Average home falls below $250K

Nationwide, the average price of a single-family home fell modestly to $249,400 in January, from $256,400 in December. The average home cost $261,600 in 2018 and $248,800 in 2017, according to new National Association of Realtors data, released Friday.

The modest downtick pushes the National Association of Realtors' Housing Affordability Index to 155.8 points, compared to 155.3 in all of 2018.

Year	Median Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as a % of Income	Median Family Income	Qualifying Income**
2016	235,500	3.88	886	15.0	71,062	42,528
2017	248,800	4.20	973	15.8	73,891	46,704
2018	261,600	4.72	1088	17.1	76,396	52,224

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The index, which has been published since in 1970, examines housing affordability based not only on median home prices, but also median family incomes and average mortgage interest rates. All three metrics improved this month — mortgage rates fell from 4.99 percent to 4.76 percent while the lowest income needed to buy an average house also fell slightly.

To buy a single-family home at the national median price, a family needs an overall income of $50,016 – down from $52,800 last month. Meanwhile, the percentage of income that a family will spend on their mortgage fell to 16.1 percent from 17 percent.

It is still too early to tell whether the current gains in affordability will continue to hold – experts predict that rapid home value growth and income stagnation will continue to make affordability a problem in the coming months.

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