

NAHREP Report: Hispanics Continue to Drive Owner Household Growth; Inventory Emerges as Number One Barrier to Homeownership

Education 2014-04-02 15:25:39

SAN DIEGO/MIAMI – Hispanics lead the growth of U.S. owner households and many more are credit-ready to buy now if homes were available, according to the 2013 State of Hispanic Homeownership Report published this week by the [National Association of Hispanic Real Estate Professionals \(NAHREP\)](http://nahrep.org/state-of-hispanic-homeownership.php). The report about the Hispanic homebuyer market offers an update on key indicators such as household formations, jobs, income and education gains that signal Latinos' readiness to buy homes. A digital copy of the report is available for download at: <http://nahrep.org/state-of-hispanic-homeownership.php>

"This is a story of pent-up demand. Latinos are ready to buy homes now. Their biggest obstacle coming into today's market isn't credit; it's lack of available housing," said Jason Madiedo, president of NAHREP. "The readiness of this first-time buyer market represents a whole new purchase cycle that can drive recovery in local communities and put the housing recession behind us once and for all."

According to the report, Hispanics achieved modest growth of 84,000 owner households in 2013, but accounted for an increase of 2.6 million owner households or nearly 47 percent of all homeownership growth in the country between 2010 and 2013. They are expected to comprise 50 percent of all new homebuyers by 2020.

The U.S. Hispanic population has grown to 53 million, a 50 percent increase since 2000. Between 2000 and 2012, Hispanic population growth accounted for more than half of the country's overall population growth. Between now and 2050, Hispanics are expected to grow 167 percent compared to a 42 percent growth rate projected for the rest of the U.S. population. All key indicators are relevant to housing demand.

The 2013 report offers a snapshot of economic and demographic trends that trace the rise in prominence of the Hispanic mega market and its potential to impact the U.S. housing market. It also outlines the challenges and opportunities associated with the market and identifies the housing inventory shortage as the most compelling challenge facing Hispanic homebuyers today. Hispanic real estate leaders say that the astounding trend of cash sales has all but eliminated affordable housing inventory in the nation's largest Hispanic markets like as Miami, Phoenix, Las Vegas and Atlanta, based on data on institutional investor and cash sales transactions. According to NAHREP, misguided foreclosure disposition programs that favor cash investors are to blame for the shortage and the missed opportunity for homebuyers.

Some of the key indicators relevant to housing demand include:

- **Population Growth:** Hispanics continue to dominate population growth in America. The Hispanic population is presently 53 million and projected to reach 120 million by 2050, accounting for 30 percent of the total U.S. population. Today one in every four children is Hispanic.
- **Education:** Hispanics continue to make gains in education at all grade levels. In 2012, 69 percent of Hispanic high school graduates enrolled in college, for the first time surpassing non-Hispanic Whites at 67 percent. The Hispanic high school dropout rate has also plummeted by 50 percent in the past decade, falling to 15 percent in 2012.

- **Employment and Income:** Hispanics continue to drive growth in the nation's workforce. Since 2000, Hispanic job gains have accounted for 66 percent of the growth in the U.S. labor force. By 2050, one in three working Americans will be Hispanic. The median household income of Hispanics is \$40,400. Twenty-two percent of all Hispanic households earn more than \$75,000 annually.
- **Consumerism:** The purchasing power of Hispanics is estimated to grow to \$1.5 trillion by 2015, a \$500 billion increase from 2010.
- **Homeownership:** Since 2010, Hispanics have accounted for a net increase of 559,000 owner households, representing 56 percent of the total net growth of owner households in the U.S. Hispanics also comprise 47 percent of the total net growth of homeowners since 2000. They are also more likely than the general U.S. population to prefer owning a home.

This year's report, which was researched and produced by NAHREP, augments Census and market data on the Hispanic real estate market with anecdotal observations from its members who primarily work with Hispanic first-time homebuyers. In a 2014 NAHREP survey, members said that Hispanic homeownership growth would have been stronger if homes were available to purchase. Forty-two percent of members said the present housing inventory shortage was the number one barrier to homeownership for their clients. While 40 percent said they had more than five active clients who have been unable to find a suitable home or get an offer accepted.

"Latinos are natural born entrepreneurs. Homeownership is the cornerstone of economic opportunity that enables our families to fund businesses and move forward. We must remove all barriers now and enable the new generation of Latinos to invest in the American Dream of homeownership," said Frank Herrera, Chairman of New America Alliance, a nonprofit that promotes Latino leadership, entrepreneurship and access to capital in the Latino community."

About NAHREP

The National Association of Hispanic Real Estate Professionals, a non-profit 501c6 trade association, is dedicated to increasing the homeownership rate among Latinos by educating and empowering the real estate professionals that serve them. Based in San Diego, NAHREP is the premier trade organization for Hispanics and has more than 21,000 members in 48 states and 40 affiliate chapters.

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WHEN : 2014-04-02 15:25:39
WHERE :

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