

NARROWING THE WEALTH GAP THROUGH HOMEOWNERSHIP

2022 Fairfax County
Housing Symposium

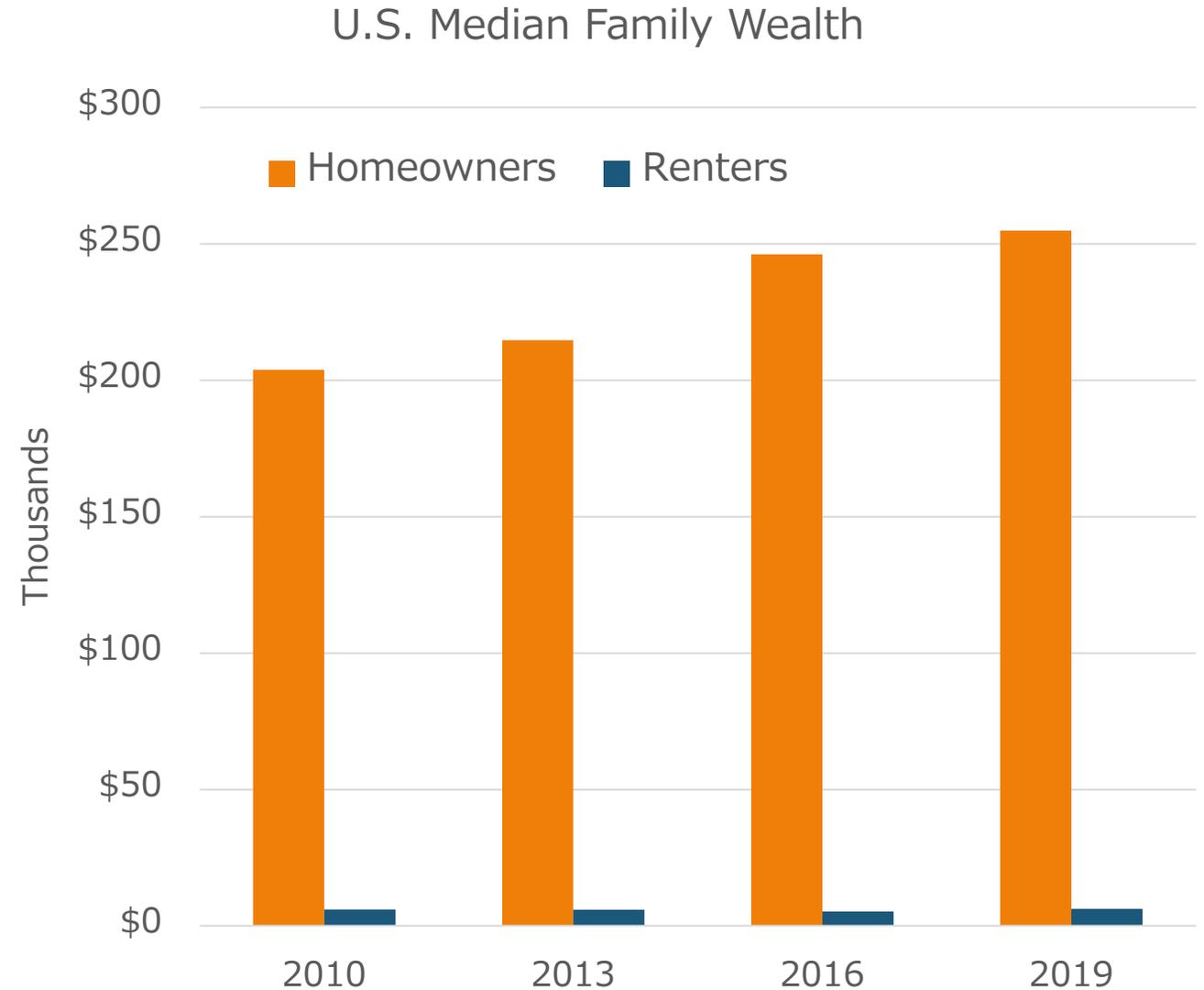
May 17, 2022

Lisa Sturtevant, PhD
Chief Economist, Virginia REALTORS®



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

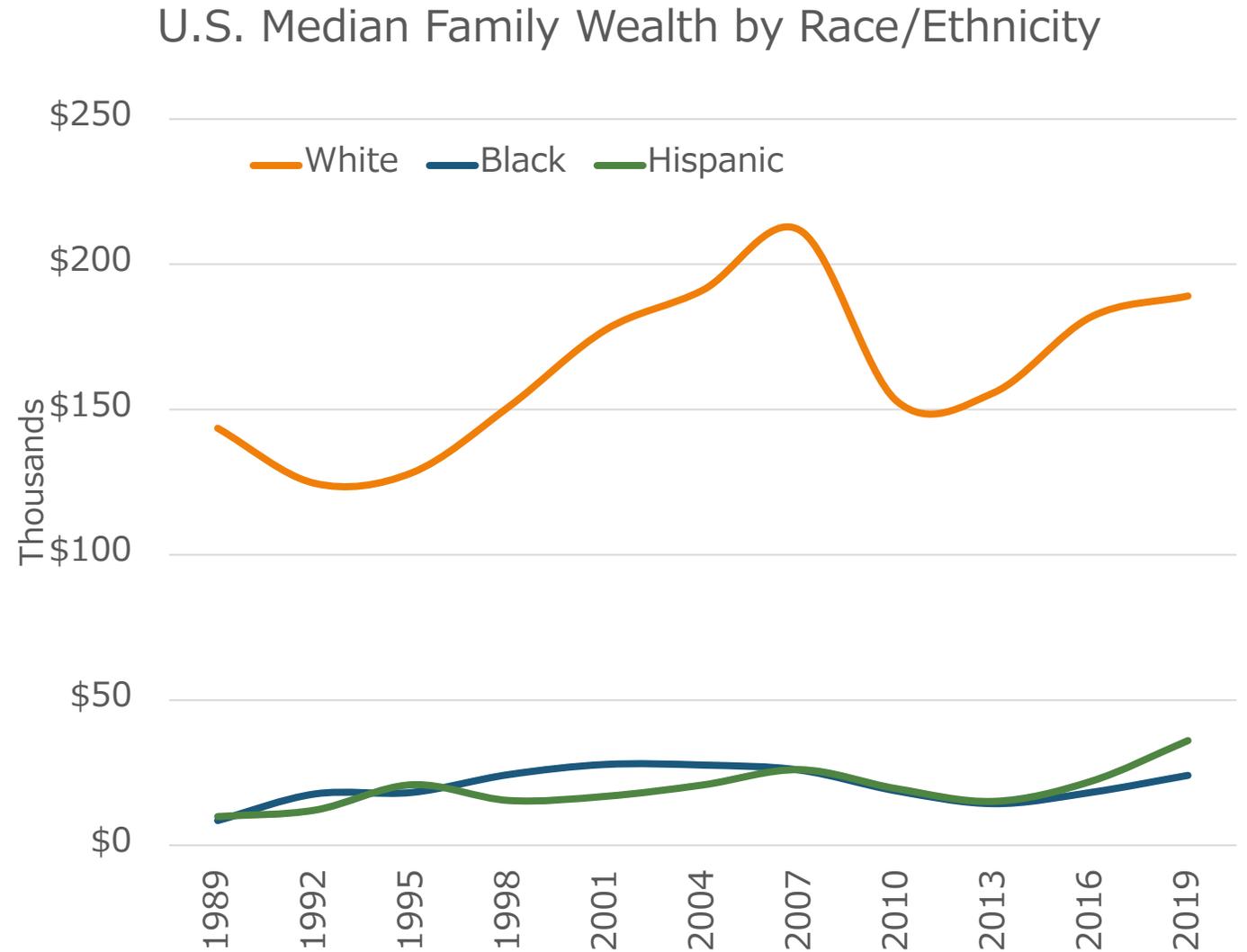
During the pandemic, homeowners have seen their wealth soar as **home equity grew by 42%.**



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.**

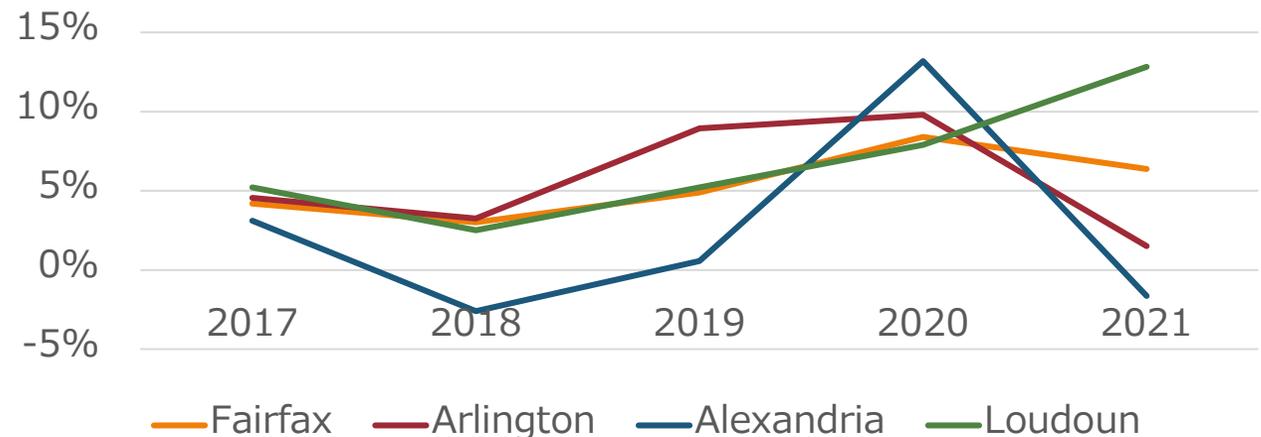
The median home price in the region—across single-family, townhomes, and condos—is now about **\$600,000.**

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

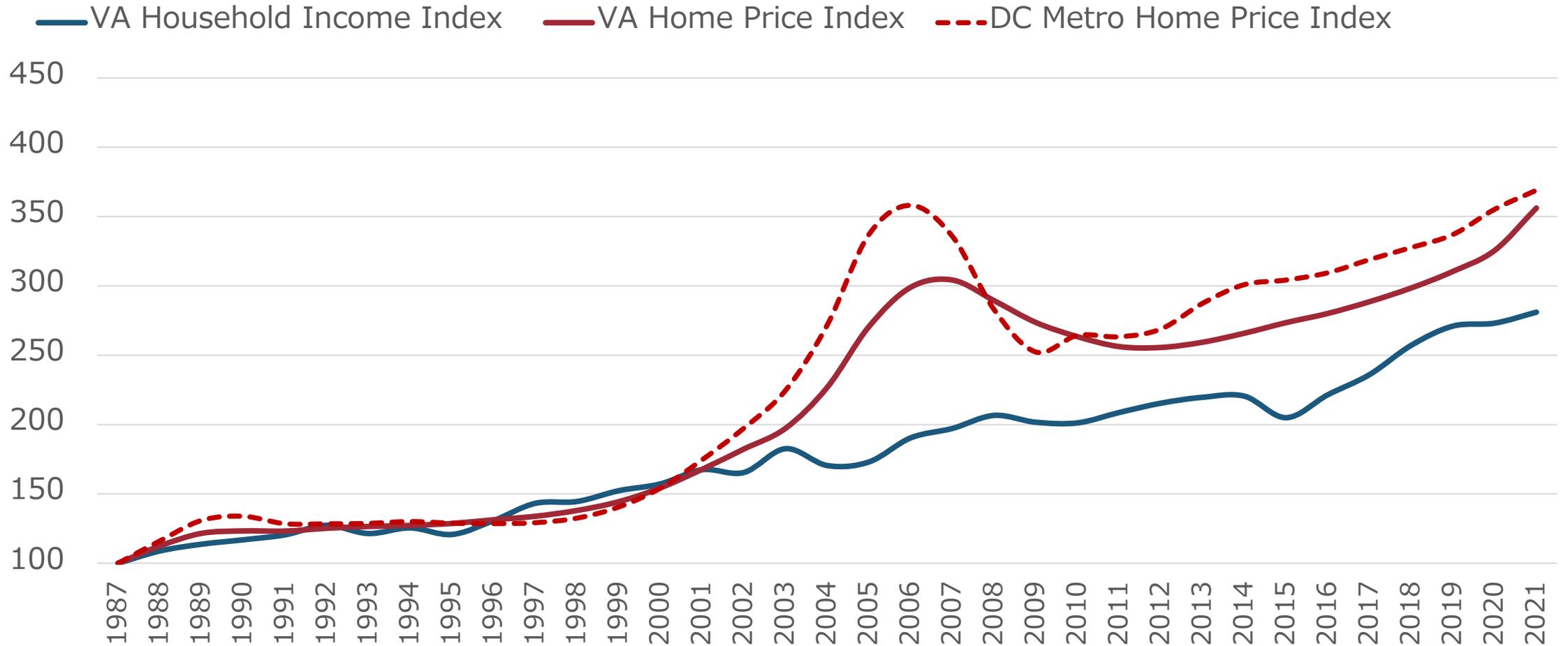
Median Home Price – Annual Change



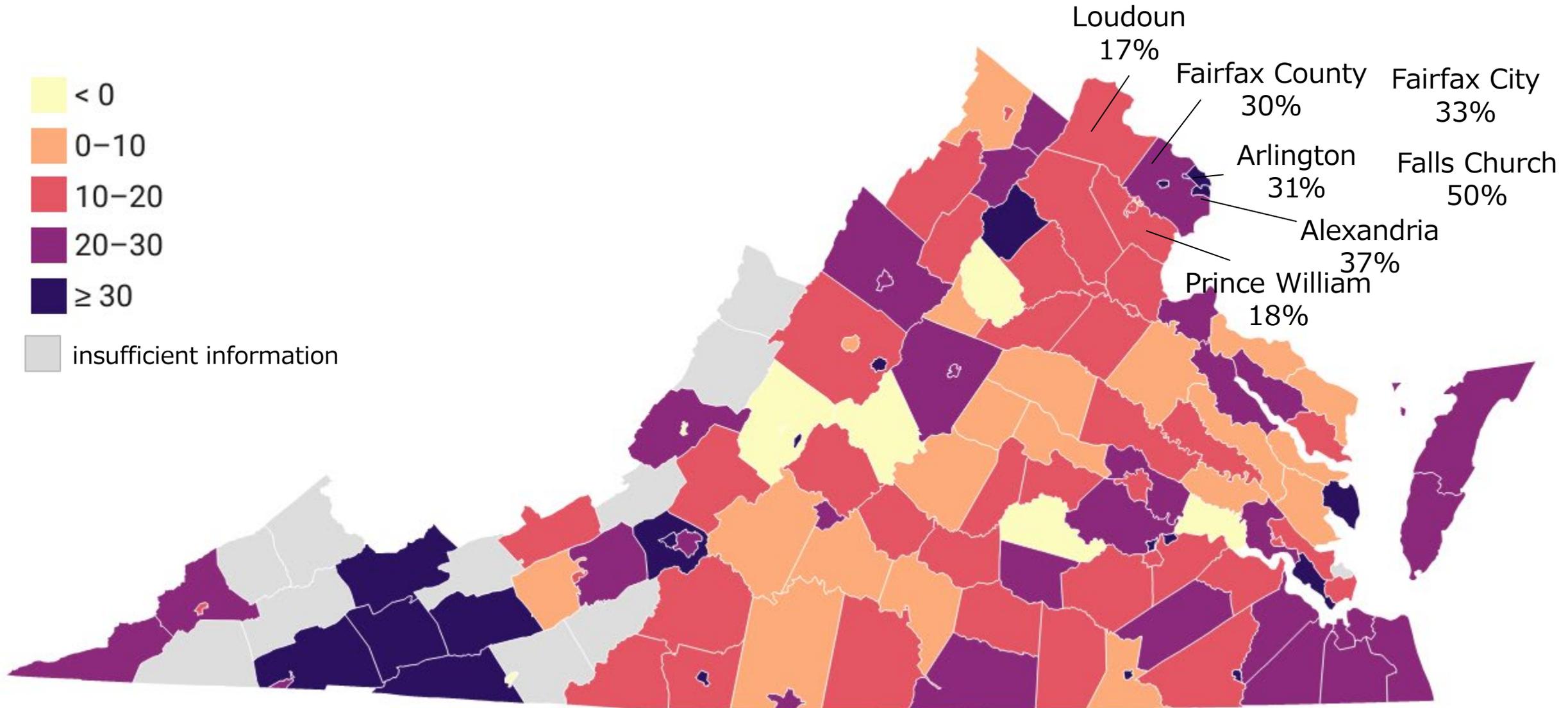
Source: Virginia REALTORS®

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

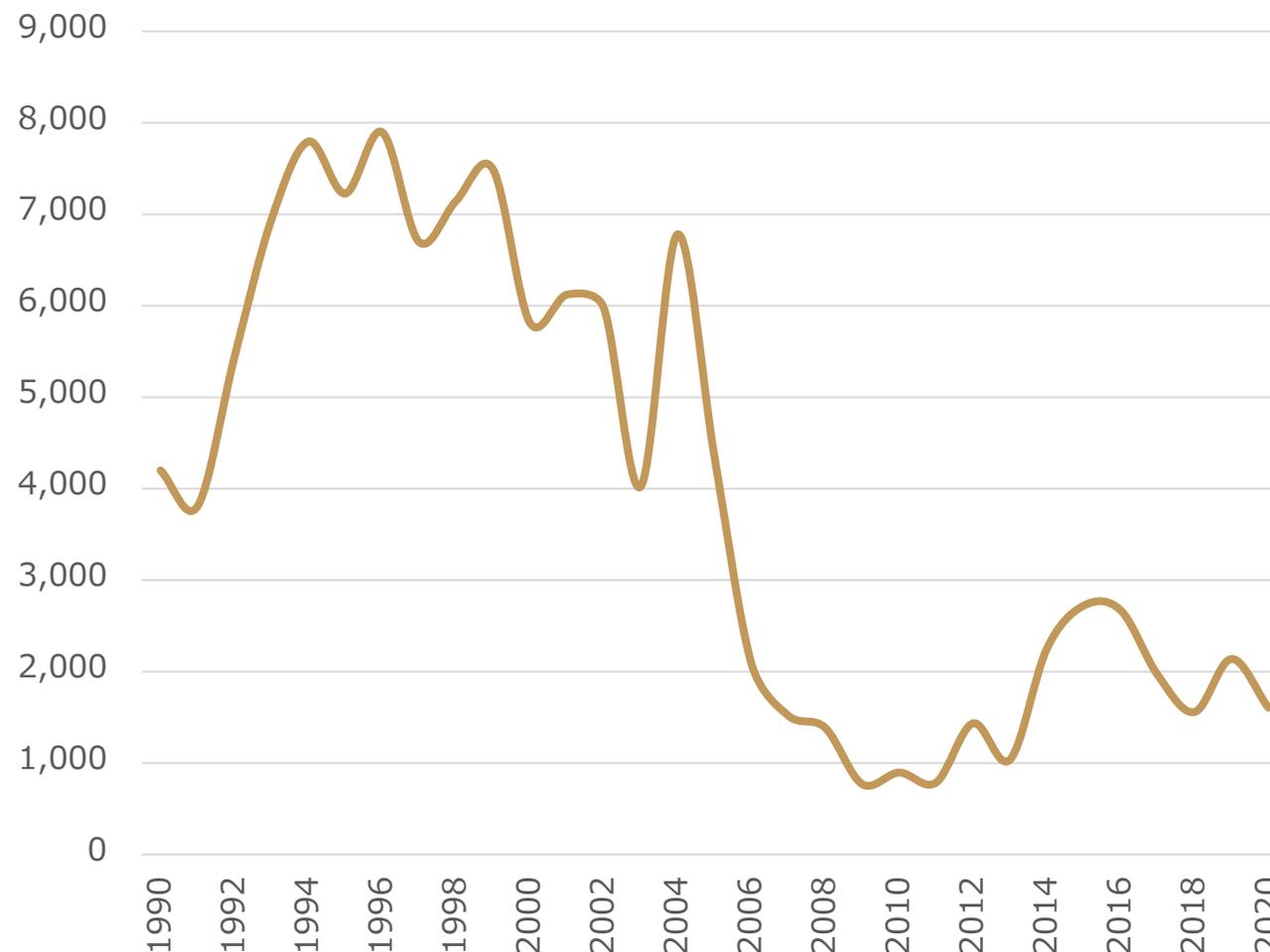
Inventory in the region is low.

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

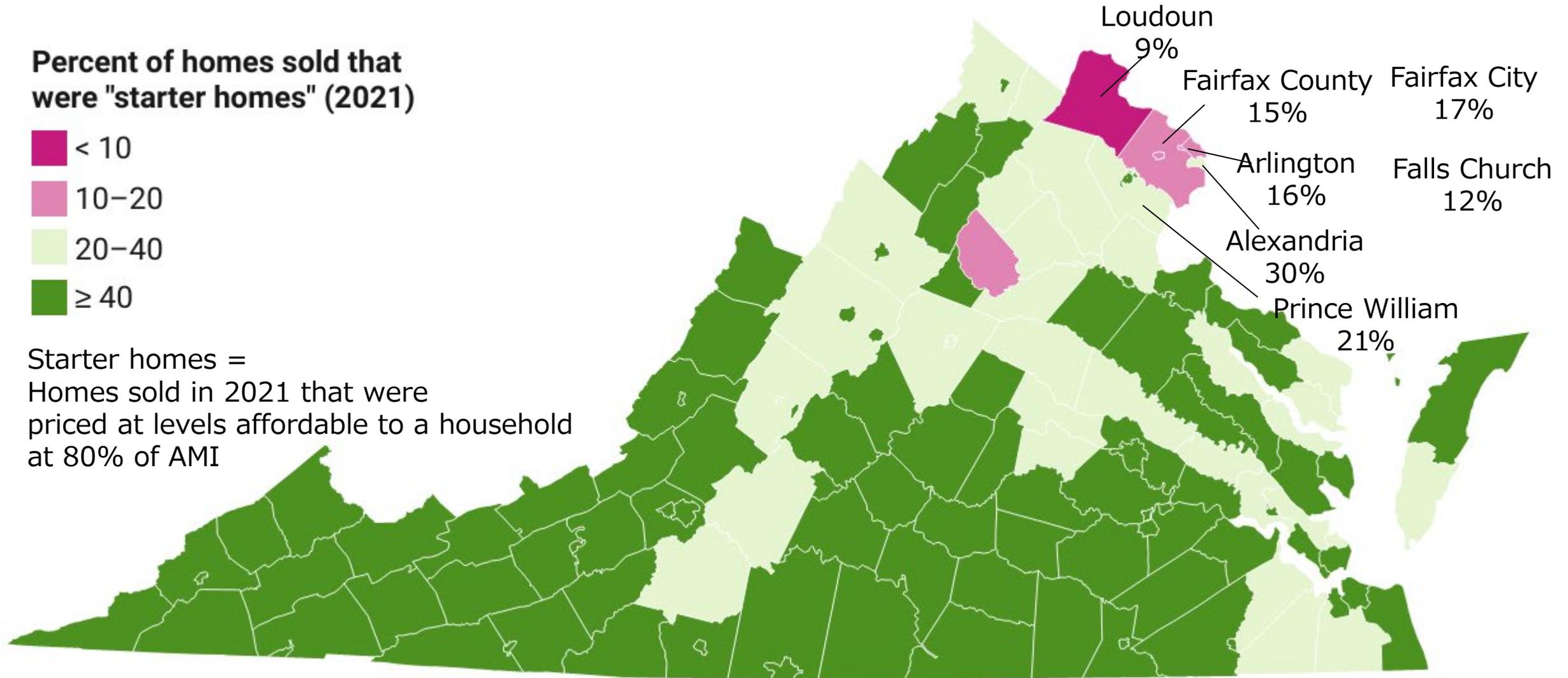


Source: U.S. Census Bureau

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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