



2018 Housing Wealth Gains Report

Albany-Schenectady-Troy NY

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 — 85 percent 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

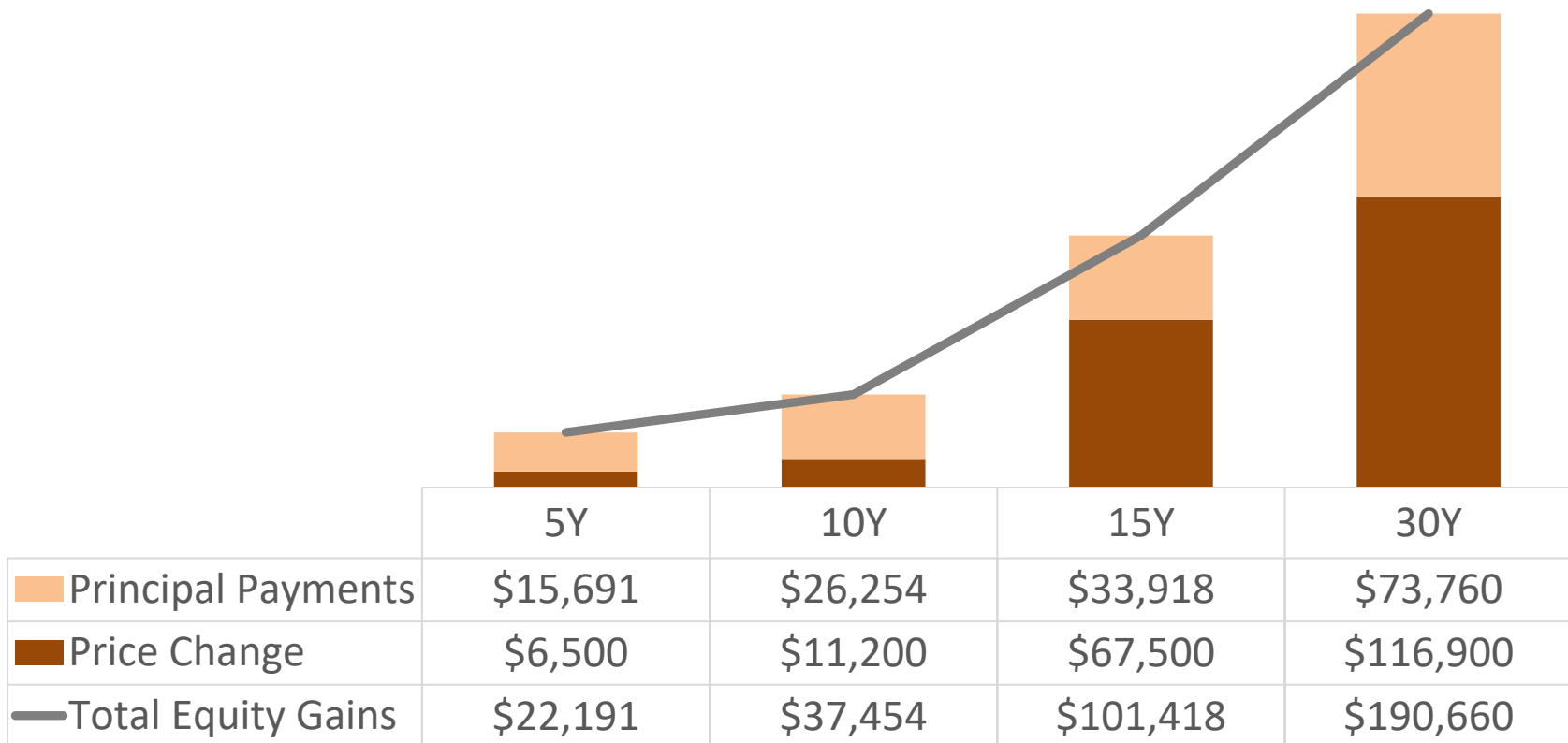
Wealth (Equity) Gains in 2018 on a Typical Single-family Existing Home Purchased 5, 10, 15, 30 Years Ago

United States



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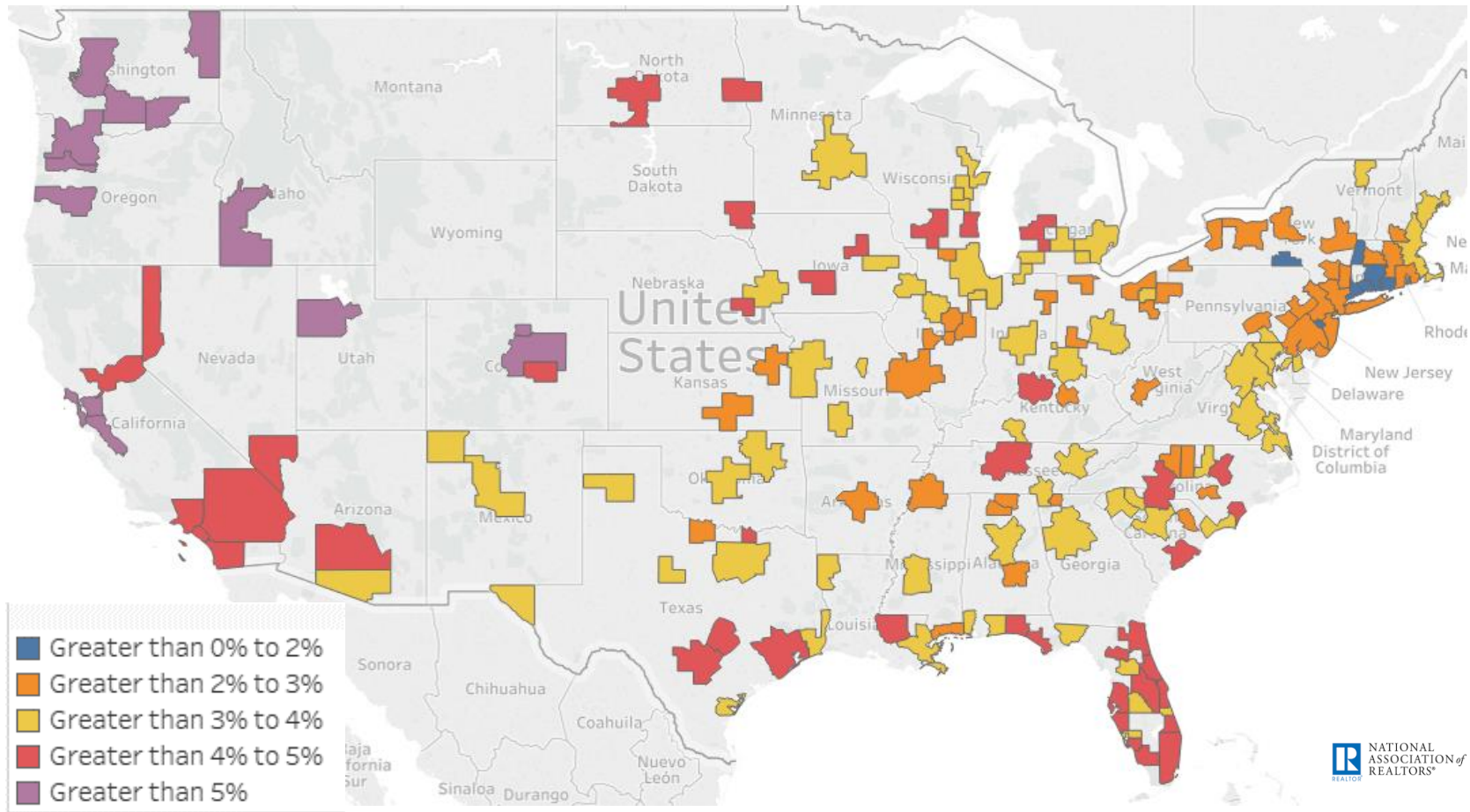
Albany-Schenectady-Troy NY



30-Year Average Annual Percent Price Change for a Single-family Existing Home in 2018

Albany-Schenectady-Troy NY
United States

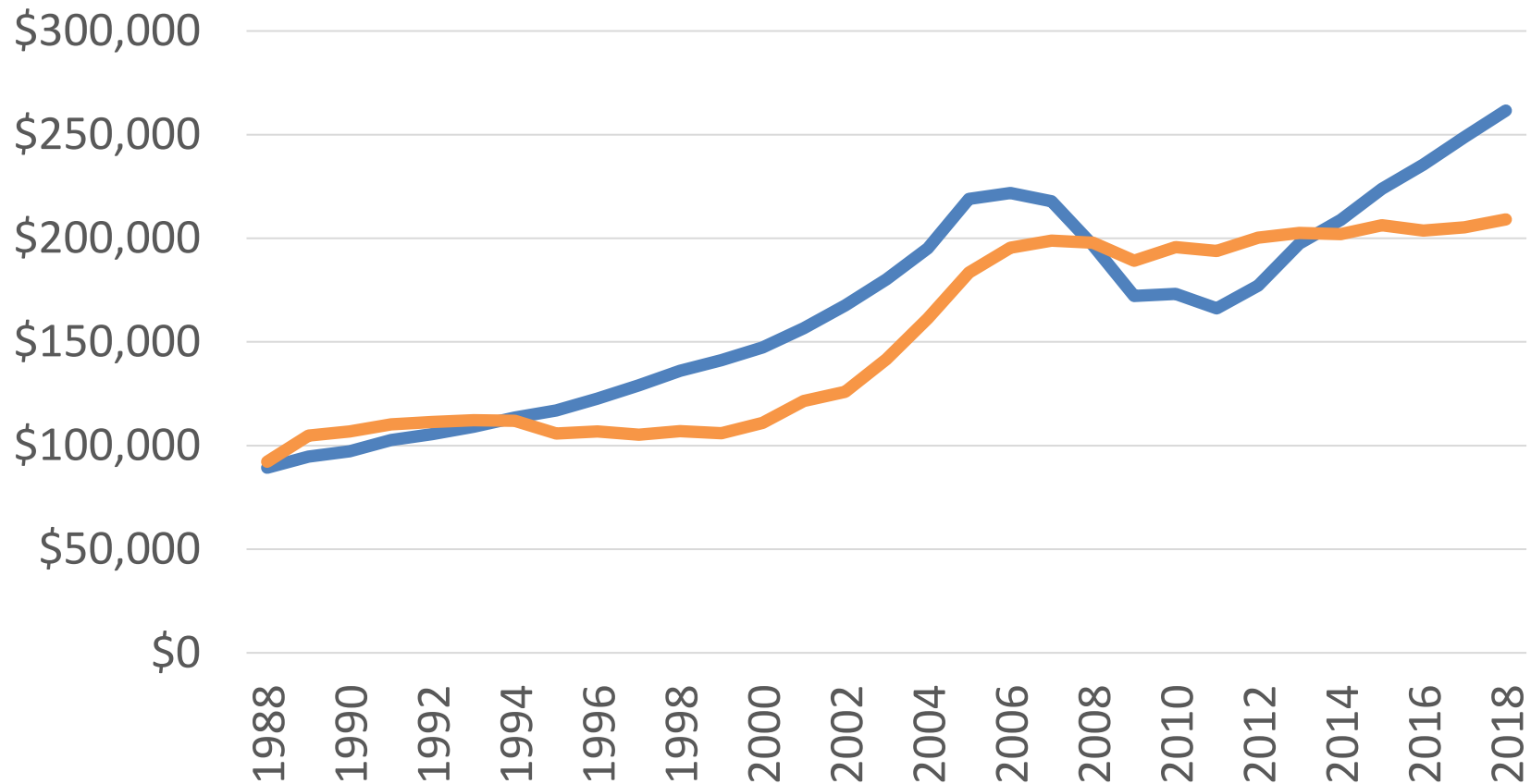
2.8%
3.6%



2018 Median Sales Price, Single-family Existing Home

Albany-Schenectady-Troy NY
United States

\$209,100
\$261,600



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

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 mortgage rate;
Federal Housing Finance Agency Home Price Index

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