

State and Metro Area House Prices: the “Priced Out” Effect

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One of the often overlooked impacts of building regulations is their effect on housing affordability. Every time a local or higher level government issues a new construction regulation it raises construction costs by, for example, increasing the price of construction permits or impact fees. Higher costs invariably translate into higher home prices and higher prices in turn disqualify more households from being able to afford new homes. NAHB Economics relies on its Priced Out model to evaluate effects of pending new regulations on housing affordability in local markets. The model estimates how many households can qualify for a mortgage before and after a house price increase. The resulting difference is the number of priced out households.

NAHB regularly updates the Priced Out model to account for changing economic environment. This article presents and discusses the new 2014 priced out estimates for the United States and 324 metro areas. The 2014 estimates show that nationally a \$1,000 increase in the home price leads to pricing out about 206,269 households. The size of the impacts varies across states and metro areas and largely depends on their population, income distribution and new home prices.

The Priced Out Methodology and Data

Most home buyers take out a mortgage to finance a purchase of a new home, so the Priced Out model uses ability to qualify for a mortgage as an affordability standard. To qualify for conventional loans, housing expenses should not exceed 28 percent of homebuyers’ gross monthly income. Monthly housing costs include principal and interest on the mortgage, property taxes and homeowner’s Insurance – often abbreviated as “PITI”. The affordability standard is thus a ratio of housing expenses to income, and the number of households that qualify for a mortgage to buy a home of a given price will depend on the income of households in an area and current mortgage rates.

The American Community Survey (ACS) which replaced the decennial Census long form provides the detailed income distribution for the United States and all states and metro areas with population of 65,000 people or more annually. The most recent income estimates are now available for 2012. To adjust for expected 2012-2014 income growth, NAHB uses the annual estimates of median family income published by the Department of Housing and Urban Development (HUD) for every state and county. The 2014 estimates were made available in December 2013¹. To adjust for population growth, NAHB relies on annual household estimates reported by the ACS and extrapolates the most recent household growth into 2014. Table below shows the projected US household income distribution that underlies the 2014 priced out estimates.

¹ In cases, where counties comprising a metro area are estimated to have different median incomes, an estimate for the county containing the core urban area listed first in the name of the metro area is set to represent the median family income for the entire metro area.

US Household Income Distribution for 2014			
Income Range:		Households	Cumulative
\$0 to	\$10,219	9,037,576	9,037,576
\$10,220 to	\$15,328	6,661,937	15,699,513
\$15,329 to	\$20,438	6,469,445	22,168,958
\$20,439 to	\$25,548	6,640,002	28,808,960
\$25,549 to	\$30,658	6,039,287	34,848,247
\$30,659 to	\$35,768	6,199,590	41,047,837
\$35,769 to	\$40,877	5,664,673	46,712,511
\$40,878 to	\$45,987	5,635,887	52,348,398
\$45,988 to	\$51,097	4,943,760	57,292,157
\$51,098 to	\$61,317	9,372,913	66,665,070
\$61,318 to	\$76,646	11,849,492	78,514,562
\$76,647 to	\$102,195	14,015,339	92,529,901
\$102,196 to	\$127,744	9,281,283	101,811,184
\$127,745 to	\$153,293	5,330,786	107,141,970
\$153,294 to	\$204,391	5,436,702	112,578,672
\$204,392 to	More	5,371,513	117,950,185

Other assumptions used in the priced out calculations are a down payment equal to 10 percent of the purchase price and a 30-year fixed rate mortgage. The mortgage interest rate is set at 4.5 percent with zero points. For this typical loan, the model also assumes lenders require private mortgage insurance with an annual premium of 45 basis points². Effective local property tax rates come from the 2012 ACS. The ACS reports both median home values and real estate taxes paid and, thus, allows estimating the effective property tax rates for all metro areas. For the US, the median rate is \$12 per \$1,000 of property value. Property hazard insurance rates are constructed based on the 2007 ACS Public Use Microdata Sample (PUMS)³. For the US as a whole, the insurance rates work out to \$5 per \$1,000 of property value.

House Prices

The priced out analysis requires a representative house price as a starting point. Data availability pretty much limits the choices to basic summary statistics, like the median or average home price. Of the two, the median usually makes a better starting point for priced-out calculations, as the average tends to be skewed upward by a handful of expensive homes, while the median typically lies in the center of the price range where more new homes are built. To analyze changes in regulatory or other construction costs, prices of new homes are most relevant, since new homes are the ones directly affected by new regulations.

The median new home price for the United States is set at \$275,000 for 2014. It is based on monthly median new home prices reported by the Census Bureau over 2013 and the first four months of 2014. First, the average of monthly

² In the PITI formula, mortgage insurance is essentially treated as part of the interest payment. Like interest on the loan, it is a percentage of the declining mortgage balance.

³ Producing metro level estimates from the ACS PUMS involves aggregating PUMA level data according to the latest definitions of metropolitan areas. Due to complexity of these procedures and since metro level insurance rates tend to remain stable over time, NAHB revises these estimates only periodically.

medians is estimated over 2013. It is then adjusted for expected inflation based on price appreciation that took place over the first four months of 2014.

To estimate median new home prices for states and metropolitan areas, NAHB relies on data reported by the 2013 Census Bureau's Building Permits Survey and Survey of Construction (SOC). The Permits Survey provides both the number and aggregate value of new housing units authorized by building permits and, thus, allows calculating average permit values for all states and metro areas. For metro areas where average permit values are highly volatile and likely to have a large margin of error, the averages are smoothed out across most recent years.

Permit values, however, do not include brokerage commissions, marketing/finance costs, the cost of raw land and may not include the cost of lot's development. These additional costs are likely to differ across geographic areas but not available for metro areas. Nevertheless, the SOC provides enough data to tabulate median new home prices for all nine Census divisions and, consequently, division-wide ratios of median new home prices to average permit value. The ratios are then used as scaling mark-ups to convert state and metro average permit values into median new home prices. The resultant median new home prices range from less than \$116,704 in Brownsville-Harlingen, TX to more than \$878,625 in Bridgeport-Stamford-Norwalk, CT (see Table 2).

Metro Priced Out Results

Table 1 and Table 2 present the priced out results and data that underlie the estimates for all states and 324 metropolitan areas. In addition to median new home prices, the tables display income needed to qualify for a mortgage to buy a median price new and the number of households that will be priced out of the market for a new home if its price increases by \$1,000.

A typical household in Brownsville-Harlingen, TX, where half of all new homes are sold for less than \$116,704, needs an annual income of \$35,831 to qualify for a mortgage, while a household in Bridgeport-Stamford-Norwalk, CT will need to earn \$240,996 to qualify for a new home loan. Clearly, these differences are driven by large divergences in new home prices across metropolitan areas. The more expensive new homes, the higher monthly principal and interest payments, the higher income required to qualify for a mortgage. But the relationship is not always linear as property tax and insurance payments also affect monthly housing costs. For example, even though Brownsville-Harlingen, TX metro area has the lowest median price new homes, the income needed to qualify for a mortgage to buy these homes are not the lowest in the nation. Sumter, SC, Florence-Muscle Shoals, AL, Valdosta, GA, Clarksville, TN-KY all have new homes that are more expensive but require a lower income to qualify for a mortgage. This is a result of higher property tax and insurance payments in Texas.

Next, the priced out model estimates how many households in each state and metro area actually earn enough income to qualify for new home loans. Not surprisingly, in Bridgeport-Stamford-Norwalk, CT metro area where new homes largely target the high income households, only 1 percent of all households residing in this metro area earn enough money to qualify for a new home loan. Among other metro areas with least affordable new homes are Buffalo-Niagara Falls, NY, Barnstable Town, MA, Sebastian-Vero Beach, FL, and Napa, CA where less than 15 percent of all households can afford a median price new home. In sharp contrast stand metro areas like Dover, DE and Jacksonville, NC where two out of three households residing in these metros can afford a median-priced new home.

These differences translate into different effects of adding \$1,000 to a new home price. When starting affordability of new homes is low the priced out effects will be small since they would only affect a few households at the thin end of the household income distribution. On the contrary, if new homes are widely affordable, rising home prices would affect a bigger slice of households in the thicker part of the income distribution and the priced out effects will be larger.

Increasing a price of a new home in New York-Northern New Jersey-Long Island, NY-NJ-PA, by \$1,000 disqualifies 5,742 households from buying a new home. This is by far the largest priced out effect among metropolitan areas, mainly as a result of being the most populous metro area with more than 7 million households. The second largest number of priced out households is in Chicago-Naperville-Joliet, IL-IN-WI, where more than 5,325 households are priced out. The Chicago metro is half the size of the New-York metro area but the priced out effects are similarly large. This is because the Chicago area is relatively more affordable to begin with. Close to a third of all local households are able to afford new homes here while in the New-York area only 19 percent of households can qualify for new home mortgages before any price hikes.

Los Angeles-Long Beach-Santa Ana, CA - the second most populous metro area with more than 4 million households but low affordability – registers only the sixth highest number of priced out households, 3,813. Ahead of Los Angeles on the priced-out effects list are three large metro areas with more affordable new homes. In Houston-Sugar Land-Baytown, TX and Atlanta-Sandy Springs-Marietta, GA, where almost half of all households can afford new homes, the priced out effects exceed 4,000 households. In Philadelphia-Camden-Wilmington, PA-NJ-DE-MD where 41 percent of households can afford new homes an increase in new home price of \$1,000 disqualifies 3,914 households.

At the other end of the spectrum are small and often unaffordable high new home priced metropolitan areas. In Barnstable Town, MA where half of all new homes sell for more than \$616,381, adding another thousand to a price, affects only 24 households, since there were only a few of them who could afford such expensive new homes in the first place. In Napa, CA, where new homes are similarly unaffordable the priced out effects are only limited to 19 households. Looking at the affordable metro areas, where close or more than fifty percent of households can afford new homes, the priced out effects are typically large and can often disqualify thousands of new home buyers, as in case of Houston-Sugar Land-Baytown, TX, Atlanta-Sandy Springs-Marietta, GA, Las Vegas-Paradise, NV MSA, Baltimore-Towson, MD among other metro areas.

Among the states, Texas registers the highest priced out effects where more than 18,000 households can be pushed out of the market for a median-priced new home here if its price increases by \$1,000. California that is more populous but has less affordable new homes register the second highest priced out effects – 14,423 households.

Conclusion

Quite frequently and often unintentionally local regulations raise construction costs and trigger hikes in home prices. NAHB consistently relies on the priced out model to estimate the impacts of price changes. Even though the model does neither answer all questions nor estimate effects of regulation on new home sales or housing starts, it highlights often overlooked effects of regulation on affordability of new homes. The new 2014 estimates show that, in relatively affordable metro areas, hundreds and sometimes thousands of households can be priced out of the new home markets as a result of prices rising by \$1000.

Note: Regulatory Costs Boost Home Prices by up to 39 Percent More than Building Fee Increases

Hidden in median new home prices is the cost of government regulations. NAHB research shows that, on average, regulations imposed by government at all level account for 25 percent of the final price of a new single family home built for sale⁴. Every time a local or regional government raises construction costs by, for example, increasing the price of construction permits or impact fees, the cost of building a house rises. In fact, the final price of the home to the buyers will usually go up by more than the increase in the government fee. This is because each time construction costs

⁴ See P. Emrath "[How Government Regulation Affects the Price of a New Home](#)", Housing Economics Online, July 2011

increase other costs such as commissions and financing charges automatically rise as well. As a result, most cost increases are passed on to the buyers with additional charges. The size of these charges depends both on the type of fee/cost increase and when it is imposed in the development/construction process. NAHB estimates that the add-on charges range from 0 percent if a fee is imposed directly on buyers to 39 percent if cost is incurred when applying for site development approval (see Table 3). So that for every \$1 increase in fees incurred, for example, when acquiring a building permit, the final price of a new home to its final customer rises by \$1.20. Alternatively, every \$833 increase in fees results in a \$1,000 increase in house prices.

Table 3: Additional Charges on Building Fees

Building Costs/Fees	Add-on Charges
Imposed directly on buyer	0%
During construction	16%
At start of construction	18%
When building permit acquired	20%
During development	37%
When applying for site development approval	39%

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Table1. Households Priced Out of the Market by a \$1,000 Price Increase, 2014

Metropolitan Statistical Area	Median New Home Price	Income Needed to Qualify	Households	
			All	Priced Out
Abilene, TX MSA	240,384	71,059	62,311	144
Akron, OH MSA	269,153	75,822	293,691	407
Albany, GA MSA	140,973	38,181	56,249	160
Albany-Schenectady-Troy, NY MSA	401,105	117,214	336,867	369
Albuquerque, NM MSA	225,407	57,214	344,294	659
Alexandria, LA MSA	207,636	51,993	69,543	178
Allentown-Bethlehem-Easton, PA-NJ MSA	307,829	87,794	318,081	513
Altoona, PA MSA	349,984	92,322	48,629	44
Amarillo, TX MSA	272,883	83,203	94,499	142
Ames, IA MSA	284,375	78,675	37,083	53
Anchorage, AK MSA	373,186	98,659	131,380	192
Anderson, IN MSA	259,819	70,209	47,967	105
Anderson, SC MSA	230,499	56,789	71,988	110
Ann Arbor, MI MSA	270,400	78,181	143,994	233
Anniston-Oxford, AL MSA	171,771	43,116	48,622	117
Appleton, WI MSA	251,328	72,245	87,202	212
Asheville, NC MSA	240,017	58,015	173,969	333
Athens-Clarke County, GA MSA	228,491	58,608	70,685	128
Atlanta-Sandy Springs-Marietta, GA MSA	221,742	56,955	1,980,222	4,135
Atlantic City-Hammonton, NJ MSA	299,539	90,537	100,674	136
Auburn-Opelika, AL MSA	314,741	78,066	54,042	74
Augusta-Richmond County, GA-SC MSA	208,798	52,477	198,133	407
Austin-Round Rock-San Marcos, TX MSA	232,454	69,043	667,355	1,285
Bakersfield-Delano, CA MSA	241,976	62,459	258,396	479
Baltimore-Towson, MD MSA	228,013	57,989	1,060,179	2,014
Barnstable Town, MA MSA	616,381	151,432	80,879	24
Baton Rouge, LA MSA	226,874	56,548	306,517	530
Battle Creek, MI MSA	241,340	72,350	56,027	114
Bay City, MI MSA	240,615	70,478	45,788	79
Beaumont-Port Arthur, TX MSA	183,574	55,775	142,970	349
Bellingham, WA MSA	293,969	72,746	77,203	145
Bend, OR MSA	326,459	81,842	68,995	101
Billings, MT MSA	247,752	63,972	67,882	153
Binghamton, NY MSA	255,988	82,431	103,527	164
Birmingham-Hoover, AL MSA	263,064	64,348	447,016	681
Blacksburg-Christiansburg-Radford, VA MSA	210,790	52,204	67,158	141
Bloomington, IN MSA	205,783	51,066	77,320	147
Bloomington-Normal, IL MSA	207,654	62,994	71,053	172
Boise City-Nampa, ID MSA	269,591	66,056	239,837	474
Boston-Cambridge-Quincy, MA-NH MSA	430,296	111,855	1,749,426	1,829
Boulder, CO MSA	310,031	74,378	128,370	191
Bowling Green, KY MSA	202,515	52,107	53,579	93
Bremerton-Silverdale, WA MSA	293,074	74,090	90,100	167
Bridgeport-Stamford-Norwalk, CT MSA	878,625	240,996	339,772	186
Brownsville-Harlingen, TX MSA	116,704	35,831	126,119	478
Brunswick, GA MSA	289,183	73,721	40,866	59
Buffalo-Niagara Falls, NY MSA	395,105	128,302	469,199	266
Burlington, NC MSA	155,202	38,966	56,995	154
Canton-Massillon, OH MSA	220,267	60,406	165,387	326
Cape Coral-Fort Myers, FL MSA	292,932	80,100	259,094	279
Carson City, NV MSA	343,367	84,201	22,243	30
Cedar Rapids, IA MSA	146,885	41,106	99,047	218
Champaign-Urbana, IL MSA	254,760	76,429	93,065	141
Charleston-North Charleston-Summerville, SC	288,677	72,424	269,643	491
Charlotte-Gastonia-Rock Hill, NC-SC MSA	243,499	62,366	683,782	1,181
Charlottesville, VA MSA	262,901	63,558	78,144	128
Chattanooga, TN-GA MSA	182,679	46,376	210,567	510

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Table1. Households Priced Out of the Market by a \$1,000 Price Increase, 2014

Metropolitan Statistical Area	Median New Home Price	Income Needed to Qualify	Households	
			All	Priced Out
Chicago-Joliet-Naperville, IL-IN-WI MSA	308,424	92,108	3,473,022	5,325
Chico, CA MSA	274,636	67,806	89,007	128
Cincinnati-Middletown, OH-KY-IN MSA	244,344	66,318	865,663	1,623
Clarksville, TN-KY MSA	140,513	35,802	103,093	306
Cleveland, TN MSA	159,148	39,165	49,234	138
Cleveland-Elyria-Mentor, OH MSA	272,149	79,010	830,043	1,103
Coeur d'Alene, ID MSA	250,758	60,527	55,100	100
College Station-Bryan, TX MSA	192,998	56,025	88,453	198
Columbia, MO MSA	214,130	54,865	76,589	128
Columbia, SC MSA	213,026	52,771	291,253	670
Columbus, GA-AL MSA	188,924	47,549	114,070	247
Columbus, IN MSA	270,724	69,587	30,780	66
Columbus, OH MSA	254,712	72,249	725,749	1,452
Corpus Christi, TX MSA	192,237	59,548	163,365	405
Dallas-Fort Worth-Arlington, TX MSA	289,824	89,627	2,412,714	3,676
Dalton, GA MSA	168,738	42,291	48,593	122
Danville, IL MSA	130,985	39,651	32,323	106
Danville, VA MSA	167,278	41,519	49,204	168
Davenport-Moline-Rock Island, IA-IL MSA	220,693	64,422	158,920	363
Dayton, OH MSA	291,432	84,249	333,881	411
Decatur, AL MSA	179,407	45,017	61,915	106
Decatur, IL MSA	225,354	69,191	52,324	109
Deltona-Daytona Beach-Ormond Beach, FL MSA	357,650	96,058	213,555	214
Denver-Aurora-Broomfield, CO MSA	306,315	74,688	1,049,652	1,791
Des Moines-West Des Moines, IA MSA	269,083	76,308	245,972	507
Detroit-Warren-Livonia, MI MSA	294,783	91,235	1,666,009	2,434
Dothan, AL MSA	238,111	58,693	53,913	93
Dover, DE MSA	158,002	37,589	65,290	148
Duluth, MN-WI MSA	214,426	56,782	117,200	287
Durham-Chapel Hill, NC MSA	252,354	65,845	216,839	353
Eau Claire, WI MSA	223,405	63,094	64,452	158
El Centro, CA MSA	234,495	59,418	42,914	68
El Paso, TX MSA	171,999	51,310	267,497	694
Elizabethtown, KY MSA	178,046	45,538	48,608	175
Elkhart-Goshen, IN MSA	218,863	57,199	70,981	161
Eric, PA MSA	300,781	88,158	111,662	188
Eugene-Springfield, OR MSA	286,284	73,007	147,425	227
Evansville, IN-KY MSA	183,817	47,332	149,798	256
Fairbanks, AK MSA	228,035	61,929	33,892	98
Fargo, ND-MN MSA	223,606	62,807	91,187	195
Farmington, NM MSA	254,662	62,485	35,965	90
Fayetteville, NC MSA	203,097	53,953	147,433	393
Fayetteville-Springdale-Rogers, AR-MO MSA	271,763	67,378	182,509	276
Flagstaff, AZ MSA	229,039	54,724	49,607	94
Flint, MI MSA	225,094	71,795	171,869	342
Florence-Muscle Shoals, AL MSA	138,411	34,354	54,083	175
Fond du Lac, WI MSA	244,900	71,637	41,020	105
Fort Collins-Loveland, CO MSA	289,367	70,156	128,382	199
Fort Smith, AR-OK MSA	190,863	48,139	124,807	289
Fort Wayne, IN MSA	238,403	62,176	167,061	338
Fresno, CA MSA	293,061	73,897	304,713	456
Gadsden, AL MSA	170,888	43,165	36,353	62
Gainesville, FL MSA	202,516	53,567	94,526	184
Gainesville, GA MSA	207,524	51,934	61,424	152
Glens Falls, NY MSA	269,828	77,148	51,033	75
Goldsboro, NC MSA	188,687	49,767	45,559	106
Grand Junction, CO MSA	258,995	60,551	56,846	88

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Metropolitan Statistical Area	Median New Home Price	Income Needed to Qualify	Households	
			All	Priced Out
Grand Rapids-Wyoming, MI MSA	253,115	71,378	297,890	641
Greeley, CO MSA	269,681	64,966	96,568	189
Green Bay, WI MSA	231,028	65,732	124,309	224
Greensboro-High Point, NC MSA	288,492	74,552	295,059	445
Greenville, NC MSA	184,839	48,872	90,674	204
Greenville-Mauldin-Easley, SC MSA	277,468	67,903	254,703	380
Gulfport-Biloxi, MS MSA	162,576	44,342	108,125	270
Hagerstown-Martinsburg, MD-WV MSA	206,117	51,465	106,312	238
Hanford-Corcoran, CA MSA	189,803	47,603	39,541	114
Harrisburg-Carlisle, PA MSA	323,166	87,531	219,380	310
Harrisonburg, VA MSA	175,588	41,958	47,538	122
Hartford-West Hartford-East Hartford, CT MSA	319,298	91,708	477,064	723
Hattiesburg, MS MSA	243,791	64,017	52,169	88
Hickory-Lenoir-Morganton, NC MSA	252,219	62,967	150,672	276
Holland-Grand Haven, MI MSA	247,807	67,911	97,057	222
Honolulu, HI MSA	393,669	87,662	307,228	420
Hot Springs, AR MSA	262,134	65,875	46,326	66
Houma-Bayou Cane-Thibodaux, LA MSA	271,420	69,031	72,220	115
Houston-Sugar Land-Baytown, TX MSA	195,144	60,997	2,167,245	4,234
Huntsville, AL MSA	165,823	40,142	171,081	384
Idaho Falls, ID MSA	161,729	40,306	41,575	108
Indianapolis-Carmel, IN MSA	260,699	67,557	697,114	1,312
Iowa City, IA MSA	271,832	76,239	67,287	132
Ithaca, NY MSA	280,564	89,282	36,575	40
Jackson, MI MSA	188,708	52,506	63,934	190
Jackson, MS MSA	244,997	63,545	192,760	370
Jackson, TN MSA	193,808	49,633	47,158	84
Jacksonville, FL MSA	280,185	73,490	508,999	856
Jacksonville, NC MSA	148,170	37,704	66,124	233
Janesville, WI MSA	213,437	64,369	62,636	152
Jefferson City, MO MSA	224,583	57,677	59,464	126
Johnson City, TN MSA	163,973	40,268	83,177	239
Johnstown, PA MSA	301,932	84,153	60,029	66
Joplin, MO MSA	144,861	37,416	72,896	245
Kalamazoo-Portage, MI MSA	254,025	72,309	135,068	243
Kankakee-Bradley, IL MSA	191,793	58,765	41,504	111
Kansas City, MO-KS MSA	292,243	80,318	814,964	1,194
Kennewick-Pasco-Richland, WA MSA	328,527	85,647	92,841	129
Killeen-Temple-Fort Hood, TX MSA	169,434	50,058	146,822	367
Kingsport-Bristol-Bristol, TN-VA MSA	179,999	45,171	122,105	323
Kingston, NY MSA	377,249	114,249	72,871	74
Knoxville, TN MSA	213,424	52,723	294,901	537
Kokomo, IN MSA	215,884	54,403	39,545	70
La Crosse, WI-MN MSA	219,155	62,946	57,652	92
Lafayette, IN MSA	231,863	58,658	80,628	156
Lafayette, LA MSA	187,491	47,716	110,350	217
Lake Charles, LA MSA	234,773	60,482	81,131	147
Lakeland-Winter Haven, FL MSA	236,300	64,659	235,702	358
Lancaster, PA MSA	269,950	74,049	196,147	413
Lansing-East Lansing, MI MSA	254,683	75,840	184,760	390
Laredo, TX MSA	164,186	50,884	72,117	196
Las Cruces, NM MSA	231,803	57,551	71,069	130
Las Vegas-Paradise, NV MSA	182,564	46,013	755,412	2,044
Lebanon, PA MSA	262,028	71,597	53,811	115
Lewiston, ID-WA MSA	255,924	65,790	26,662	59
Lexington-Fayette, KY MSA	175,954	44,491	194,617	509
Lima, OH MSA	213,974	58,512	40,561	100

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Table1. Households Priced Out of the Market by a \$1,000 Price Increase, 2014

Metropolitan Statistical Area	Median New Home Price	Income Needed to Qualify	Households	
			All	Priced Out
Lincoln, NE MSA	229,995	66,939	123,808	266
Little Rock-North Little Rock-Conway, AR M	207,826	52,753	283,816	636
Logan, UT-ID MSA	223,458	53,659	42,138	82
Longview, TX MSA	155,971	44,591	72,341	218
Longview, WA MSA	246,663	65,225	35,426	77
Los Angeles-Long Beach-Santa Ana, CA MS/	445,105	107,294	4,292,536	3,813
Louisville/Jefferson County, KY-IN MSA	229,997	59,226	533,456	1,140
Lubbock, TX MSA	250,013	76,069	111,958	173
Lynchburg, VA MSA	223,782	54,240	102,347	196
Macon, GA MSA	198,624	52,472	84,446	169
Madera-Chowchilla, CA MSA	271,959	67,513	41,538	73
Madison, WI MSA	293,258	83,743	244,625	381
Manchester-Nashua, NH MSA	323,009	95,042	159,493	230
Mansfield, OH MSA	222,557	61,861	48,355	103
McAllen-Edinburg-Mission, TX MSA	137,758	42,748	237,476	656
Medford, OR MSA	272,536	69,332	74,464	156
Memphis, TN-MS-AR MSA	194,193	52,811	493,575	1,183
Merced, CA MSA	351,321	88,213	79,793	92
Miami-Fort Lauderdale-Pompano Beach, FL M	342,099	97,050	2,058,718	1,953
Midland, TX MSA	240,632	69,973	51,972	111
Milwaukee-Waukesha-West Allis, WI MSA	346,831	100,111	641,192	943
Minneapolis-St. Paul-Bloomington, MN-WI M	336,496	89,372	1,327,842	2,009
Mobile, AL MSA	163,596	42,440	154,719	327
Modesto, CA MSA	255,320	64,669	166,773	281
Monroe, LA MSA	196,501	50,170	70,146	106
Monroe, MI MSA	227,025	62,366	57,536	106
Montgomery, AL MSA	199,530	48,515	150,721	276
Morgantown, WV MSA	208,761	51,142	51,113	107
Morristown, TN MSA	203,473	50,167	50,289	100
Mount Vernon-Anacortes, WA MSA	245,286	62,316	42,494	77
Muncie, IN MSA	208,458	55,525	48,842	103
Muskegon-Norton Shores, MI MSA	205,803	60,633	65,952	129
Myrtle Beach-North Myrtle Beach-Conway, S	203,843	50,379	137,484	283
Napa, CA MSA	580,197	142,369	44,979	19
Naples-Marco Island, FL MSA	413,389	105,952	123,245	75
Nashville-Davidson--Murfreesboro--Franklin,	261,290	65,354	622,873	1,096
New Haven-Milford, CT MSA	318,180	93,482	337,231	514
New Orleans-Metairie-Kenner, LA MSA	248,612	65,357	476,731	750
New York-Northern New Jersey-Long Island,	407,805	113,408	7,040,717	5,742
Niles-Benton Harbor, MI MSA	355,099	96,306	67,997	80
North Port-Bradenton-Sarasota, FL MSA	290,155	78,160	294,796	371
Ocala, FL MSA	226,250	60,413	134,869	333
Ocean City, NJ MSA	448,406	118,716	39,273	35
Odessa, TX MSA	216,022	62,359	48,352	108
Ogden-Clearfield, UT MSA	285,382	69,601	182,900	391
Oklahoma City, OK MSA	230,816	63,382	487,440	935
Olympia, WA MSA	290,425	74,854	103,069	207
Omaha-Council Bluffs, NE-IA MSA	219,334	65,366	356,329	731
Orlando-Kissimmee-Sanford, FL MSA	323,141	85,927	805,830	955
Oshkosh-Neenah, WI MSA	249,872	72,679	66,752	154
Oxnard-Thousand Oaks-Ventura, CA MSA	391,706	94,599	272,711	343
Palm Bay-Melbourne-Titusville, FL MSA	359,862	98,315	221,973	257
Panama City-Lynn Haven-Panama City Beach	187,641	48,955	66,256	123
Pascagoula, MS MSA	162,073	44,932	55,327	161
Pensacola-Ferry Pass-Brent, FL MSA	171,995	45,705	187,473	489
Peoria, IL MSA	279,063	83,796	154,710	283
Philadelphia-Camden-Wilmington, PA-NJ-DE	270,854	75,346	2,240,167	3,914

NATIONAL ASSOCIATION OF HOME BUILDERS

Table1. Households Priced Out of the Market by a \$1,000 Price Increase, 2014

Metropolitan Statistical Area	Median New Home Price	Income Needed to Qualify	Households	
			All	Priced Out
Phoenix-Mesa-Glendale, AZ MSA	299,444	74,110	1,594,811	2,670
Pittsburgh, PA MSA	383,844	110,558	1,012,323	934
Port St. Lucie, FL MSA	346,618	99,486	183,423	199
Portland-South Portland-Biddeford, ME MSA	321,500	84,074	218,046	281
Portland-Vancouver-Hillsboro, OR-WA MSA	324,988	83,386	873,789	1,190
Poughkeepsie-Newburgh-Middletown, NY M	315,346	93,615	231,194	383
Prescott, AZ MSA	271,476	65,766	98,451	184
Providence-New Bedford-Fall River, RI-MA	314,448	84,389	623,169	805
Provo-Orem, UT MSA	289,202	68,850	149,368	309
Pueblo, CO MSA	212,056	54,060	62,804	182
Punta Gorda, FL MSA	255,458	72,257	79,495	189
Racine, WI MSA	283,360	83,396	75,451	110
Raleigh-Cary, NC MSA	239,300	60,054	477,113	986
Reading, PA MSA	255,169	74,361	143,350	309
Redding, CA MSA	242,398	60,089	66,329	109
Reno-Sparks, NV MSA	302,827	75,485	173,013	295
Richmond, VA MSA	220,984	54,604	481,937	1,003
Riverside-San Bernardino-Ontario, CA MSA	294,917	74,642	1,269,021	2,050
Roanoke, VA MSA	247,589	61,709	138,319	310
Rochester, MN MSA	289,029	76,208	74,890	139
Rochester, NY MSA	363,279	119,792	421,843	418
Rockford, IL MSA	161,275	52,310	132,629	402
Rocky Mount, NC MSA	197,825	52,868	52,983	107
Rome, GA MSA	233,496	60,762	33,306	73
Sacramento--Arden-Arcade--Roseville, CA M	368,853	92,854	796,644	1,004
Saginaw-Saginaw Township North, MI MSA	220,475	64,958	81,456	155
Salem, OR MSA	278,962	72,881	149,861	271
Salinas, CA MSA	336,843	81,481	125,003	156
Salisbury, MD MSA	172,707	43,739	44,757	78
Salt Lake City, UT MSA	286,243	69,358	389,439	777
San Antonio-New Braunfels, TX MSA	227,539	68,643	774,537	1,712
San Diego-Carlsbad-San Marcos, CA MSA	443,256	106,876	1,117,831	912
San Francisco-Oakland-Fremont, CA MSA	441,837	106,571	1,665,167	1,597
San Jose-Sunnyvale-Santa Clara, CA MSA	447,432	107,821	647,818	729
San Luis Obispo-Paso Robles, CA MSA	419,878	100,466	103,348	137
Sandusky, OH MSA	243,727	66,843	32,955	68
Santa Barbara-Santa Maria-Goleta, CA MSA	427,335	101,612	143,151	120
Santa Cruz-Watsonville, CA MSA	287,744	68,260	90,282	151
Santa Fe, NM MSA	180,544	42,743	65,157	119
Santa Rosa-Petaluma, CA MSA	325,692	79,106	191,860	262
Savannah, GA MSA	205,157	53,207	139,421	311
Scranton--Wilkes-Barre, PA MSA	345,255	96,513	222,523	274
Seattle-Tacoma-Bellevue, WA MSA	368,710	94,273	1,397,266	1,775
Sebastian-Vero Beach, FL MSA	433,676	117,492	61,928	37
Sheboygan, WI MSA	295,862	85,947	48,035	79
Shreveport-Bossier City, LA MSA	199,792	51,275	151,106	284
Sioux City, IA-NE-SD MSA	269,059	78,691	50,974	72
Sioux Falls, SD MSA	180,932	49,784	89,630	283
South Bend-Mishawaka, IN-MI MSA	275,678	72,826	119,914	222
Spartanburg, SC MSA	169,499	42,354	115,152	317
Spokane, WA MSA	358,134	93,874	192,335	244
Springfield, IL MSA	248,178	74,317	87,129	142
Springfield, MA MSA	357,528	97,210	259,426	343
Springfield, MO MSA	210,300	53,752	184,137	450
Springfield, OH MSA	245,947	68,424	53,722	95
St. Cloud, MN MSA	238,803	62,543	71,849	136
St. George, UT MSA	218,646	52,782	52,381	121

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Table1. Households Priced Out of the Market by a \$1,000 Price Increase, 2014

Metropolitan Statistical Area	Median New Home Price	Income Needed to Qualify	Households	
			All	Priced Out
St. Joseph, MO-KS MSA	212,137	55,439	50,925	103
St. Louis, MO-IL MSA	263,137	72,040	1,115,669	2,071
State College, PA MSA	261,048	69,018	53,699	88
Stockton, CA MSA	311,589	78,983	219,842	252
Sumter, SC MSA	131,871	33,549	38,919	124
Syracuse, NY MSA	299,007	95,900	268,267	387
Tallahassee, FL MSA	220,666	56,798	137,300	279
Tampa-St. Petersburg-Clearwater, FL MSA	376,565	103,652	1,177,086	842
Terre Haute, IN MSA	203,506	54,299	73,531	173
Toledo, OH MSA	255,682	73,852	260,186	362
Topeka, KS MSA	216,320	62,215	91,646	221
Trenton-Ewing, NJ MSA	446,961	136,243	134,536	88
Tucson, AZ MSA	287,021	73,702	399,026	660
Tulsa, OK MSA	223,880	60,536	375,628	867
Tuscaloosa, AL MSA	248,394	59,158	79,981	120
Tyler, TX MSA	232,175	65,966	74,360	129
Utica-Rome, NY MSA	298,972	94,627	118,949	169
Valdosta, GA MSA	137,268	35,630	54,958	196
Vallejo-Fairfield, CA MSA	255,570	64,307	143,461	259
Vineland-Millville-Bridgeton, NJ MSA	177,370	55,125	50,779	104
Virginia Beach-Norfolk-Newport News, VA-NC	234,587	59,056	648,268	1,370
Visalia-Porterville, CA MSA	253,824	63,209	134,074	272
Waco, TX MSA	201,313	60,613	87,319	163
Warner Robins, GA MSA	232,089	60,349	53,293	116
Waterloo-Cedar Falls, IA MSA	232,706	64,308	65,726	166
Wausau, WI MSA	243,269	70,353	49,835	111
Wenatchee-East Wenatchee, WA MSA	239,422	60,552	42,564	94
Wichita Falls, TX MSA	223,899	70,763	64,542	159
Wichita, KS MSA	226,945	64,818	245,039	586
Williamsport, PA MSA	289,987	79,994	43,826	70
Wilmington, NC MSA	266,712	66,865	152,944	282
Winchester, VA-WV MSA	233,050	56,203	51,402	62
Winston-Salem, NC MSA	189,420	48,459	201,425	445
Worcester, MA MSA	296,995	79,168	307,142	428
Yakima, WA MSA	276,602	72,065	75,369	135
York-Hanover, PA MSA	265,832	74,801	170,288	352
Youngstown-Warren-Boardman, OH-PA MSA	232,467	65,474	224,983	405
Yuba City, CA MSA	246,352	63,666	57,492	115
Yuma, AZ MSA	178,173	46,100	69,720	187

NATIONAL ASSOCIATION OF HOME BUILDERS

Table 2. Households Priced Out of the Market by a \$1,000 Price Increase, 2014

State	Median New Home Price	Income Needed to Qualify	Households	
			All	Priced Out
United States	275,000	73,649	117,950,185	206,269
Alabama	216,824	54,196	1,846,416	3,459
Alaska	325,180	86,106	240,666	365
Arizona	287,001	71,864	2,466,063	4,157
Arkansas	219,523	56,290	1,177,040	2,568
California	365,167	89,309	12,722,186	14,423
Colorado	342,690	82,957	2,038,141	2,540
Connecticut	491,425	140,012	1,370,235	1,018
Delaware	152,017	36,066	354,999	720
Florida	319,174	86,902	7,384,825	8,296
Georgia	217,402	56,242	3,610,908	7,302
Hawaii	384,693	85,981	446,122	594
Idaho	252,325	62,339	588,976	1,088
Illinois	278,778	85,014	4,836,857	7,578
Indiana	247,100	64,441	2,506,214	4,683
Iowa*	192,500	54,379	1,247,875	3,126
Kansas	264,152	75,540	1,138,738	2,263
Kentucky	191,386	49,975	1,778,941	3,927
Louisiana	222,820	57,406	1,754,897	3,189
Maine	305,742	81,351	559,561	679
Maryland	236,366	60,421	2,204,876	4,077
Massachusetts	432,724	111,864	2,503,159	2,506
Michigan	262,479	76,700	3,914,075	5,158
Minnesota	299,182	79,693	2,143,218	3,172
Mississippi	181,372	48,929	1,109,834	2,338
Missouri	241,663	64,150	2,395,676	4,160
Montana	252,007	64,633	418,478	806
Nebraska	224,127	67,330	753,507	1,632
Nevada	203,067	51,139	1,056,922	2,470
New Hampshire	351,646	103,152	524,545	632
New Jersey	320,667	95,594	3,262,062	4,897
New Mexico	232,383	58,481	760,438	1,389
New York	411,169	113,548	7,341,977	6,794
North Carolina	236,763	60,597	3,829,129	7,913
North Dakota	228,691	64,894	306,553	628
Ohio	254,742	71,471	4,587,078	8,724
Oklahoma	221,891	60,090	1,454,571	3,157
Oregon	308,706	79,240	1,516,913	1,839
Pennsylvania	318,277	88,292	5,000,347	6,820
Rhode Island	315,209	87,044	414,736	549
South Carolina	264,082	65,971	1,824,935	2,880
South Dakota	200,313	56,488	324,868	752
Tennessee	217,429	55,269	2,505,609	5,227
Texas	222,052	68,010	9,217,089	18,250
Utah	277,172	67,170	919,013	1,838
Vermont	341,178	95,924	260,860	383
Virginia	225,747	55,851	3,137,955	5,779
Washington	331,450	85,484	2,645,229	3,469
West Virginia	199,156	50,250	753,970	1,629
Wisconsin	260,618	75,572	2,314,606	4,912
Wyoming	335,960	82,560	225,474	313

*New home price provided by a local HBA