

# NARROWING THE WEALTH GAP THROUGH HOMEOWNERSHIP

2022 Fairfax County  
Housing Symposium

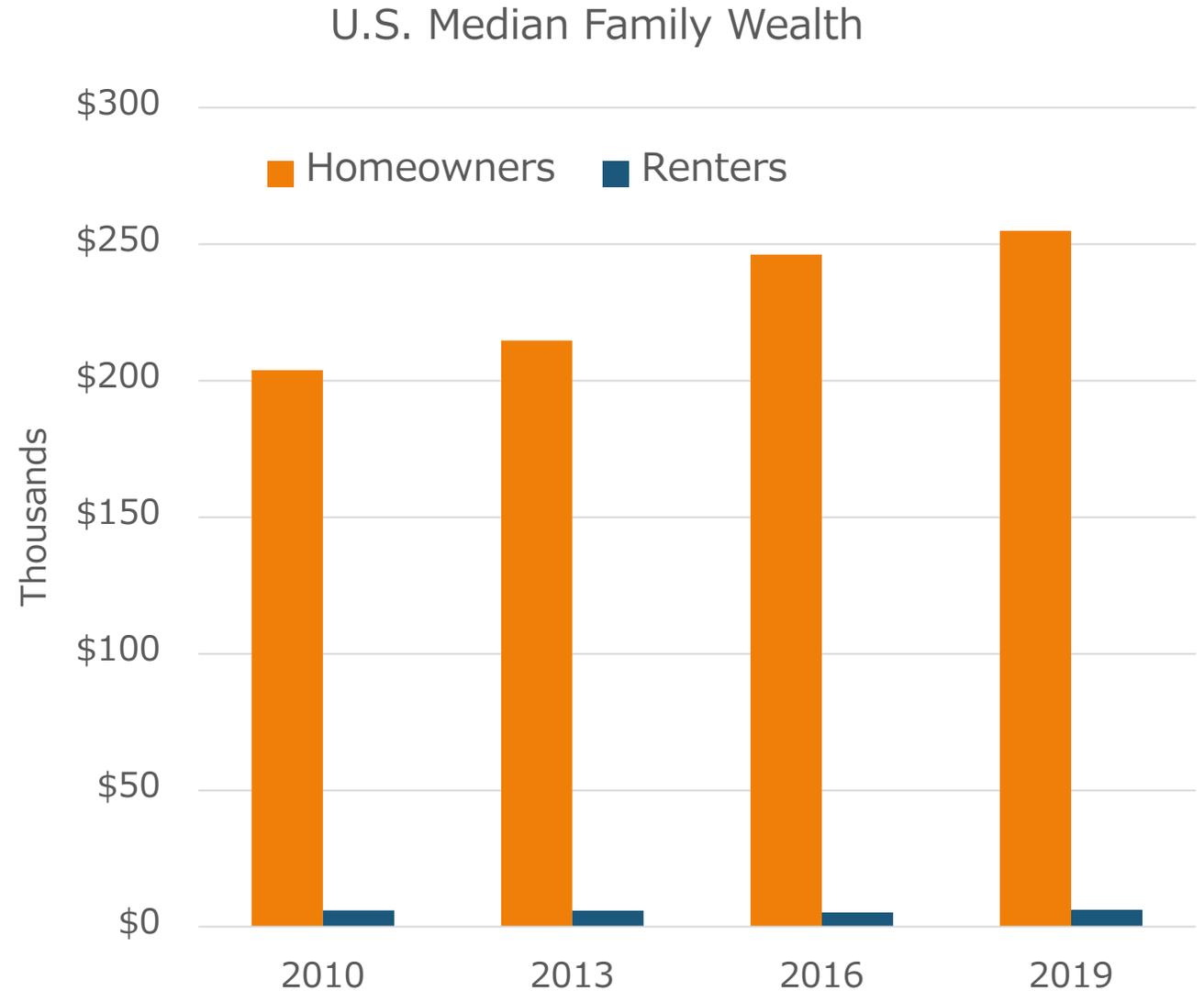
May 17, 2022

Lisa Sturtevant, PhD  
Chief Economist, Virginia REALTORS®



The median wealth of homeowners is **40 times** higher than that of renters.

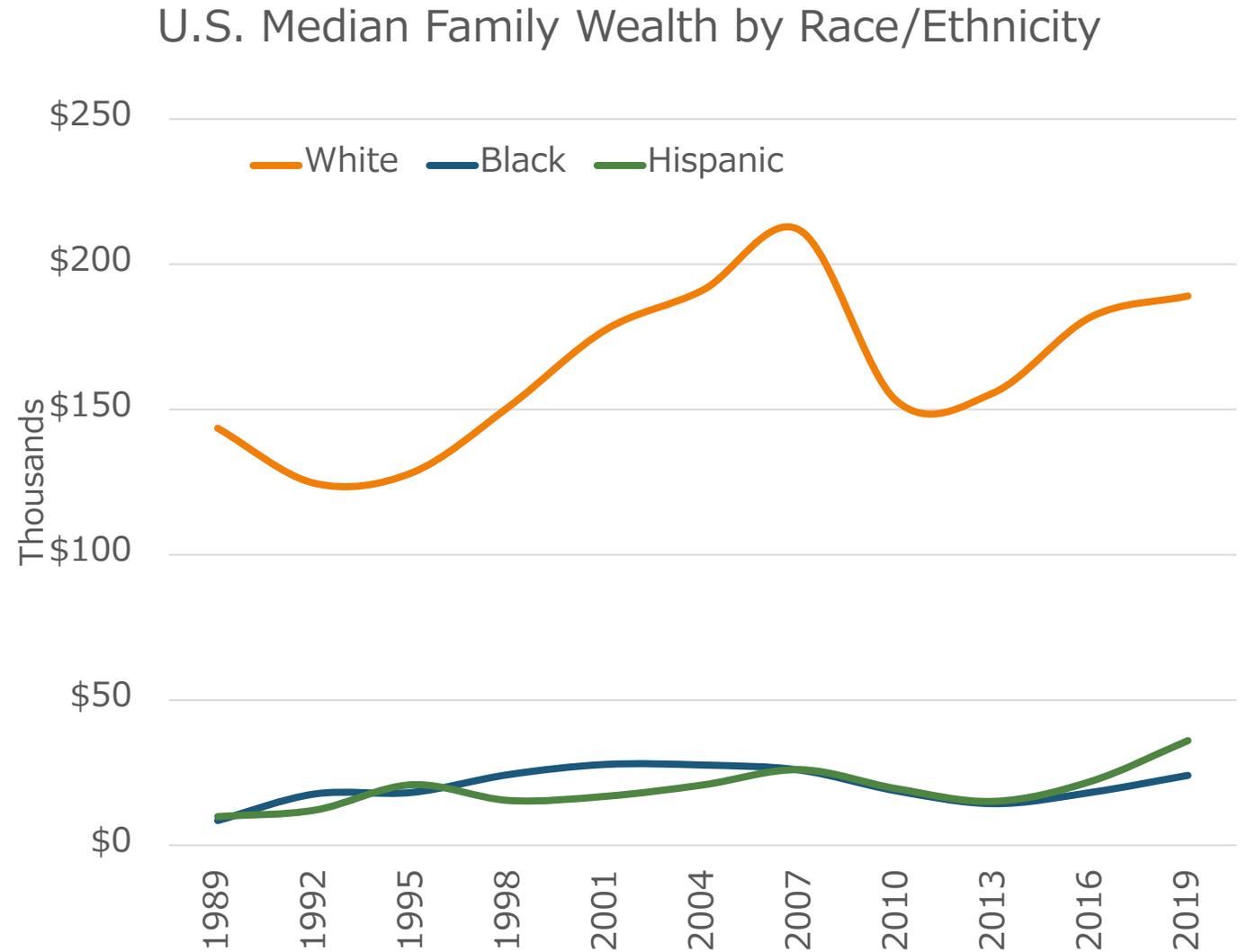
During the pandemic, homeowners have seen their wealth soar as **home equity grew by 42%.**



Source: Survey of Consumer Finances, Core Logic

Wealth gaps by race/ethnicity remain persistently large.

The average White family has **8 times** the wealth of the average Black family and **5 times** the wealth of the average Hispanic family.



Source: Survey of Consumer Finances

Home prices in Northern Virginia are high—and **rose rapidly during the pandemic.**

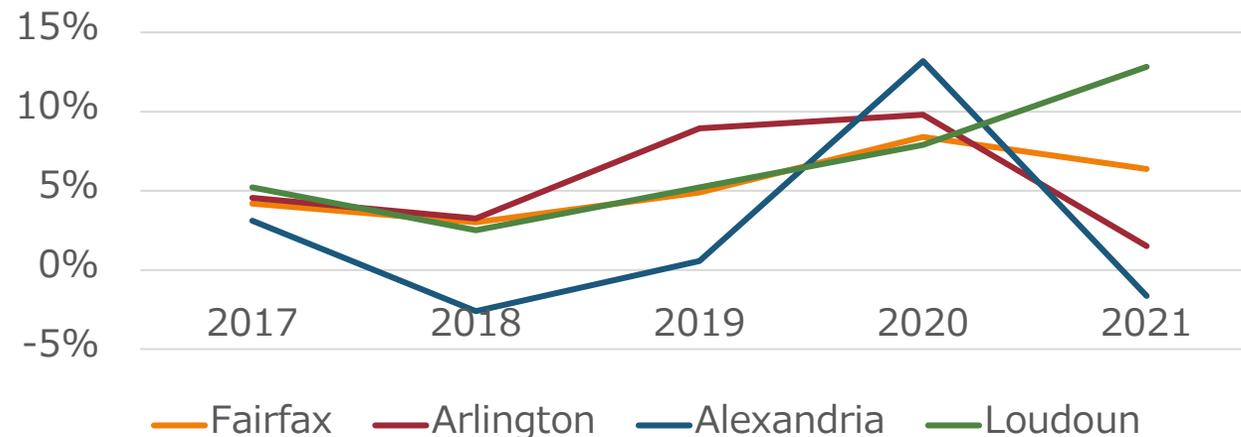
The median home price in the region—across single-family, townhomes, and condos—is now about **\$600,000.**

A household would need an **income of at least \$115,000** to afford the typical home.

Median Home Price

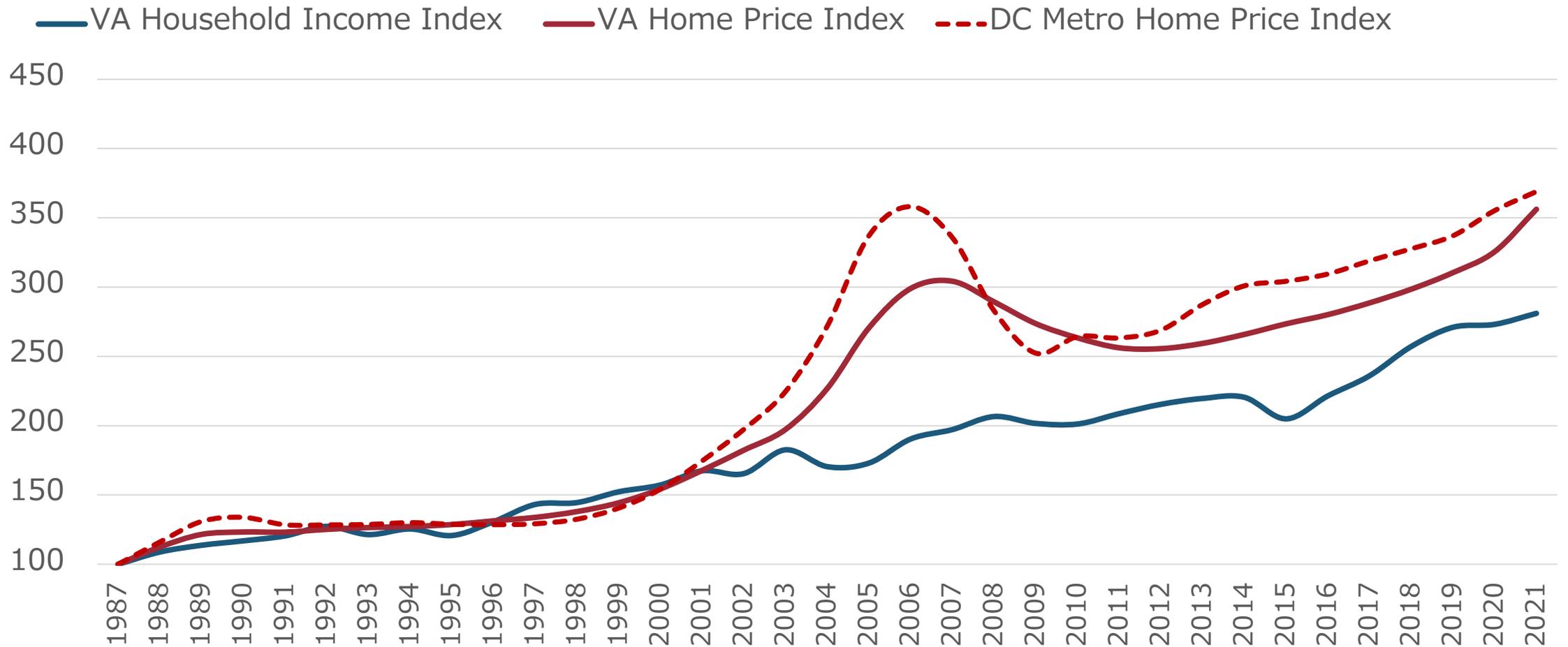
|            | 2017   | 2018   | 2019   | 2020   | 2021   |
|------------|--------|--------|--------|--------|--------|
| Fairfax    | \$495K | \$510K | \$535K | \$580K | \$617K |
| Arlington  | \$575K | \$560K | \$610K | \$670K | \$680K |
| Alexandria | \$510K | \$527K | \$530K | \$600K | \$590K |
| Loudoun    | \$468K | \$480K | \$505K | \$545K | \$615K |

Median Home Price – Annual Change

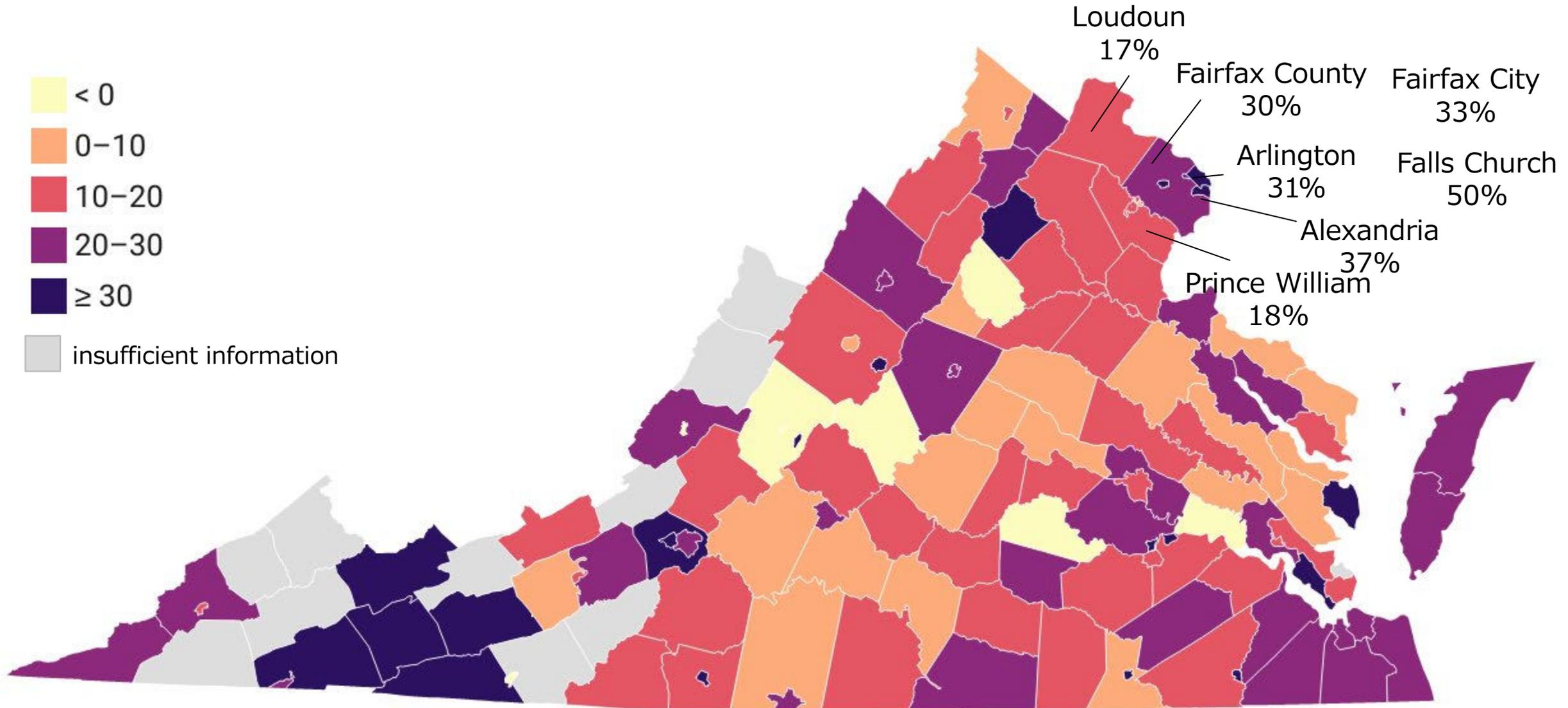


# Affordability

Home prices are rising much faster than incomes



# White-Black Homeownership Rate Gap in Virginia, 2019



Source: U.S. Census Bureau, American Community Survey

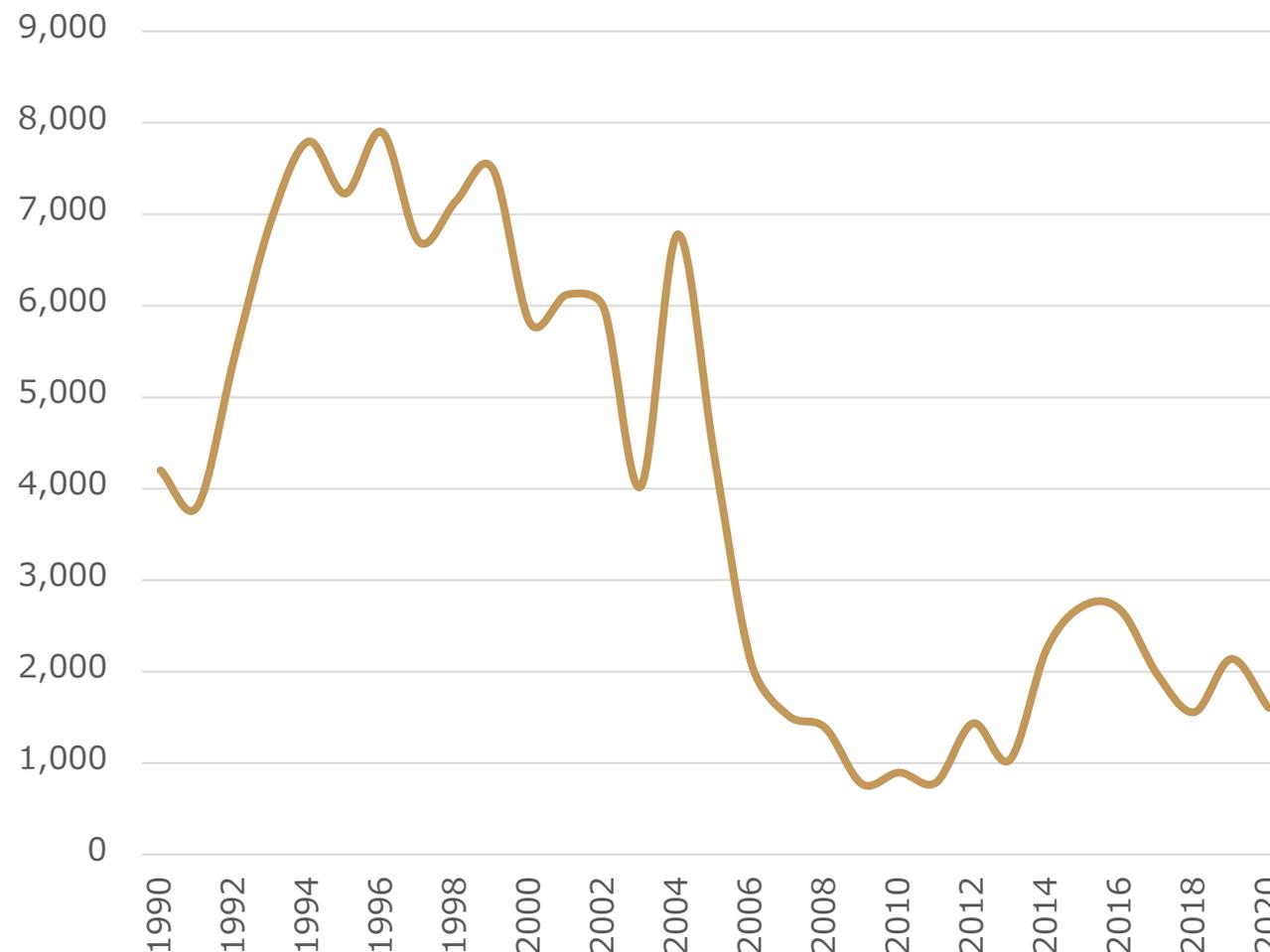
Inventory in the region is low.

The pace of **new construction has been insufficient to keep up with demand.**

Challenges to new construction:

- Lumber
- Land
- Labor
- Laws

Housing Units Authorized by Building Permit,  
Fairfax County

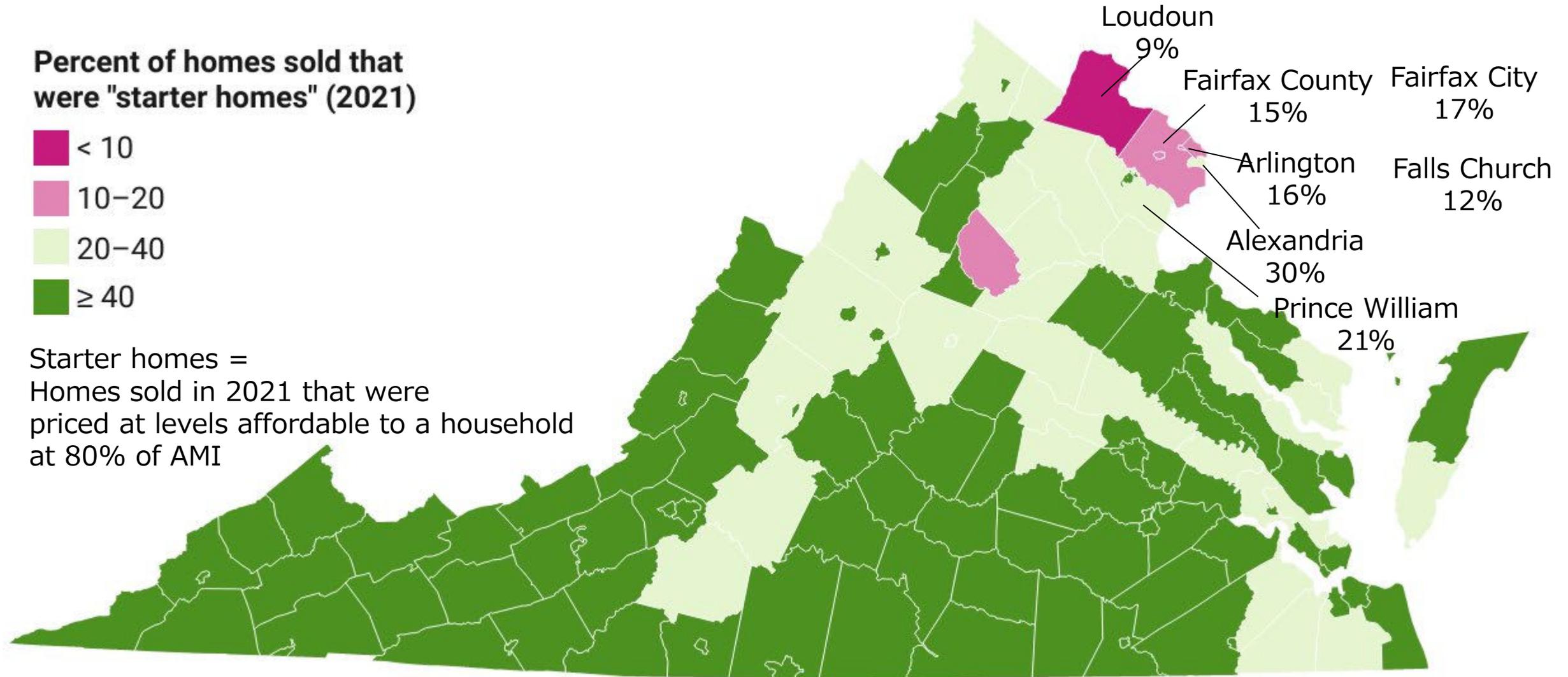


Source: U.S. Census Bureau

## Percent of homes sold that were "starter homes" (2021)



Starter homes =  
Homes sold in 2021 that were  
priced at levels affordable to a household  
at 80% of AMI



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