



# THE STATE OF THE NATION'S HOUSING 2013

Press Release June 26, 2013

## A Housing Recovery, but Not For All Americans

Harvard Research Center Releases *The State of the Nation's Housing 2013*

CAMBRIDGE, MA - Driven by rising home prices and growing demand, the U.S. housing recovery is well underway, concludes *The State of the Nation's Housing* report released today by the Joint Center for Housing Studies of Harvard University. While still at historically low levels, housing construction has finally turned the corner, giving the economy a much-needed boost. But even as the recovery gains momentum, millions of homeowners are still delinquent on their mortgages or owe more than their homes are worth, and severe housing cost burdens have set a new record.

Driven by an increase of 1.1 million renter households, last year marked the second consecutive year of double-digit percentage increases in multifamily construction. But the flip side of the strong rental market was the continued slide in homeownership rates. "Even as historically low interest rates have helped make the monthly cost of owning a home more favorable than any time in the past 40 years, the national homeownership rate fell for the eighth straight year in 2012," says Eric S. Belsky, Managing Director of the Joint Center for Housing Studies. "The drop was especially pronounced for 25–54 year olds, whose homeownership rates were at their lowest point since recordkeeping began in 1976."

"Tight credit is limiting the ability of would-be homebuyers to take advantage of today's affordable conditions and likely discouraging many from even trying," says Chris Herbert, Director of Research at the Joint Center for Housing Studies. "At issue is whether, and at what cost, mortgage financing will be available to borrowers across a broad spectrum of incomes, wealth, and credit histories moving forward."

And while the recovery is good news for many, the number of Americans shelling out half or more of their incomes on housing is at an all-time high. At last count, 20.6 million households were shouldering such severe burdens, including nearly seven out of ten households with annual incomes of less than \$15,000 (roughly equivalent to year-round employment at the minimum wage). But, the report notes, even as the need has never been greater, federal budget sequestration will pare down the number of households receiving rental housing assistance.

"With rising home prices helping to revive household balance sheets and expanding residential construction adding to job growth, the housing sector is finally providing a much needed boost to the economy," says Belsky. "But long-term vacancies are at elevated levels in a number of places, millions of owners are still struggling to make their mortgage payments, and credit conditions for homebuyers remain extremely tight. It will take time for these problems to subside. Given the profoundly positive impact that decent and affordable housing can have on the lives of individuals, families, and entire communities, efforts to address these urgent concerns as well as longstanding housing affordability challenges should be among the nation's highest priorities."

The State of the Nation's Housing 2013 will be released by  
**live webcast on Wednesday, June 26 at Noon** (Eastern)  
at [www.jchs.harvard.edu](http://www.jchs.harvard.edu). Tweet your questions  
using the hashtag **#harvardhousingreport**  
or email them to [jchs@harvard.edu](mailto:jchs@harvard.edu)

Download a PDF of *The State of the Nation's Housing 2013* at:  
[www.jchs.harvard.edu/state-nations-housing-2013-embargoed](http://www.jchs.harvard.edu/state-nations-housing-2013-embargoed)

### **FOR MORE INFORMATION, CONTACT**

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*The State of the Nation's Housing*, released annually by the Joint Center for Housing Studies, provides a periodic assessment of the nation's housing outlook and summarizes important trends in the economics and demographics of housing. The report continues to earn national recognition as an authoritative source of information regularly utilized by housing researchers, industry analysts, policy makers, and the business community.

Principal funding for this report was provided by the Ford Foundation and the Policy Advisory Board of the Joint Center for Housing Studies. Additional support was provided by the Federal Home Loan Banks, Freddie Mac, the Housing Assistance Council, the National Association of Home Builders, the National Association of Housing and Redevelopment Officials, the National Association of Local Housing Finance Agencies, the National Association of Realtors®, the National Council of State Housing Agencies, the National Housing Conference, the National Housing Endowment, the National Low Income Housing Coalition, the National Multi Housing Council, and the Research Institute for Housing America.

The Harvard Joint Center for Housing Studies advances understanding of housing issues and informs policy. Through its research, education, and public outreach programs, the center helps leaders in government, business, and the civic sectors make decisions that effectively address the needs of cities and communities. Through graduate and executive courses, as well as fellowships and internship opportunities, the Joint Center also trains and inspires the next generation of housing leaders.

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