



Housing Affordability Improved By Lower Mortgage Rates, Softer Home Price Gains

May 22, 2019

HSH.com research shows salary needed to buy median-priced home fell in 50 major metropolitan areas in first quarter of 2019

Foster City, CA (May 22, 2019) - [HSH.com](https://www.hsh.com), a trusted online resource for mortgage data, content and expertise has today released its latest analysis of [the salary required to afford a median-priced home](#). The research shows that the most affordable metropolitan area in the US continues to be Pittsburgh, while the least is the San Jose metro area, with the gap between the two in required salary more than \$200,000 per year.

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

For the first quarter of 2019, the latest research reveals that affordability in most metro areas improved a bit as compared to the fourth quarter of 2018, as lower mortgage rates and smaller overall price increases helped lower the salary needed to purchase a median-priced home.

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

Most affordable metropolitan area	Required salary per year to afford a median-priced home
• Pittsburgh	\$35,799.94
• Oklahoma City	\$37,928.03
• Cleveland	\$39,083.15
• Memphis	\$39,323.94
• Louisville	\$40,125.23
Least affordable metropolitan areas	Required salary per year to afford a median-priced home
• San Jose	\$237,978.37
• San Francisco	\$186,250.55
• San Diego	\$124,771.80
• Los Angeles	\$112,555.74
• Boston	\$103,058.20

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

Main takeaways from the updated research:

- **Median home prices were lower in a majority of markets during the first quarter than in the fourth.** *Note: This is a common occurrence.* Twenty-nine metro areas show quarter-to-quarter price decreases; for the same period last year, 21 markets posted lower median home prices. In the first quarter of 2019, 21 markets have home-price gains that ranged from unchanged (Miami metro area) to a 3.98% quarterly increase (Richmond metro area).
- **Home price gains are still cooling.** On a national level, the current year-over-year increase in the median price of an

existing home sold in the first quarter of 2019 rose just 3.87% compared to the same period in 2018. This increase was 4.12% in the fourth quarter of 2018, 4.63% in the third and 4.93% in the second quarter of last year, so a softening trend remains in place.

- **Despite quarterly cooling, home prices were still higher in 47 of the 50 metropolitan areas.** However, three very different metro areas showed year-over-year decreases in median home price. These include Hartford (a market which has been struggling to hold onto price gains), San Jose (which is the most expensive market in the country and had been booming) and the Virginia Beach metro area, which seems to have leveled off (it features just a 0.46% year-to-year decline in median price). Despite an 11.4% decline in median price compared to last year, the San Jose metropolitan market still easily retained its “metro with the highest salary needed” crown by a wide margin over the next runner-up.
- **Smaller home price increases in many places may allow still-rising incomes to close the affordability gap a bit.** According to the Bureau of Labor Statistics, wages in April were 3.2% higher this year than last, and with overall home prices rising by “only” 3.87% over the past year, the affordability gap may be narrowing for at least some potential homebuyers. However, thin inventories of homes available for purchase in many markets may continue to be a challenge for those looking to buy a home this spring.

Potential homebuyers of modest means often struggle to come up with a downpayment and closing costs, especially in heated markets. Help making the jump to homeownership is often available but is tricky to find and many don't know where to look. To assist prospective homebuyers, HSH has recently updated its [database of Homebuyer Assistance Programs by state](#), where information about these valuable programs, vital website addresses, contact info and more is available.

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

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

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