

2023

Snapshot of Race and Home Buying in America

National Association of REALTORS®
Research Group



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Homeownership Trends, Housing Affordability by Race and Racial Disparities in the Mortgage Market

Introduction

Housing affordability reached historic lows in 2022. Rising mortgage rates and home prices significantly hurt affordability, forcing many buyers out of the market. Mortgage rates have doubled from the previous year, while home prices reached all-time highs in 2022. Buyers need to earn more than \$100,000 if they want to purchase the median-priced home without going beyond their budget.

Meanwhile, for potential first-time buyers, it's not just mortgage rates. Rents continue to increase, making it even more difficult for them to save for a down payment. Thus, first-time home buyers are facing a double whammy in affordability. Consequently, the housing market has slowed down.

However, not all families have the same opportunities for homeownership, with many facing additional constraints in their effort to purchase a home. Data show that there are sizeable differences in homeownership rates across demographic groups, with the rate of homeownership for minority families lagging behind the national average. Given that homeownership contributes to wealth accumulation and the homeownership rate is lower in minority groups, the net worth for these groups is also lower. At \$188,200, the net worth of a typical white family was nearly 8 times greater than that of a Black family (\$24,100) in 2019.

In the meantime, research has consistently shown that homeownership is also associated with multiple economic and social benefits to individual homeowners. Homeownership has always been an important way to build wealth. Homeowners have built more than \$200,000 in housing wealth in the last decade. In addition to tangible financial benefits, homeownership brings substantial social benefits to families, communities, and the country as a whole. Owning a home is associated with better educational performance in children, higher participation in civic and volunteering activities, better health care outcomes, and lower crime rates in communities.

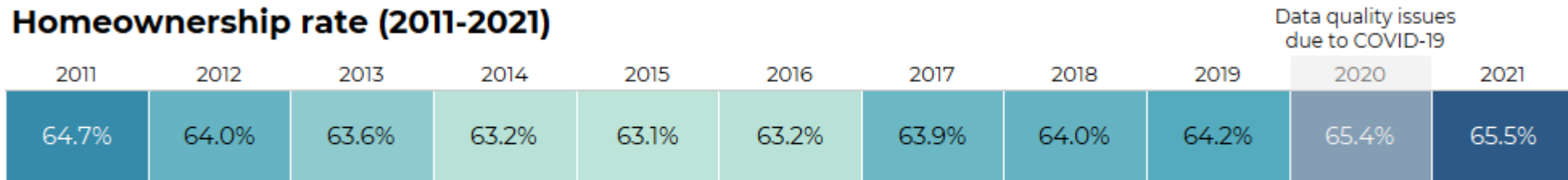
Thus, this report examines the homeownership trends among each race and the challenges that they face to become homeowners. Since all real estate is local, the report also examines homeownership across race groups and locations in order to explain the current racial disparities in the housing market. Finally, using the *Profile of Home Buyers and Sellers* data from 2022, the report looks at the characteristics of who purchases homes, why they purchase, what they purchase, and the financial background of buyers based on race.

Homeownership Trends in the Past Decade

Americans today are more likely to own a home than they were 10 years ago. There are about 9.2 million more homeowners now than in 2011. Specifically, the homeownership rate was 65.5% in 2021 compared to 64.7% in 2011.

In fact, the homeownership rate has continuously risen since 2015, when homeownership reached its lowest level in the history of the data. In the meantime, another survey from the U.S. Census, the Current Population Survey (CPS), indicates that the homeownership rate increased in 2022 compared to 2021 despite rising mortgage rates and inflation.

Homeownership rate (2011-2021)



Source: NAR calculations of ACS PUMS data



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

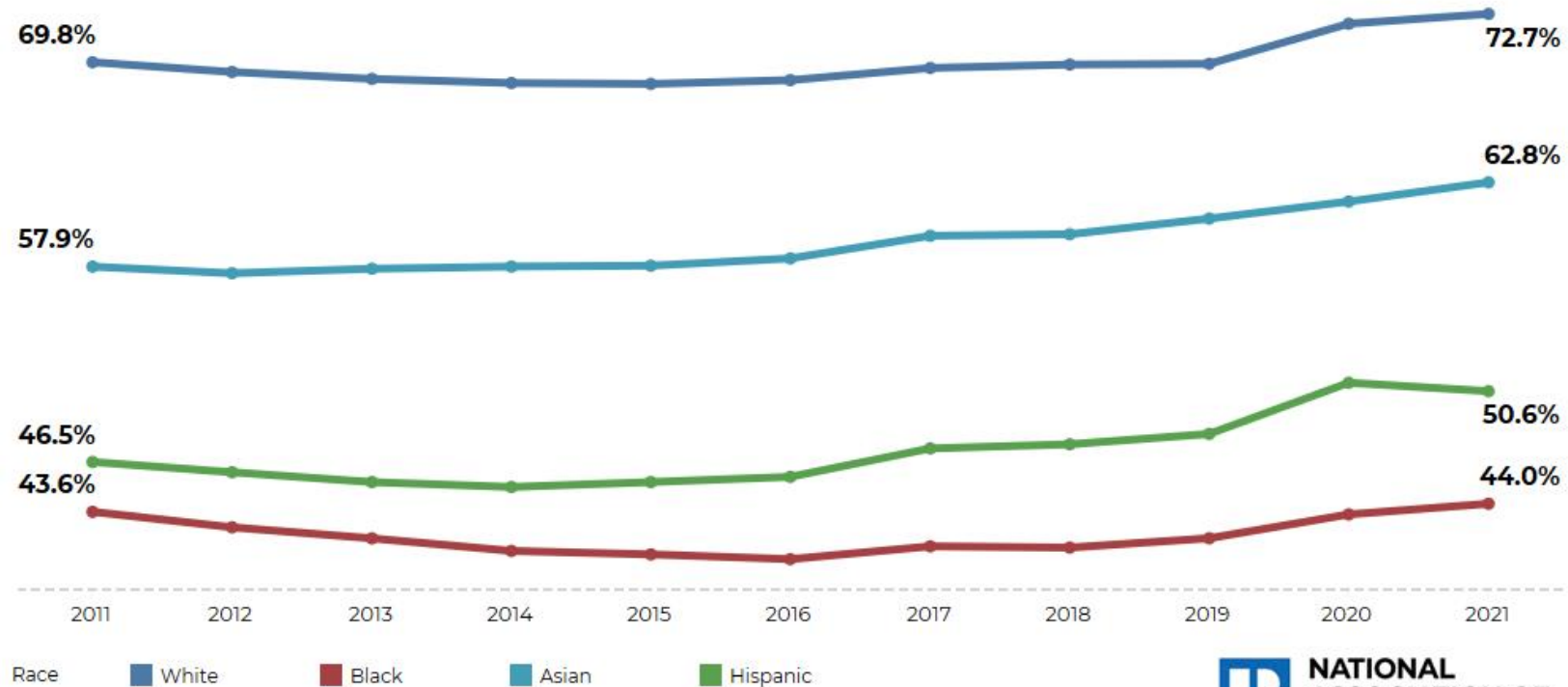
Homeownership rates vary significantly by race/ethnic group. Although the homeownership rate has increased across any race/ethnic group in the last decade, the Black homeownership rate continues to lag well behind. Data show that the gap between Black homeownership rates and the homeownership rate of any other race/ethnic group is even larger than in 2011, as the Black homeownership rate remains below 45%. For example, the gap between Black and white homeownership rates is 29% compared to 26% in 2011.

Homeownership Trends by Race in the Last Decade

The homeownership rate for white Americans has been consistently nearly 70% since 2017. During the same period, the homeownership rate for Black Americans has been nearly 30 percentage points lower than that of white Americans – above 41% from 2017 on. For Hispanic Americans, the homeownership rate has held above 47%, and for Asian Americans, it has been above 59% over the same time period.

In the last decade, Asian and Hispanic Americans experienced the largest homeownership rate gains. The homeownership rate for Hispanic Americans rose by 4 percentage points within the past 10 years, pushing the rate above 50%. Although the homeownership rate for Black households rose by 0.4 percentage points since 2011, it's still lower than 45%. As a result, the homeownership gap between white and Black households became even larger in 2021.

Homeownership rates by race (2011-2021)

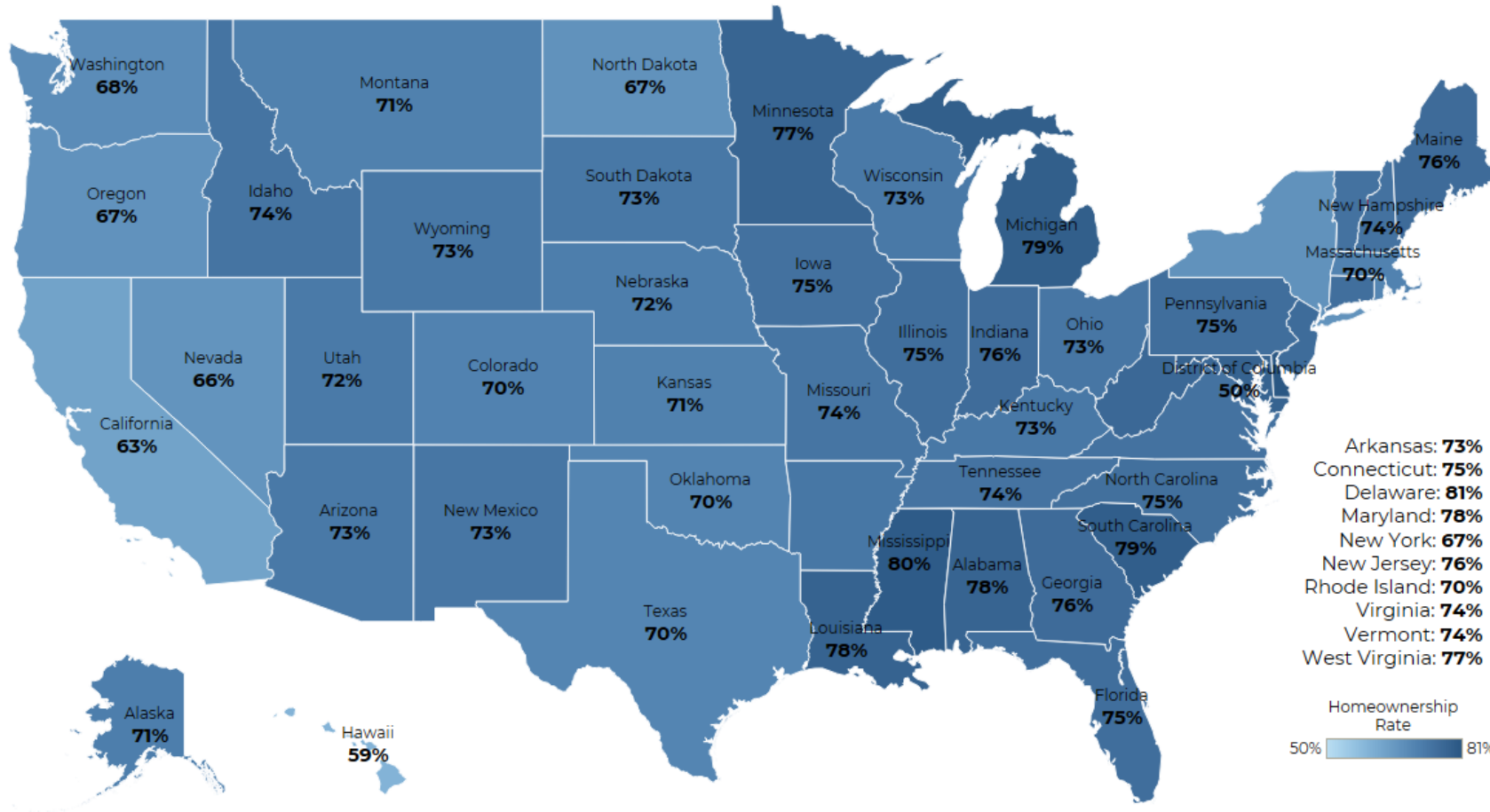


Source: NAR calculations of ACS PUMS data



Homeownership Rate for White Americans

by state



Delaware (81%), Mississippi (80%), and South Carolina (79%) were the states with the **highest homeownership rates** for white Americans in 2021.

In contrast, the District of Columbia (50%), Hawaii (59%), and California (63%) had the **lowest homeownership rates**.

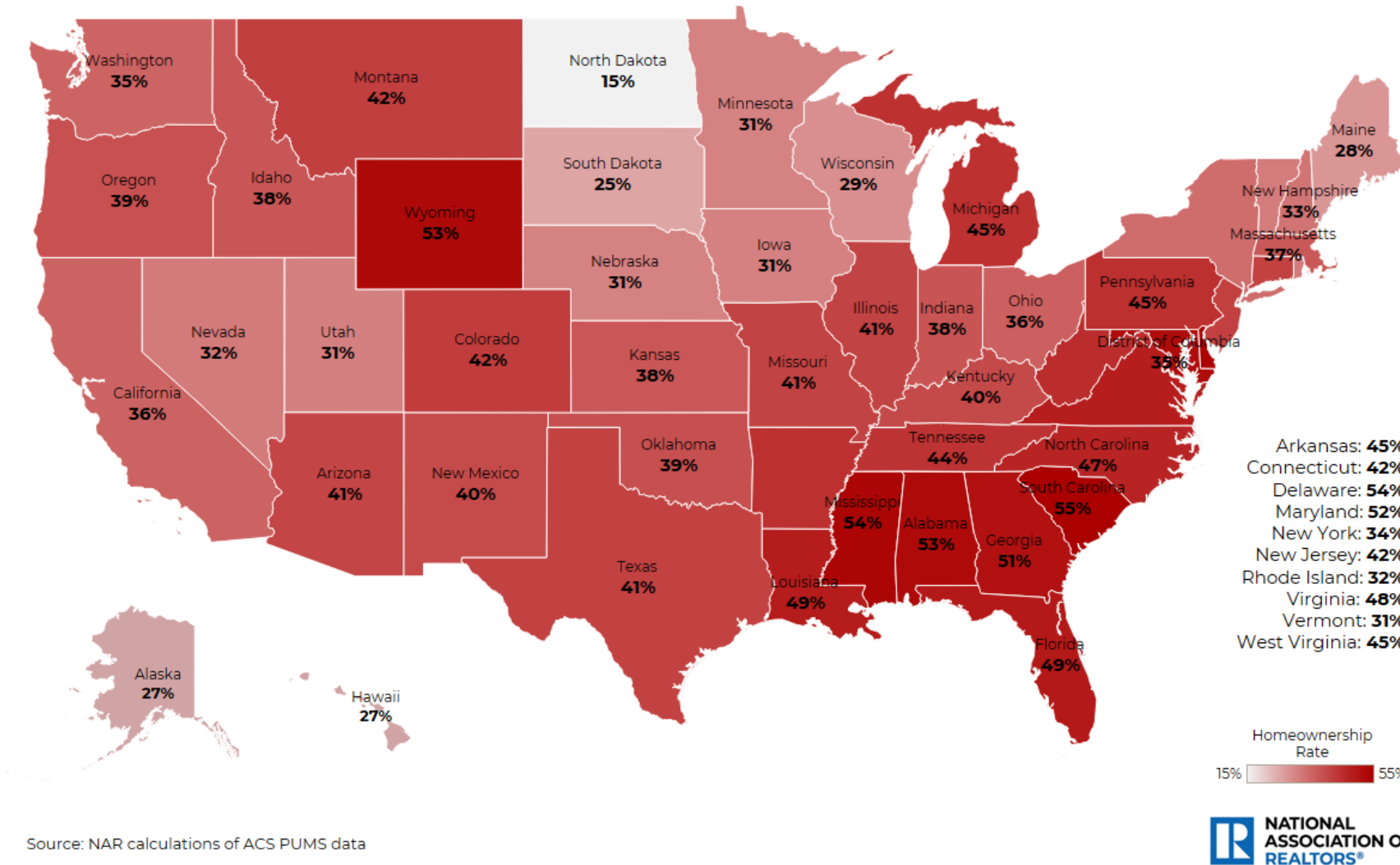
The homeownership rate for white Americans varied from 50% to 81% across the country. Among 51 states, including the District of Columbia, 32 states had a homeownership rate for white Americans higher than 72.7% – the national rate – in 2021.

Source: NAR calculations of ACS PUMS data



Homeownership Rate for Black Americans

by state



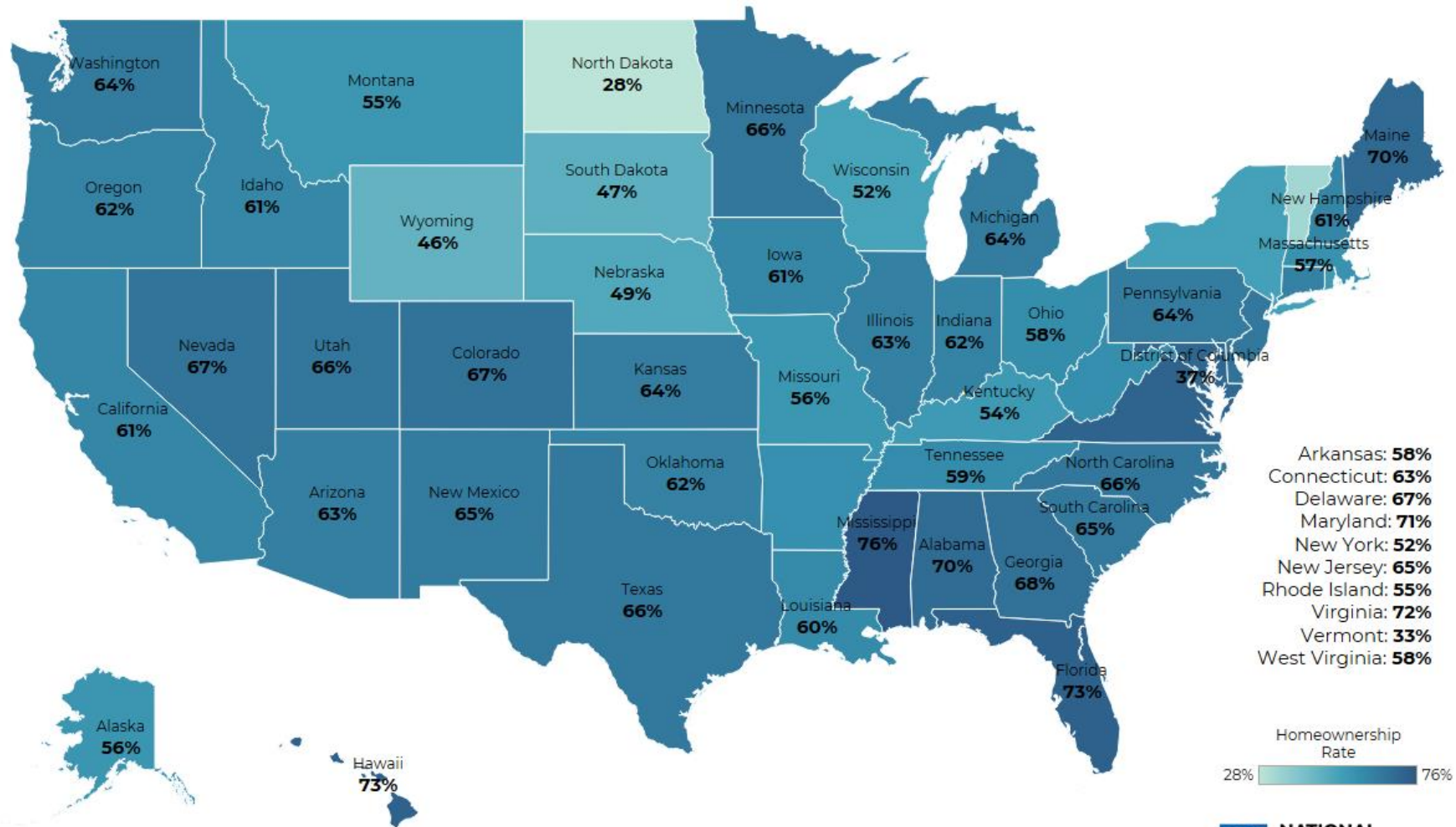
South Carolina (55%), Delaware (54%), and Mississippi (54%) were the states with the **highest homeownership rates** for Black Americans in 2021.

In contrast, North Dakota (15%), South Dakota (25%), and Alaska (27%) had the **lowest homeownership rates**.

The homeownership rate for Black Americans varied from 15% to 55% across the country. Among 51 states, including the District of Columbia, 16 states had a homeownership rate for Black Americans higher than 44.0% - the national rate- in 2021.

Homeownership Rate for Asian Americans

by state



Source: NAR calculations of ACS PUMS data



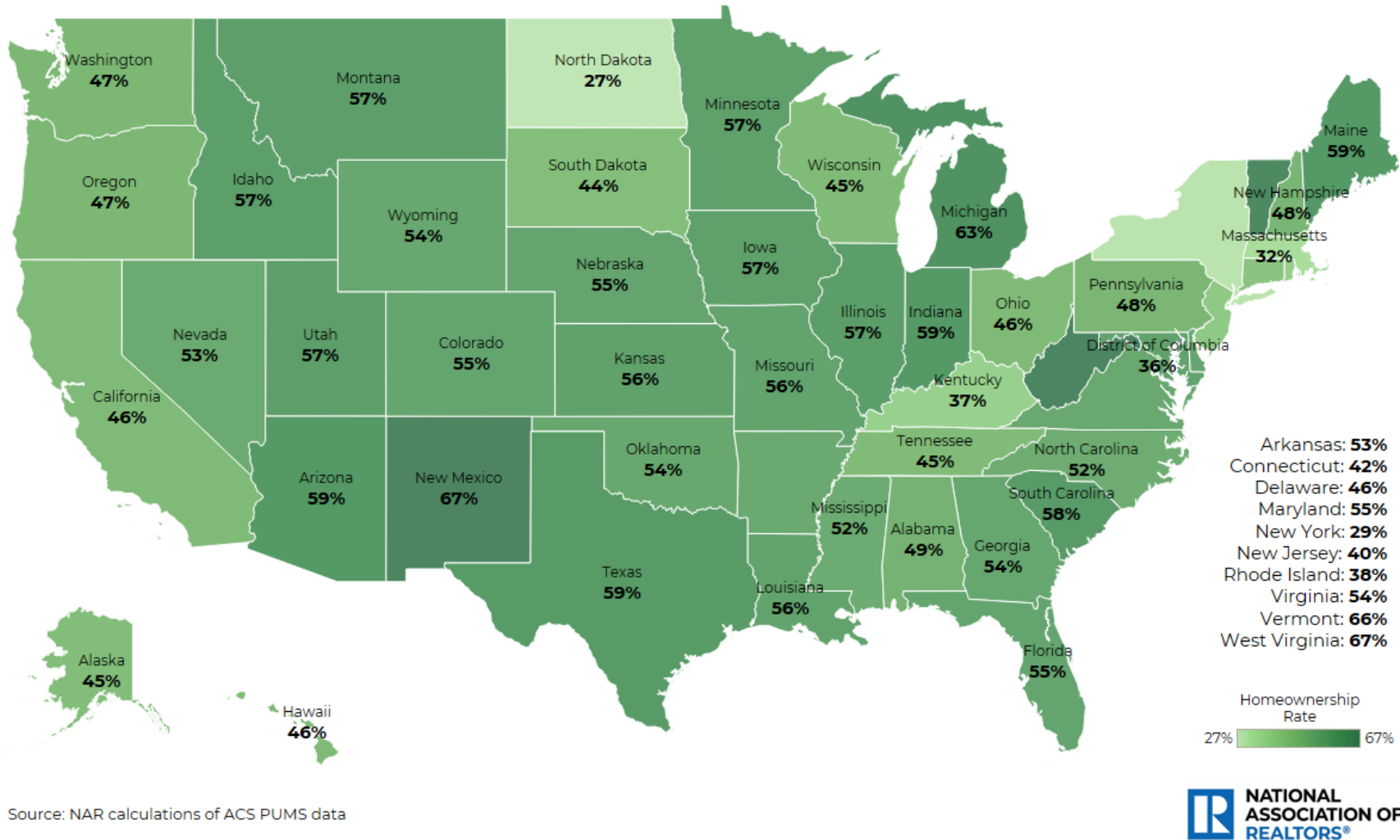
Mississippi (76%), Florida (73%), and Hawaii (73%) were the states with the **highest homeownership rates** for Asian Americans in 2021.

In contrast, North Dakota (28%), Vermont (33%), and the District of Columbia (37%) had the **lowest homeownership rates**.

The homeownership rate for Asian Americans varied from 28% to 76% across the country. Among 51 states, including the District of Columbia, 23 states had a homeownership rate for Asian Americans higher than 62.8% - the national rate - in 2021.

Homeownership Rate for Hispanic Americans

by state



Source: NAR calculations of ACS PUMS data



West Virginia (67%), New Mexico (67%), and Vermont (66%) were the states with the **highest homeownership rates** for Hispanic Americans in 2021.

In contrast, North Dakota (27%), New York (29%), and Massachusetts (32%) had the **lowest homeownership rates**.

The homeownership rate for Hispanic Americans varied from 27% to 67% across the country. Among 51 states, including the District of Columbia, 31 states had a homeownership rate for Hispanic Americans higher than 50.6% - the national rate - in 2021.

Racial Inequalities in Housing Affordability

Among all races, Black homeowners spend more of their income in order to own their homes. Data show that Black homeowners are more squeezed than any other race/ethnic group. Thirty percent of Black homeowners spend more than 30% of their income on housing, representing nearly 2 million Black homeowners. Nevertheless, 21% of white homeowners are cost-burdened, followed by Asian (26%) and Hispanic (28%) homeowners.

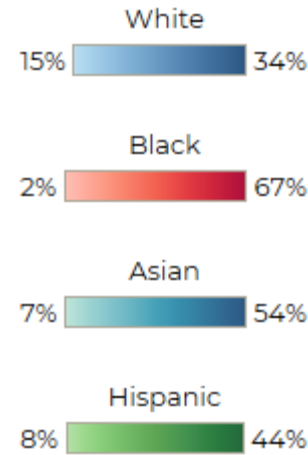
At the local level, Black homeowners are cost-burdened in some areas more than others. For example, in both South Dakota (67%) and Wyoming (59%), more than half of Black homeowners are cost-burdened. Data show that the low income of Black homeowners in these areas is the main reason that so many need to spend more than 30% of their income on housing. In Wyoming, the median household income of Black homeowners was below \$60,000 in 2021, while they typically own homes with a median value of \$360,000.

In contrast, fewer than 10% of Black homeowners were cost-burdened in North Dakota, New Hampshire, and Vermont. In these states, the median income of Black homeowners was over \$70,000 in 2021, while in New Hampshire, the typical Black homeowner earns about \$135,000.

Racial Inequalities in Housing Affordability

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

State	White	Black	Asian	Hispanic
Alabama	15.3%	24.4%	22.5%	17.1%
Alaska	22.6%	25.2%	35.6%	25.6%
Arizona	20.7%	30.8%	18.3%	23.4%
Arkansas	16.4%	28.7%	11.2%	22.1%
California	30.0%	40.8%	28.9%	32.7%
Colorado	23.3%	36.6%	23.9%	29.8%
Connecticut	25.5%	37.7%	30.0%	32.6%
Delaware	18.8%	30.0%	18.3%	31.7%
District of Columbia	17.2%	30.9%	20.9%	21.4%
Florida	23.2%	33.6%	24.7%	33.4%
Georgia	17.4%	26.2%	24.6%	24.8%
Grand Total	20.6%	30.0%	25.8%	28.4%
Hawaii	33.8%	42.8%	31.3%	43.7%
Idaho	20.6%	39.2%	19.0%	21.7%
Illinois	20.8%	30.7%	24.9%	29.7%
Indiana	14.9%	24.3%	22.6%	15.9%
Iowa	16.4%	20.6%	14.6%	23.1%
Kansas	18.1%	28.5%	19.2%	24.0%
Kentucky	17.6%	21.9%	19.2%	28.2%
Louisiana	17.7%	29.4%	19.4%	20.9%
Maine	21.8%	39.2%	22.9%	15.1%
Maryland	19.1%	28.0%	24.6%	30.3%
Massachusetts	25.8%	38.1%	24.8%	32.8%
Michigan	18.8%	27.5%	16.8%	19.8%



State	White	Black	Asian	Hispanic
Minnesota	18.1%	28.4%	22.6%	22.1%
Mississippi	15.3%	27.7%	19.9%	31.1%
Missouri	16.9%	27.2%	17.7%	21.8%
Montana	19.9%	23.1%	6.9%	16.2%
Nebraska	18.1%	28.7%	18.5%	24.3%
Nevada	23.4%	32.5%	25.8%	29.9%
New Hampshire	23.1%	5.6%	24.1%	28.3%
New Jersey	28.3%	37.2%	25.5%	36.3%
New Mexico	19.9%	26.9%	15.3%	21.7%
New York	24.4%	37.6%	36.2%	35.7%
North Carolina	17.1%	29.9%	15.3%	22.3%
North Dakota	15.3%	1.9%	53.6%	18.9%
Ohio	16.7%	25.4%	18.9%	20.0%
Oklahoma	17.8%	27.5%	14.8%	20.7%
Oregon	25.3%	36.4%	20.0%	31.8%
Pennsylvania	18.0%	31.0%	19.6%	25.9%
Rhode Island	26.7%	35.9%	19.3%	38.1%
South Carolina	18.0%	26.5%	19.3%	20.6%
South Dakota	16.6%	66.6%	26.7%	7.8%
Tennessee	17.4%	24.6%	23.2%	23.6%
Texas	20.4%	30.2%	21.2%	24.5%
Utah	18.5%	18.2%	20.1%	30.1%
Vermont	23.9%	6.5%	31.5%	23.9%
Virginia	18.1%	28.2%	25.3%	26.4%
Washington	23.1%	33.4%	24.9%	27.5%
West Virginia	14.6%	14.2%	28.1%	15.9%
Wisconsin	18.5%	29.8%	14.0%	22.8%
Wyoming	20.0%	58.7%	45.1%	35.5%

Affordability Challenges for Renter Households

Data show that Black renter households are also more squeezed than any other race/ethnic group. Fifty-four percent of Black renters spend more than 30% of their income on rent. And about 30% of Black renters spend more than 50% of their income on rent, representing nearly 2.5 million households. In contrast, 22% of white renters are severely cost-burdened, spending over 50% of their income on rent. This translates to about 5.1 million white renter households.

The main reason that Black renter households are more cost-burdened is that although they have a lower income (30% lower) than white renters, their monthly rent isn't significantly lower than that of white renters. In 2021, the median income of Black renters was \$32,600, compared to \$45,310 for white renters. In the meantime, the average monthly rent was \$1,050 for white compared to \$855 for Black renter households. While rental cost is expected to rise even further in 2023, it will be even more difficult for Black renter households to save for a down payment for a home purchase.

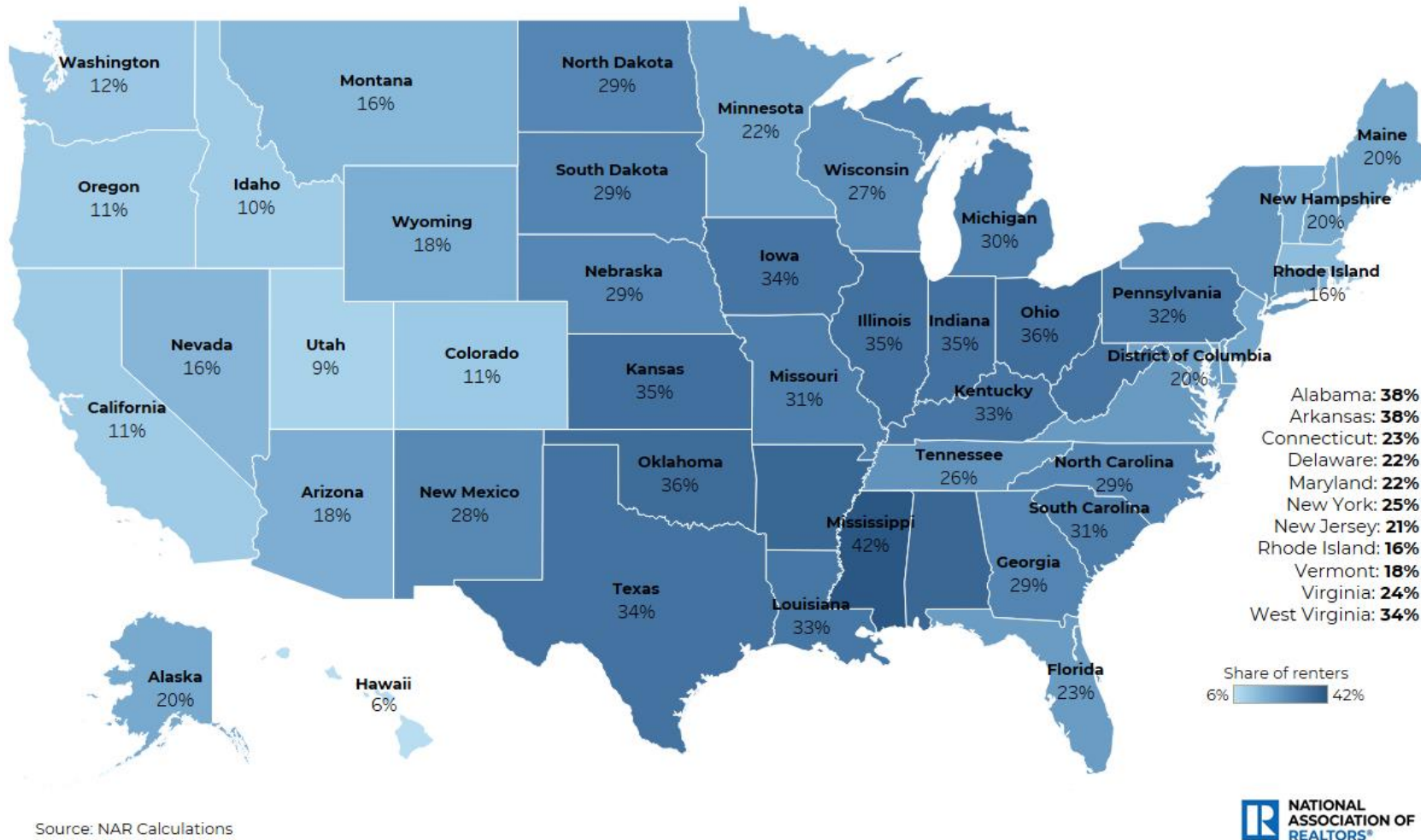
At the local level, Black renters are cost-burdened in some areas more than others. In Hawaii, Vermont, California, Nevada, and Florida, more than 60% of Black renters are cost-burdened.

But how many renters can currently afford to buy the typical home with mortgage rates near 6.5%? This could give an idea of how many people can make the transition from renting to homeownership, boosting the Black homeownership rate. After comparing the qualifying income to purchase the typical home with the median income of renter households, the National Association of REALTORS® estimated that while 17% of white renters can afford to buy the median-priced home, only 9% of Black renters can do nationwide. Less than 5% of Black renters earn the qualifying income in Wyoming, Idaho, Hawaii, the District of Columbia, and California. Thus, the homeownership gap between white and Black households will continue to persist.

However, with more than 30% of Black renters earning the qualifying income, Alaska, West Virginia, and South Dakota may see an uptick in the Black homeownership rate.

White Renter Households that Can Afford to Buy the Typical Home

by state



Source: NAR Calculations

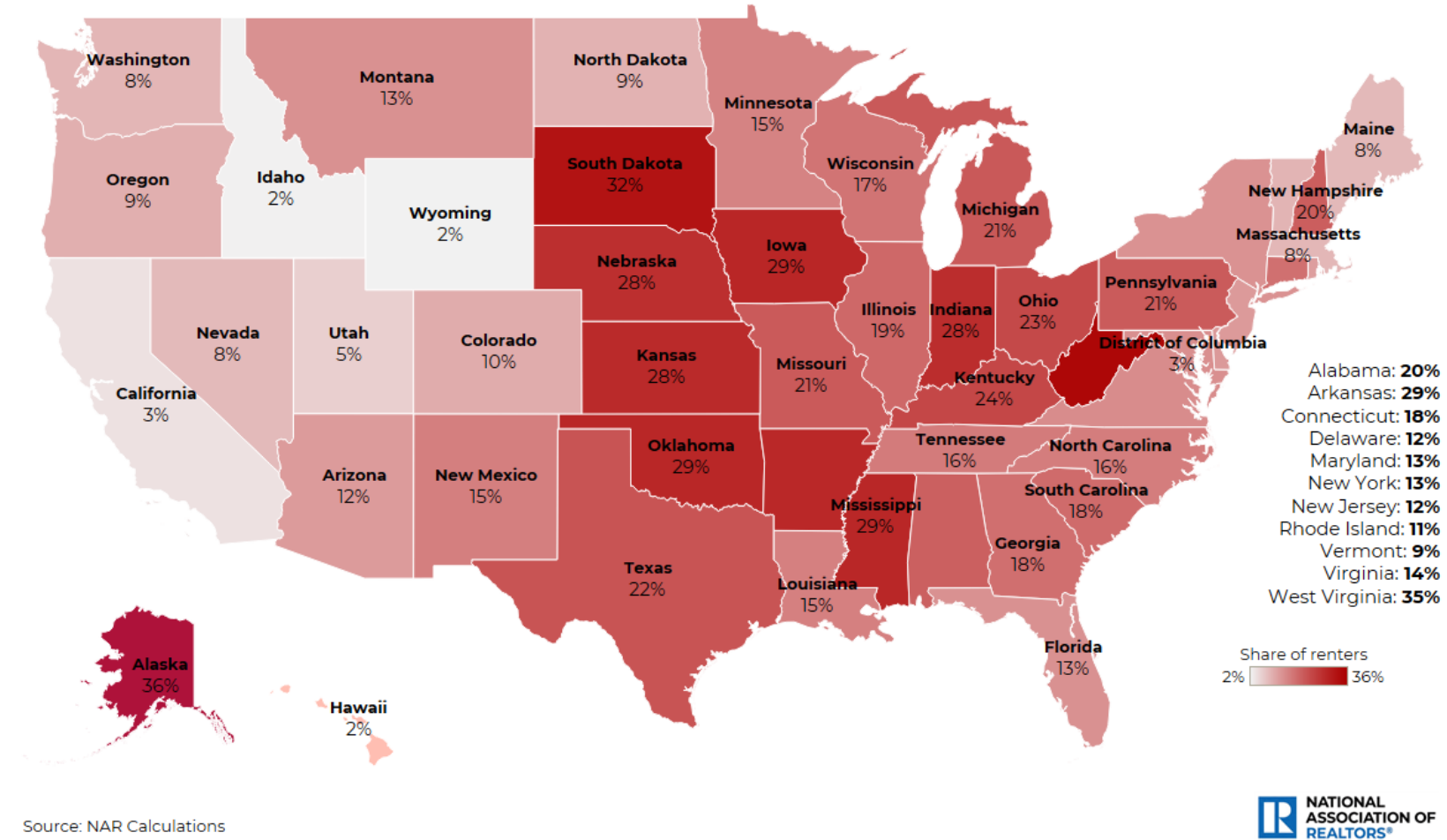
Mississippi (42%), Alabama (38%), and Arkansas (38%) were the areas with the **highest number of white renter households that can afford to buy the typical home.**

In contrast, Hawaii (6%), Utah (9%), and Idaho (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 6% to 42% across the country. Among 51 states, including the District of Columbia, 40 states had more white renter households that can afford to buy the typical home compared to nationwide – 17%.

Black Renter Households that Can Afford to Buy the Typical Home

by state



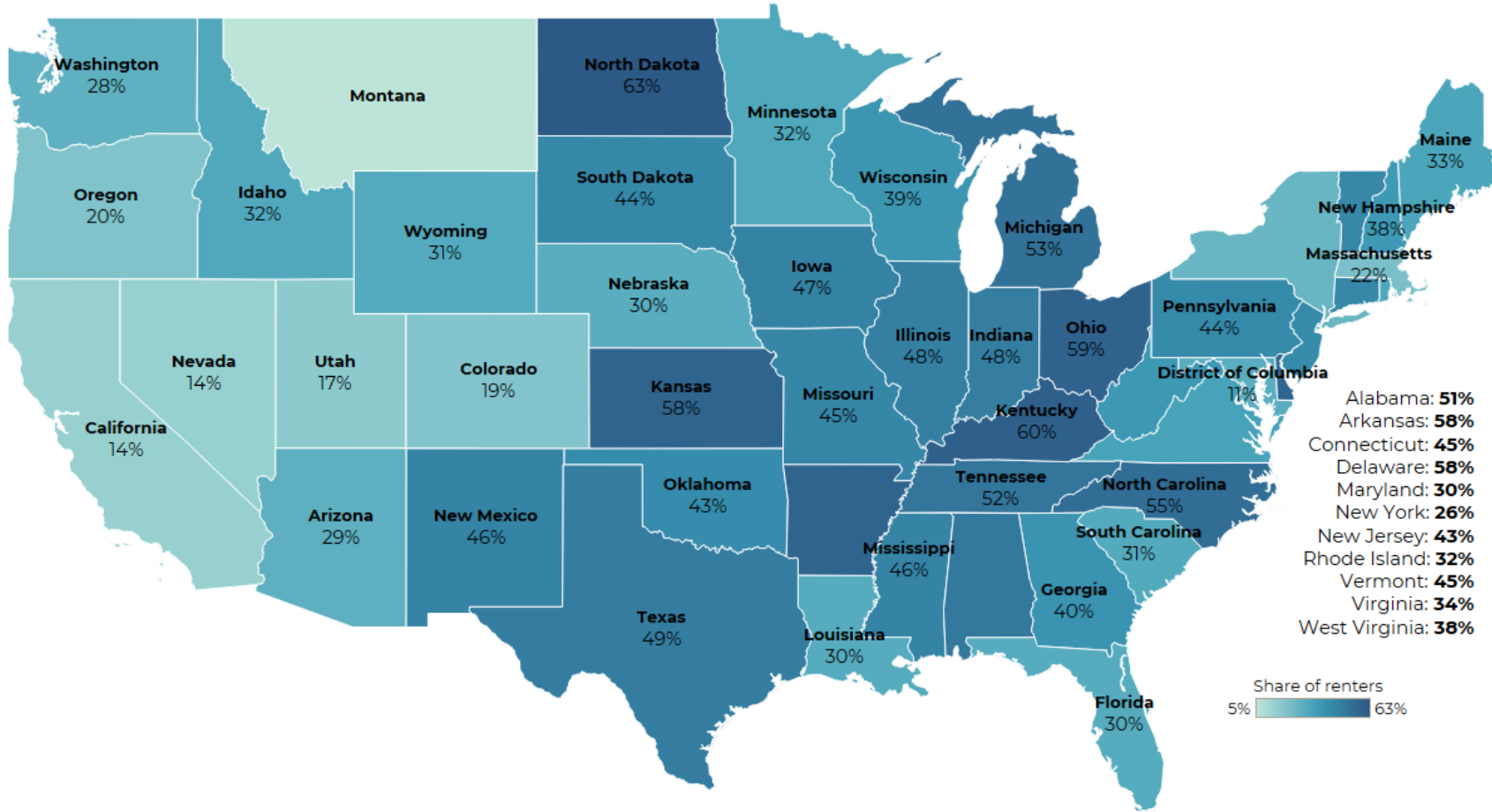
Alaska (36%), West Virginia (35%), and South Dakota (32%) were the areas with the **highest number of Black renter households that they can afford to buy the typical home.**

In contrast, Hawaii (2%), Idaho (2%), and Wyoming (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 2% to 36% across the country. Among 51 states, including the District of Columbia, 41 states had more Black renter households that can afford to buy the typical home compared to nationwide – 9%.

Asian Renter Households that Can Afford to Buy the Typical Home

by state



North Dakota (63%), Kentucky (60%), and Ohio (59%) were the areas with the **highest number of Asian renter households that can afford to buy the typical home.**

In contrast, Hawaii (5%), the District of Columbia (11%), and California (14%) were the areas with the **lowest number of Asian renter households that can afford to buy the typical home.**

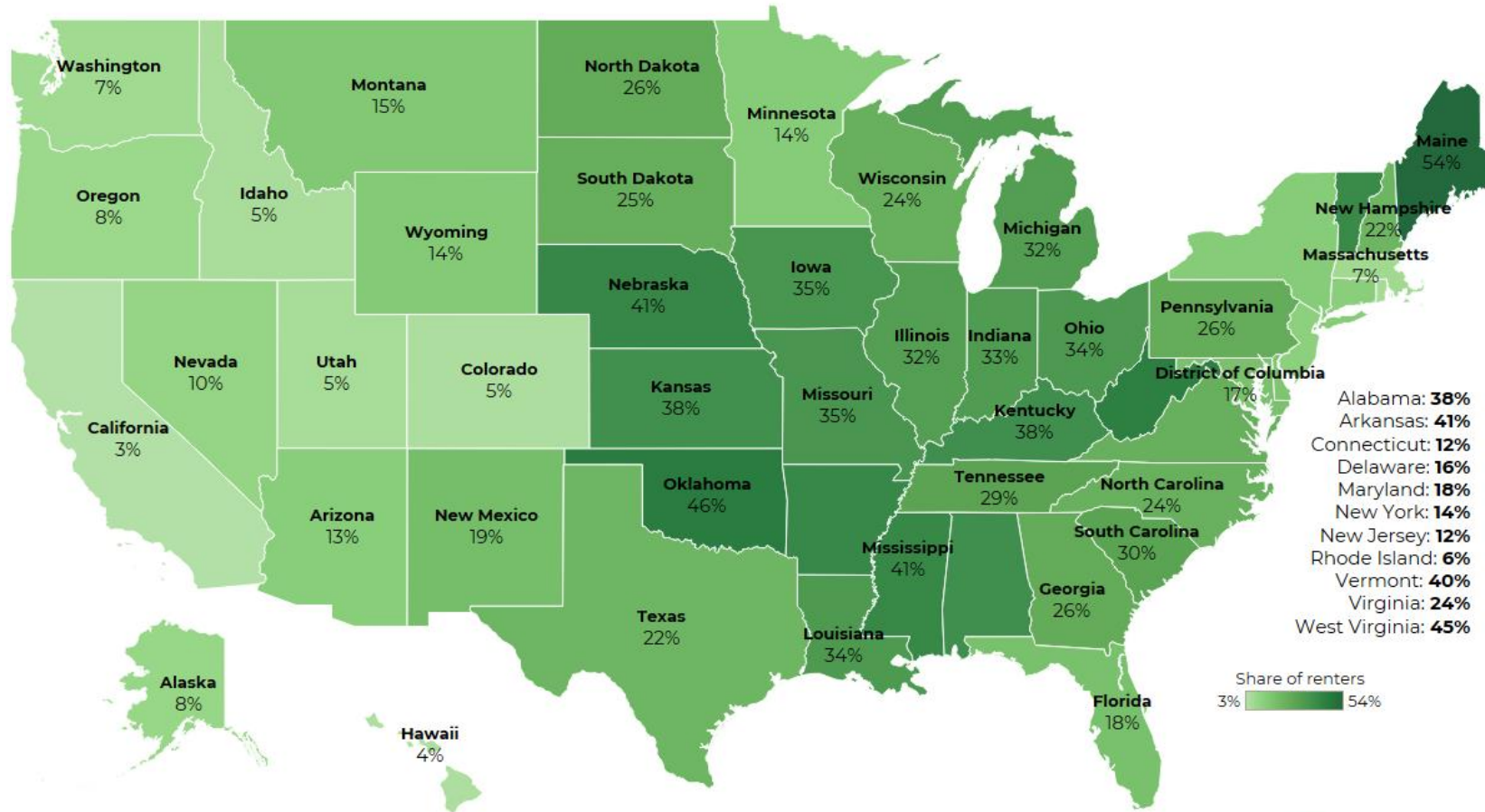
The share of Asian renters varied from 5% to 63% across the country. Among 51 states, including the District of Columbia, 36 states had more Asian renter households that can afford to buy the typical home compared to nationwide – 30%.

Source: NAR Calculations



Hispanic Renter Households that Can Afford to Buy the Typical Home

by state



Maine (54%), Oklahoma (46%), and West Virginia (45%) were the areas with the **highest number of Hispanic renter households that can afford to buy the typical home.**

In contrast, California (3%), Hawaii (4%), and Colorado (5%) 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 54% across the country. Among 51 states, including the District of Columbia, 37 states had more Hispanic renter households that can afford to buy the typical home compared to nationwide – 13%.

Source: NAR Calculations on 2021 ACS PUMS data



Racial Disparities in the Mortgage Market

Denial Rates

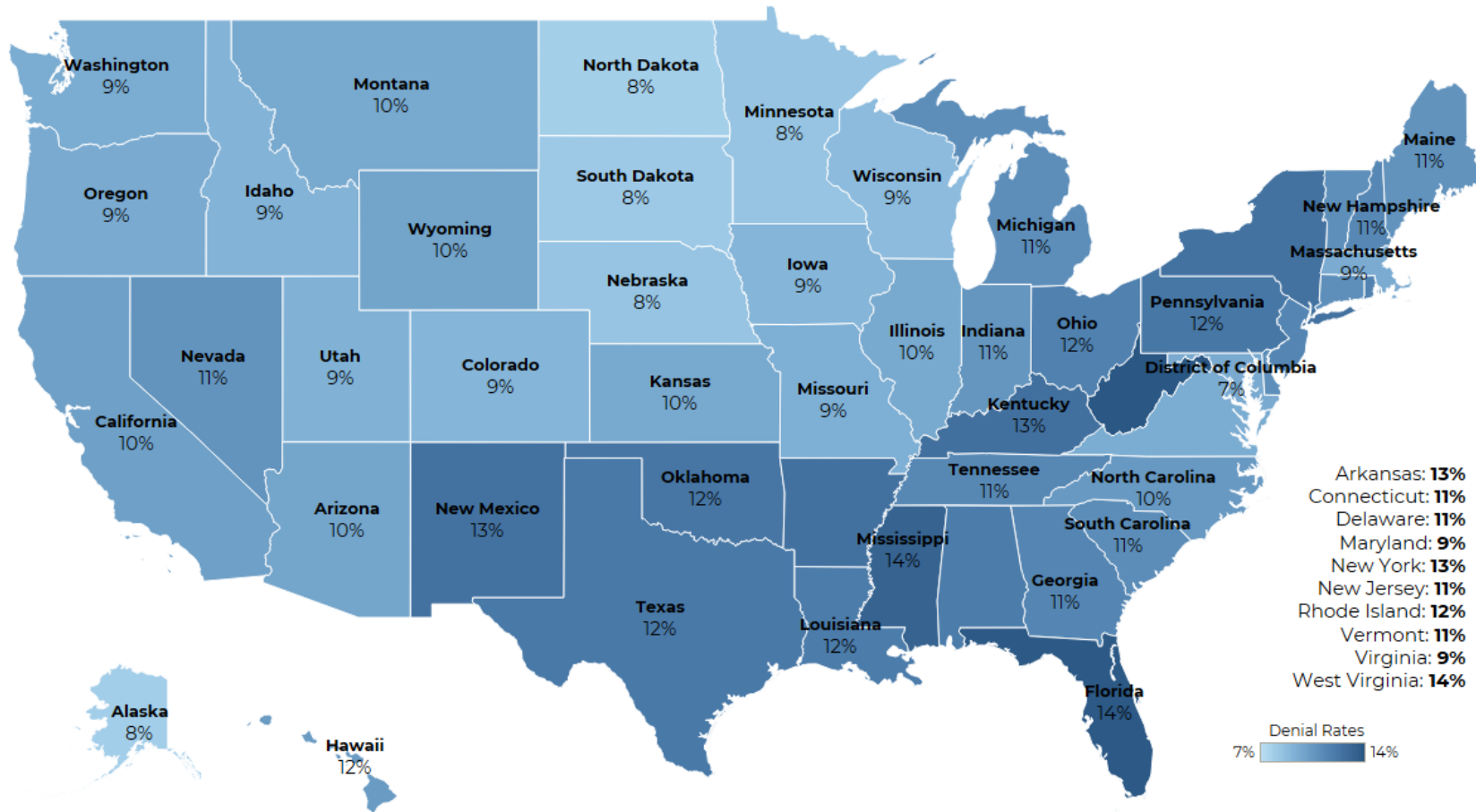
Beyond affordability challenges, Black and Hispanic home buyers also face extra challenges in getting a mortgage. Denial rates vary significantly by race/ethnic group, with Black Americans having the highest denial rates for purchase and refinance loans. According to Home Mortgage Disclosure Act (HMDA) data, 20% of Black and 15% of Hispanic loan applicants were denied mortgages, compared with about 11% of white and 10% of Asian applicants.

Parsing out by the purpose of the loan, denial rates for Black Americans are even higher for home improvement loans. According to Home Mortgage Disclosure Act (HMDA), nearly 17% of the loan applications for a home purchase, 17% of the applications for refinancing, and 51% of home improvement loan applications from Black Americans were denied. These racial disparities in the mortgage market contribute to the persistent homeownership gap between white and Black households. Purchasing a home is one of the largest financial transactions made in a person's lifetime, with about 90% of home buyers getting a mortgage.

At the local level, in states with high concentrations of Black households, the denial rate is disproportionately high for Black homeowners and buyers. Low income seems to be the main reason that more Black households were denied mortgages in these areas. Specifically, in states with a denial rate higher than 20%, the median income of Black applicants was \$59,160 on average. For instance, the median income for Black households was \$53,030 in Mississippi, which was the state with the highest denial rates across the country. Nevertheless, as income increases, denial rates drop. In states with a denial rate lower than 15%, the median income of those applicants was \$79,740. For example, the income of Black households that applied for a mortgage was \$109,440 in Hawaii, one of the states with the lowest denial rates for Black loan applicants.

Denial Rates for White Applicants

By state



Source: NAR Calculations on 2021 HMDA data



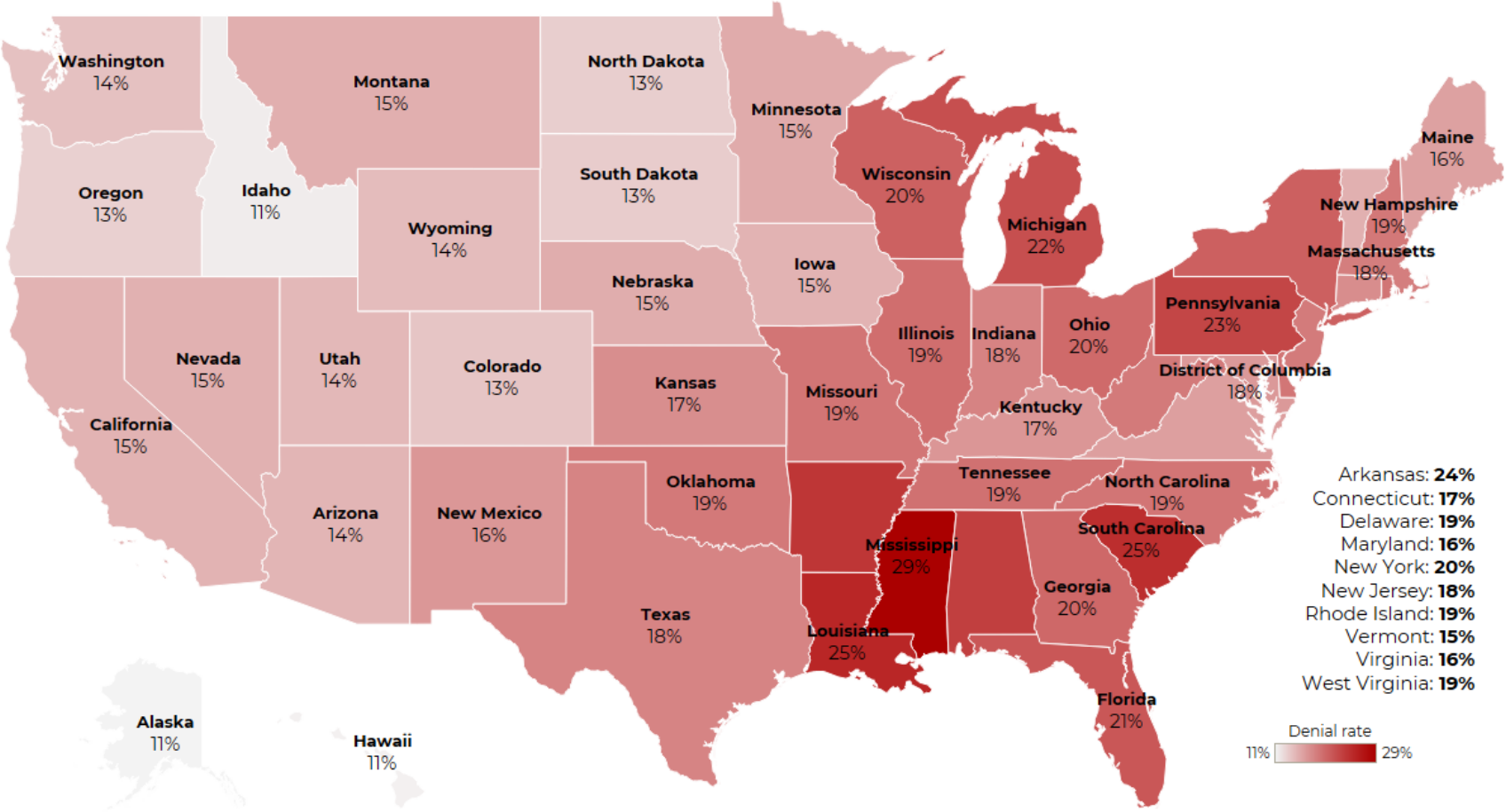
West Virginia (14%), Florida (14%), and Mississippi (14%) were the states with the **highest denial rates** for white Americans in 2021.

In contrast, Minnesota (8%), Nebraska (8%), and Alaska (8%) had the **lowest denial rates**.

Denial rates for white Americans varied from 7% to 14% across the country. Among 51 states, including the District of Columbia, 19 states had a denial rate for white Americans higher than 11% - the national rate - in 2021.

Denial Rates for Black Applicants

By state



Mississippi (29%), Louisiana (25%), and South Carolina (25%) were the states with the **highest denial rates** for Black Americans in 2021.

In contrast, Colorado (13%), South Dakota (13%), and North Dakota (13%) had the **lowest denial rates**.

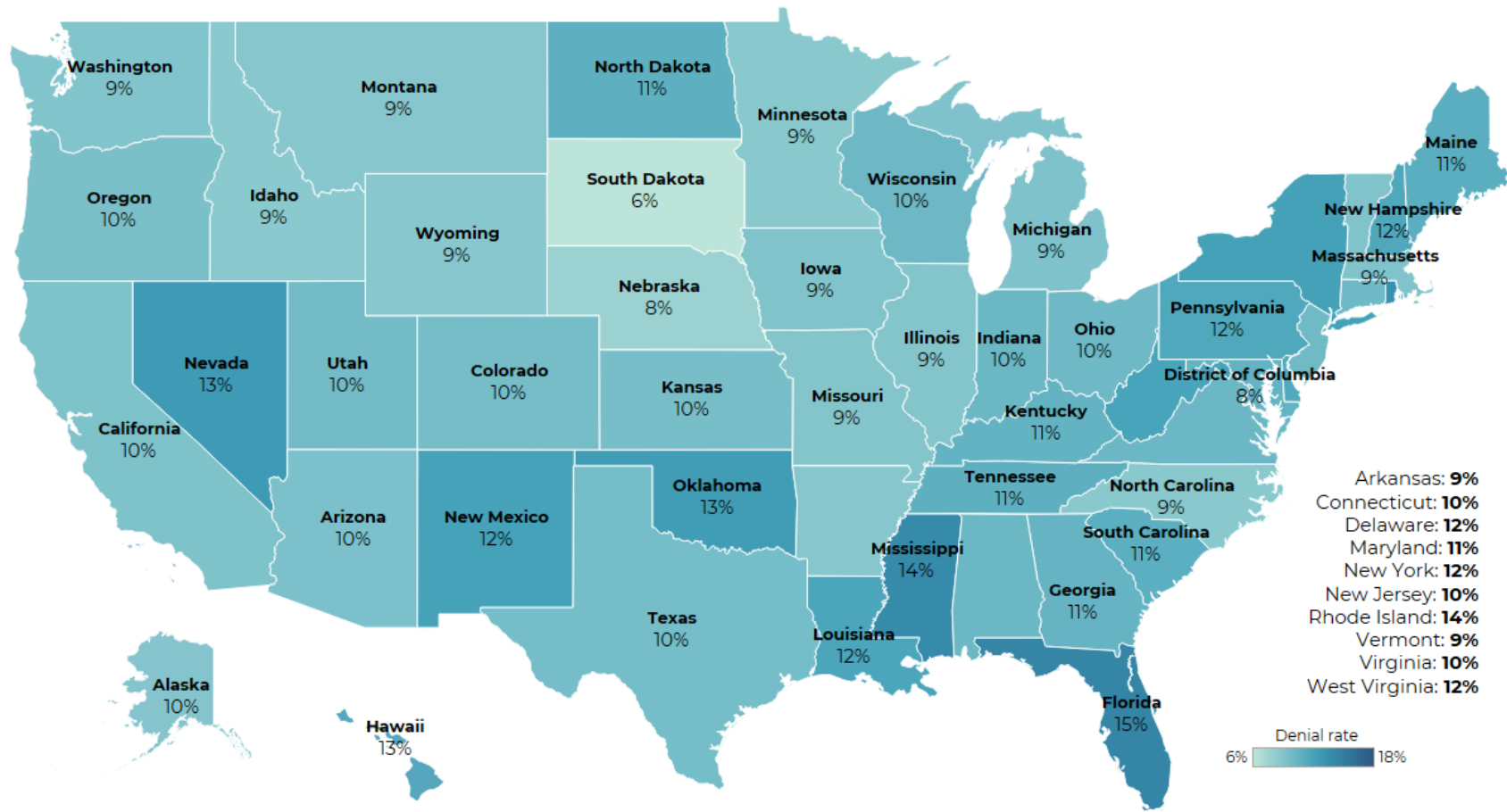
Denial rates for Black Americans varied from 11% to 29% across the country. Among 51 states, including the District of Columbia, 12 states had a denial rate for Black Americans higher than 20% - the national rate - in 2021.

Source: NAR Calculations on 2021 HMDA data



Denial Rates for Asian Applicants

By state



Florida (15%), Mississippi (14%), and Rhode Island (14%) were the states with the **highest denial rates** for Asian Americans in 2021.

In contrast, South Dakota (6%), Nebraska (8%), and the District of Columbia (8%) had the **lowest denial rates**.

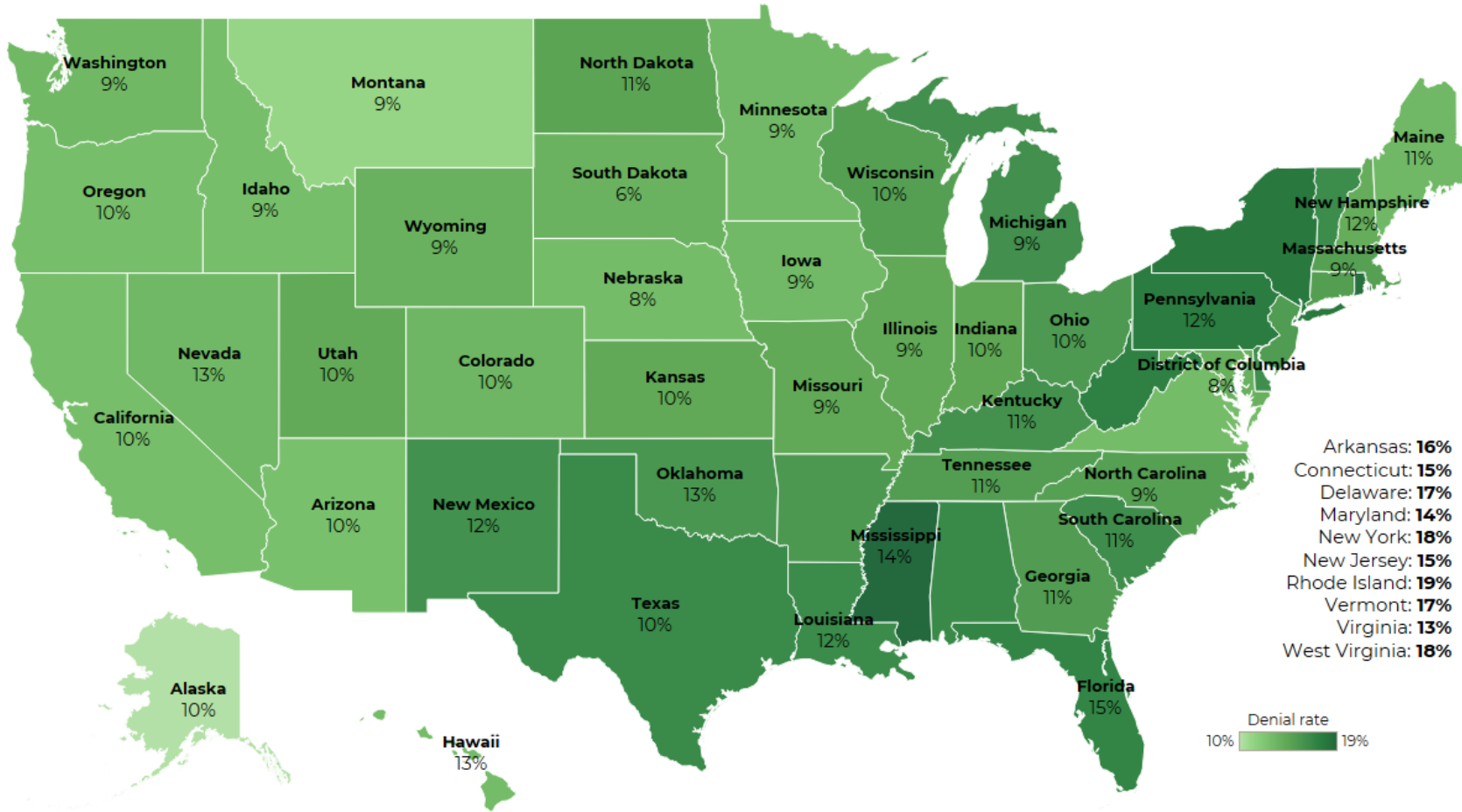
Denial rates for Asian Americans varied from 6% to 18% across the country. Among 51 states, including the District of Columbia, 23 states had a denial rate for Asian Americans higher than 10% - the national rate - in 2021.

Source: NAR Calculations on 2021 HMDA data



Denial Rates for Hispanic Applicants

By state



Source: NAR Calculations on 2021 HMDA data



Mississippi (19%), Rhode Island (19%), and New York (18%) were the states with the **highest denial rates** for Hispanic Americans in 2021.

In contrast, Alaska (10%), Montana (11%), and the District of Columbia (11%) had the **lowest denial rates**.

Denial rates for Hispanic Americans varied from 10% to 19% across the country. Among 51 states, including the District of Columbia, 21 states had a denial rate for Hispanic Americans higher than 15% - the national rate - in 2021.

Methodology: Section One

Using the ACS Public Microdata Sample (PUMS) data, NAR was able to compute homeownership rates and affordability by race at the state level. The American Community Survey releases the Public Use Microdata Sample (PUMS) files every year, which include population and housing unit records with individual response information.

Regarding renters' affordability, qualifying income for a 30-year fixed rate mortgage was computed assuming a 10% down payment. Monthly principal and interest was limited to 25% of income. After defining the qualifying income for each state, NAR calculated the percent of renter households for each race/ethnicity that have an income higher than the qualifying income for that specific area.

Using the Home Mortgage Disclosure Act (HMDA) data, NAR computed the denial rates by race in 2021. To calculate mortgage denial rates, NAR divided all denied loans by total loan applications for each race/ethnic group.

The Uniform Appraisal Data (UDA) Aggregate Statistics data from the Federal Housing Finance Agency (FHFA) were used to compute the share of appraisal below the contract value and the median appraised value in high-minority, minority 50.1%-80% and low-minority areas.



Home Buyer Demographics from the *2022 Profile of Home Buyers and Sellers*

Home Buyer Demographics by Race/Ethnicity

Using data from the 2022 *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 the ways buyers financed their home purchase based on race.

Among all home buyers, White/Caucasian home buyers made up the largest share at 88%, followed by Hispanic/Latino (8%), Black/African American home buyers (3%), Asian/Pacific Islander (2%), and Other at 3%.

Among Hispanic/Latino home buyers, we see the largest share of married couples at 81%. Single female home buyers were most common among Black/African American home buyers (27%). Forty-nine percent of Black/African American and 43% of Asian/Pacific Islander buyers were first-time home buyers. While the majority of all buyers had two-income households, the highest share of one-income households was found among White/Caucasian households at 40%, and Black/African American and Asian/Pacific Islander households both at 38%.

Fifteen percent of Hispanic/Latino and 14% of White/Caucasian and Black/African Americans 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 Asian/Pacific Islander buyers.

The family continues to play a role in helping buyers in entering the market. Twenty-two percent of Asian/Pacific Islanders, and 11% 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. Twenty-two percent of Asian/Pacific Islander home buyers and 14 percent of both Hispanic/Latino and Black/African American buyers lived with parents, relatives, or friends prior to purchasing their home, compared to only 12% of White/Caucasian buyers.

Hispanic/Latino home buyers reported the highest share of student loan debt at 46%, with a median amount of \$70,000. Black/African American home buyers reported a median student loan debt amount of \$35,300, with 33% saying they had student loan debt. Asian/Pacific Islander buyers had the highest share of buyers with at least some college education.

The main reasons for Asian/Pacific Islander buyers being rejected by a mortgage lender were their low credit score and being unable to verify their income. The main reasons for Black/African American buyers were due to low credit score and their debt-to-income ratio.

Race/Ethnicity of Home Buyers

	All Buyers
White/Caucasian	88%
Hispanic/Latino	8
Black/African American	3
Asian/Pacific Islander	2
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: 2022 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	46%	58%	81%	60%
Single female	27	24	7	17
Single male	13	4	5	9
Unmarried couple	10	12	6	11
Other	5	2	1	3

Source: 2022 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%	32%	24%
Repeat buyers	51	57	68	76
Median age	50	41	43	55
Median household income	\$80,000	\$110,400	\$117,500	\$85,000
Income earners in household				
None	1%	1%	*	2%
One	38	38	30	40
Two	50	45	67	49
Three or more	11	15	3	10

Source: 2022 Profile of Home Buyers and Sellers

Characteristics of Home Purchased by Race/Ethnicity

Racial and Ethnic Distribution

	Black/African American	Asian/Pacific Islander	Hispanic/Latino	White/Caucasian
Purchased new home	17%	9%	6%	6%
Purchased previously owned home	83	91	94	94
Detached single-family	76%	73%	87%	80%
Mobile/manufactured home	6	7	4	8
Cabin/cottage	1	*	4	4
Townhouse/row house	4	6	4	3
Duplex/apartment/condo	2	5	1	2
Other	11	8	1	3
Median square feet of home purchased	1,780	1,930	2,000	1,800

Source: 2022 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	82%	97%	94%	87%
Primary reason for purchasing a home				
Desire to own home of own	47%	52%	23%	20%
Desire for larger home	5	10	4	7
Desire for a home in a better area	8	6	3	8
Change in family situation (e.g. marriage, birth of child, divorce, etc.)	3	1	2	6
Job-related relocation or move	2	5	6	6
Desire to be closer to family/friends/relatives	5	4	6	14
Desire to be closer to job/school/transit	1	2	36	2

Source: 2022 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	14%	12%	15%	14%
Reasons for purchase				
Health/caretaking of aging parents/relatives	32%	23%	24%	22%
To spend more time with aging parents	28	21	15	11
Cost savings	32	50	17	12
Children/relatives over 18 moving back into the house	32	*	11	17
Wanted a larger home that multiple incomes could afford together	20	29	24	20
Children/relatives over 18 never left home	16	*	20	15
None of the above	16	*	27	18
Other	8	7	4	9

* Less than 1 percent

Source: 2022 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	50%	65%	66%	46%
Proceeds from sale of primary residence	20	27	24	39
401k/pension fund including a loan	16	5	8	5
Gift from relative or friend	10	22	11	8
Tax refund	5	5	10	3
Loan from relative or friend	5	7	2	2
Sale of stocks or bonds	2	14	4	5

Source: 2022 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	53%	44%	23%	26%
Owned previous home	31	34	62	60
Lived with parents/relatives/friends, paid rent	5	14	9	5
Lived with parents/relatives/friends, did not pay rent	9	8	5	7
Rented the home ultimately purchased	2	*	1	2

Source: 2022 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	2%	3%	6%	1%
High School diploma	24	12	20	27
Associates degree	22	7	7	16
Bachelor's degree	24	30	13	24
Some graduate work	5	6	7	7
Master's degree/MBA/law degree	17	31	44	19
Doctoral degree	6	10	3	5
Have student loan debt	33%	13%	46%	17%
Median student loan debt amount	\$35,300	\$30,600	\$70,000	\$30,000

Source: 2022 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	1	1	1
Reason for being rejected by mortgage lender				
Debt-to-income ratio	33%	11%	25%	28%
Low credit score	50	25	13	24
Income was unable to be verified	*	25	*	12
Not enough money in reserves	13	*	13	7
Insufficient downpayment	11	22	*	10
Too soon after refinancing another property	*	*	*	1
Don't know	*	*	13	8
Other	13	25	50	29

* Less than 1 percent

Source: 2022 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 transaction. When asked about their neighborhood and if the majority of residents are the same race as them, 68% of both Black/African American and Hispanic/Latino home buyers and 59% of Asian/Pacific Islander home buyers said that the majority of their neighborhood is not the same race as them. This is compared to only 11% of White/Caucasian home buyers saying that the majority of their neighborhood is not the same race as them. Seventy-five percent of White/Caucasian home buyers said that the majority of the neighborhood was the same race as them. In comparison, 19% of both Black/African American and Asian/Pacific Islander and 17% 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 Hispanic/Latino home buyers was steering towards or away from specific neighborhoods at 50%. Thirty-nine percent of Black/African American home buyers experienced or witnessed discrimination in the appraisal of their homes. Hispanic/Latino and Black/African American 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, 8% of Black/African American and 4% of Asian/Pacific Islander home buyers experienced discrimination based on race. Five percent of Black/African American and three percent of Asian/Pacific Islander home buyers experienced discrimination based on color. Forty-two percent of Black/African American, 35% of Asian/Pacific Islander, 17% of Hispanic/Latino, and 23% of White/Caucasian home buyers did not experience discrimination in their real estate transaction but believe that it exists. Twelve percent of Black/African American and three 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
The majority of residents in neighborhood are the same race as respondent				
Yes, majority are same race	19%	19%	17%	75%
No, majority are not same race	68	59	68	11
Don't know	13	21	15	14
Ways respondent witnessed or experienced discrimination in a real estate transaction				
Steering towards or away from specific neighborhoods	12%	*	50%	29%
More strict requirements for themselves	12	17	*	24
Type of loan product offered	17	17	7	18
Purchase offer denied for possibly discriminatory reasons	18	*	*	23
Refusal of home owner or agent to show property to particular classes	24	*	46	15
Appraisal of home	39	17	*	9
Other	6	67	*	26

Source: 2022 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
Experienced discrimination in a real estate transaction against any of the following				
Race	8%	4%	*	*
Color	5	3	*	*
Religion	*	*	*	*
Sex	2	*	*	*
Disability	*	*	2	*
Familial status (including marriage or parental status)	*	*	*	*
National Origin	*	2	*	*
Sexual orientation	*	*	2	*
Not sure	5	4	1	1
No, but I believe it exists	42	35	17	23
No	45	57	79	75
Reported the discrimination to a government agency				
Yes, reported	12%	*	*	3%
No, did not report	88	100	100	97

* Less than 1 percent

Source: 2022 Profile of Home Buyers and Sellers

Methodology: Sections Two and Three

In July 2022, NAR mailed out a 129-question survey using a random sample weighted to be representative of sales on a geographic basis to 153,045 recent home buyers. The recent home buyers had to have purchased a primary residence home between July 2021 and June 2022. A total of 4,854 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 3.2 percent.

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

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

All information in this Profile is characteristic of the 12-month period ending June 2022, with the exception of income data, which are reported for 2021. In some sections, comparisons are also given for results obtained in previous surveys. Not all results are directly comparable due to changes in questionnaire design and sample size. Some results are presented for the four U.S. Census regions: Northeast, Midwest, South, and West. The median is the primary statistical measure used throughout this report. Due to rounding and omissions for space, percentage distributions may not add to 100 percent.

Data gathered in the report is based on primary residence home buyers. From the *Realtors Confidence Index*, 87 percent of home buyers were primary residence buyers in 2021, which accounts for 5,857,350 homes sold in 2021 (accounting for new and existing homes). Using that calculation, the sample at the 95 percent confidence level has a confidence interval of plus-or-minus 1.41%.



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