

Executive Summary

In this project, we are attempting to predict the near-term affordability of homes for the typical American household in New Jersey at a county level.

The factors that we are using to inform our prediction are:

- Median Income
- Construction of New Housing
- Average Mortgage Interest Rate
- Median House Prices

Our prediction will involve forecasting the income, new housing, mortgage interest rate, and median house prices for all counties, and then taking those results and classifying each county as affordable or not affordable.

We are defining home affordability as when the monthly mortgage payment is equal to or less than 25% of the monthly median income given a 20% downpayment.

A county will be considered affordable if a household making the median income will be able to afford a home that is a median priced home in.