

The Benefits of Homeownership

Homeownership provides shelter and security to families, and fosters involvement in community life as well as participation in democratic institutions. Homeownership also provides important social and economic benefits. It is the cornerstone of a healthy community and the basis for positive community involvement.

Homeowners can accumulate wealth for the future while enjoying the benefits of a shelter that they can use, improve and sell. Their home is a safe haven for investment.

The national homeownership remains at record levels. San Mateo County's homeownership rates are holding strong and steady.

Given record levels of homeownership in the country, owning a home appears to remain the clearest sign of achieving the American Dream.

Statistics from the U.S. Census Bureau suggest that homeownership is affordable for many – evidenced also by five consecutive record years for home sales. In the fourth quarter of 2006, the national homeownership rate was 68.9 percent, compared to the all-time high of 69.2 percent in the fourth quarter of 2004. Locally, in San Mateo County, the median sales price for a single family home has dipped: in the first quarter of 2008, the median sales price was \$900,000; in March 2008 it rose slightly to \$910,000, and in April 2008, it had lowered to \$875,000, where it remains.

Based on current trends and underlying demand, the overall US homeownership rate could exceed 70 percent by 2013.

The problem with homeownership today is that it doesn't reflect America. Homeownership remains a difficult goal for many. REALTORS® are helping to meet this challenge.

Though homeownership has generally increased among most minorities over the past three years, there is still a disparity between ownership levels for different groups. Low and moderate income families, as well as minorities, are the groups that homeownership eludes the most.

The homeownership rate for African American households during the fourth quarter of 2006 was 48.2 percent, while Hispanic households were at 49.5 percent. The homeownership rate for Asian, Native Americans and Pacific Islanders was 60 percent. By comparison, 76 percent of non-Hispanic whites were homeowners in the same period.

REALTORS® are addressing this challenge at the local, state and national level. Locally, members of the San Mateo County Association of REALTORS® are provided with on-going training regarding the best loan products and programs for first time homebuyers and diverse clients.

Housing is a good, long-term investment that provides both economic and social benefits.

Clearly, owning a home is the best way for most families to build a nest egg. According to the most recent Federal Reserve Survey of Consumer Finances, the median net wealth of a renter household is \$4,800, while the median net wealth of a homeowner household is \$171,700.

Homeowners are motivated to stay abreast of local issues to protect their investment. Research shows that homeowners are more likely to vote and that they volunteer time for political and charitable causes more frequently than renters.

According to data from the U.S. Census Bureau, owners do not move as frequently as renters, providing more neighborhood stability. In turn, involvement in community quality-of-life issues helps prevent crime, improve childhood education and support neighborhood upkeep.

For more information about housing statistics, locating a REALTOR® or other real estate-related issues, please contact the San Mateo County Association of REALTORS® at 650.696.8200 or visit www.samcar.org.

The San Mateo County Association of REALTORS® (SAMCAR) is a professional trade organization representing over 3,400 REALTORS® and Affiliate members engaged in the real estate business on the Peninsula. SAMCAR promotes the highest ethical standards of real estate practice, serves as an advocate for homeownership and homeowners, and represents the interests of property owners in San Mateo County. For more information, please contact Michon Coleman, Director of Public Affairs at 650.696.8200.