



## CT Home Sales Report: Table Descriptions

Table 1: Shows existing (Resale) single-family home sales (includes condominiums and coops). "Not seasonally adjusted" means the data has not been adjusted for seasonal trends. Thus, the figures in the table represent "actual" sales for the quarter.

Graph 1: Graph of non-seasonally adjusted existing single family home sales

Graph 2: Shows existing single-family home sales as seasonally adjusted annualized rates. You can interpret the seasonally adjusted sales for the quarters as follows: "based on the number of homes sold this quarter (and only this quarter), if this relative pace were to continue for a year, then there would be a given annual sales total". Seasonally adjusted annualized rates are useful for making quarter-to-quarter comparisons, as they remove the seasonal volatility from the data-series.

Table 2: Percentage distribution of sales for Connecticut broken out by number of bedrooms

Table 3: Same as table 2 only broken out by county.

Pie chart: Proportion of total sales by county

Table 4: Percentage distribution of sales for Connecticut broken out by price class

Table 5: Same as table 4 but reported by county

Graph 3: Shows median home prices of existing single family homes (NOT including condos/coops).

Table 6: Shows median home prices of existing single family homes (NOT including condos/coops).

Table 7: Shows median home prices for Connecticut broken out by bedroom size.

Table 8: Same as table 7 only reported for counties.

Table 9: Shows a comparison of the housing affordability between the U.S. and Connecticut. There are 6 variables used to calculate the composite affordability index: Median Priced Home, Mortgage Rate, Monthly P & I Payment, Payment as a % of Income, Median Family Income, and Qualifying Income.

The composite affordability index measures whether or not a typical family could qualify for a mortgage loan on a typical home. A typical home is defined as the national median-priced, existing single-family home as calculated by NAR. The typical family is defined as one earning the median family income as reported by the U.S. Bureau of the Census. The prevailing mortgage interest rate is the effective rate on loans closed on existing homes from the Federal Housing Finance Board. These components are used to determine if the median income family can qualify for a mortgage on a typical home.

To interpret the index, a value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An index above 100 signifies that a family earning the median income has more than enough income to qualify for a mortgage loan on a median-priced home, assuming a 20% down payment. For example, a composite HAI of 120.0 means a family earning the median family income has 120% of the income necessary to qualify for a conventional loan covering 80% of a median-priced existing single-family home. An increase in the HAI, then, shows that this family is more able to afford the median priced home.

The calculation assumes a down payment of 20% of the home price and it assumes a qualifying ratio of 25%. That means the monthly P&I payment cannot exceed 25% of the median family monthly income.

### **Median and Mean Prices**

The median is the midpoint – half the homes sell for less, while half sell for more. Because of the nature of the distribution of home sales prices, the average (mean) is usually higher than the median price. NAR generally believes that median prices are the more accurate of the two, as it reduces the probability of an outlier heavily skewing the results.

Movements in sales prices should not be interpreted as measuring changes in the cost of a standard home. Prices are influenced by changes in cost and changes in the characteristics and size of homes actually sold. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are not seasonally adjusted.