



## New Analysis: Salary Required to Buy a Home in 50 Metros

February 25, 2019

*Income requirements continue to rise but some cities offer hope*

**Foster City, CA (February 25, 2019)** - [HSH.com](http://HSH.com), a trusted online resource for mortgage data, content and expertise has today released the latest data for its [salary required to afford a median-priced home](#) analysis. The research shows that the most affordable metropolitan area is Pittsburgh, PA and the least is the San Jose, CA metro area, with the difference in required salary between the two more than \$217,000 per year.

Covering the top 50 metropolitan areas, the report uses the latest quarterly home price data from the National Association of Realtors (NAR), incorporating local property tax and homeowner's insurance costs, and calculates the income needed to qualify for a median-priced home in each market.

Covering the fourth quarter of 2018, the latest research reveals that affordability in many metro areas continues to be pinched, with sizable annual increases in home prices and the highest mortgage rates in seven years combining to drive income requirements ever higher.

**The most and least affordable metro areas in the salary analysis** (assuming a 20 percent downpayment):

Most affordable metropolitan area	Required salary per year to afford a median-priced home
• Pittsburgh	\$37,659.86
• Cleveland	\$40,437.72
• Oklahoma City	\$41,335.41
Least affordable metropolitan areas	Required salary per year to afford a median-priced home
• San Jose	\$254,835.73
• San Francisco	\$198,978.01
• San Diego	\$131,640.79

Salary calculations using a 10 percent downpayment are also provided for each area.

Main takeaways from the updated research:

- **Median home prices were generally lower in the fourth quarter than in the third, but it's not uncommon for this to occur.** The comparable period in 2017 showed quarter-to-quarter declines in 43 of the 50 metros; this year, it was 46 of 50. Four metros - Phoenix AZ, Las Vegas NV, Salt Lake City UT and Nashville TN bucked this common occurrence and posted quarterly increases for the period.
- **Home price gains appear to be cooling.** On a national level, the current year-over-year increase in the median price of an existing home sold in the fourth quarter rose just 3.95% compared to the same period in 2018; this figure was 4.63% in the third quarter, 4.93% in the second and 5.64% in the first quarter, so a softening trend seems in place.
- **Home prices were still higher in 48 of the 50 metropolitan areas on an annual basis;** while median prices in the Philadelphia, PA metro were unchanged, gains in other markets ranged from 1.39 percent in the Harford, CT metro area to 10.61 percent in the Las Vegas metro area. Strong price increases in the "Sin City" metro area have now seen the Las Vegas market move out of the "least expensive" group and into the group of the top 25 most expensive metros. On an annual basis, only the San Jose metropolitan market saw a home price decrease, but even with a decline of 1.57 percent, the most expensive market in our analysis still retained its "metro with the highest salary needed" crown by a wide margin.
- **Smaller home price increases in many places may allow still-rising incomes a chance to close the affordability gap a bit,** and with considerably lower mortgage rates (so far) in the first quarter of 2019, this may provide some additional support for potential homebuyers looking to the "spring housing season". National Association of Realtors Chief Economist

Lawrence Yun noted that "Home prices continued to rise in the vast majority of markets but with inventory steadily increasing, home prices are, on average, rising at a slower and healthier pace."

"Potential homebuyers continue to face challenging conditions, given expensive and competitive housing markets," says [Keith Gumbinger](#), HSH.com's vice president who performed the data analysis for this report. "Homebuyers of more modest means often struggle to come up with a downpayment and may turn to an FHA-backed mortgage, but other low-downpayment alternatives may actually be less costly over time," he adds. To see costs for FHA-backed loans compared directly against other low-downpayment offerings, check out HSH's [FHA Loan Calculator and Low Downpayment Comparator](#).

Find the lists here for the [25 most expensive](#) and [25 least expensive](#) metropolitan areas with display maps for each list.

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See the full article here: <https://www.hsh.com/finance/mortgage/salary-home-buying-25-cities.html>

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