

America's finest, least affordable city

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America's Finest City is America's least affordable.

Homes in San Diego aren't as expensive as those in San Francisco or New York, but a new study by Realtor.com says San Diego still has more people who can't afford to buy a place in their own back yard.

The study, released last week, gives San Diego the honor of being least affordable because fewer of its residents can afford to buy homes in their neighborhoods. That's because incomes haven't kept up with home price appreciation.

To determine whether a city was affordable, the analysts measured how many people could afford to buy a home in their ZIP code. The study found that in 99 of San Diego's 106 ZIP codes, or 93.3 percent, fewer than half of the households could afford the median priced home because they couldn't qualify for a loan. That made for the highest ratio of any city in the study.

San Diego, Los Angeles, San Francisco, San Jose and New York rounded out the five least affordable in the nation.

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"These markets are very expensive by any measure, and they're forecasted to get worse," Jonathan Smoke, chief economist of realtor.com said in a statement. "That's why consumers looking for affordable options need to act as soon as they can."

San Diego, where the county median priced home goes for about \$440,000, beat out San Francisco in terms of affordability, even though the median home in that county sells for \$949,000. That's because in 92.4 percent of the ZIP codes in San Francisco, fewer than half of the residents can afford the median priced home.

In San Francisco, which ranked third in terms of unaffordability, the median annual income required to get a loan was \$134,518, while the median income was \$73,821. In San Diego, the median annual income required for a loan was \$89,440, but the median household income was \$59,846.

Los Angeles ranked second on the study, with 92.8 percent of the ZIP codes being unaffordable for half of their residents. The median price for a home sold in Los Angeles was \$460,000 in December, CoreLogic DataQuick reports.

Norm Miller, professor of real estate at the University of San Diego, said a lack of affordability is common in California

"Anytime you're in areas that have appreciated faster than inflation, you're going to have this kind of circumstance," he said. "At the same time we have to recognize that people here have gotten wealthy off of some of these houses."

Miller said places that don't have this affordability issue are those in which there is little demand for housing, such as Detroit and Buffalo, N.Y.

Boston, Portland, Sacramento, Seattle, and Miami round out the top 10. In Miami, 43 percent of the 180 ZIP codes had at least half the residents unable to qualify for a loan at the median price. Last year, Miami's median income was \$44,967, but the median needed to get a loan was \$61,240.

