

Housing Wealth Gains for the Rising Middle-Class Markets: Providence-Warwick, RI



Which income group gained wealth from homeownership?

Objective

How did the distribution of housing wealth change from 2010 through 2020? What metro areas had the highest increase in middle-income homeowners?

Who is the middle-class?

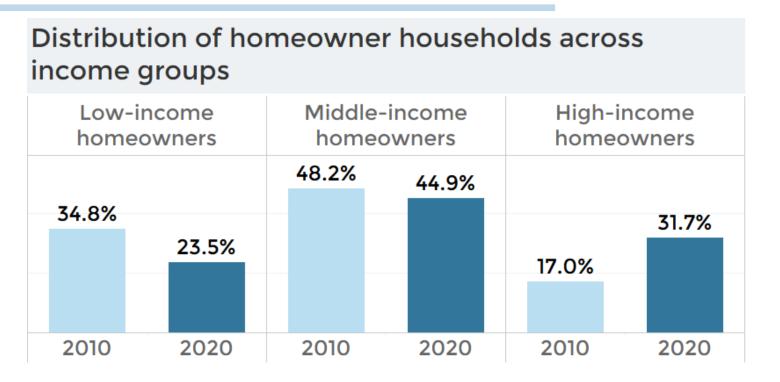
Households with median household income of over 80% to 200% of the area median income

- Aggregate housing wealth=number of homeowners x average price
- Sources of data

American Community Survey 1-year PUMS, 2010, 2020 data for 917 metropolitan/micropolitan areas; NAR metro median prices



29,700 more homeowners in 2020 vs. 2010, but a decline in low-income homeowners in Providence-Warwick

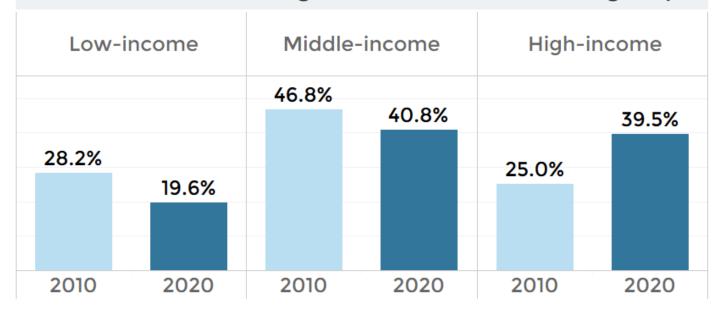


Middle-income homeowners		
	2010	2020
Low-income	131,072	95,421
Middle-income	181,544	182,455
High-income	64,251	128,789



50% of \$66 Billion in aggregate housing wealth gains went to high-income group in Providence-Warwick

Distribution of housing wealth across income groups

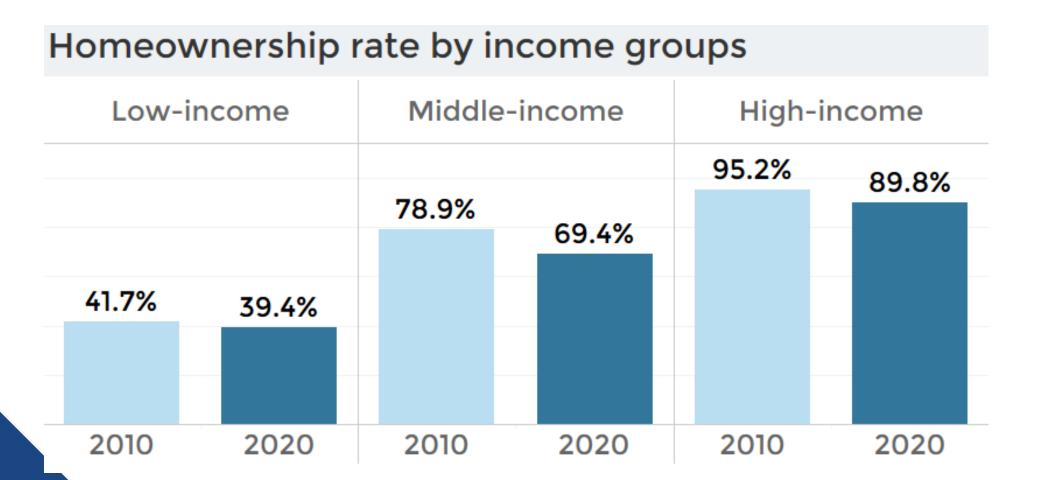


Owner-occupied housing wealth in billion dollars

	2010	2020
Owned by low-income group	\$33B	\$30B
Middle-income housing wealth	\$55B	\$62B
Owned by high-income group	\$30B	\$60B
Total	\$119B	\$152B



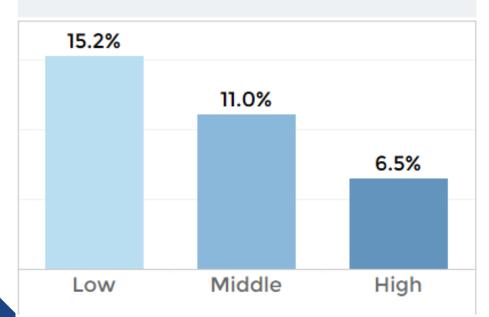
Homeownership rate declines the most among middle-income in Providence-Warwick



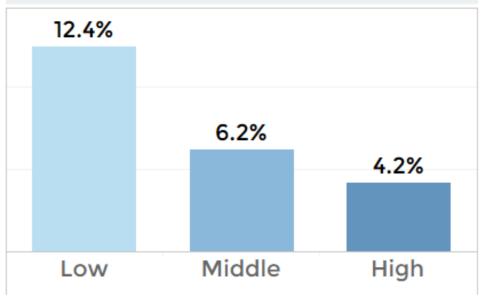


Home prices appreciated at the fastest pace relative to income among middle-income homeowners in Providence-Warwick

Percent change in median value of property from 2010 to 2020



Percent change in median family income from 2010 to 2020





Housing statistics by income group in Providence-Warwick

Housing statistics		
	2010	2020
Median property value: low income	\$234,681	\$270,321
Median property value: middle income	\$269,239	\$298,891
Median property value: high income	\$371,056	\$395,159
Median family income: low income	\$27,469	\$30,886
Median income (2020)	\$81,721	\$86,796
Median family income: high income*	\$164,906	\$171,817
Mortgage to income: low income	48.1%	40.7%
Mortgage to income: middle income	18.6%	16.0%
Mortgage to income: high income	12.7%	10.7%
Price to income: low income	8.5	8.8
Price to income: middle income	3.3	3.4
Price to income: high income	2.3	2.3



Home equity gains from homeownership on a typical home in Providence-Warwick

Housing Wealth Gains on a Typical Single-family Existing Home Purchased 5, 10, 15, 30 Years Ago as of 2021 Q4 (\$'000)

Providence-Warwick, RI-MA



Home Equity Gains = Principal Payment + Price Gains

	Housing wealth gains	Principal payment	Price gain	% Annual price chg.
30 years	\$390.0	\$114.7	\$275.3	4.0%
15 years	\$183.5	\$74.3	\$109.2	2.1%
10 years	\$233.1	\$39.8	\$193.3	6.8%
5 years	\$160.3	\$23.4	\$136.9	8.7%

Source: NAR calculations. Principal repayment is based on a 30-year fixed rate 10% down payment mortgage. The annual percent change is a compounded annual growth rate.



Top 20 Rising Middle-Class Housing Markets

Change in middle-income homeowner households in 2010-2020

Phoenix-Mesa-Scottsdale, AZ	103,690
Austin-Round Rock, TX	61,323
Nashville-DavidsonMurfreesboroFranklin, TN	55,252
Dallas-Fort Worth-Arlington, TX	53,421
Houston-The Woodlands-Sugar Land, TX	52,716
Atlanta-Sandy Springs-Roswell, GA	48,819
Orlando-Kissimmee-Sanford, FL	35,063
Portland-Vancouver-Hillsboro, OR-WA	34,373
Seattle-Tacoma-Bellevue, WA	31,284
Tampa-St. Petersburg-Clearwater, FL	28,979
Minneapolis-St. Paul-Bloomington, MN-WI	28,034
Myrtle Beach-Conway-N. Myrtle Beach, SC-NC	27,921
North Port-Sarasota-Bradenton, FL	27,051
Denver-Aurora-Lakewood, CO	26,998
Cape Coral-Fort Myers, FL	26,652
Las Vegas-Henderson-Paradise, NV	25,060
New Orleans-Metairie, LA	23,095
Raleigh, NC	22,611
Riverside-San Bernardino-Ontario, CA	20,193
Provo-Orem, UT	20,140

Top 20 Declining Middle-Class Housing Markets

Change in middle-income homeowner households in 2010-2020

New York-Newark-Jersey City, NY-NJ-PA	100,214
Los Angeles-Long Beach-Anaheim, CA	-73,839
Chicago-Naperville-Elgin, IL-IN-WI	-34,420
Boston-Cambridge-Newton, MA-NH	-28,953
Detroit-Warren-Dearborn, MI	-25,405
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	-22,129
Milwaukee-Waukesha-West Allis, WI	-16,583
Asheville, NC	-10,740
Cleveland-Elyria, OH	-10,678
Memphis, TN-MS-AR	-9,679
Peoria, IL	-8,548
Rochester, NY	-8,264
Worcester, MA-CT	-7,565
Springfield, MA	-7,254
St. Louis, MO-IL	-6,919
Charleston, WV	-6,912
Hartford-West Hartford-East Hartford, CT	-6,864
Rockford, IL	-6,676
Huntington-Ashland, WV-KY-OH	-6,648
Youngstown-Warren-Boardman, OH-PA	-6,495
Miami-Fort Lauderdale-West Palm Beach. FL	-6.471



THANK YOU.









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