Housing Affordability at its Highest Level in 35 Years

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Housing affordability across the country is at its highest level in 35 years, as measured by the ratio of home prices to annual household income. That ratio has fallen to 1.6 from its peak at 2.3 in 2005. The historical average between 1989-2003 was 1.9. Continued positive economic numbers in manufacturing and regional business activity indexes coupled with modest good news on employment and low interest rates should allow this ratio to trend up towards the norm of 1.9 in the next 2-5 years.

For more information, please read this article from The Wall Street Journal.