



1600 E. Roosevelt Road • Wheaton, IL 60187
P: 630-260-2500 • F: 630-260-2505

FOR IMMEDIATE RELEASE
September 1, 2011

Contact: **Debbie Olson, (630) 260-2500, ext. 2502**
debra@dhoc.org
or Lynette Briggs (630) 260-2500 ext. 2503
lynette@dhoc.org

DuPage Homeownership Center Releases
2011 Annual Labor Day Housing Affordability Index

DuPage Home Prices Becoming more Affordable for Lower Income Households

The gap between incomes and home prices in DuPage County narrowed in 2011 for the third straight year, according to a report issued today by the DuPage Homeownership Center, a nonprofit, HUD-certified housing counseling agency.

“Families who previously could not enter the high-cost DuPage County market now have a much greater possibility of becoming a homeowner,” said Paul Colgan, the Center’s Board Chairman. “This includes young families, police and fire personnel, nurses, teachers, and others who earn wages that for years did not keep pace with soaring housing prices.”

The Center’s Annual Labor Day Housing Affordability Index is 90, indicating a family earning the median income had 90 percent of the monthly income needed to afford the median-priced single-family home in the county. The index is 35 points higher than the 2007 index low of 55.

Fears of job loss, economic instability and uncertainty about how the process of buying a home works have made many people wary of making the long-term investment. For buyers looking to purchase a home in DuPage County, free resources are available. The DuPage Homeownership Center offers consumer education classes for first-time buyers and market-

readiness analysis, as well as the DuPage Homestead Program, a low-interest mortgage plan for income-eligible households.

DuPage County's Neighborhood Stabilization Program (NSP) provides an opportunity for repeat buyers as well as first-timers to purchase rehabbed foreclosed homes and includes a special financing package and \$3,000 in closing cost assistance.

For more information about these programs, contact the DuPage Homeownership Center at (630) 260-2500 or visit their website at www.dhoc.org.

DuPage Homeownership Center

2011 Affordability Index: 90
2010 Affordability Index: 87
2009 Affordability Index: 84
2008 Affordability Index: 65
2007 Affordability Index: 55
2006 Affordability Index: 59
2005 Affordability Index: 63

Median Sales Price – Single-family Home in DuPage County – 2nd Quarter 2011 (Source: Illinois Association of Realtors Quarterly Housing Survey)	\$270,000
Median Income (Source: U.S. Dept. of Housing & Urban Development)	\$74,800
Downpayment (3.5% of home price – using FHA lending criteria)	\$9,450
Loan Amount (96.5% of home price, plus FHA upfront Mortgage Insurance Premium of 1% of loan amount, or \$260,550 + \$2,605.50)	\$263,155.50
Interest Rate – 30-year fixed-rate loan (Source: Illinois Association of Realtors – based on a composite of closing rates for fixed-rate mortgages on single-family homes as reported by Freddie Mac for the North Central region, which includes Illinois)	4.69%
Monthly principal & interest payment	\$1,363.25
Monthly real estate taxes (estimated at 2.0% of home price – standard “rule of thumb” in our area)	\$450.00
Monthly homeowners insurance premium (estimated at 0.3% of home price – standard “rule of thumb” in our area)	\$67.50
Monthly FHA mortgage insurance premium (0.9% of base loan amount for borrowers putting less than 5% down)	\$197.37
Total housing payment (principal, interest, real estate taxes, homeowners insurance and mortgage insurance premium)	\$2,078.12
Housing payment as a percentage of median monthly income	30%

Using the HUD standard that a household should spend **no more than 30%** of their monthly income on housing, a family would need to earn **\$83,124** to afford the payment of **\$2,078** on the median-priced home. Given that the median household income in DuPage County is **\$74,800**, the “typical” family would have **90%** of the income needed to afford the “typical” home; hence the **Affordability Index of 90**.

The median home price dropped 5.2% from \$284,900 in 2010 to \$270,000 in 2011; the benchmark interest rate fell slightly less than one-half of one percentage point from 4.94% to 4.69%, and the median income dropped 0.3% from \$75,100 to \$74,800. DuPage County’s median sales price of \$270,000 remains the highest of any county in the state. The next highest in the Chicago metro area is Lake County at \$225,000. *[The data used to calculate the index are published by the Illinois Association of Realtors (IAR), Freddie Mac and the U.S. Department of Housing and Urban Development (HUD).]*

Historical Data

Year	Median Sales Price (2 nd Quarter Sales Figures, Illinois Assoc. of Realtors)	Median Income (U.S. Dept. of Housing and Urban Development)	Interest Rate (Freddie Mac)	Affordability Index
2011	\$270,000	\$74,800	4.69%	90
2010	\$284,900	\$75,100	4.94%	87
2009	\$290,000	\$74,900	5.07%	84
2008	\$329,000	\$71,600	6.12%	65
2007	\$360,000	\$69,800	6.40%	55
2006	\$343,500	\$72,400	6.69%	59
2005	\$327,000	\$69,700	5.83%	63

#