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# Snapshot of Race and Home Buying in America

National Association of REALTORS®  
Research Group



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# Homeownership Trends

# Introduction

Welcome to this real estate market intelligence report, designed for real estate professionals looking to understand homeownership trends better. As home buying demographics shift, REALTORS® who stay ahead of the data will be able to better help their clients and expand their business. This report highlights who is entering the market, how various factors, including demographics, affordability, and financing access, affect homeownership trends among different racial and ethnic groups, and where opportunities exist in various geographic markets.

Owning a home is more than just having a place to live—it's a milestone that represents financial security, stability, and the opportunity to build generational wealth. For many families, homeownership is the foundation for putting down roots in a community, passing wealth to future generations, and achieving a sense of stability in an ever-changing economy. Yet, the path to homeownership has never been the same for everyone.

For decades, racial and ethnic minorities in the U.S., particularly Black and Hispanic families, have faced greater hurdles in buying and keeping their homes. Even today, significant differences remain in who gets to own a home and who continues to rent. In recent years, the housing market has become even more challenging. Elevated mortgage rates and rising home prices have made it harder

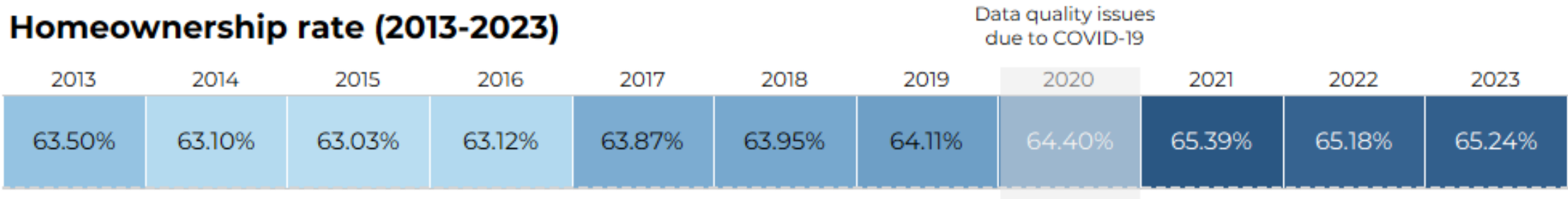
for first-time buyers to break into the market. However, despite persistently weak affordability conditions, most minority groups in the United States have managed to increase their homeownership rates in recent years, signaling resilience amid challenging economic conditions. For instance, the Black homeownership rate has increased significantly compared to the previous year, settling at 44.7% in 2023. Nevertheless, despite this increase, most Black households still rent rather than own their homes.

This report provides REALTORS® with actionable insights on how homeownership rates have changed across racial and ethnic groups, based on the latest data from the American Community Survey. More importantly, it delivers key business intelligence to examine what these shifts mean for real people, families, and communities. It delves into significant trends within each racial group and explores the obstacles they encounter in their pursuit of homeownership. To help REALTORS® tailor their strategies, this report explores homeownership rates among racial groups in various locations, aiming to provide insights into the profile of homeowners. Finally, leveraging data from the [2024 Profile of Home Buyers and Sellers](#), this report looks into the demographics of home buyers, their motivations for purchasing, the types of properties they acquire, and their financial profiles, with a specific focus on racial distinctions.

# Homeownership Trends Over the Past Decade

Despite ongoing affordability challenges, homeownership among Americans has continued to be higher compared to a decade ago. As of 2023, there are approximately 11.8 million more homeowners than in 2013. Specifically, the homeownership rate in 2023 reached 65.2%, up from 63.5% in 2013. More importantly, the previously negative year-over-year homeownership rate trend of 2022 shifted to positive gains in 2023, even as mortgage rates remained elevated and housing markets were at the lowest point of the last almost 30 years. Strong demographic shifts and wage growth contributed to sustained demand and increased homeownership.

## Homeownership rate (2013-2023)



Source: NAR calculations of ACS data

Nevertheless, the overall homeownership rate does not tell the full story.

While homeownership rates have improved across all racial and ethnic groups over the past decade, some groups continue to lag behind. In fact, despite recording the largest year-over-year gains in 2023, Black homeownership remains substantially lower than that of other groups. Data reveals that the gap between Black and White homeownership rates has widened over the past decade, increasing from 27% in 2013 to 28% in 2023.

# Homeownership Trends by Race in the Last Decade

Over the past decade, homeownership rates have increased across all racial and ethnic groups, reflecting broader economic shifts, demographic trends, and evolving housing market dynamics. The data from 2013 and 2023 reveals steady gains in homeownership, with some groups seeing faster growth than others.

## Largest Gains Among Hispanic and Asian Americans

Hispanic Americans have experienced the largest gains in homeownership rates, rising from 45.2% in 2013 to 51.0% in 2023 - a remarkable increase of nearly six percentage points. This surge represents over 3.5 million more Hispanic Americans achieving the dream of homeownership in the past decade. Key factors driving this growth include strong population expansion and rising household incomes that improved homeownership within the Hispanic community.

Following this trend closely, Asian Americans have seen a substantial increase in homeownership, with their rate rising 5.6 percentage points over the decade. This gain translates to approximately 1.6 million more Asian households becoming homeowners between 2013 and 2023. The steady increase in Asian homeownership suggests economic stability and education attainment have played a significant role in supporting home purchases within this demographic.

## White Homeownership Growth Amid Population Decline

With a more moderate increase, the White homeownership rate has also increased by 3.6 percentage points, from 68.8% in 2013 to 72.4% in 2023. While this translates to approximately 702,200 additional White homeowners, it's worth noting that the overall White population declined by about 3.4 million households during this period. However, the decrease was primarily among White renter households, which dropped substantially by nearly 15 percentage points, while the number of White homeowners increased.

## Black Homeownership Sees Gains but Lags Behind

Lastly, the Black homeownership rate has increased by 2.8 percentage points during the same period, resulting in nearly 1.2 million more Black Americans making the transition to homeownership. While it's certainly encouraging to observe this upward trend in Black homeownership, it has not matched the pace of growth seen in other racial/ethnic groups. The Black homeownership rate remains below 45%, which is below the rate of any other group.

# Homeownership Trends by Race in the Last Decade

The growth in minority homeownership rates has enabled progress in reducing the homeownership gap between various racial groups and White households. Nevertheless, it's worth noting that even though the gap in homeownership rates between Black and White households showed a decrease in 2023, it still remains higher than it was a decade ago.

Meanwhile, these racial variations in homeownership can vary significantly by geography. Different regions and areas within a country may have distinct demographic compositions, economic conditions, historical contexts, and policies that impact on homeownership, income, education, and access to resources.

## 🔑 How REALTORS® can use this:

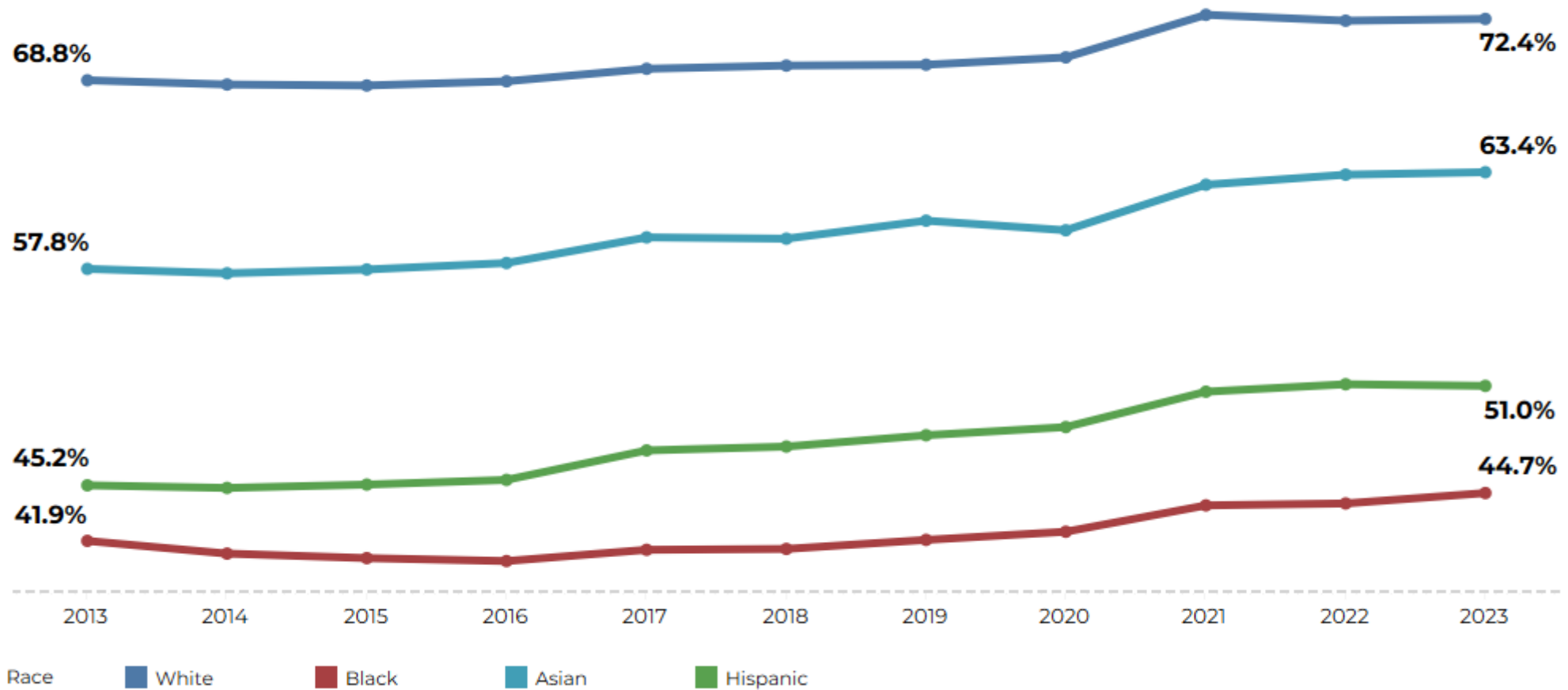
- **Identify high-growth buyer demographics in your area:** Hispanic and Asian homeownership is increasing rapidly, while Black home buyers need more support.
- **Develop tailored marketing and outreach strategies:** Understanding where demand is growing helps real estate professionals connect with the right buyers.
- **Focus of first-time buyer programs:** Many Black home buyers are first-time buyers who benefit from FHA, VA, and down payment assistance programs.





# Homeownership Trends by Race in the Last Decade

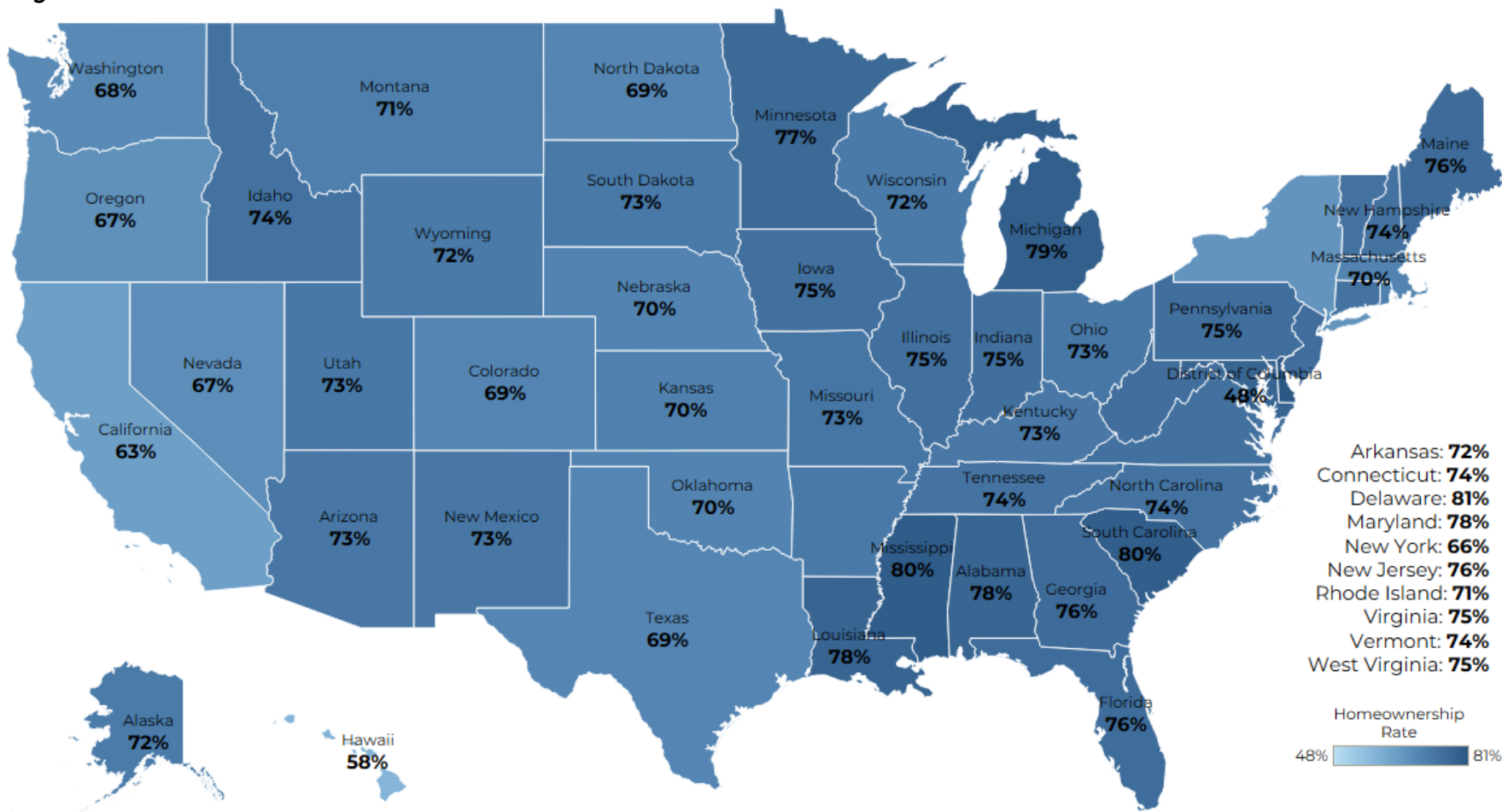
Homeownership rates by race (2013-2023)



Source: NAR calculations of ACS PUMS data

# Homeownership Rate for White Americans

by state



Source: NAR calculations of ACS PUMS data

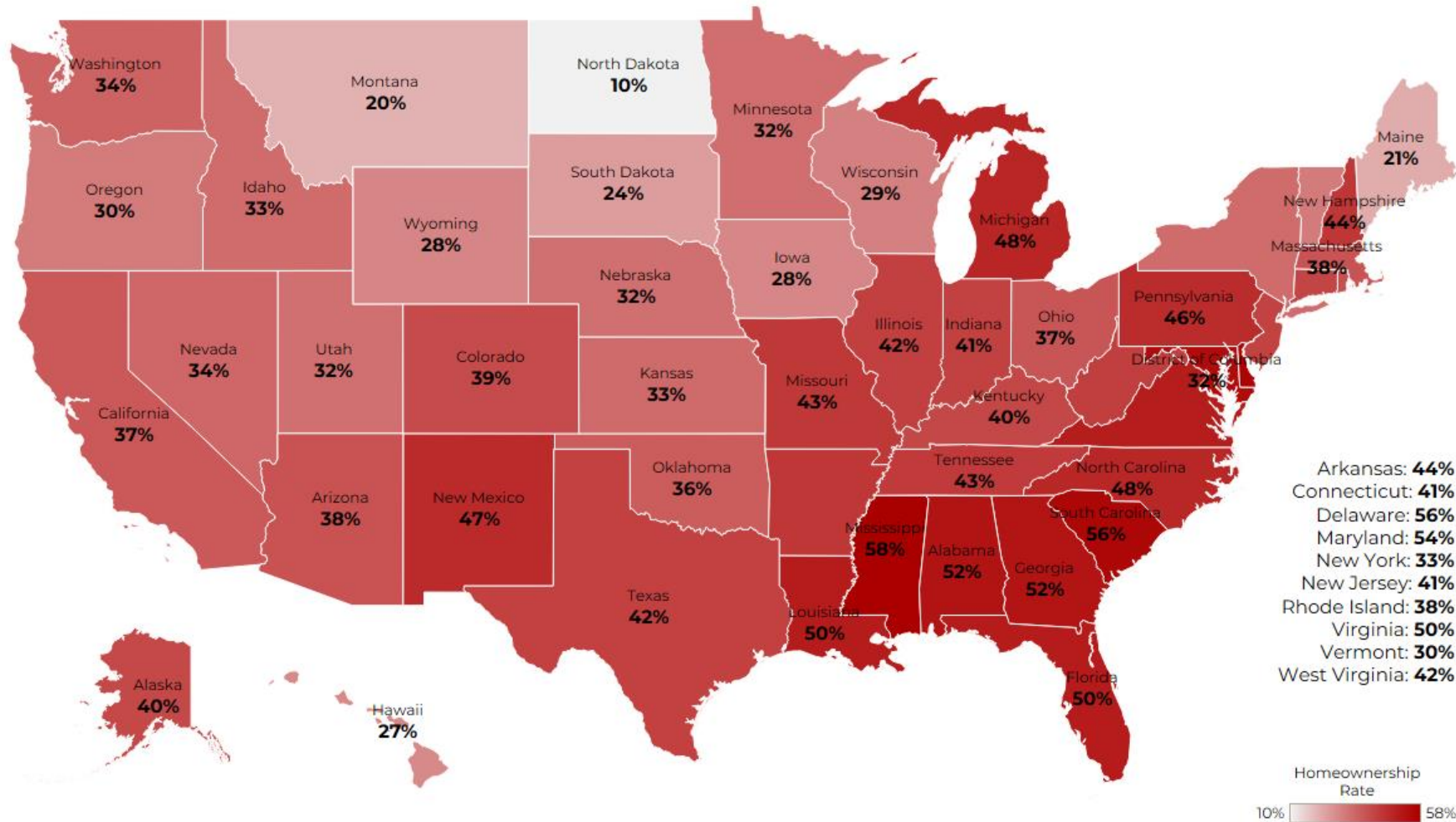
Delaware (81%), Mississippi (80%), and South Carolina (80%) were the states with the **highest homeownership rates** for White Americans in 2023.

In contrast, the District of Columbia (48%), Hawaii (58%), and California (63%) had the **lowest homeownership rates**.

The homeownership rate for White Americans varied from 48% to 81% across the country. Among 51 states, including the District of Columbia, 32 states had a homeownership rate for White Americans higher than 72.4% – the national rate – in 2023.

# Homeownership Rate for Black Americans

by state



Mississippi (58%), Delaware (56%), and South Carolina (56%) were the states with the **highest homeownership rates** for Black Americans in 2023.

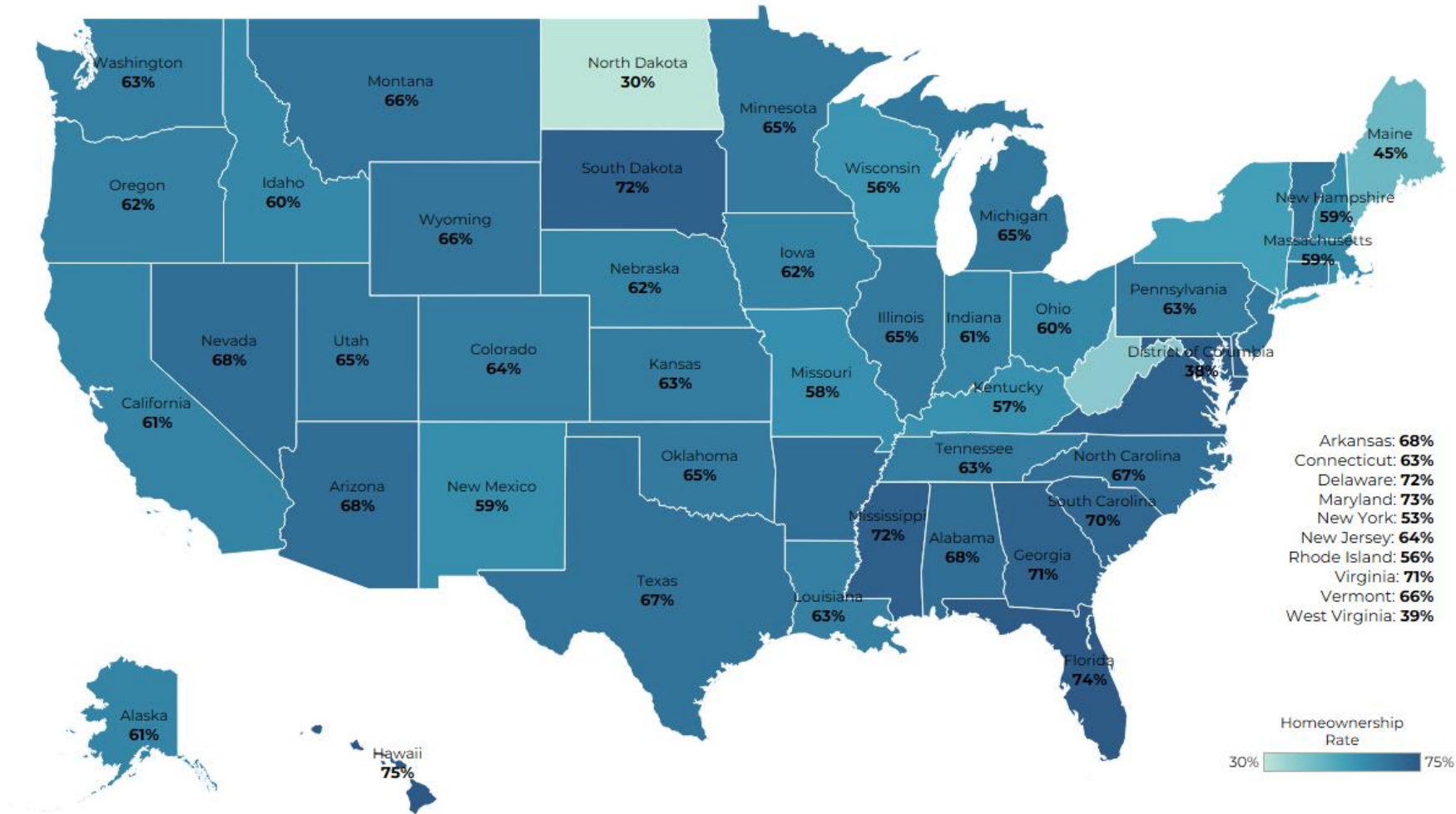
In contrast, North Dakota (10%), Montana (20%), and Maine (21%) had the **lowest homeownership rates**.

The homeownership rate for Black Americans varied from 10% to 58% across the country. Among 51 states, including the District of Columbia, 13 states had a homeownership rate for Black Americans higher than 44.7% – the national rate – in 2023.

Source: NAR calculations of ACS PUMS data

# Homeownership Rate for Asian Americans

by state



Source: NAR calculations of ACS PUMS data

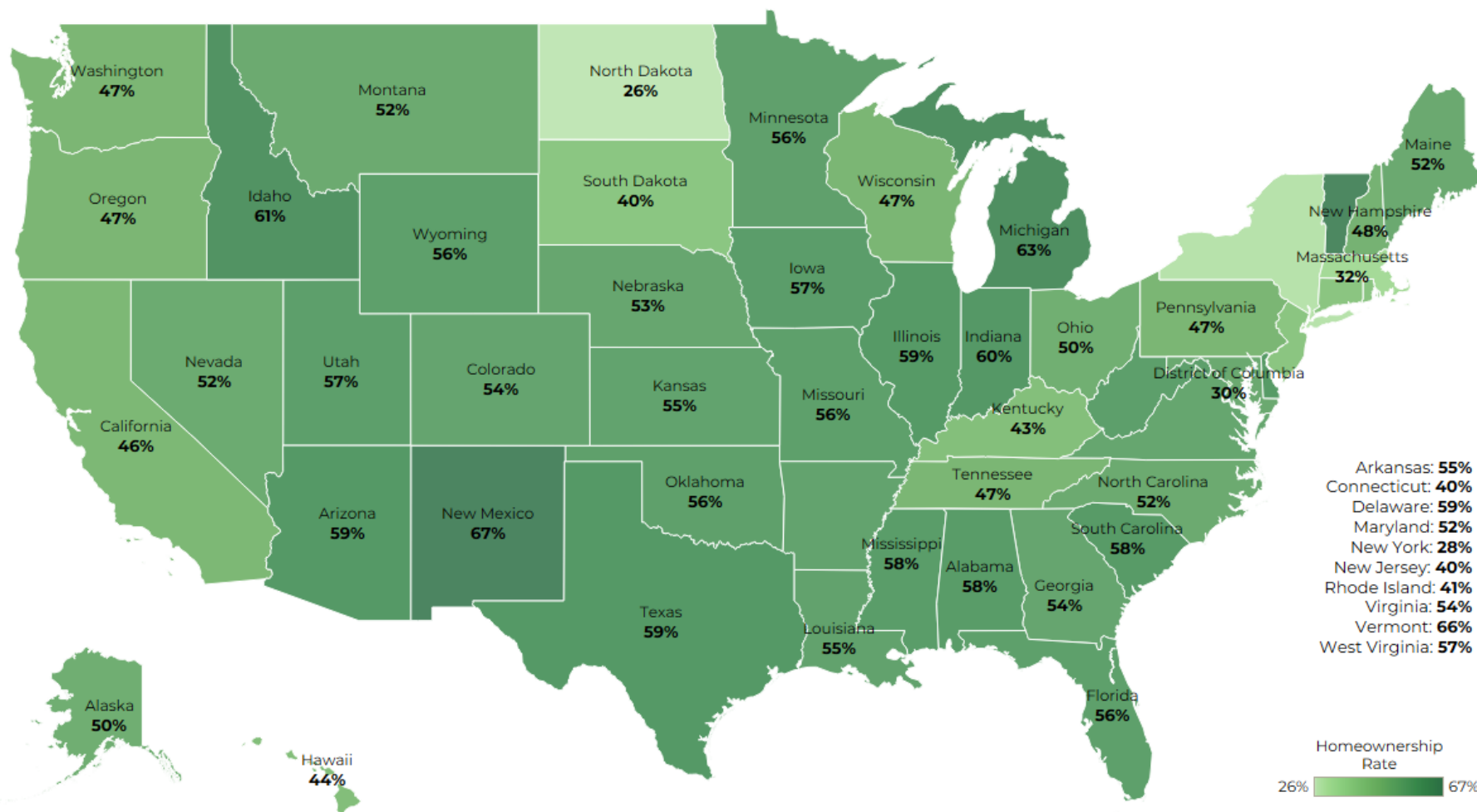
Hawaii (75%), Florida (74%), and Maryland (73%) were the states with the **highest homeownership rates** for Asian Americans in 2023.

In contrast, North Dakota (30%), District of Columbia (38%), and West Virginia (39%) had the **lowest homeownership rates**.

The homeownership rate for Asian Americans varied from 30% to 75% across the country. Among 51 states, including the District of Columbia, 27 states had a homeownership rate for Asian Americans higher than 63.4% – the national rate – in 2023.

# Homeownership Rate for Hispanic Americans

by state



New Mexico (67%), Vermont (66%), and Michigan (63%) were the states with the **highest homeownership rates** for Hispanic Americans in 2023.

In contrast, North Dakota (26%), New York (28%), and the District of Columbia (30%) had the **lowest homeownership rates**.

The homeownership rate for Hispanic Americans varied from 26% to 67% across the country. Among 51 states, including the District of Columbia, 32 states had a homeownership rate for Hispanic Americans higher than 51.0% – the national rate – in 2023.

Source: NAR calculations of ACS PUMS data



# Factors Affecting Homeownership

- Demographic Trends
- Housing Affordability Challenges
- Access to Credit

# Factors affecting homeownership rate

A complex interplay of economic and social factors shapes homeownership rates within a society. The decision to purchase a home is closely linked to personal financial circumstances, local housing market conditions, and broader economic trends. As a result, homeownership rates vary based on a variety of factors, which can differ across time, geographic areas, and demographic groups. Several key elements contribute to these variations, affecting who can buy a home. Some of the primary factors impacting homeownership rates include:

## Demographic Trends:

Age distribution plays a crucial role in shaping homeownership trends within different racial and ethnic groups. A younger, growing population can drive future homeownership gains, while an aging population with high homeownership rates can stabilize or sustain homeownership levels.

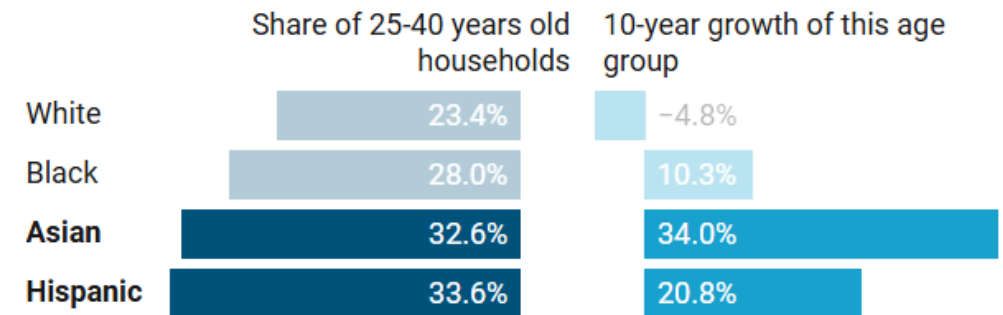
### *A larger share of younger adults entering homeownership*

Hispanic and Asian populations typically have younger age distributions, meaning a larger portion of their population is entering homebuying age, contributing to rising homeownership rates. One in three Hispanic households are in the age group of 25-40 years old. In the meantime, both Hispanic and Asian households have experienced substantial

increases in this age group over the last decade. For instance, the number of Asian households aged 25-40 has increased 34% in 2023 compared to 2013. Respectively, 21% more young households are in Hispanic communities than 10 years ago. While this is just one piece of the puzzle, it can explain why Hispanic homeownership rates have increased significantly over the past decade, partly because Hispanics have a younger median age, meaning more individuals are reaching the stage of life where homeownership becomes a priority.

## Households 25-40 years old and their 10-year growth

by racial/ethnic group



Source: NAR Calculations of 2023 ACS PUMS data

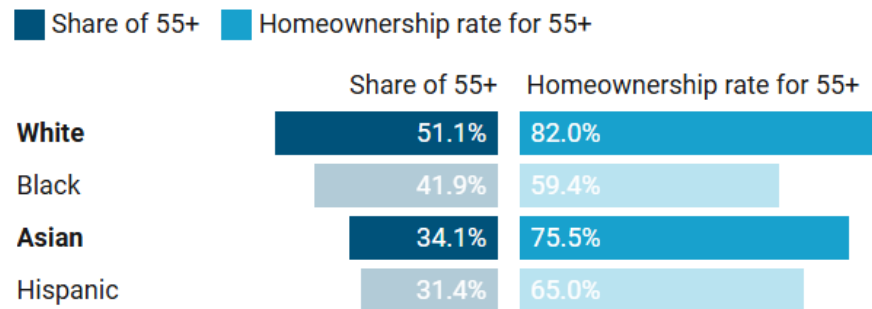
# Factors affecting homeownership rate

## *Aging homeowners passing down wealth and homes*

A racial group with a significant number of older homeowners (ages 55+) can benefit from intergenerational wealth transfer, allowing younger generations to receive financial assistance for down payments, inherit homes, and build equity early.

For instance, White and Asian households tend to have older populations with higher homeownership rates, meaning there is a greater potential for generational homeownership stability.

## Households 55+ by Race and their homeownership rate



Source: NAR Calculations of 2023 ACS PUMS data

## **Affordability:**

Affordability – the ability to purchase a home without experiencing excessive financial strain – remains one of the most significant challenges in the housing market, particularly for first-time buyers. However, its impact is not evenly distributed across racial and ethnic groups. Variations in income levels, wealth accumulation, and debt burdens shape each group’s ability to navigate rising housing costs, creating both opportunities and obstacles. While some communities have been able to overcome affordability challenges, others continue to face barriers that keep many households out of the market. For instance, on average, racial and ethnic minorities often face lower incomes compared to White households. Lower income levels not only can make it more challenging for these groups to afford homes and save for down payments but also limit mortgage approval chances and result in higher borrowing costs.

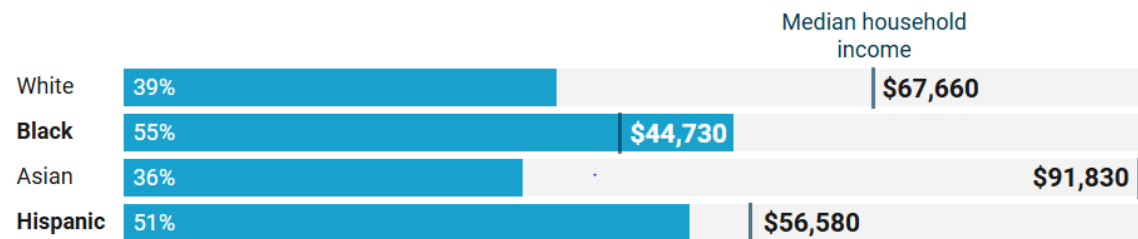
Specifically, Black and Hispanic renters are more cost-burdened than any other group. Over half of these young adults spend more than 30% of their income on rent. This doesn’t allow many to save for a down payment and transition to homeownership. Nevertheless, fewer than 40% of the White and Asian renters (25-40) are cost-burdened as their income is significantly higher than the income of the other groups.



# Factors affecting homeownership rate

## Renters 25-40 years old

Share of renters (25-40) who spend more than 30% on rent and their median household income



Source: NAR Calculations of 2023 ACS PUMS data

### Access to Credit:

Buying a home is one of the largest financial transactions an individual will make in their lifetime. Since most people don't have the savings to buy a home outright, they rely on mortgage financing to achieve homeownership. However, access to credit is not equal across racial and ethnic groups. The ability to secure a mortgage with favorable terms depends on several factors, including credit scores, debt-income ratios, and financial history – all of which can vary by race.

For instance, Black (21%) and Hispanic (17%) applicants face significantly higher mortgage denial rates compared to White (11%) and Asian (9%) applicants. Additionally, Black and Hispanic borrowers are more likely to rely on FHA-insured loans, which, while offering lower down payment

requirements, often come with higher interest rates and additional fees compared to conventional loans. These differences in loan access and terms make homeownership more expensive and less attainable for minority buyers.

## Denial Rates



Source: NAR Calculations of 2023 HMDA data

# Demographic Trends

Considering the nuanced implications of demographic shifts, it is apparent that the impact on homeownership will differ markedly across states. In response to this complexity, the National Association of REALTORS® has conducted a comprehensive analysis, providing state-specific estimates of demographic trends that may affect future homeownership patterns.

One key factor is the increasing share of younger adults entering the homeownership market – particularly those who can afford to purchase a home. The data reveal significant variation in the proportion of young adults across states among different racial and ethnic groups. This suggests that the impact on homeownership rates will be highly state-specific, influenced by the demographic composition of each state.

North Dakota, New Hampshire, and Montana were the top three states with the largest concentration of Hispanic young adults. More than 48% of the Hispanic households fall within the age range of 25-40 in these three states. While these Hispanic households may face varying affordability challenges in North Dakota and New Hampshire, Montana also stands out for better affordability, offering even more opportunities.

In addition, North Dakota, which has one of the smallest Black populations and lowest Black homeownership rates, may benefit from the larger share of Black households reaching homebuying age. While half of Black households in the state fall within the 25-40 range, nearly 70% of them can currently afford to purchase a median-priced home.

Among areas with a larger Black population, the District of Columbia also has a substantial proportion of younger Black households, with one in three falling within the same age bracket. Despite lower affordability in this area, the larger share of Black young adults could still have a meaningful impact on homeownership trends in the area.

Thus, as more individuals from minority communities reach the median homebuying age, there is a potential to gradually increase the homeownership rates among these groups. However, the effectiveness of this demographic shift in altering homeownership rates will largely depend on other factors such as affordability, access to mortgage finance, and housing stock availability. But, by focusing on tailored, community-specific solutions, there is an opportunity to make meaningful progress in achieving equitable homeownership across all racial and ethnic groups.

# Demographic Trends

## 🔑 How REALTORS® can use this:

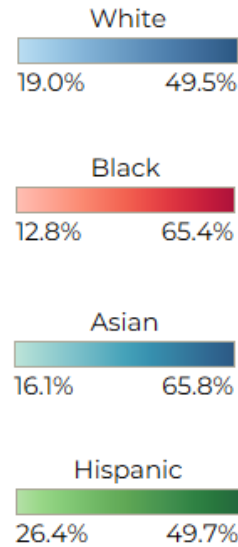
- Educate younger buyers with financial planning tools.
- Develop home buyer education programs tailored to first-time buyers, emphasizing credit-building strategies, saving for down payments, and mortgage options.
- Develop partnerships with lenders who specialize in serving diverse clients and buyers.
- Use social media, webinars, and community events to connect with younger buyers and build long-term relationships.
- Engage with families transferring homeownership by assisting with the sale of the property, gifting strategies, and wealth transition planning.
- Partner with attorneys and financial advisors to position yourself as an expert for families navigating wealth transfer transactions.



# Demographic Trends

## Share of Households in the age group 25-40

State	White	Black	Asian	Hispanic
Alabama	22.7%	27.8%	37.3%	34.0%
Alaska	28.0%	34.5%	27.9%	35.5%
Arizona	21.5%	31.7%	31.2%	34.9%
Arkansas	23.4%	29.8%	37.0%	39.4%
California	22.9%	26.5%	29.2%	31.8%
Colorado	28.7%	33.9%	41.3%	36.9%
Connecticut	20.6%	28.4%	29.4%	34.9%
Delaware	20.5%	21.4%	30.3%	30.4%
District of Columbia	49.5%	33.0%	46.7%	44.9%
Florida	19.0%	28.8%	27.6%	29.3%
Georgia	23.3%	27.9%	34.5%	35.9%
Hawaii	24.0%	34.0%	16.1%	38.4%
Idaho	24.4%	65.4%	41.3%	38.7%
Illinois	23.9%	25.6%	33.4%	32.9%
Indiana	23.5%	31.6%	41.1%	37.0%
Iowa	24.0%	31.5%	42.4%	39.7%
Kansas	24.6%	30.3%	33.2%	36.4%
Kentucky	23.7%	29.9%	44.4%	40.9%
Louisiana	23.8%	25.8%	39.3%	36.5%
Maine	21.4%	36.4%	42.8%	45.1%
Maryland	22.5%	25.2%	26.0%	32.3%
Massachusetts	21.8%	28.2%	39.3%	36.7%
Michigan	22.6%	26.7%	33.5%	37.6%



State	White	Black	Asian	Hispanic
Minnesota	24.0%	37.6%	45.9%	42.9%
Mississippi	21.8%	24.3%	38.7%	41.2%
Missouri	24.8%	27.4%	40.8%	38.3%
Montana	24.3%	45.6%	31.7%	48.4%
Nebraska	25.8%	25.2%	31.6%	41.0%
Nevada	22.1%	33.3%	27.0%	36.7%
New Hampshire	22.1%	25.5%	42.1%	48.9%
New Jersey	20.6%	24.5%	30.6%	31.0%
New Mexico	22.4%	29.0%	40.3%	29.1%
New York	23.0%	24.1%	31.8%	29.7%
North Carolina	23.6%	26.8%	36.3%	38.0%
North Dakota	27.8%	50.1%	65.8%	49.7%
Ohio	23.5%	30.0%	36.8%	38.9%
Oklahoma	24.4%	27.3%	32.3%	40.1%
Oregon	23.7%	36.7%	36.3%	40.4%
Pennsylvania	22.1%	28.6%	37.0%	38.2%
Rhode Island	21.4%	32.6%	40.1%	36.8%
South Carolina	22.4%	26.5%	33.2%	38.2%
South Dakota	25.1%	31.5%	31.5%	47.9%
Tennessee	24.4%	29.4%	34.7%	42.4%
Texas	26.7%	33.0%	35.8%	33.7%
Utah	29.7%	38.5%	42.3%	38.2%
Vermont	22.4%	12.8%	53.0%	26.4%
Virginia	24.3%	27.5%	31.3%	36.4%
Washington	25.6%	32.4%	42.0%	41.5%
West Virginia	20.3%	18.7%	32.1%	29.4%
Wisconsin	22.7%	34.2%	51.2%	36.5%
Wyoming	24.8%	42.0%	45.4%	38.1%

Source: NAR Calculations of 2023 ACS PUMS data

# Affordability Challenges for Renters

Renters in the United States face significant challenges when it comes to transitioning from renting to homeownership. As rental costs rise, they reduce disposable incomes for renters, leaving less room for financial flexibility. Nearly half of all renters need to spend more than 30% of their income on rent. For many, this limits their ability to accumulate savings, qualify for a mortgage, and transition to homeownership in a competitive market. Given these constraints, understanding local demographic affordability trends is very important for real estate professionals looking to support first-time buyers.

## **State-by-state affordability**

The ability of renter households to afford a median-priced home varies significantly across states, driven by local housing costs, income levels, and economic conditions.

### *High-cost markets with limited affordability*

Hawaii, California, and Utah are the states with the fewest renters able to afford to buy a home. In Hawaii, for instance, the share of renters across all racial and ethnic groups who have the financial capability to purchase a home is exceptionally low, with the average being just over 4%. This trend indicates that in this area, regardless of racial or ethnic background, less than 5% of renters have the financial means to afford a median-priced home, highlighting the acute affordability challenges faced by renters in this state.

### *More affordable housing markets*

In contrast, in Kansas, West Virginia, and Mississippi, where housing is more affordable, a significantly higher percentage of renters earn enough income to buy the median-priced home in these areas. For instance, in Kansas, 33% of Black renters and 41% of Hispanic renters have the necessary income to buy a home, showcasing the increased accessibility to homeownership in areas with more affordable housing options. These markets offer valuable opportunities for first-time buyers and present an advantage for REALTORS® looking to support renters in making the transition to ownership.

## **Race-by-race affordability**

Affordability trends also reveal that renter households in different racial and ethnic groups face distinct challenges.

In 46 of the states across the United States, Black renters face greater affordability challenges than their White counterparts. Specifically, the District of Columbia, Nebraska and Illinois were the states with the largest variations between White and Black renters. For instance, in the District of Columbia, only 3% of Black renters can afford to purchase the median-priced home compared to 25% of their White counterparts. This indicates that in these states, the

# Affordability Challenges for Renters

ability for Black renters to afford the purchase of a median-priced home is significantly lower compared to the White renters.

Nevertheless, the rapidly increasing homeownership rates among Asians underscore their generally stronger position in affording homeownership compared to White renters. With higher affordability in 42 states, Asian renters have better access to homeownership opportunities.

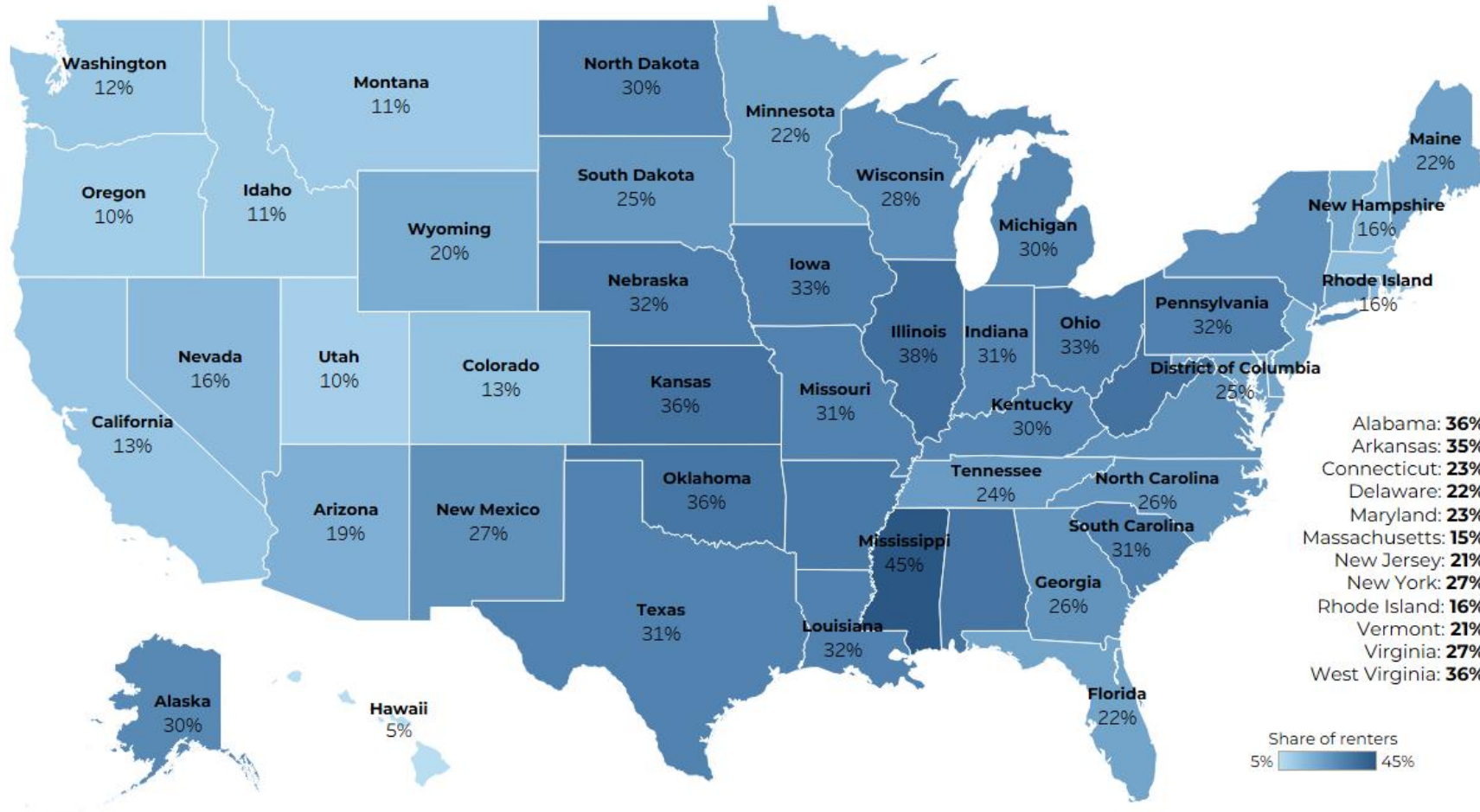
Similarly, the fact that Hispanic renters have greater affordability than their White counterparts in 17 states highlights a noteworthy, though smaller, advantage in the landscape of homeownership. This indicates that, despite facing various challenges, a significant portion of the Hispanic community can access homeownership opportunities at rates better than or comparable to White renters in these states.

## **How REALTORS® can use this:**

- Leverage local affordability trends to guide first-time buyers toward emerging homeownership opportunities.
- Identify high-potential markets where affordability trends favor diverse home buyers, providing them with targeted housing options.
- Develop partnerships with homebuilders, local governments, and housing nonprofits in markets with strong renter-to-home buyer potential.
- Partner with lenders specializing in FHA, VA, and first-time buyer programs to offer solutions tailored to their affordability needs.

# Affordability Challenges for Renters

## Share of White Renter Households that Can Afford to Buy the Typical Home



Source: NAR Calculations of 2023 ACS PUMS data

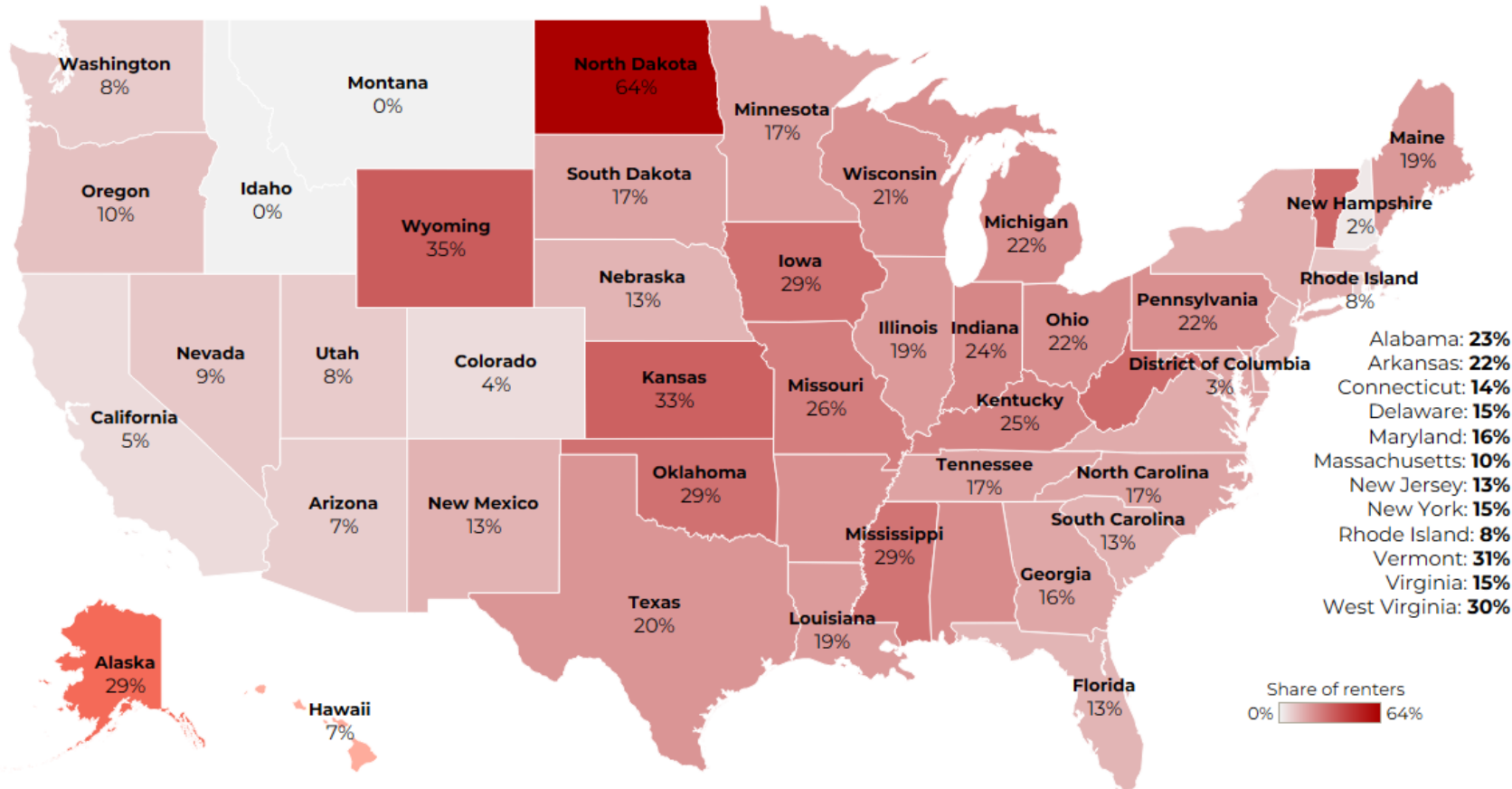
Mississippi (45%), Illinois (38%), and West Virginia (36%) were the areas with the **highest number of White renter households that can afford to buy the typical home.**

In contrast, Hawaii (5%), Utah (10%), and Oregon (10%) were the areas with the **lowest number of White renter households that can afford to buy the typical home.**

The share of White renters varied from 5% to 45% across the country. Among 51 states, including the District of Columbia, 26 states had more White renter households that can afford to buy the typical home compared to nationwide – 26%.

# Affordability Challenges for Renters

## Share of Black Renter Households that Can Afford to Buy the Typical Home



North Dakota (64%), Wyoming (35%), and Kansas (33%) were the areas with the **highest number of Black renter households that they can afford to buy the typical home.**

In contrast, Idaho (0%), Montana (0%), and New Hampshire (2%) were the areas with the **lowest numbers of Black renter households that can afford to buy the typical home.**

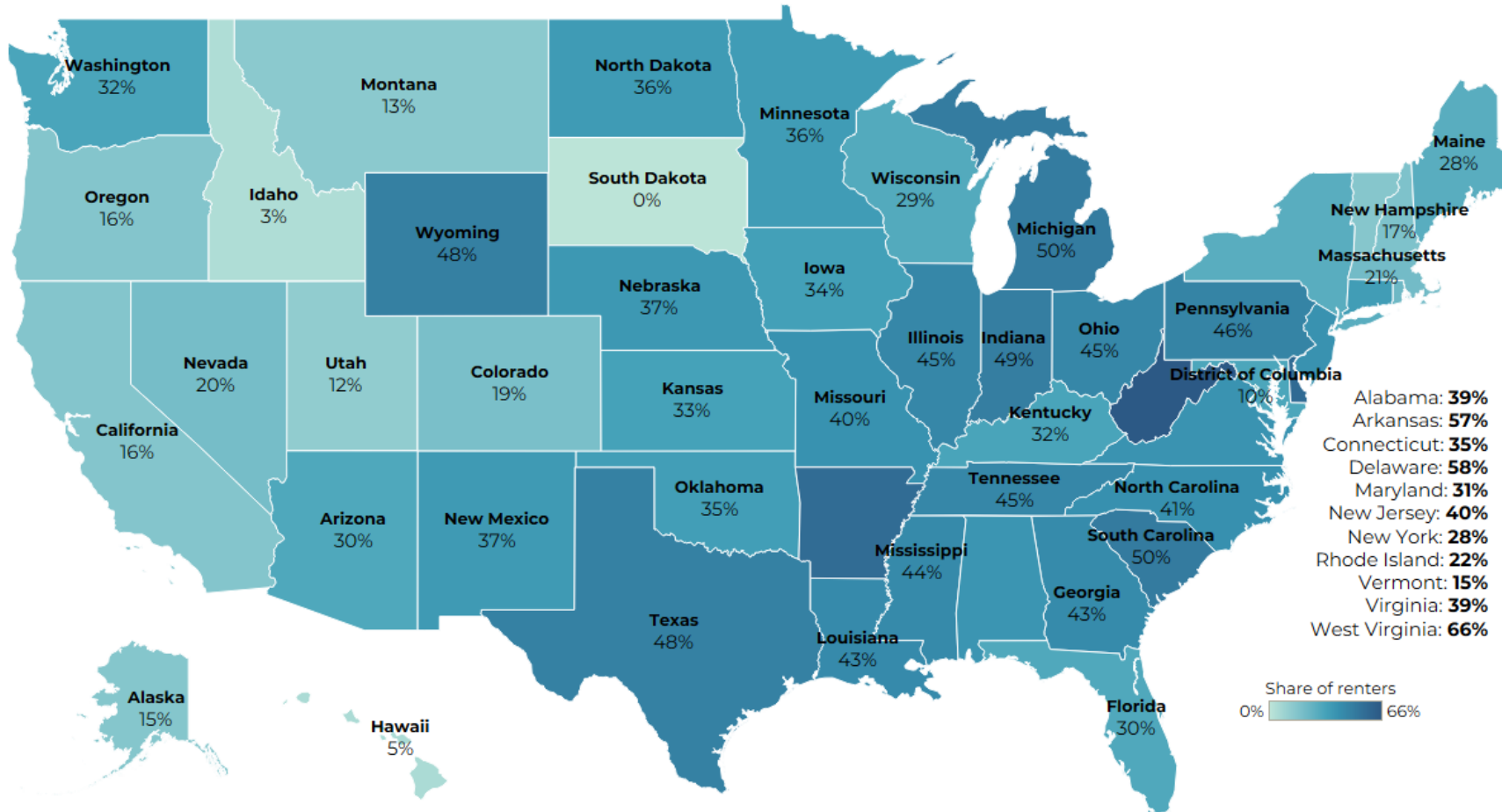
The share of Black renters varied from 0% to 64% across the country. Among 51 states, including the District of Columbia, 28 states had more Black renter households that can afford to buy the typical home compared to nationwide – 15%.

Source: NAR Calculations of 2023 ACS PUMS data



# Affordability Challenges for Renters

## Share of Asian Renter Households that Can Afford to Buy the Typical Home



Source: NAR Calculations of 2023 ACS PUMS data

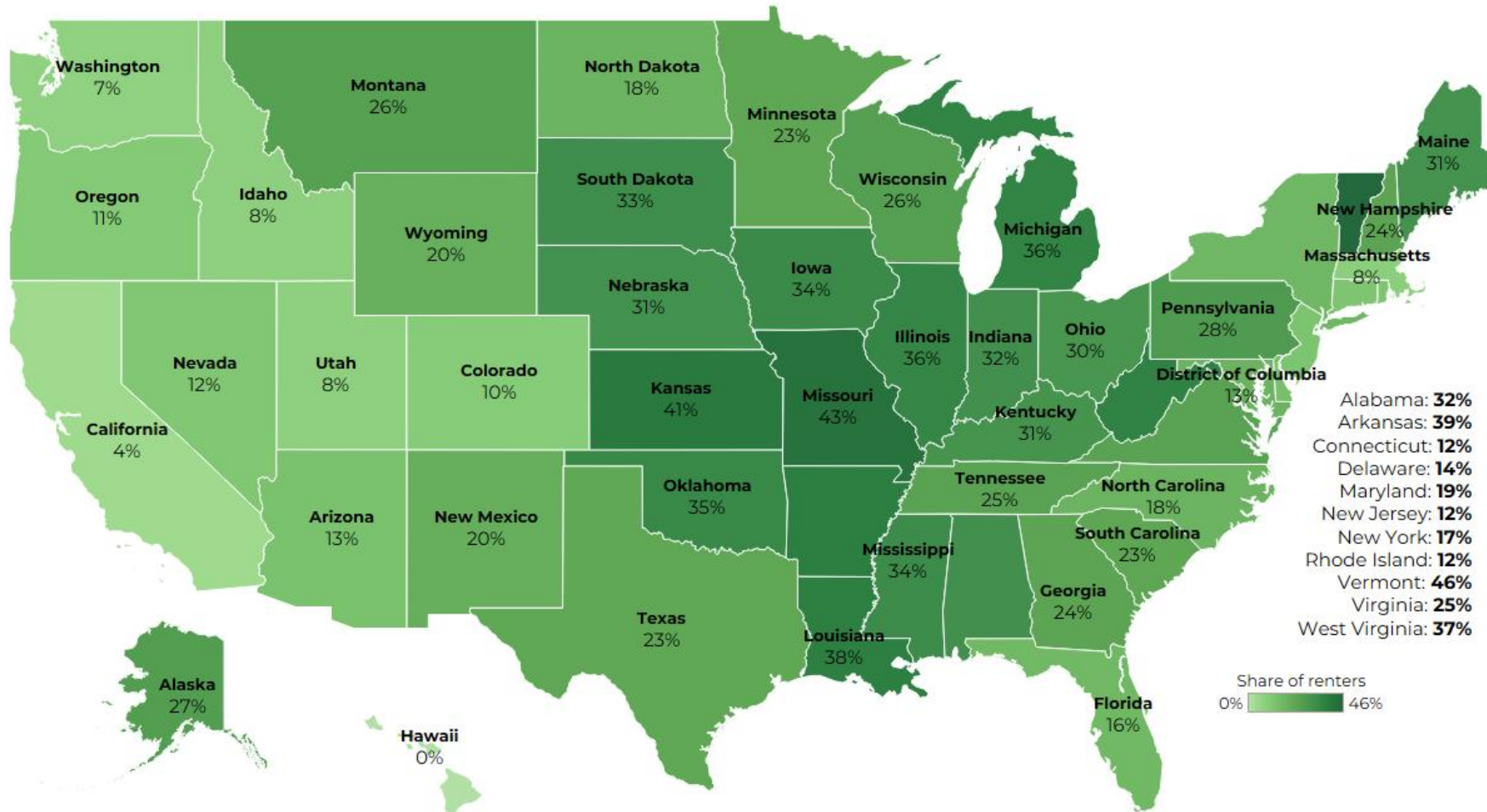
West Virginia (66%), Delaware (58%), and Arkansas (57%) were the areas with the **highest number of Asian renter households that can afford to buy the typical home.**

In contrast, South Dakota (0%), Idaho (3%), and Hawaii (5%) were the areas with the **lowest number of Asian renter households that can afford to buy the typical home.**

The share of Asian renters varied from 0% to 66% across the country. Among 51 states, including the District of Columbia, 16 states had more Asian renter households that can afford to buy the typical home compared to nationwide – 40%.

# Affordability Challenges for Renters

## Share of Hispanic Renter Households that Can Afford to Buy the Typical Home



Source: NAR Calculations of 2023 ACS PUMS data

Vermont (46%), Missouri (43%), and Kansas (41%) were the areas with the **highest number of Hispanic renter households that can afford to buy the typical home.**

In contrast, Hawaii (0%), California (4%), and Washington (7%) were the areas with the **lowest number of Hispanic renter households that can afford to buy the typical home.**

The share of Hispanic renters varied from 0% to 46% across the country. Among 51 states, including the District of Columbia, 29 states had more Hispanic renter households that can afford to buy the typical home compared to nationwide – 22%.

# Purchasing Power of First-Time Buyers

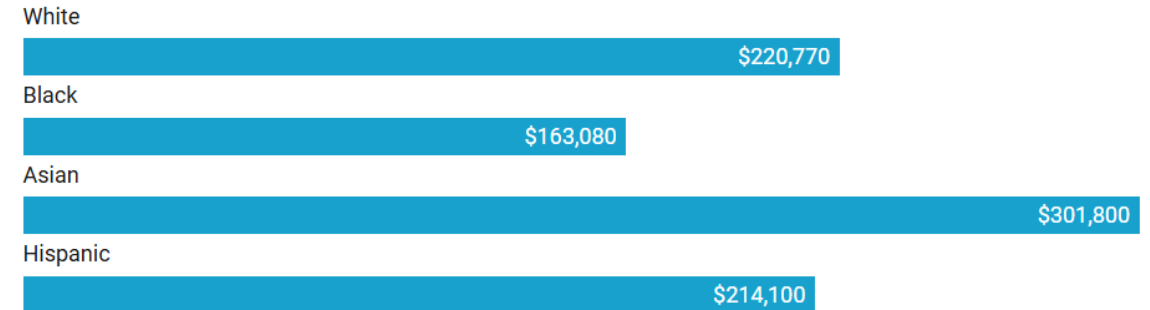
The National Association of REALTORS® has conducted an in-depth analysis to determine the maximum home price that renters from different racial and ethnic groups can afford in each state. This data serves as a crucial tool for shaping affordable housing initiatives that align with the financial realities of aspiring homeowners across communities.

Across the nation, homebuying power varies significantly by race. While each buyer is different, among the typical potential buyers:

- **White renters** can afford homes priced up to **\$220,770** without exceeding their budget.
- **Black renters**, who face some of the greatest affordability challenges, can afford homes up to **\$163,080**.
- **Asian renters** have the highest threshold at **\$301,800**.
- **Hispanic renters** can afford homes valued up to **\$214,100**, positioning them between White and Black renters in terms of purchasing power.

## Purchasing Power of Renters by Race

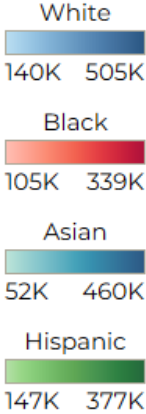
Maximum value of home that renters can afford to purchase by racial/ethnic group



Source: NAR Calculations

# Purchasing Power of First-Time Buyers

## Maximum price of the homes that renters can afford to purchase by race

	White	Black	Asian	Hispanic		White	Black	Asian	Hispanic	
Alabama	\$178,220	\$119,120	\$133,810	\$160,020		Minnesota	\$211,620	\$157,110	\$262,830	\$212,130
Alaska	\$250,230	\$161,950	\$198,120	\$242,320		Mississippi	\$173,780	\$108,800	\$162,220	\$150,830
Arizona	\$243,360	\$191,970	\$300,570	\$209,320		Missouri	\$176,440	\$151,810	\$209,650	\$240,290
Arkansas	\$158,500	\$125,590	\$229,660	\$165,830		Montana	\$204,620	\$193,480	\$198,470	\$216,610
California	\$312,900	\$204,030	\$329,710	\$255,590		Nebraska	\$192,500	\$169,340	\$196,580	\$178,890
Colorado	\$270,240	\$213,450	\$300,650	\$230,110		Nevada	\$238,500	\$167,240	\$244,200	\$217,140
Connecticut	\$227,140	\$189,130	\$283,000	\$174,270		New Hampshire	\$221,180	\$190,200	\$231,570	\$332,270
Delaware	\$217,940	\$185,350	\$412,920	\$189,810		New Jersey	\$272,120	\$198,770	\$419,840	\$220,060
District of Columbia	\$504,520	\$186,170	\$387,250	\$377,190		New Mexico	\$176,240	\$111,440	\$214,990	\$152,570
Florida	\$239,730	\$183,230	\$287,320	\$207,990		New York	\$259,680	\$187,230	\$263,730	\$196,500
Georgia	\$219,240	\$166,130	\$332,490	\$211,760		North Carolina	\$217,700	\$163,360	\$277,910	\$193,790
Hawaii	\$287,070	\$244,010	\$280,100	\$260,640		North Dakota	\$184,350	\$339,270	\$172,490	\$191,550
Idaho	\$199,470	\$210,560	\$165,390	\$216,660		Ohio	\$178,190	\$138,710	\$231,600	\$173,210
Illinois	\$222,570	\$137,000	\$264,970	\$221,460		Oklahoma	\$173,540	\$143,960	\$134,620	\$173,360
Indiana	\$174,430	\$136,720	\$246,400	\$164,930		Oregon	\$210,680	\$191,940	\$269,010	\$213,990
Iowa	\$166,310	\$167,940	\$201,480	\$185,350		Pennsylvania	\$197,250	\$143,750	\$274,740	\$180,210
Kansas	\$183,840	\$175,600	\$131,980	\$200,790		Rhode Island	\$220,040	\$182,570	\$338,140	\$173,050
Kentucky	\$153,750	\$126,940	\$166,020	\$151,590		South Carolina	\$212,020	\$134,830	\$314,950	\$179,680
Louisiana	\$160,360	\$107,910	\$166,830	\$188,800		South Dakota	\$170,970	\$105,160	\$255,170	\$219,250
Maine	\$194,640	\$154,860	\$259,890	\$229,610		Tennessee	\$197,880	\$149,960	\$292,020	\$210,000
Maryland	\$259,040	\$212,820	\$312,290	\$245,600	Texas	\$235,730	\$182,770	\$320,310	\$193,920	
Massachusetts	\$264,810	\$198,640	\$292,140	\$177,990	Utah	\$245,070	\$294,430	\$286,650	\$237,310	
Michigan	\$173,310	\$131,630	\$272,570	\$189,660	Vermont	\$191,280	\$205,860	\$51,730	\$323,230	
					Virginia	\$265,960	\$191,040	\$356,380	\$279,560	
					Washington	\$259,270	\$240,890	\$460,300	\$236,070	
					West Virginia	\$139,830	\$106,000	\$267,840	\$146,690	
					Wisconsin	\$195,640	\$161,010	\$199,620	\$181,890	
					Wyoming	\$188,630	\$164,960	\$125,020	\$168,150	

Source: NAR Calculations of 2023 ACS PUMS data

# Homeownership Affordability Challenges

Discussions about housing affordability often center on the barriers minority groups face in becoming homeowners, focusing on challenges such as income levels, mortgage access, and credit availability. While these factors are critical, many homeowners continue to face financial strain related to mortgage payments, property taxes, and maintenance costs, which can impact long-term homeownership stability.

The data highlight that affordability challenges are not limited to any single group. In high-cost states like California, Hawaii, and New York, a significant percentage of all homeowners face cost burdens, spending more than 30% of their income on housing. This trend suggests that in markets with high housing costs, affordability pressures are widespread, impacting all demographics, albeit to different degrees.

Black homeowners experience higher housing cost burdens in 39 states, with a larger share spending more than 30% of their income on housing costs compared to other groups. The most severe affordability gaps are reported in New Hampshire and Hawaii, where more than 50% of Black homeowners are cost-burdened, compared to 32% of White homeowners in Hawaii and 25% in New Hampshire.

These findings underscore the need for policies that not only support first-time home buyers but also help existing homeowners sustain their homeownership by addressing housing cost burdens and financial security across racial and ethnic groups.

## **How REALTORS® can use this:**

- Educate buyers about the full cost of homeownership.
- Provide financial planning resources, ensuring buyers understand how to buy a home and afford it long-term.
- Guide buyers toward affordable refinancing options, home equity strategies, and property tax assistance programs in states with higher housing cost burdens.
- Connect buyers with local grant programs or cost-reducing initiatives designed to help homeowners manage expenses.
- In high-cost states where affordability challenges are widespread, help homeowners identify cost-effective housing solutions (e.g. downsizing or relocating to lower-cost areas) and educate move-up buyers about how to leverage their current home equity to transition into a more affordable property.

# Homeownership Affordability Challenges

## Share of owners who spend more than 30% of their income on housing

	White	Black	Asian	Hispanic		White	Black	Asian	Hispanic	
Alabama	16.1%	25.4%	14.4%	18.6%	<p>White: 14.2% to 32.0%</p> <p>Black: 13.0% to 57.0%</p> <p>Asian: 2.0% to 54.0%</p> <p>Hispanic: 11.0% to 41.0%</p>	Minnesota	20.4%	30.5%	19.8%	24.3%
Alaska	21.8%	31.3%	22.8%	34.7%		Mississippi	16.5%	27.1%	19.8%	24.4%
Arizona	21.7%	28.4%	16.6%	23.7%		Missouri	17.2%	28.5%	19.5%	27.0%
Arkansas	16.0%	28.0%	17.3%	19.3%		Montana	24.5%	28.9%	14.3%	27.0%
California	30.9%	42.6%	29.8%	33.6%		Nebraska	19.0%	25.6%	19.6%	23.3%
Colorado	25.2%	32.9%	25.6%	31.1%		Nevada	23.2%	40.1%	24.0%	24.0%
Connecticut	25.1%	34.8%	23.3%	36.8%		New Hampshire	25.0%	52.5%	27.2%	20.7%
Delaware	20.2%	23.6%	14.6%	28.0%		New Jersey	27.5%	36.3%	23.9%	35.0%
District of Columbia	13.8%	32.4%	15.3%	10.7%		New Mexico	20.8%	22.5%	15.8%	22.9%
Florida	26.3%	36.9%	25.0%	33.1%		New York	25.2%	37.5%	37.4%	34.9%
Georgia	18.4%	30.0%	21.8%	24.1%		North Carolina	17.8%	29.0%	18.9%	23.0%
Hawaii	32.1%	56.8%	28.9%	29.8%		North Dakota	15.8%	27.2%	2.4%	19.2%
Idaho	20.9%	12.8%	23.8%	28.7%		Ohio	17.8%	29.0%	17.9%	22.5%
Illinois	20.9%	33.5%	24.4%	27.8%		Oklahoma	19.3%	24.1%	23.9%	23.2%
Indiana	16.6%	27.9%	23.4%	22.1%		Oregon	26.5%	36.9%	25.3%	27.6%
Iowa	17.5%	35.7%	20.7%	18.8%		Pennsylvania	19.7%	29.1%	23.0%	28.0%
Kansas	18.8%	19.1%	18.4%	23.3%		Rhode Island	23.8%	45.8%	20.6%	40.6%
Kentucky	18.6%	33.3%	23.2%	22.7%		South Carolina	17.3%	26.5%	18.2%	24.3%
Louisiana	18.5%	30.4%	20.1%	25.2%		South Dakota	18.6%	15.4%	53.7%	35.4%
Maine	22.8%	29.8%	25.3%	31.7%		Tennessee	17.7%	27.9%	15.8%	24.7%
Maryland	20.0%	31.1%	23.1%	24.5%	Texas	21.8%	31.2%	24.2%	25.5%	
Massachusetts	26.2%	37.9%	25.6%	35.3%	Utah	21.1%	41.6%	26.5%	29.2%	
Michigan	19.5%	28.9%	22.2%	18.3%	Vermont	27.2%		26.5%	21.6%	
					Virginia	18.7%	29.7%	21.1%	28.1%	
					Washington	24.6%	37.2%	26.4%	25.7%	
					West Virginia	14.6%	23.3%	9.0%	17.7%	
					Wisconsin	19.2%	30.2%	25.1%	18.6%	
					Wyoming	21.8%		52.6%	19.0%	

Source: NAR Calculations of 2023 ACS PUMS data

# Access to Credit

## Denial Rates

While affordability remains a primary challenge, access to mortgage financing is another key factor in determining homeownership readiness. Keep in mind that affordability is directly tied to the buyer's ability to secure financing. Even if a home seems within budget, access to mortgage approval, mortgage rates, and loan terms play a crucial role in determining whether homeownership is attainable.

According to Home Mortgage Disclosure Act (HMDA) data, mortgage applications for a home purchase were denied at a rate of 21% for Black applicants and 17% for Hispanic applicants, compared to 11% for White and 9% for Asian applicants. Higher debt-to-income ratio and credit history are the primary reasons their applications were denied.

## State-by-state

Mortgage denial rates vary significantly by state, reflecting a complex interplay of factors that can influence access to mortgage credit across different geographies. For instance, in 2023, Mississippi (19%), Louisiana (18%), and West Virginia (15%) experienced the highest denial rates nationwide. In contrast, states like Alaska (5%), North Dakota (5%), and Nebraska (6%) saw considerably lower denial rates, illustrating the diverse landscape of mortgage lending across the United States.

## Race-by-race

In South Carolina, Black applicants face a 21-percentage point gap and Hispanic applicants face an 8-percentage point gap compared to White applicants. Nevertheless, Kentucky, Wyoming and Hawaii show little variation in mortgage approval, indicating that lending conditions may be more consistent across different buyer profiles in those states. However, even with better access to credit, all three states had a Black homeownership rate lower than the national level, underscoring the complex array of factors impacting the homeownership rate.

### **How REALTORS® can use this:**

- Educate buyers about credit-building strategies and debt-to-income ratio improvement to increase mortgage approval chances.
- Work with lenders offering pre-qualification assessments to help buyers understand their financing options before they begin their home search.
- If a buyer is flexible on location, recommend areas with lower mortgage denial rates to improve their chances of securing financing.
- In states like Alaska, North Dakota, and Nebraska, where denial rates are lower, focus marketing efforts on first-time buyers who may be unaware of their financing eligibility.

# Access to Credit

## Denial Rates

### 🔑 How REALTORS® can use this:

- REALTORS® who understand state-specific lending conditions can offer more informed guidance about home affordability and financing options.
- Connect with local lenders and mortgage brokers to stay updated about changes in lending policies that may impact mortgage approval, helping REALTORS® to be trusted advisors in the homebuying process.

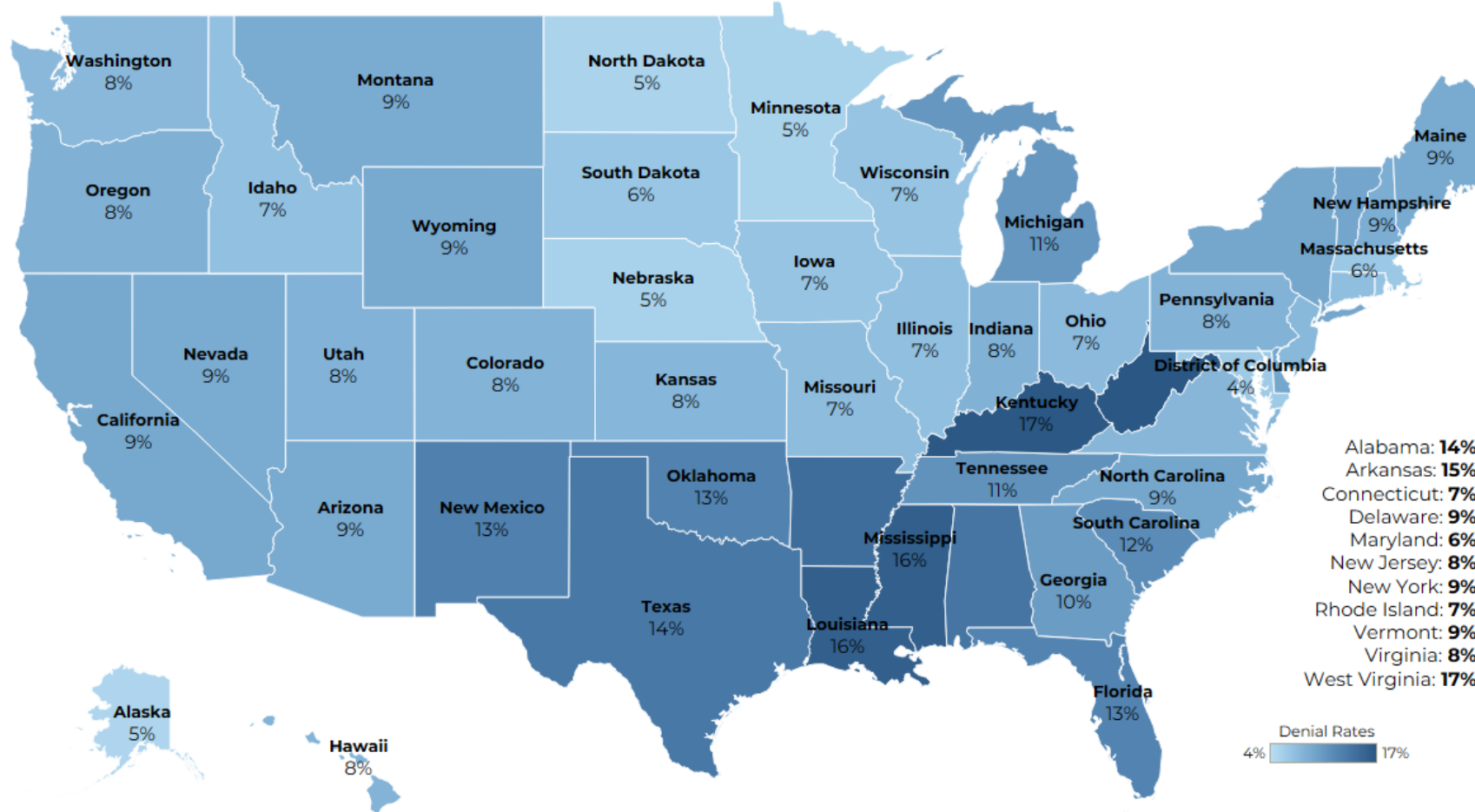




# Access to Credit

## Denial Rates for white Applicants

(Home Purchase Applications)



Source: NAR Calculations on 2023 HMDA data

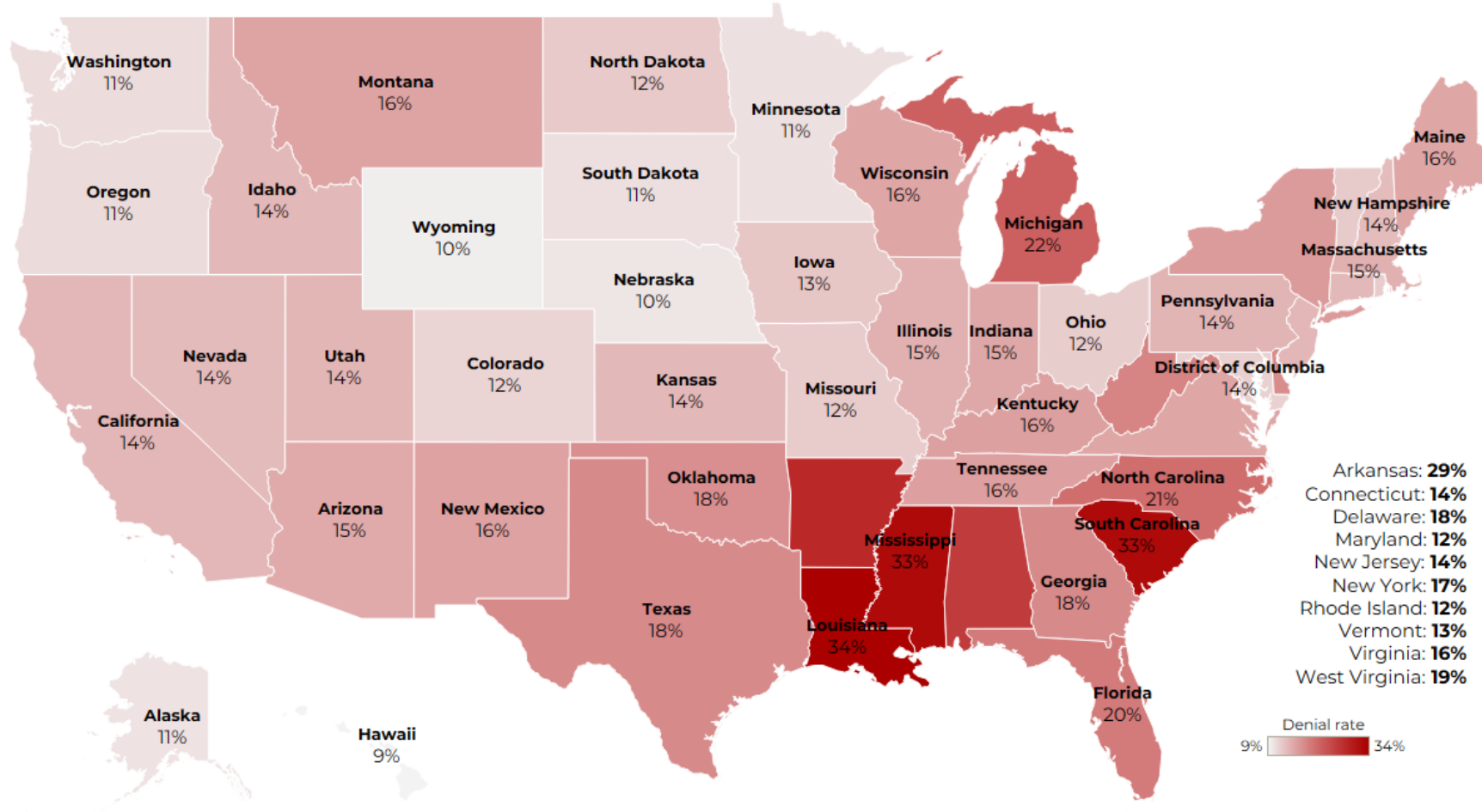
West Virginia (17%), Kentucky (17%), and Mississippi (16%) were the states with the **highest denial rates** for White Americans in 2023.

In contrast, the District of Columbia (4%), North Dakota (5%), and Minnesota (5%), had the **lowest denial rates**.

Denial rates for White Americans varied from 4% to 17% across the country. Among 51 states, including the District of Columbia, 12 states had a denial rate for white Americans higher than 11% – the national rate – in 2023.

# Access to Credit

## Denial Rates for Black Applicants (Home Purchase Applications)



Louisiana (34%), Mississippi (33%), and South Carolina (33%) were the states with the **highest denial rates** for Black Americans in 2023.

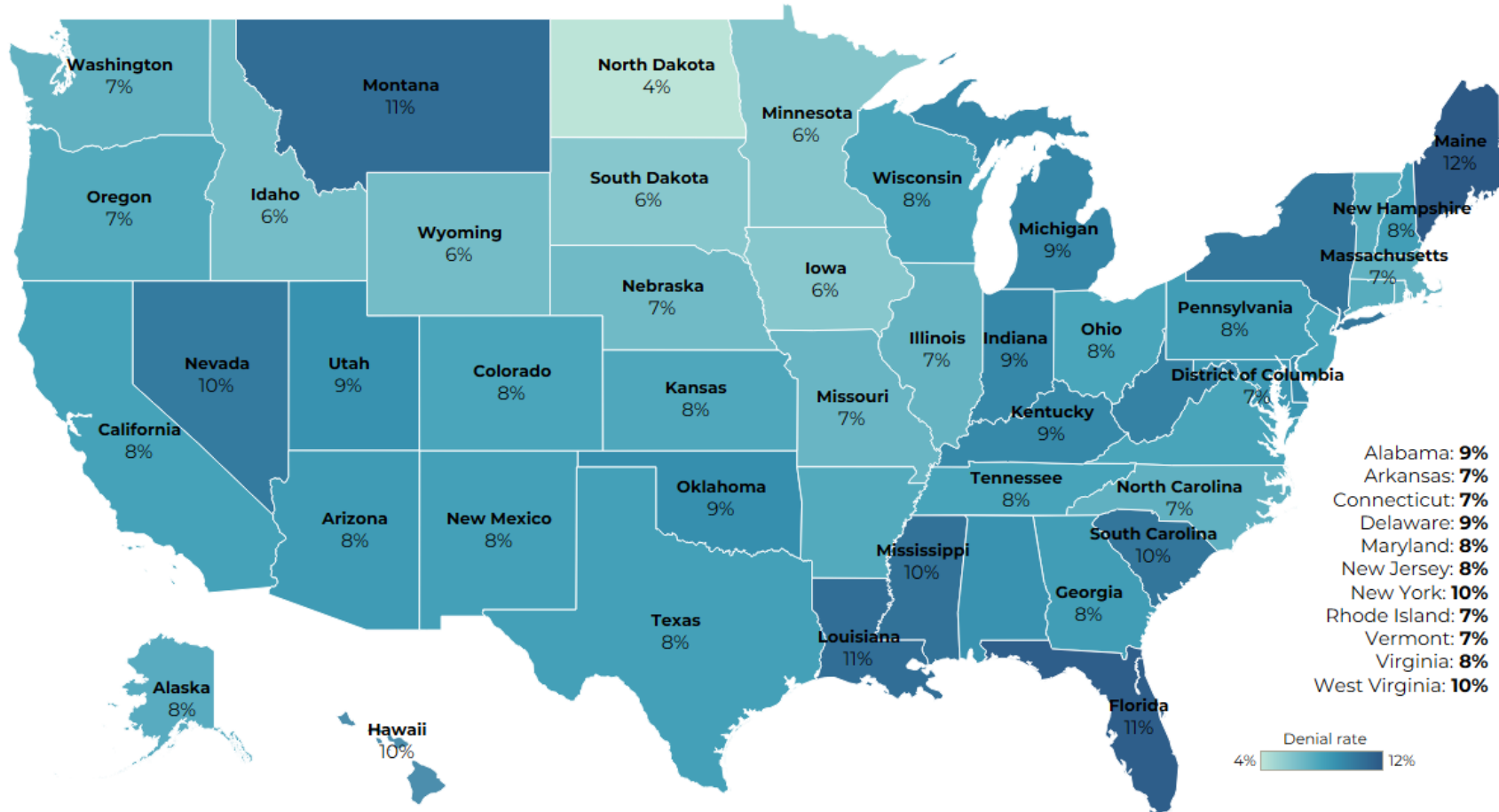
In contrast, Nebraska (10%), Wyoming (10%), and Hawaii (9%) had the **lowest denial rates**.

Denial rates for Black Americans varied from 9% to 34% across the country. Among 51 states, including the District of Columbia, seven states had a denial rate for Black Americans higher than 21% – the national rate – in 2023.

Source: NAR Calculations on 2023 HMDA data

# Access to Credit

## Denial Rates for Asian Applicants (Home Purchase Applications)



Maine (12%), Florida (11%), and Montana (11%) were the states with the **highest denial rates** for Asian Americans in 2023.

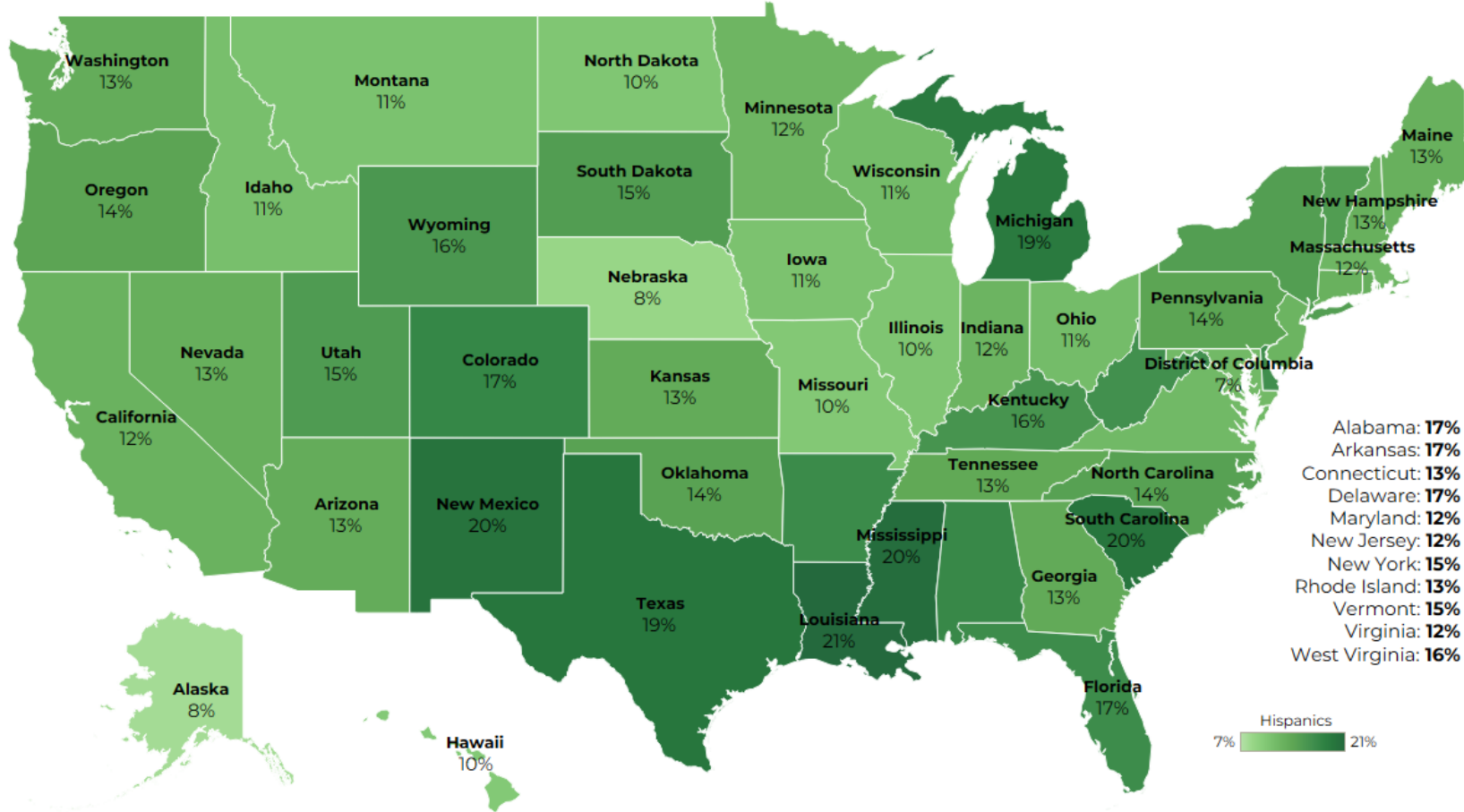
In contrast, North Dakota (4%), South Dakota (6%), and Minnesota (6%) had the **lowest denial rates**.

Denial rates for Asian Americans varied from 4% to 12% across the country. Among 51 states, including the District of Columbia, 15 states had a denial rate for Asian Americans higher than 9% – the national rate – in 2023.

Source: NAR Calculations on 2023 HMDA data

# Access to Credit

## Denial Rates for Hispanic Applicants (Home Purchase Applications)



Source: NAR Calculations on 2023 HMDA data

Louisiana (21%), Mississippi (20%), and New Mexico (20%) were the states with the **highest denial rates** for Hispanic Americans in 2023.

In contrast, the District of Columbia (7%), Alaska (7%), and Nebraska (8%) had the **lowest denial rates**.

Denial rates for Hispanic Americans varied from 7% to 21% across the country. Among 51 states, including the District of Columbia, 10 states had a denial rate for Hispanic Americans higher than 17% – the national rate – in 2023.

# Homeowners' Insurance Cost

In today's housing market, homeowners' insurance is becoming an increasingly important factor in the cost of owning a home. While insurance has always been a necessary part of homeownership, there is now a growing concern about its impact on affordability.

Many homeowners report insurance availability and pricing changes across various areas, particularly in states prone to natural disasters such as hurricanes, flooding, and wildfires. According to the American Community Survey, data show that insurance costs have increased significantly across the country. A decade ago, homeowners were paying a median of \$860 per year for homeowners' insurance. Fast forward to 2023, and that number has increased to \$1,310 – a 53% increase. However, homeowners' insurance costs cannot stay the same – they rise over time, just like most goods and services affected by inflation.

How does this increase compare with the rise of inflation in the last decade? In fact, homeowners' insurance costs have been increasing at a much faster rate than general consumer prices. Over the past decade, while consumer prices have risen by approximately 30%, homeowners' insurance costs have surged by more than 50%.

## State-by-state

As of 2023, homeowners in Florida, Louisiana, Oklahoma, Colorado and Texas face some of the highest median homeowners' insurance costs in the country, with annual premiums exceeding \$2,000 per year. On the other end of the spectrum, West Virginia, Nevada, and Utah have some of the lowest homeowner's insurance premiums in the country.

## Race-by-race

While all homeowners are feeling the effects of rising premiums, Black homeowners are particularly impacted due to their geographic concentration in states where homeowners' insurance costs are among the highest in the country. As a result, rising insurance expenses may present additional financial challenges for Black homeowners, and this group is the most cost-burdened among any other group.

At the national level, Black homeowners pay more for homeowners' insurance than any other group. In 2023, the median homeowners' insurance cost was \$1,360 for Black homeowners, \$1,310 for White homeowners, \$1,330 for Asian homeowners and \$1,300 for Hispanic homeowners.

# Homeowners' Insurance Cost

## Median Homeowners' Insurance Cost

by racial/ethnic group



Source: NAR Calculations of 2023 ACS PUMS data

### 🔑 How REALTORS® can use this:

- Ensure buyers understand how insurance costs factor into their total monthly housing expenses.
- Encourage buyers to obtain insurance quotes before finalizing a home purchase to avoid surprises.
- Guide homeowners regarding strategies to lower premiums, such as installing storm-resistant features or bundling insurance policies.
- Stay informed about state-backed insurance programs or subsidies that could help buyers in high-cost states.

# Homeowners' Insurance Cost

## Median Homeowners' Insurance Cost

	White	Black	Asian	Hispanic		White	Black	Asian	Hispanic	
Alabama	\$1,030	\$840	\$1,130	\$880	<p>White \$580 \$1,310</p> <p>Black \$280 \$1,520</p> <p>Asian \$500 \$1,540</p> <p>Hispanic \$510 \$1,340</p>	Minnesota	\$1,050	\$1,100	\$1,080	\$1,010
Alaska	\$1,060	\$810	\$810	\$640		Mississippi	\$1,070	\$840	\$1,200	\$1,200
Arizona	\$650	\$610	\$670	\$630		Missouri	\$1,000	\$910	\$1,090	\$960
Arkansas	\$920	\$810	\$950	\$790		Montana	\$830	\$650	\$850	\$1,180
California	\$890	\$870	\$860	\$740		Nebraska	\$970	\$1,040	\$960	\$840
Colorado	\$980	\$1,100	\$1,030	\$870		Nevada	\$640	\$670	\$580	\$600
Connecticut	\$1,060	\$950	\$1,070	\$1,000		New Hampshire	\$770	\$810	\$810	\$900
Delaware	\$650	\$630	\$820	\$610		New Jersey	\$940	\$880	\$910	\$970
District of Columbia	\$980	\$720	\$530	\$690		New Mexico	\$740	\$670	\$790	\$660
Florida	\$1,310	\$1,090	\$1,320	\$1,300		New York	\$870	\$1,230	\$1,130	\$1,220
Georgia	\$850	\$760	\$850	\$730		North Carolina	\$770	\$670	\$750	\$630
Hawaii	\$950	\$1,030	\$1,010	\$840		North Dakota	\$950	\$1,180	\$740	\$600
Idaho	\$580	\$280	\$500	\$550		Ohio	\$720	\$680	\$720	\$690
Illinois	\$800	\$880	\$800	\$830		Oklahoma	\$1,250	\$1,220	\$1,540	\$980
Indiana	\$820	\$790	\$850	\$790		Oregon	\$620	\$730	\$540	\$560
Iowa	\$760	\$720	\$680	\$660		Pennsylvania	\$680	\$710	\$810	\$690
Kansas	\$1,140	\$920	\$1,180	\$1,050		Rhode Island	\$1,030	\$1,230	\$1,150	\$990
Kentucky	\$870	\$800	\$780	\$800		South Carolina	\$870	\$760	\$1,120	\$810
Louisiana	\$1,280	\$1,150	\$1,470	\$1,340		South Dakota	\$780	\$1,350	\$690	\$800
Maine	\$660	\$1,520	\$660	\$1,300		Tennessee	\$870	\$850	\$940	\$860
Maryland	\$800	\$790	\$810	\$770	Texas	\$1,210	\$1,090	\$1,290	\$940	
Massachusetts	\$1,020	\$1,140	\$1,040	\$1,070	Utah	\$580	\$550	\$530	\$510	
Michigan	\$730	\$650	\$760	\$680	Vermont	\$730	\$660	\$630	\$670	
					Virginia	\$750	\$730	\$800	\$760	
					Washington	\$720	\$720	\$690	\$650	
					West Virginia	\$650	\$630	\$510	\$1,110	
					Wisconsin	\$640	\$670	\$620	\$600	
					Wyoming	\$870	\$1,210	\$1,080	\$850	

Source: NAR Calculations of 2023 ACS PUMS data

# Methodology: Section One

Leveraging the American Community Survey's Public Use Microdata Sample (PUMS) data, the National Association of Realtors® (NAR) was able to analyze homeownership rates and homeowners' insurance costs, identify demographic shifts, and assess housing affordability across various racial groups at the state level. This annual release of PUMS files offers detailed records of population and housing units, inclusive of individual responses.

In addressing affordability for first-time buyers, NAR established the necessary income to qualify for a 30-year fixed-rate mortgage, factoring in a 10% down payment. The calculation capped monthly payments for principal and interest at 25% of an individual's income. By determining the qualifying income for each state, NAR then assessed the proportion of renter households by race/ethnicity earning above this threshold, thereby gauging their potential for homeownership within their respective locales.

Using the Home Mortgage Disclosure Act (HMDA) data, NAR computed the denial rates and average mortgage rates for loan applicants across racial and ethnic groups in 2023. To calculate mortgage denial rates, NAR divided all denied loans by total loan applications for each race and ethnic group.





# Home Buyer Demographics from the *2024 Profile of Home Buyers and Sellers*

# Home Buyer Demographics by Race/Ethnicity

Using data from the 2024 *Profile of Home Buyers and Sellers* report, we can look into the characteristics of recent home buyers, their reasons for purchasing, the steps they took in the homebuying process, and how buyers financed their home purchase based on race.

Among all home buyers, White/Caucasian buyers made up the largest share at 83%, followed by Black/African American home buyers (7%), Hispanic/Latino (6%), Asian/Pacific Islander (4%), and Other (3%).

Among Asian/Pacific Islander home buyers, we see the largest share of married couples at 68%. Single-female home buyers were most common among Black/African American home buyers (33%). Forty-nine percent of Black/African American, and 43% of Asian/Pacific Islander buyers were first-time home buyers. While the majority of Asian/Pacific Islander, Hispanic/Latino, and White/Caucasian buyers had two-income households, Black/African American buyers had the highest shares of one-income households at 49%.

Twenty-six percent of Asian/Pacific Islander and 22% of Hispanic/Latino and Black/African American home buyers purchased multi-generational homes. Among those groups, buyers primarily purchased a multi-generational home for the health/caretaking of aging parents/relatives, and children/relatives over 18 moving back into the house. The share of multi-generational buyers was only 13% among White/Caucasian buyers.

The family continues to play a role in helping buyers in entering the market. Twenty-two percent of Asian/Pacific Islanders, and 13% of Black/African American buyers used a gift or a loan from a relative or friend towards their down payment for their home.

Black/African American buyers were most likely to use their 401k/pension and community/government down payment assistance programs. Another way buyers receive help from family and friends is by living at home before buying. Among first-time buyers, 27% of Hispanic/Latino, 26% of Asian/Pacific Islander, and 25% of White/Caucasian buyers lived with parents, relatives, or friends prior to purchasing their home, compared to 16% of Black/African American buyers.

Black/African American home buyers were the most likely to use FHA and VA loans, while White/Caucasian buyers were the most likely to use conventional loans. The typical down payment was highest among Asian/Pacific Islander buyers at 21% and White/Caucasian buyers at 19%. Black/African American home buyers reported the highest share of student loan debt at 42%. Black/African American and White/Caucasian buyers reported the highest student loan debt amount at \$30,000, followed by Asian/Pacific Islander buyers at \$29,000. Asian/Pacific Islander buyers had the highest share of buyers with at least some college education.

The main reason home buyers are rejected by a mortgage lender is their debt-to-income ratio. Black/African American buyers were more likely to be denied due to low credit scores. In contrast, Asian/Pacific Islander buyers were more likely to be denied for being unable to verify their income and not having enough money in reserves.

# Race/Ethnicity of Home Buyers

	All Buyers
White/Caucasian	83%
Black/African American	7%
Hispanic/Latino	6%
Asian/Pacific Islander	4%
Other	3%

*Note: Respondents were permitted to select as many races and ethnicities as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.*

Source: 2024 Profile of Home Buyers and Sellers

# Household Composition by Race/Ethnicity

## Racial and Ethnic Distribution

	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Married couple	43%	68%	64%	64%
Single female	33%	14%	19%	20%
Single male	12%	8%	9%	8%
Unmarried couple	7%	7%	6%	6%
Other	5%	3%	3%	3%

Source: 2024 Profile of Home Buyers and Sellers

# Buyer Demographics by Race/Ethnicity

## Racial and Ethnic Distribution

	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
First-time buyers	49%	43%	41%	20%
Repeat buyers	51%	57%	59%	80%
Median age	50	45	47	58
Median household income	\$100,000	\$135,000	\$96,300	\$110,000
Income earners in household				
None	1%	1%	2%	2%
One	49%	33%	30%	38%
Two	39%	57%	57%	50%
Three or more	11%	9%	11%	10%

Source: 2024 Profile of Home Buyers and Sellers

# Home Characteristics Purchased by Race/Ethnicity

## Racial and Ethnic Distribution

	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Purchased new home	22%	21%	15%	12%
Purchased previously owned home	78%	79%	85%	88%
Detached single-family	74%	67%	75%	76%
Townhouse/row house	10%	11%	7%	6%
Duplex/apartment/condo	10%	17%	11%	11%
Mobile/manufactured home	2%	1%	1%	3%
Cabin/cottage	1%	3%	1%	2%
Other	3%	3%	5%	3%
Median square feet of home purchased	1,800	2,100	1,800	1,900

Source: 2024 Profile of Home Buyers and Sellers

# Purchased Through Real Estate Agent/Broker, and Reasons For Purchase by Race/Ethnicity

Racial and Ethnic Distribution

	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Purchased through a real estate agent or broker	90%	85%	91%	88%
<b>Primary reason for purchasing a home</b>				
Desire to own home of own	43%	33%	34%	19%
Desire for larger home	11%	10%	14%	10%
Desire to be closer to family/friends/relatives	7%	9%	8%	15%
Change in family situation (e.g. marriage, birth of child, divorce, etc.)	7%	5%	6%	8%
Desire for a home in a better area	6%	6%	6%	7%
Job-related relocation or move	5%	3%	4%	6%
Desire to be closer to job/school/transit	1%	3%	2%	3%

Source: 2024 Profile of Home Buyers and Sellers

# Purchased Multi-Generational Home by Race/Ethnicity

## Racial and Ethnic Distribution

	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Multi-generational household	22%	26%	22%	13%
Income earners in multi-generational household				
None	1%	2%	3%	1%
One	34%	27%	15%	32%
Two	38%	55%	57%	43%
Three or more	27%	17%	25%	24%
Reasons for purchase				
Health/caretaking of aging parents/relatives	27%	22%	28%	33%
Cost savings	25%	45%	25%	18%
Children/relatives over 18 moving back into the house	20%	3%	27%	23%
To spend more time with aging parents	14%	20%	22%	12%
Children/relatives over 18 never left home	11%	12%	21%	20%
Wanted a larger home that multiple incomes could afford together	8%	5%	12%	9%
None of the above	27%	19%	17%	19%
Other	6%	2%	3%	7%

Source: 2024 Profile of Home Buyers and Sellers



## Sources of Downpayment by Race/Ethnicity

	Racial and Ethnic Distribution			
	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Savings	58%	66%	51%	47%
Proceeds from sale of primary residence	23%	24%	34%	49%
401k/pension fund including a loan	11%	10%	9%	4%
Gift from relative or friend	11%	19%	8%	7%
Community/government down payment assistance program	5%	*	2%	1%
Sale of stocks or bonds	4%	18%	6%	6%
Loan from relative or friend	2%	3%	4%	2%
Inheritance	*	4%	3%	5%

\* Less than 1 percent

Source: 2024 Profile of Home Buyers and Sellers

## Prior Living Arrangement Among First-Time Buyers by Race/Ethnicity

	Racial and Ethnic Distribution			
	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Rented an apartment or house	76%	69%	62%	62%
Owned previous home	4%	4%	3%	7%
Lived with parents/relatives/friends, paid rent	13%	13%	20%	13%
Lived with parents/relatives/friends, did not pay rent	3%	13%	7%	12%
Rented the home ultimately purchased	4%	1%	8%	6%

Source: 2024 Profile of Home Buyers and Sellers

# Type of Loan and Median Downpayment Amount by Race/Ethnicity

## Racial and Ethnic Distribution

	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Conventional	41%	65%	52%	71%
FHA	37%	14%	25%	12%
VA	18%	6%	14%	10%
Don't know	2%	10%	8%	4%
Other	2%	5%	1%	3%
Median downpayment	8%	21%	13%	19%

Source: 2024 Profile of Home Buyers and Sellers

# Education Level of Household Head and Student Debt by Race/Ethnicity

## Racial and Ethnic Distribution

	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Less than high school	1%	2%	2%	1%
High School diploma	17%	13%	26%	18%
Associates degree	13%	7%	18%	15%
Bachelor's degree	27%	31%	26%	30%
Some graduate work	8%	3%	5%	6%
Master's degree/MBA/law degree	28%	30%	19%	25%
Doctoral degree	6%	14%	4%	7%
Have student loan debt	42%	14%	23%	15%
Median student loan debt amount	\$30,000	\$29,000	\$25,000	\$30,000

Source: 2024 Profile of Home Buyers and Sellers

# Buyer Mortgage Application Had Been Rejected From Mortgage Lender by Race/Ethnicity

	Racial and Ethnic Distribution			
	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Median number of times application was denied	2	1	1	1
Reason for being rejected by mortgage lender				
Debt-to-income ratio	52%	23%	35%	40%
Low credit score	31%	20%	15%	15%
Income was unable to be verified	10%	23%	5%	12%
Not enough money in reserves	14%	23%	5%	11%
Insufficient downpayment	14%	15%	10%	9%
Too soon after refinancing another property	*	*	*	1%
Don't know	21%	31%	45%	11%
Other	7%	15%	15%	23%

\* Less than 1 percent

Source: 2024 Profile of Home Buyers and Sellers



# Home Buyers and Fair Housing

## Home Buyers and Fair Housing

In addition to being asked about their homebuying experience, recent home buyers were also asked if they had experienced or witnessed discrimination during their real estate transactions. When asked about their neighborhood and if the majority of residents are the same race as them, 69% of Asian/Pacific Islander home buyers, 66% of Black/African American home buyers, and 47% of Hispanic/Latino home buyers said that the majority of their neighborhood is not the same race as them. This is compared to only 16% of White/Caucasian home buyers who say that the majority of their neighborhood is not the same race as them. Sixty-nine percent of White/Caucasian home buyers said that the majority of the neighborhood was the same race as them. In comparison, 18% of Asian/Pacific Islander home buyers, 22% of Black/African American home buyers, and 27% of Hispanic/Latino home buyers said that the majority of their neighborhood was the same race as them.

Looking at ways recent home buyers witnessed or experienced discrimination in a real estate transaction, the most common discrimination for Black/African American (47%), and Asian/Pacific Islander (33%) home buyers was the type of loan product they were offered. Thirty-nine percent of Hispanic/Latino home buyers believe their purchase offer was denied for possibly discriminatory reasons. Black/African American home buyers were most likely to report witnessing or experiencing more strict requirements for themselves.

When recent home buyers were asked whether they experienced discrimination in a real estate transaction, 5% of both Black/African American and Asian/Pacific Islander home buyers and 2% of Hispanic/Latino buyers experienced discrimination based on race. Four percent of Black/African American, 3% of Asian/Pacific Islander home buyers, and 1% of Hispanic/Latino buyers experienced discrimination based on color. Forty-nine percent of Black/African American, 29% of Hispanic/Latino, 26% of Asian/Pacific Islander, and 23% of White/Caucasian home buyers did not experience discrimination in their real estate transaction but believe that it exists. Eight percent of Black/African American, 5% of Hispanic/Latino, 5% of Asian/Pacific Islander, and 4% of White/Caucasian home buyers reported the discrimination against them to a government agency.

# Neighborhood Residents and Discrimination in Transactions by Race/Ethnicity

## Racial and Ethnic Distribution

	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
<b>The majority of residents in neighborhood are the same race as respondent</b>				
Yes, majority are same race	22%	18%	27%	69%
No, majority are not same race	66%	69%	47%	16%
Don't know	12%	12%	26%	15%
<b>Ways respondent witnessed or experienced discrimination in a real estate transaction</b>				
Steering towards or away from specific neighborhoods	15%	14%	18%	37%
More strict requirements for themselves	40%	14%	12%	15%
Type of loan product offered	47%	33%	24%	11%
Purchase offer denied for possibly discriminatory reasons	29%	19%	39%	11%
Refusal of home owner or agent to show property to particular classes	11%	14%	6%	10%
Appraisal of home	11%	14%	*	6%
Other	23%	14%	24%	29%

\* Less than 1 percent

Source: 2024 Profile of Home Buyers and Sellers



# Discrimination in Home Search and Reporting Discrimination by Race/Ethnicity

## Racial and Ethnic Distribution

	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
<b>Experienced discrimination in a real estate transaction against any of the following</b>				
Race	5%	5%	2%	*
Color	4%	3%	1%	*
Religion	*	1%	1%	*
Sex	1%	1%	2%	*
Disability	*	*	*	*
Familial status (including marriage or parental status)	*	1%	1%	*
National Origin	1%	2%	1%	*
Sexual orientation	*	1%	1%	*
Not sure	5%	6%	5%	1%
No, but believe it exists	49%	26%	28%	23%
No	40%	62%	64%	74%
<b>Reported the discrimination to a government agency</b>				
Yes, reported	8%	5%	5%	4%
No, did not report	92%	95%	95%	96%

Source: 2024 Profile of Home Buyers and Sellers

# Methodology: Sections Two and Three

In July 2024, NAR mailed out a 127-question survey using a random sample weighted to be representative of sales on a geographic basis to 167,750 recent home buyers. The recent home buyers had to have purchased a primary residence between July of 2023 and June of 2024. A total of 5,390 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 3.2%. Data gathered in the report is based on primary residence home buyers. From the [REALTORS® Confidence Index](#), 83% of home buyers were primary residence buyers in 2023, which accounts for 4,756,000 homes sold in 2023 (among new and existing homes). Using that calculation, the 95% confidence level sample has a confidence interval of plus-or-minus 1%.

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 Melissa Data Corporation, a firm that maintains an extensive database of recent home buyers. Information about sellers comes from those buyers who also sold a home. Race and ethnicity group names are reported as they appear in the original survey collection.

All information in this report is characteristic of the 12-month period ending June 2024, with the exception of income data, which are reported for 2023. 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. 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%.



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