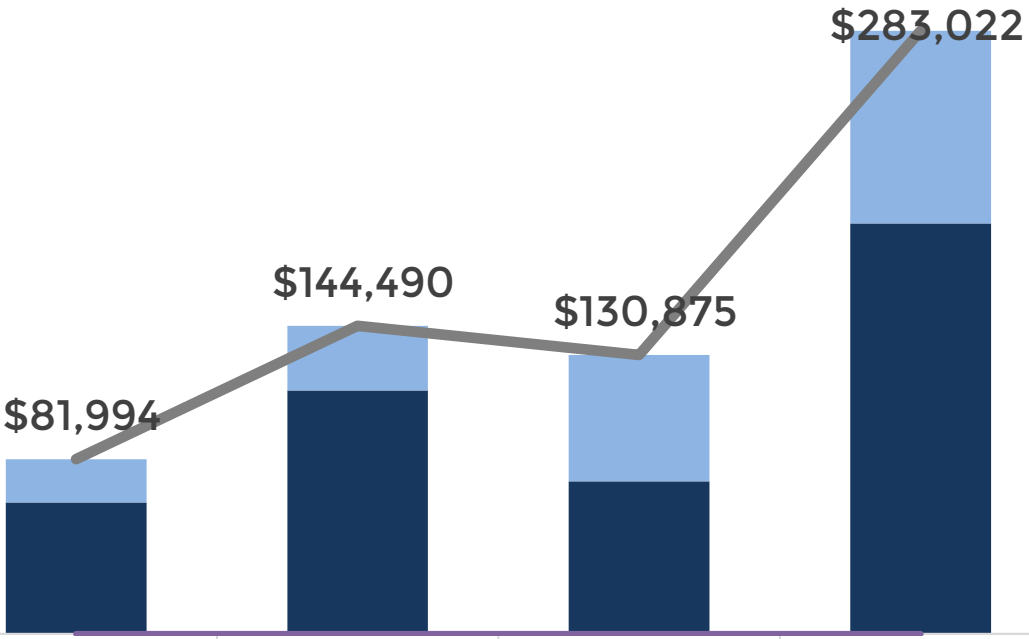
Wealth (Equity) Gains in 2020 Q2 on a Typical Single-family Existing Home Purchased 5, 10, 15, 30 Years Ago

United States



	5Y	10Y	15Y	30Y
Principal Payments	$20,394	$30,257	$59,242	$90,422
Price Change	$61,600	$114,233	$71,633	$192,600
Total Equity Gains	$81,994	$144,490	$130,875	$283,022
Annual price growth	4.9%	5.1%	1.9%	3.7%

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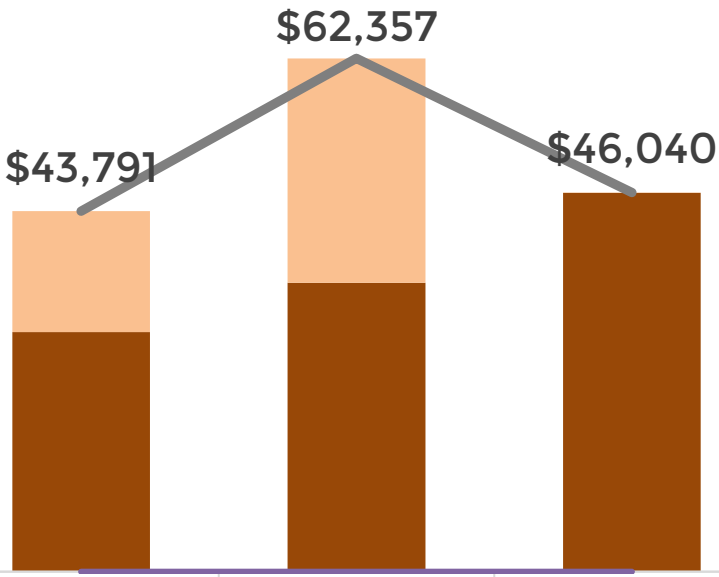

	5Y	10Y	15Y	30Y
Principal Payments	$14,691	$27,257	$40	
Price Change	$29,100	$35,100	$46,000	
Total Equity Gains	$43,791	$62,357	$46,040	
Annual price growth	3.3%	2.0%	1.8%	

Data may not be available for all years

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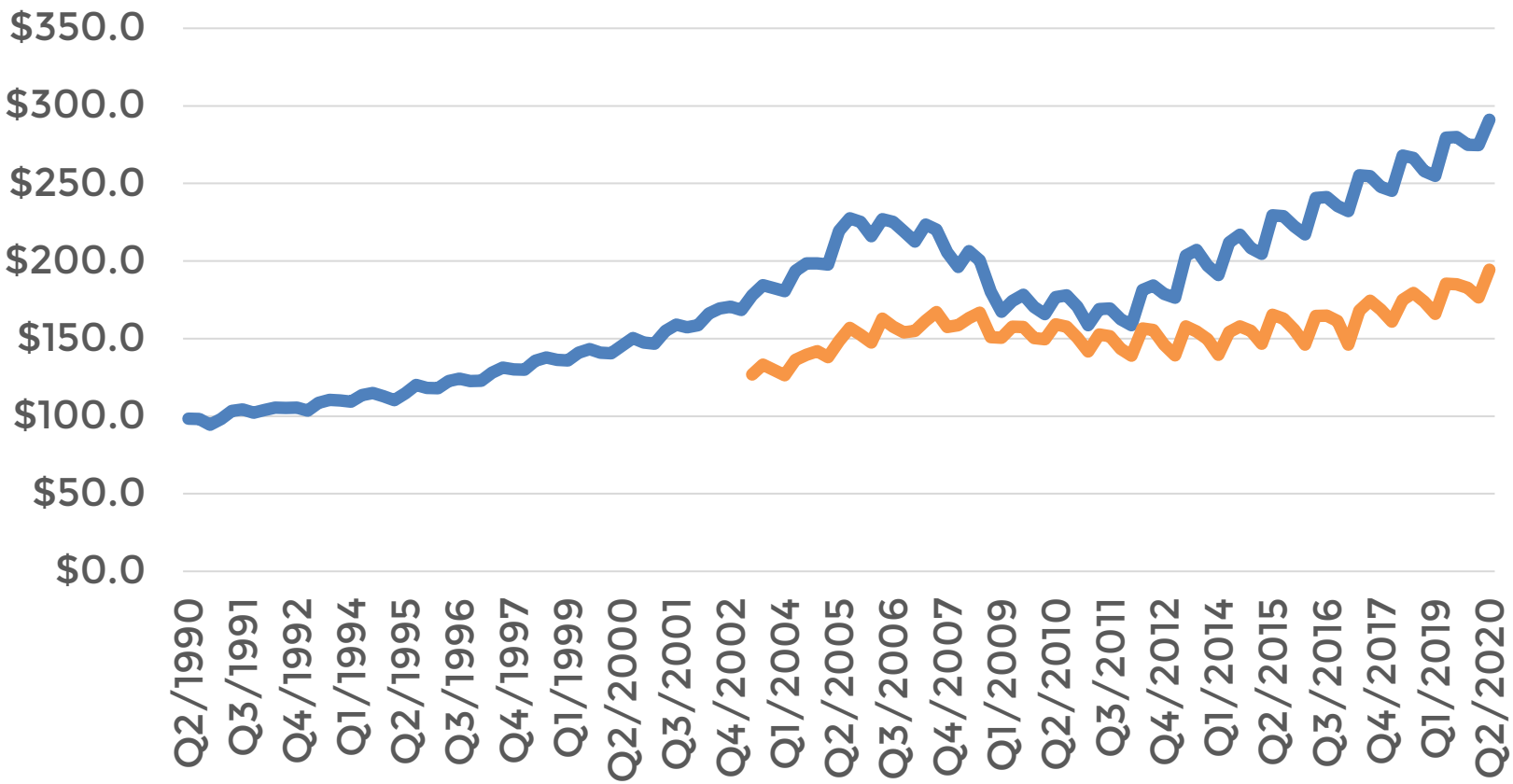
2020 Q2 Median Single-family Existing Home Sales Price

Harrisburg-Carlisle, PA	$194,400
United States	$291,067



Data may not be available for all years

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Methodology

Changes in home prices and principal payments lead to changes in housing wealth.
The National Association of REALTORS® calculated the wealth gains from purchasing a single-family existing home at the median sales price with a 30-year fixed rate mortgage financing and 10 percent downpayment over 5,10,15,30 year-holding periods. Metro area delineations change so data may not be available for some periods. The estimates are illustrative of the typical change in housing wealth; actual gains or losses will vary by property.

Calculation of change in housing wealth(equity) over holding period (n years):
Housing wealth (Equity) = Assets - Liabilities
(1) Housing wealth (Equity) at time of Purchase = Market Value (Sales Price) - Loan
(2) Housing wealth (Equity) at Year n = Market Value at Year n - (Loan -Total Principal Payments)
Housing wealth (Equity) Gains at Year n= (2)- (1)
Housing wealth (Equity) Gains at Year n = (Market Value, Year n - Sales Price) + Total Principal Payments

Calculation of annual percent change in home prices over 30 years:
Compounded annual growth rate=((Market value at n=30)/(Market value at time of purchase))^(1/30))-1
In metro areas for which the data is not available in the last 30 years, the growth rate is calculated over the years for which data is available.

Sources of data:
NAR Median sale price for single-family existing home; Freddie Mac 30-year fixed rate mortgage and fees and points

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