

Undetstanding Housing Trends throughout the United States

Introduction

Current State of
the Country St...

Country
Housing Trends

Conclusion

Introduction

Background

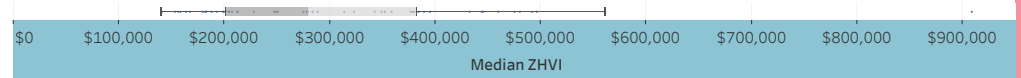
Buying a house is a major milestone in the American adult life. It is seen as as sign of stability. It is a goal that many adults are attempting to achieve, though with **housing prices increasing in a more rapid rate every year**, it is becoming more difficult to achieve this goal. This has been a major cause of fear in young adults throughout the country, making them wonder even if there is a chance that they will be able to afford to buy a house in their lifetime. **According to CNN, 47% of young adult renters do not believe that they will own a home in their lifetime. This number increases to 73% for renters over 45.** This is why retrieving more information on housing across the nation is critical

For those who can afford housing, it has been seen as an investment. **With the increase in housing prices, many have attempted to make a profit from it.** Between these two different perspective, many questions have arisen from the confusion of how housing trends are truely moving.

Data

The data that was used was retrived from Zillow's Home Value Index (ZHVI) database. This database has the ZHVI of housing from all 50 states, along with DC, where it groups the housing by regional area. The database has records of housing from 2000 to 2024. This data was exported into excel, where it was later imported into Tableau for visulaization purposes. In tableau, the data was transformed to allow it to be processed easier by the visualization software.

Median Housing Costs Across the all 50 States



Focus

When discussing housing in the United States, people tend to speak the country as a whole. This has resulted in the negative connotation that is associated with the United States housing market. Though this imporession may not be incorrect, the informaiton that is being promoted does not provide the full picture.

For this reason the focus of this study is to analyze housing trends in the country from the present in the past to answer the following questions:

How do overall country housing trends affect housing in different areas of the country?

Given what the current trends are, what does the future of housing seem to be?

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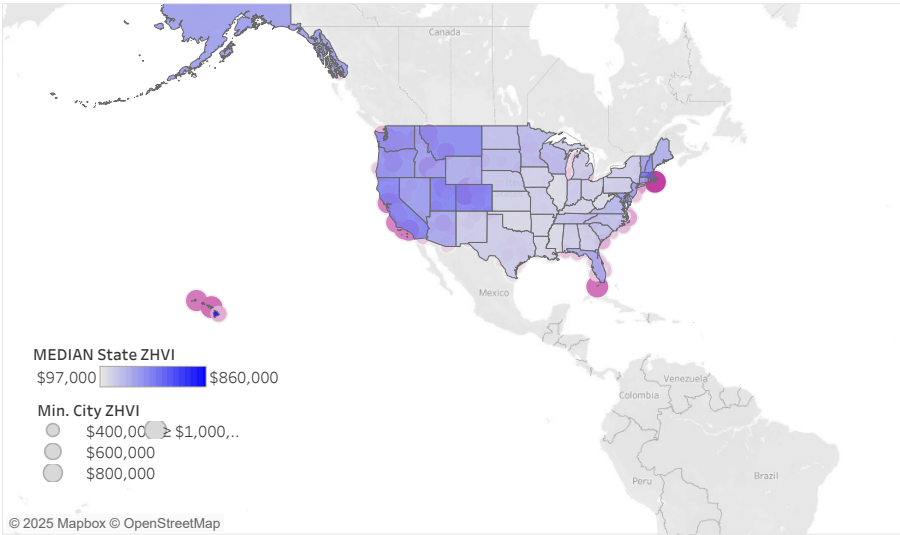
Introduction

Current State of
the Country St...

Country
Housing Trends

Conclusion

Choropleth Showing the Median and Maximum housing Cost of all 50 States



Comparison of Individual of States

When looking at the median mortgages of the states, there **more variance from states with higher median mortgages than states with lower median mortgages**. This can be seen even when excluding Hawaii, where the area with the second highest mortgage, DC, has a mortgage of \$1,561, when the state with the 10th highest mortgage, Washington, has a mortgage of \$1,233. This is a significantly larger gap than the state with the 10th lowest mortgage cost, Ohio (\$523), and the state with the lowest mortgage cost, Illinois (\$385). This shows more availability in available housing in states with lower mortgages at certain financial benchmarks compared to more expensive states.

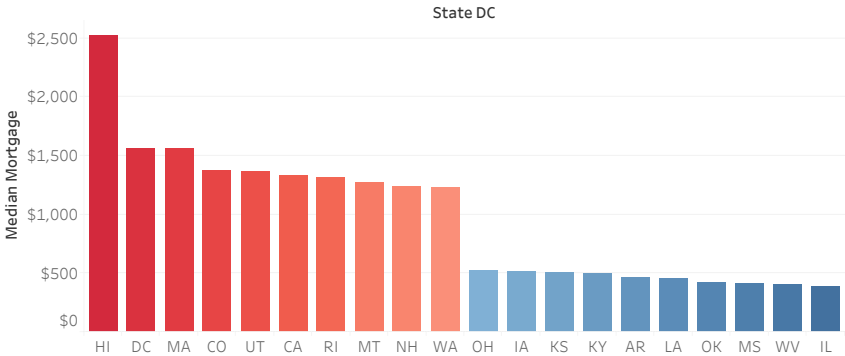
National Housing Trends

When looking at the country as a whole, we can see that there is a pattern when it comes to housing cost. Housing prices are most expensive along both coasts, specifically in the west. The Great Planes and the south tend to have lower housing prices, barring Florida. The midwest is where there is the largest variance in housing costs. Hawaii seems to be the main outlier, where its average cost for a house cost is over \$300,000 more than the second most expensive state, DC.

The cities provide a different perspective of housing trends. **The cities still follow a similar pattern geographically, though the variance in the city cost provide more insight.** There are some states in the south that have a median ZHVI comparable to the east coast, though it seems consistent among the south that the minimum ZHVI is significantly lower than the rest of the nation. The other area of note is the midwest, where even though they also have similar median housing cost to the east coast, the minimum city housing cost seems to be higher.

The states that seem to be outliers in their region seem to be mostly affected by few high costing housing areas. This can be seen with Massachusetts and Florida, with Vineyard Haven and Key West.

Mortgage Costs of the Top and Bottom 10 States



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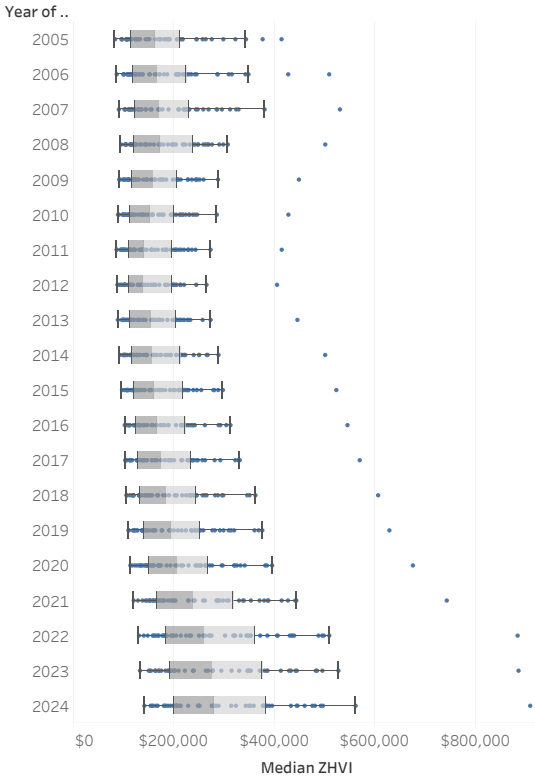
Introduction

Current State of
the Country St...

Country
Housing Trends

Conclusion

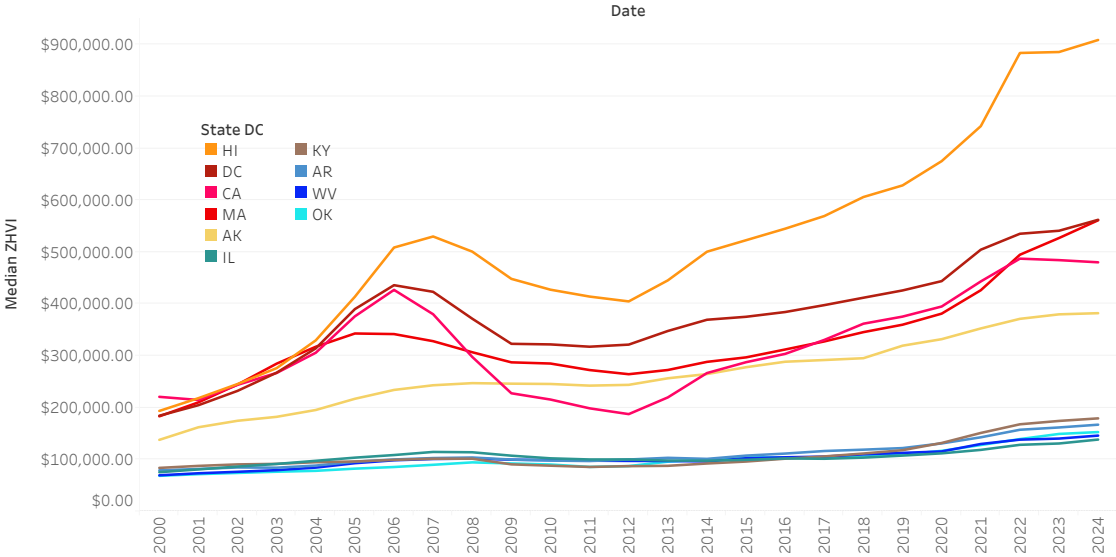
Median Housing Costs Across the United States Over the Last 20 Years



Trends over the Years

The disparity between the states with the highest and lowest housing cost seems to be a constant throughout time. That being said, the difference in cost seems to only be increasing. **States with higher housing costs seem to be affected by general housing trends more than state with lower housing costs.** This is showing that the states with higher housing costs seem to be affected more by the general housing trends, while lower housing seems to be less affected. This can be seen with the the housing bubble that ovrued between 2001 and 2007, which followed by the housing crash at 2008. **Though housing prices have bounced back since the 2008 recession, it has affected the states differently.** In 2008, thee median cost in Massachusets was over \$90,000 less expensive than it was in DC, and now they have almost the same median housing cost. Arkansas is an interesting case where it was hardly affected by the housing crash, and since then, its housing costs seem to be steadily climbing.

States with the Highest and Lowest Housing Costs From 2000 to 2024



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Introduction	Current State of the Country St.	Country Housing Trends	Conclusion
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Conclusion

Current Housing Trends

Housing costs in the United States seem to be skewed towards the more expensive end, where there are more states with relatively low costs than high costs when looking at it from a geographical standpoint. As for how different areas of the country are affected by housing trends, there seems to be consistency among the different areas of the country. The places that seem most greatly affected are the north east and the west coast, where housing prices are more expensive. The south, and the great plains seem less affected for the opposite reason.

There also seems to be a set of states that seem to be relatively unaffected by housing trends even if they do not have lower housing costs. These are areas that keep a steady growth, even through turmoil. Massachusetts is an example of this previously, though it has seemed to gain traction in the current rapid increase in housing costs. This makes me believe that **the rate of as state's housing volatility is directly related to the the state's overall housing cost.**

Future Housing Trends

When it comes to buying a house, it seems that **it is a safer investment to purchase a house in an area in which housing is a little less expensive.** Since housing costs in these areas are less volatile, there is a significantly smaller chance that the value of a purchased house will drop. The opposite is true for housing in more expensive areas, where housing costs are greatly affected by general housing trend. That being said, due to the volatility of housing prices, people are more likely to turn a profit, and with the way that housing is rising, it does not look like housing prices will fall any time soon.

There are fears that we could be in another housing bubble. The reason for this is that the housing market seems to have a similar trend to how it was prior to the 2008. Though there is a rapid rise in housing prices, **the current housing market is unlikely to lead to a crash similar to the 2008 housing crisis.** According to economists at Columbia University, the banks are not providing the same predatory loans that they were offering previously, which were one of the leading cause of the previous recession. This means that it is likely that the current housing trends will continue into at least the near future.

Next Steps

There are many directions in which this data analysis can go from here. The main avenue that I would go is comparing housing prices with population densities. This analysis focuses on the housing costs of different geographical areas, comparing them evenly, though the places with a larger population have a larger impact on the general population. This could be tied in with the general economy of a given area and how the said economy both affects and is affected by the surrounding housing costs. This would provide more insight on how housing is affecting the day to day life of that area. This would assist in the decision of whether or not someone should purchase a home in that area.

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