



Media Release

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Statistics on Washington's housing market and other useful information are available on WCRER's Web site: www.cbe.wsu.edu/~wcrer. For other information on real estate markets around the State of Washington, or general information about the real estate industry in the state (excluding legal questions), readers can reach the WCRER at 1-800-835-9683.



Home Value Comparisons

It may seem dated to write an article based on the 2000 census when it is already 2005, but interesting findings from that decennial study are still being released. An excellent example is a report entitled, "Home Values 2000." This report analyzes results obtained from owner occupied homes, and compares the 2000 results with 10 years earlier. Some data compares national trends, some focuses on states.

Nationally, the median reported value rose from \$79,100 in 1990 to \$119,600 in 2000, but some of that increase can be attributed to general inflation. As a result, the Census Bureau estimated what the 1990 price would have been in constant (2000) dollars (\$101,100). Comparing that value to the 2000 median (\$119,600) indicates real housing values increased 18.3 percent during the decade, or about 1.1 percent per year. It may not sound like much, but when you realize that's on top of inflation, homes truly are both investment and shelter.

Since this data was tallied for each state, it is worth noting that the real value of housing in Washington increased 41.1 percent during the 1990s—more than double the national rate. Only five states saw more rapid value growth during that period. Significantly, Oregon was the leader during the decade, and Idaho was fifth. A total of 12 states saw real values decline during the decade, including California. Of course, the rapid pace of home prices in the last couple of years may lead to a sharply different story when 2010 data becomes available. Nationally, real home values have increased roughly two percent per year for 50 years.

The highest median values are recorded by mid-career households, with a householder aged 45-54, although the age groups just younger and just older are not significantly different in value. While not a surprising finding, it's comforting to know that some of our assumptions about buying behavior are borne out by the statistics.

Nationally, different demographic groups clearly have different housing profiles as demonstrated by home values. Homeowners who characterize themselves as Black/African American alone owned homes with the lowest median value (\$80,600). At the other extreme, homeowners who were Asian alone had the highest value homes (\$199,300). Homeowners who were white alone, not Hispanic or Latino, recorded a median value of \$123,400—only marginally different from the nationwide median value of \$119,600.

As expected, metropolitan areas recorded median values much higher than communities which were outside the urban centers.

The median value owner-occupied home in Washington was \$168,300. Only four states recorded higher medians: Hawaii (\$272,700), California (\$211,500), Massachusetts (\$185,700), and New Jersey (\$170,800). Oregon (\$152,100) ranked ninth, while Idaho (\$106,300) was considerably further down the list.

One final note about these values is required. Homeowners who received the long-form questionnaire (about one out of every six households) were asked to estimate what their home would sell for if it were for sale, choosing from 24 price ranges. Households which recently purchased their homes or who were marketing their homes at the time of the Census should have been able to provide fairly accurate estimates. Others may have based their estimates on less information or have taken the attitude, "I might be able to sell it for X, but I don't think it's *worth* that much, so I'll say Y." Since those attitudes are fairly consistent from Census to Census, the measures of change and comparisons between groups are probably more reliable than the estimates of median value themselves.