Exercise 32

For the following exercises, consider this scenario: The median home values in subdivisions Pima Central and East Valley (adjusted for inflation) are shown in Table 1. Assume that the house values are changing linearly.

Year	Pima Central	East Valley
1970	32,000	120,250
2010	85,000	150,000

Table 1

In which subdivision have home values increased at a higher rate?

Solution

Take the ratio of the home prices in each subdivision to determine how much they've increased.

$$\text{Pima Central}: \quad \frac{85\,000}{32\,000} = \frac{85}{32} \approx 2.656$$

$$\text{East Valley}: \quad \frac{150\,000}{120\,250} = \frac{600}{481} \approx 1.247$$

Therefore, the median home values in Pima Central have increased at a higher rate.