

RURAL RESEARCH BRIEF

The Latest Research From the Housing Assistance Council



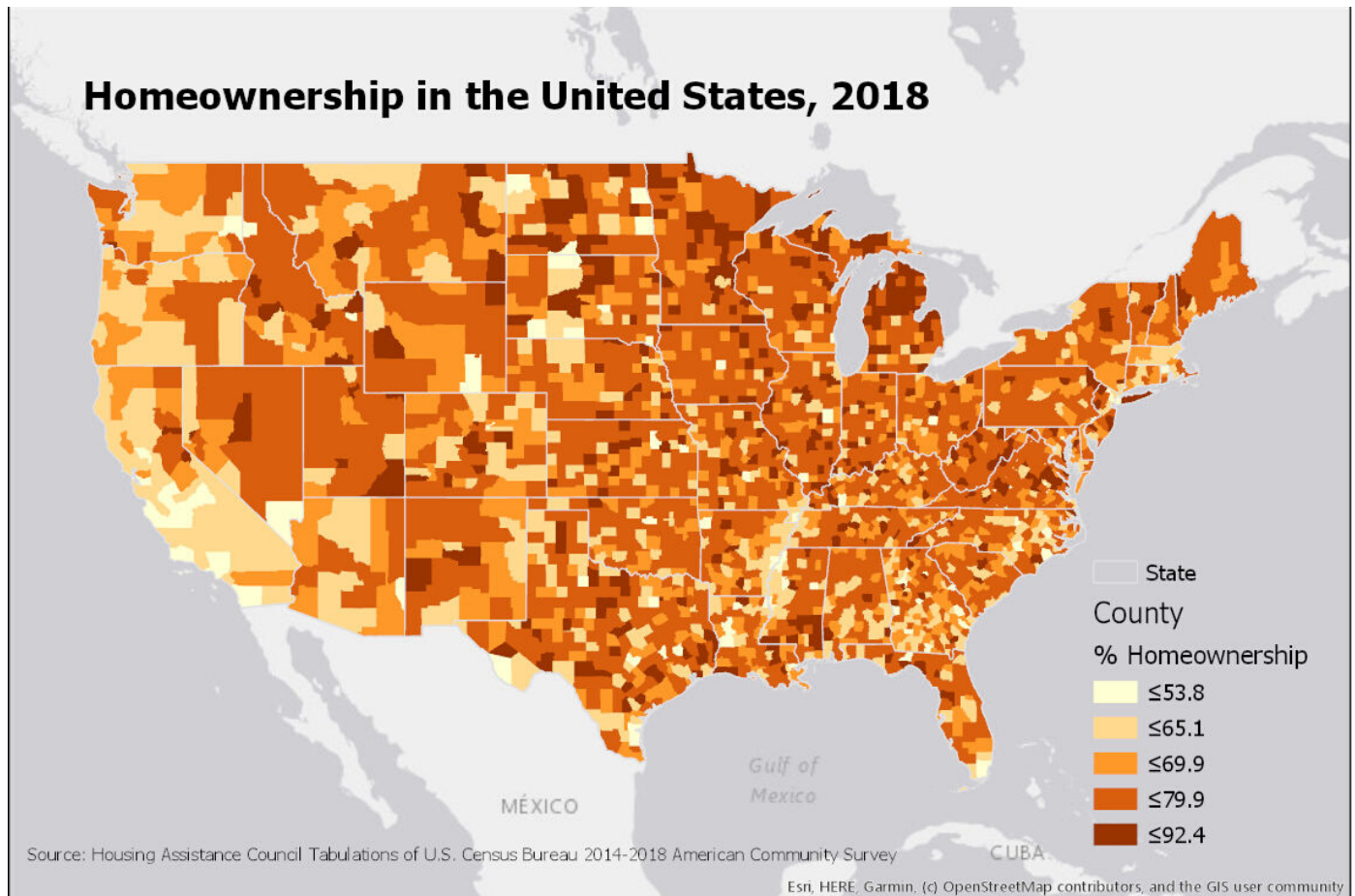
ABOUT HAC

The Housing Assistance Council (HAC) is a national nonprofit organization that helps build homes and communities across rural America. Since 1971, HAC has provided financial products, technical assistance and training, policy formulation, and research and information services to assist community-based organizations and policy makers who are working daily to improve life in rural communities across the United States.

Homeownership in Rural America

Owning a home has traditionally been the bedrock of the “American Dream,” conveying prosperity, financial security, and upward mobility. The United States is largely a nation of homeowners and homeownership is more prevalent in rural areas. But many rural households still face challenges in accessing, attaining and affording the purchase of a home. Lack of available stock, affordability and high cost loans are barriers to homeownership.

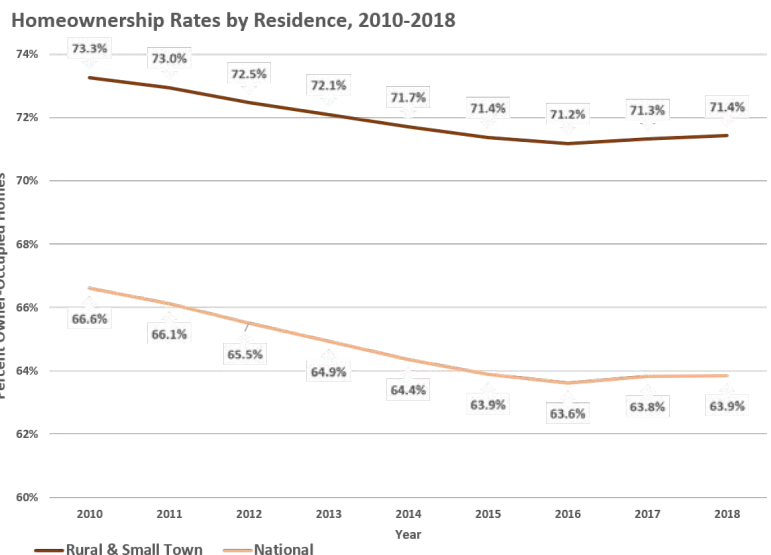
Homeownership in the United States, 2018



To view an interactive version of this map visit: <https://arcg.is/C8zue>

A Nation of Homeowners - Especially in Rural America

Owning a home was not always the norm in the United States. In 1920, less than half of all U.S. homes were owned by their occupants. But over the past century, Americans increasingly purchased their own homes -- aided by increased economic growth and the ability to finance mortgages. In 2018, 65.1 percent of U.S. homes were owner-occupied. This rate is actually lower than the 2010 homeownership level of 66.2 percent, but homeowner rates have consistently been above 60 percent since the 1960s. In rural and small town communities, homeownership rates are even higher than the national level. Approximately 16.5 million, or 71.4 percent of occupied homes in rural communities are owned by their inhabitants. Consistent with national trends, the homeownership rates declined by nearly two percentage points between 2010 and 2018.



The housing crisis and the flagging economy began to shake the nation's confidence in homeownership. The decline in homeownership rates over the great recession continued until about 2016 and have begun to show small, but notable, increases from 2016 to 2018. Generally, the rate of homeownership decline was less pronounced in rural areas and small towns than nationally.

Homeownership Across the Rural Spectrum

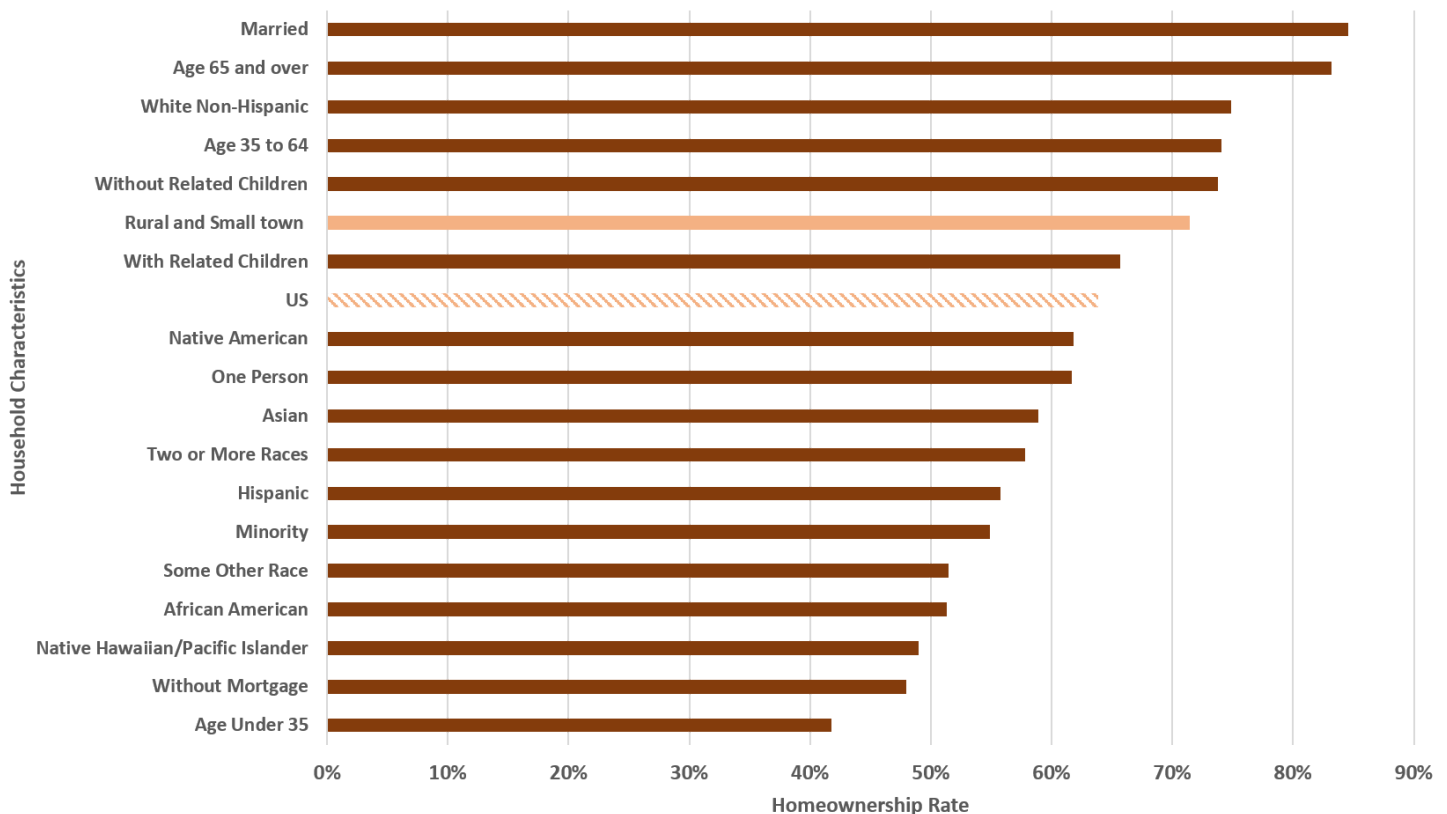
Homeownership rates have traditionally been higher in rural and small town areas than in the nation as a whole. Yet homeownership varies across demographic groups and regions within rural and small town America.

Rural and small town homeownership rates have traditionally been highest in the Midwest (73.4 percent) and are similarly high in the Northeast (73.2 percent). Homeownership rates in rural and small town areas in the West region are lowest at about 68.7 percent.

Ownership of housing also varies across racial and ethnic groups in rural and small-town communities. Similar to national characteristics, rural and small town minorities have substantially lower homeownership rates than white non-Hispanic households. Approximately 75 percent of rural and small town white non-Hispanics own their homes while only 55 percent of minority households own their homes. Rural and small town African-American households (51 percent) and Native Hawaiian/Pacific Islanders (49 percent) are the least likely groups to own their homes. But rural and small town minorities are nearly 8 percent more likely to own their homes than minorities in the nation as a whole.

At all age groups, rural and small town households are more likely to own their homes than similar groups nationwide. Homeownership rates generally increase with age. Significant variations exist in homeownership rates across age groups. Rural homeowners aged 65 and older are twice as likely to own their homes as those under age 35. Over 80 percent of households age 60 and older own their homes compared to nearly 42 percent of households under age 35. The rate of homeownership increases with age through householders in their 70s, but declines slightly for seniors over age 75.

Rural & Small Town Homeownership by Selected Demographics, 2018



QUICK FACTS ON RURAL HOMEOWNERSHIP

16.5 million

Rural Homeowners

Source: U.S. Census Bureau - 2014-2018 American Community Survey

48%

Percent of rural homeowners who own their homes outright and do not have mortgage debt

Source: U.S. Census Bureau - 2014-2018 American Community Survey

≤\$100,000

An estimated 38 percent of owned rural and small town homes are valued at less than \$100,000.

Source: U.S. Census Bureau - 2014-2018 American Community Survey

20 percentage points

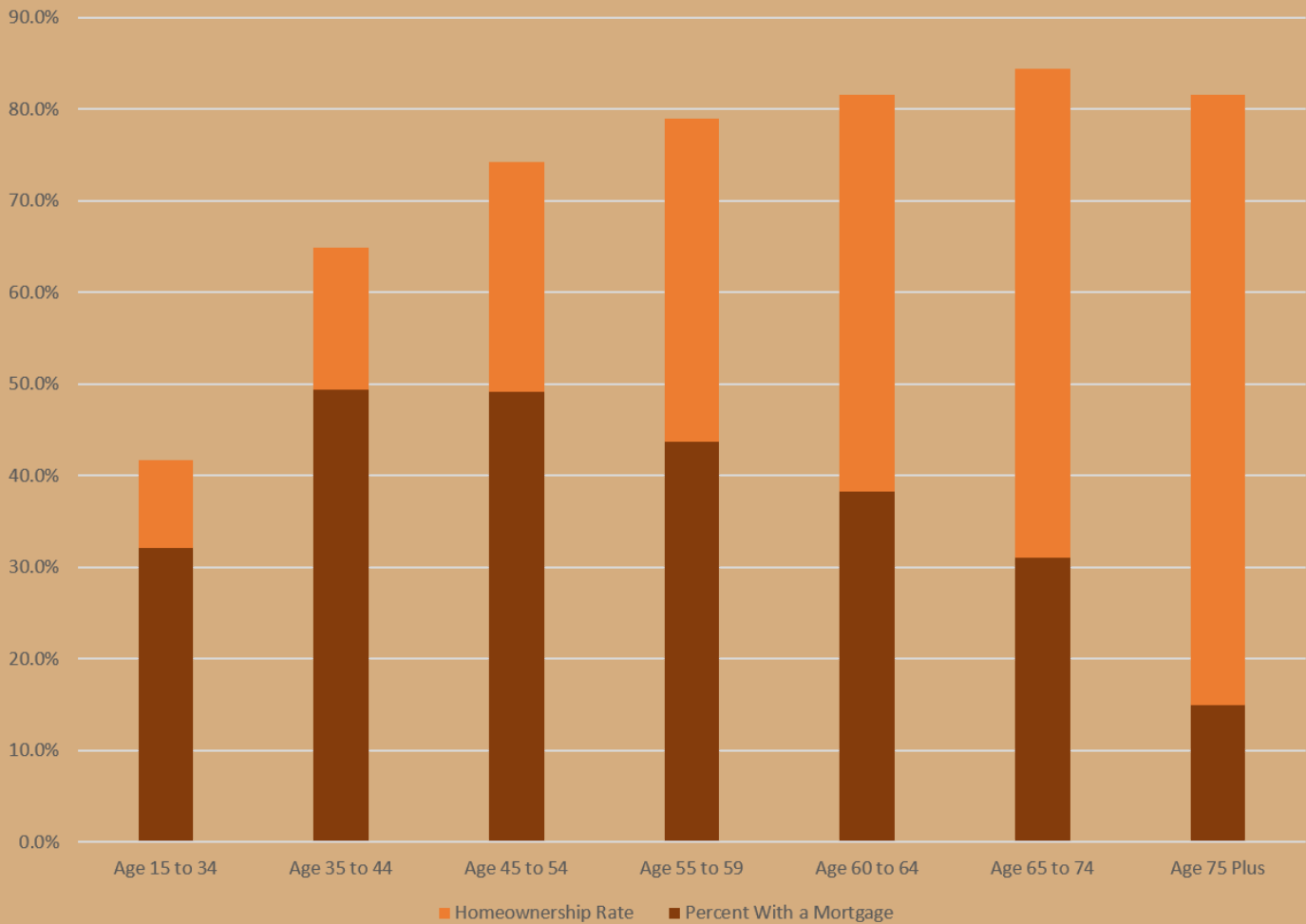
The homeownership rate gap between White Non Hispanics and minorities in rural America.

Source: U.S. Census Bureau - 2014-2018 American Community Survey



RURAL AMERICA HAS THE HIGHEST LEVEL OF "TRUE" HOMEOWNERSHIP

Homeownership and Mortgage Status by Age of Householder, 2018



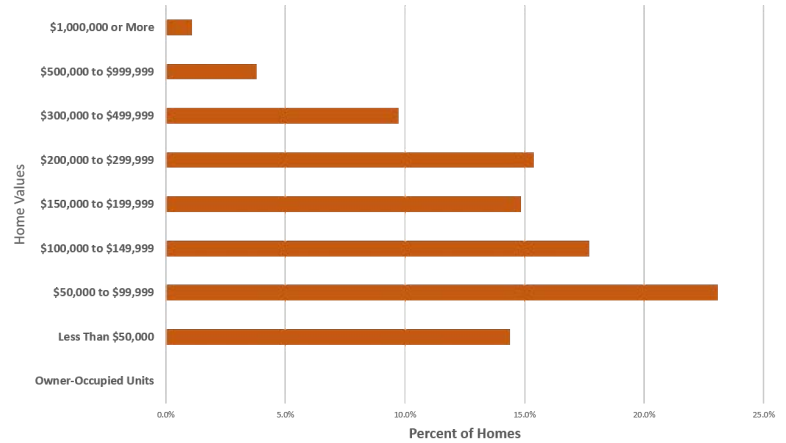
True homeownership describes homeowners who own their homes without a mortgage. This is often referred to as “free and clear” ownership. Nearly half of rural and small town homeowners own their properties with no mortgage debt compared to about 37 percent of all US homeowners. There are several reasons for the higher rate of true homeownership in rural and small town areas. These include the presence of manufactured homes and the age of the residents. Manufactured homes are often financed with personal property loans which have shorter loan terms than a typical mortgage. In addition, the population in rural areas tends to be older than the nation as a whole and there are more senior households. As the homeowners age, their mortgage debt declines.

Nearly half of rural and small town homeowners own their properties with no mortgage debt

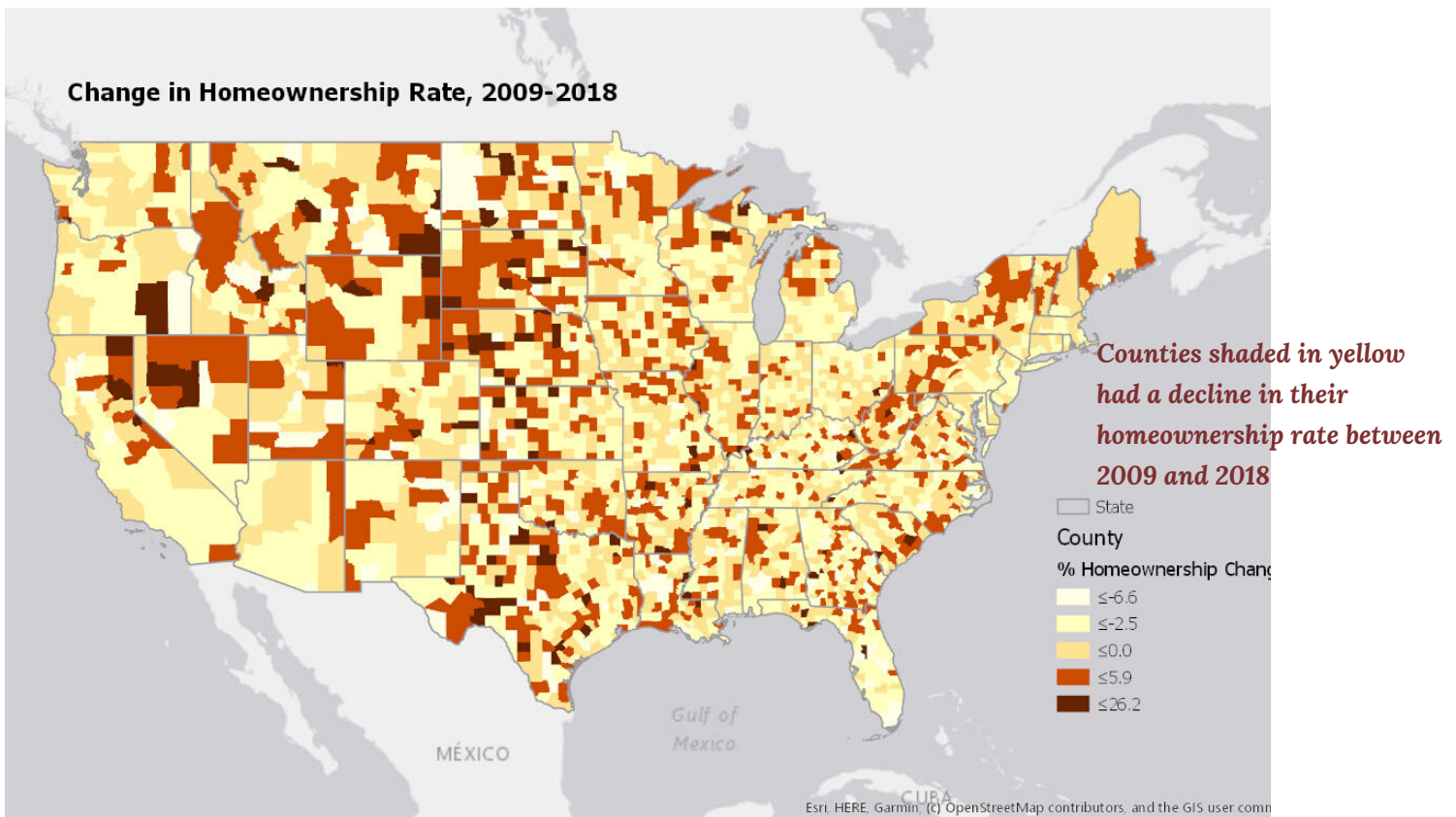
Home Values are Lower in Rural America

Rural home values are generally less than home values nationwide. Nearly 38 percent of rural and small town owner-occupied homes are valued at less than \$100,000, compared to 20 percent of all US owner-occupied homes. Less than 15 percent of these homes are valued at \$300,000 or more compared to nearly one-third of all US owner-occupied homes.

Home Values Rural & Small Town Owner Occupied Homes, 2018



The Homeownership Rate Declined in Nearly Three Quarters of Counties Between 2009 and 2018



To view an interactive version of this map visit: <https://arcgis.com/arcgis/00yzWC>

For More Information About Homeownership in Rural America

01

U.S. CENSUS BUREAU'S AMERICAN COMMUNITY SURVEY

<https://www.census.gov/programs-surveys/acs>

02

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S AMERICAN HOUSING SURVEY

<https://www.huduser.gov/portal/datasets/ahs.html>

03

U.S. CENSUS BUREAU'S NEW RESIDENTIAL CONSTRUCTION

<https://www.census.gov/construction/nrc/index.html>

04

THE ATLANTIC MAGAZINE'S "RURAL AMERICA'S SILENT HOUSING CRISIS"

THE RURAL DATA PORTAL

Data is Important.

The Housing Assistance Council created a searchable database that combines many disparate data sources into one easily accessible place. The Rural Data Portal is a simple, easy to use, on-line resource that provides essential information on the social, economic, and housing characteristics of communities in the United States. The Rural Data Portal provides over 350 data indicators for your community. Access important data for your community at www.ruraldataportal.org



WWW.RURALDATAPORTAL.ORG

About the Author

Mike Feinberg is a Senior Policy Analyst in the Research and Information Division at the Housing Assistance Council. Mike's research at HAC includes issues related to USDA housing programs and other low-income housing finance programs. He also assists with training for the Section 502 loan application packaging program.



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HAC

HOUSING ASSISTANCE COUNCIL
1025 Vermont Avenue, NW
Sixth Floor
Washington, DC 20005

202-842-8600
www.ruralhome.org

About the Data

Most of the data for this brief derives from Housing Assistance Council tabulations of various public use data sets including the U.S. Census Bureau's American Community Survey (ACS), and the Decennial Census of Housing and Population. For more information on these data please consult the primary data source, or contact the Housing Assistance Council at: lance@ruralhome.org.

Homeownership in Rural America is part of a series of Rural Research Briefs presenting data and findings from the Census and American Community Survey (ACS). In the coming months, the Housing Assistance Council (HAC) will publish Rural Research Briefs highlighting various social, economic, and housing characteristics of rural Americans.

The Rural Research Brief series will preview HAC's decennial *Taking Stock* report - a comprehensive assessment of rural America and its housing. Since the 1980s, HAC has presented *Taking Stock* every ten years following the release of Census data. The newest *Taking Stock* report will be published in 2020.

