

Housing Value and Affordability

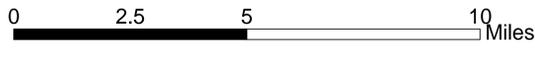
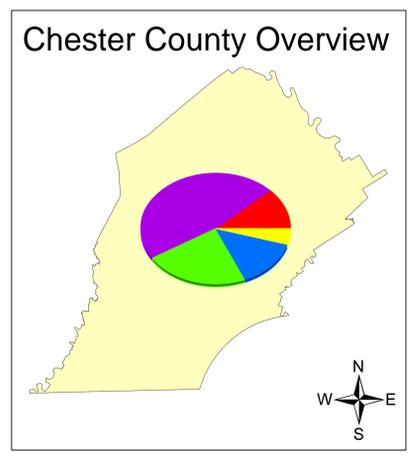
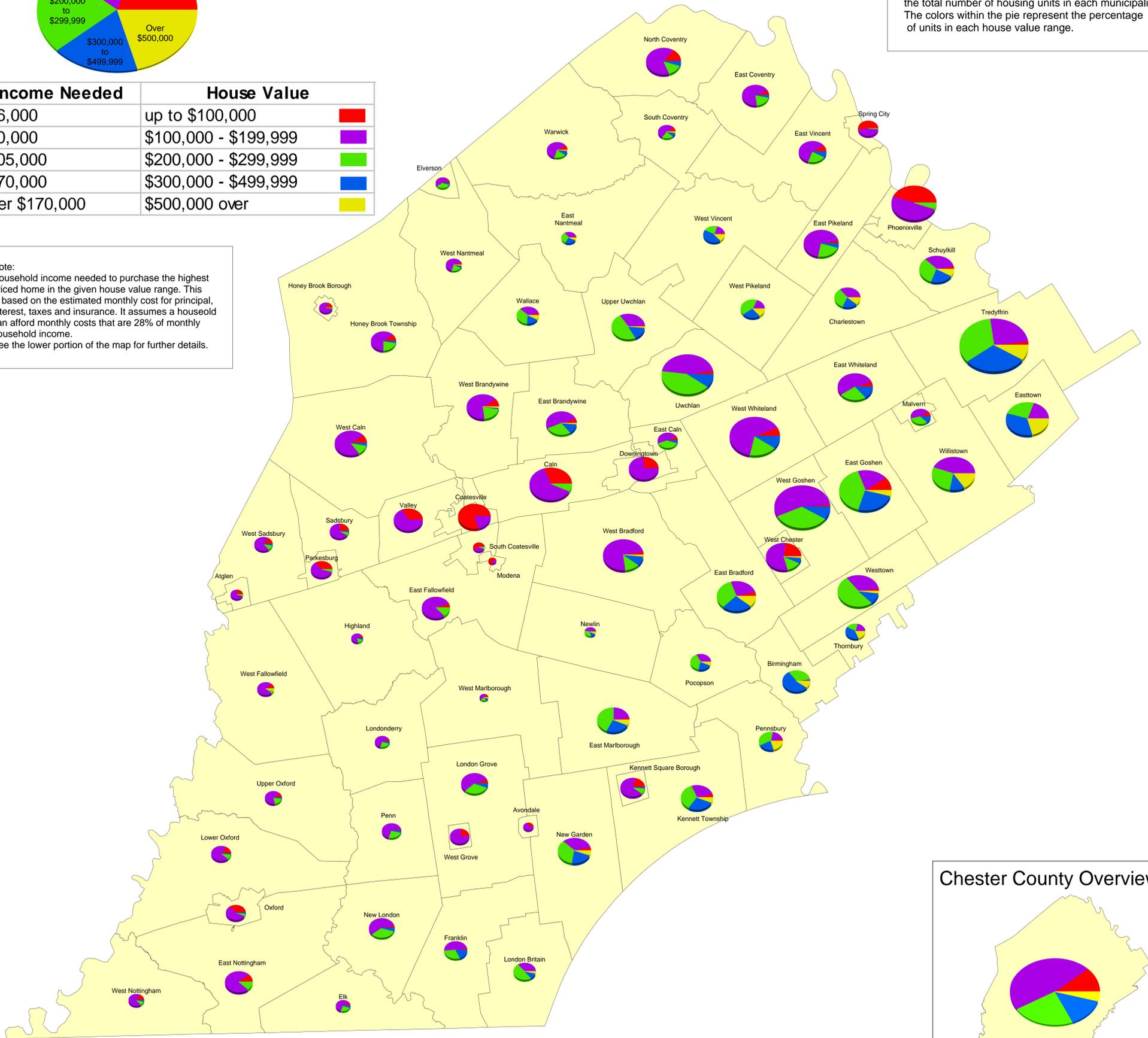
Chester County Planning Commission Map Series



The size of the pie charts are representative of the total number of housing units in each municipality. The colors within the pie represent the percentage of units in each house value range.

Income Needed	House Value	
\$36,000	up to \$100,000	Red
\$70,000	\$100,000 - \$199,999	Purple
\$105,000	\$200,000 - \$299,999	Green
\$170,000	\$300,000 - \$499,999	Blue
Over \$170,000	\$500,000 over	Yellow

Note:
Household income needed to purchase the highest priced home in the given house value range. This is based on the estimated monthly cost for principal, interest, taxes and insurance. It assumes a household can afford monthly costs that are 28% of monthly household income. See the lower portion of the map for further details.



Housing Value and Affordability Map Notes

This map was digitally compiled for internal maintenance and developmental use by the County of Chester, Pennsylvania to provide an index to parcels and for other reference purposes. Parcel lines do not represent actual field surveys of PA.

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***Monthly Payment Assumptions:**
Payments include principal, interest, taxes, and insurance

***Principal and Interest:**
- House Price - 10% down payment = mortgage amount
- Interest rate = 7% (common rate for 30 year, fixed rate mortgage with three points in 2000)
Mortgage amount x interest rate = monthly payments for principal and interest.

***Taxes:**
Property taxes = assessment x the tax rate
Assessment was assumed to be the full value of the house.
Average total property tax rate for Chester County in 2000 was approximately 20 mills. This includes county, school, and municipal taxes.

***Insurance:**
Mortgage Insurance (PMI) = mortgage amount x .5%
Homeowners insurance was an estimated county average (\$41/month) based on a median priced home.

House Value	Monthly Payment*	Household Income	28% of Income Monthly
\$100,000	\$844	\$36,000	\$840
\$200,000	\$1,646	\$70,000	\$1,633
\$300,000	\$2,449	\$105,000	\$2,450
\$500,000	\$4,056	\$170,000	\$3,966

House Values are from Census 2000.

Affordability is based on an index developed by the National Association of Realtors. This assumes that a household can afford monthly payments that are 28% of monthly household income. Affordability estimates are intended to give an idea of the income needed to purchase a house at the top of the house value ranges presented on the map. Households with incomes between the selected incomes can afford a portion of the houses in the range. For example, a household with an income of \$50,000 could afford houses in the lower half of the range of houses with values of \$100,000 to \$199,999. The actual price of a house that a household can afford depends upon a number of factors, such as the current interest rate, amount of the down payment, and taxes. A banker or realtor can help a household to determine what they can afford.

Data Sources:
Housing Values: 2000 Census Data
Housing Cost Factors: (Interest, Tax rates, Insurance costs) are based on 2000 data.

Map Created By:
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