

# A Snapshot of Race & Home Buying in America

National Association of REALTORS®  
Research Group



NATIONAL  
ASSOCIATION OF  
REALTORS®

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# Introduction

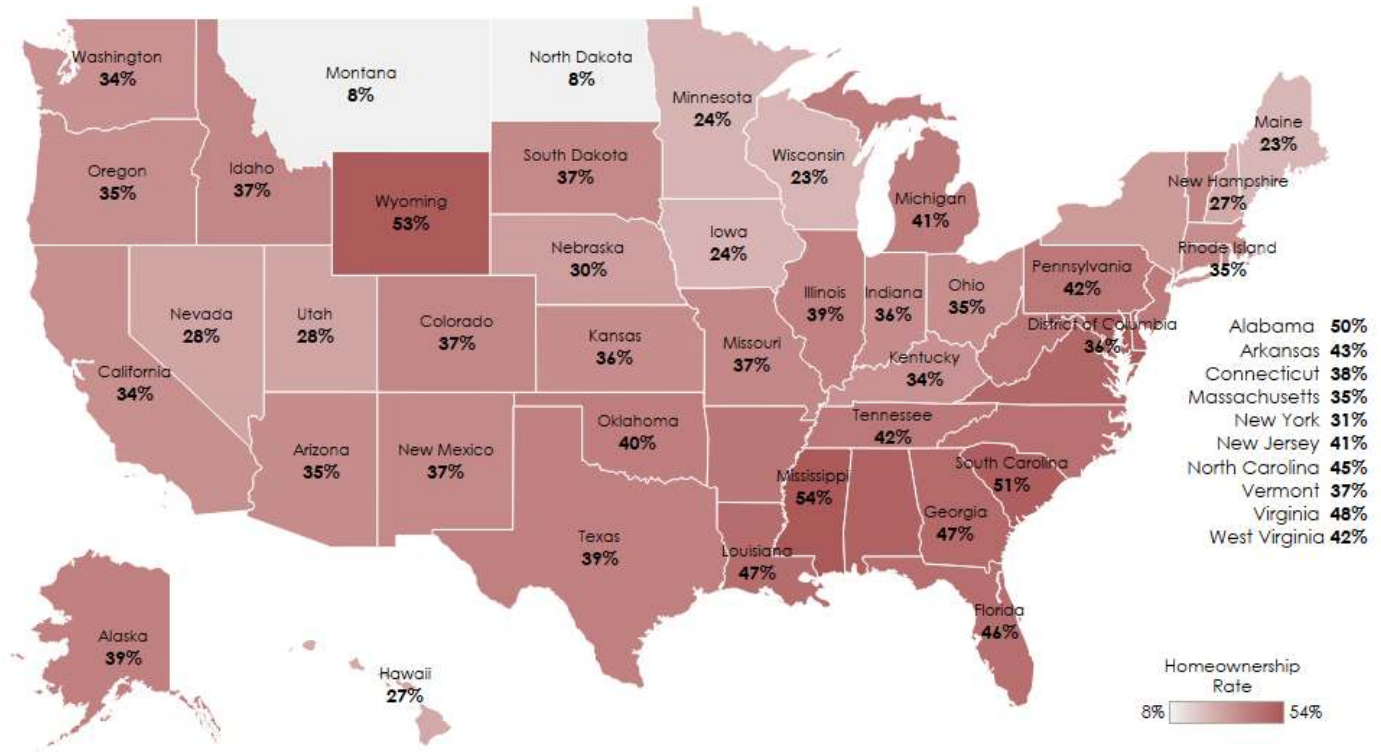
The United States (U.S.) homeownership rate has recently seen a rebound to 65.1 percent in the fourth quarter of 2019 from a low of 62.9 percent in the second quarter of 2016. However, the overall homeownership rate does not tell the full story.

The ownership rate for non-Hispanic White Americans has been consistently above 71 percent from 2016 to 2019. In the same period, the homeownership rate for Black Americans has been 30 percentage points different—above 41 percent from 2016 on. For Hispanic Americans, the homeownership rate has held above 45 percent, and for Asian Americans it has been above 53 percent over the same time period.

This report examines the homeownership rate among each race in 2018 using American Community Survey data by state. The report also examines the change in the homeownership rate among African Americans from 2008 to 2018 using American Community Survey data. Finally, using the *Profile of Home Buyers and Sellers* data from 2019, the report looks into the characteristics of who purchases homes, why they purchase, what they purchase, and the financial background for buyers based on race.

# **Section One: Homeownership Rate Changes from 2008-2018**

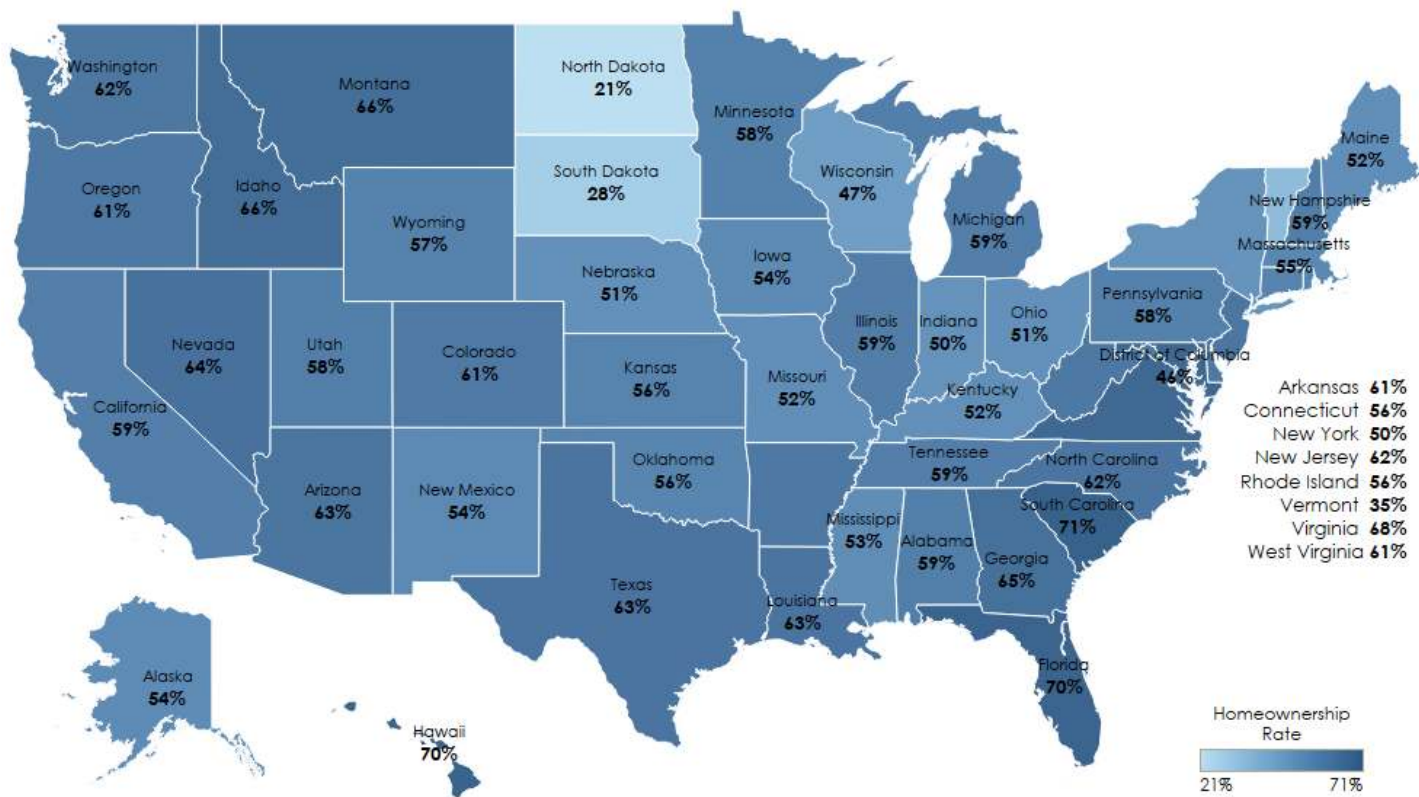
# Homeownership Rate for African American alone by state



Source: U.S. Census Bureau, American Community Survey (2018)

# Homeownership Rate for Asian alone

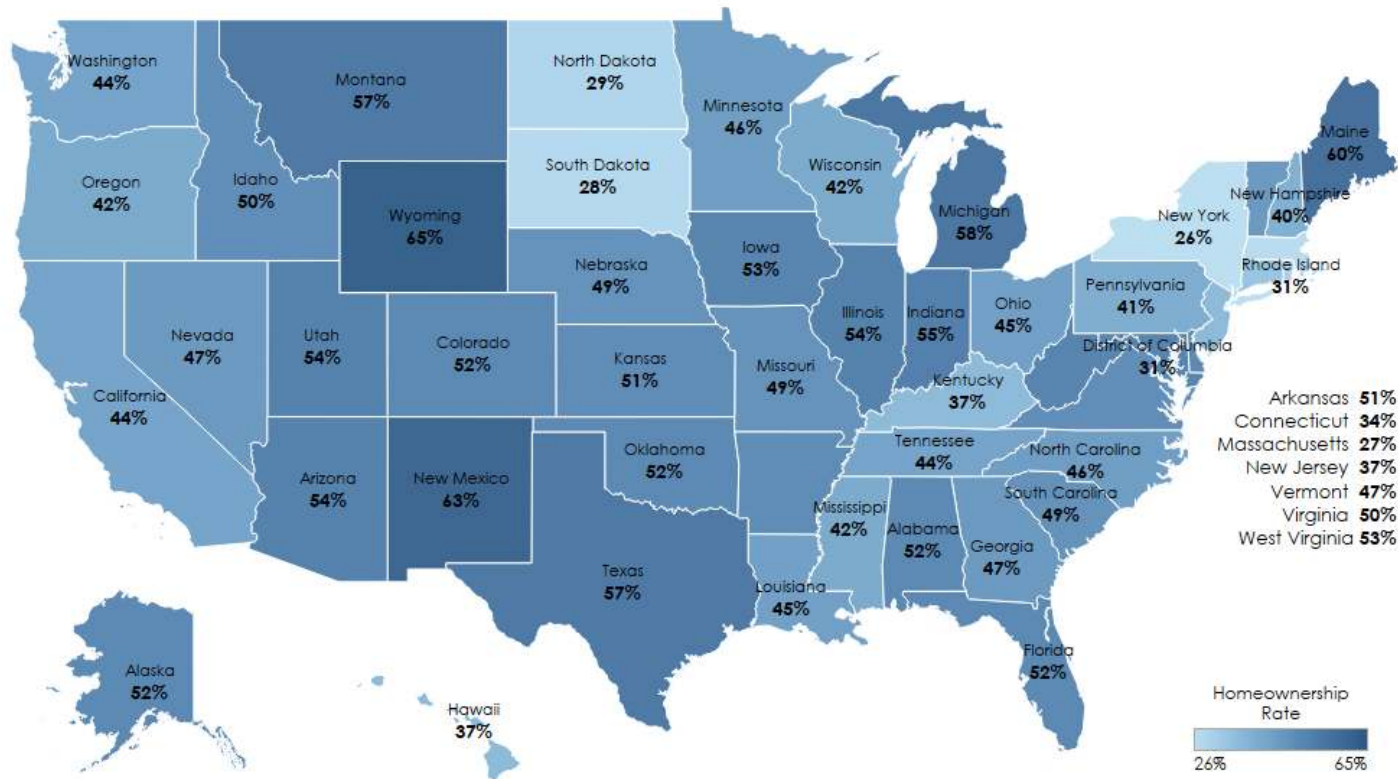
by state



Source: U.S. Census Bureau, American Community Survey (2018)

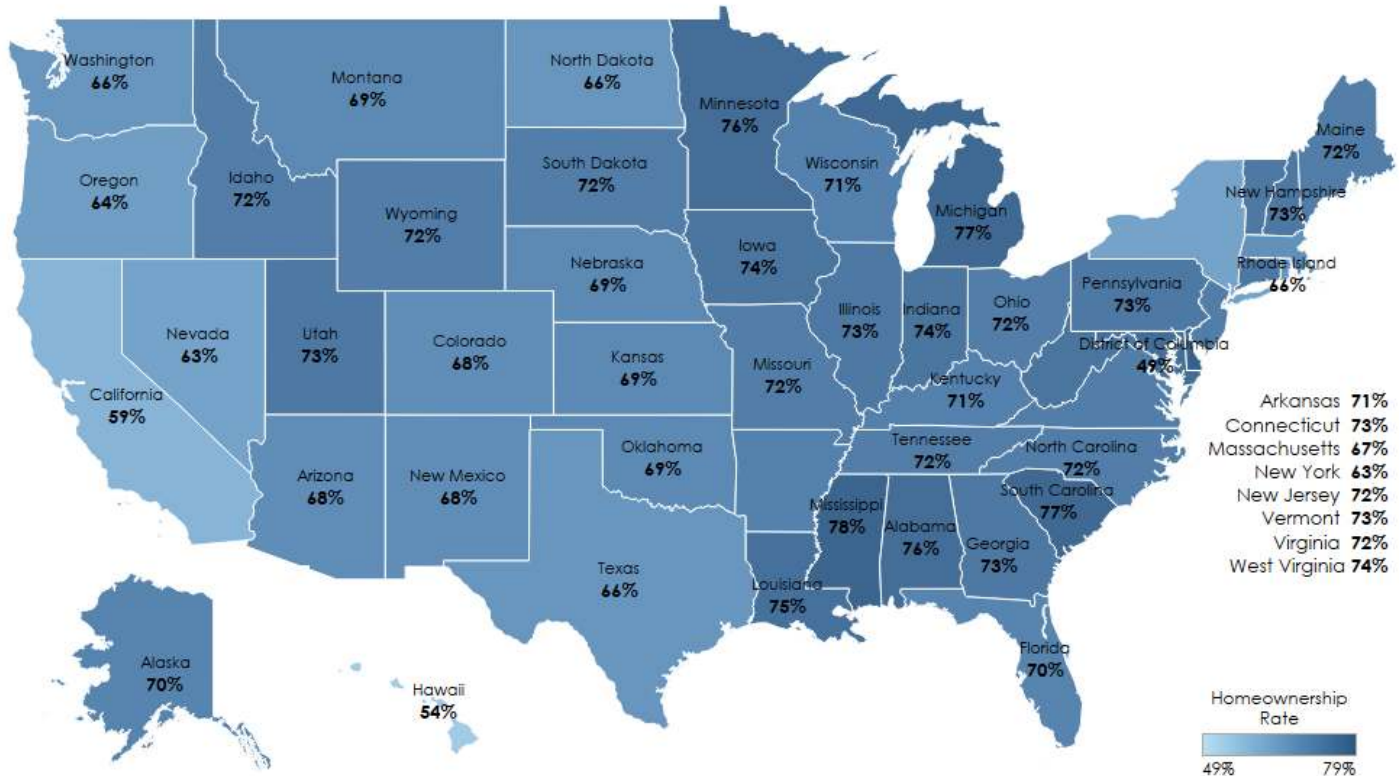


# Homeownership Rate for Hispanic or Latino by state



Source: U.S. Census Bureau, American Community Survey (2018)

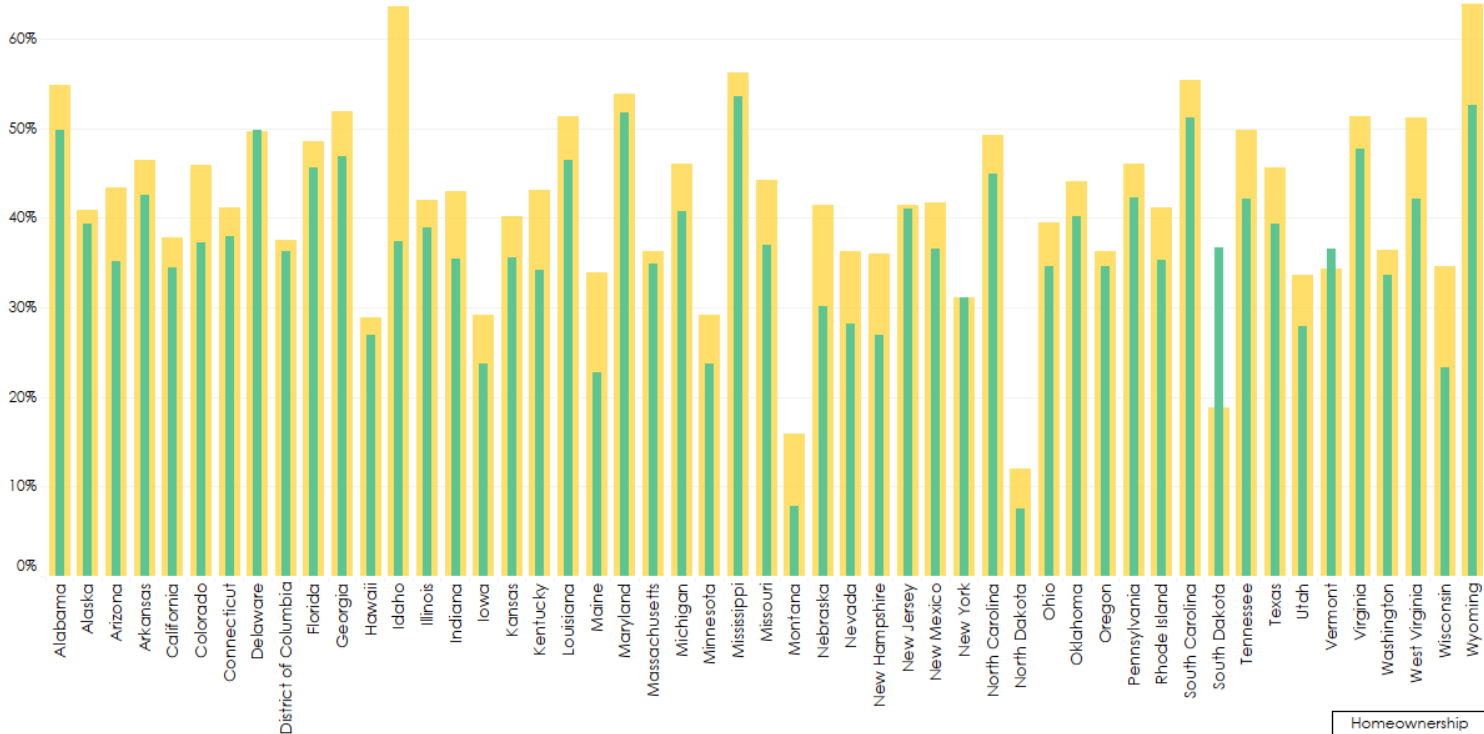
# Homeownership Rate for White alone by state



Source: U.S. Census Bureau, American Community Survey (2018)



# Homeownership Rate for African Americans 2018 vs 2008



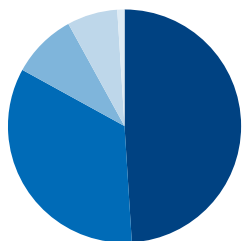
In the last ten years, homeownership rate for African Americans **increased** in the following states:  
**Delaware** (0.1%), **South Dakota** (17.8%) and **Vermont** (2.2%)

Source: U.S. Census Bureau, American Community Survey

## **Section Two: Recent Home Buyer Profiles by Race**

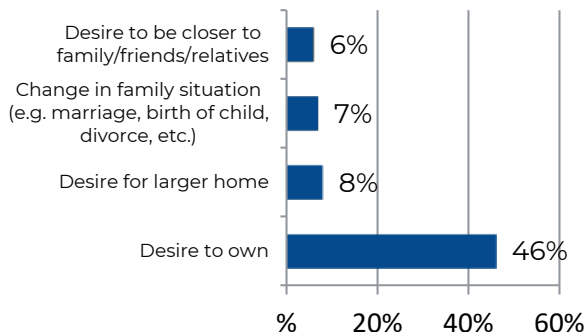
# Black/African-American

## Household Composition



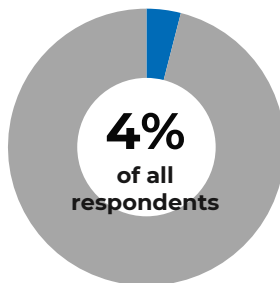
- Married couple, 49%
- Single female, 34%
- Single male, 9%
- Unmarried couple, 7%
- Other, 1%

## Reasons to Purchase Home



## Buyer Facts

- Median Age: 48
- Median Income: \$75,000
- 51% are first-time buyers
- 77% are buyers of previously owned homes
- 88% bought through an agent/broker
- Median square feet of home purchased: 1,800
- Median home price: \$228,000



## Type of Home Purchased

- Detached single-family- 79%
- Townhouse/row house- 10%
- Duplex/apartment/condo- 2%
- Other- 10%

## Unique to these buyers:

Typically had \$38,060 of student loan debt

22% purchased a multi-generational home

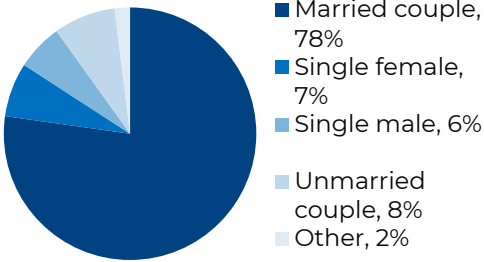
25% compromised on the price of the home purchased

13% were rejected for a mortgage loan application

62% were rejected because of their debt to income ratio

# Asian/Pacific Islander

## Household Composition



## Buyer Facts

- Median Age: 38
- Median Income: \$111,770
- 51% are first-time buyers
- 79% are buyers of previously owned homes
- 90% bought through an agent/broker
- Median square feet of home purchased: 2,060
- Median home price: \$435,000

## Unique to these buyers:

Typically had \$38,000 of student loan debt

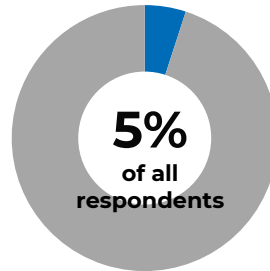
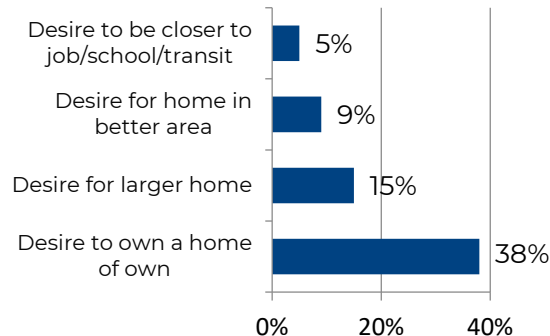
59% found the convenience to job to be important

16% purchased a multi-generational home

4% were rejected for a mortgage loan application

22% were rejected because of an insufficient down payment

## Reasons to Purchase Home

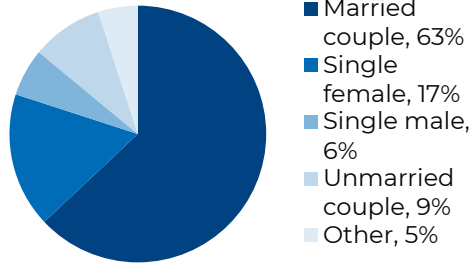


## Type of Home Purchased

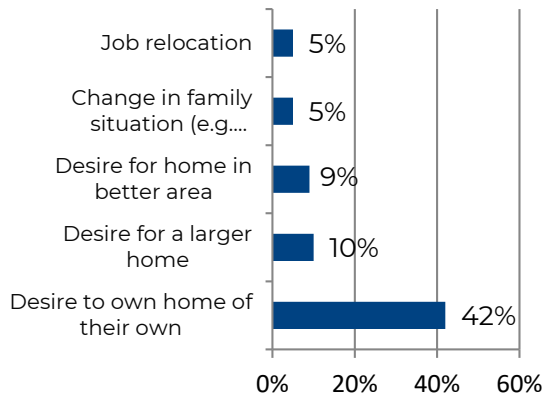
- Detached single-family- 84%
- Townhouse/row house- 7%
- Duplex/apartment/condo- 4%
- Other- 4%

# Hispanic/Latino/ Mexican/Puerto Rican

## Household Composition

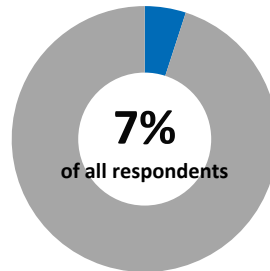


## Reasons to Purchase Home



## Buyer Facts

- Median Age: 41
- Median Income: \$81,250
- 54% are first-time buyers
- 87% are buyers of previously owned homes
- 90% bought through an agent/broker
- Median square feet of home purchased: 1,790
- Median home price: \$255,000



## Type of Home Purchased

- Detached single-family- 81%
- Townhouse/row house- 7%
- Duplex/apartment/condo- 6%
- Other- 7%

## Unique to these buyers:

Typically had \$25,000 of student loan debt

25% made compromises on the price of their home

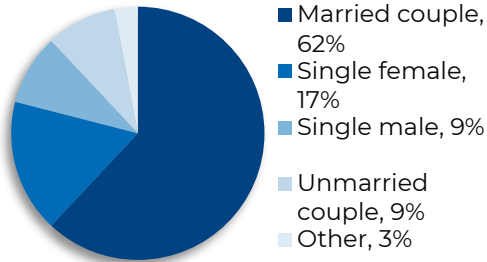
18% purchased a multi-generational home

4% were rejected for a mortgage loan application

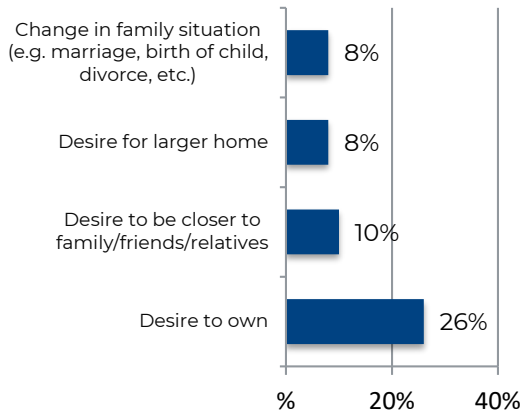
50% were rejected because of their low credit score

# White/Caucasian

## Household Composition

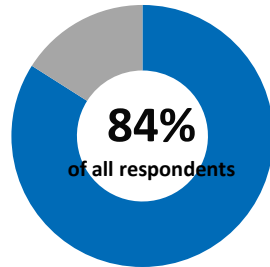


## Reasons to Purchase Home



## Buyer Facts

- Median Age: 48
- Median Income: \$94,550
- 30% are first-time buyers
- 87% are buyers of previously owned homes
- 89% bought through an agent/broker
- Median square feet of home purchased: 1,900
- Median home price: \$255,000



## Type of Home Purchased

- Detached single-family- 83%
- Townhouse/row house- 6%
- Duplex/apartment/condo- 5%
- Other- 6%

## Unique to these buyers:

Typically had \$30,000 of student loan debt

31% made no compromises when purchasing their home

11% purchased a multi-generational home

5% were rejected for a mortgage loan application

32% were rejected because of their debt to income ratio



# Methodology

# Methodology: Part One

Data for this study comes from the American Community Survey (ACS). Using the ACS 1-year Detailed Tables, the National Association of REALTORS® estimated the homeownership rate by race/ethnicity for the following groups:

- Black or African American alone householders,
- White alone householders,
- Asian alone householders,
- Hispanic or Latino householders

# Methodology: Part Two

In July 2019, NAR mailed out a 125-question survey using a random sample weighted to be representative of sales on a geographic basis to 159,750 recent home buyers. The recent home buyers had to have purchased a primary residence home between July of 2018 and June of 2019. A total of 5,870 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 3.7 percent.

Respondents had the option to fill out the survey via hard copy or online. The online survey was available in English and Spanish.

Consumer names and addresses were obtained from Experian, a firm that maintains an extensive database of recent home buyers derived from county records. Information about sellers comes from those buyers who also sold a home.

All information in this Profile is characteristic of the 12-month period ending June 2019, with the exception of income data, which are reported for 2018. In some sections comparisons are also given for results obtained in previous surveys. Not all results are directly comparable due to changes in questionnaire design and sample size. Some results are presented for the four U.S. Census regions: Northeast, Midwest, South, and West. The median is the primary statistical measure used throughout this report. Due to rounding and omissions for space, percentage distributions may not add to 100 percent.

Data gathered in the report is based on primary residence home buyers. From the *Realtors Confidence Index*, 85 percent of home buyers were primary residence buyers, which accounts for 5,063,450 homes sold in 2018. Using that calculation, the sample at the 95 percent confidence level has a confidence interval of plus-or-minus 1.28%.

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