



2020 Q4 Housing Wealth Gains Report

Rochester, NY



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).

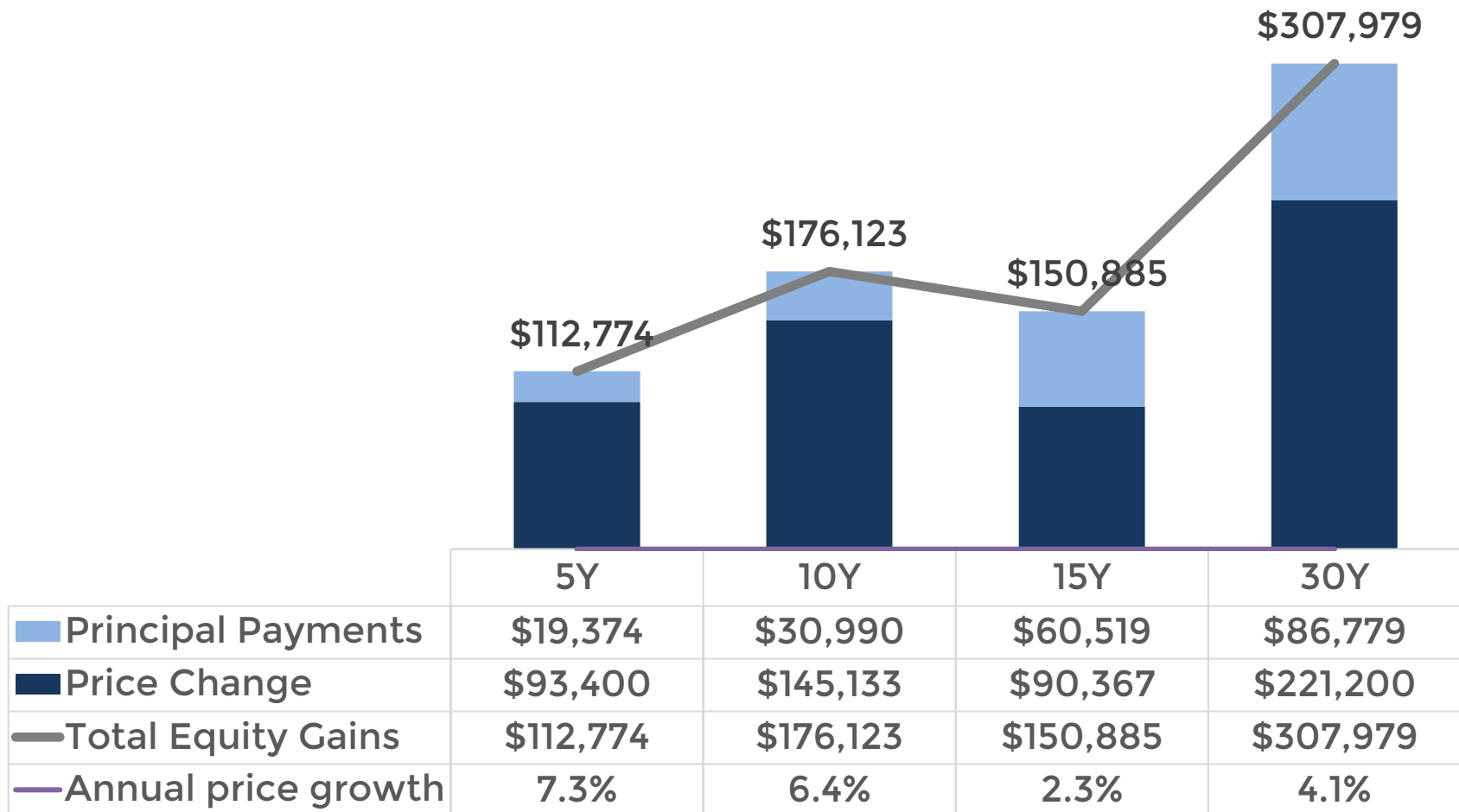
Median Family Net Worth (in Thous. \$)

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

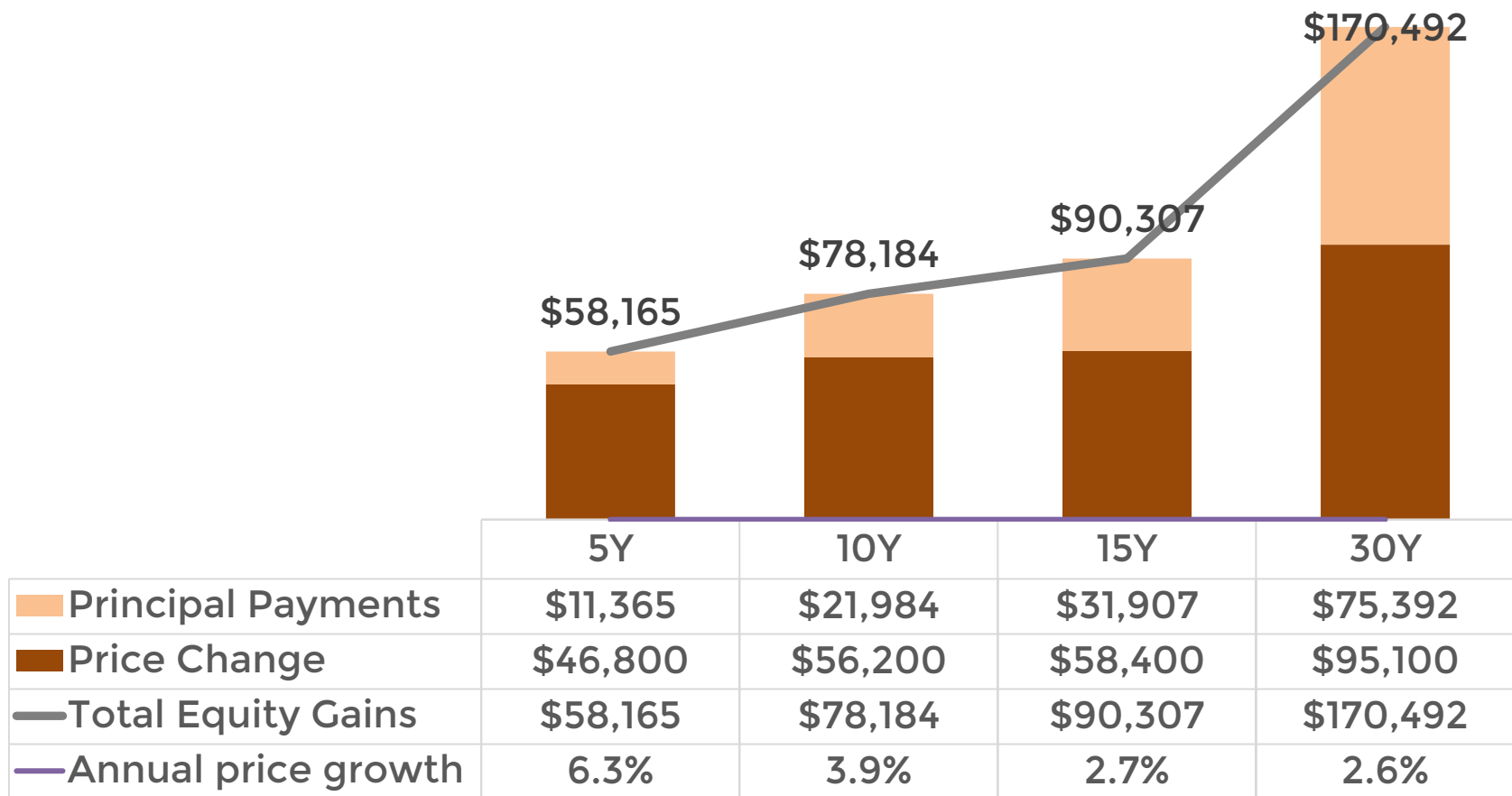
United States



Data may not be available for all years

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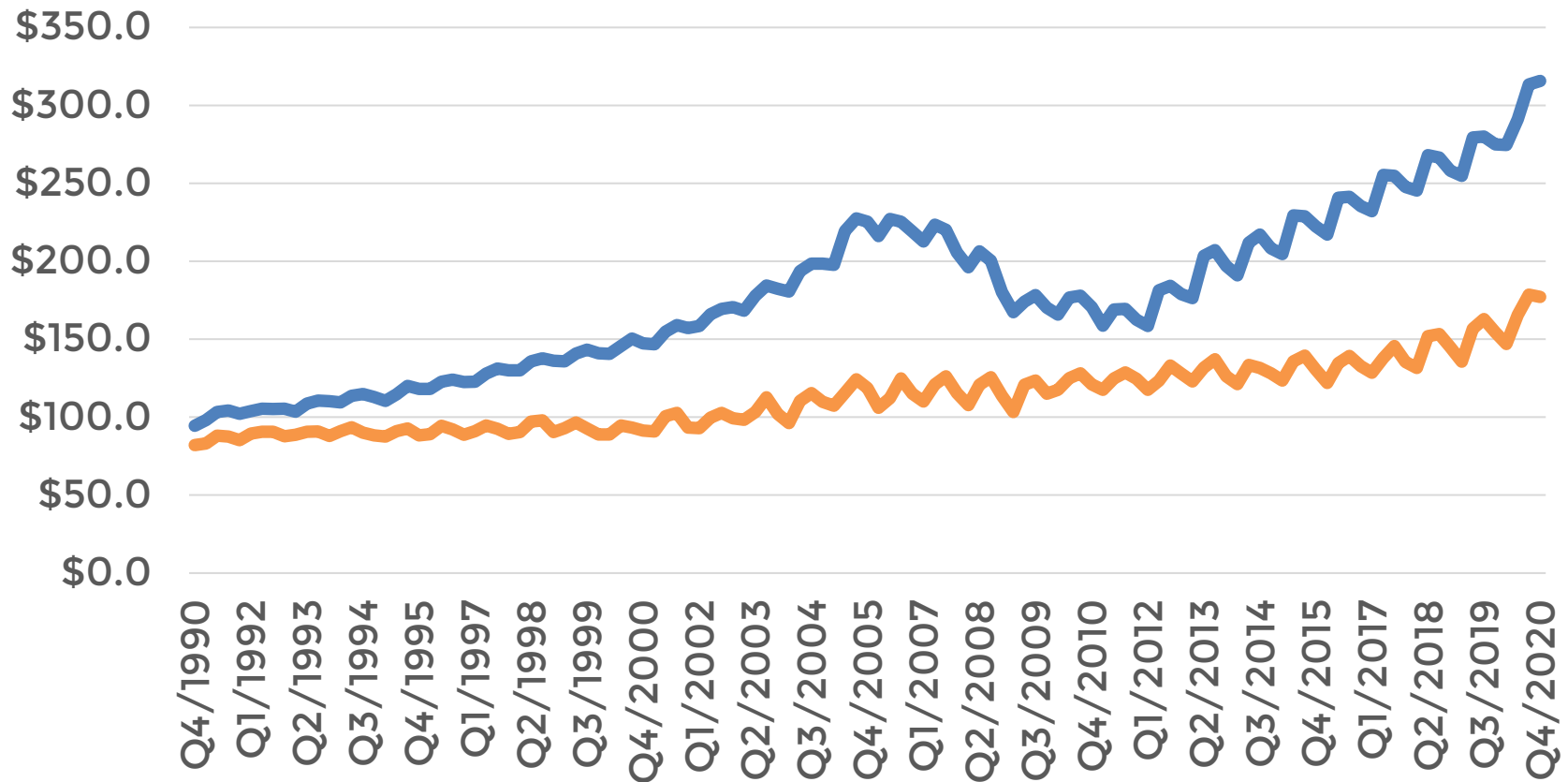
2020 Q4 Median Single-family Existing Home Sales Price

Rochester, NY

\$177,200

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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