

Who can purchase homes in Andover?

U.S. Census Data (2000) Andover

Population: 31,247

Median Age: 39.5

Percent over Age 25: 66.5%

Percent over Age 25 with Bachelor's or Graduate Degree: 62.6%

Median Household Income for Andover: \$87,683 (Area wide median household income: \$64,100)

As of July 8, 2002 there were 85 homes on the Andover real estate market ranging from an 866 SF, 1 bedroom, 1 bath condominium for \$154,900 to a five bedroom, 7,380 SF single-family home for \$2,950,000. (Over 53% of the homes range from \$350,000 to \$750,000, have 3-4 bedrooms, 2-2 ½ bathrooms and approximately 2,200 SF)¹

As listed on the real estate multiple listing service (MLS) today, July 8, 2002, the median price of a home in Andover is \$559,000.

Could you afford your home today? Below are two scenarios assuming zero (0) debt (i.e., no car payments, student loans, credit card debt, etc...), a 20% down payment in cash is available, and obtaining a 7.25% interest fixed rate for a 30-year mortgage:

- 1.) For a family household making the current median income of \$87,683, providing a 20% down payment (or \$58,000 cash) according to banking ratios, the purchase price is capped at \$298,176²
- 2.) For a family to afford the median priced home at \$559,900 in Andover providing a 20% down payment (or \$115,000 cash) the household income must equal almost 2x the median or \$163,000/year.³ Remember this is based on a zero debt scenario.

According to the US Census, 11% of Andover households earned between \$150,000 - \$199,999 and 12.7% earned over \$200,000 per year. In sum, only the top 23% of existing households could afford the median priced homes currently listed on Andover's real estate market.

Therefore, the majority of households living in Andover today could not purchase their own homes.

Below are two properties currently on the Andover real estate market:



\$465,000
1,816 Square Feet
Ranch 3 bedrooms 2 bathrooms



\$619,900
2,216 Square Feet
Colonial 4 bedrooms 2 ½ bath

¹ Realtor.com

² Fleet.com

³ Mortgage-calc.com