



Immigrants & the Housing Market

Immigrants have historically helped to buoy the housing market, playing a critical role in its growth—or in its post-recession recovery. As Congress continues deliberations on comprehensive immigration reform, the contributions of immigrants to the housing market, as in many other sectors of the economy, further highlights the need for reform. This fact sheet—the fourth in our series on immigrants and the economy—details five reasons why immigrants boost the housing market to the benefit of all Americans. Access AS/COA’s Get the Facts series at: www.as-coa.org/immigration-facts.

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Five Reasons Why Immigrants are Critical for the Housing Market



1 Immigrants open new opportunities for middle- and working-class Americans to buy homes.

New AS/COA-Partnership for a New American Economy research finds:¹

- The 40 million immigrants in the United States have helped to stabilize the housing market in less desirable communities, making these communities more attractive options for prospective American homeowners. For example, in the Chicago metro area, the arrival of 13,000 new immigrants in nearby Gary, IN, since 1990 added \$1,500 to the value of the average home.
- Immigrants are key drivers of community revitalization—both as consumers of local goods and services and the corresponding inflow of U.S.-born individuals that immigrants bring. For every 1,000 immigrants settling in a county, 250 U.S.-born individuals follow. The purchasing power of Latinos, many of whom are immigrants, is projected to reach \$1.5 trillion by 2015.²

2 In costly metropolitan areas, immigrants impact the housing market outside costly residential areas; in many cases becoming part of the solution to issues of affordability.



New AS/COA-Partnership for a New American Economy research finds:³

- In New York City, the arrival of new immigrants from 2000 to 2010 did not raise home values in the more expensive boroughs of Manhattan or Brooklyn, but did contribute to a \$6,176 increase in home values in the Bronx and a \$3,345 increase in Queens.
- In the Bay Area, from 2000 to 2010, immigrants did not raise home values in San Francisco but did contribute to a \$7,252 boost in home values in Alameda County, which includes Oakland.



3 Over time, immigrants build their savings and credit to be able to buy a home when a U.S.-born homeowner is looking to sell.



- Immigrant homeownership rates catch up with overall rates within 30 years; second-generation immigrants have higher ownership rates than nonimmigrants.⁴
- Homeownership rates among Latino immigrants who arrived in the 1980s jumped from 15 percent in 1990 to 53 percent in 2010—and is projected to reach 61 percent by 2020.⁵



4 Immigrants represent the fastest-growing segment of new homeowners across the country and help to make up for the decline in home purchases by U.S.-born individuals.

- From 2010 to 2020, immigrants, while 13 percent of the overall U.S. population today, are projected to account for 36 percent of the growth in new homeowners.⁶
- From 2000 to 2010 immigrants accounted for 82 percent of homeowner growth in California and 65 percent of growth in New York.⁷

5 Immigrants will play a critical role in buying the homes of baby boomers as they look to downsize.



- By 2030, with the aging of baby boomers (those born between 1946 and 1964), the older population will be twice as large as in 2000 and will represent 1 in 5 Americans.
- If the Senate's comprehensive immigration reform bill were to become law, up to 3 million of the undocumented immigrants expected to pursue authorized status would eventually become homeowners.⁸
- By 2030, nearly 70 percent of Latinos who came to the U.S. during the 1990s are expected to own a home—welcome news for the more than 76 million baby boomers who will be looking to downsize in the years ahead.⁹

This fact sheet is a product of the AS/COA Integration and Immigration Initiative, which advances the integration of immigrants and promotes positive dialogue around the economic contributions of immigrants and Latinos overall across the United States, and was produced by Jason Marczak, Director of Policy, and Leani García. For more information, visit AS/COA Online at: www.as-coa.org. For media inquiries or to speak with an expert on this topic, please contact Adriana La Rotta in our communications office at: alarotta@as-coa.org.



Endnotes

- 1 Americas Society/Council of the Americas and Partnership for a New American Economy, "Immigrants Boost U.S. Economic Vitality through the Housing Market," 2013. <http://www.as-coa.org/articles/immigrants-boost-us-economic-vitality-through-housing-market>
- 2 Immigration Policy Center, "Strength in Diversity: The Economic and Political Power of Immigrants, Latinos, and Asians in the U.S.," American Immigration Council, 2012. <http://www.immigrationpolicy.org/sites/default/files/docs/Strength%20in%20Diversity%20updated%20061912.pdf>
- 3 Americas Society/Council of the Americas and Partnership for a New American Economy, "Immigrants Boost U.S. Economic Vitality through the Housing Market," 2013. <http://www.as-coa.org/articles/immigrants-boost-us-economic-vitality-through-housing-markets>
- 4 Andrew Winkler, "Economic Benefits of Immigration on Housing Markets," American Action Forum, 2013. <http://americanactionforum.org/sites/default/files/Immigration%20and%20Housing%20Markets.pdf>
- 5 Dowell Myers and John Pitkin, "Immigrant Contributions to Housing Demand in the United States: A Comparison of Recent Decades and Projections to 2020 for the States and the Nation," Research Institute for Housing America, 2013. http://www.housingamerica.org/RIHA/RIHA/Publications/83654_12214_RIHA_Immigrant_Report.pdf
- 6 Ibid.
- 7 Andrew Winkler, "Economic Benefits of Immigration on Housing Markets," American Action Forum, 2013. <http://americanactionforum.org/sites/default/files/Immigration%20and%20Housing%20Markets.pdf>
- 8 The National Association of Hispanic Real Estate Professionals, "Immigration Reform Could Generate \$500 Billion in New Real Estate Transactions," 2013. <http://nahrep.org/immigration-reform>
- 9 Charles Kenny, "Why More Immigration, Not Less, Is Key to U.S. Economic Growth," Bloomberg Business Week, 2012. <http://www.businessweek.com/articles/2012-10-28/why-more-immigration-not-less-is-key-to-u-dot-s-dot-economic-growth>