CHART 1

WHILE THE PRICE OF A NEW SINGLE-FAMILY HOME HAS NEARLY DOUBLED IN THE PAST TEN YEARS . . .

Average Price of a Standard House*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*D Estimated price of a constant quality home with amenities such as number of stories, floor area, number of bathrooms, central air conditioning, and type of foundation held constant.

... INCOMES HAVE IN GENERAL, Risen Slightly Faster.

Percent Increase Since 1963

Earnings and Average Price

Median Family Income

Average Hourly Wages*

Average Price of Standard New Home


* Hourly earnings of nonsupervisory workers on private nonagricultural payrolls.

CHART 3

AN EQUALLY IMPORTANT MEASURE OF THE REAL COST OF HOME OWNERSHIP, HOWEVER, IS THE CARING COST OF THE PURCHASE. IN THE LAST DECADE, BOTH MAINTENANCE AND TAXES ON A STANDARD HOME HAVE INCREASED, THOUGH AT A SLOWER RATE THAN THE RISE IN INCOMES.

Percent Increase Since 1963

* Based on a constant quality house.

CHART 4

BUT, WHEN MORTGAGE COSTS ARE COMBINED WITH THE ESCALATING PRICE OF NEW HOMES . . .

Percent

Mortgage Rate *


* Average contract rate of interest for mortgages on new home purchases in each year.

SOURCE: Federal Home Loan Bank Board.
CHART 5

...SOMETIMES REFERRED TO AS THE "FINANCIAL COST" OF PURCHASING A NEW HOME) THE TWO TOGETHER HAVE OUTSTRIPPED THE RISE IN INCOMES.

Percent Increase Since 1963

* The yearly financing cost of standard new one-family home purchased in each year, defined as the contract mortgage rate times the average purchase price. It includes both the opportunity cost of personal funds employed and the interest cost of the mortgage. Borrowers have the choice of financing their home with a mortgage and paying the going rate, or employing personal funds to make the purchase. If personal funds are used, the buyer's cost is not the mortgage payment but the opportunity cost of the interest lost by not being able to invest those dollars in other long-term investments.