



2020 Q4 Housing Wealth Gains Report

Decatur, IL



Homeownership and Wealth

Homeownership is associated with higher wealth. In 2019, homeowners' median net worth was \$255,000, or 40 times the median net worth of renters of 6,300. Among homeowners, the median value of primary residences in 2019 (\$225,000) accounted for 57% of the median homeowners' assets (\$393,230).

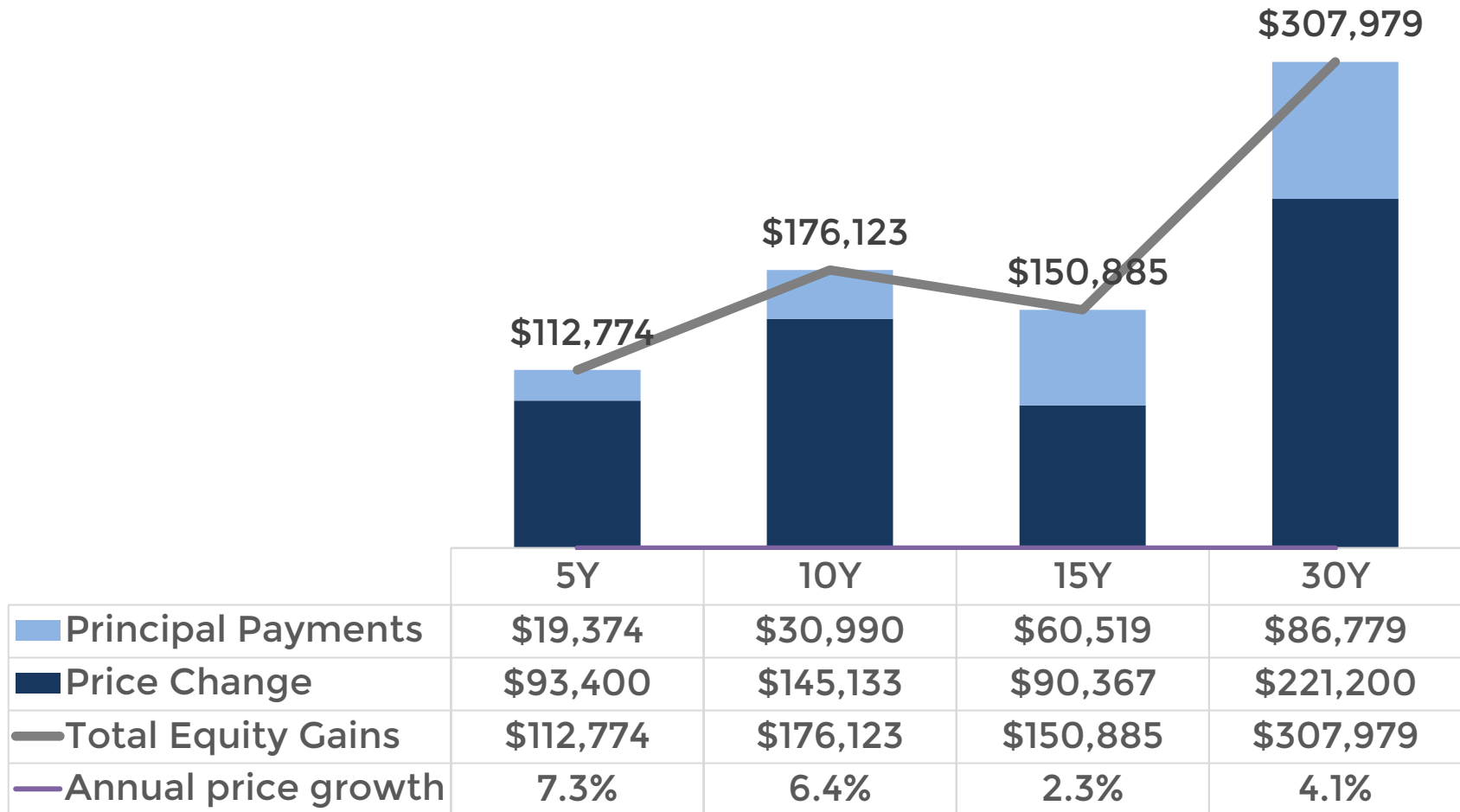
Median Family Net Worth (in Thous. \$)

| Year | Homeowners | Renters | Ratio |
|------|------------|---------|-------|
| 1989 | \$199.5 | \$3.9 | 51.2 |
| 1992 | \$176.8 | \$5.8 | 30.5 |
| 1995 | \$173.8 | \$8.1 | 21.5 |
| 1998 | \$207.8 | \$6.7 | 31.0 |
| 2001 | \$249.2 | \$6.9 | 36.1 |
| 2004 | \$250.4 | \$5.4 | 46.4 |
| 2007 | \$289.9 | \$6.3 | 46.0 |
| 2010 | \$205.6 | \$6.0 | 34.3 |
| 2013 | \$214.6 | \$5.9 | 36.4 |
| 2016 | \$246.2 | \$5.3 | 46.5 |
| 2019 | \$255.0 | \$6.3 | 40.5 |

Source: Federal Reserve Board, Survey of Consumer Finances

Wealth (Equity) Gains in 2020 Q4 on a Typical Single-family Existing-home Purchased 5, 10, 15, 30 Years Ago

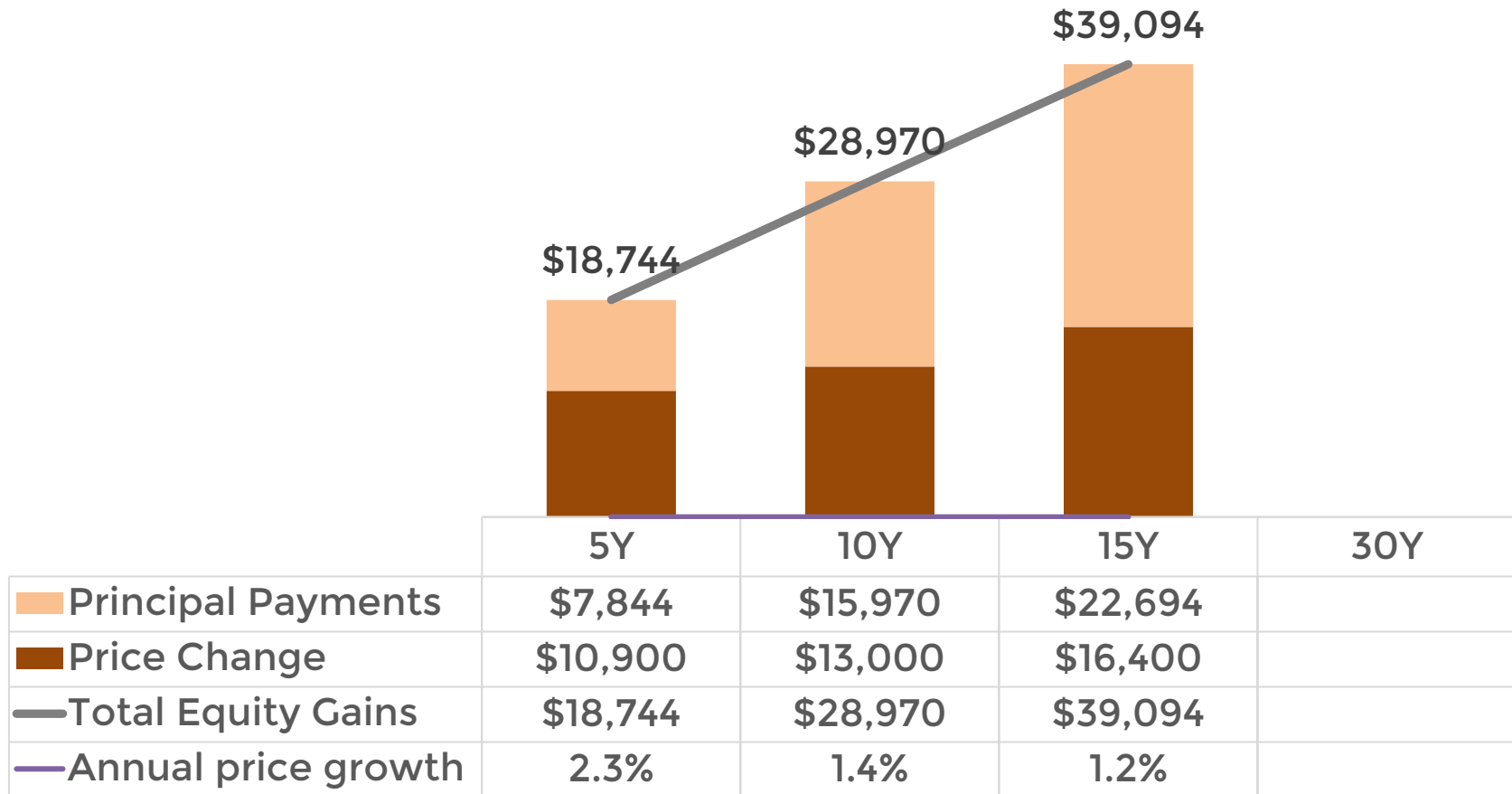
United States



Data may not be available for all years

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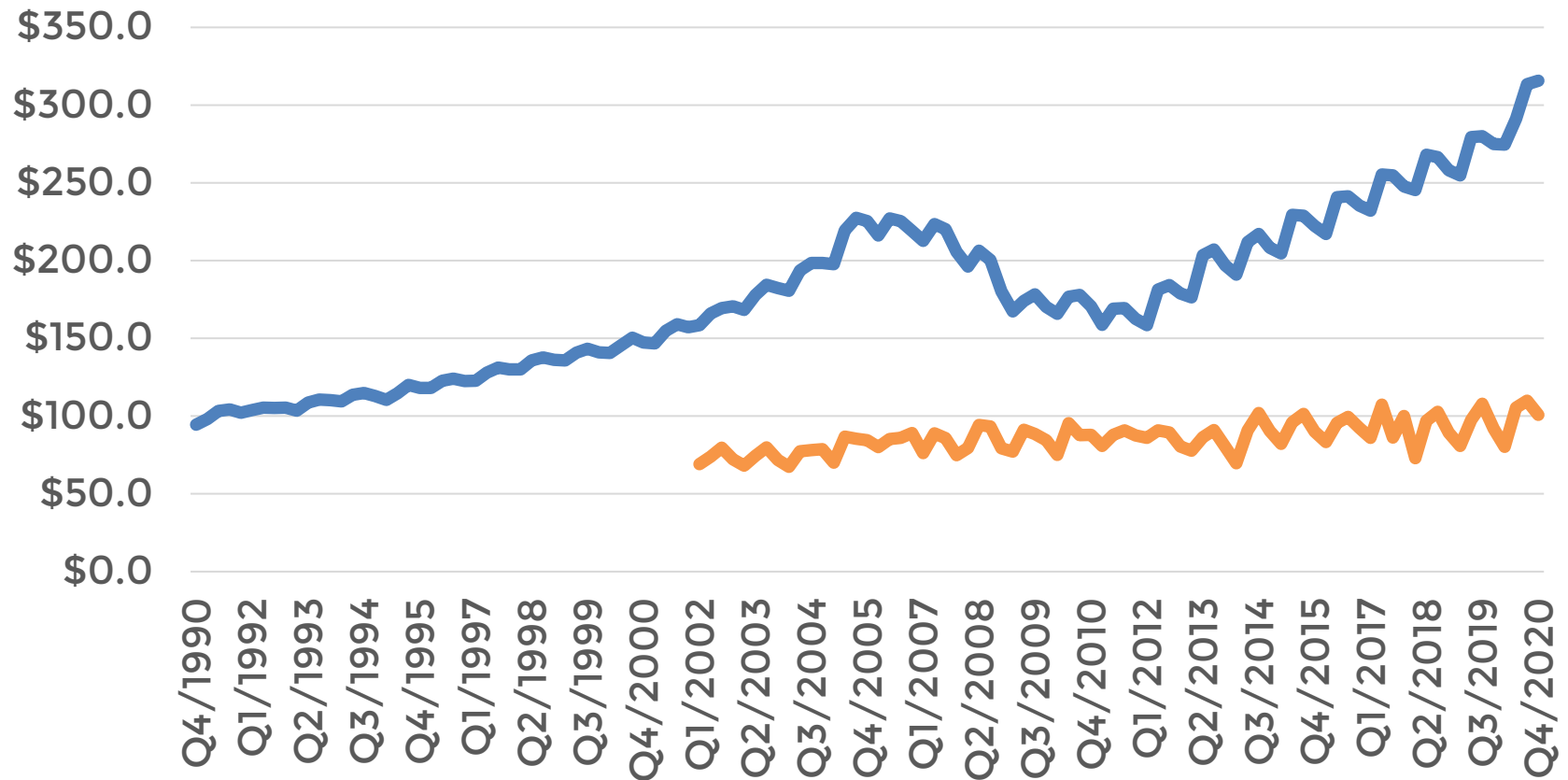
2020 Q4 Median Single-family Existing Home Sales Price

Decatur, IL

\$100,900

United States

\$315,700



Data may not be available for all years

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= $((\text{Market value at } n=30)/(\text{Market value at time of purchase}))^{(1/30)}-1$

Sources of data:

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

[Cover photo by Peter Boccia](#)

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