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History of monthly mortgage payments: Comparing costs then and now

Story by Andrew Dehan

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In 1971, George Lucas released his first feature-length movie, the Baltimore Colts won Super Bowl V and the average 30-year mortgage rate was 7.54 percent. That rate is pretty close to what we're seeing today.

Home prices back then, not so much. In 1971, the typical home sale price averaged $25,225, according to Census data, or about $195,000 in inflation-adjusted dollars in 2024. *

Last year, however, the typical home sale price actually averaged $418,950.

Meanwhile, the median household income rose from around $10,300 annually in 1971 to roughly $80,600 in 2023.

Over the years, a shifting combination of mortgage rates, home prices, incomes and inflation has made it ever more challenging to become a homeowner, and mortgage payments now take up much more of the typical budget. Here's a look at how they've increased over the years.

How have monthly mortgage payments changed over time?

The typical monthly mortgage payment has climbed dramatically in recent years, from about $1,100 in 2020 to double that — $2,207 — in 2024.

Home prices rose precipitously during the pandemic, from an average sale price of $328,150 in 2020 to $418,950 in 2024. At the same time, mortgage rates on 30-year fixed loans shot up.

"Today's homebuyer is financing $100,000 more than the buyer five years ago and doing so at a rate of 7 percent instead of 3 percent," says Greg McBride, CFA, chief financial analyst for Bankrate.

Yet, mortgage payments rose 50 years ago, too. Between 1971 and 1981 — also boosted by prices and rates — the typical monthly mortgage payment went from $142 to $772. By 1981 the average sale price was $68,950, or about $238,450 in inflation-adjusted dollars in 2024.

- **Monthly mortgage payments by year**

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The other piece: incomes. From 1984 to 2021 the median household income went from $58,930 to $79,260, according to Census estimates. In that 37-year window, mortgage payments accounted for less than 20 percent of household incomes in all but five of those years. *

That changed in 2022, when both home prices and mortgage costs rapidly rose. That year, the average sales price was $432,950 and mortgage payments ate up around 31 percent of the $77,540 median household income. In 2023, that share increased to almost 34 percent.

- **Mortgage payment share of monthly income by year**

Learn more: History of mortgage rates: 1970s to 2025
Other housing costs keep rising, too. Let's break down some numbers:

- **Property taxes:** From 2019 to 2024, property taxes went up by 27 percent on average, according to CoreLogic. In some states, the increase has been much higher: Tax bills in Colorado and Georgia, for example, rose by more than 50 percent in the last five years.
- **Homeowners insurance:** As of January 2025, the national average homeowners insurance cost was $2,181 annually for a policy with a $300,000 dwelling limit, up 11 percent from June 2022, according to Bankrate data.
- **"Hidden" expenses:** The typical single-family home costs more than $18,000 a year to own and maintain, up by 26 percent from 2020, according to our 2024 Hidden Costs of Homeownership Study. Aside from insurance and taxes, those expenses include cable, energy and internet costs.

I have an affordable mortgage payment — but it might not have panned out that way

The jump in mortgage payments in recent years isn't lost on me. In 2021, my wife and I bought a new house for our expanding family and work-from-home careers. After more than six months looking, we signed a purchase agreement and got a mortgage at 2.99 percent. We closed two weeks before our son was born, in early 2022.

If the sale fell through, or we had decided to wait to buy until after our son arrived, that same home would've been completely out of reach for us later in the year. We would've been shopping for mortgages at rates close to 7 percent, and our payment would've increased by several hundred dollars a month.

We're proof of the "lock-in effect" that's keeping homeowners from moving and taking a new loan — especially one that'd double our monthly housing costs.

Still, life happens. Incomes change, and the housing market does, too.

"In the absence of continually lower mortgage rates, home prices cannot rise faster than homebuyer incomes in perpetuity," McBride says. "After the outsized home price appreciation exiting the pandemic, most markets are likely looking at a very tepid pace of home price appreciation in the next few years as incomes, and the buying power of households, closes some of that gap."