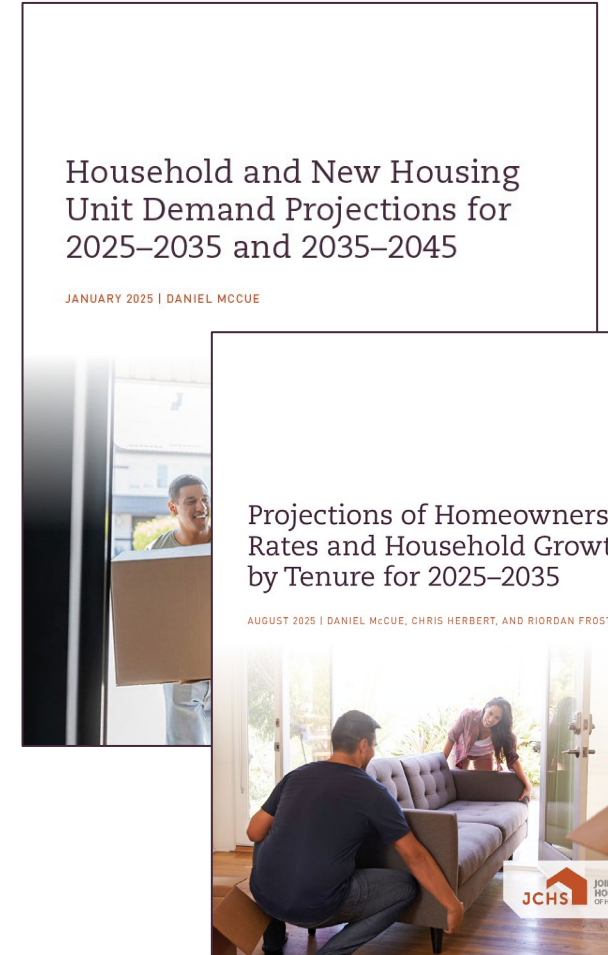


New JCHS Report on Projected Homeownership Rates and Household Growth by Tenure in 2025-2035

September 2025

The JCHS Projections of Homeownership Rates and Household Growth by Tenure

- Released in August 2025
- Builds off the 2024 JCHS Household Growth Projections for 2025-2035 (Released in January 2025)
- Describes 3 possible scenarios for homeownership rates over the next 10 years (2025-2035)
- Estimates growth in homeowner and renter households under each homeownership-rate scenario



Future Growth in Homeowners and Renters: The Bottom Line

- A significant slow-down in household growth ahead
 - Due to a systemic decline in population growth. (Hastened by a downturn in immigration)
- The slow-down in household growth will be reflected across both homeowners and renters
 - Three scenarios for future homeownership rates suggest:
 - At best, growth in homeowner and rental demand will be average
 - As worst, growth in homeowner and rental demand will set record lows
- The current state of homebuyer affordability favors the lower homeownership rate scenario
- Homeownership rates are unpredictable

The JCHS Household Growth Projection for 2025-2035 and 2035- 2045

Household and New Housing
Unit Demand Projections for
2025–2035 and 2035–2045

JANUARY 2025 | DANIEL MCCUE



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JCHS 2024 Household Projections

Projecting the Number of Households the US in 2035 and 2045

- **Age**: 5-year age groups (14 categories: From age 15-19 up to age 80 and Over)
- **Race and Ethnicity**: (4 categories: Black, Hispanic, White, Asian and all Other)
- **Household Type**: (5 categories: Married, w/kids; Married, w/o kids; Single parents ; Single person; All other)



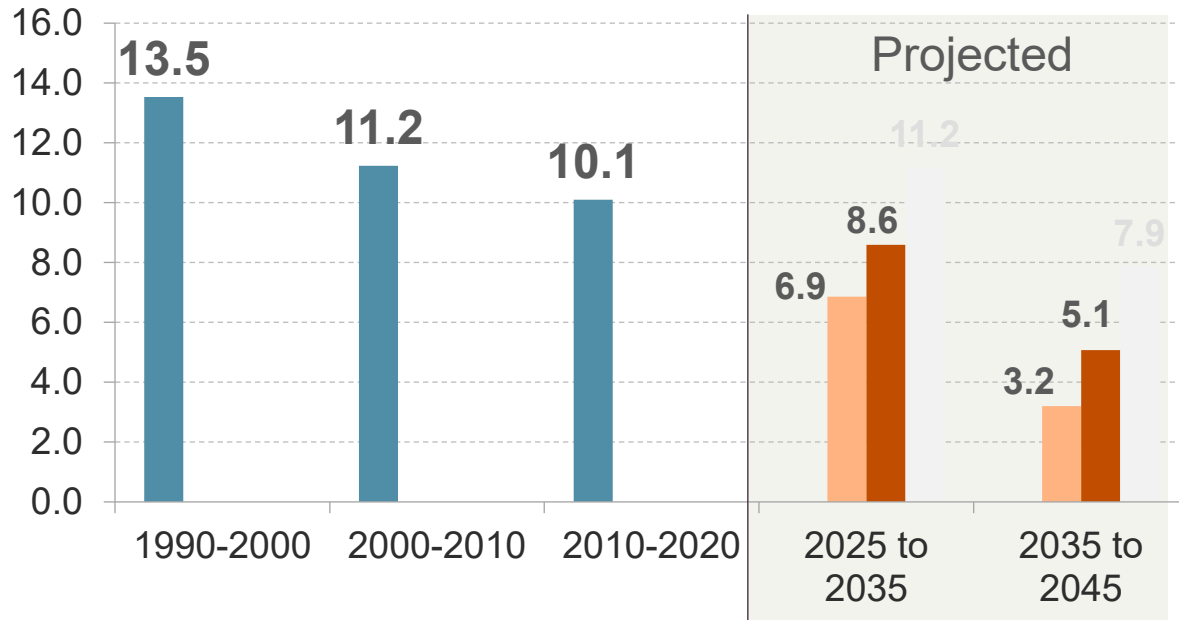
Projecting Future Growth in the Number of US Households

- Demographically Driven
- Starts with Census Bureau population projections
 - Released in 2023
 - Population by 5-year age groups and 4 race/ethnicity categories
- Applies rates of household headship per capita
 - The likelihood of people to head a household
 - Calculated for each age group within each race/ethnicity category
- **(Pop Growth) X (Households per Person) = Household Growth**

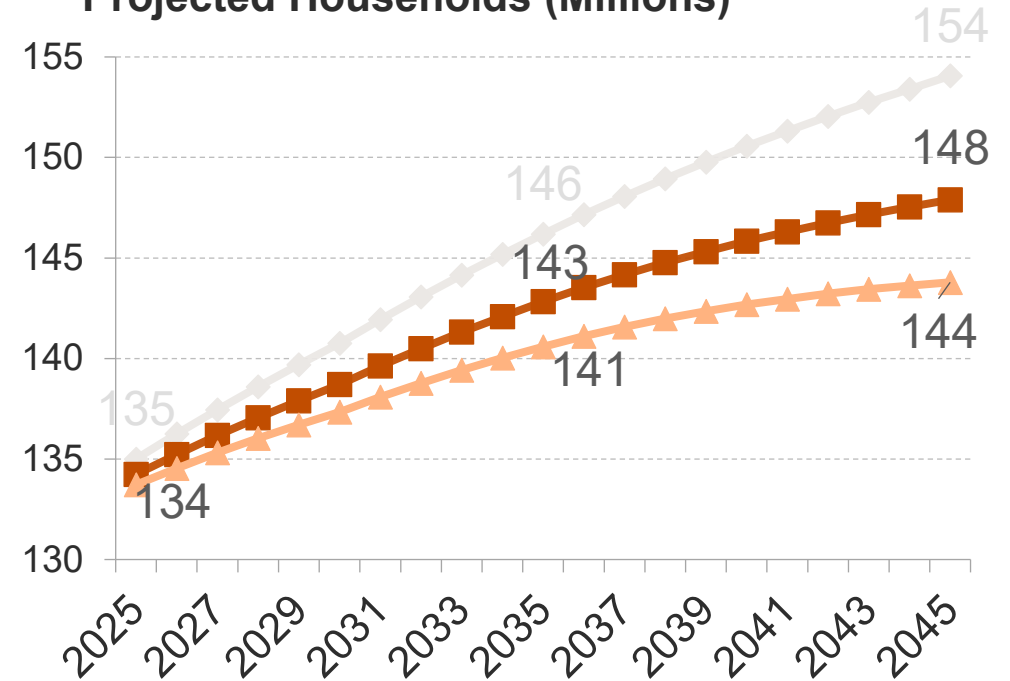


The Pace of Household Growth is Projected to Slow

Change in Households (Millions)



Projected Households (Millions)

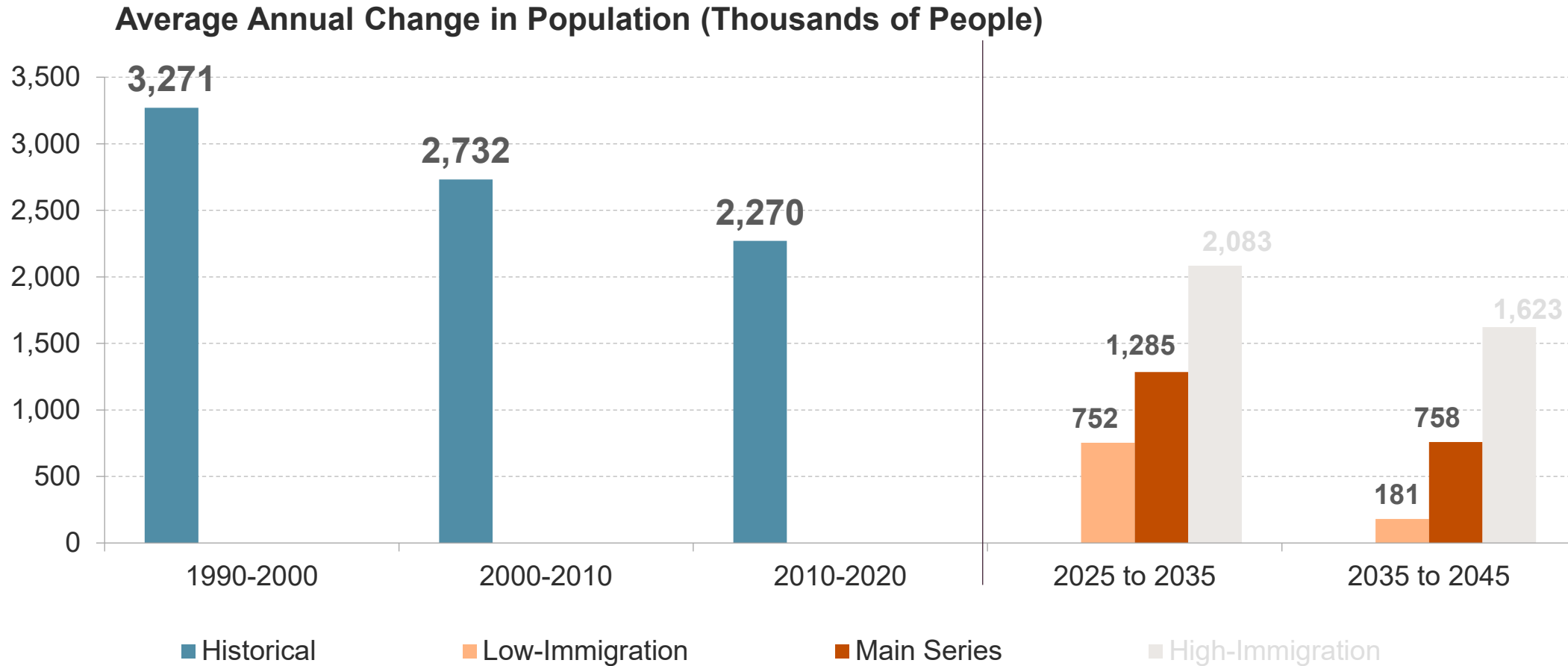


- Historical (Decennial Census)
- Low-Immigration
- Main Series
- High-Immigration

- ◆ High-Immigration
- Main Series
- ▲ Low-Immigration

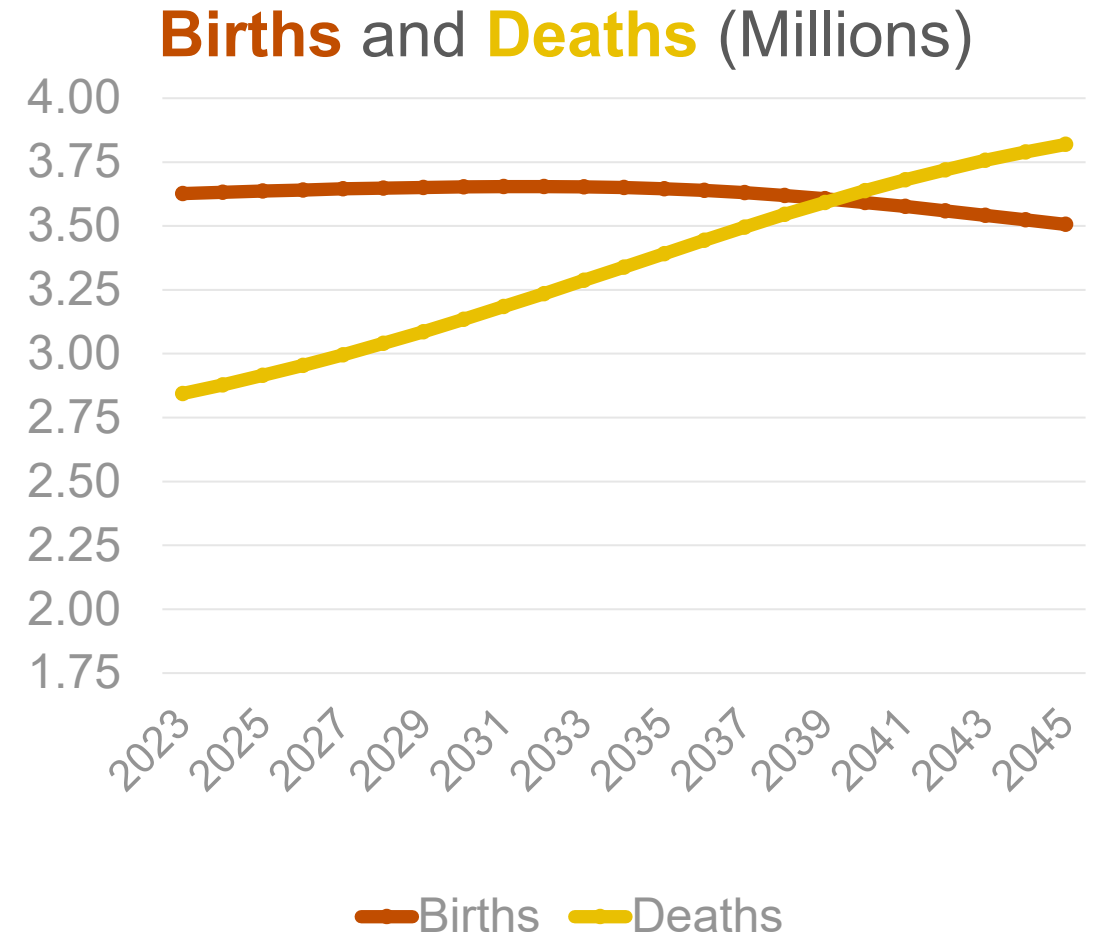
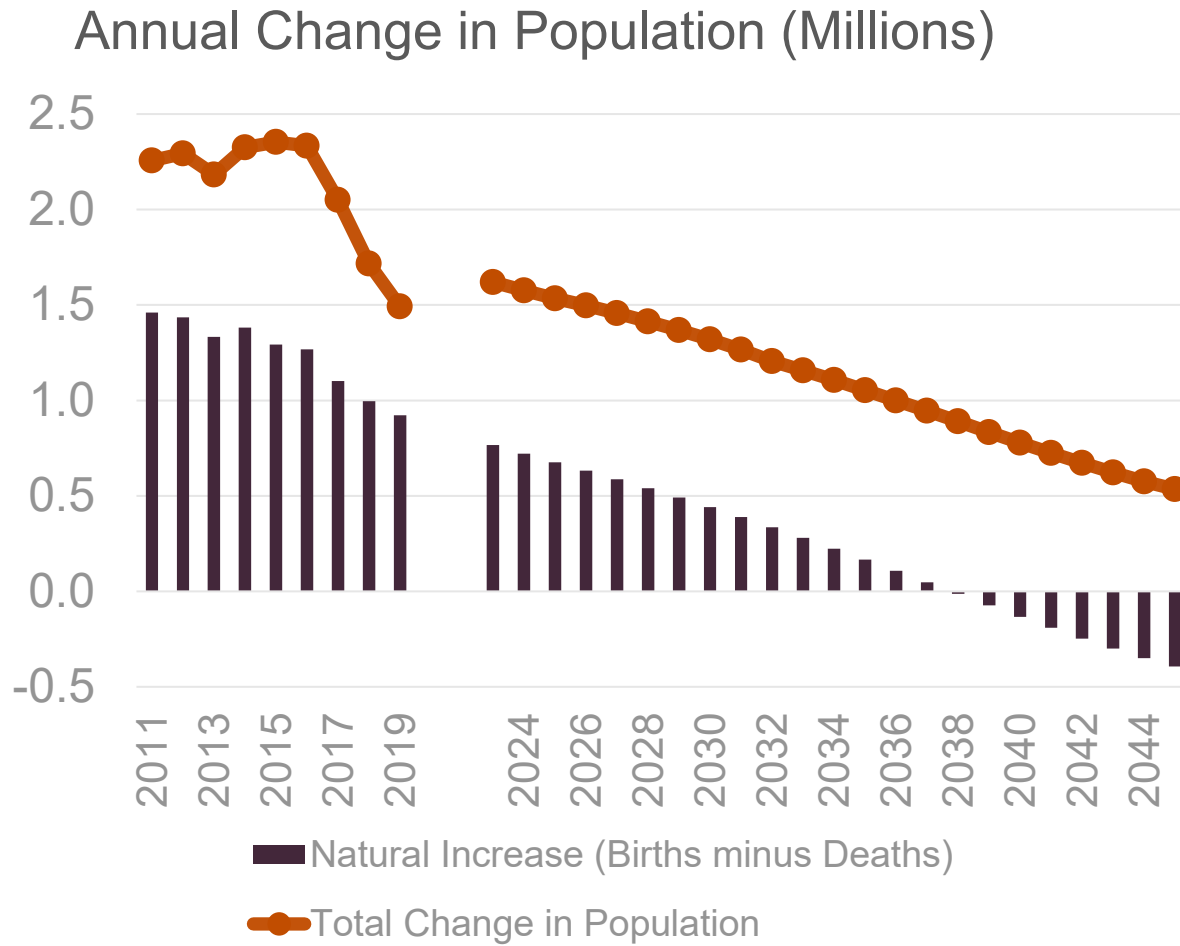
Notes: Metro affordability is defined as the share of renters paying more than 30 percent of income for housing.
 Sources: JCHS tabulations of US Census Bureau, 2015 American Community Survey 1-Year Estimates.

Future Slowing of Household Growth Follows an Underlying Slowdown in Population Growth



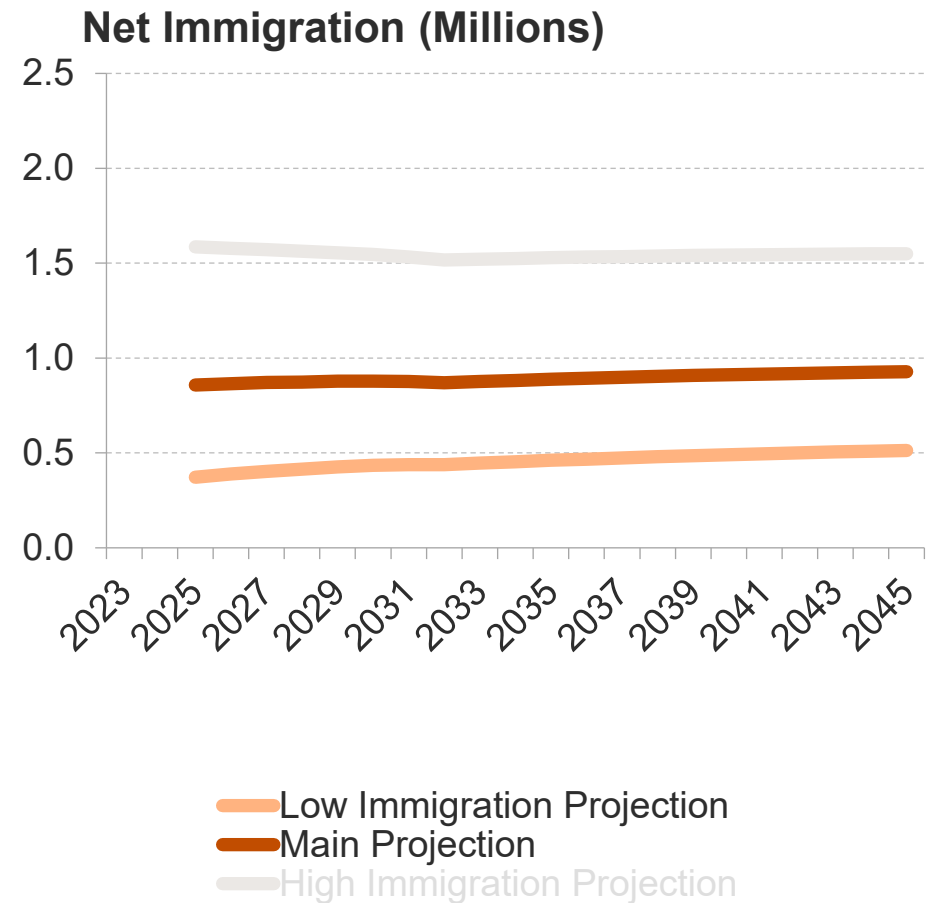
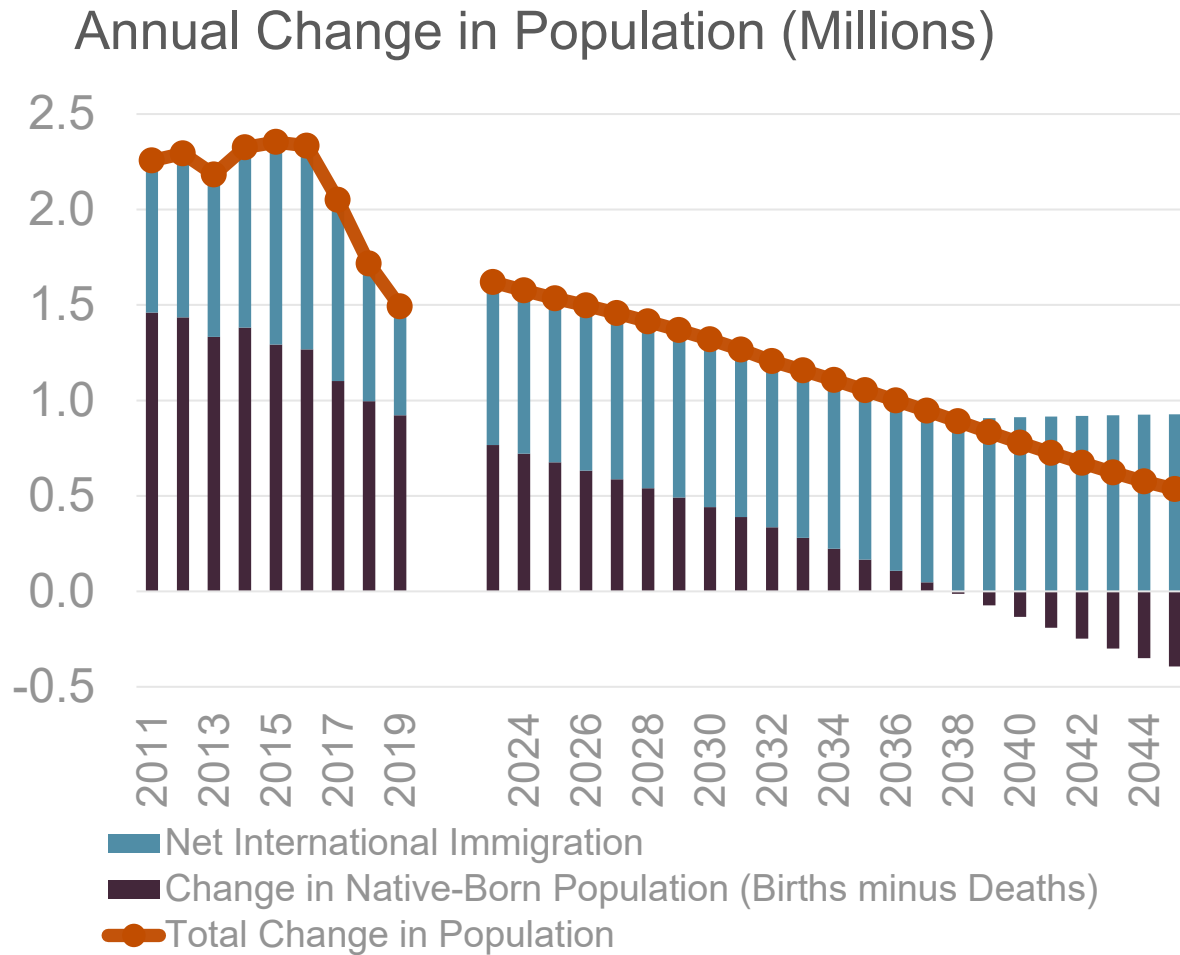
Sources: JCHS tabulations of US Census Bureau, Decennial Censuses and 2023 National Population Projections

Slowing of Population Growth Due to Less Natural Increase (Births minus Deaths)



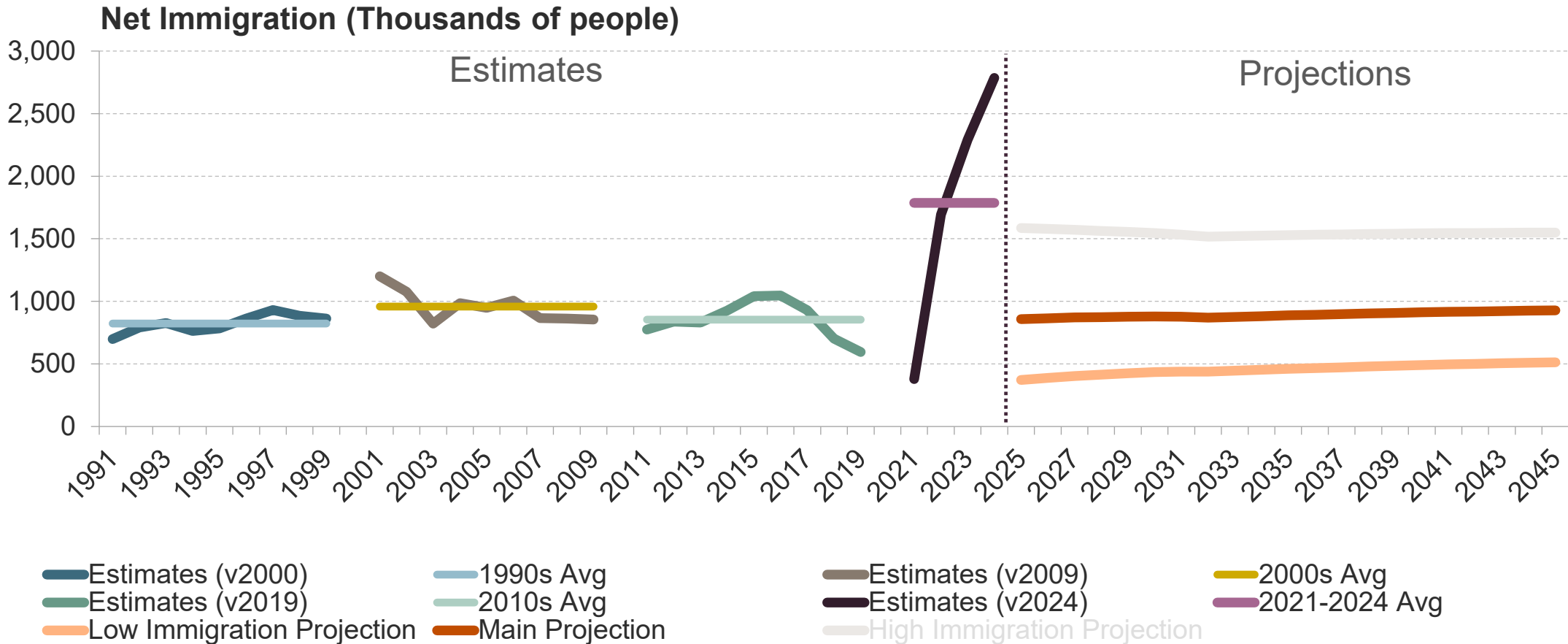
Sources: JCHS tabulations of US Census Bureau, 2023 National Population Projections, Main-Series Projection

With Rough Estimates of Future Immigration Determining the Speed of the Downturn



Sources: JCHS tabulations of US Census Bureau, 2023 National Population Projections, Main-Series Projection

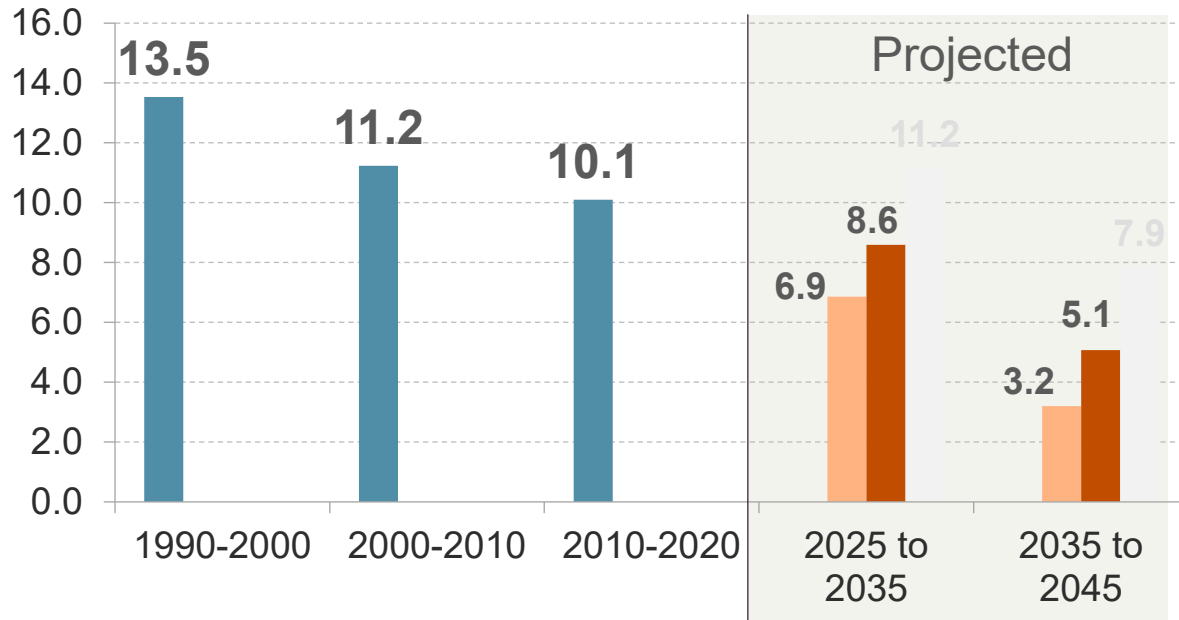
Census Bureau's Main-Series Projection Assumes Immigration Levels Remain In Line with Averages from Recent Decades



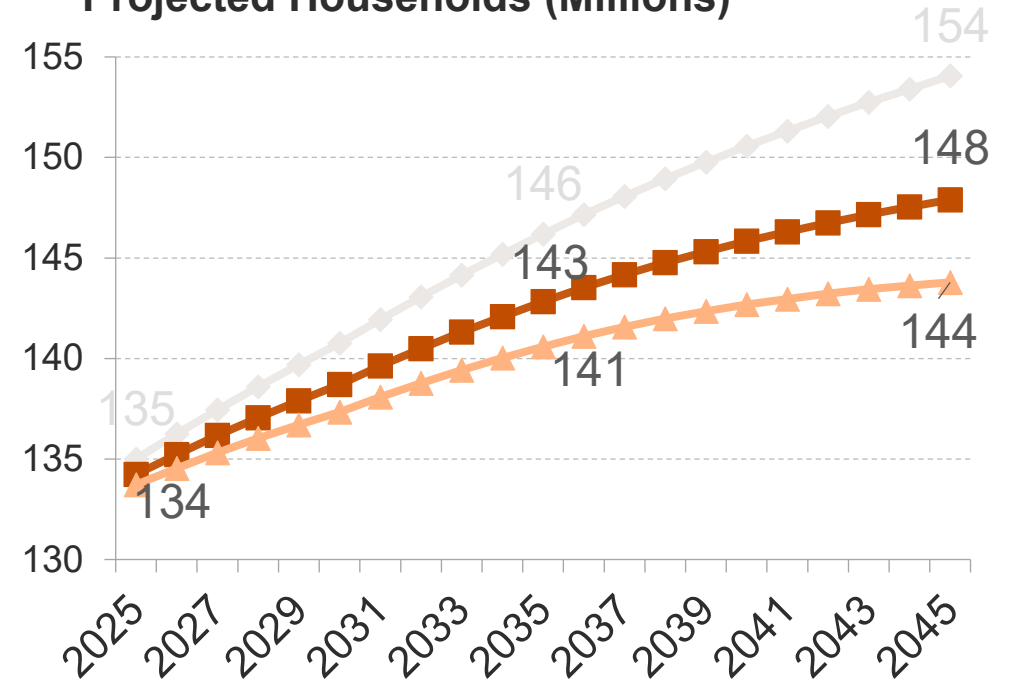
Sources: JCHS tabulations of US Census Bureau, Population Estimates and 2023 National Population Projections

The Pace of Household Growth is Projected to Slow

Change in Households (Millions)



Projected Households (Millions)

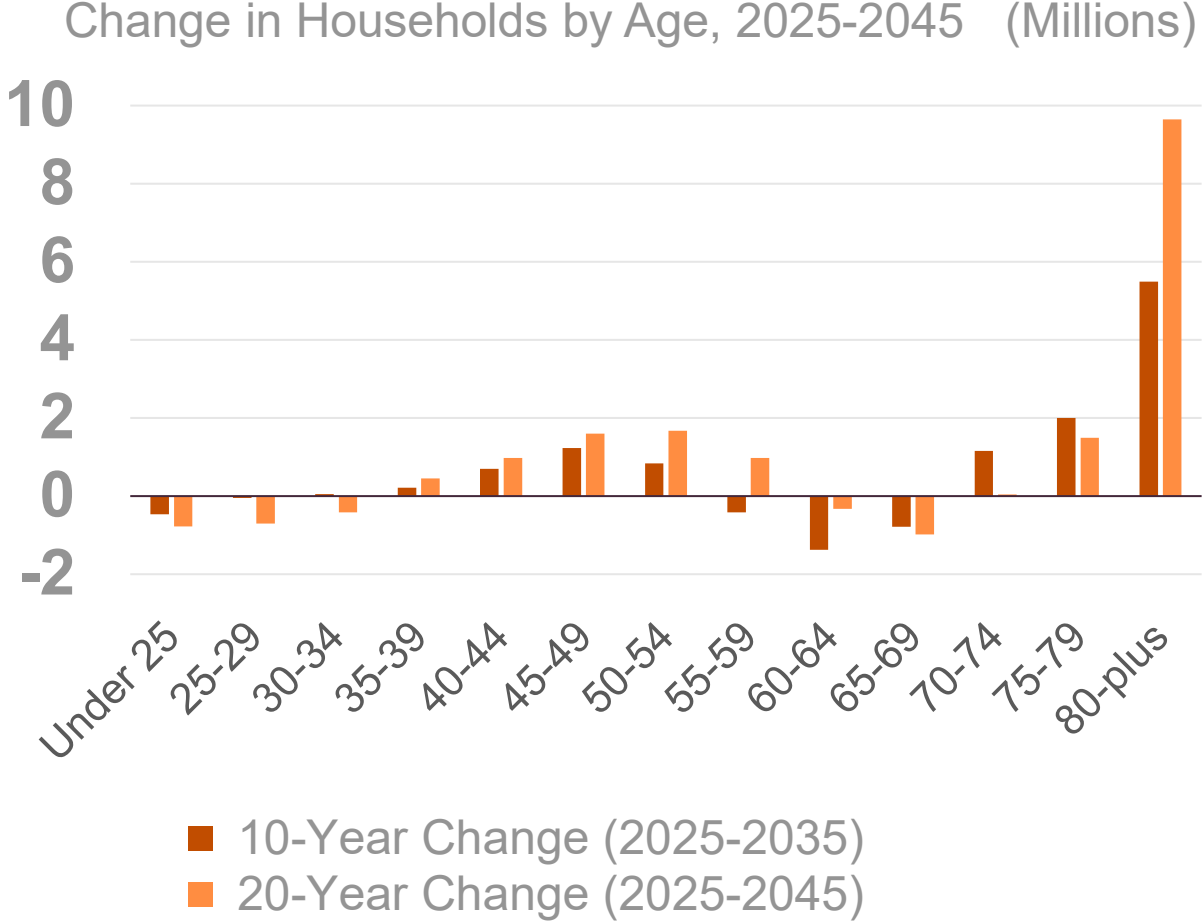
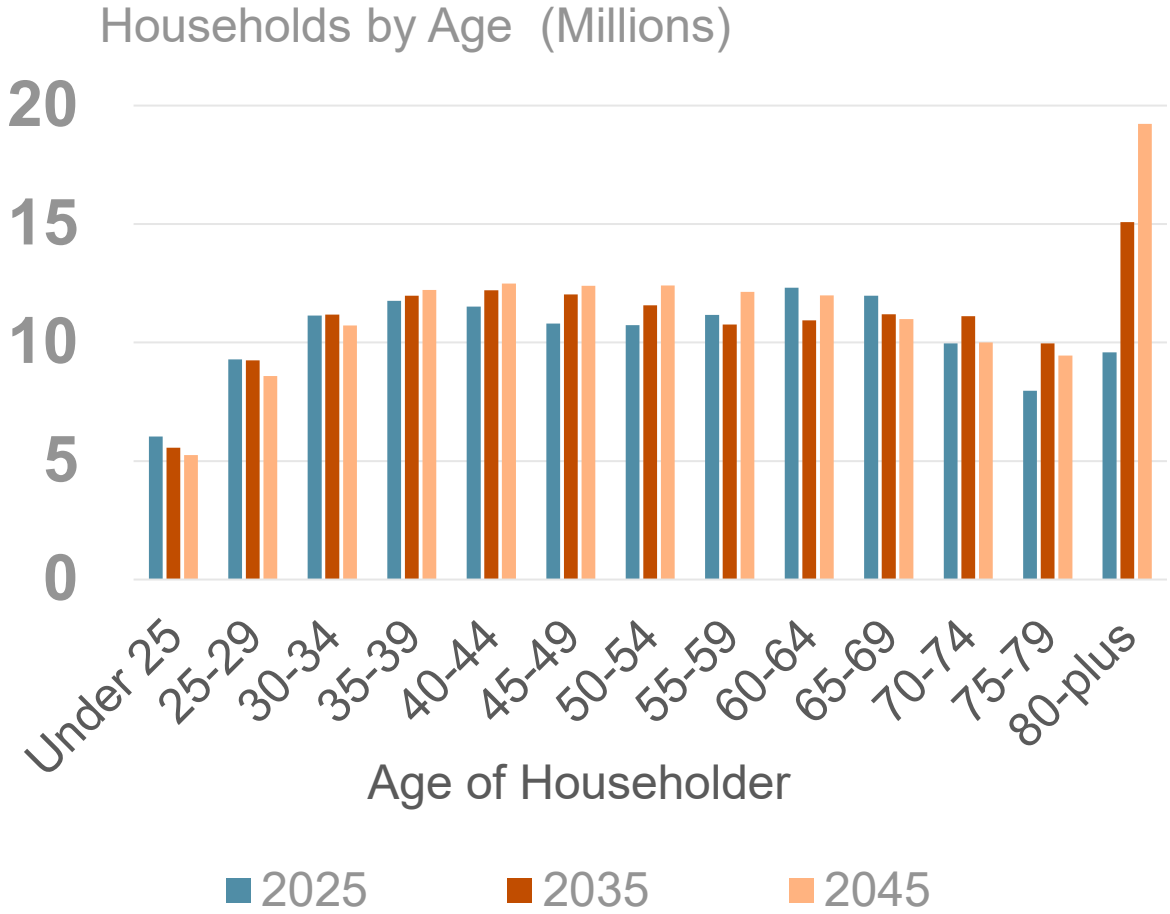


■ Historical (Decennial Census) ■ Low-Immigration
 ■ Main Series ■ High-Immigration

◆ High-Immigration ■ Main Series
 ▲ Low-Immigration

Notes: Metro affordability is defined as the share of renters paying more than 30 percent of income for housing.
 Sources: JCHS tabulations of US Census Bureau, 2015 American Community Survey 1-Year Estimates.

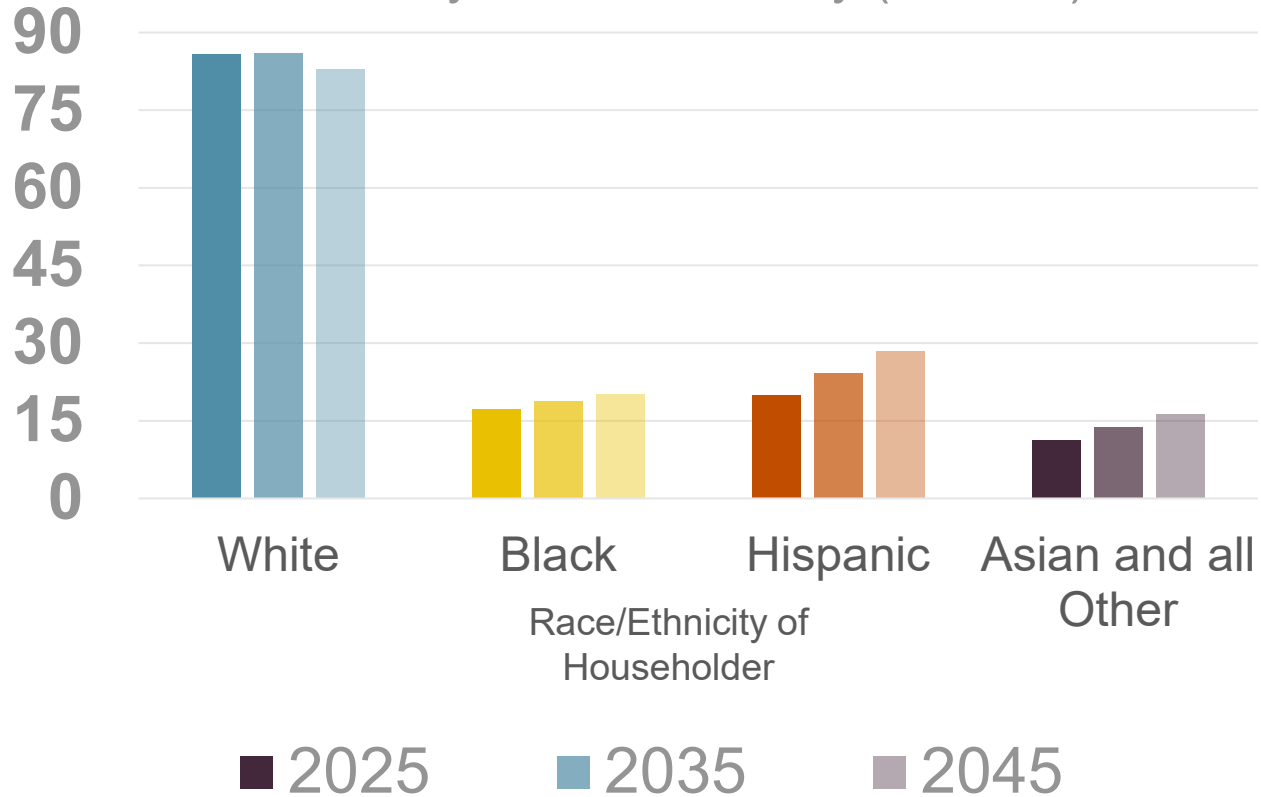
Rapid Growth in Households Aged 80 and Over and in Middle Age Groups



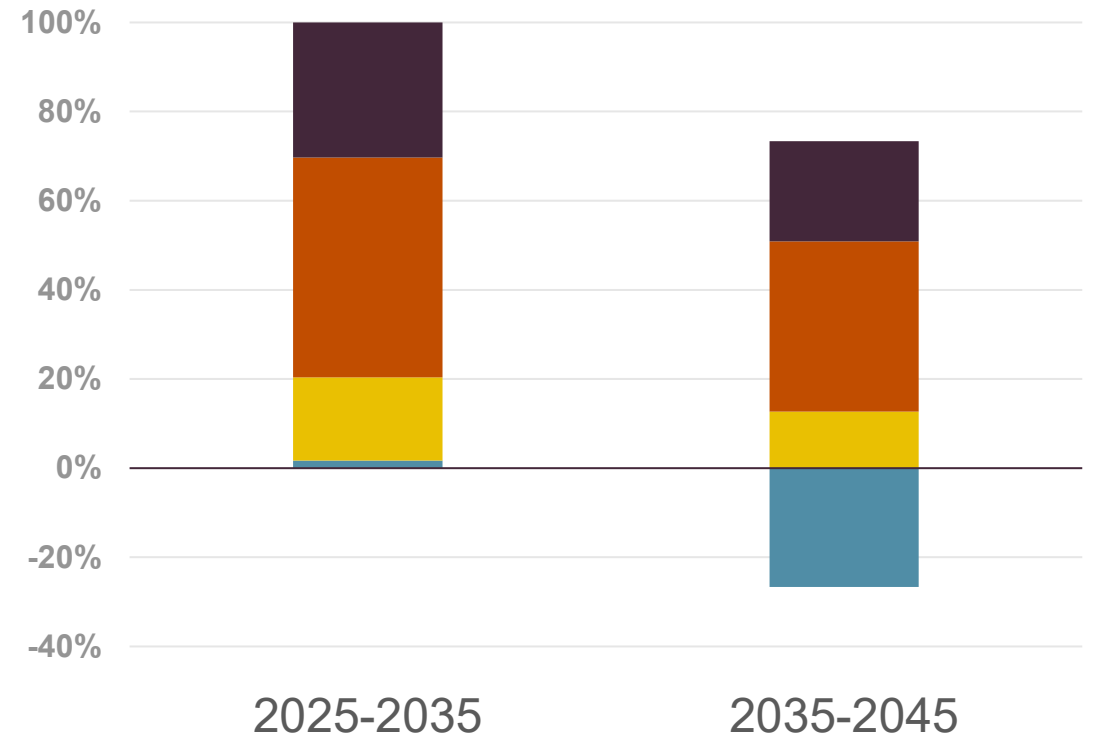
Source: JCHS 2024 Household Projections – Main Series

Households Headed by People of Color Set to Rise Most Rapidly

Households by Race / Ethnicity (Millions)



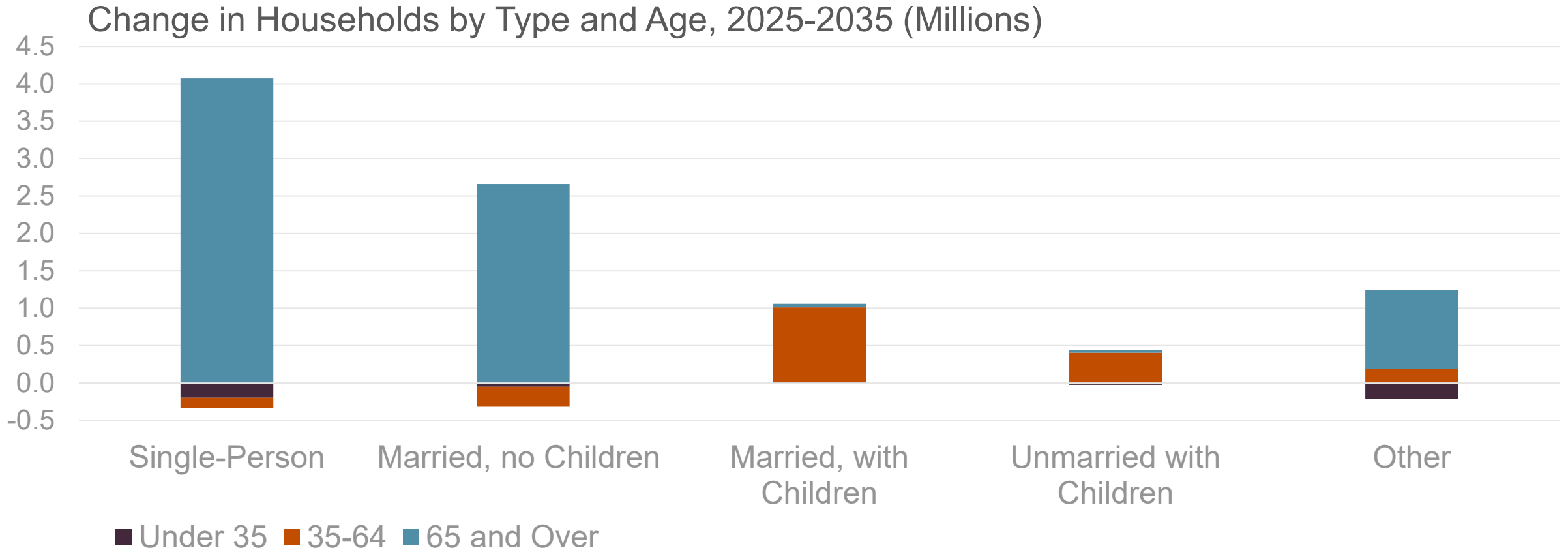
Distribution of Household Growth (Percent)



Note: White, Black and Asian/other households are non Hispanic. Hispanic may be of any race.

Source: JCHS 2024 Household Projection – Main Series

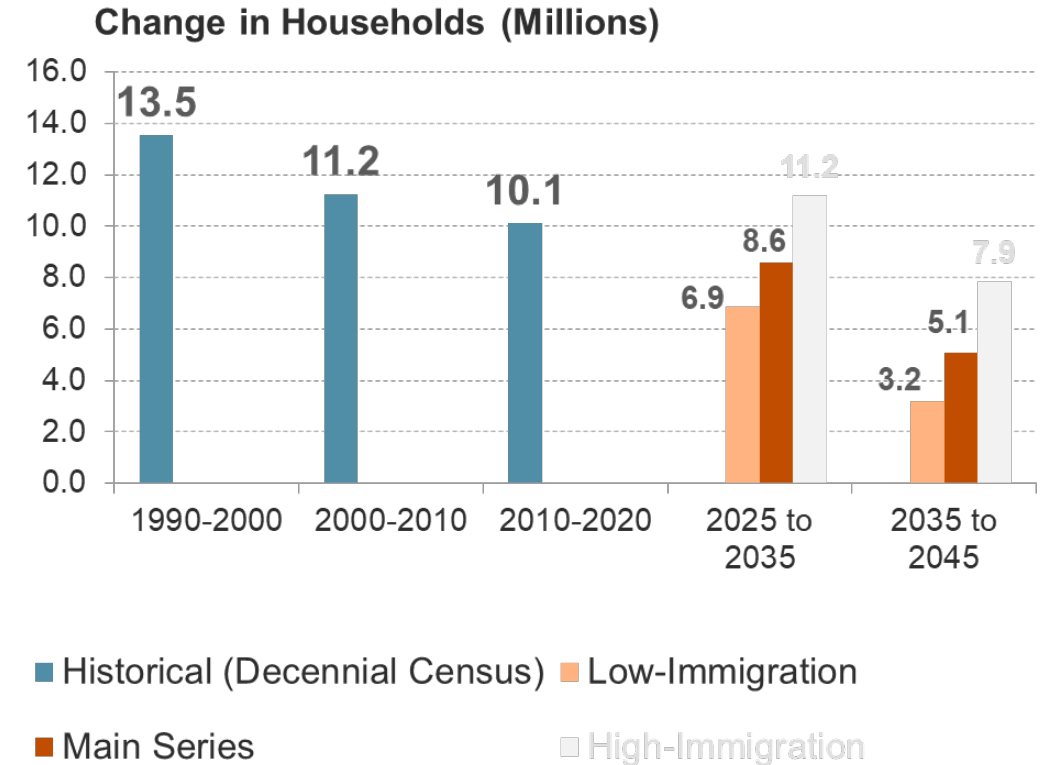
Growth by Household Type to Reflect Changes in Age Distribution



Source: JCHS Household Projection – Main Series.

Summary of Household Growth Projections

- Household growth is slowing
- Growth increasingly dependent on immigration
- Racial/ethnic diversity of households increasing
- Significant growth of older-adult and middle-aged households



Household Tenure Projections: 2025–2035

Projections of Homeownership Rates and Household Growth by Tenure for 2025–2035

AUGUST 2025 | DANIEL McCUE, CHRIS HERBERT, AND RIORDAN FROST



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JCHS 2025 Household Tenure Projections

Projects Homeownership Rates and the Number of Homeowner and Renter Households the US in 2035

- **Age**: 10-year age groups (6 categories: From age 15-24 up to age 75 and Over)
- **Race and Ethnicity**: (4 categories: Black, Hispanic, White, Asian and all Other)



Projecting Future Homeownership Rate

DATA AND METHODOLOGY

- Driven by Demographics
 - Directed by household growth and changes in age and racial/ethnic distribution of households over time.

(Households) X (Homeownership Rates) = Homeowner Households

- Starts with JCHS household projections for 2035
- Applies homeownership rates for each 10-year age group within each race/ethnicity category



Calculating Future Homeowner Households

Projected Number of Households in 2035

X

Assumed Homeownership Rates in 2035

=

Homeowner Households in 2035

JCHS 2024 Projected Households in 2025 and 2035			
Households			
Race / Ethnicity	Age	2025	2035
White_NH	Age15_19	278,634	228,257
White_NH	Age20_24	2,725,738	2,321,263
White_NH	Age25_29	5,144,183	4,684,423
White_NH	Age30_34	6,166,611	5,841,327
White_NH	Age35_39	6,663,532	6,299,865
White_NH	Age40_44	6,646,430	6,521,571
White_NH	Age45_49	6,253,023	6,691,813
White_NH	Age50_54	6,533,890	6,782,623
White_NH	Age55_59	7,245,445	6,373,466
White_NH	Age60_64	8,399,831	6,583,537
White_NH	Age65_69	8,544,553	7,170,878
White_NH	Age70_74	7,400,494	7,622,054
White_NH	Age75_79	6,159,258	7,204,837
White_NH	Age80Plus	7,605,093	11,587,630
Black_NH	Age15_19	113,545	98,398
Black_NH	Age20_24	727,538	662,753
Black_NH	Age25_29	1,261,902	1,205,306
Black_NH	Age30_34	1,645,548	1,488,299
Black_NH	Age35_39	1,676,173	1,693,485
Black_NH	Age40_44	1,581,072	1,914,803
Black_NH	Age45_49	1,464,327	1,724,961
Black_NH	Age50_54	1,449,449	1,572,084
Black_NH	Age55_59	1,467,802	1,462,593
Black_NH	Age60_64	1,623,397	1,512,196
Black_NH	Age65_69	1,511,395	1,521,757
Black_NH	Age70_74	1,118,548	1,401,461

Homeownership Rate (Percent)		2024
Non-Hispanic white	Under 25	26%
	25-34	52%
	35-44	72%
	45-54	79%
	55-64	82%
	65-74	84%
	75 and Over	81%
Non-Hispanic Black	Under 25	16%
	25-34	23%
	35-44	40%
	45-54	51%
	55-64	56%

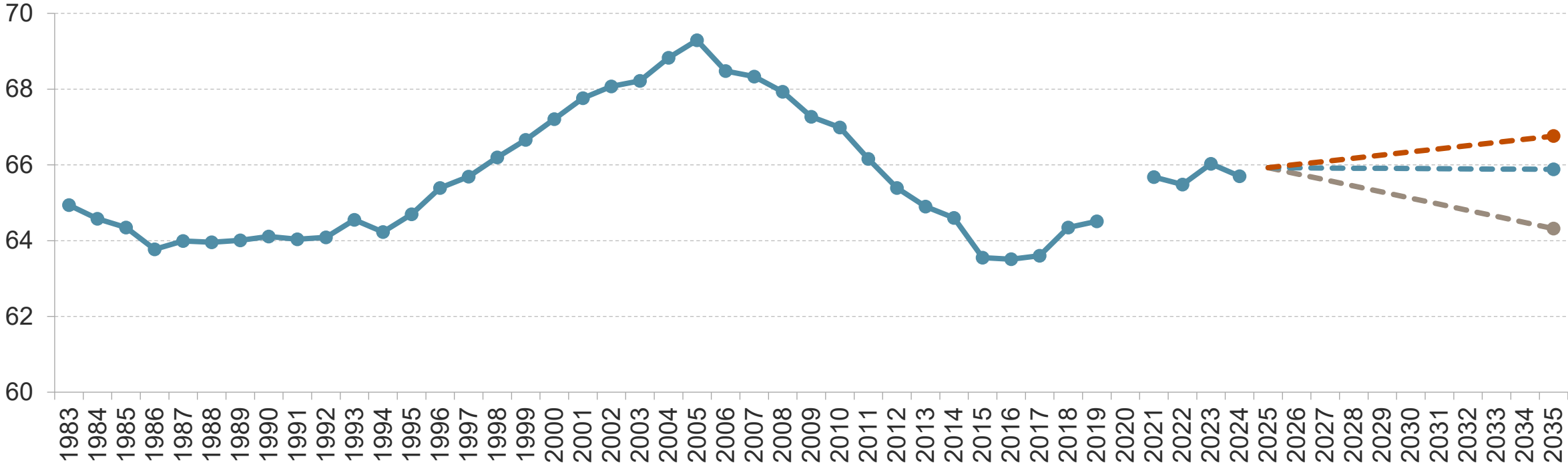
...
US Homeownership Rate in 2035

Change in Homeowner and Renter Households in 2025-2035

The Three Projection Scenarios for Homeownership Rates in 2035

Three Projected Scenarios for Homeownership Rates in 2025-2035

Homeownership Rate (Percent)



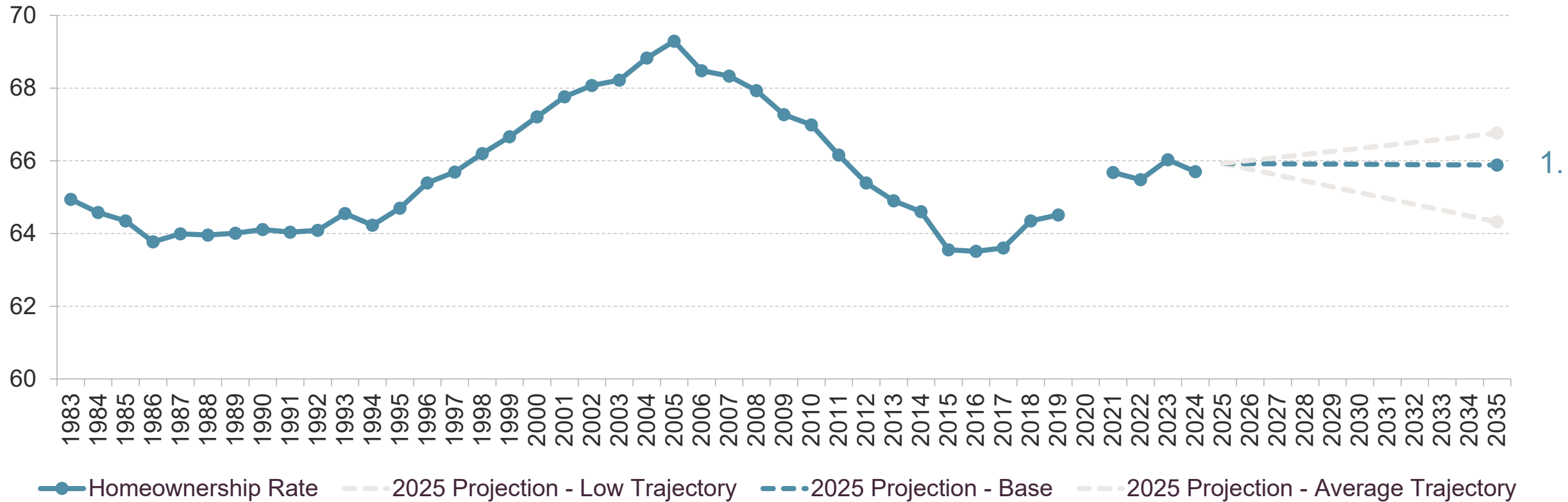
● Homeownership Rate
 — 2025 Projection - Low Trajectory
 - - 2025 Projection - Base
 - - 2025 Projection - Average Trajectory

Notes: Data for 2020 are excluded due to data quality reasons. Base scenario holds homeownership rates by age and race/ethnicity constant. Average trajectory scenario assumes cohorts follow historical average growth rates as they age. Low-trajectory scenario assumes cohorts younger than 45 years old follow lowest historical homeownership rate trajectories as they age, while older cohorts follow average trajectories.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Scenario 1: Assume Homeownership Rates Remain Constant by Age and Race

Homeownership Rate (Percent)

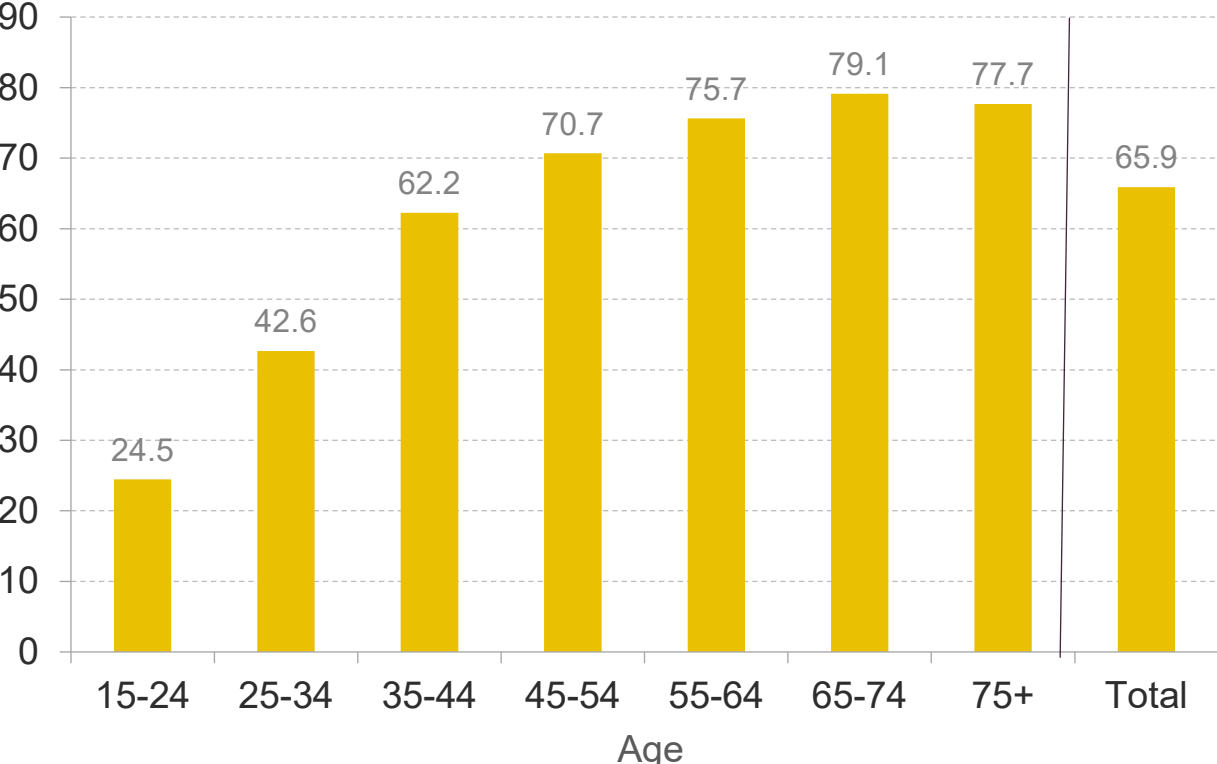


Notes: Data for 2020 are excluded due to data quality reasons. Base scenario holds homeownership rates by age and race/ethnicity constant. Average trajectory scenario assumes cohorts follow historical average growth rates as they age. Low-trajectory scenario assumes cohorts younger than 45 years old follow lowest historical homeownership rate trajectories as they age, while older cohorts follow average trajectories.

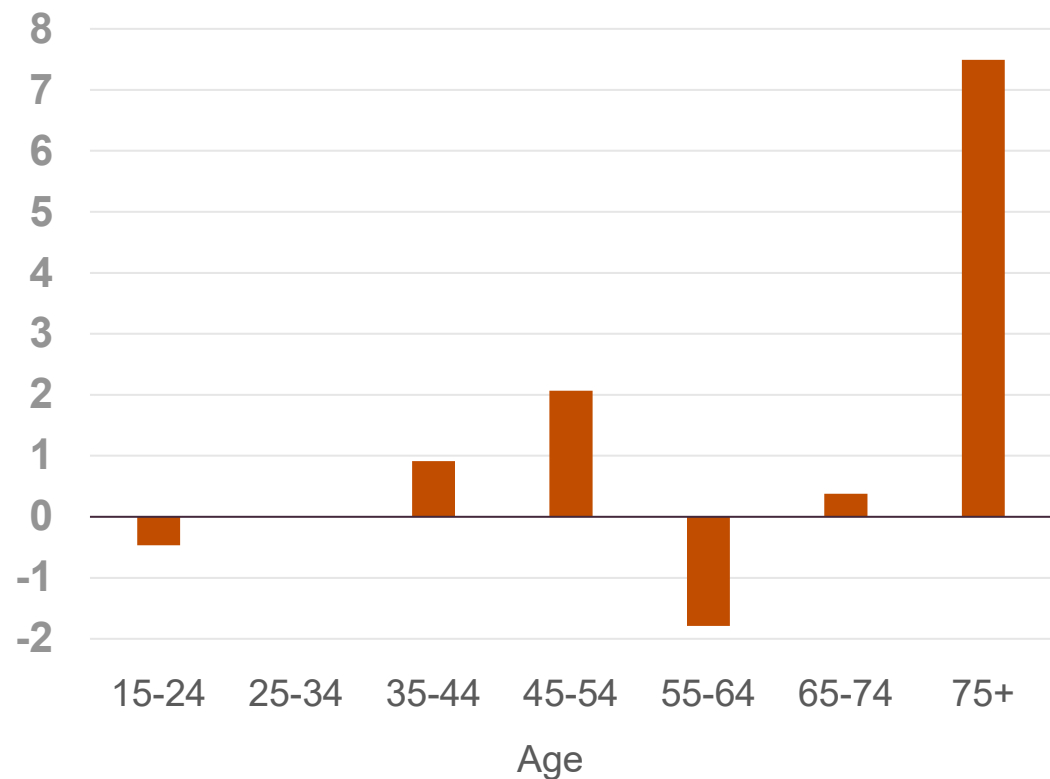
Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Aging of the Population Lifts Homeownership Rates

Homeownership Rate (Percent)



Projected Change in Households, 2025-2035

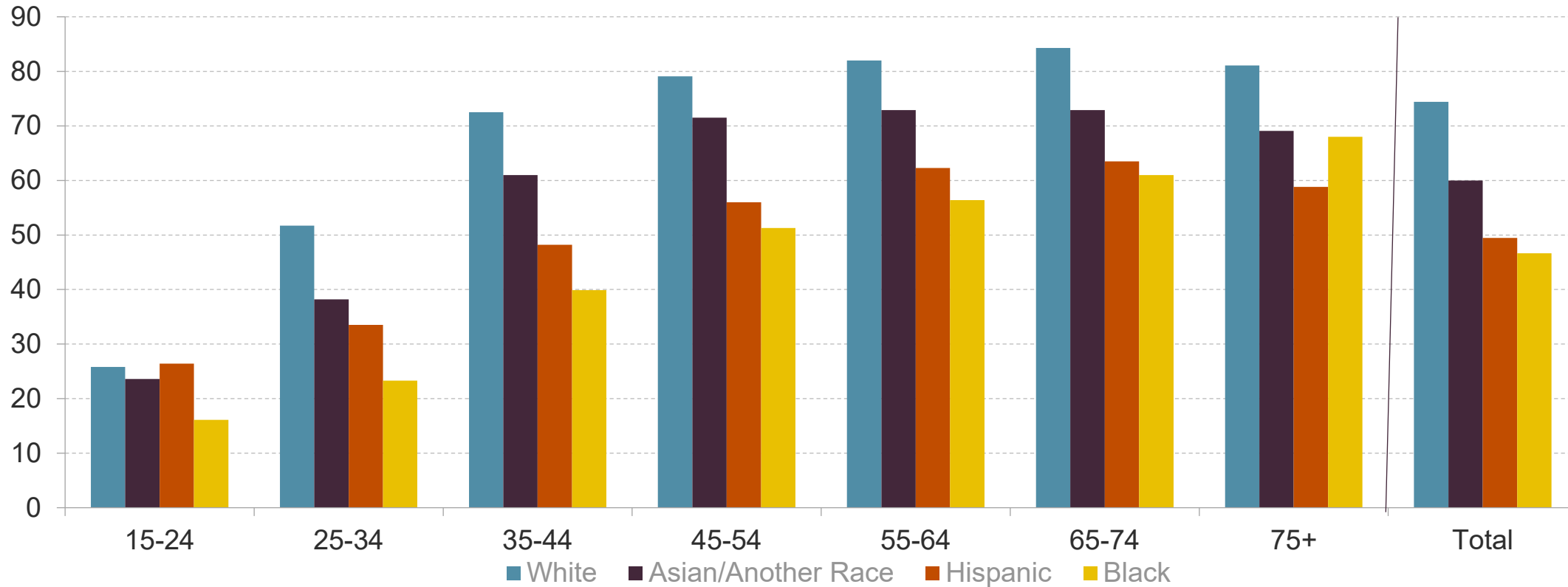


Note: Data are three-year trailing averages.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Racial Homeownership Rate Gaps Remain Large...

Homeownership Rate (Percent)

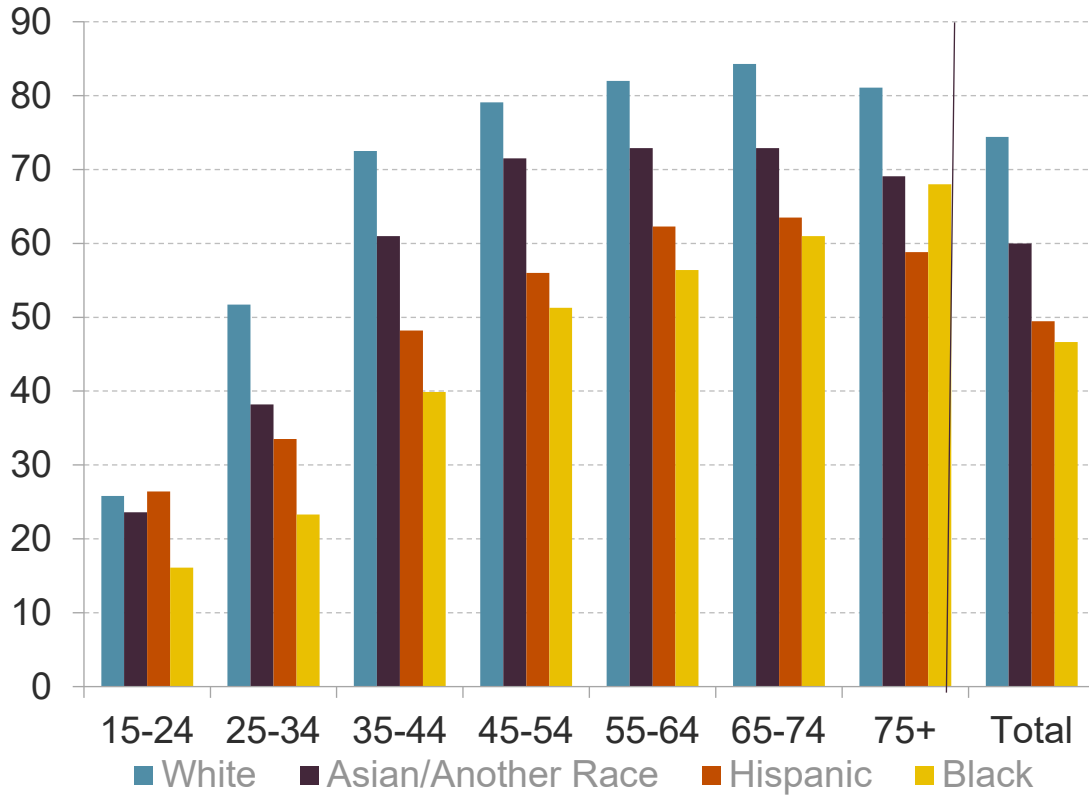


Note: Data are three-year trailing averages.

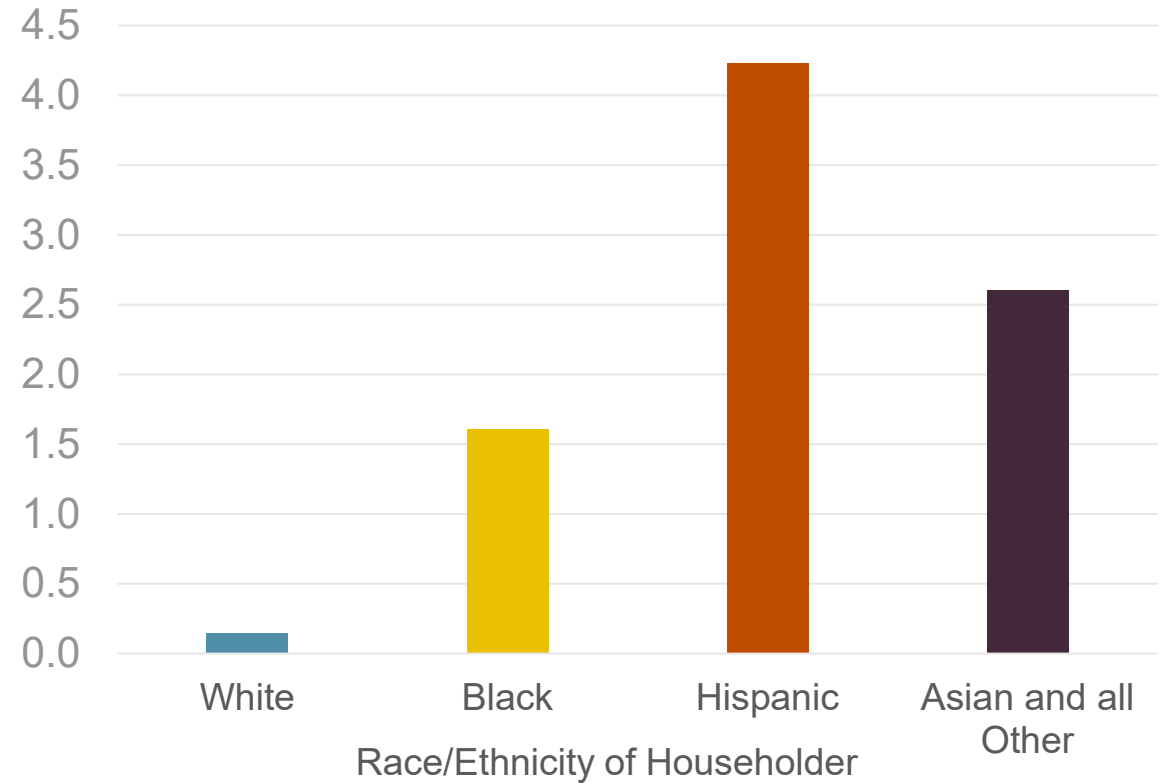
Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

While Household Growth is Driven by Households of Color

Homeownership Rate (Percent)



Change in Households, 2025-2035 (Millions)

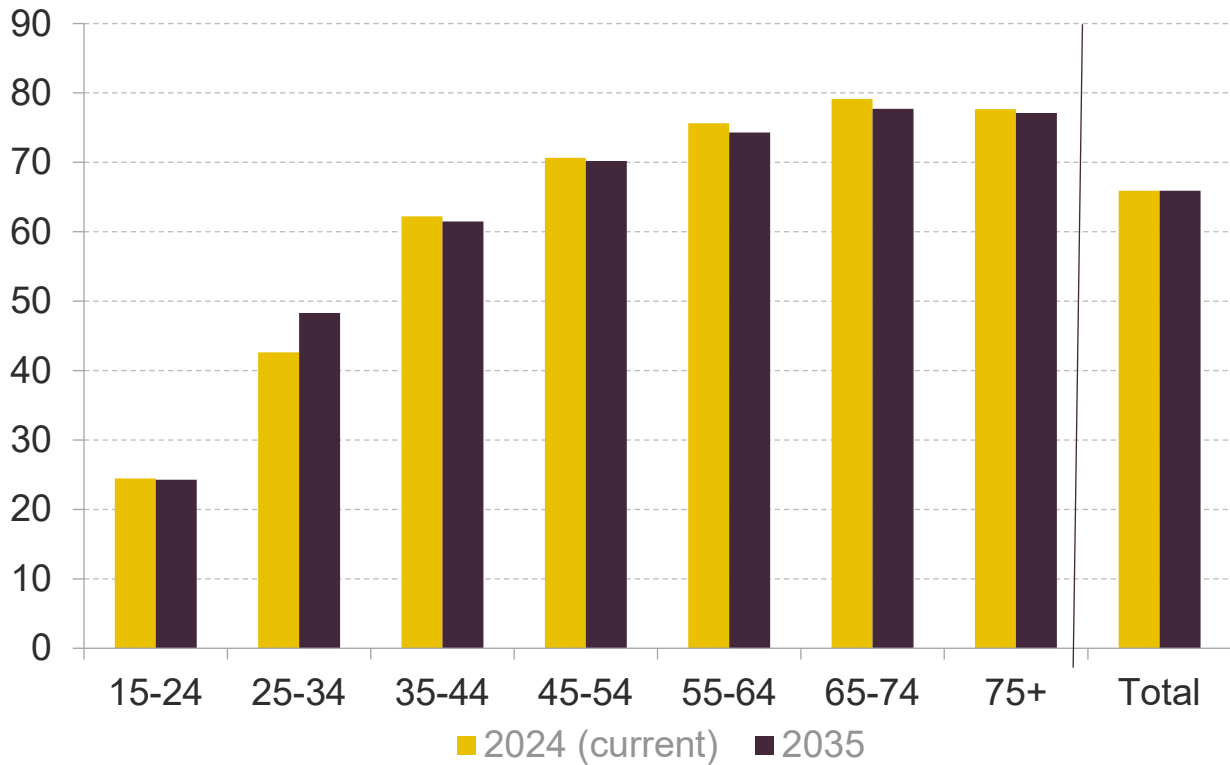


Note: Data are three-year trailing averages.

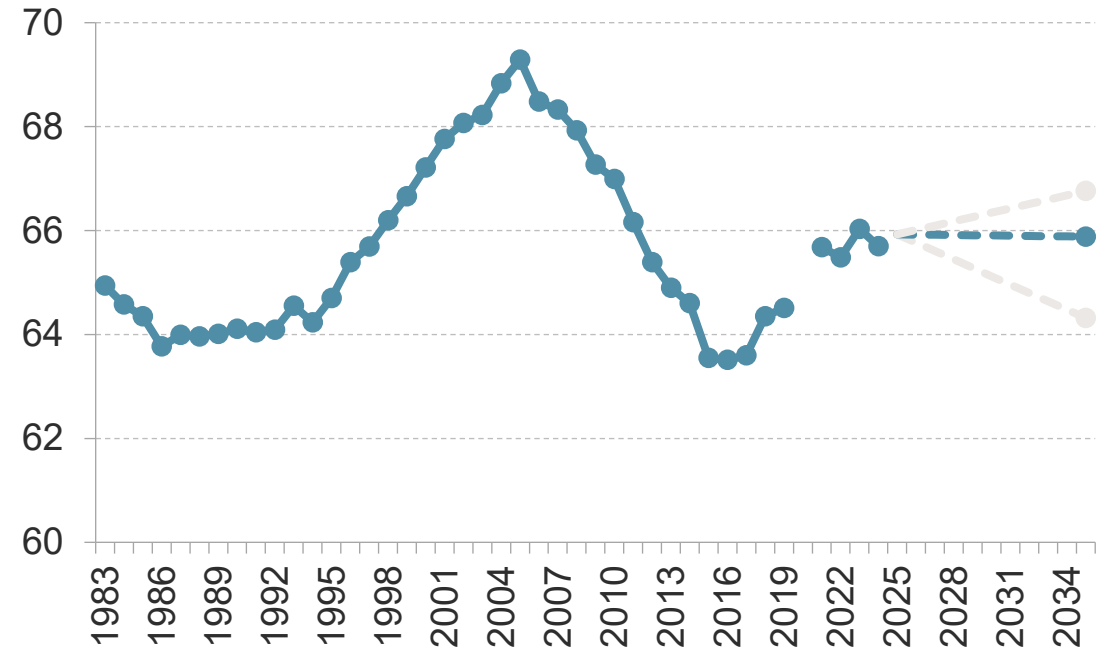
Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Scenario 1: Opposing Impacts of Aging and Rising Diversity Are Balanced

Homeownership Rate (Percent)



Homeownership Rate (Percent)



Note: Data are three-year trailing averages.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Rethinking Scenario 1

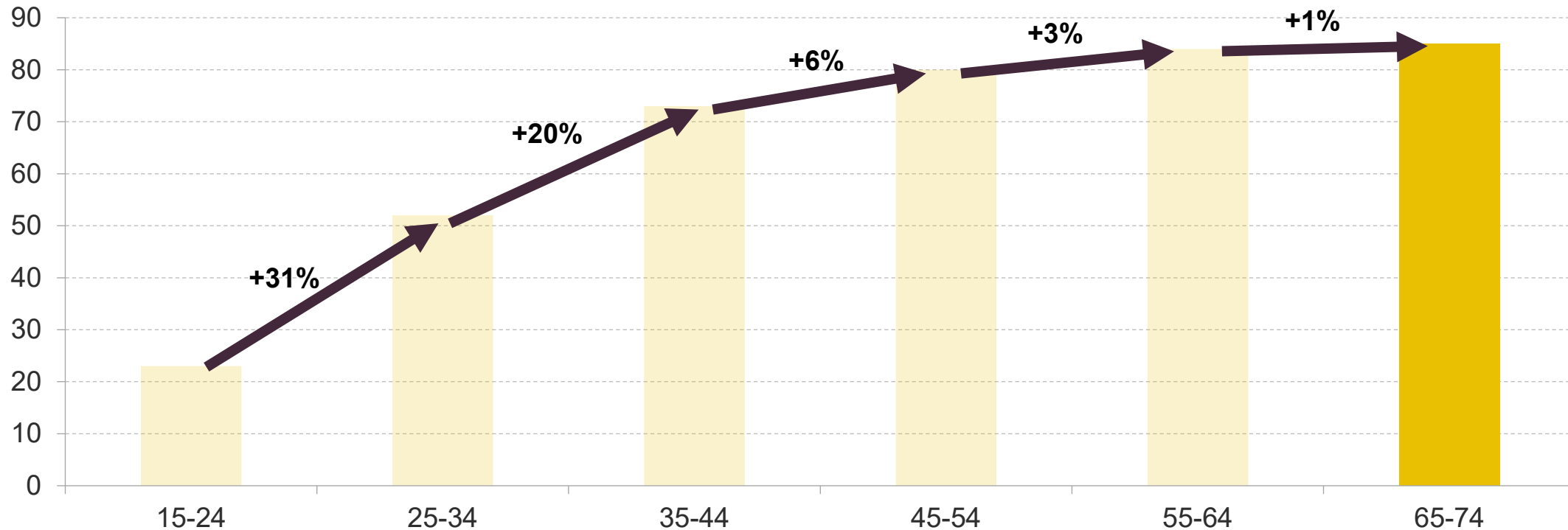
- Is it plausible to assume homeownership rates remain constant by age and race over the next 10 years?
 - Assumes homeownership rates of younger cohorts rise enough over the next 10 years to match the rates of their predecessors.
 - Current rates are generally below rates older cohorts had at their age 10 years ago.
 - So rates of younger cohorts will need to “catch up” to match current rates of older cohorts.

Jargon Alert! Cohorts and Trajectories

- **Cohort:**
 - A grouping similar to a generation but smaller.
 - A group of householders that are in the same 10-year age group who were born in the same 10-year period.
 - For example: Householders aged 25-34 in 2025 who will be 35-44 in 2035
- **Trajectory:** The path of homeownership rates experienced by a cohort over time as they age.

Homeownership Rates Increase Sharply with Age when Cohorts Are Younger Adults

Homeownership Rate (Percent)

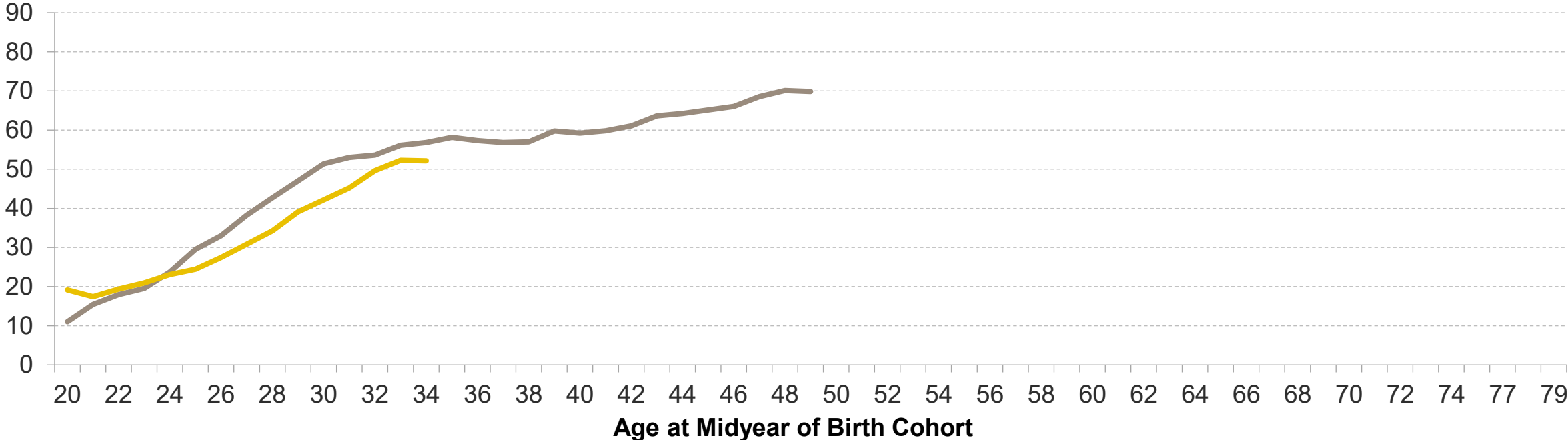


Note: Data are three-year trailing averages.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

The Great Recession Lowered the Homeownership Rate Trajectories of Millennial, Gen X and Baby-Boomer Cohorts

Homeownership Rate (Percent)



Birth Cohort:

— GenX (Born 1973-1977)

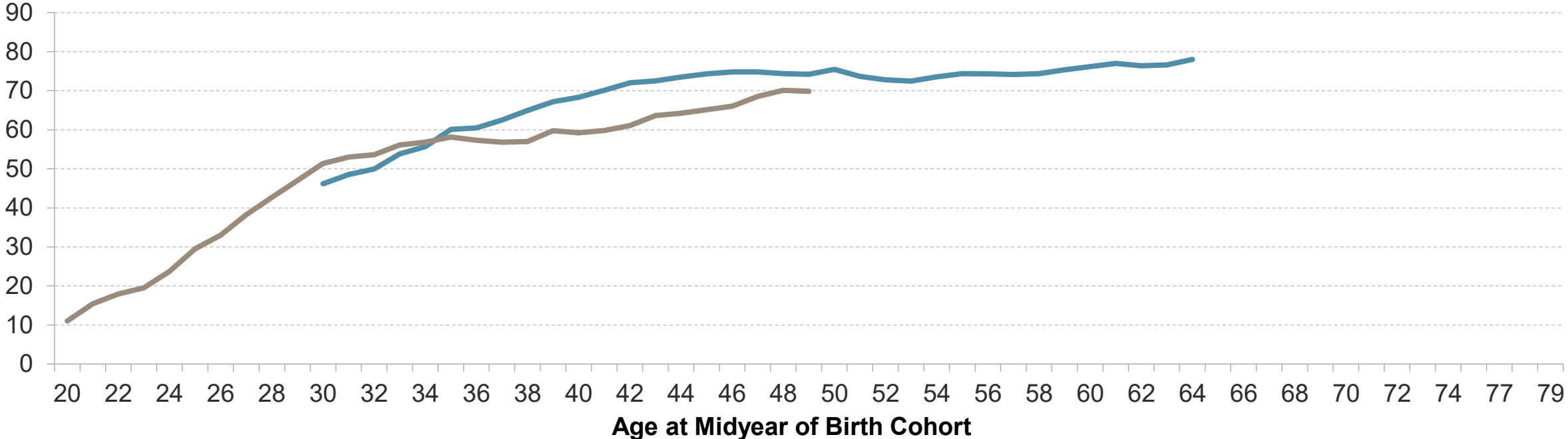
— Millennial (Born 1988-1992)

Notes: The homeownership rates shown are for the entire five-year cohorts at a single point in time, but to simplify the labeling of the chart the X-axis uses “Age at Midyear”, which is the age of those in the middle year of the five-year birth cohorts. For example, a cohort at midyear age 20 includes households aged 18–22. Data from 2020 are excluded due to pandemic effects on data collection.

Source: JCHS tabulations of US Census Bureau, 1990-2024 Current Population Surveys via IPUMS-CPS, University of Minnesota.

The Great Recession Lowered the Homeownership Rate Trajectories of Millennial, Gen X and Baby-Boomer Cohorts

Homeownership Rate (Percent)



Birth Cohort:

— Baby Boomer (Born 1958-1962)

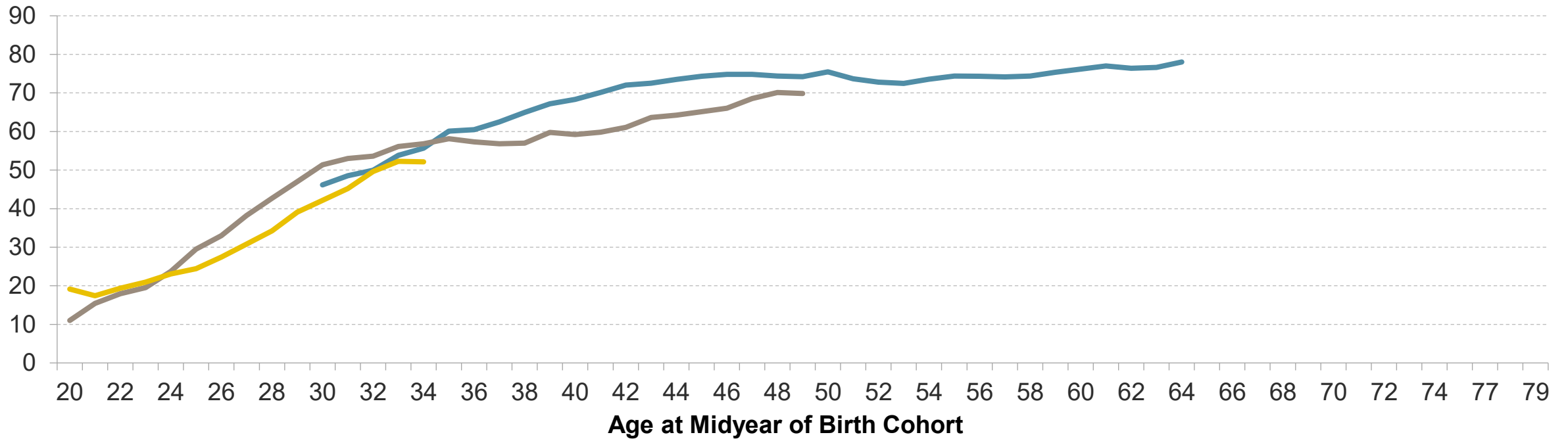
— GenX (Born 1973-1977)

Notes: The homeownership rates shown are for the entire five-year cohorts at a single point in time, but to simplify the labeling of the chart the X-axis uses “Age at Midyear”, which is the age of those in the middle year of the five-year birth cohorts. For example, a cohort at midyear age 20 includes households aged 18–22. Data from 2020 are excluded due to pandemic effects on data collection.

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The Great Recession Lowered the Homeownership Rate Trajectories of Millennial, Gen X and Baby-Boomer Cohorts

Homeownership Rate (Percent)



Birth Cohort:

— Baby Boomer (Born 1958-1962)

— GenX (Born 1973-1977)

— Millennial (Born 1988-1992)

Notes: The homeownership rates shown are for the entire five-year cohorts at a single point in time, but to simplify the labeling of the chart the X-axis uses “Age at Midyear”, which is the age of those in the middle year of the five-year birth cohorts. For example, a cohort at midyear age 20 includes households aged 18–22. Data from 2020 are excluded due to pandemic effects on data collection.

Source: JCHS tabulations of US Census Bureau, 1990-2024 Current Population Surveys via IPUMS-CPS, University of Minnesota.

Historic 10-Year Homeownership Rate Trajectories of Cohorts by Age and Race/Ethnicity, 1990-2024

10-Year Change in Homeownership Rate (Percentage Point)

Starting Age / Ending Age	Minimum	Maximum	Average
Non-Hispanic white			
15-24 --> 25-34	20%	40%	31%
25-34 --> 35-44	11%	26%	20%
35-44 --> 45-54	0%	11%	6%
45-54 --> 55-64	-1%	6%	3%
55-64 --> 65-74	-1%	2%	1%
65+ --> 75+	-4%	1%	-1%
Non-Hispanic Black			
15-24 --> 25-34	3%	23%	13%
25-34 --> 35-44	8%	28%	18%
35-44 --> 45-54	0%	16%	9%
45-54 --> 55-64	-2%	10%	4%
55-64 --> 65-74	-2%	10%	3%
65+ --> 75+	-3%	10%	2%

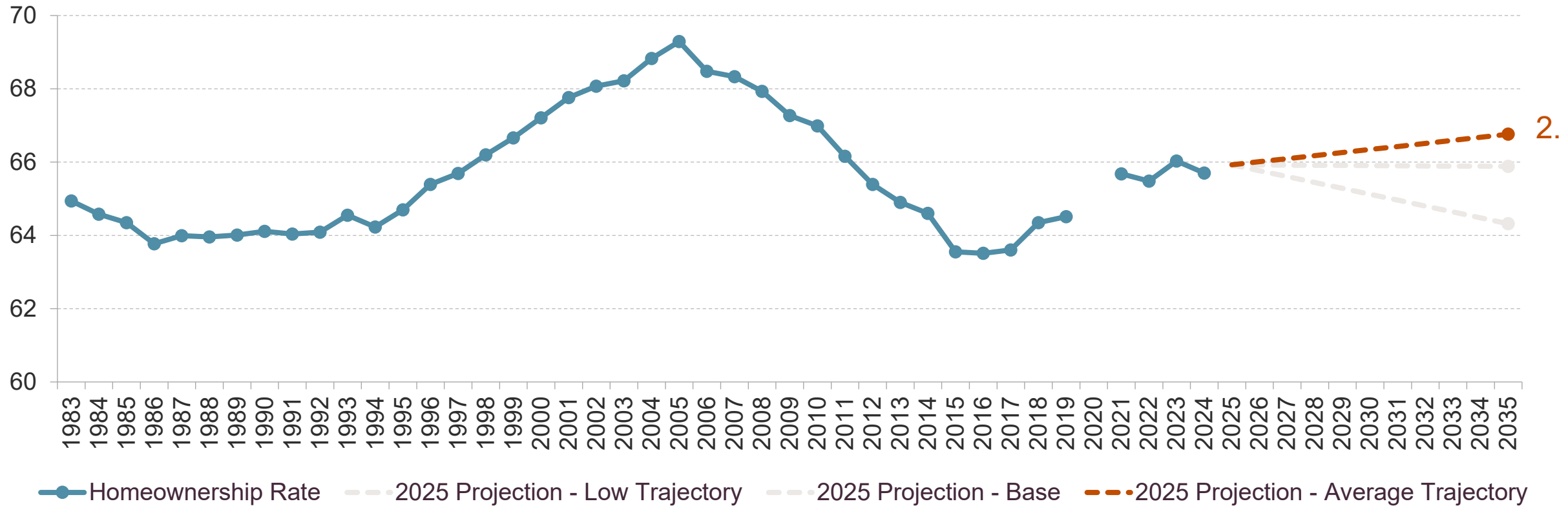
Hispanic			
15-24 --> 25-34	7%	28%	17%
25-34 --> 35-44	6%	25%	17%
35-44 --> 45-54	2%	16%	10%
45-54 --> 55-64	-1%	15%	7%
55-64 --> 65-74	-4%	6%	2%
65+ --> 75+	-6%	9%	1%
Non-Hispanic Asian, Multiracial, or Another Race			
15-24 --> 25-34	6%	31%	20%
25-34 --> 35-44	15%	31%	22%
35-44 --> 45-54	5%	22%	12%
45-54 --> 55-64	0%	10%	4%
55-64 --> 65-74	-9%	15%	1%
65+ --> 75+	-13%	14%	-5%

Notes: Starting/ending ages are of the same birth cohorts at first measure and then ten years later. White, Black, and Asian/Another race households are non-Hispanic. Hispanic households may be of any race. Asian/Another includes Asian, multiracial, Native American/Alaska Native, Native Hawaiian/Pacific Islander, and any other race.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Scenario 2: Assume Today's Younger Households Follow a Historically Average Trajectory of Homeownership

Homeownership Rate (Percent)

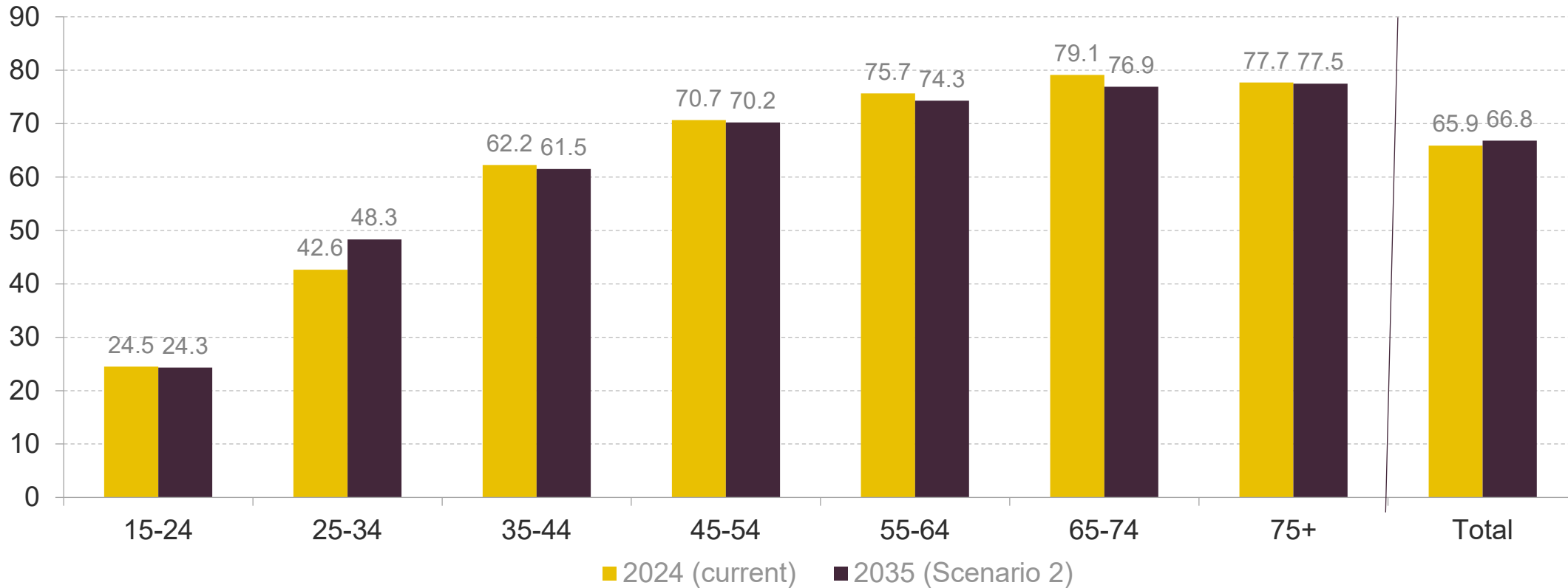


Notes: Data for 2020 are excluded due to data quality reasons. Base scenario holds homeownership rates by age and race/ethnicity constant. Average trajectory scenario assumes cohorts follow historical average growth rates as they age. Low-trajectory scenario assumes cohorts younger than 45 years old follow lowest historical homeownership rate trajectories as they age, while older cohorts follow average trajectories.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Scenario 2: The Average Trajectory Scenario Leads to a 0.8 ppt Increase in the US Homeownership Rate

Homeownership Rate (Percent)

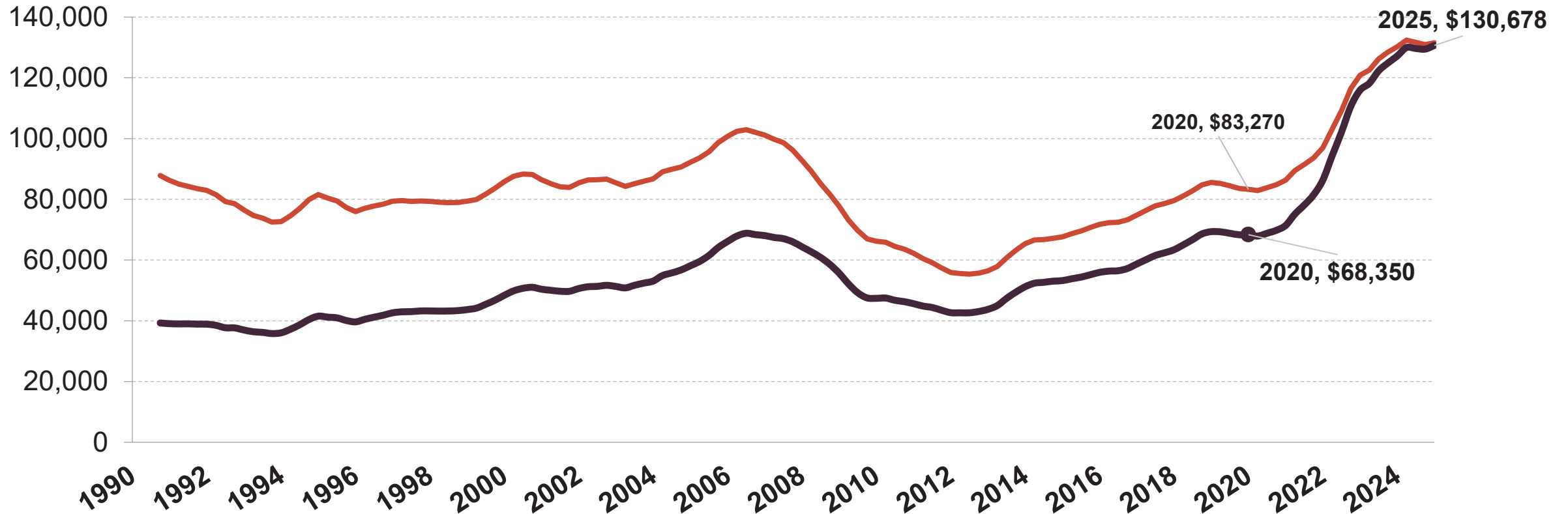


Note: Data are three-year trailing averages.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Homebuying is Out of Reach for Most Renters Across the Country

Annual Income Required to Afford the US Median-Priced Home (Dollars)



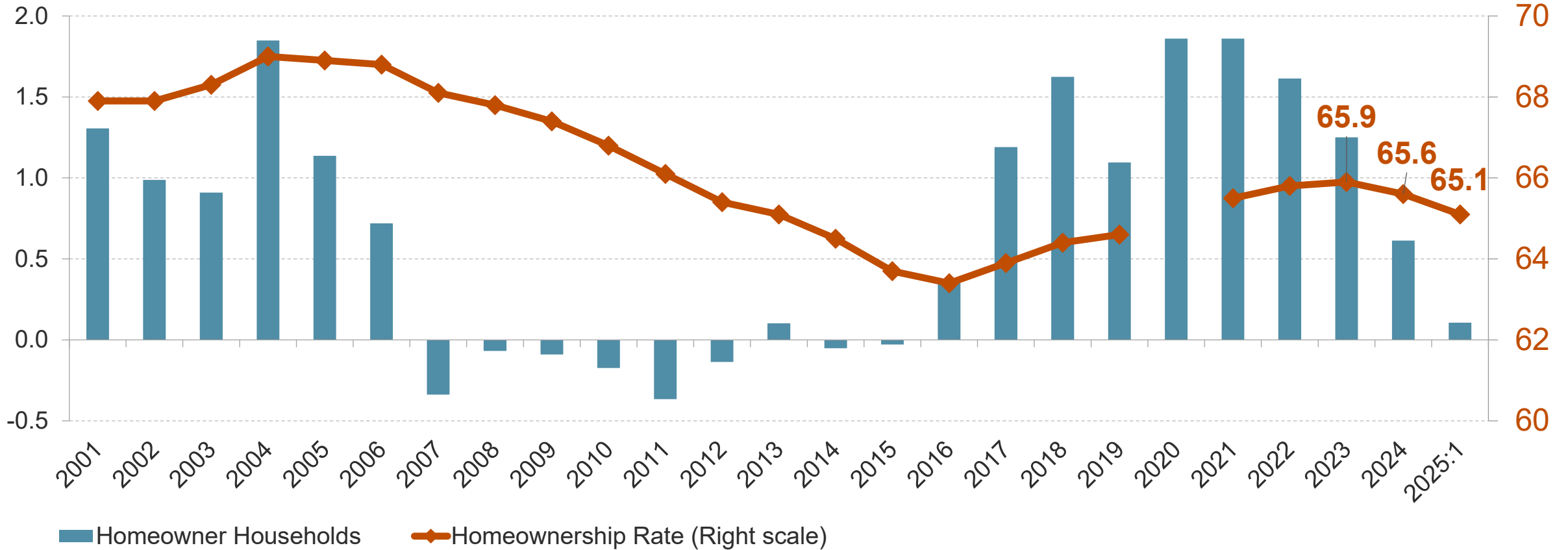
Notes: Payments are 4-quarter averages inflation adjusted using the CPI-U for All Items Less Shelter. Monthly payments assume a mortgage with a 3.5% downpayment on a 30-year fixed rate loan with zero points and 0.55% mortgage insurance, 0.35% property insurance, and metro area average property tax rates.

Source: JCHS tabulations of Freddie Mac, Primary Mortgage Market Surveys; National Association of Realtors, Existing Single-Family Home Sales.

Growth in Homeownership is Dropping

Annual Change in Homeowner Households (Millions)

Homeownership Rate (Percent)



Note: Estimates for 2020 are omitted due to data collection issues experienced during the pandemic.
 Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys.

Scenario 3: Younger Cohorts See Below-Average Rate Increases As They Age in 2025-2035 (Low Trajectory)

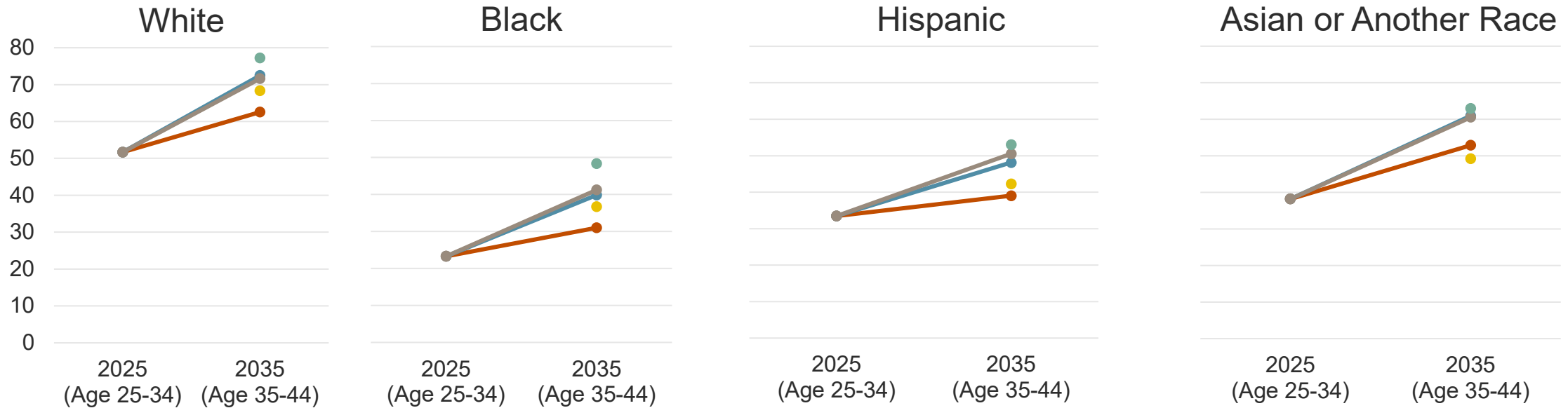
- Assume Cohorts under age 35 have historically low increases in homeownership rates as they age over the next 10 years.
- Assume Poor Homebuying Conditions Won't Affect Older Households
 - Maintain Historically Average Homeownership Rate Trajectory for Cohorts Age 35 and Over in 2025

*Limit the downside – Projected homeownership rates can't be less than the lowest-ever recorded rate.

Scenario 3: Younger Cohorts See Below-Average Rate Increases As They Age in 2025-2035

PROJECTED HOMEOWNERSHIP RATE TRAJECTORIES FOR 25-34 YEAR OLDS BY RACE/ETHNICITY

Homeownership Rate (Percent)



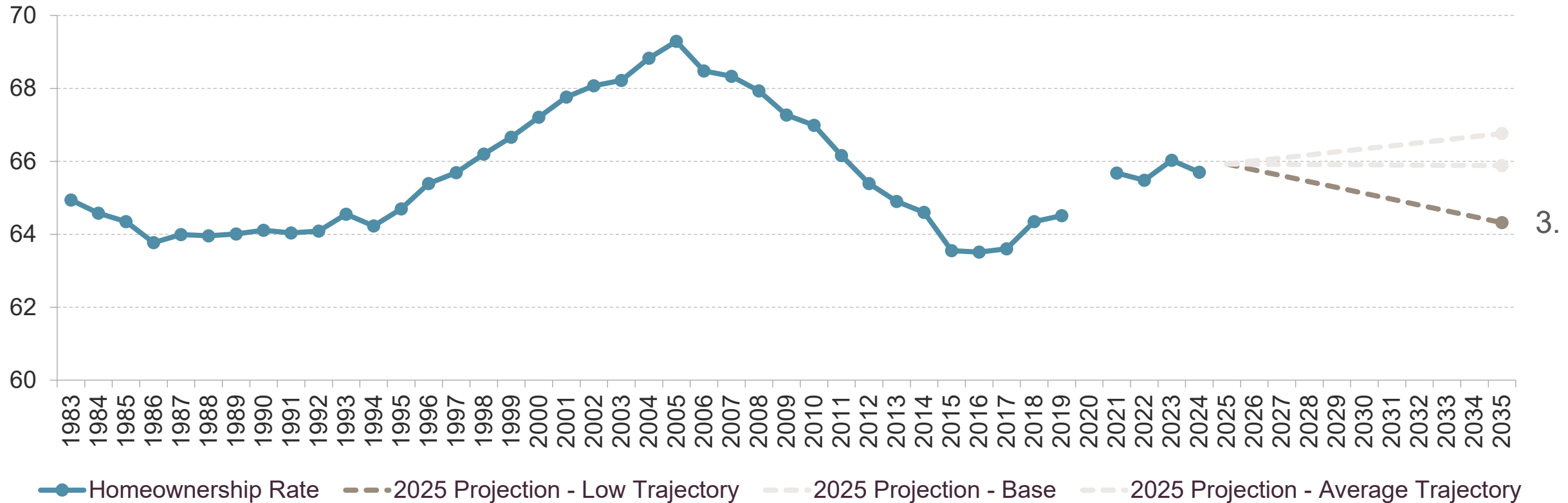
—●— Low Trajectory (Before Adjustment)
 —●— Base
 —●— Average Trajectory
 —●— Historical Lowest Rate
 —●— Historical Highest Rate

Notes: White, Black, and Asian/Another race households are non-Hispanic. Hispanic households may be of any race. Asian/Another includes Asian, multiracial, Native American/Alaska Native, Native Hawaiian/Pacific Islander, and any other race.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Scenario 3: Younger Cohorts See Below-Average Rate Increases As They Age in 2025-2035 (Low Trajectory)

Homeownership Rate (Percent)

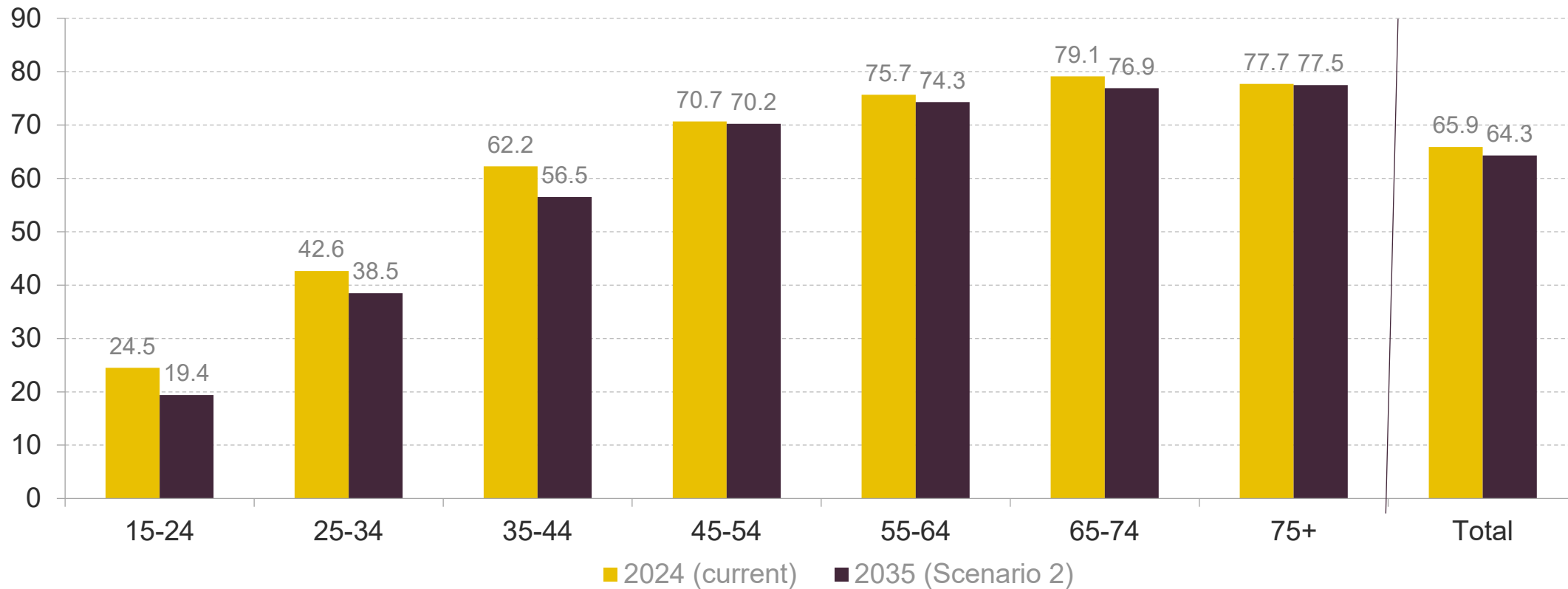


Notes: Data for 2020 are excluded due to data quality reasons. Base scenario holds homeownership rates by age and race/ethnicity constant. Average trajectory scenario assumes cohorts follow historical average growth rates as they age. Low-trajectory scenario assumes cohorts younger than 45 years old follow lowest historical homeownership rate trajectories as they age, while older cohorts follow average trajectories.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Scenario 3: The Low Trajectory Scenario Leads to a 1.6 ppt Decline in the US Homeownership Rate

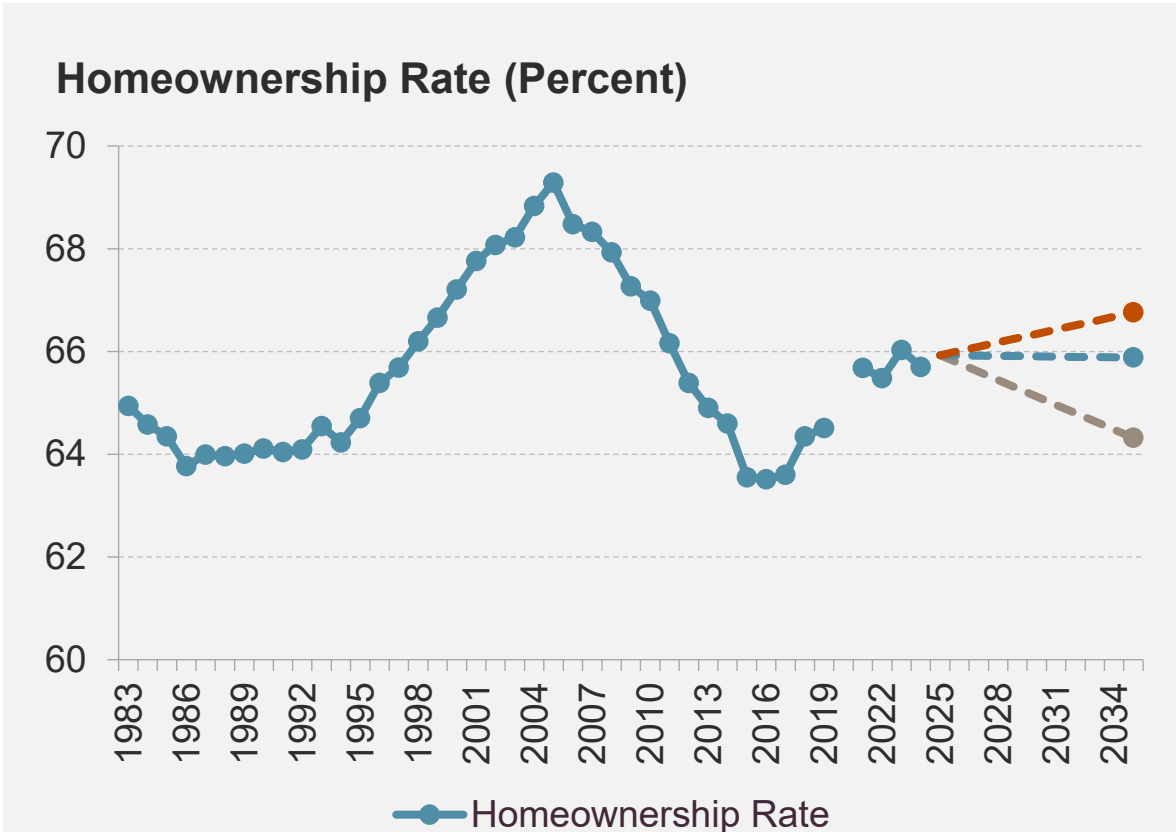
Homeownership Rate (Percent)



Note: Data are three-year trailing averages.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Three Projected Scenarios for Homeownership Rates in 2025-2035



1) Homeownership Rates Remain Constant by Age and Race/Ethnicity.

2) Homeownership Rates for Each Age Cohort Rise with Age at a Historically Average Rate over the next 10 Years.

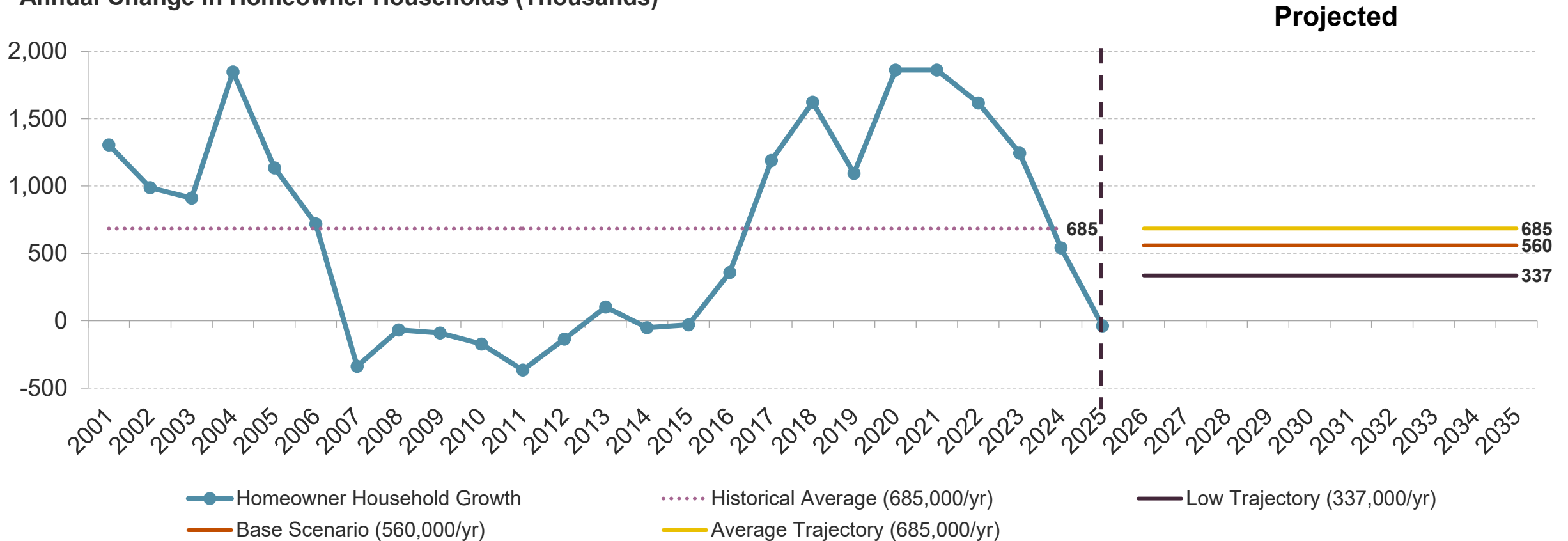
3) Cohorts Under Age 35 Experience Historically Low Increases in Homeownership Over the next 10 Years.

Notes: Data for 2020 are excluded due to data quality reasons. Base scenario holds homeownership rates by age and race/ethnicity constant. Average trajectory scenario assumes cohorts follow historical average growth rates as they age. Low-trajectory scenario assumes cohorts younger than 45 years old follow lowest historical homeownership rate trajectories as they age, while older cohorts follow average trajectories.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

Past and Projected Annual Change in Homeowner Households 2025-2035

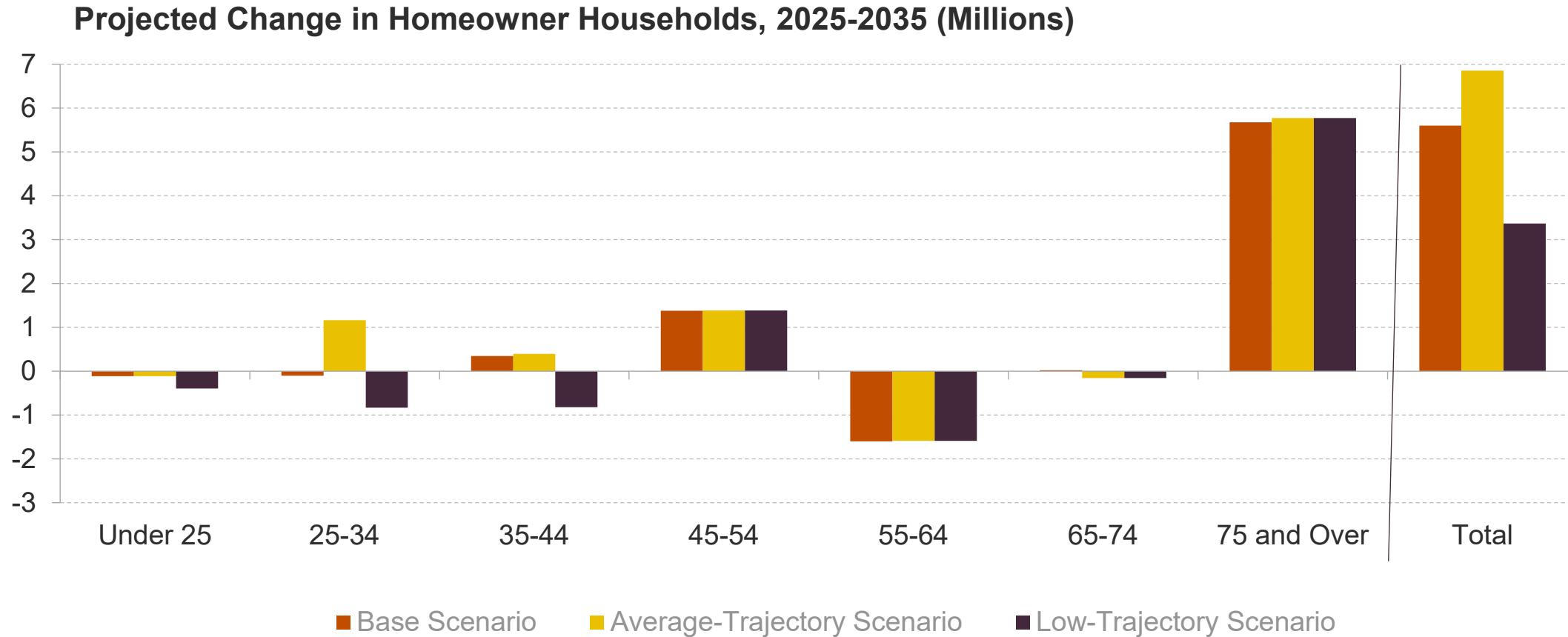
Annual Change in Homeowner Households (Thousands)



Notes: Historical average is for the period from year 2000 to 2025. Annual change in 2025 is the year-over-year change in the second quarter.

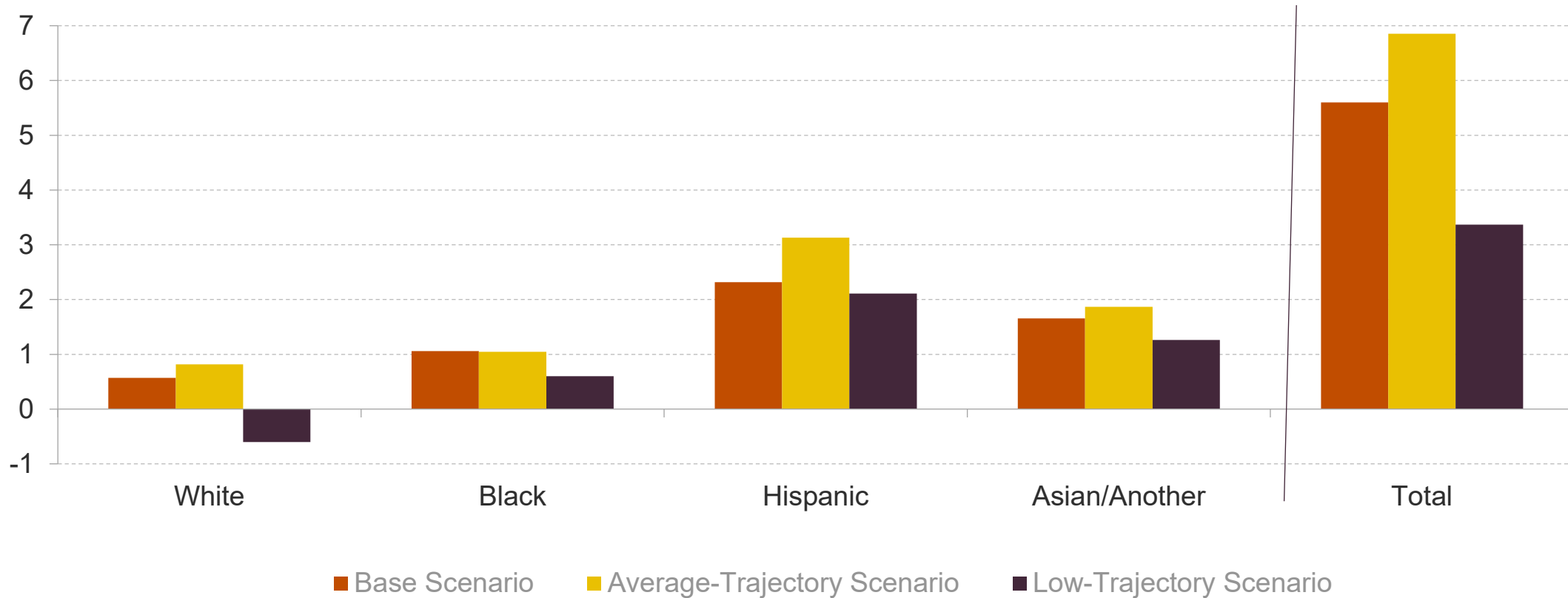
Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys, Current Population Surveys via IPUMS-CPS, and JCHS Household Projections (McCue 2025).

Oldest Adults Drive Growth in Homeowner Households



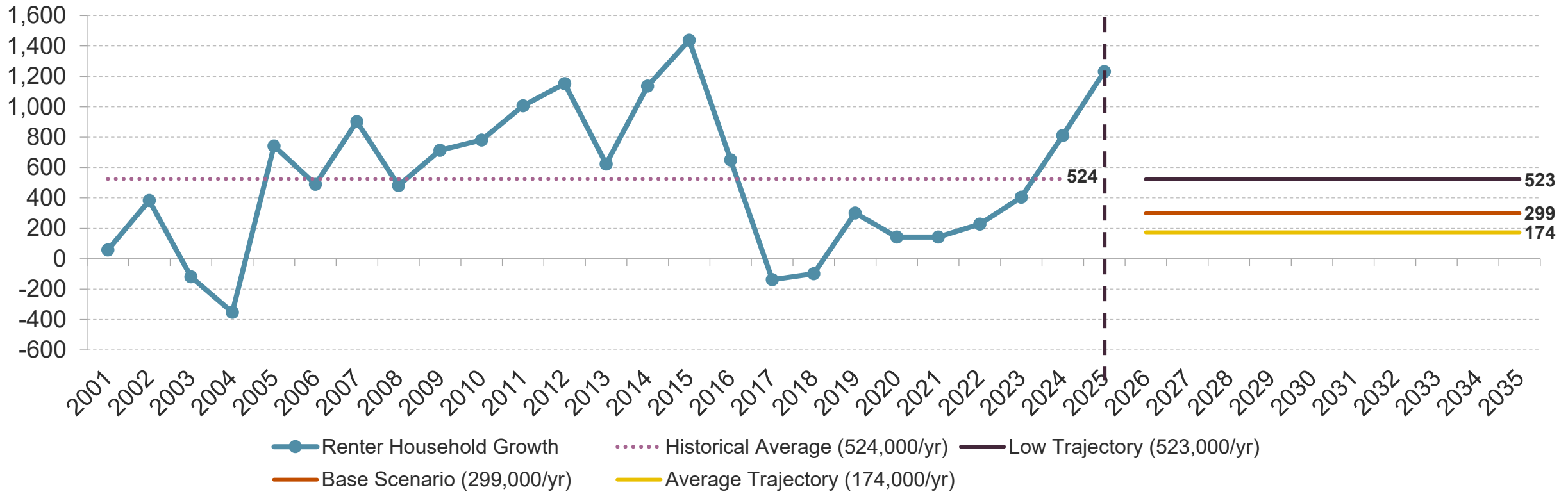
Households of Color Drive Growth in Homeowner Households

Projected Change in Homeowner Households, 2025-2035 (Millions)



Past and Projected Annual Change in Renter Households 2025-2035

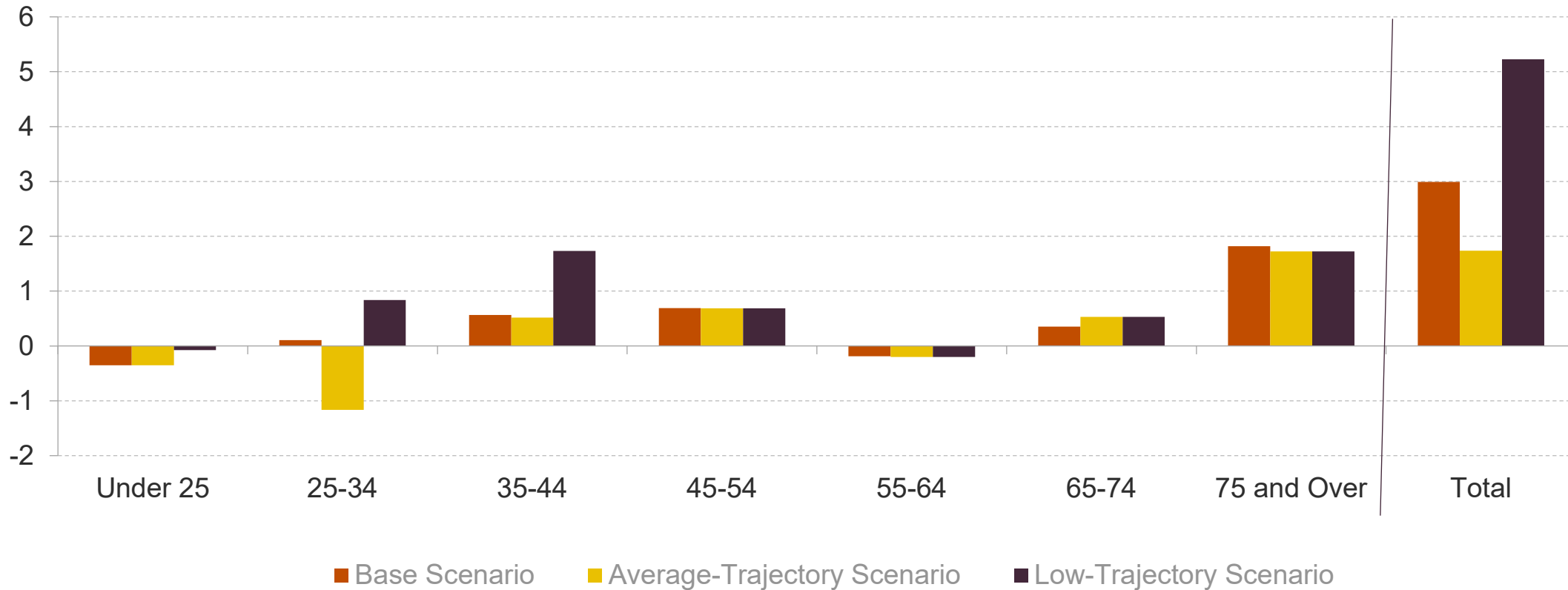
Annual Change in Renter Households (Thousands)



Notes: Historical average is for the period from year 2000 to 2025. Annual change in 2025 is the year-over-year change in the second quarter.
Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys, Current Population Surveys via IPUMS-CPS, and JCHS Household Projections (McCue 2025).

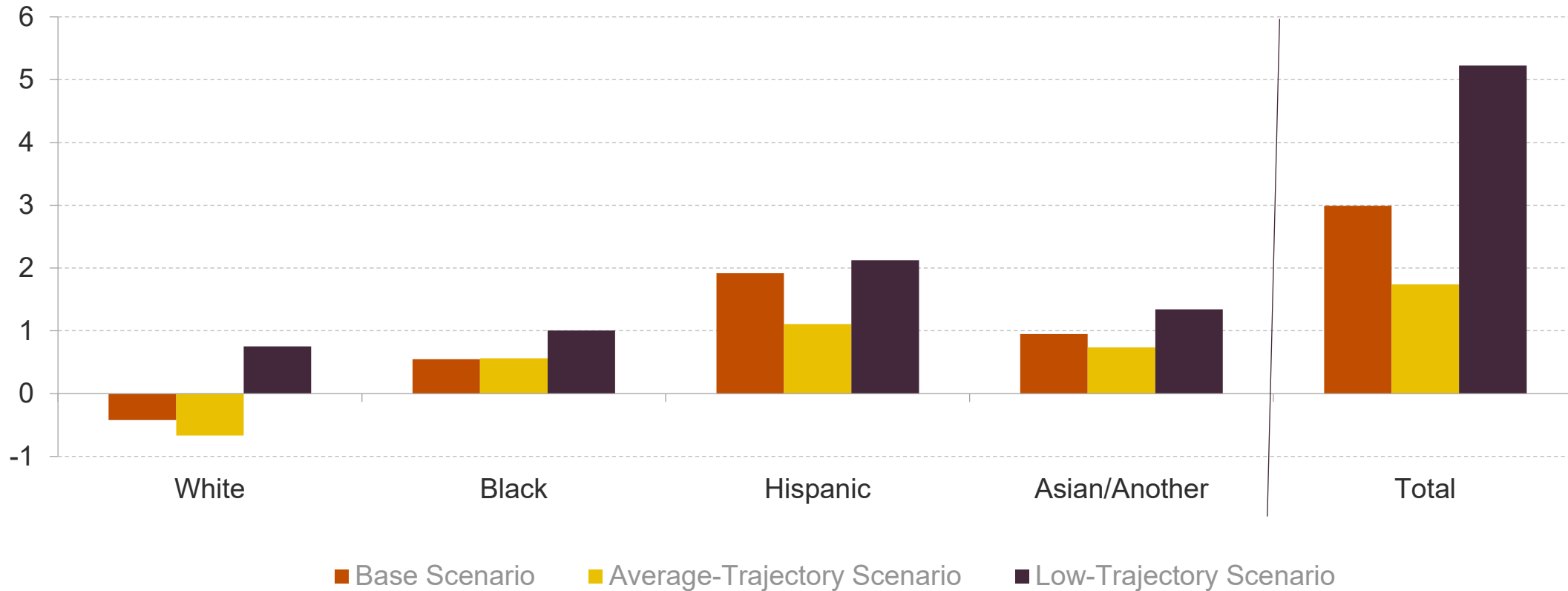
Low Scenario Leads to More Young and Middle Age Renters

Projected Change in Renter Households, 2025-2035 (Millions)



Low Scenario Lifts Growth in Renters Across Races/Ethnicities

Projected Change in Renter Households, 2025-2035 (Millions)

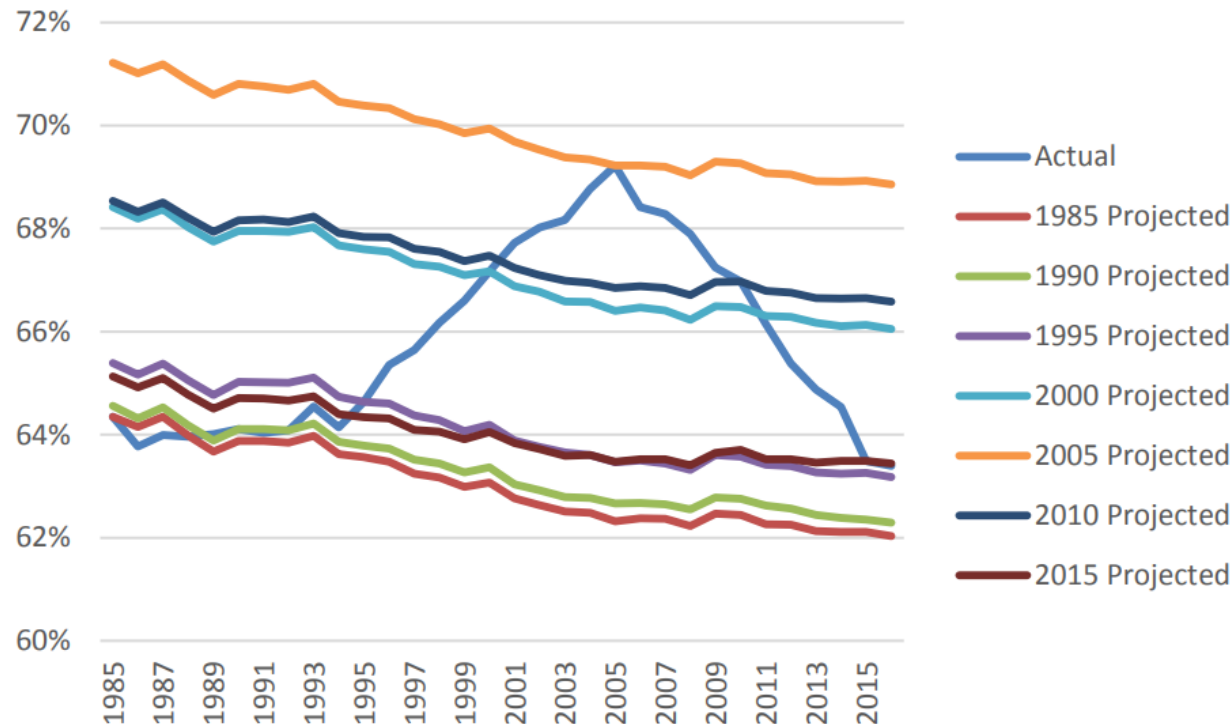


The Bottom Line

- A Significant slow-down in household growth ahead
 - Due to a systemic decline in the fundamental drivers of growth.
- The slow-down will be reflected across both homeowners and renters
 - Three scenarios for future homeownership rates suggest:
 - At best, growth in homeowner and rental demand will be average
 - As worst, growth in homeowner and rental demand will set record lows
 - High barrier to homeownership favors higher rental and lower homeownership growth scenario
- Homeownership rates are unpredictable

Demographics Are Most Predictive of Homeownership Rate Changes when Other Factors Are Stable

Figure 2. Actual vs. Projected Homeownership Rates using Shift-Share Analyses
Panel A. Projections based on Series 1 Covariates



From Spader, Jon and Chris Herbert. (2016) "Waiting for Homeownership: Assessing the Future of Homeownership, 2015-2035"
https://www.jchs.harvard.edu/sites/default/files/media/imp/waiting_for_homeownership-spader_herbert.pdf

Thank You

