

Housing Affordability – First Time Home Buyers

Washington Center for Real Estate Research
University of Washington
realestate.washington.edu

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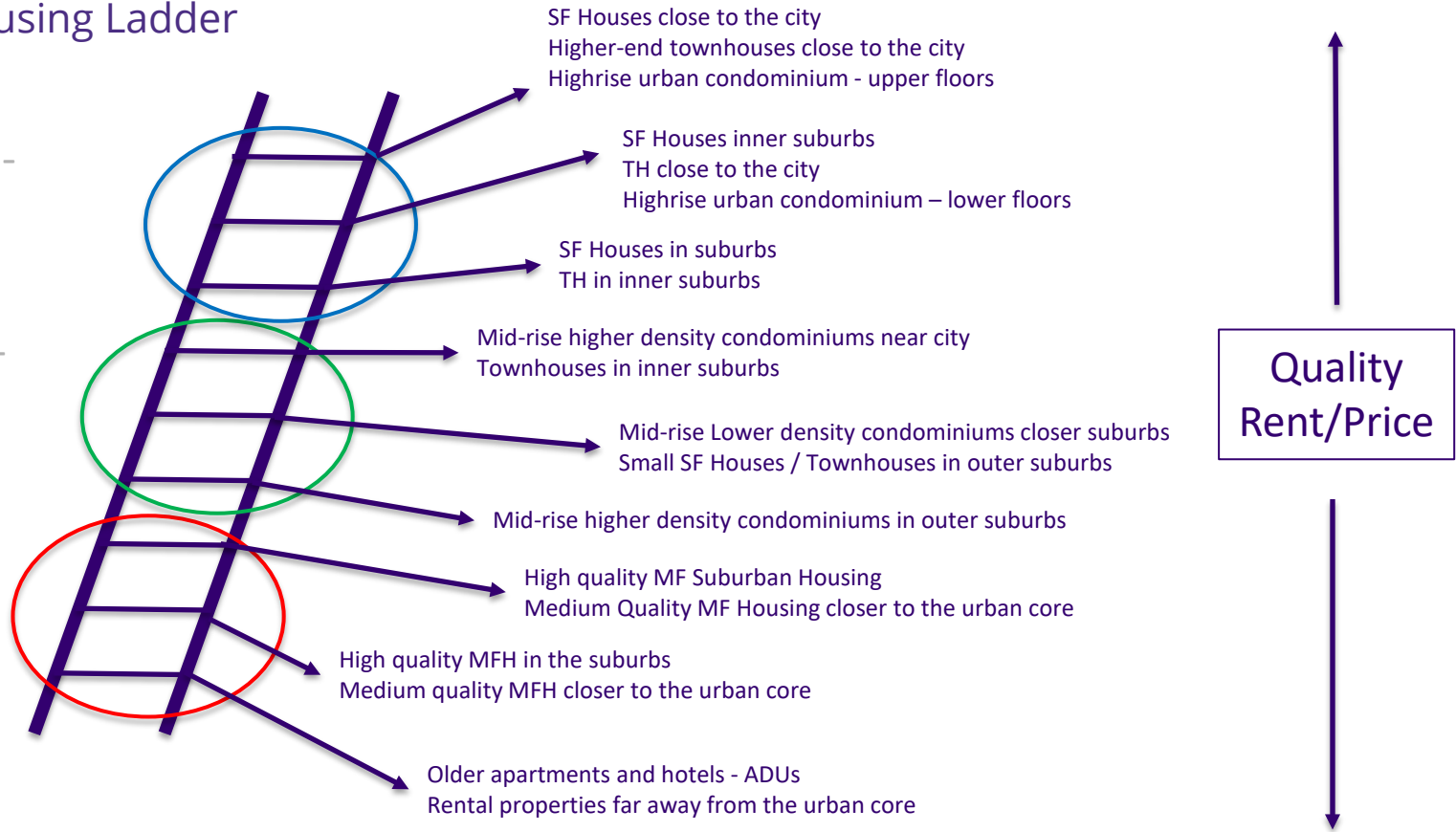
Basics of urban housing markets

> Housing Ladder

Ownership -
Trade-up

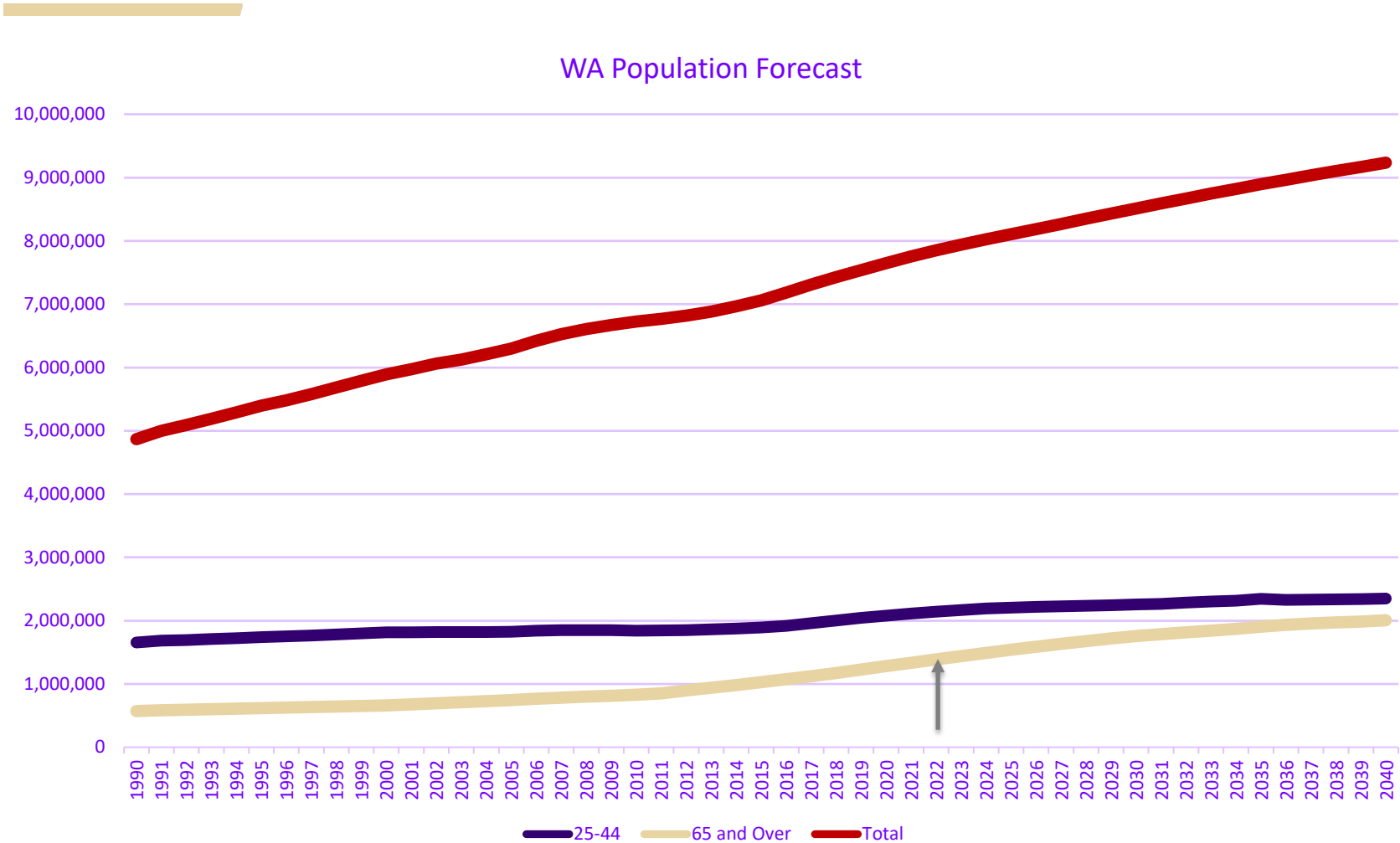
Ownership -
First-time
buyers

Rental Tenure



Each rung on the ladder represents a particular submarket

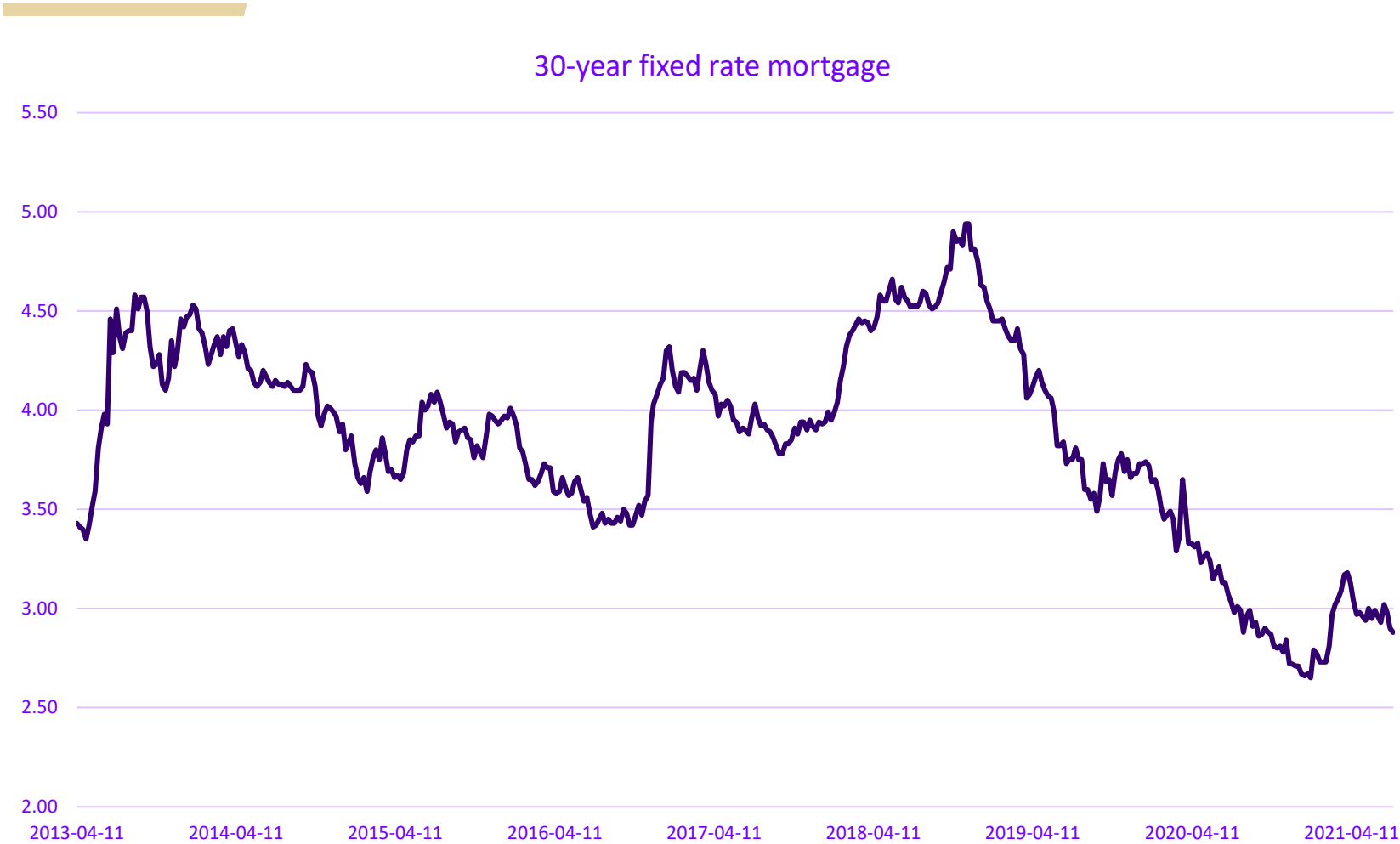
Demographic Profile



Source: OFM, WCRER.



Interest Rates



Source: Freddie Mac

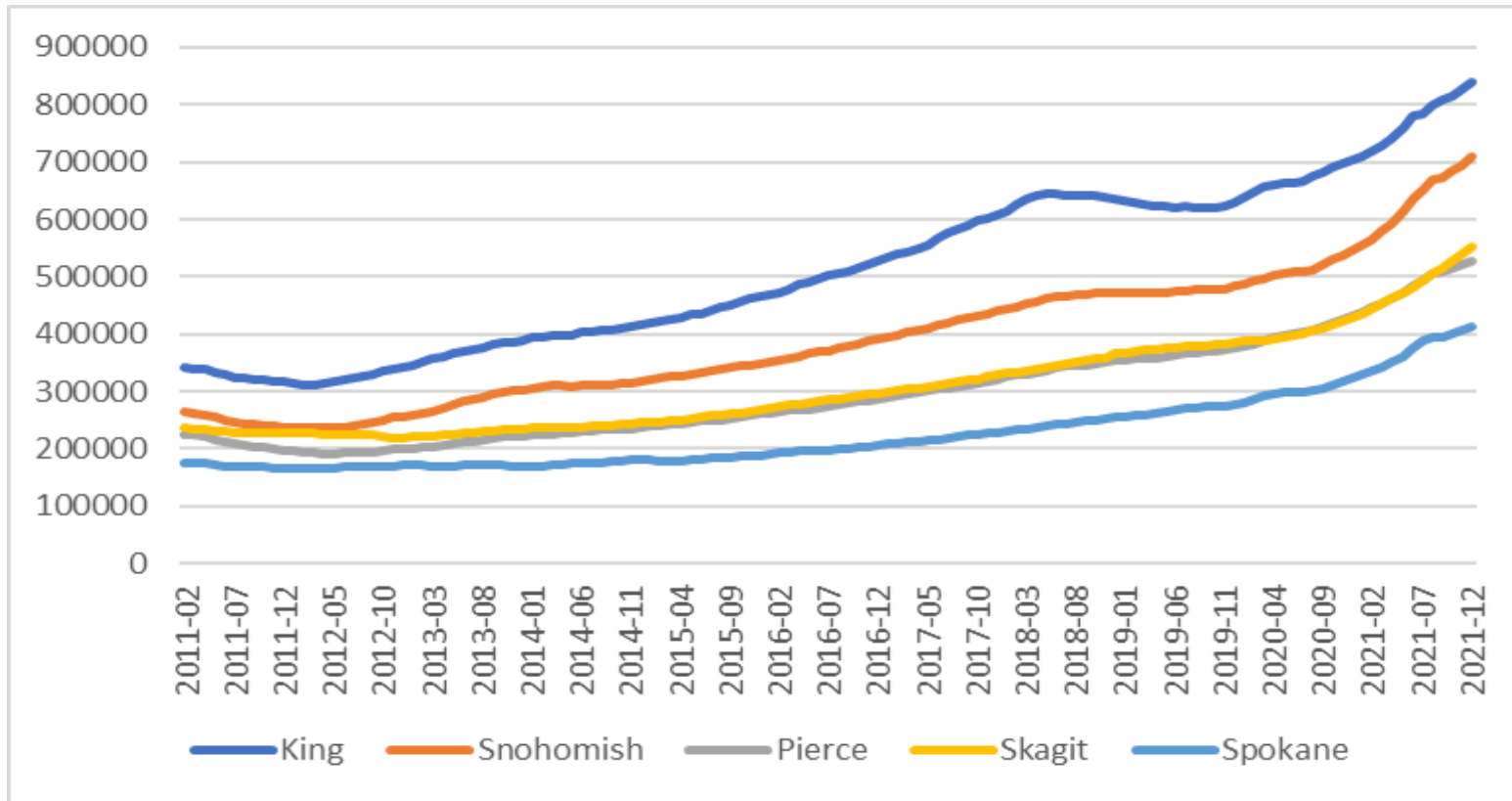


Mortgage Payments and Interest rates

<u>Mortgage Amount</u>	<u>2018-November</u>	<u>2020 - December</u>	<u>2021 - December</u>	<u>Payment Change (High/Low)</u>
\$100,000	\$525.27	\$402.96	\$427.02	\$122.31
\$150,000	\$787.90	\$604.45	\$640.52	\$183.45
\$200,000	\$1,050.54	\$805.93	\$854.03	\$244.61
\$250,000	\$1,313.17	\$1,007.41	\$1,067.54	\$305.76
\$300,000	\$1,575.81	\$1,208.89	\$1,281.05	\$366.92
\$350,000	\$1,838.44	\$1,410.37	\$1,494.56	\$428.07
\$400,000	\$2,101.08	\$1,611.86	\$1,708.07	\$489.22
\$450,000	\$2,363.71	\$1,813.34	\$1,921.57	\$550.37
\$500,000	\$2,626.35	\$2,014.82	\$2,135.08	\$611.53
Rates are for 30-year fixed rate mortgage.				
Average interest rate for period from Freddie Mac and US Federal Reserve (FRED)				
Rate for November 2018 was 4.81%; December 2020 was 2.65%; December 2021 is 3.10%				

Source: WCRER.

Select Median House Prices



King 1-year change – 19.5%

Pierce 1-year change – 22.2%

Snohomish 1-year change – 30.0%

Skagit 1-year change – 28.9%

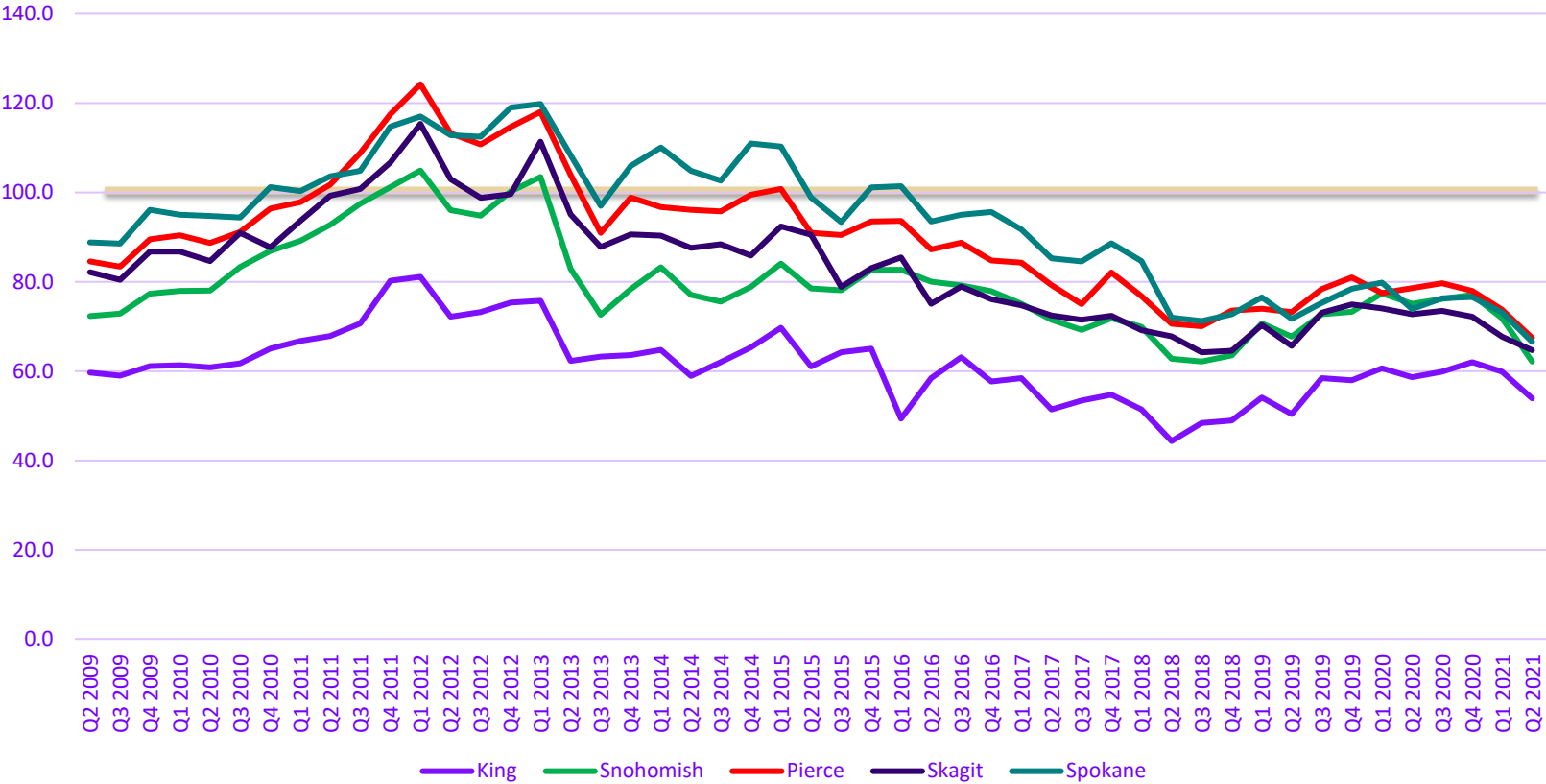
Spokane 1-year change – 27.7%

Seasonally adjusted – Data Sources: Zillow, NWMLS, RMLS, WCRER. Preliminary statistics for Q4 2021.



Housing Affordability Index

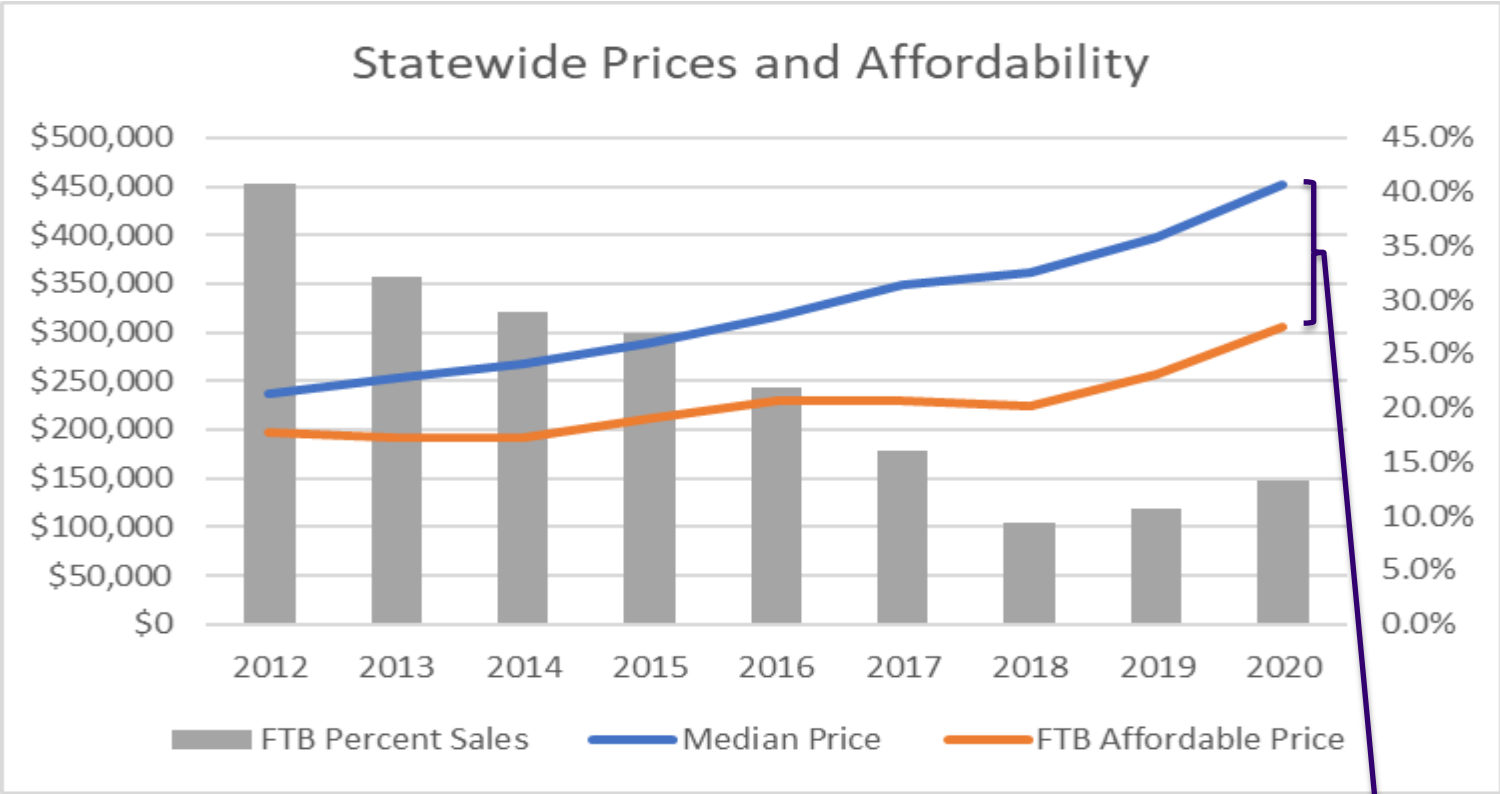
First Time Buyers Index



Quarterly Data
 Source: Washington State Housing Market Report: WCRER



First Time Buyer Affordability Price Gap – Price Point

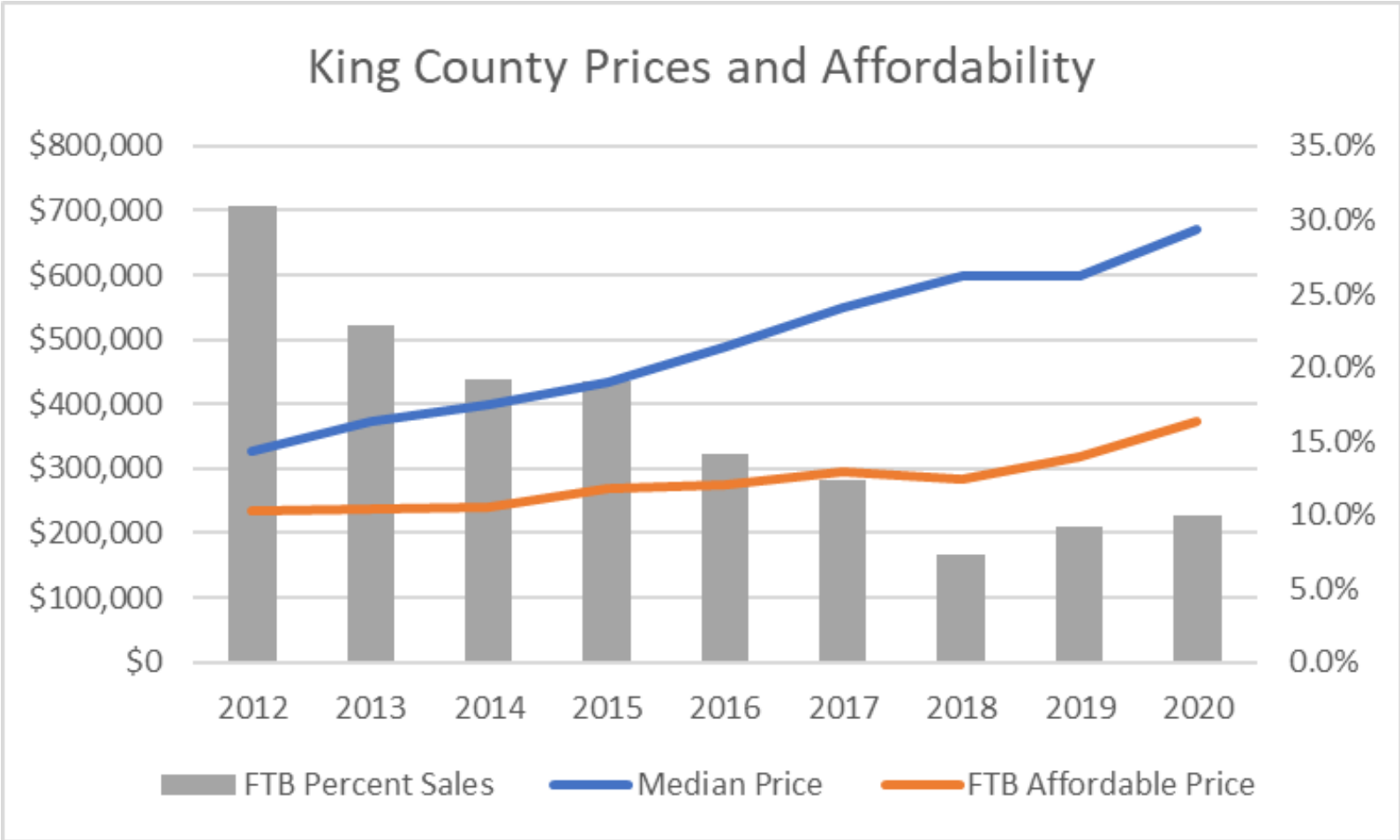


THIS GAP IS IMPORTANT

Source: WCRER



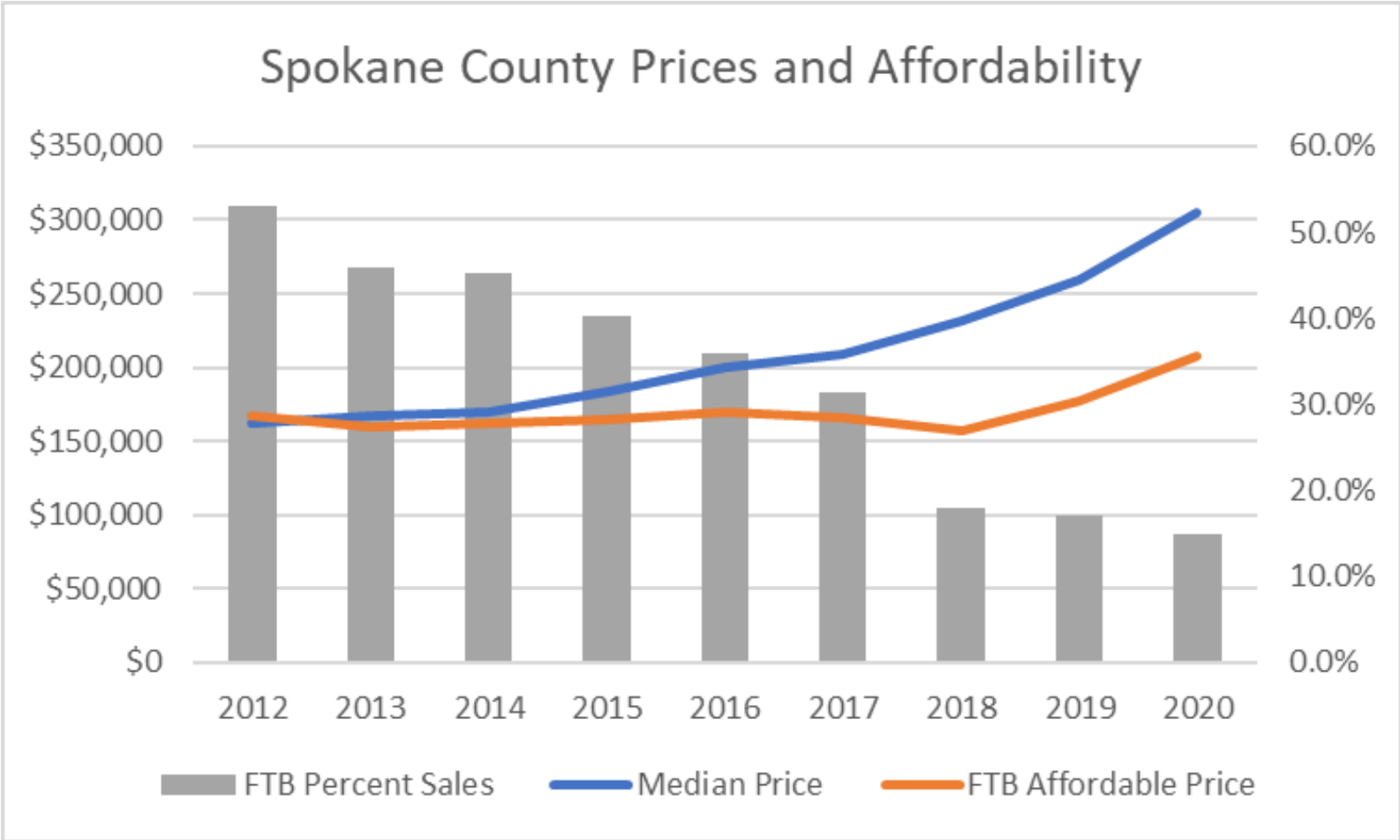
First Time Buyer Affordability Price Gap – Price Point



Source: WCRER



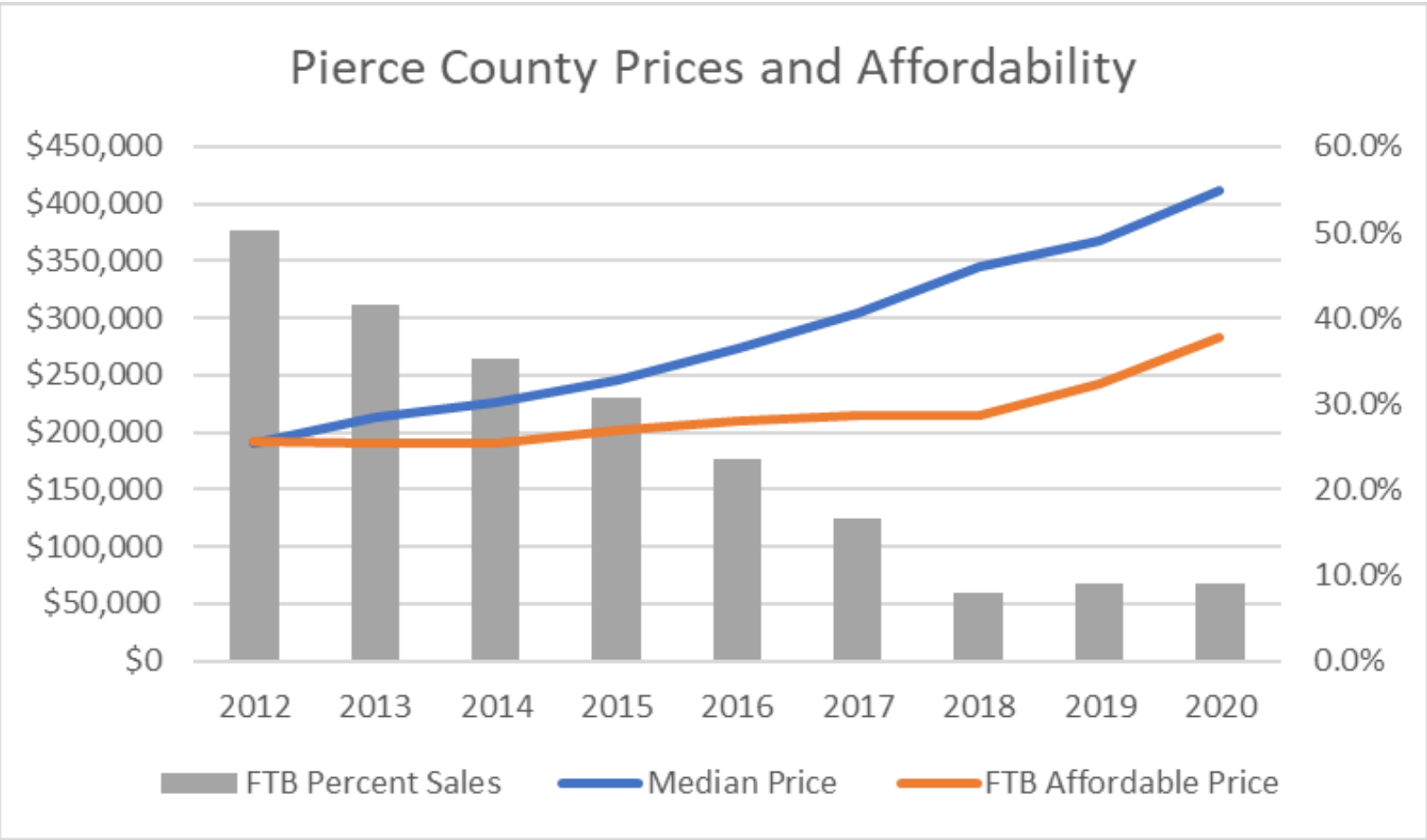
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Source: WCRER



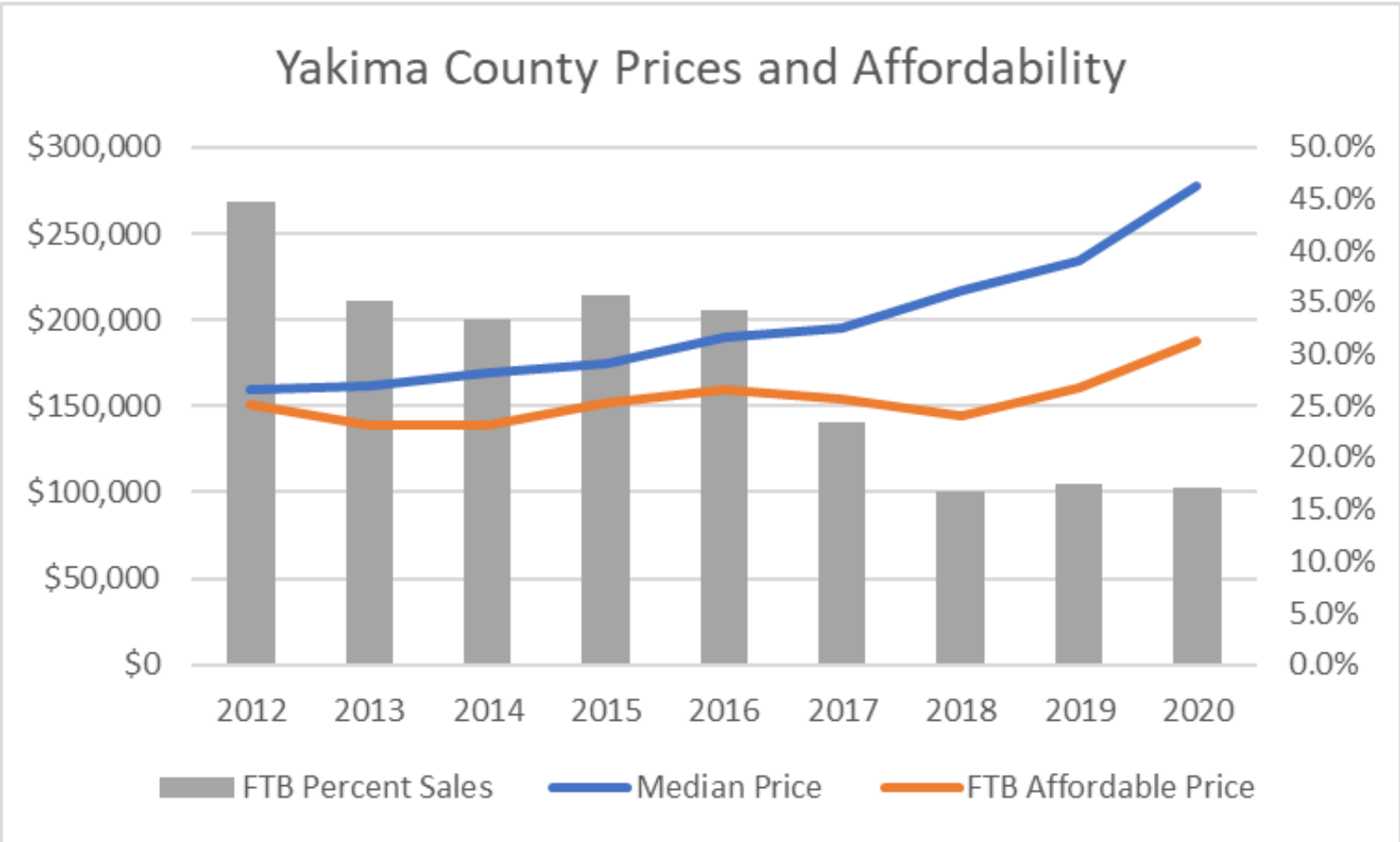
First Time Buyer Affordability Price Gap – Price Point



Source: WCRER



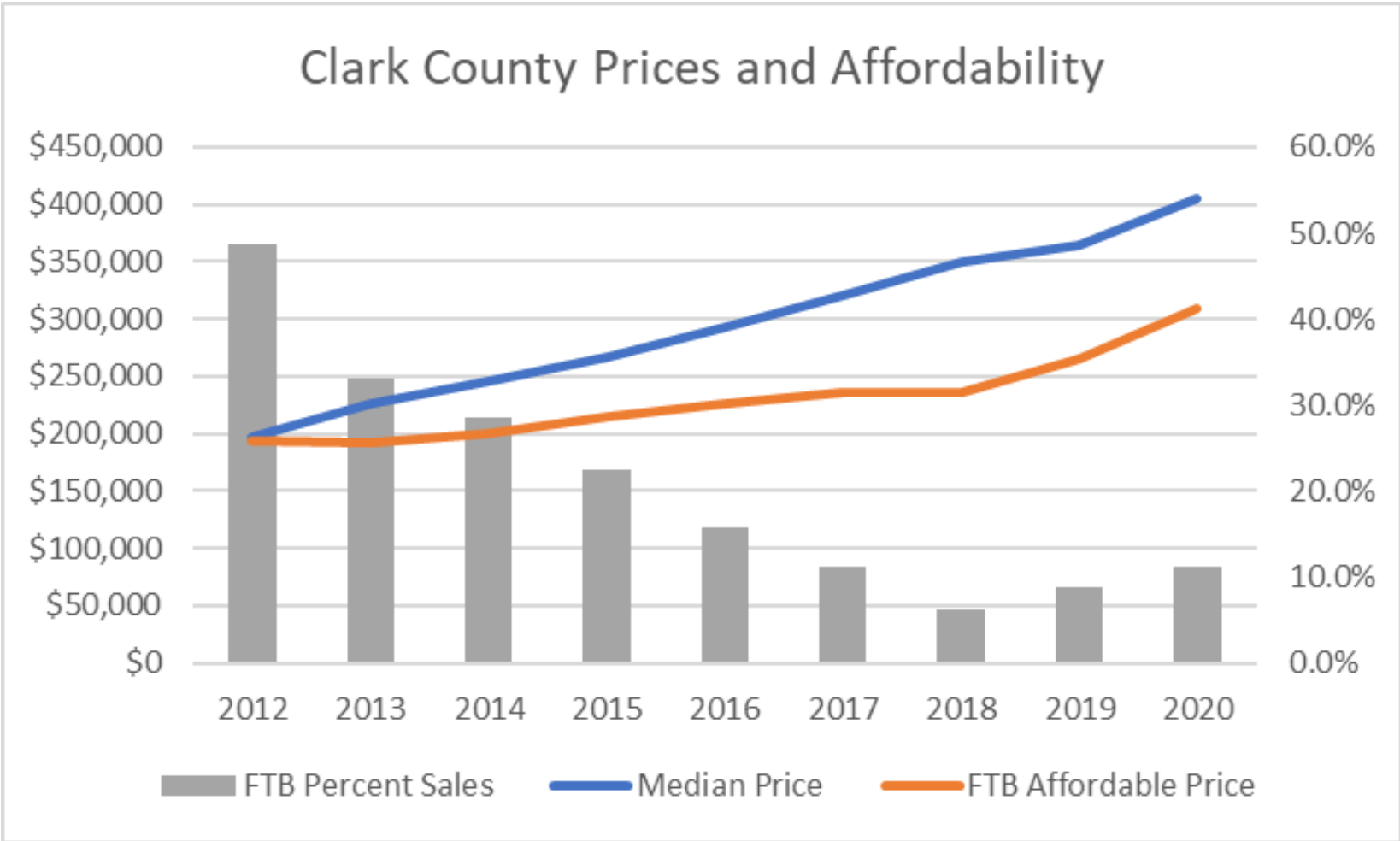
First Time Buyer Affordability Price Gap – Price Point



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First Time Buyer Affordability Price Gap – Price Point



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Thank You

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