



2018 Housing Wealth Gains Report

Crestview-Ft Walton Bch-Destin FL

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

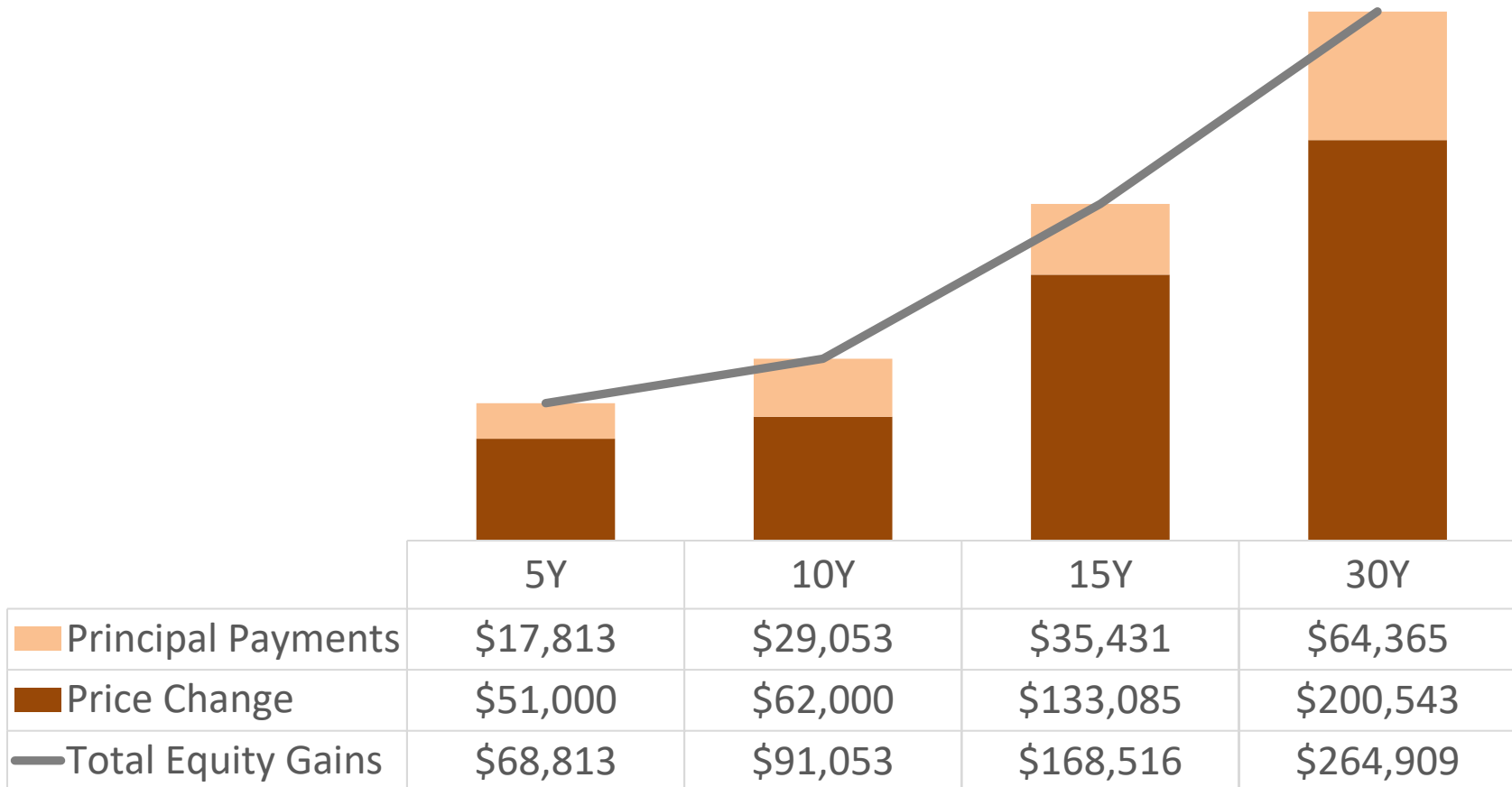
Wealth (Equity) Gains in 2018 on a Typical Single-family Existing Home Purchased 5, 10, 15, 30 Years Ago

United States



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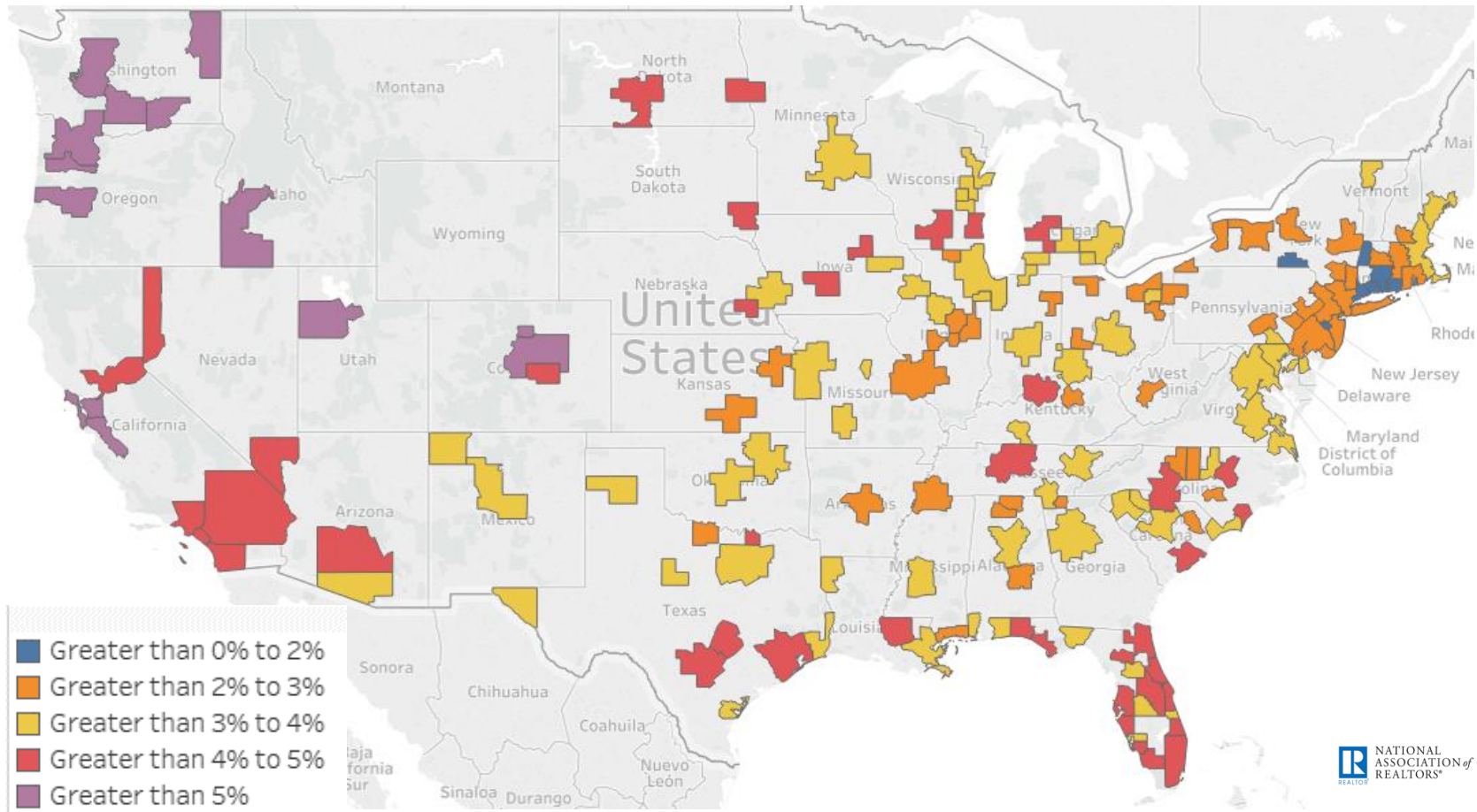
30-Year Average Annual Percent Price Change for a Single-family Existing Home in 2018

Crestview-Ft Walton Bch-Destin FL

4.3%

United States

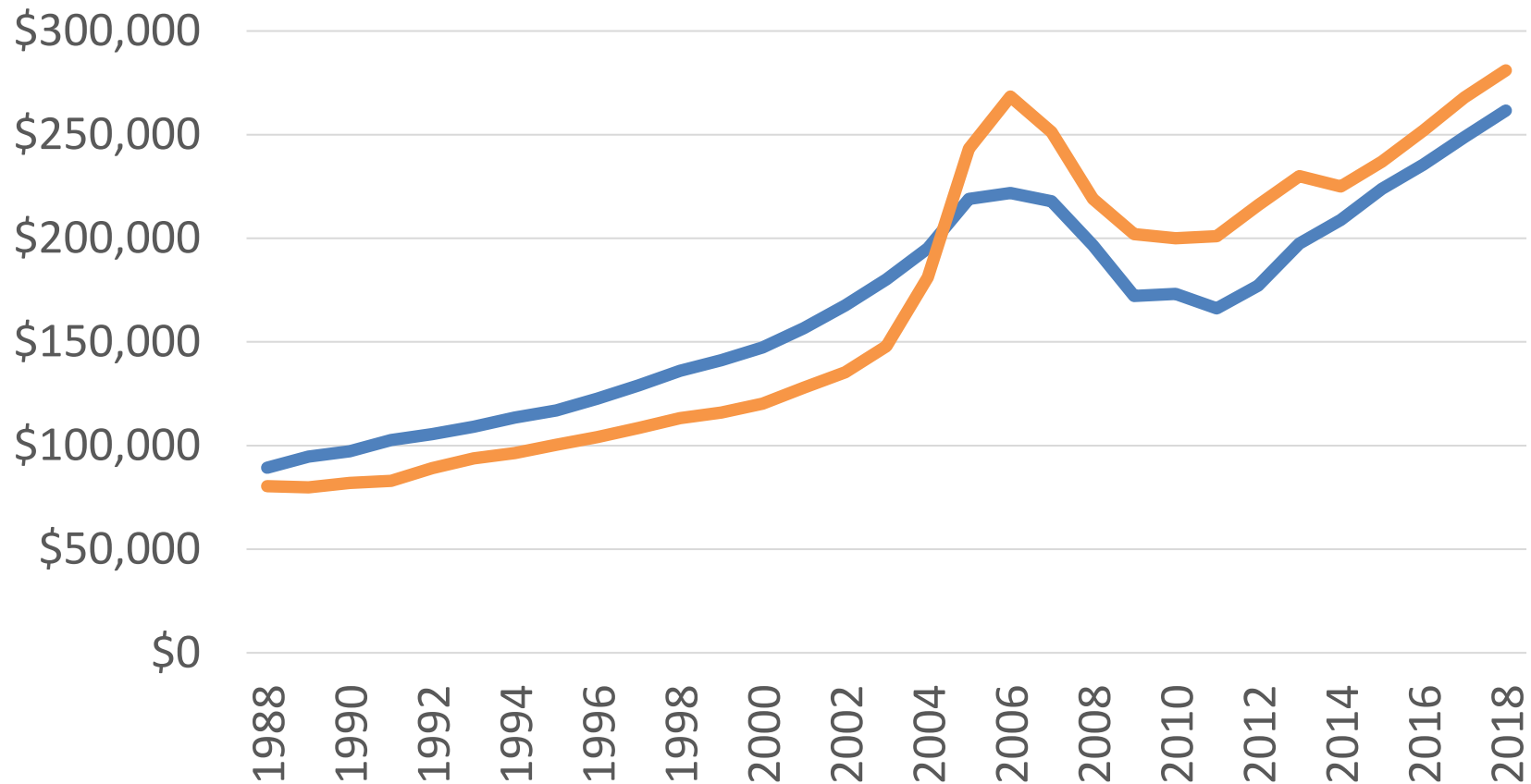
3.6%



2018 Median Sales Price, Single-family Existing Home

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United States

\$281,000
\$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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<https://www.pexels.com/photo/brown-wooden-welcome-wall-decor-1652402/>

