

NeighborWorks[®] Campaign for Home Ownership 2002

Affordability

(60-Month Data: January 1, 1998 – December 31, 2002)

AFFORDABILITY MEASURES

Household Income and Monthly Payments (PITI)

- Sixty-five percent of new homeowners pay less than 30 percent of their annual household income for their housing costs.
- Forty-one percent of new homeowners pay less than 25 percent of their annual household income for their housing costs.
- Nineteen percent of new homeowners pay less than 20 percent of their annual household income for their housing costs.

Monthly Payments (PITI) and Prior Rent

- Home ownership is less costly than renting for 18 percent of the new homeowners.
 - Home ownership is either less costly than renting or only marginally more costly for 27 percent of the new homeowners (marginally more costly means 1 percent to 10 percent above their previous rent).
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