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# Snapshot of Race and Home Buying in America

National Association of REALTORS®  
Research Group



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# Homeownership Trends By Racial and Ethnic Group at State Level

# Introduction

Despite the fast-rising mortgage rates, minority groups managed to increase their homeownership rates in the last couple of years.

Data from the American Community Survey in 2022 reveals that the Black homeownership rate experienced a modest uptick, reaching 44.1%. This increment, though slight, signifies a positive movement toward homeownership within Black communities. Meanwhile, the Hispanic homeownership rate witnessed a considerable rise, attaining a level of 51.1%, which marks a significant advancement in homeownership achievements among Hispanic individuals, underscoring their resilience amidst surging mortgage rates. Furthermore, the Asian homeownership rate substantially increased to 63.3%, indicating a robust upward trend and highlighting the Asian community's capacity to navigate the challenges presented by escalating mortgage rates.

In the meantime, another survey from the U.S. Census, providing estimates for 2023, indicates a continued positive trajectory in minority homeownership, with even more minority groups successfully transitioning to homeownership in 2023.

This increase in homeownership rates of minority groups is undoubtedly a positive development, indicating progress in

in the housing market. However, even with these increases, disparities persist among racial and ethnic groups. These disparities are a clear reflection of systemic inequalities that continue to affect minority communities in the United States.

Homeownership is not merely about having a place to live; it is a key driver of wealth accumulation for individuals and families. It is through homeownership that many Americans build equity and access a range of financial benefits, including tax advantages and the potential for property appreciation. Given the substantial role homeownership plays in wealth creation, the disparities in homeownership rates are a matter of significant concern.

Historically, minority communities, particularly Black and Hispanic families, have encountered additional hurdles when it comes to homeownership, including limited access to affordable housing options. Consequently, the lower homeownership rates among these groups have further exacerbated existing wealth disparities.

The connection between homeownership rates and net worth is a critical one. Net worth, or the total assets minus household liabilities, is an essential indicator of financial stability and economic well-being.

# Introduction

When homeownership rates are lower among minority groups, their net worth also tends to be substantially lower. For instance, in 2022, the median net worth of a typical white family in the United States was \$284,310, more than six times greater than that of a Black family, which stood at just \$44,100. In the meantime, lower net worth means reduced access to financial resources, limited opportunities for investment, and a diminished ability to weather economic downturns or unexpected expenses. It also perpetuates intergenerational wealth gaps, as families with higher net worth can provide more support and opportunities to their descendants. Thus, this disparity is not solely a result of differences in income or education; it is largely due to differences in homeownership rates and the resulting accumulation of home equity.

Addressing racial disparities in homeownership demands a comprehensive approach encompassing policy reforms, community-driven initiatives, and broader societal endeavors. However, as a crucial initial step, we must diligently identify and analyze these disparities across our nation and understand the persistent underlying factors that have perpetuated them over the years.

The present report delves into homeownership trends within each racial group and explores the obstacles they encounter in their pursuit of homeownership. Recognizing that real estate dynamics are inherently local, this report also investigates homeownership disparities among racial groups in various locations, aiming to provide insights into the prevailing racial disparities within the housing market. Finally, leveraging data from the [2023 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, specifically focusing on racial distinctions.

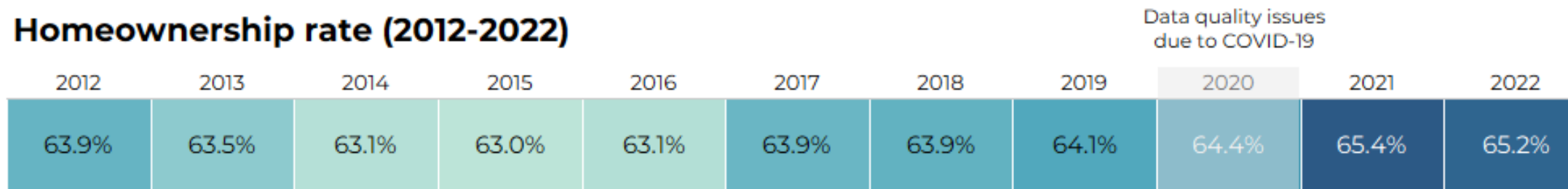
In addition to the current report, the National Association of REALTORS® provides the [profile of home buyers](#), categorized by racial and ethnic groups, at the metropolitan level. This supplementary detailed analysis offers valuable insights into the homebuying trends and preferences among different demographics within metro areas.

# Homeownership Trends Over the Past Decade

Compared to a decade ago, homeownership among Americans has significantly increased. Presently, there are approximately 10.5 million more homeowners than in 2012. To provide specifics, the homeownership rate in 2022 stood at 65.2%, marking an uptick from 63.9% in 2012. However, it's worth noting that the homeownership rate experienced a decline between 2021 and 2022, influenced mostly by affordability and inventory conditions.

Over the course of the past decade, the United States has seen notable shifts in homeownership trends. These changes have been influenced by various economic, demographic, and societal factors, contributing to a dynamic housing landscape. Notably, the homeownership rate has been steadily rising since 2015, a year that marked the lowest point in historical data. However, in 2022, this trend experienced a minor reversal, primarily attributed to elevated mortgage rates. The homeownership rate remained relatively stable in 2023, as indicated by another survey conducted by the U.S. Census.

## Homeownership rate (2012-2022)



Source: NAR calculations of ACS data

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

Homeownership rates exhibit significant disparities among different racial and ethnic groups. While homeownership rates have improved across all racial and ethnic categories over the past decade, the homeownership rate among Black individuals continues to trail behind significantly. Data reveals that the disparity between Black homeownership rates and those of other racial and ethnic groups has actually grown larger since 2012, with the Black homeownership rate still below 45%. As an illustration, the gap between Black and white homeownership rates now stands at 28%, compared to 27% in 2012.

# Homeownership Trends by Race in the Last Decade

Throughout the past decade, homeownership rates have shown consistent growth across all racial and ethnic groups in the United States. Notably, Asian Americans have witnessed the most pronounced increase in homeownership, with a remarkable gain of 6.1% compared to 2012. The surge in the homeownership rate has translated into nearly 1.5 million more Asian Americans achieving the dream of homeownership over the past decade.

Following this trend closely, the Hispanic homeownership rate has seen an increase of 5.4 percentage points compared to the rate recorded in 2012. This substantial gain equates to approximately 3.2 million additional Hispanic Americans making the transition to homeownership during 2022 and 2012.

Meanwhile, in the third position, the White homeownership rate has also ascended by 3.1 percentage points, reaching 72.3% from 69.2% in 2012. This increase translates to roughly 65,000 more white Americans in attaining homeownership over the past decade. After looking at the actual count of additional white homeowners, it's worth noting that the increase in the white homeownership rate seems to be primarily attributable to the decrease in the white population during the past decade. As the nation undergoes a faster diversification process than previously anticipated, it's essential to acknowledge that there are approximately 3.7

million fewer households classified as white Americans. Thus, the actual growth in the white homeownership rate has been even slower than 3.1 percentage points.

Lastly, the Black homeownership rate increased by 1.6 percentage points during the same period, resulting in nearly 950,000 more Black Americans transitioning to homeownership. While observing this upward trend in Black homeownership is encouraging, it has not matched the pace of growth seen in other racial/ethnic groups. The Black homeownership rate remains below 45%, well below the rate of any other group.

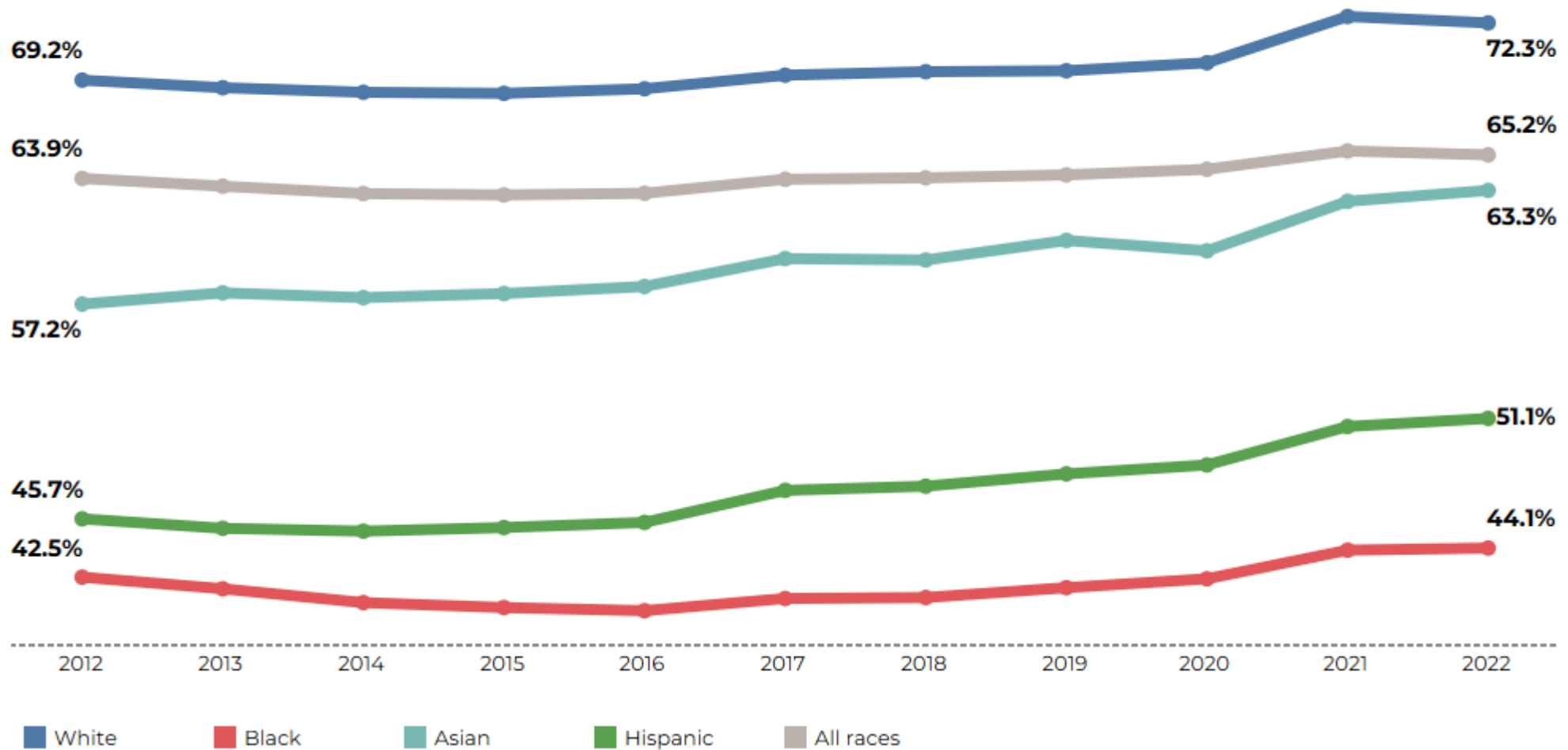
The growth in minority homeownership rates has enabled progress in reducing the homeownership gap between various racial groups and white households. Nevertheless, it's worth noting that even though the disparity in homeownership rates between Black and white households showed a slight decrease in 2022, it remains higher than it was a decade ago.

These racial disparities 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 racial disparities in areas such as homeownership, income, education, and access to resources.



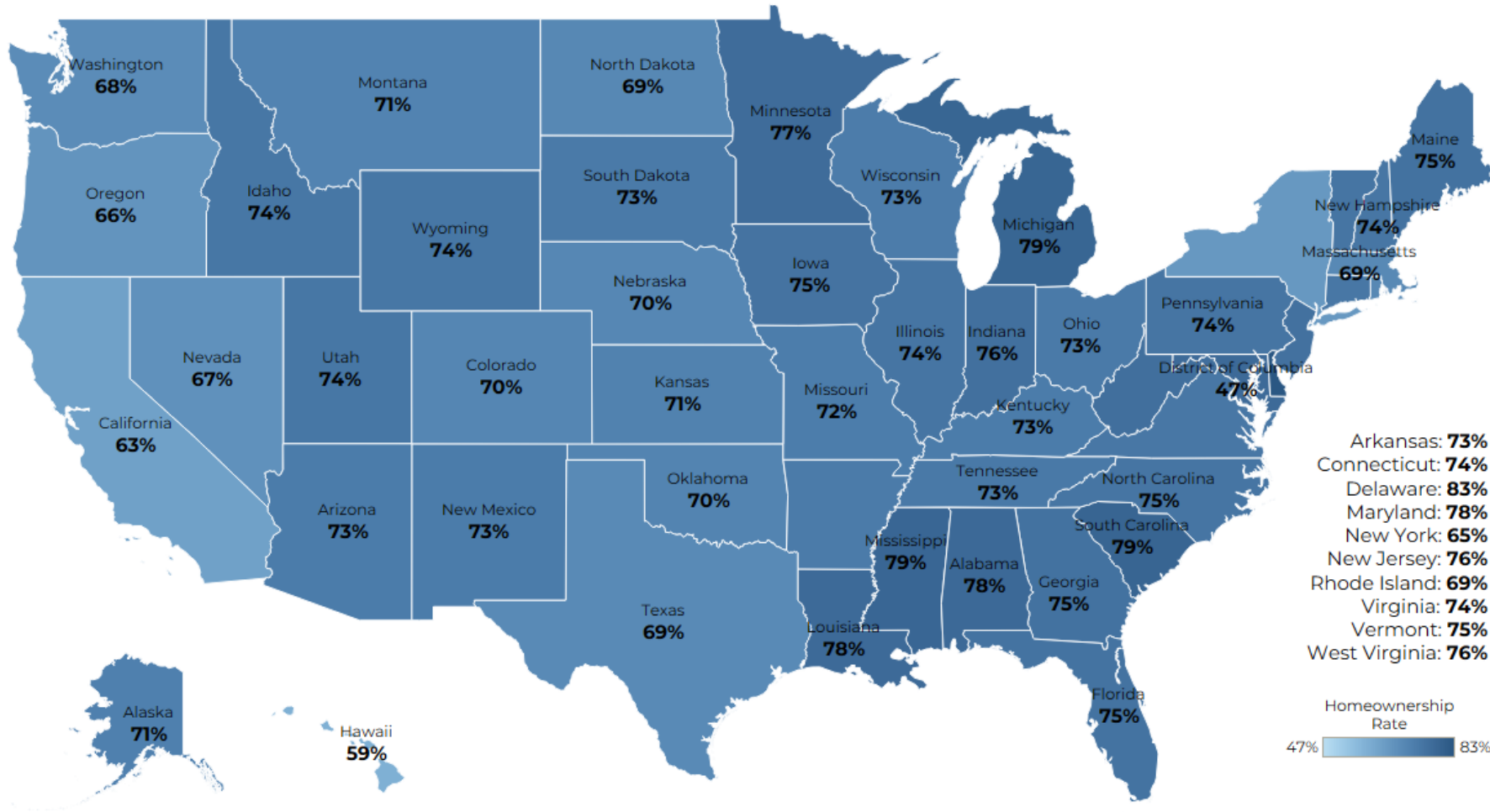
# Homeownership Trends by Race in the Last Decade

## Homeownership rate (2012-2022) by race



# Homeownership Rate for White Americans

by state



Delaware (83%), South Carolina (79%), and Michigan (79%) were the states with the **highest homeownership rates** for white Americans in 2022.

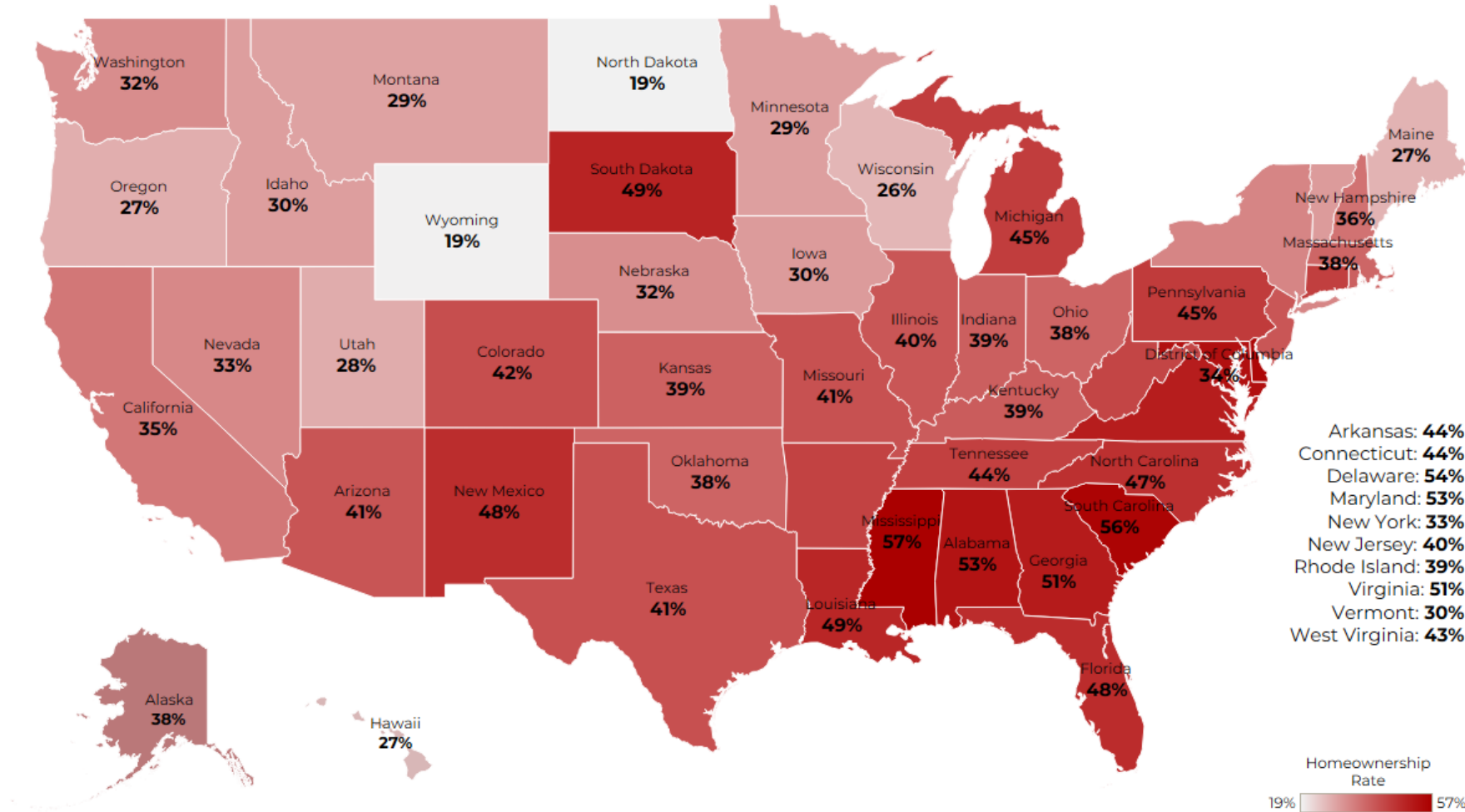
In contrast, the District of Columbia (47%), Hawaii (59%), and California (63%) had the **lowest homeownership rates**.

The homeownership rate for white Americans varied from 47% to 83% across the country. Among 51 states, including the District of Columbia, 34 states had a homeownership rate for white Americans higher than 72.3% – the national rate – in 2022.

Source: NAR calculations of ACS PUMS data

# Homeownership Rate for Black Americans

by state



Mississippi (57%), South Carolina (56%), and Delaware (54%) were the states with the **highest homeownership rates** for Black Americans in 2022.

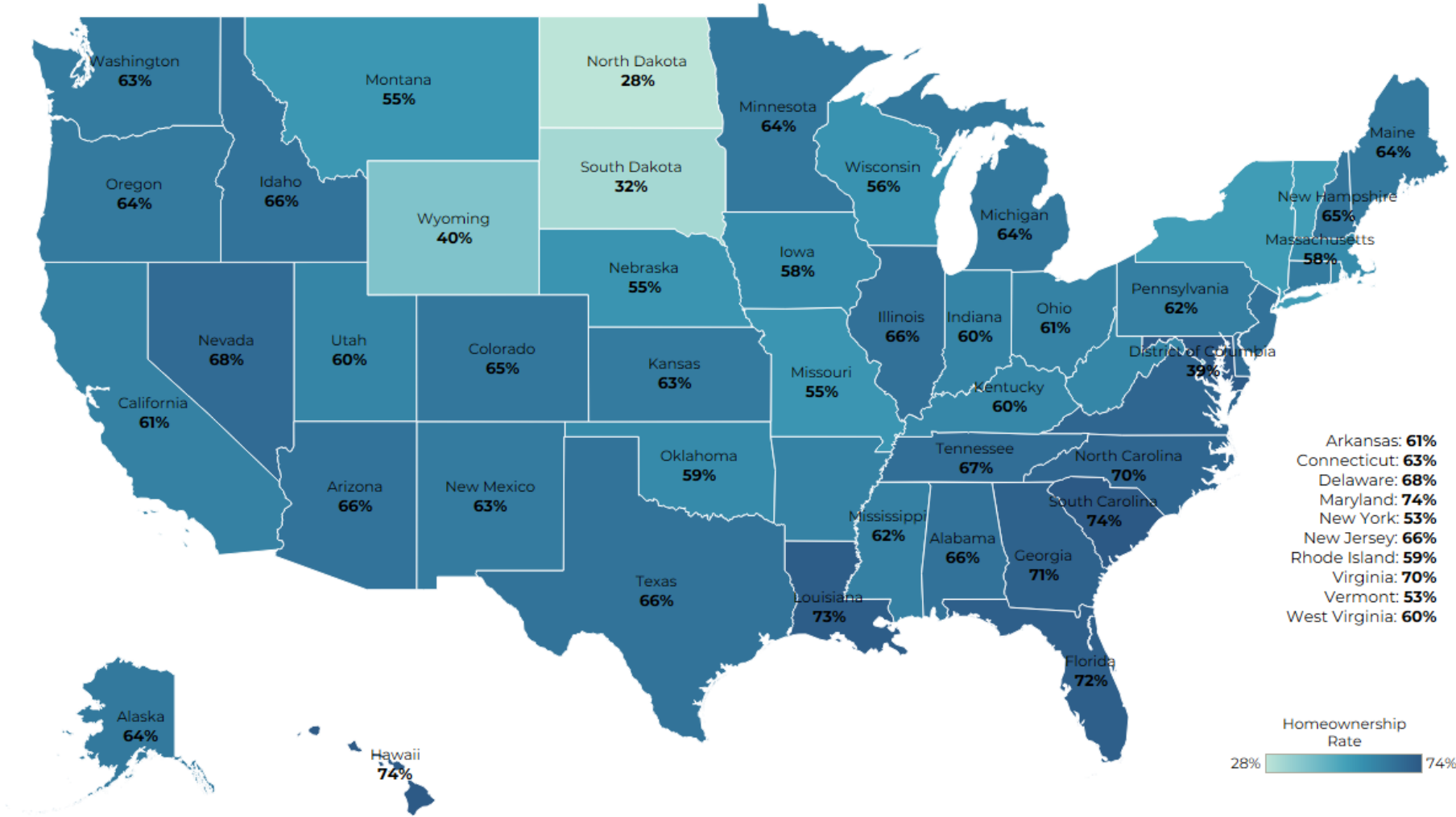
In contrast, North Dakota (19%), Wyoming (19%), and Wisconsin (26%) had the **lowest homeownership rates**.

The homeownership rate for Black Americans varied from 19% to 57% across the country. Among 51 states, including the District of Columbia, 16 states had a homeownership rate for Black Americans higher than 44.1% - the national rate - in 2022.

Source: NAR calculations of ACS PUMS data

# Homeownership Rate for Asian Americans

by state



Source: NAR calculations of ACS PUMS data

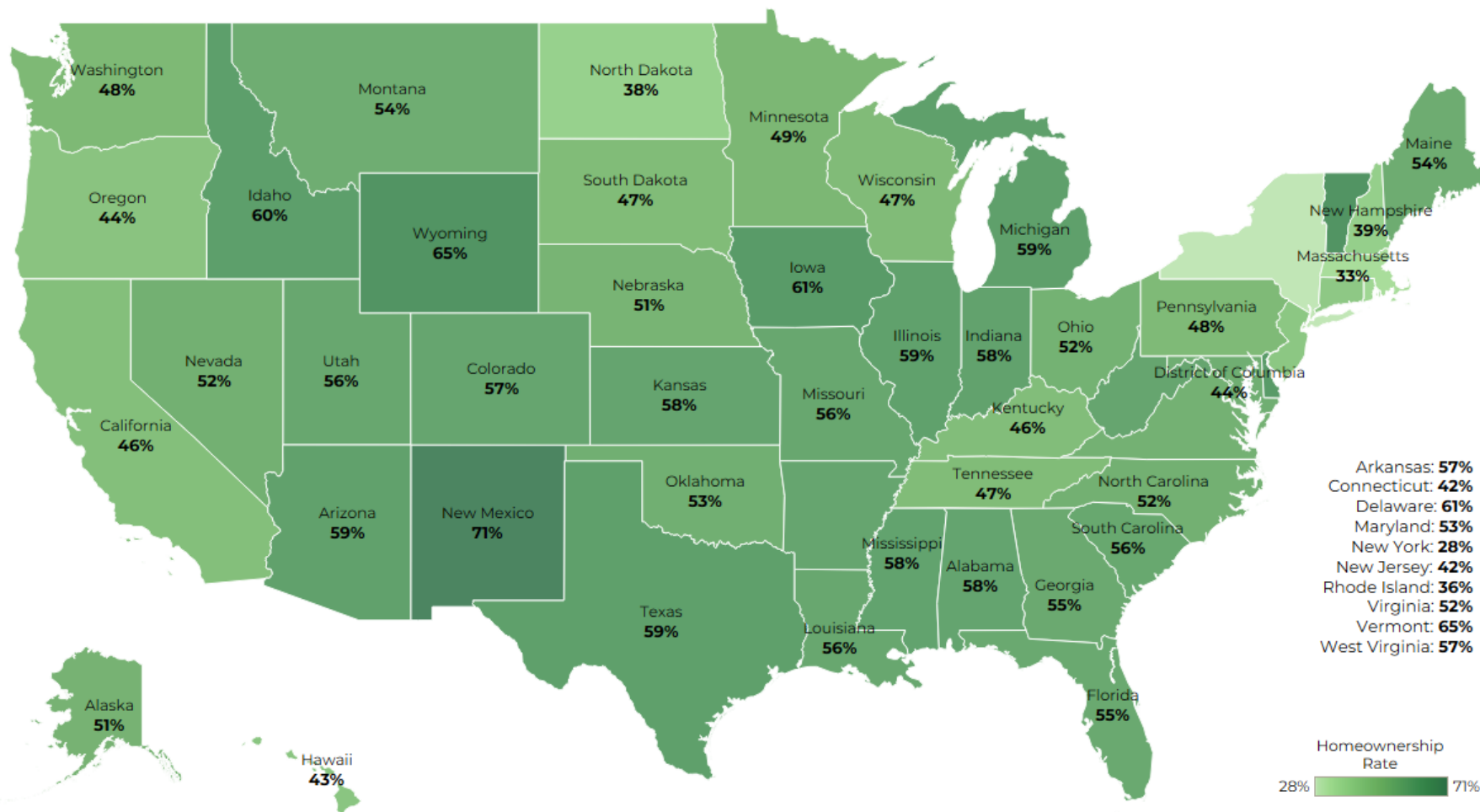
South Carolina (74%), Hawaii (74%), and Maryland (74%) were the states with the **highest homeownership rates** for Asian Americans in 2022.

In contrast, North Dakota (28%), South Dakota (32%), and the District of Columbia (39%) had the **lowest homeownership rates**.

The homeownership rate for Asian Americans varied from 28% to 74% across the country. Among 51 states, including the District of Columbia, 27 states had a homeownership rate for Asian Americans higher than 63.3% - the national rate - in 2022.

# Homeownership Rate for Hispanic Americans

by state



Source: NAR calculations of ACS PUMS data

New Mexico (71%), Vermont (65%), and Wyoming (65%) were the states with the **highest homeownership rates** for Hispanic Americans in 2022.

In contrast, New York (28%), Massachusetts (33%), Rhode Island (36%) had the **lowest homeownership rates**.

The homeownership rate for Hispanic Americans varied from 28% to 71% across the country. Among 51 states, including the District of Columbia, 31 states had a homeownership rate for Hispanic Americans higher than 51.1% - the national rate - in 2022.



# Factors Affecting Homeownership

- Demographic Trends by Racial and Ethnic Group,
- Housing Affordability Challenges by Racial and Ethnic Group,
- Access to Credit by Racial and Ethnic Group

# Factors affecting homeownership rate; A racial analysis

The homeownership rate within a society is a multifaceted phenomenon, influenced by a myriad of economic, social, and policy-related factors. The ability and desire to own a home, a symbol of stability and achievement for many, are deeply intertwined with individual circumstances, local housing markets, and broader economic conditions. Thus, several factors can influence the homeownership rate in a country or region. These factors can vary in their impact over time and across different locations and racial and ethnic groups. Some of the key factors affecting homeownership rates include:

## **Demographic Trends:**

Demographic shifts have influenced homeownership trends over time. Millennials, the largest generation in the U.S., have been delaying homeownership for various reasons, including high student debt and changing lifestyle preferences. However, as they age and start families, more millennials are entering the housing market, contributing to the overall increase in homeownership.

Thus, racial and ethnic groups with a sizable portion of their population nearing the median age of home buyers are likely to witness an increase in homeownership. Over the next five years, 1.5 million Black households are expected to turn the median homebuying age, as are 775,000 Asian households and 2.2 million Hispanic households.

## **Affordability Challenges:**

Despite rising homeownership rates, affordability remains the primary challenge for home buyers. The increasing cost of homes in various areas and elevated mortgage rates have created barriers for prospective first-time buyers seeking to enter the housing market. In the last couple of years, affordability has reached new record lows.

In the meantime, housing affordability challenges can disproportionately affect different racial and ethnic groups due to various historical, economic, and systemic factors. For instance, on average, racial and ethnic minorities often face lower incomes compared to white households. Lower income levels can make it more challenging for these groups to afford homes and save for down payments.

To provide some context, in 2020, the median household income for Black Americans stood at nearly \$47,800, while their white counterparts had a median income of \$75,700. Notably, this income disparity between Black and white Americans has continued to widen over the last decade. In perspective, in 2012, the income gap between these two groups amounted to \$21,540, whereas it grew to \$27,840 in 2022. Nevertheless, it's worth noting that Hispanic Americans have made substantial progress in terms of their income growth over the past decade. Their income gap with white Americans has narrowed, reaching nearly \$13,000 as of 2022.

# Factors affecting homeownership rate; A racial analysis

## **Access to Credit:**

Buying a home is often one of the largest financial transactions in an individual's life. Most people don't have enough savings to buy a home outright, so they need to borrow money in the form of a mortgage. Thus, access to credit allows individuals to make this substantial purchase.

However, access to credit can vary significantly by race, and disparities in credit access have historically been a significant issue. Data shows that minority households may encounter difficulties accessing mortgage credit due to disparities in credit scoring, lending practices, and loan denials.



# Demographic Trends Across Racial Groups

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 thorough analysis, yielding state-specific estimates of the number of households poised to reach the median age for home buyers by racial and ethnic group of each area over the next five years.

Based on the data, there is a significant variation in the share of households reaching the homebuying age across the states for white, Black, Asian, and Hispanic Americans. This suggests that the impact on homeownership rates will be highly state-specific, influenced by the demographic composition of each state.

In a detailed analysis of demographic trends with respect to homeownership among Black Americans, South Dakota, and Alaska emerged as the states with the highest percentage of Black individuals approaching the median homebuying age. While the average age at which people typically purchase homes is around 40 in these two areas (with Alaska at 40 and South Dakota at 41), it is projected that in the next five years, 39% of Black Americans in South Dakota and 26% in Alaska will reach this pivotal age bracket. This demographic trend holds the potential to elevate the rates significantly of

Black homeownership in these states, an especially crucial development for Alaska, where currently only one in three Black residents are homeowners. Nevertheless, Montana and Maine, which are among the states with the lowest rates of homeownership among Black households, are projected to see less than 5% of their Black populations reaching the typical age for purchasing a home.

Respectively, while the Asian homeownership rate has seen a substantial increase over the last decade, this trend is poised for an even more pronounced enhancement, particularly in the states of Montana and New Mexico. In these specific locales, data shows that more than 20% of Asian households are on the cusp of reaching the age typically associated with home purchasing—43 years in Montana and 40 years in New Mexico. This imminent demographic milestone suggests a potential for further amplification of Asian homeownership rates in these states, building on the substantial gains observed in the last decade.

Finally, New Hampshire and Alabama have the most Hispanic households approaching the typical home purchase age. This suggests targeted opportunities to enhance homeownership rates within these Hispanic communities.

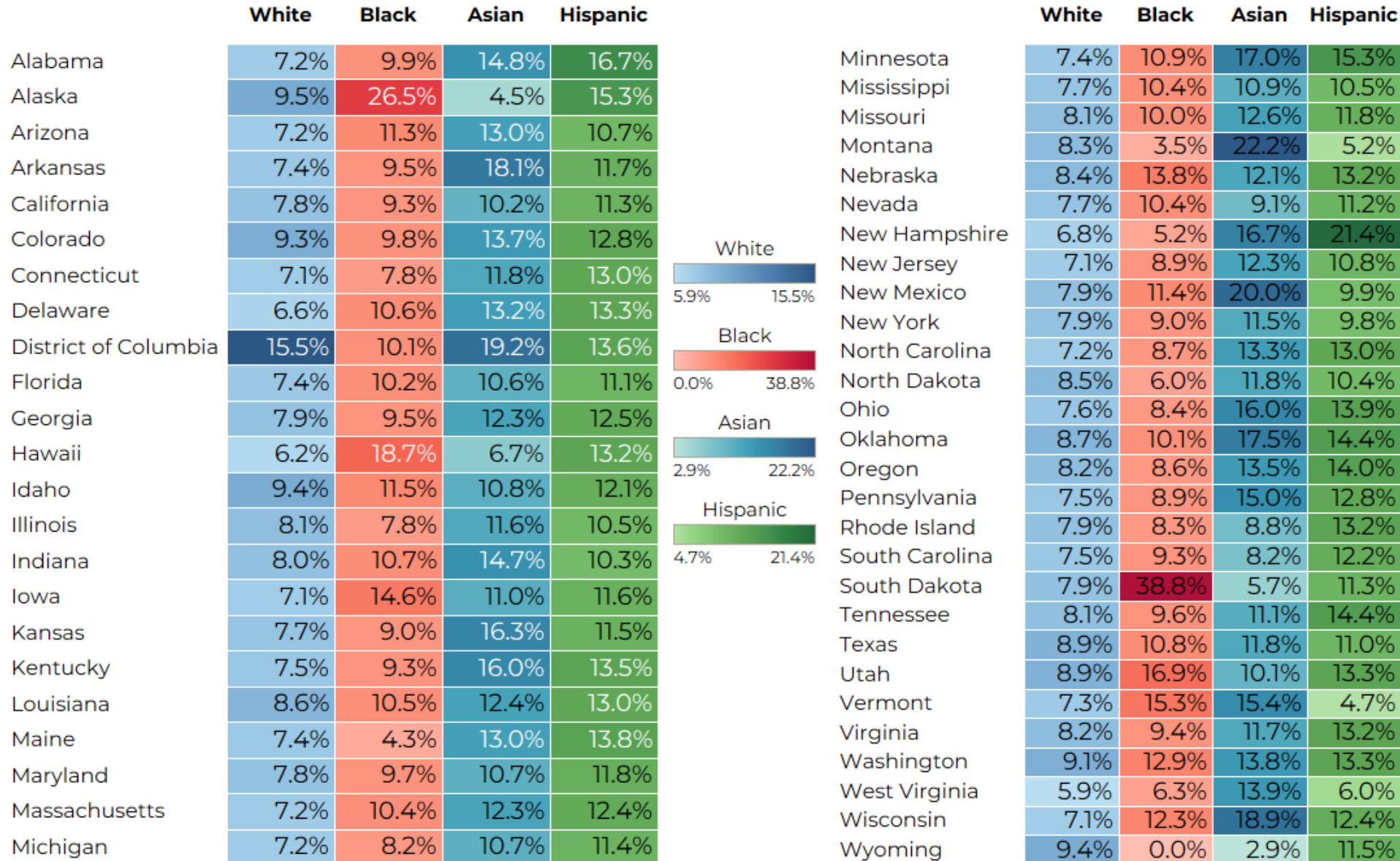
# Demographic Trends Across Racial Groups

Thus, as more individuals from minority communities reach the median homebuying age, there is a potential to increase the homeownership rates among these groups gradually. However, the effectiveness of this demographic shift in altering homeownership rates will largely depend on addressing systemic barriers 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.

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# Demographic Trends Across Racial Groups

## Share of Households Reaching The Median Homebuying Age By Race



Source: NAR  
Calculations of 2022  
ACS PUMS data



# Homeownership Affordability Challenges Across Racial Groups

High housing burdens can limit the ability of households to save for down payments, maintain homeownership, or invest in higher-value properties, potentially affecting overall homeownership rates among these groups. Consequently, affordability challenges are faced not only by renters who want to make the transition to homeownership but also by existing homeowners.

The data reveals significant disparities in housing affordability for existing owners across racial and ethnic groups. For instance, in Colorado, 41% of Black homeowners spend more than 30% of their income on housing, compared to 24% of white homeowners. This pattern of higher housing burden among Black and Hispanic homeowners compared to their white and Asian counterparts is evident across several states, highlighting systemic inequalities in housing affordability.

States show varied levels of housing affordability challenges among different racial and ethnic groups. For example, California, Hawaii, and New York have a notably high share of homeowners from all racial and ethnic groups spending more than 30% of their income on housing, indicating a widespread issue of housing affordability in these states.

However, some states exhibit more pronounced disparities between groups. For example, in Hawaii and Iowa, the gap between the share of burdened white and Black homeowners is more than 30 percentage points. Specifically, in Hawaii, the share of Black homeowners facing cost burdens is double that of white owners.

The data points to significant challenges for Asian and Hispanic homeowners as well, with both groups facing substantial housing burdens in many states. For instance, in New York, 37% of Hispanic and Asian homeowners are spending more than 30% of their income on housing, indicating a considerable affordability challenge. However, 25% of white homeowners are cost-burdened in this state.

# Homeownership Affordability Challenges Across Racial Groups

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

	White	Black	Asian	Hispanic		White	Black	Asian	Hispanic	
Alabama	16.5%	25.4%	15.0%	19.2%	<p>White: 14.2% to 30.3%</p> <p>Black: 5.2% to 60.9%</p> <p>Asian: 1.8% to 45.0%</p> <p>Hispanic: 17.4% to 38.6%</p>	Minnesota	19.9%	27.2%	19.1%	27.5%
Alaska	26.6%	21.4%	19.5%	26.9%		Mississippi	16.6%	29.5%	29.7%	19.0%
Arizona	20.5%	24.7%	19.7%	23.5%		Missouri	17.6%	25.6%	14.6%	21.1%
Arkansas	16.6%	25.1%	17.5%	17.4%		Montana	23.3%	8.6%	29.1%	25.0%
California	30.3%	40.5%	28.8%	33.4%		Nebraska	18.6%	31.1%	16.9%	21.8%
Colorado	23.5%	40.9%	20.7%	30.5%		Nevada	24.3%	30.6%	24.1%	25.1%
Connecticut	26.3%	32.1%	25.0%	33.9%		New Hampshire	25.9%	22.4%	26.7%	34.3%
Delaware	17.3%	21.7%	20.6%	29.9%		New Jersey	27.3%	32.9%	24.3%	35.1%
District of Columbia	17.7%	30.2%	23.0%	25.2%		New Mexico	21.0%	14.5%	8.1%	26.3%
Florida	24.5%	34.0%	25.7%	32.3%		New York	25.0%	38.9%	37.2%	36.5%
Georgia	17.3%	25.8%	22.4%	22.0%		North Carolina	17.5%	27.5%	17.1%	25.7%
Hawaii	28.1%	60.9%	27.6%	32.8%		North Dakota	17.7%	5.2%	1.8%	20.5%
Idaho	20.6%	45.1%	23.6%	20.8%		Ohio	17.3%	26.7%	21.6%	22.3%
Illinois	21.0%	34.5%	27.1%	27.9%		Oklahoma	17.8%	22.8%	18.1%	21.5%
Indiana	16.5%	26.2%	16.7%	19.2%		Oregon	25.6%	37.4%	23.2%	28.9%
Iowa	17.4%	47.1%	21.5%	18.9%		Pennsylvania	19.6%	28.8%	20.6%	26.2%
Kansas	18.5%	30.6%	15.8%	22.0%		Rhode Island	24.4%	22.3%	22.1%	31.8%
Kentucky	18.6%	24.5%	20.6%	24.3%		South Carolina	18.0%	25.6%	16.9%	23.1%
Louisiana	17.9%	28.6%	22.6%	25.7%		South Dakota	17.8%	46.6%	20.5%	26.4%
Maine	22.9%	36.8%	45.0%	38.6%		Tennessee	18.4%	27.3%	21.3%	23.3%
Maryland	20.6%	27.9%	24.0%	28.6%	Texas	21.5%	28.4%	22.8%	24.5%	
Massachusetts	26.0%	38.2%	27.7%	34.1%	Utah	19.0%	23.9%	14.9%	22.3%	
Michigan	19.3%	26.9%	16.8%	22.1%	Vermont	26.5%	37.1%	29.6%	36.7%	
					Virginia	18.6%	29.3%	21.3%	27.6%	
					Washington	24.1%	25.9%	24.8%	24.2%	
					West Virginia	14.2%	19.4%	7.4%	23.8%	
					Wisconsin	20.0%	34.4%	16.3%	20.6%	
					Wyoming	20.2%	17.4%	20.9%	19.0%	

Source: NAR  
Calculations of 2022  
ACS PUMS data



# Affordability Challenges for Renter Households Across Racial Groups

For renters, the situation is particularly tough, presenting a double bind. On one side, as rental costs escalate, they compress renters' disposable incomes, leaving less room for financial flexibility. On the other, this economic squeeze directly impacts their capacity to accumulate savings for a down payment on a home. Meanwhile, this challenge is acutely amplified among minority groups, who often face additional systemic barriers and disparities in income and wealth, further exacerbating their struggle towards achieving homeownership.

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

The ability of renter households to afford the median-priced home varies significantly across states. Hawaii, Idaho, and California 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 3%. This trend indicates that in this area, regardless of racial or ethnic background, less than 5% of renters possess the financial means to afford a median-priced home, highlighting the acute affordability challenges faced by renters in these regions. In contrast, in Mississippi, where housing is more affordable, a notably higher percentage of renters have the means to buy the median-priced home in the area. For instance, 26% of Black renters and 53% of Hispanic renters have

the necessary income to buy a home, showcasing the increased accessibility to homeownership in regions with more affordable housing options.

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

However, affordability conditions also differ between racial and ethnic groups. The data reveals substantial disparities in how renter households from different racial and ethnic backgrounds can afford the median-priced home across various states. This underscores the persistent inequality in access to homeownership opportunities.

In 45 of the states across the United States, Black renters face greater affordability challenges than their white counterparts. Specifically, among states with a low Black homeownership rate, North Dakota, Wisconsin, and Nebraska stand out for having some of the largest disparities in housing affordability between white and Black renters. For instance, in North Dakota, only 4% of Black renters can afford to purchase the median-priced home compared to 24% of their white counterparts. This indicates that in these states, the ability for Black renters to afford the purchase of a median-priced home is significantly lower compared to the white renters.

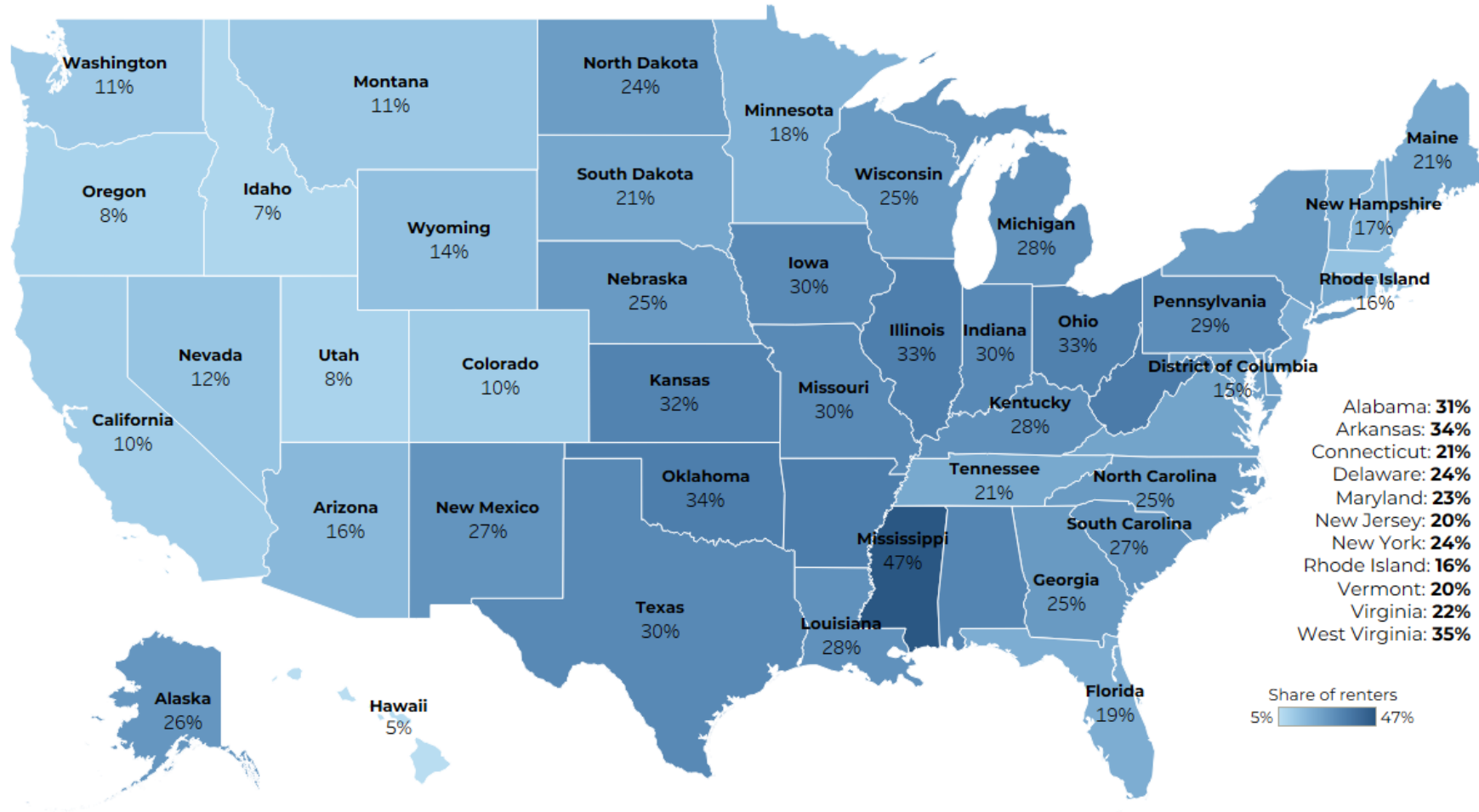
# Affordability Challenges for Renter Households Across Racial Groups

Nevertheless, the rapidly increasing homeownership rates among Asians underscore their generally stronger position in affording homeownership than white renters. With higher affordability in 40 states, Asian renters have a significant advantage in accessing homeownership opportunities. In Michigan, for example, more than half of Asian renters can afford to buy the typical home compared to 28% of white renters.

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 is able to access homeownership opportunities at rates better than or comparable to white renters in these states.

# Affordability Challenges for Renter Households Across Racial Groups

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



Mississippi (47%), West Virginia (35%), Arkansas (34%), and Oklahoma (34%) were the areas with the **highest number of white renter households that can afford to buy the typical home.**

In contrast, Hawaii (5%), Idaho (7%), and Utah (8%) 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 47% 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 – 23%.

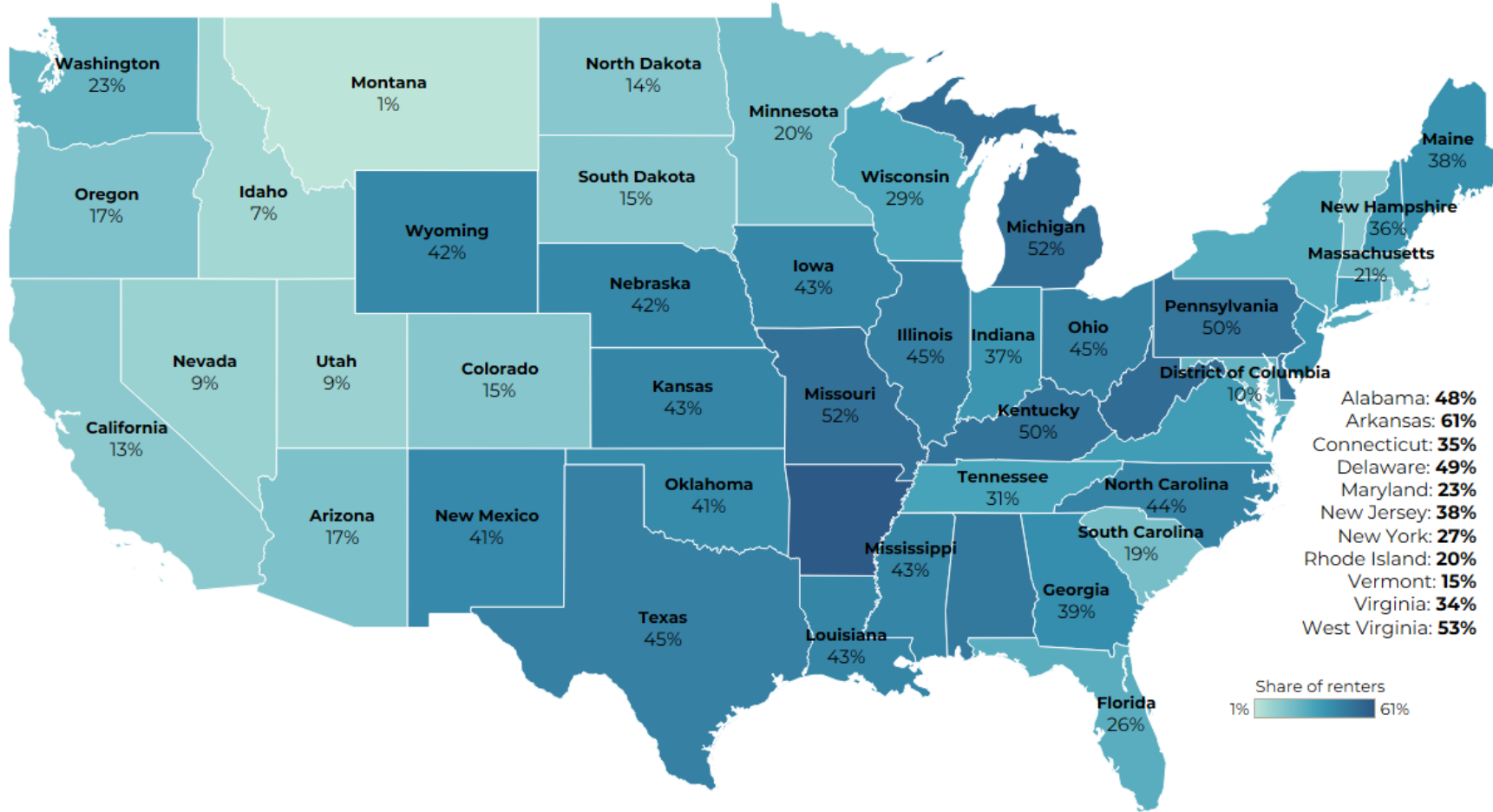
Source: NAR Calculations of 2022 ACS PUMS data





# Affordability Challenges for Renter Households Across Racial Groups

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



Source: NAR Calculations of 2022 ACS PUMS data

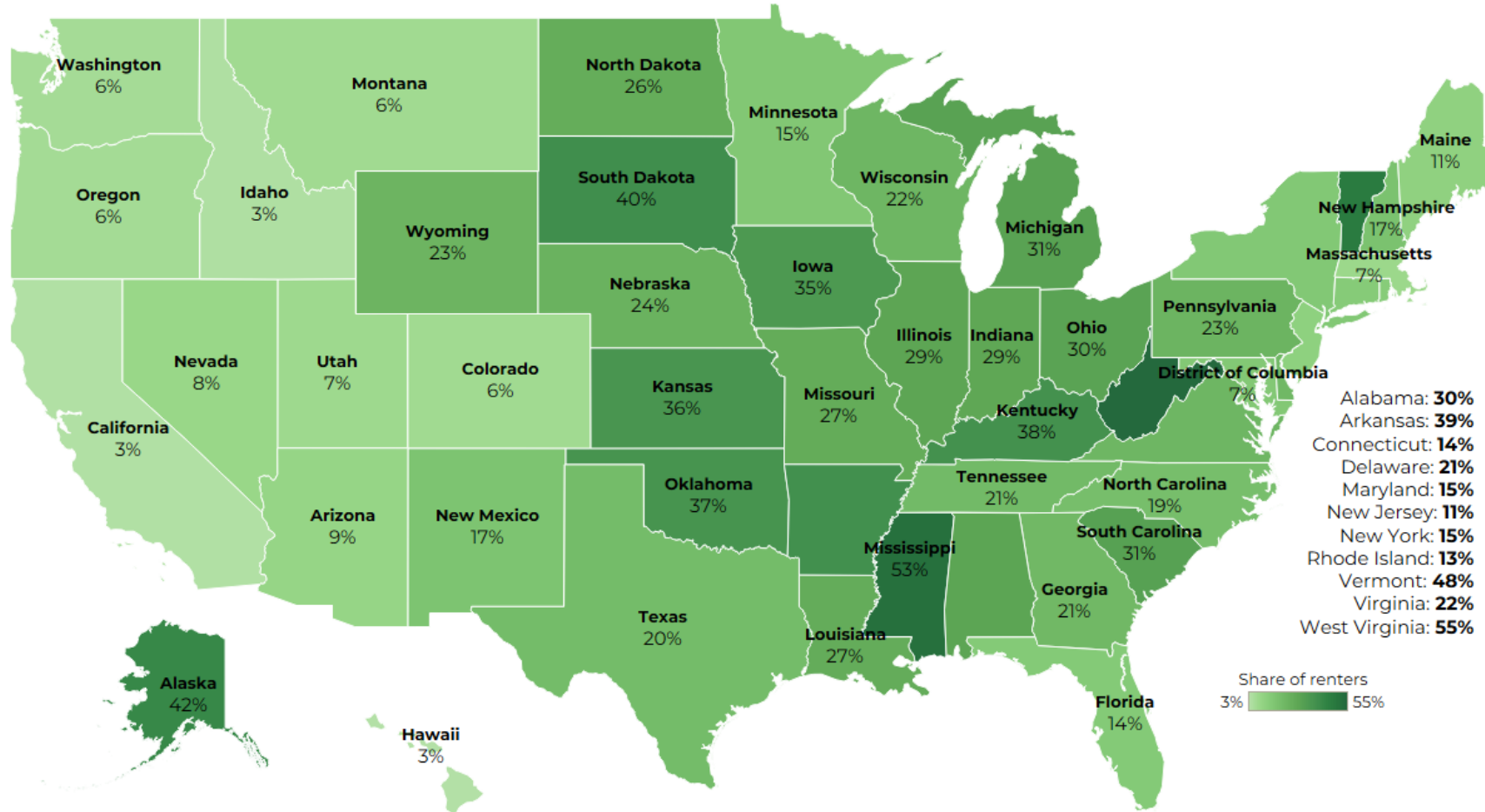
Arkansas (61%), West Virginia (53%), and Michigan (52%) were the areas with the **highest number of Asian renter households that can afford to buy the typical home.**

In contrast, Montana (1%), Hawaii (3%), and Idaho (7%) 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 1% to 61% across the country. Among 51 states, including the District of Columbia, 22 states had more Asian renter households that can afford to buy the typical home compared to nationwide – 38%.

# Affordability Challenges for Renter Households Across Racial Groups

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



Source: NAR Calculations of 2022 ACS PUMS data

West Virginia (55%), Mississippi (53%), and Vermont (48%) were the areas with the **highest number of Hispanic renter households that can afford to buy the typical home.**

In contrast, Hawaii (3%), California (3%), and Idaho (3%) 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 3% to 55% across the country. Among 51 states, including the District of Columbia, 28 states had more Hispanic renter households that can afford to buy the typical home compared to nationwide – 19%.

# Affordability Challenges for Renter Households Across Racial Groups

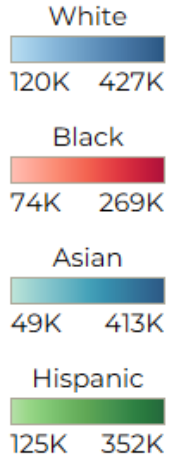
Facilitating access to affordable housing is key to mitigating racial disparities in housing affordability within local markets. Initiatives and policies focusing on expanding the supply of affordable housing could help close the homeownership rate gap. However, it's essential that these efforts are finely tuned to align with the actual purchasing capacity of these prospective first-time homeowners.

Thus, the National Association of REALTORS® has undertaken a valuable analysis by calculating the maximum housing value that renters from various racial and ethnic backgrounds can afford at the state level. This data is instrumental in tailoring affordable housing initiatives to meet the specific needs of potential buyers across different communities. On a national scale, white renters are positioned to purchase homes valued at up to \$156,240 without exceeding their budget. Similarly, the highest affordable home price for Black renters is \$112,740; for Asian renters, it is \$241,370; and for Hispanic renters, \$151,720.

The following table outlines the highest purchase price affordable for first-time home buyers within various racial and ethnic groups across different states.

# Affordability Challenges for Renter Households Across Racial Groups

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

	White	Black	Asian	Hispanic		White	Black	Asian	Hispanic	
Alabama	\$156,240	\$112,740	\$241,370	\$151,720		Minnesota	\$193,600	\$153,840	\$250,750	\$171,100
Alaska	\$254,330	\$252,650	\$251,480	\$316,600		Mississippi	\$170,430	\$103,800	\$153,140	\$187,470
Arizona	\$234,870	\$185,250	\$254,780	\$197,970		Missouri	\$171,940	\$133,060	\$276,410	\$170,640
Arkansas	\$155,970	\$104,840	\$354,200	\$162,440		Montana	\$179,890	\$182,850	\$144,720	\$166,300
California	\$300,530	\$198,520	\$333,360	\$240,910		Nebraska	\$174,830	\$147,040	\$257,880	\$173,900
Colorado	\$255,210	\$178,770	\$319,070	\$219,510		Nevada	\$225,410	\$154,580	\$199,970	\$210,660
Connecticut	\$214,490	\$158,320	\$326,720	\$157,910		New Hampshire	\$225,010	\$260,220	\$344,070	\$252,840
Delaware	\$238,800	\$165,490	\$368,770	\$214,970		New Jersey	\$252,600	\$173,550	\$413,020	\$207,950
District of Columbia	\$426,680	\$199,280	\$363,060	\$352,100		New Mexico	\$166,590	\$111,760	\$271,030	\$124,880
Florida	\$223,380	\$159,240	\$244,380	\$204,890		New York	\$247,760	\$169,540	\$250,670	\$187,400
Georgia	\$219,260	\$162,630	\$299,370	\$208,410		North Carolina	\$200,590	\$154,930	\$292,010	\$175,590
Hawaii	\$297,710	\$252,210	\$222,940	\$240,720		North Dakota	\$178,520	\$150,260	\$226,810	\$277,690
Idaho	\$198,490	\$126,980	\$260,580	\$204,090		Ohio	\$169,650	\$120,920	\$217,700	\$164,780
Illinois	\$210,550	\$121,210	\$274,340	\$199,200		Oklahoma	\$165,000	\$109,300	\$202,150	\$172,680
Indiana	\$168,510	\$135,310	\$187,110	\$181,890		Oregon	\$205,560	\$192,070	\$242,100	\$196,560
Iowa	\$153,850	\$99,560	\$173,610	\$187,700		Pennsylvania	\$186,830	\$129,520	\$298,630	\$162,350
Kansas	\$168,640	\$146,430	\$196,450	\$188,600		Rhode Island	\$206,510	\$269,410	\$225,850	\$141,610
Kentucky	\$146,310	\$119,730	\$243,750	\$196,780		South Carolina	\$186,520	\$128,490	\$225,300	\$203,440
Louisiana	\$157,040	\$104,790	\$213,860	\$172,900		South Dakota	\$181,580	\$109,210	\$139,300	\$238,640
Maine	\$175,830	\$215,380	\$119,070	\$158,020		Tennessee	\$188,820	\$154,710	\$224,790	\$185,480
Maryland	\$270,230	\$200,280	\$291,570	\$254,520	Texas	\$221,900	\$166,930	\$298,280	\$178,900	
Massachusetts	\$239,830	\$169,460	\$283,660	\$183,460	Utah	\$237,890	\$204,600	\$236,750	\$207,050	
Michigan	\$165,430	\$125,000	\$302,250	\$179,820	Vermont	\$179,890	\$200,510	\$49,420	\$250,990	
					Virginia	\$237,670	\$168,770	\$322,290	\$256,300	
					Washington	\$250,440	\$193,540	\$365,090	\$220,490	
					West Virginia	\$120,120	\$73,680	\$192,740	\$221,210	
					Wisconsin	\$179,590	\$132,610	\$208,470	\$195,380	
					Wyoming	\$158,960	\$82,410	\$317,090	\$209,750	

Source: NAR Calculations of 2022 ACS PUMS data

# Access to Credit Across Racial Groups

## **Denial Rates**

Beyond the fundamental issue of affordability, the current analysis found that Black and Hispanic home buyers encounter additional hurdles in securing mortgages, contributing to the disparities in homeownership rates observed across racial and ethnic groups. Data shows that denial rates vary significantly across different racial and ethnic groups. Black and Hispanic applicants experience higher denial rates for mortgage applications compared to their white and Asian counterparts. Data from the Home Mortgage Disclosure Act (HMDA) reveals that mortgage applications were denied at a rate of 26% for Black and 22% for Hispanic applicants, in stark contrast to the 16% for white and 15% for Asian applicants. This discrepancy in denial rates of Black and Hispanic applicants versus white and Asian ones has a profound effect on the homeownership prospects of these groups. The elevated denial rates for Black and Hispanic individuals pose significant barriers to achieving homeownership, underscoring systemic disparities in access to mortgage financing.

## **State-by-state**

Before delving into the racial and ethnic background of mortgage applicants, it's worth noting that there are substantial variations in mortgage denial rates across states, reflecting a complex interplay of factors that can influence access to mortgage credit across different geographies. For instance, in 2022, Mississippi (21%), Florida (19%) and Hawaii (19%) experienced the highest denial rates nationwide. In contrast,

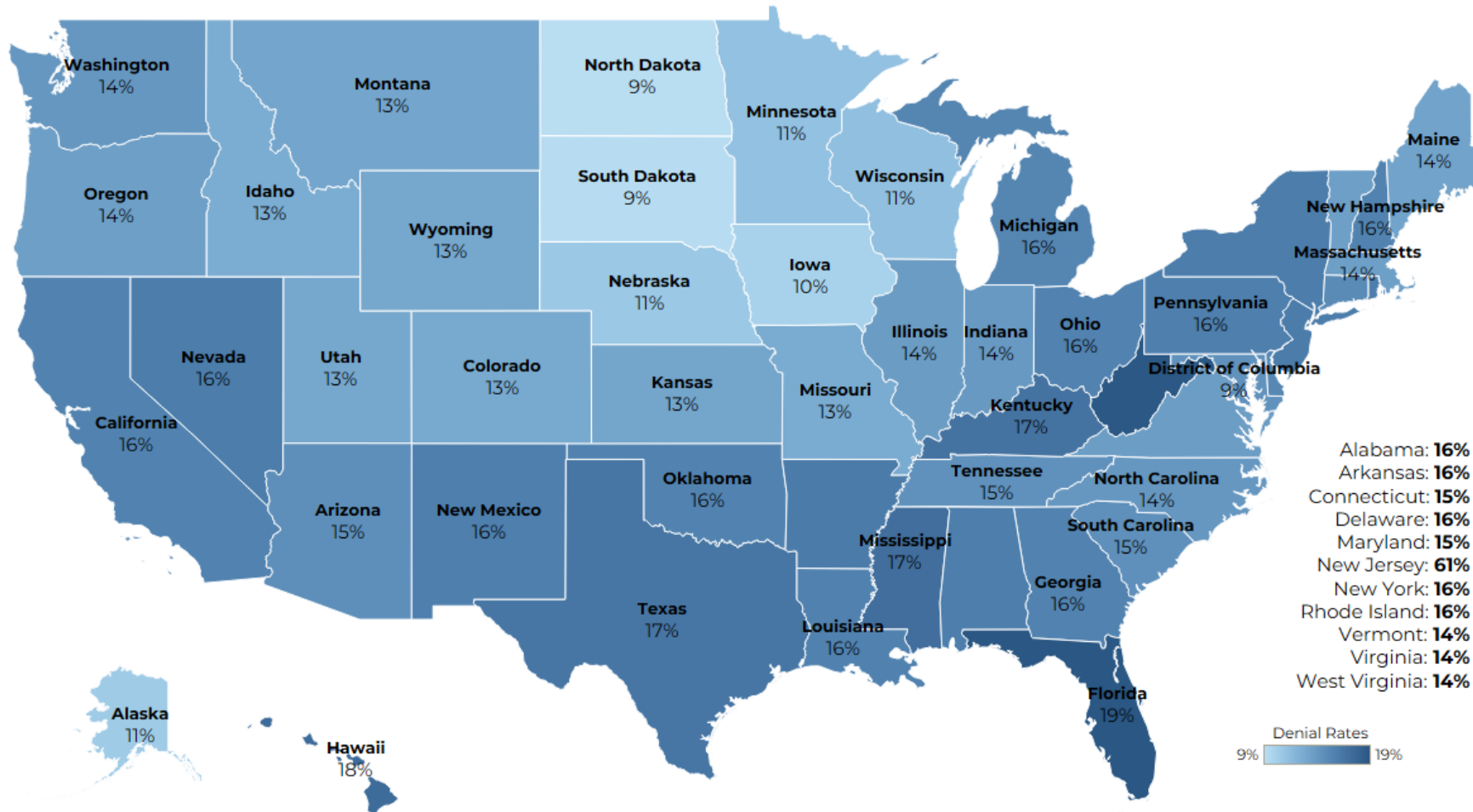
states like South Dakota (9%) and North Dakota (9%) saw considerably lower denial rates, illustrating the diverse landscape of mortgage lending across the United States.

## **Race-by-race**

The disparity in denial rates of Black and Hispanic applicants compared to white and Asian applicants varies significantly across different geographical areas. Mississippi exhibits the highest overall disparity, with Black applicants facing a disparity of 17 percentage points and Hispanic applicants facing a disparity of 8 percentage points compared to the average rate of white and Asian applicants. Nevertheless, Wyoming and North Dakota show a virtually non-existent disparity for Black applicants and a slight disparity for Hispanic applicants. This suggests that factors influencing mortgage approvals in these states might be more uniformly applied across different racial and ethnic groups or that these states have implemented effective measures to reduce disparities in access to mortgage credit. However, even with better access to credit, both Wyoming and North Dakota were among the states with the lowest Black homeownership rates, underscoring the complex array of factors impacting the homeownership rate.

# Access to Credit Across Racial Groups

## Denial Rates for white Applicants



Florida (19%), West Virginia (19%), and Hawaii (18%) were the states with the **highest denial rates** for white Americans in 2022.

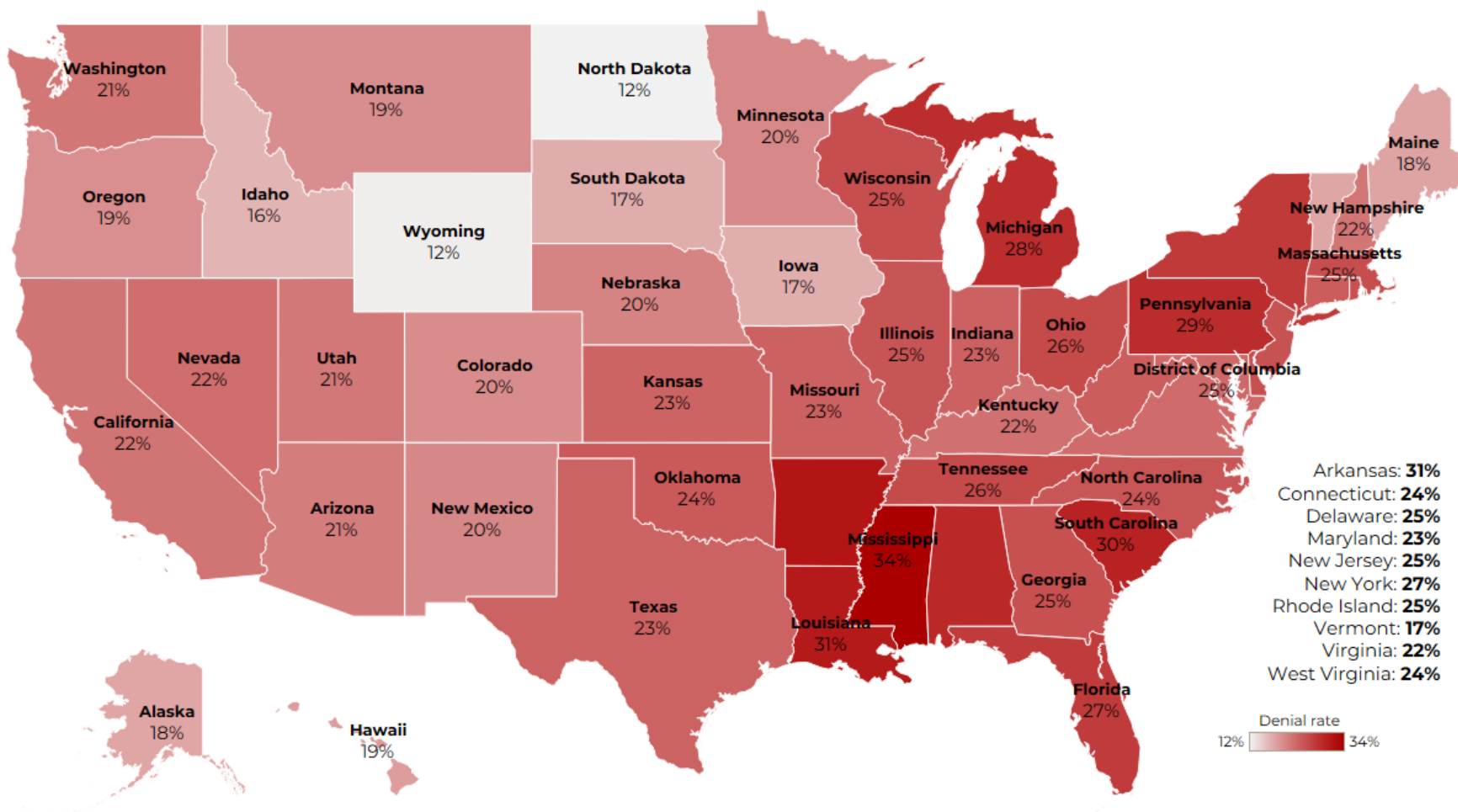
In contrast, North Dakota (9%), South Dakota (9%), and the District of Columbia (9%) had the **lowest denial rates**.

Denial rates for white Americans varied from 9% to 19% across the country. Among 51 states, including the District of Columbia, 20 states had a denial rate for white Americans higher than 16% - the national rate - in 2022.

Source: NAR Calculations on 2022 HMDA data

# Access to Credit Across Racial Groups

## Denial Rates for Black Applicants



Mississippi (34%), Arkansas (31%), and Louisiana (31%) were the states with the **highest denial rates** for Black Americans in 2022.

In contrast, Wyoming (12%), North Dakota (12%), and Idaho (16%) had the **lowest denial rates**.

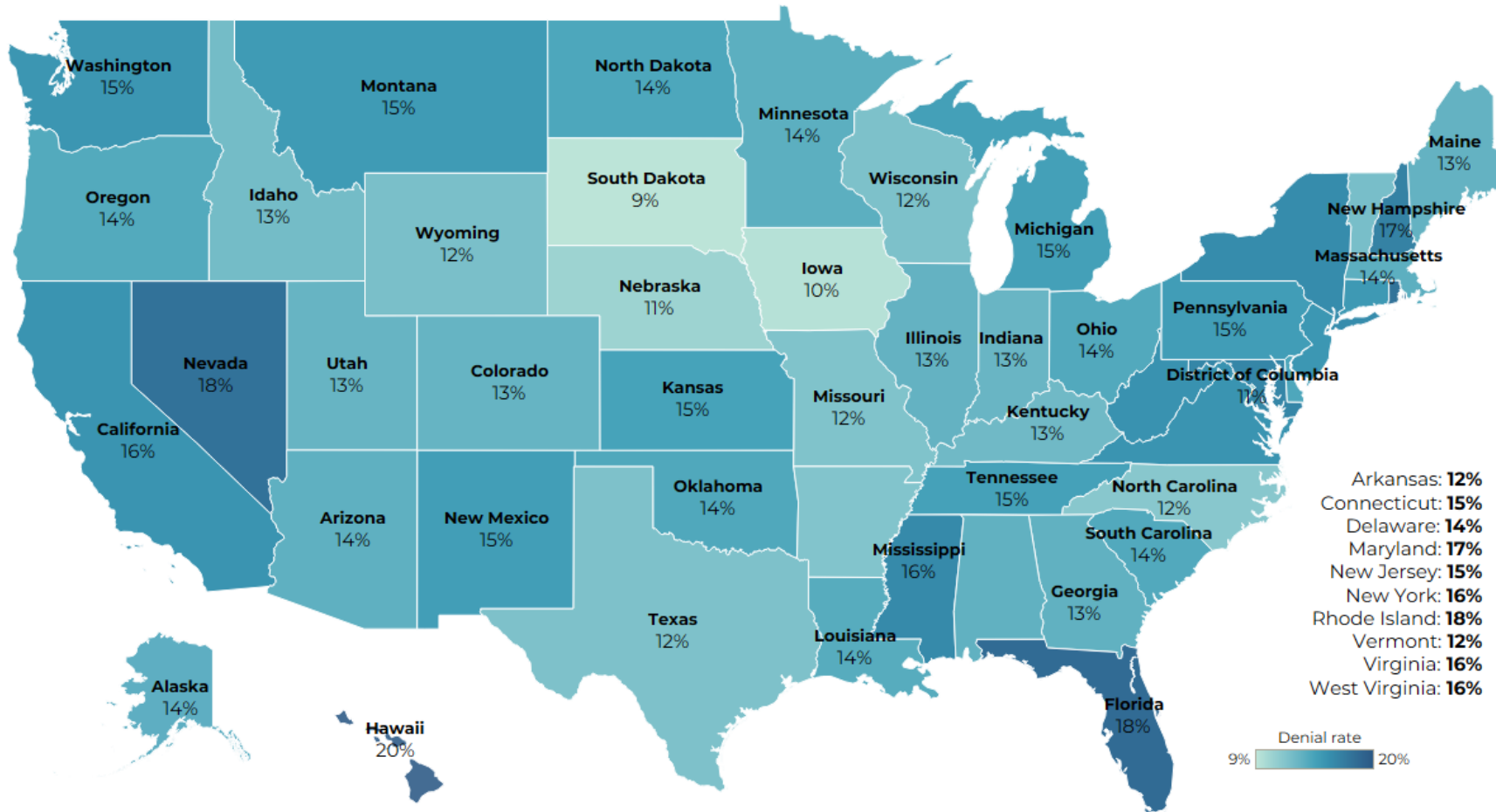
Denial rates for Black Americans varied from 12% to 34% across the country. Among 51 states, including the District of Columbia, 9 states had a denial rate for Black Americans higher than 26% - the national rate - in 2022.

Source: NAR Calculations on 2022 HMDA data



# Access to Credit Across Racial Groups

## Denial Rates for Asian Applicants



Hawaii (20%), Florida (18%), and Nevada (18%) were the states with the **highest denial rates** for Asian Americans in 2022.

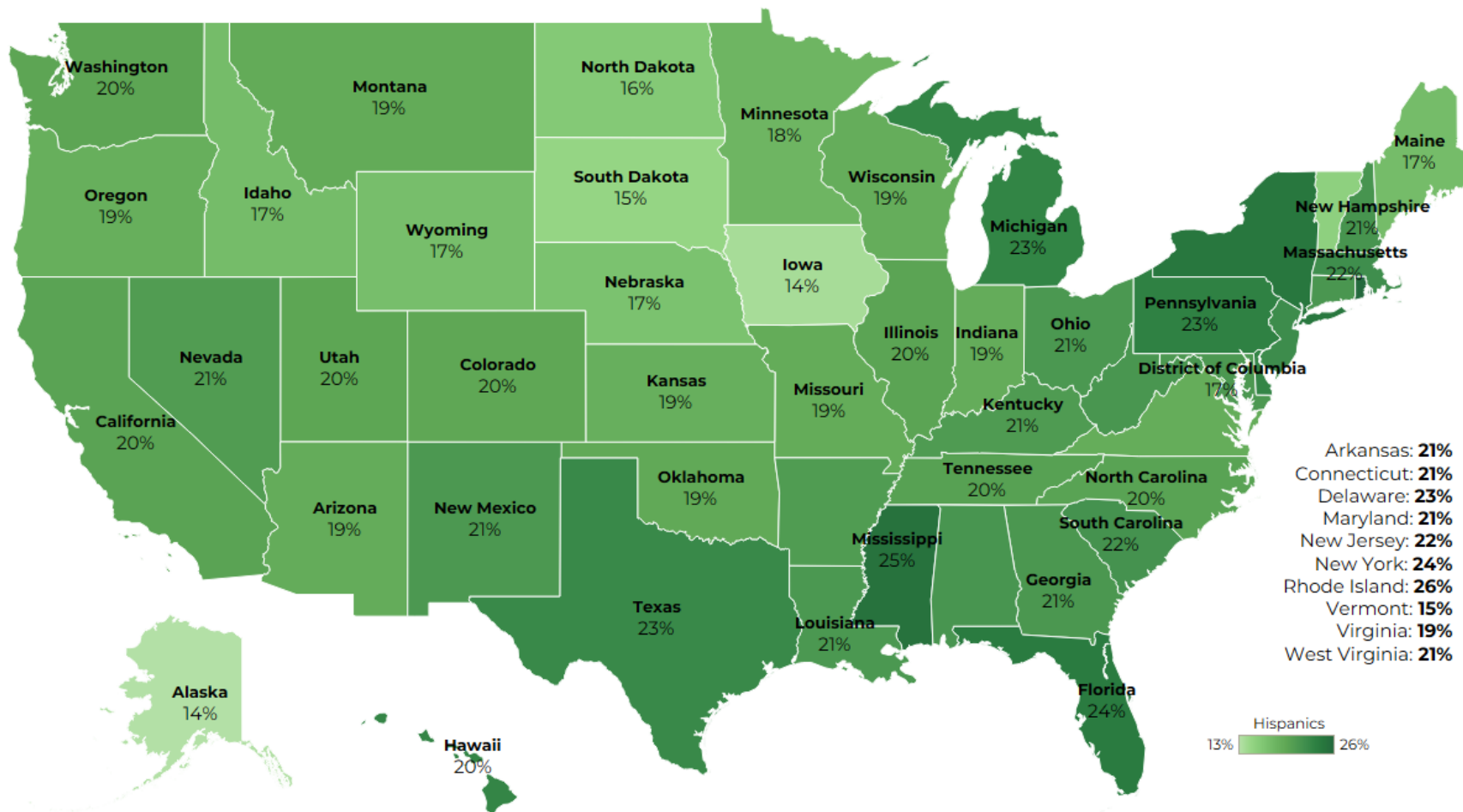
In contrast, South Dakota (9%), Iowa (10%), and Nebraska (11%) had the **lowest denial rates**.

Denial rates for Asian Americans varied from 9% to 20% across the country. Among 51 states, including the District of Columbia, 15 states had a denial rate for Asian Americans higher than 15% - the national rate - in 2022.

Source: NAR Calculations on 2022 HMDA data

# Access to Credit Across Racial Groups

## Denial Rates for Hispanic Applicants



Rhode Island (26%), Mississippi (25%), and New York (24%) were the states with the **highest denial rates** for Hispanic Americans in 2022.

In contrast, Alaska (13%), Iowa (14%), and South Dakota (15%) had the **lowest denial rates**.

Denial rates for Hispanic Americans varied from 13% to 26% across the country. Among 51 states, including the District of Columbia, 11 states had a denial rate for Hispanic Americans higher than 22% - the national rate - in 2022.

Source: NAR Calculations on 2022 HMDA data

# Access to Credit Across Racial Groups

## *Mortgage Rates*

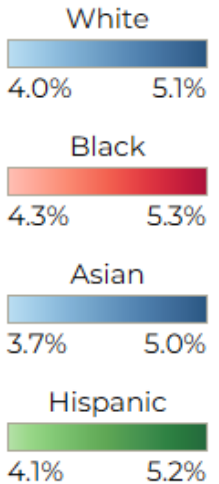
While Black and Hispanic applicants face greater challenges in obtaining a loan, those who manage to secure one often encounter less favorable terms than white and Asian borrowers. The data indicates that mortgages granted to Black and Hispanic borrowers frequently have higher mortgage rates. In 2022, among the loans that were originated, 20% of mortgages for Black borrowers and 21% for Hispanic borrowers came with mortgage rates exceeding 6%. This contrasts with 18% of white and 15% of Asian borrowers' mortgages having rates above this threshold. Consequently, the average mortgage rates for Black and Hispanic borrowers stood at approximately 4.9%, compared to 4.8% for white borrowers and 4.6% for Asian borrowers.

Across states, Montana, Michigan, and Mississippi had the most Black borrowers, with a rate higher than 6%. In Montana, for example, nearly one in three Black borrowers had a rate over 6%. Respectively, Mississippi (25%) was one of the states with the most Black borrowers, with a rate above 6%. However, Mississippi also had the largest Black homeownership rate, standing at 57% in 2022. This indicates that, even in states where Black borrowers are more likely to face higher mortgage rates, the Black homeownership rate is relatively higher than in other areas. This could suggest that various factors beyond mortgage interest rates, such as local economic conditions, housing market dynamics, or targeted

homeownership assistance programs, might play a role in supporting Black homeownership in these states, despite the financial challenges posed by higher rates.

# Access to Credit Across Racial Groups

## Average Mortgage Rate by Racial and Ethnic Group

	White	Black	Asian	Hispanic		White	Black	Asian	Hispanic	
Alabama	4.9%	5.0%	4.8%	5.1%		Minnesota	4.8%	4.9%	4.8%	4.9%
Alaska	4.6%	4.6%	4.7%	4.8%		Mississippi	4.8%	5.1%	4.7%	5.1%
Arizona	4.9%	4.9%	4.8%	4.9%		Missouri	4.8%	4.9%	4.7%	5.0%
Arkansas	5.0%	5.2%	4.9%	5.1%		Montana	4.8%	5.3%	4.7%	4.9%
California	4.6%	4.7%	4.5%	4.7%		Nebraska	4.8%	4.8%	4.7%	4.9%
Colorado	4.8%	4.9%	4.8%	4.9%		Nevada	4.8%	4.8%	4.8%	4.9%
Connecticut	4.5%	4.8%	4.5%	4.9%		New Hampshire	4.7%	4.8%	4.8%	4.9%
Delaware	4.7%	4.9%	4.8%	5.1%		New Jersey	4.7%	4.8%	4.5%	4.9%
District of Columbia	4.3%	4.7%	4.4%	4.5%		New Mexico	5.0%	4.9%	4.9%	5.1%
Florida	4.8%	4.9%	4.9%	5.0%		New York	4.5%	4.7%	4.5%	4.7%
Georgia	4.9%	5.0%	4.8%	5.1%		North Carolina	4.6%	4.6%	4.6%	4.9%
Hawaii	4.0%	4.3%	3.7%	4.1%		North Dakota	4.7%	4.8%	4.7%	4.9%
Idaho	4.8%	5.0%	4.8%	5.1%		Ohio	4.9%	5.0%	4.7%	5.1%
Illinois	4.8%	4.9%	4.7%	5.0%		Oklahoma	5.1%	5.1%	4.9%	5.2%
Indiana	4.9%	5.0%	4.8%	5.1%		Oregon	4.8%	4.9%	4.7%	5.0%
Iowa	4.6%	4.8%	4.4%	4.9%		Pennsylvania	4.6%	4.9%	4.7%	4.9%
Kansas	4.9%	5.0%	4.8%	5.1%		Rhode Island	4.5%	4.8%	4.7%	4.8%
Kentucky	4.9%	4.9%	4.7%	4.9%		South Carolina	4.8%	4.9%	4.7%	5.0%
Louisiana	5.0%	5.0%	4.8%	5.1%		South Dakota	4.8%	5.0%	4.7%	5.0%
Maine	4.8%	5.2%	5.0%	5.0%		Tennessee	4.8%	4.8%	4.8%	5.1%
Maryland	4.7%	4.8%	4.6%	5.0%	Texas	4.9%	4.9%	4.7%	5.0%	
Massachusetts	4.4%	4.7%	4.3%	4.7%	Utah	4.7%	5.0%	4.7%	5.1%	
Michigan	5.0%	5.3%	4.8%	5.2%	Vermont	4.5%	4.5%	4.6%	4.6%	
					Virginia	4.8%	4.9%	4.6%	4.9%	
					Washington	4.8%	4.9%	4.6%	4.9%	
					West Virginia	4.7%	4.9%	4.7%	5.0%	
					Wisconsin	4.4%	4.7%	4.4%	4.7%	
					Wyoming	4.6%	4.6%	4.7%	4.6%	

Source: NAR  
Calculations on  
2022 HMDA data



# Access to Credit Across Racial Groups

## Share of Borrowers With a Mortgage Rate Higher than 6% by Race

	White	Black	Asian	Hispanic		White	Black	Asian	Hispanic	
Alabama	19.6%	22.4%	19.0%	23.1%	<p>White: 8.6% to 22.8%</p> <p>Black: 11.3% to 31.4%</p> <p>Asian: 5.6% to 20.0%</p> <p>Hispanic: 9.9% to 27.4%</p>	Minnesota	16.6%	21.7%	17.7%	22.2%
Alaska	12.7%	13.5%	15.1%	15.5%		Mississippi	19.8%	25.1%	15.2%	23.4%
Arizona	19.6%	19.5%	15.8%	20.3%		Missouri	17.9%	20.7%	16.2%	21.8%
Arkansas	20.6%	23.3%	16.2%	23.4%		Montana	18.2%	31.4%	16.9%	19.1%
California	16.7%	17.9%	13.9%	18.5%		Nebraska	17.4%	19.8%	17.9%	20.9%
Colorado	17.6%	20.2%	16.7%	20.1%		Nevada	17.8%	17.8%	18.1%	19.4%
Connecticut	15.2%	18.8%	14.5%	23.2%		New Hampshire	16.6%	21.3%	16.3%	19.9%
Delaware	18.1%	21.3%	18.1%	23.8%		New Jersey	17.0%	19.0%	13.5%	19.8%
District of Columbia	9.5%	17.9%	10.7%	13.3%		New Mexico	21.6%	23.8%	19.7%	24.5%
Florida	19.0%	20.1%	20.0%	21.7%		New York	14.4%	16.9%	11.9%	17.5%
Georgia	18.9%	19.9%	16.5%	23.3%		North Carolina	14.5%	14.2%	13.4%	20.2%
Hawaii	8.6%	11.3%	5.6%	9.9%		North Dakota	13.6%	16.5%	9.9%	17.1%
Idaho	20.9%	21.7%	17.8%	25.8%		Ohio	21.3%	25.0%	17.6%	26.0%
Illinois	19.0%	21.6%	16.6%	23.4%		Oklahoma	22.0%	22.8%	19.6%	25.0%
Indiana	22.8%	23.7%	18.7%	27.4%		Oregon	17.9%	20.8%	15.3%	21.0%
Iowa	14.2%	17.8%	10.1%	19.0%		Pennsylvania	15.8%	21.5%	16.0%	21.6%
Kansas	18.0%	20.9%	16.2%	22.0%		Rhode Island	15.6%	20.0%	16.1%	20.2%
Kentucky	19.1%	20.1%	14.8%	22.1%		South Carolina	17.3%	20.1%	15.8%	21.8%
Louisiana	18.5%	21.3%	16.3%	21.8%		South Dakota	18.0%	24.8%	16.0%	22.1%
Maine	16.1%	23.8%	19.7%	17.1%		Tennessee	18.3%	18.4%	17.2%	23.8%
Maryland	16.7%	18.6%	14.2%	22.7%		Texas	19.4%	20.6%	13.8%	23.0%
Massachusetts	12.2%	17.7%	10.5%	18.3%		Utah	18.5%	22.1%	16.8%	26.0%
Michigan	22.0%	26.8%	18.2%	26.1%		Vermont	14.2%	14.3%	13.8%	12.2%
						Virginia	17.1%	19.3%	14.8%	20.2%
						Washington	19.0%	22.1%	14.4%	21.6%
						West Virginia	15.5%	18.8%	15.4%	19.0%
						Wisconsin	14.5%	20.9%	14.4%	20.8%
						Wyoming	15.2%	15.7%	15.2%	16.2%

Source: NAR  
Calculations on  
2022 HMDA data



# Methodology: Section One

Leveraging the American Community Survey's Public Use Microdata Sample (PUMS) data, the National Association of Realtors® (NAR) analyzed homeownership rates, identified demographic shifts, and assessed housing affordability across various racial groups at the state level. This annual release of PUMS files offers detailed population and housing unit records, including individual responses.

In addressing the 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 2022. 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 *2023 Profile of Home Buyers and Sellers*

# Home Buyer Demographics by Race/Ethnicity

Using data from the 2023 *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 home buying process, and how buyers financed their home purchase based on race.

Among all home buyers, White/Caucasian home buyers made up the largest share at 81%, followed by Hispanic/Latino (seven percent), Black/African American home buyers (seven percent), Asian/Pacific Islander (six percent), and Other at six percent.

Among Asian/Pacific Islander home buyers, we see the largest share of married couples at 65%. Single female home buyers were most common among Black/African American home buyers (29%). Fifty-five percent of Asian/Pacific Islander and 51% of Black/African American buyers were first-time home buyers. While the majority of all buyers had two-income households, the highest shares of one-income households were among Black/African American households at 42%, White/Caucasian households at 39%, and Hispanic/Latino households at 36%.

Twenty-four percent of Black/African Americans, 23% of Asian/Pacific Islander, and 22% of Hispanic/Latino home buyers purchased multi-generational homes. Among those groups, they primarily purchased a multi-generational home to spend more time with aging parents, health/caretaking of aging parents/relatives, wanting a larger home that multiple incomes could afford together, and cost savings. The share of multi-generational buyers was only 12% among White/Caucasian buyers.

The family continues to play a role in helping buyers in entering the market. Twenty-six percent of Asian/Pacific Islanders, and 14% of Hispanic/Latino buyers used a gift from a relative or friend towards their downpayment for their home. Another way to help the family is living at home before buying. Eighteen percent of Hispanic/Latino, 17% of Asian/Pacific Islander, and 16% of Black/African American buyers lived with parents, relatives, or friends prior to purchasing their home, compared to only 10% of White/Caucasian buyers.

Black/African American home buyers reported the highest share of student loan debt at 41%, with a median amount of \$46,000. Hispanic/Latino home buyers reported a median student loan debt amount of \$33,300, with 29% saying they had student loan debt. Asian/Pacific Islander buyers had the highest share of buyers with at least some college education.

The main reason buyers are rejected by a mortgage lender is their debt-to-income ratio. Black/African American, Hispanic/Latino, and White/Caucasian 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.



## Race/Ethnicity of Home Buyers

	All Buyers
White/Caucasian	81%
Hispanic/Latino	7
Black/African American	7
Asian/Pacific Islander	6
Other	6

*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: 2023 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	45%	65%	61%	59%
Single female	29	10	17	20
Single male	11	8	9	10
Unmarried couple	8	12	10	9
Other	7	5	2	2

*Source: 2023 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	51%	55%	51%	27%
Repeat buyers	49	45	49	73
Median age	47	38	43	52
Median household income	\$95,500	\$147,900	\$101,700	\$107,800
Income earners in household				
None	*	*	*	1%
One	42	31	36	39
Two	50	58	53	52
Three or more	8	11	10	8

\* Less than 1 percent

Source: 2023 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	18%	19%	16%	12%
Purchased previously owned home	82	81	84	88
Detached single-family	75%	74%	83%	79%
Townhouse/row house	13	14	7	8
Duplex/apartment/condo	5	9	2	5
Mobile/manufactured home	1	*	2	3
Cabin/cottage	*	*	2	2
Other	7	3	5	3
Median square feet of home purchased	1,800	1,980	1,820	1,850

\* Less than 1 percent

Source: 2023 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	86%	90%	89%	89%
<b>Primary reason for purchasing a home</b>				
Desire to own home of own	43%	42%	40%	23%
Desire for larger home	9	13	12	10
Desire for a home in a better area	8	5	5	7
Change in family situation (e.g. marriage, birth of child, divorce, etc.)	9	8	9	8
Job-related relocation or move	4	5	3	6
Desire to be closer to family/friends/relatives	4	6	5	14
Desire to be closer to job/school/transit	2	3	1	2

Source: 2023 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	24%	23%	22%	12%
<b>Reasons for purchase</b>				
Health/caretaking of aging parents/relatives	33%	35%	26%	26%
To spend more time with aging parents	20	37	15	14
Cost savings	24	27	23	20
Children/relatives over 18 moving back into the house	20	18	16	20
Wanted a larger home that multiple incomes could afford together	9	22	10	10
Children/relatives over 18 never left home	15	14	14	13
None of the above	20	11	19	20
Other	15	6	8	8

Source: 2023 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	49%	76%	66%	53%
Proceeds from sale of primary residence	17	17	23	41
401k/pension fund including a loan	17	7	7	5
Gift from relative or friend	6	19	11	9
Tax refund	5	3	3	2
Loan from relative or friend	3	7	3	2
Sale of stocks or bonds	3	20	4	7

*Source: 2023 Profile of Home Buyers and Sellers*

## Prior Living Arrangement by Race/Ethnicity

Previous living arrangement	Racial and Ethnic Distribution			
	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Rented an apartment or house	50%	49%	44%	32%
Owned previous home	32	33	36	56
Lived with parents/relatives/friends, paid rent	9	9	12	5
Lived with parents/relatives/friends, did not pay rent	7	8	6	5
Rented the home ultimately purchased	2	1	2	1

Source: 2023 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%	1%	3%	1%
High School diploma	18	5	19	16
Associates degree	18	5	10	13
Bachelor's degree	28	36	32	30
Some graduate work	6	6	7	7
Master's degree/MBA/law degree	24	33	20	26
Doctoral degree	7	13	11	7
Have student loan debt	41%	22%	29%	21%
Median student loan debt amount	\$46,000	\$32,000	\$33,300	\$30,000

Source: 2023 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	1	2	2	2
<b>Reason for being rejected by mortgage lender</b>				
Debt-to-income ratio	57%	53%	41%	46%
Low credit score	26	7	24	24
Income was unable to be verified	6	20	6	9
Not enough money in reserves	20	13	*	18
Insufficient downpayment	14	*	*	9
Too soon after refinancing another property	6	*	*	1
Don't know	8	*	6	6
Other	20	33	29	25

\* Less than 1 percent

Source: 2023 Profile of Home Buyers and Sellers



# Home Buyers and Fair Housing

## Home Buyers and Fair Housing

In addition to being asked about their recent home buying 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, 64% of Asian/Pacific Islander home buyers, 62% of Black/African American home buyers, and 55% 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 saying that the majority of their neighborhood is not the same race as them. Sixty-seven percent of White/Caucasian home buyers said that the majority of the neighborhood was the same race as them. In comparison, 30% of Hispanic/Latino home buyers, 21% of Black/African American home buyers, and 17% of Asian/Pacific Islander 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 (39%), Hispanic/Latino (37%), and Asian/Pacific Islander (31%) home buyers was steering towards or away from specific neighborhoods. Fifteen percent of both Black/African American and Hispanic/Latino home buyers experienced or witnessed discrimination in the appraisal of their homes. Hispanic/Latino and Asian/Pacific Islander home buyers were more likely to report witnessing or experiencing discrimination with the refusal of the homeowner or agent to show a property to particular classes.

When recent home buyers were asked whether they experienced discrimination in a real estate transaction, 7% of Black/African American and 3% of both Asian/Pacific Islander and Hispanic/Latino home buyers experienced discrimination based on race. Three percent of Black/African American, two percent of Asian/Pacific Islander home buyers and one percent of Hispanic/Latino experienced discrimination based on color. Forty-eight percent of Black/African American, 34% of both Asian/Pacific Islander and Hispanic/Latino, and 27% of White/Caucasian home buyers did not experience discrimination in their real estate transaction but believe that it exists. Fifty-nine percent of Hispanic/Latino, 50% of Asian/Pacific Islander, 45% of Black/African American, and 40% percent 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	21%	17%	30%	67%
No, majority are not same race	62	64	55	16
Don't know	18	19	16	17
<b>Ways respondent witnessed or experienced discrimination in a real estate transaction</b>				
Steering towards or away from specific neighborhoods	39%	31%	37%	20%
More strict requirements for themselves	38	23	30	24
Type of loan product offered	38	8	20	16
Purchase offer denied for possibly discriminatory reasons	22	15	21	26
Refusal of home owner or agent to show property to particular classes	15	23	26	14
Appraisal of home	15	*	15	7
Other	3	15	26	28

\* Less than 1 percent

Source: 2023 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	7%	3%	3%	*
Color	3	2	1	*
Religion	1	*	1	*
Sex	1	1	1	1
Disability	*	*	*	*
Familial status (including marriage or parental status)	1	*	1	*
National Origin	1	*	1	*
Sexual orientation	1	*	1	*
Not sure	6	4	5	1
No, but believe it exists	48	34	34	27
No	40	58	58	71
<b>Reported the discrimination to a government agency</b>				
Yes, reported	45%	50%	59%	40%
No, did not report	55	50	41	60

Source: 2023 Profile of Home Buyers and Sellers

# Methodology: Section Two and Three

In July 2023, NAR mailed out a 129-question survey using a random sample weighted to be representative of sales on a geographic basis to 189,750 recent home buyers. The recent home buyers had to have purchased a primary residence home between July 2022 and June 2023. A total of 6,817 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 3.6 percent.

Data gathered in the report is based on primary residence home buyers. From the *Realtors Confidence Index*, 83 percent of home buyers were primary residence buyers in 2022, which accounts for 4,706,930 homes sold in 2022 (among new and existing homes). Using that calculation, the 95 percent confidence level sample has a confidence interval of plus-or-minus 1.19%. Respondents could 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 2023, with the exception of income data, which are reported for 2022. 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 percent.



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