



# **2018 Housing Wealth Gains Report**

## **Saginaw MI**

## 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. \$)**

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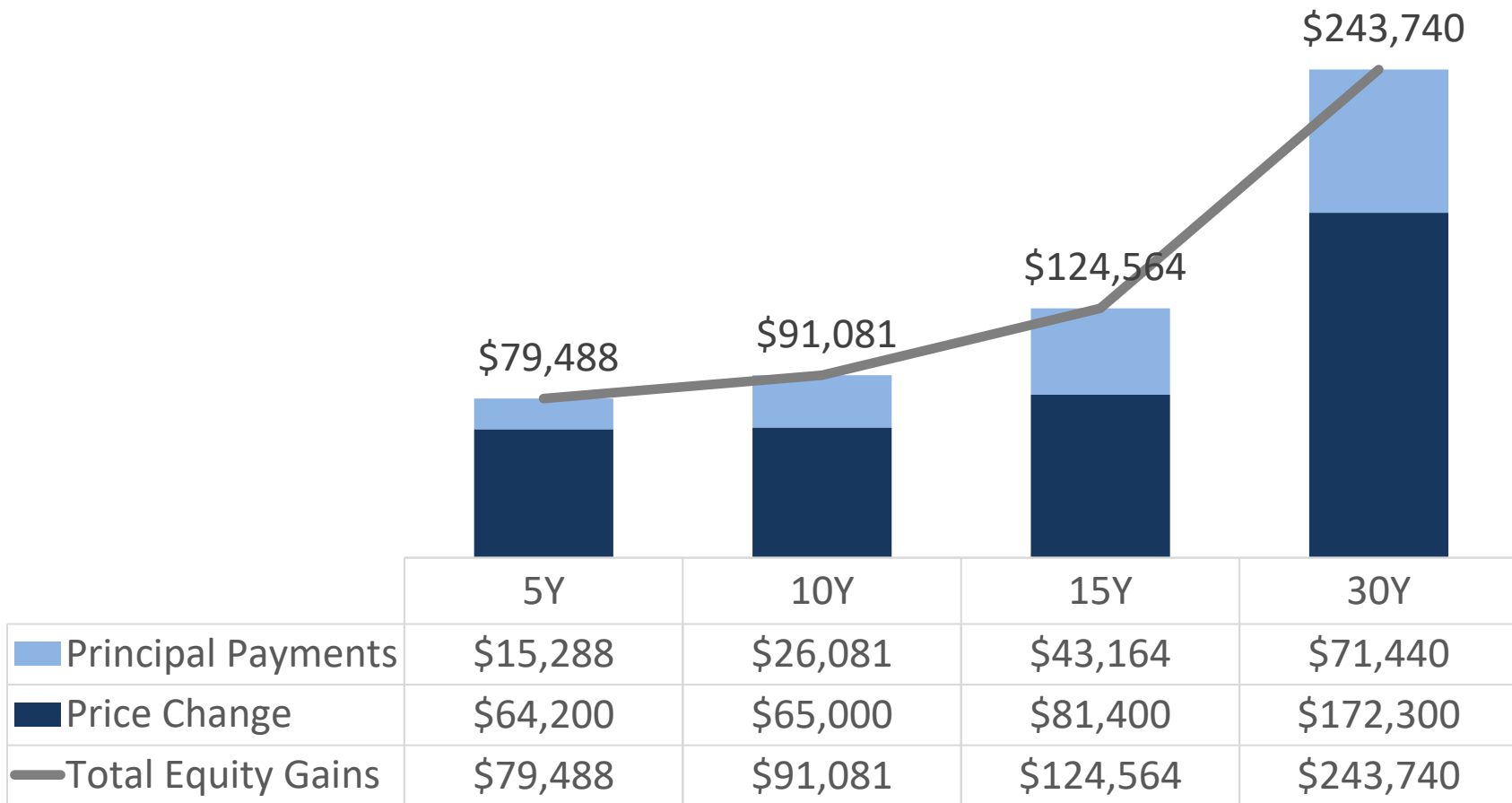
| Year | Homeowners | Renters | Ratio |
|------|------------|---------|-------|
| 1989 | \$187.2    | \$3.6   | 52.0  |
| 1992 | \$165.8    | \$5.4   | 30.7  |
| 1995 | \$163.1    | \$7.6   | 21.5  |
| 1998 | \$194.9    | \$6.3   | 30.9  |
| 2001 | \$233.8    | \$6.5   | 36.0  |
| 2004 | \$234.9    | \$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  |

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*Source: Federal Reserve Board, Survey of Consumer Finances*

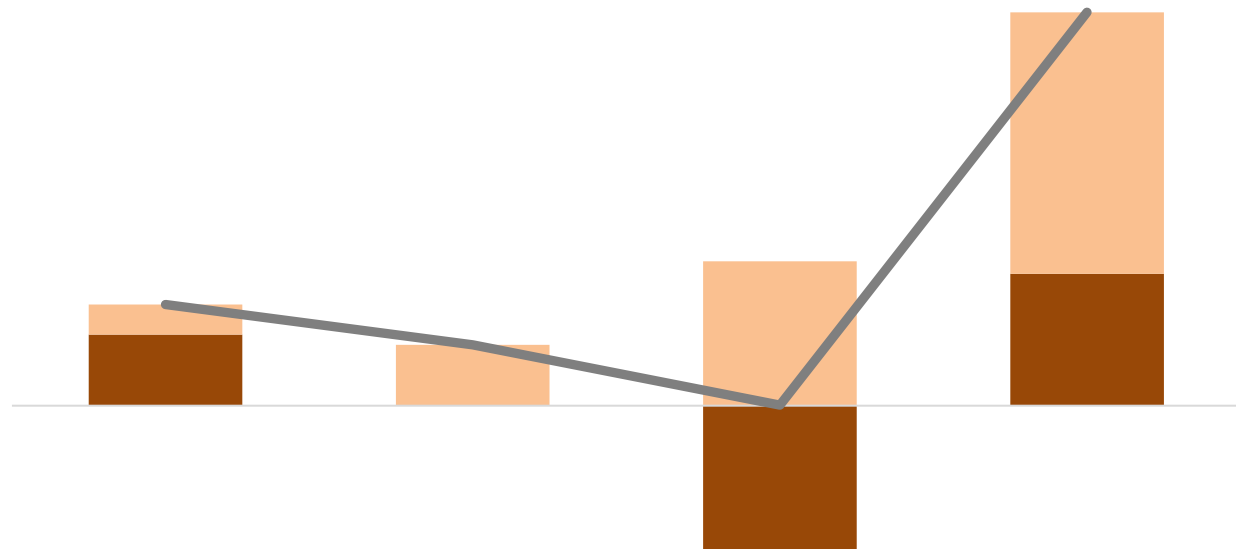
# Wealth (Equity) Gains in 2018 on a Typical Single-family Existing Home Purchased 5, 10, 15, 30 Years Ago

## United States



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

## Saginaw MI

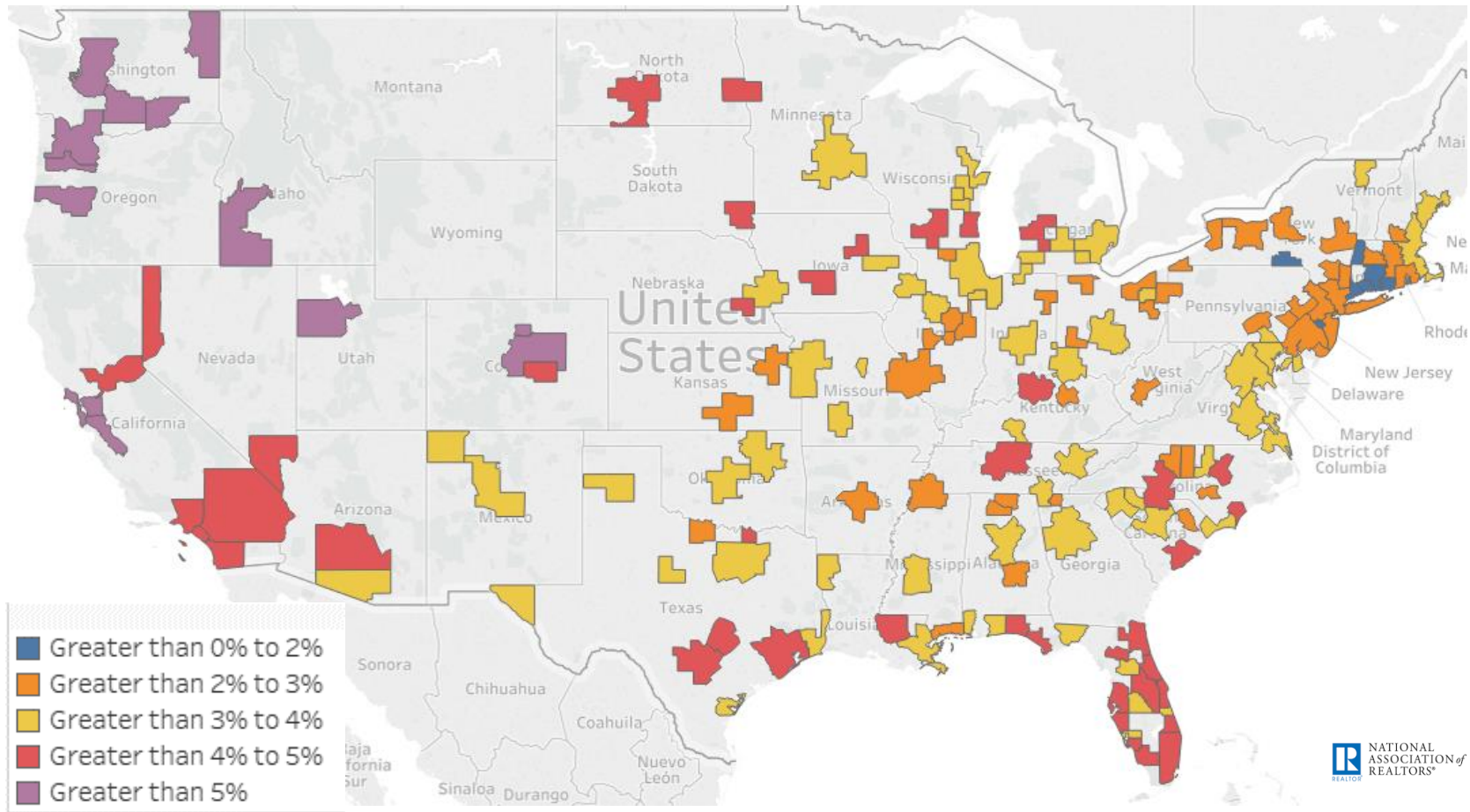


|                    | 5Y       | 10Y     | 15Y       | 30Y      |
|--------------------|----------|---------|-----------|----------|
| Principal Payments | \$4,071  | \$8,252 | \$19,565  | \$35,440 |
| Price Change       | \$9,630  | -\$8    | -\$19,489 | \$17,892 |
| Total Equity Gains | \$13,701 | \$8,244 | \$76      | \$53,332 |

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

**Saginaw MI**  
**United States**

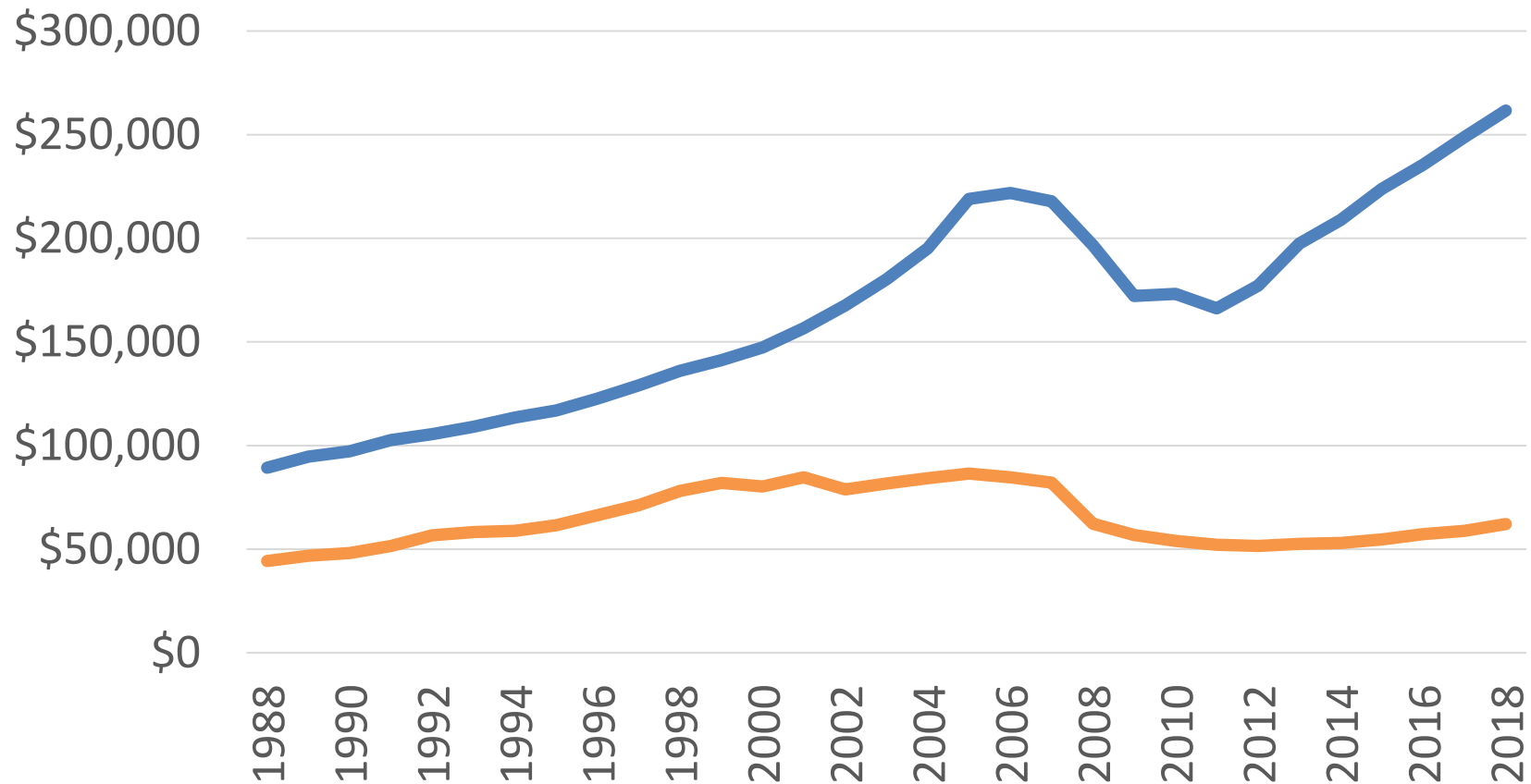
**1.0%**  
**3.6%**



# 2018 Median Sales Price, Single-family Existing Home

**Saginaw MI**  
**United States**

**\$62,192**  
**\$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/>

