



FEDERAL RESERVE BANK *of* NEW YORK

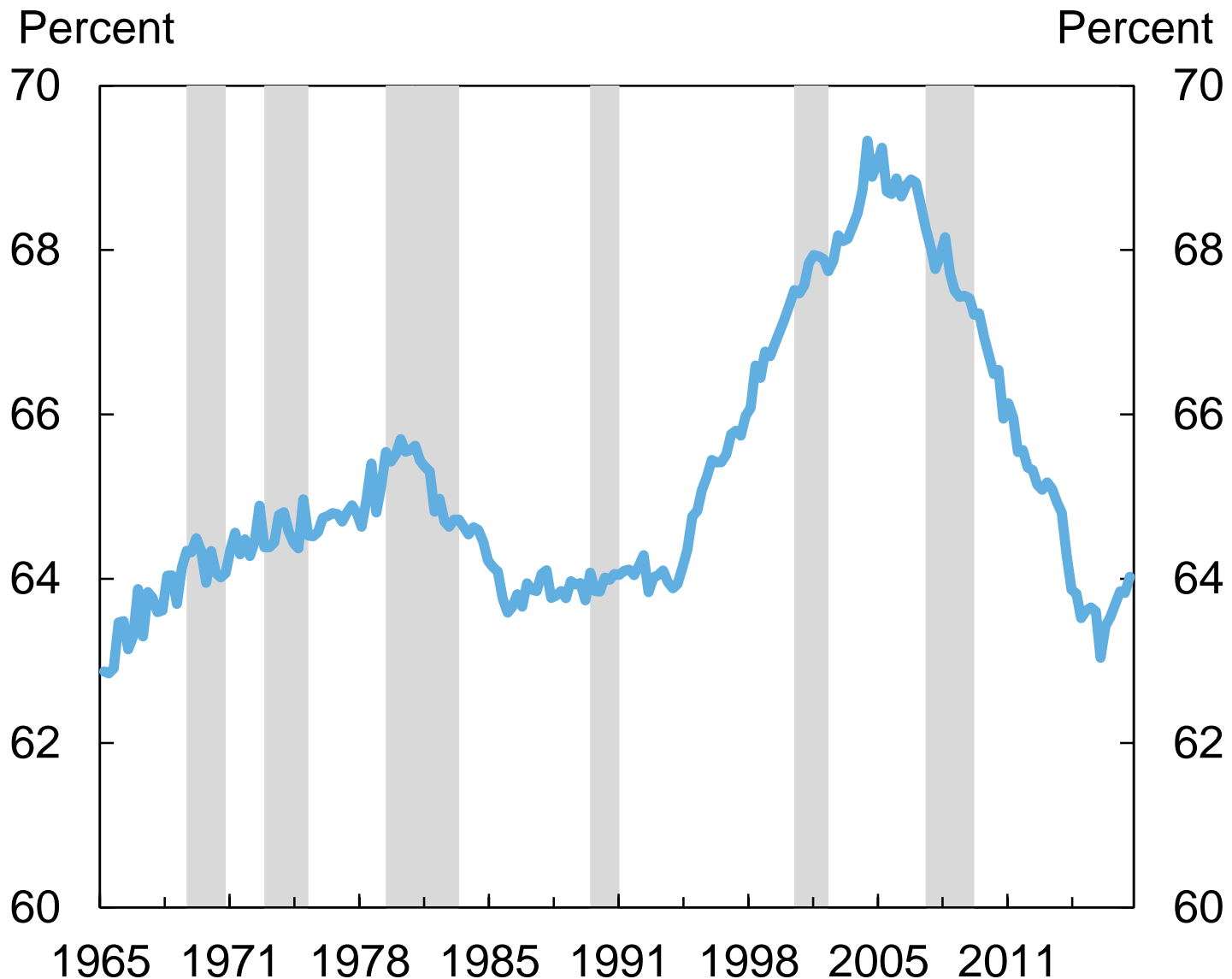
**A Close Look at the Ups and Downs of Homeownership**  
**March 29, 2018**

## Summary and Overview

- Homeownership has finally begun to recover after historic decline over last decade
  - Data suggest persistent changes in behavior.
- Housing prices and wealth have re-attained previous peaks.
- Wealth rising across the population of borrowers.
- But housing wealth has shifted since 2006.

# **DYNAMICS OF HOMEOWNERSHIP**

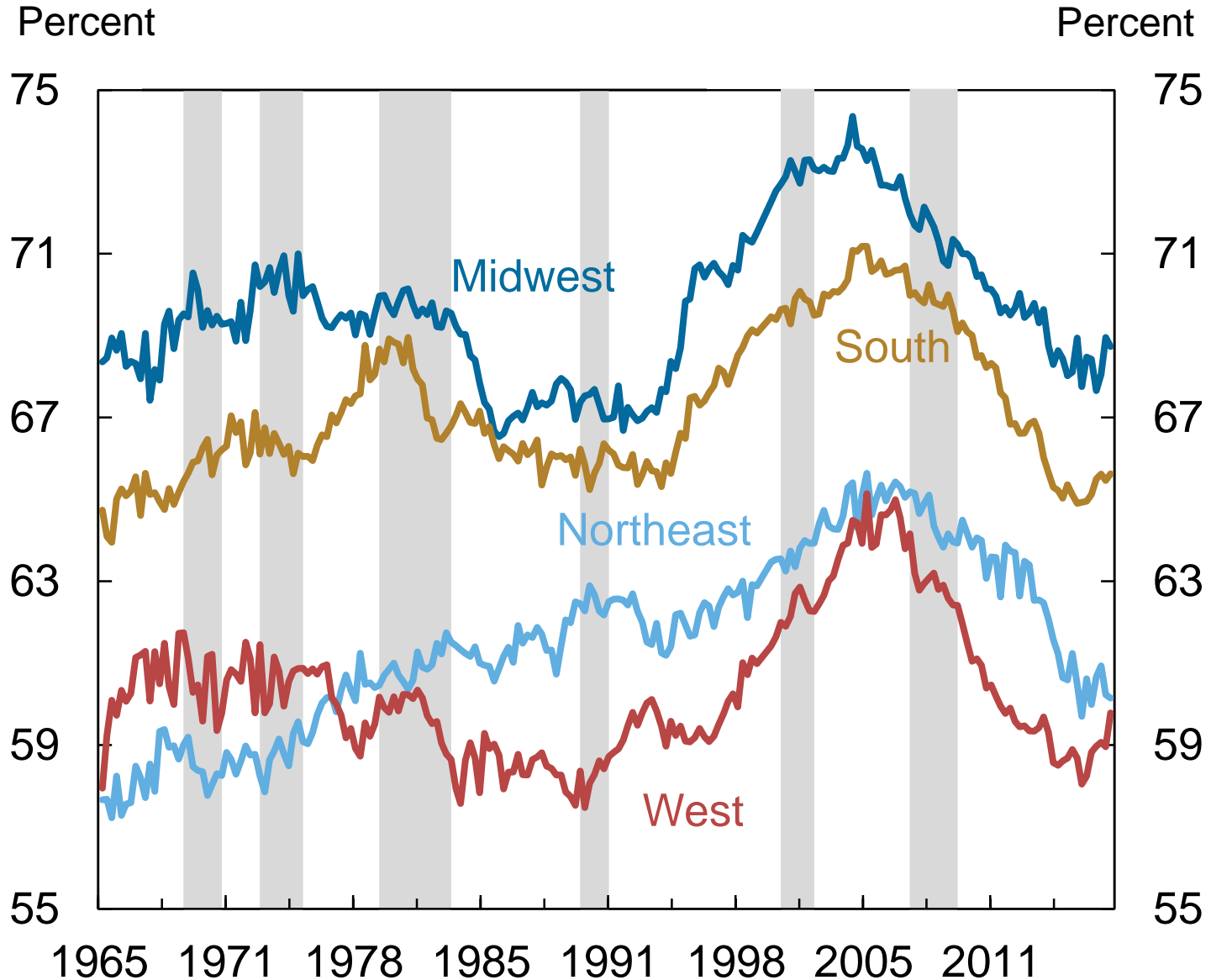
# A Historic Cycle for US Homeownership Rate



Source: Census Bureau via Haver Analytics

Note: Shading shows NBER recessions.

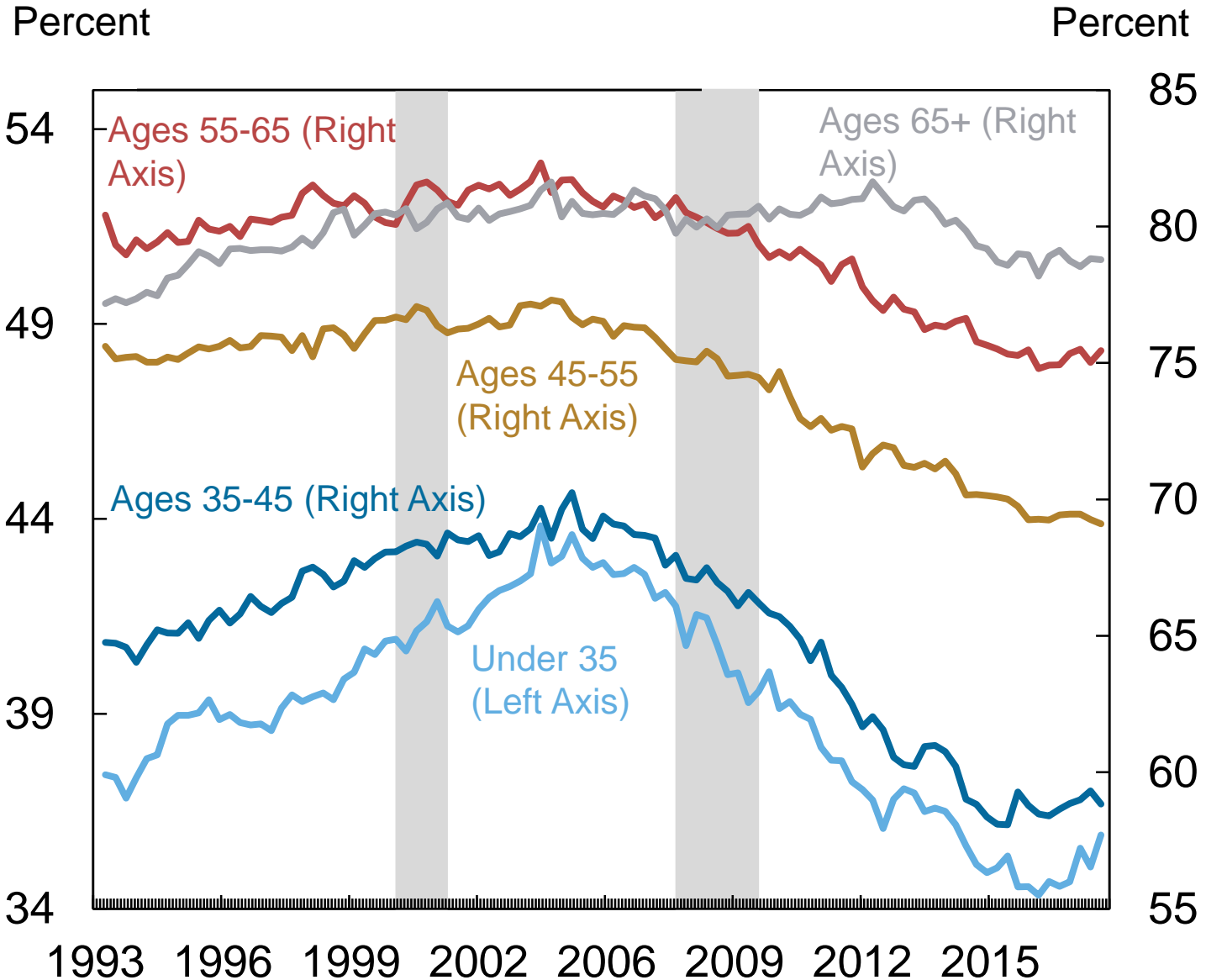
# Homeownership Rates Vary by Region



Source: Census Bureau via Haver Analytics

Note: Shading shows NBER recessions.  
Homeownership rate is seasonally adjusted.

# Homeownership Rates Vary by Age

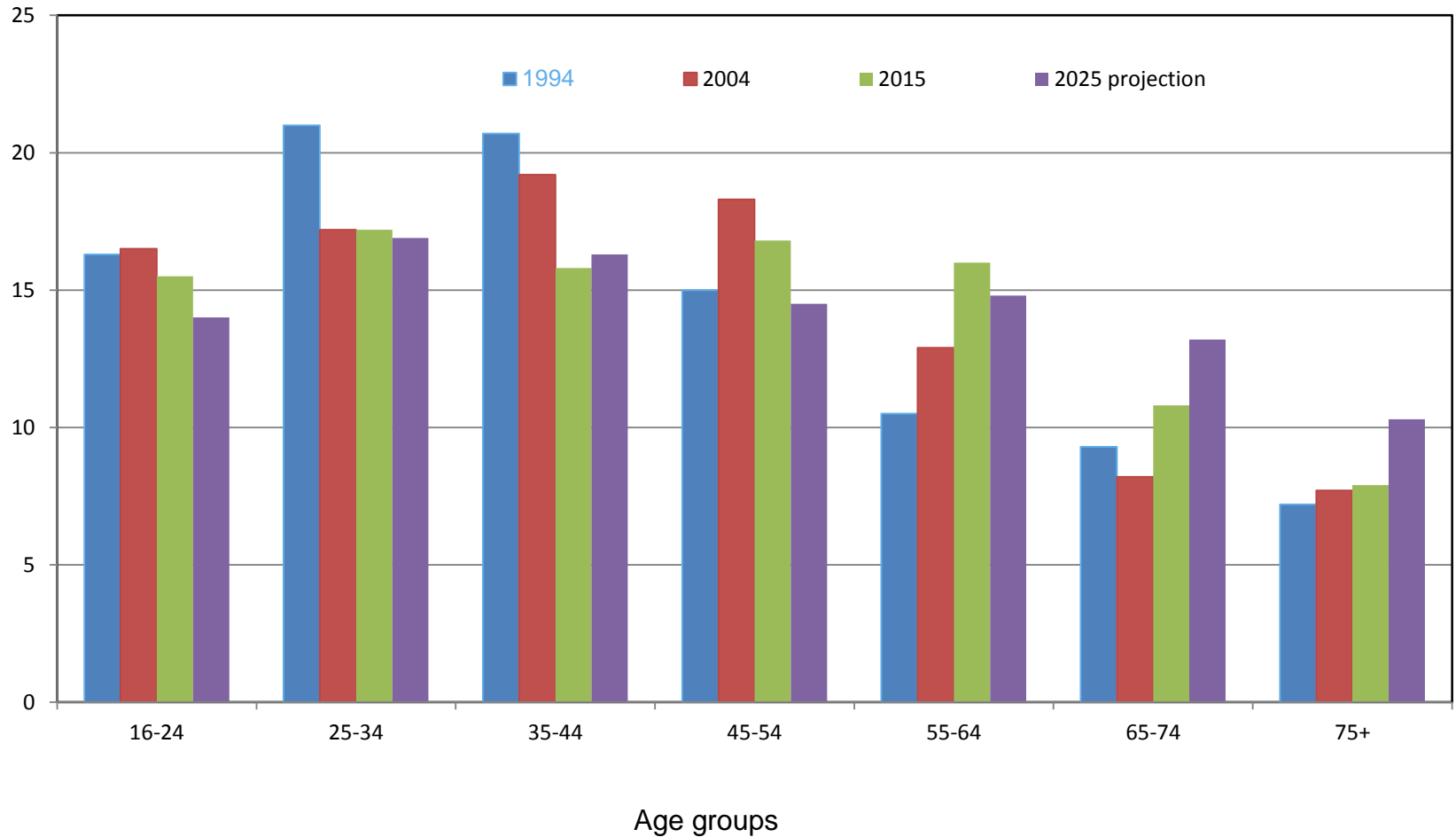


Source: Census Bureau via Haver Analytics

Note: Shading shows NBER recessions.  
Homeownership rate is seasonally adjusted.

# Share of U.S. Population Aged 16 and Over

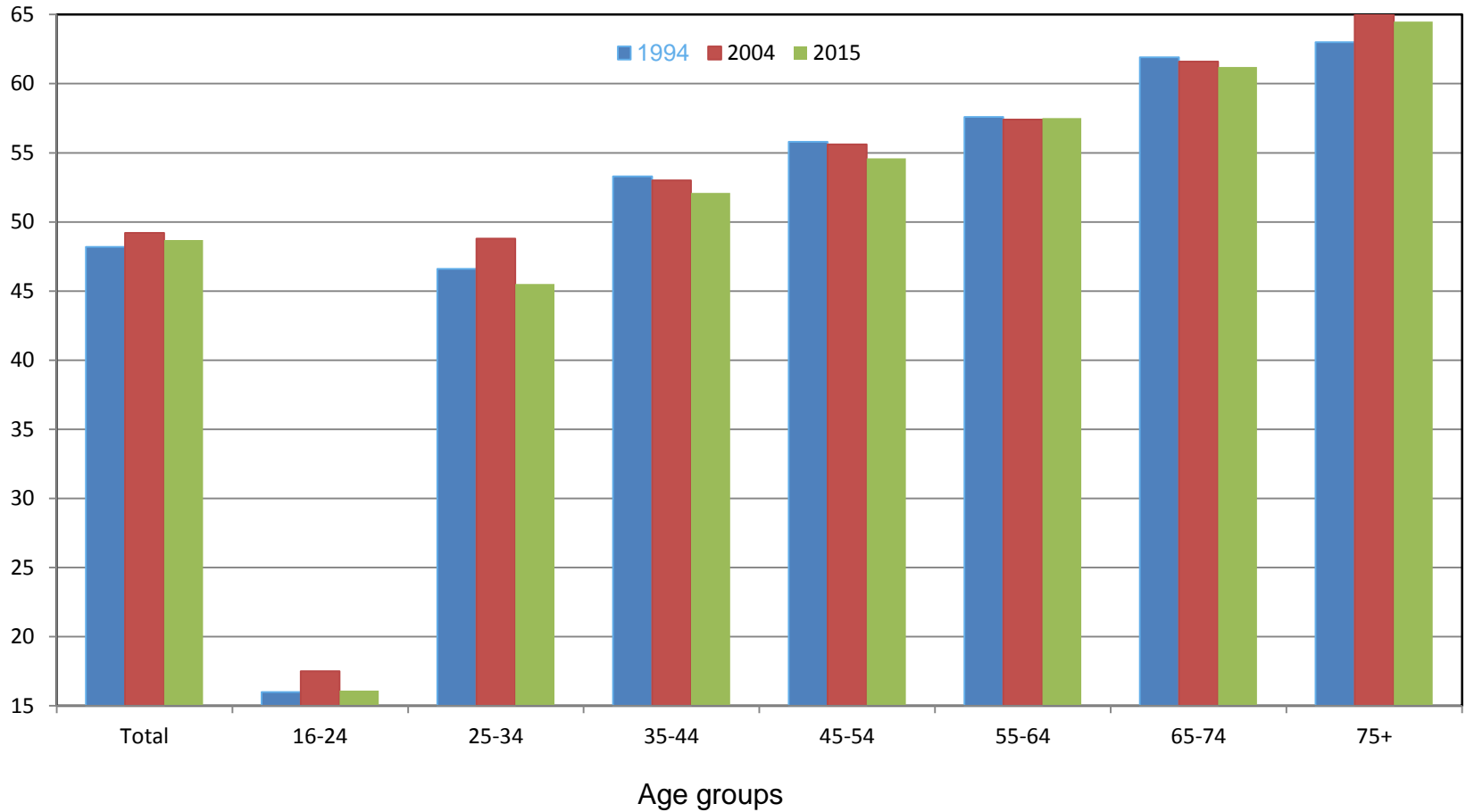
Percent



Source: U.S. Census Bureau.

# Headship Rate (Households per capita)

Percent



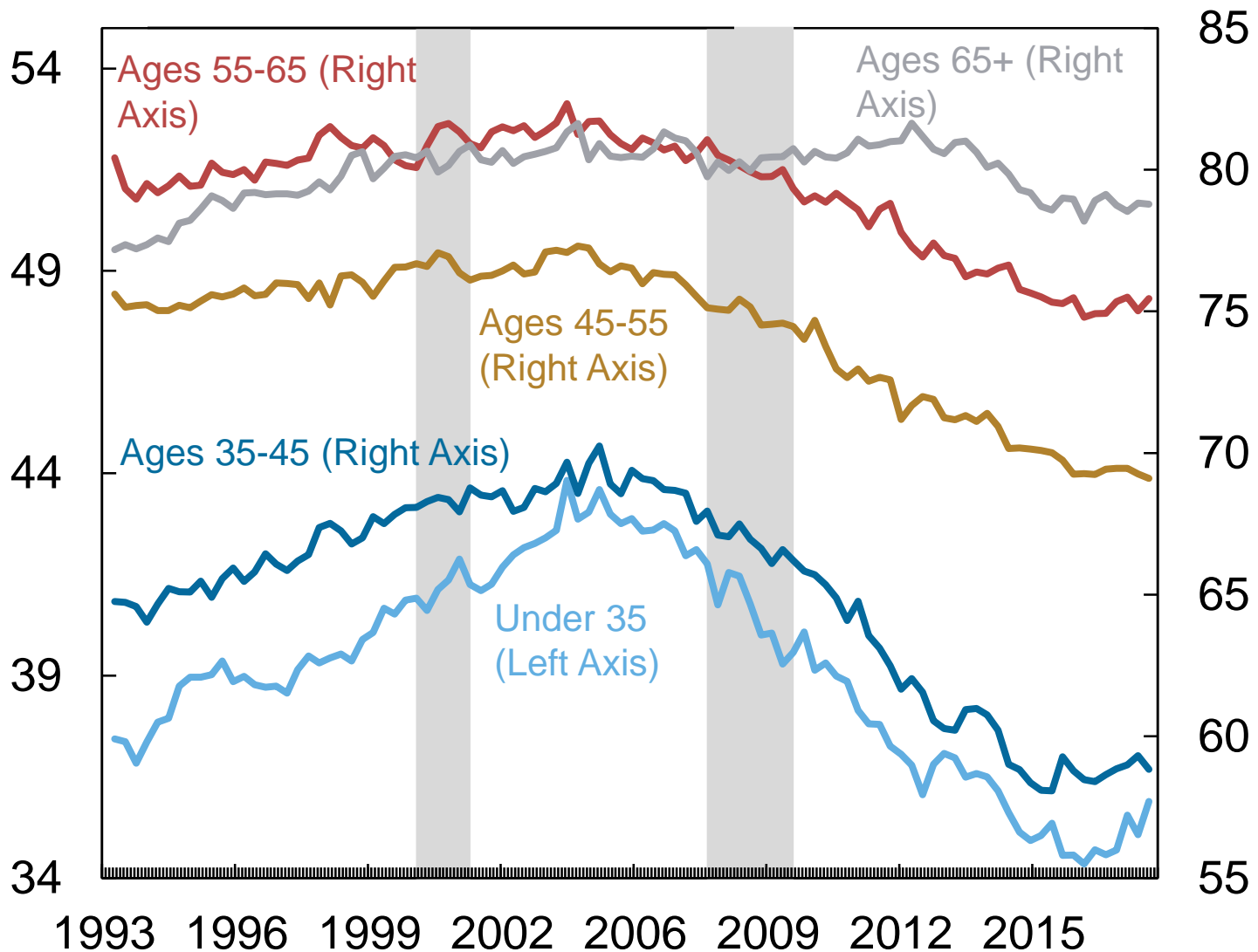
Source: U.S. Census Bureau.



# Homeownership Rate by Age

Percent

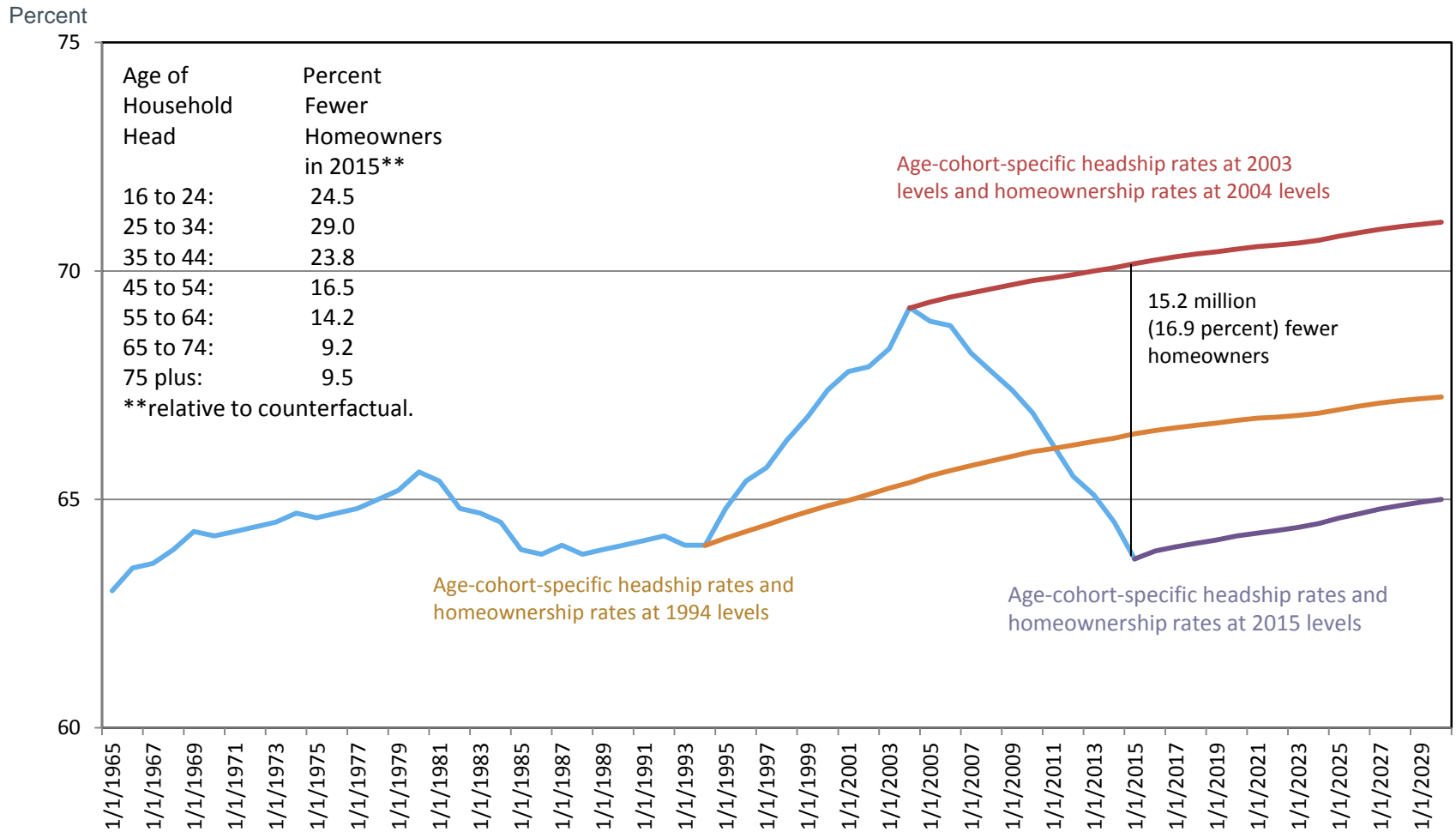
Percent



Source: Census Bureau via Haver Analytics

Note: Shading shows NBER recessions. Homeownership rate is seasonally adjusted.

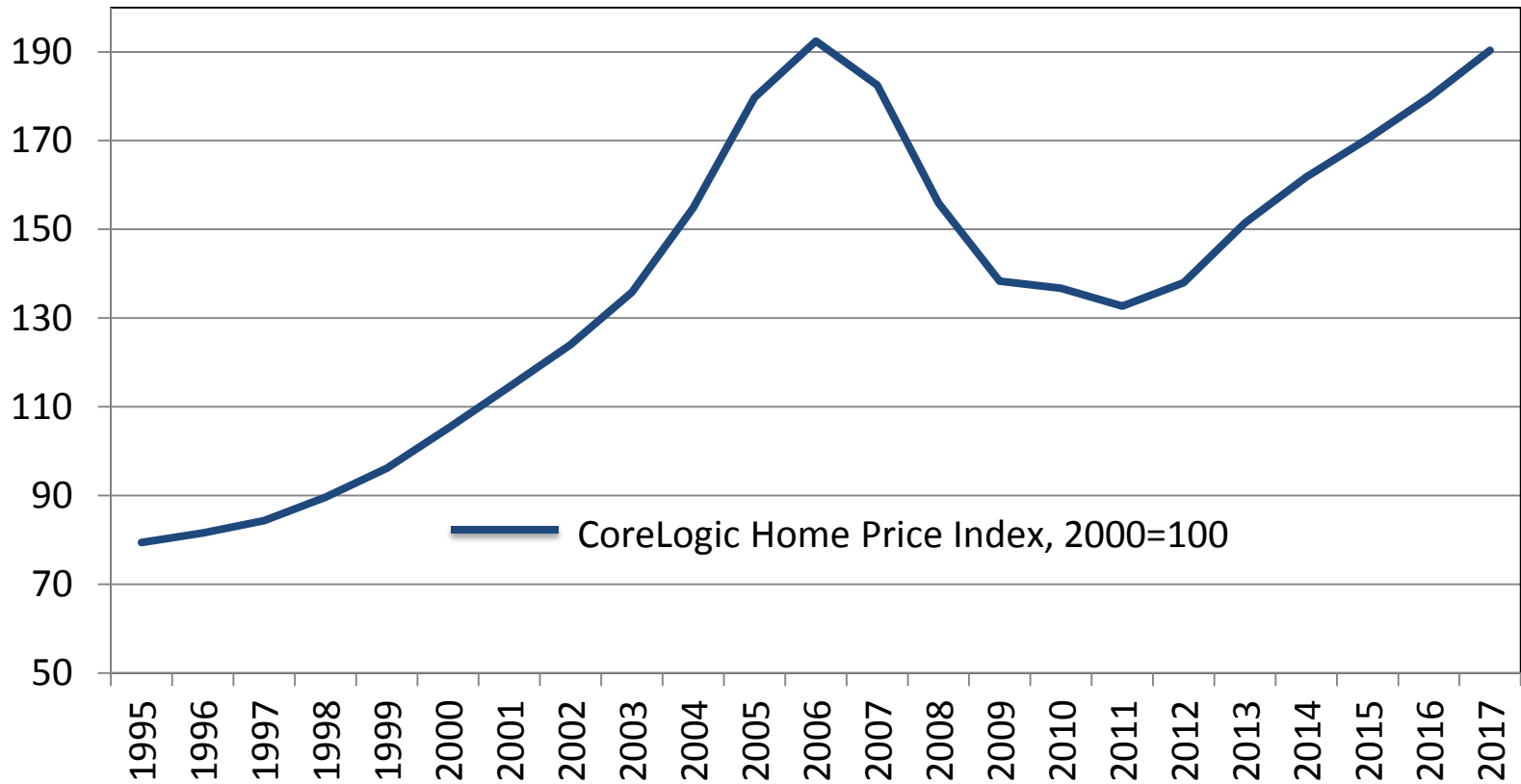
# Homeownership Projections Depend on Scenario



Source: U.S. Census Bureau.

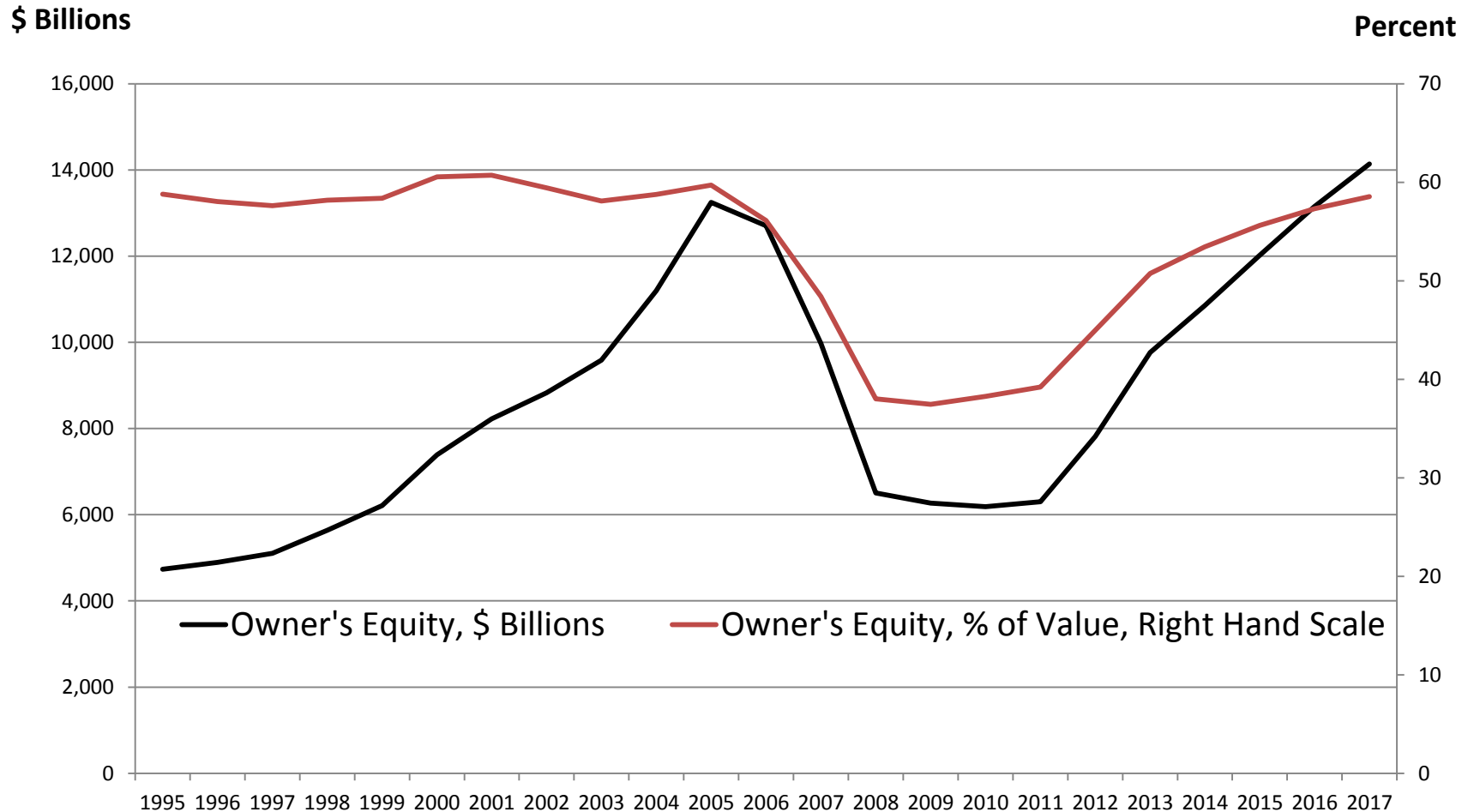
# **HOUSING WEALTH**

# House Prices Have Recovered

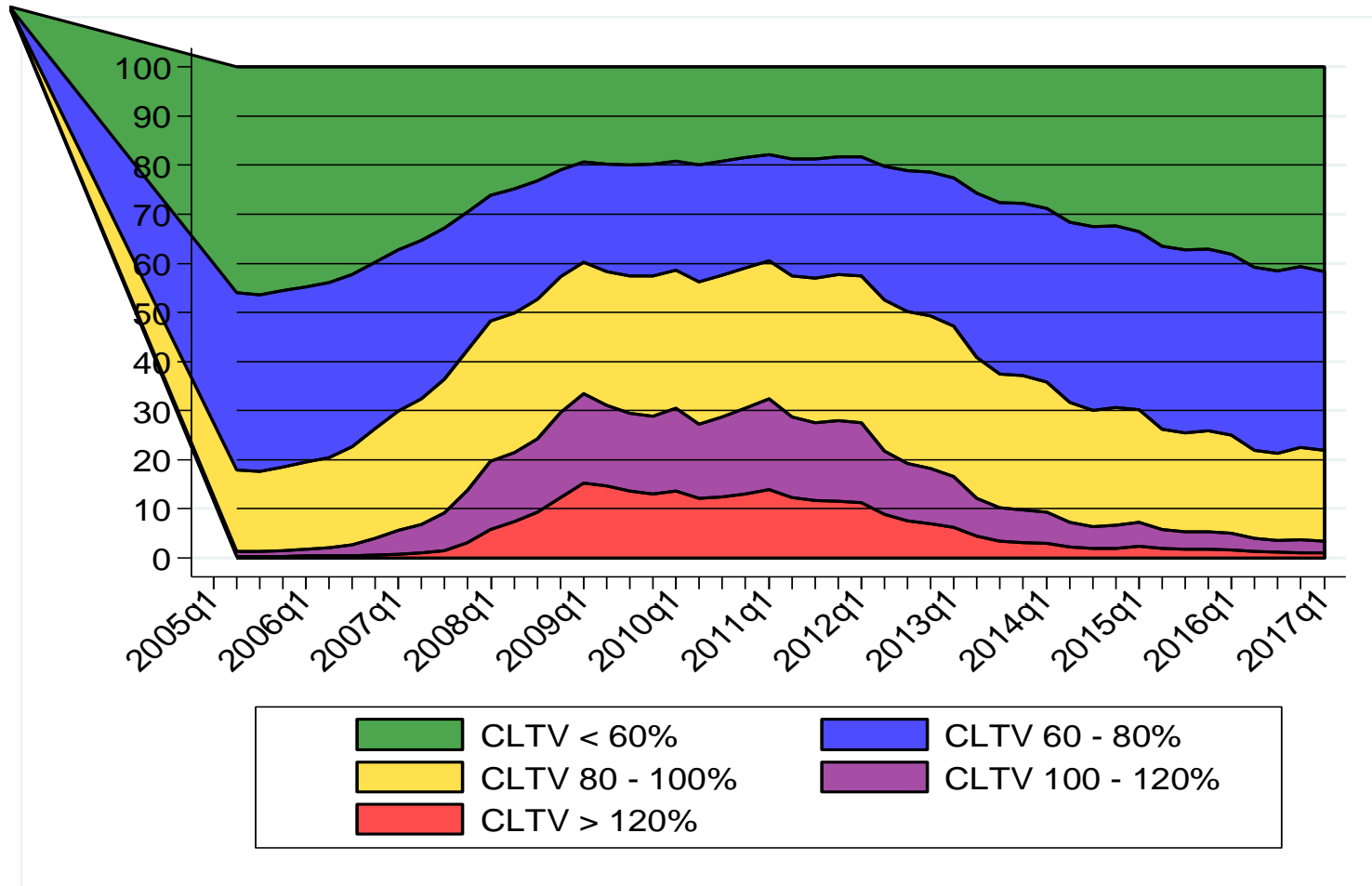


Source: CoreLogic

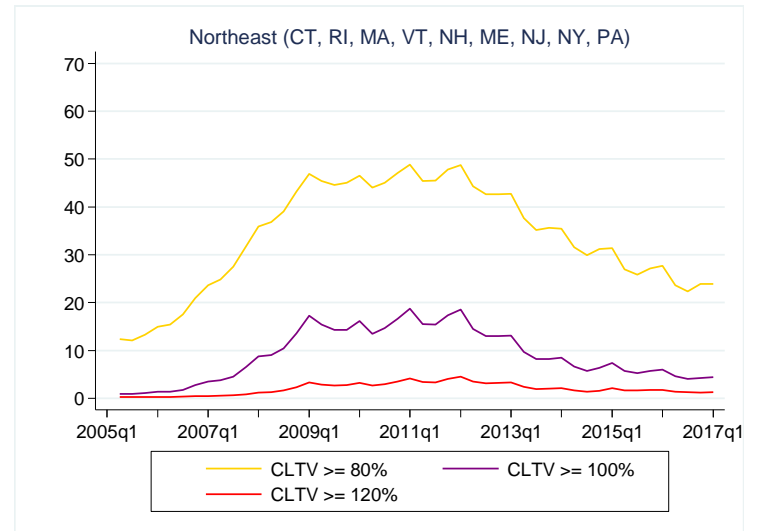
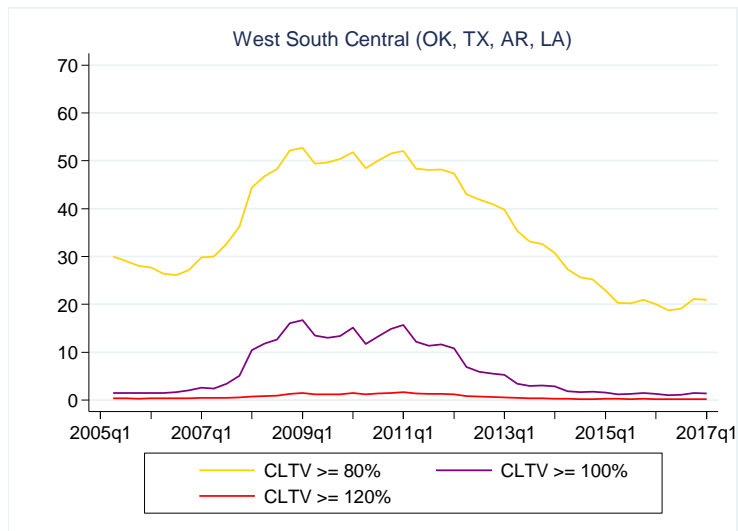
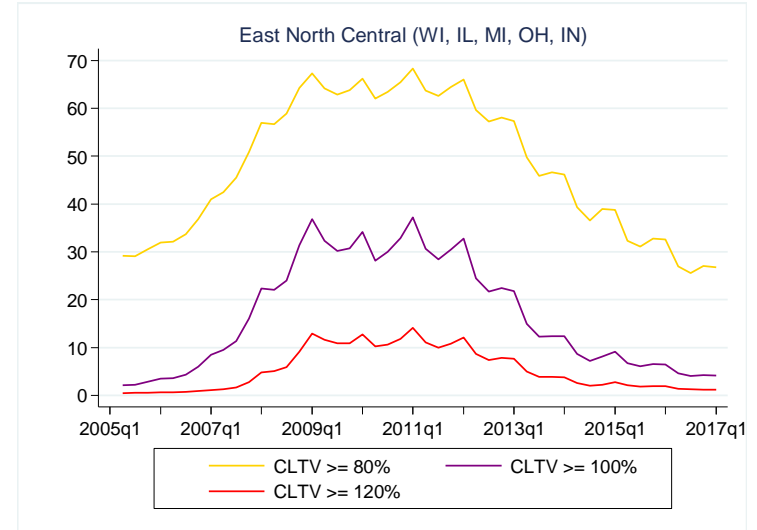
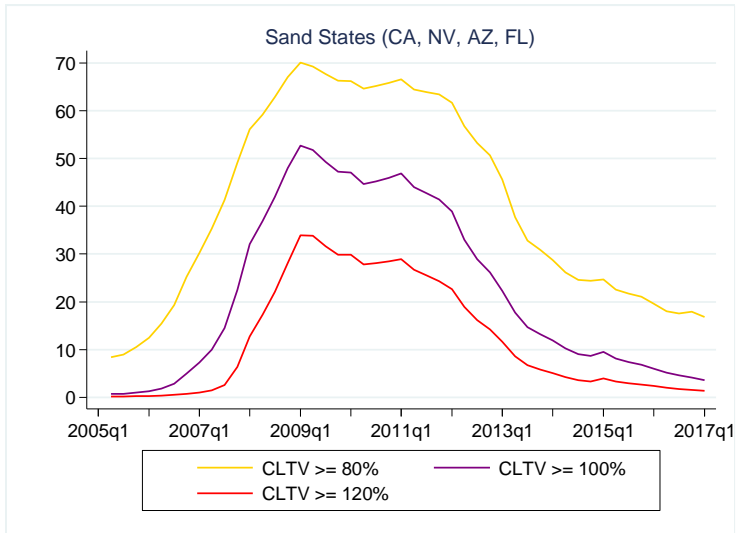
# Owner's Equity (Housing Wealth) Has Recovered



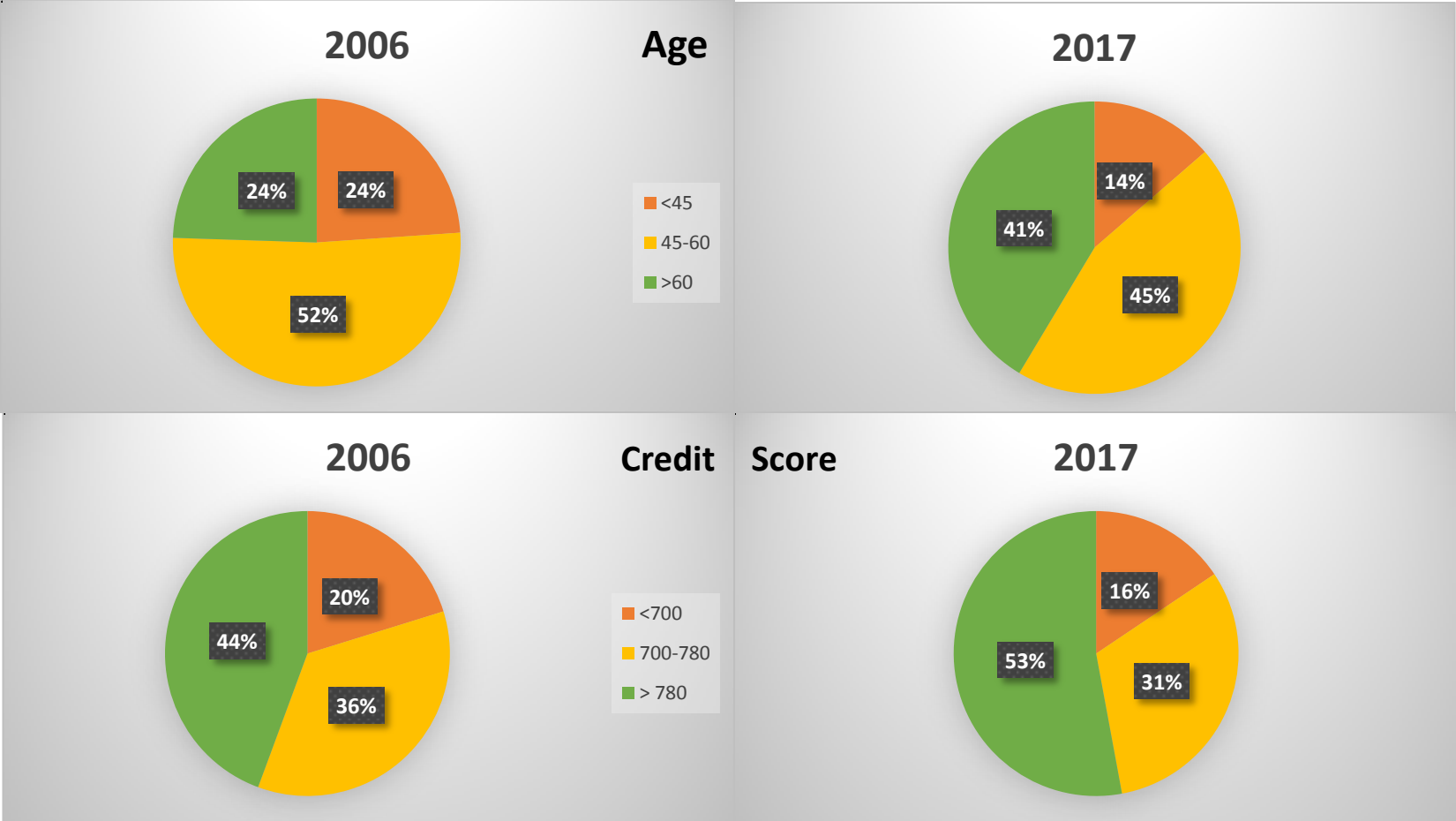
# Loan-to-Value Distribution Has Improved



# LTV Distributions Vary over Time and Region



# Housing wealth increasingly concentrated



Source: BlackKnight, CoreLogic



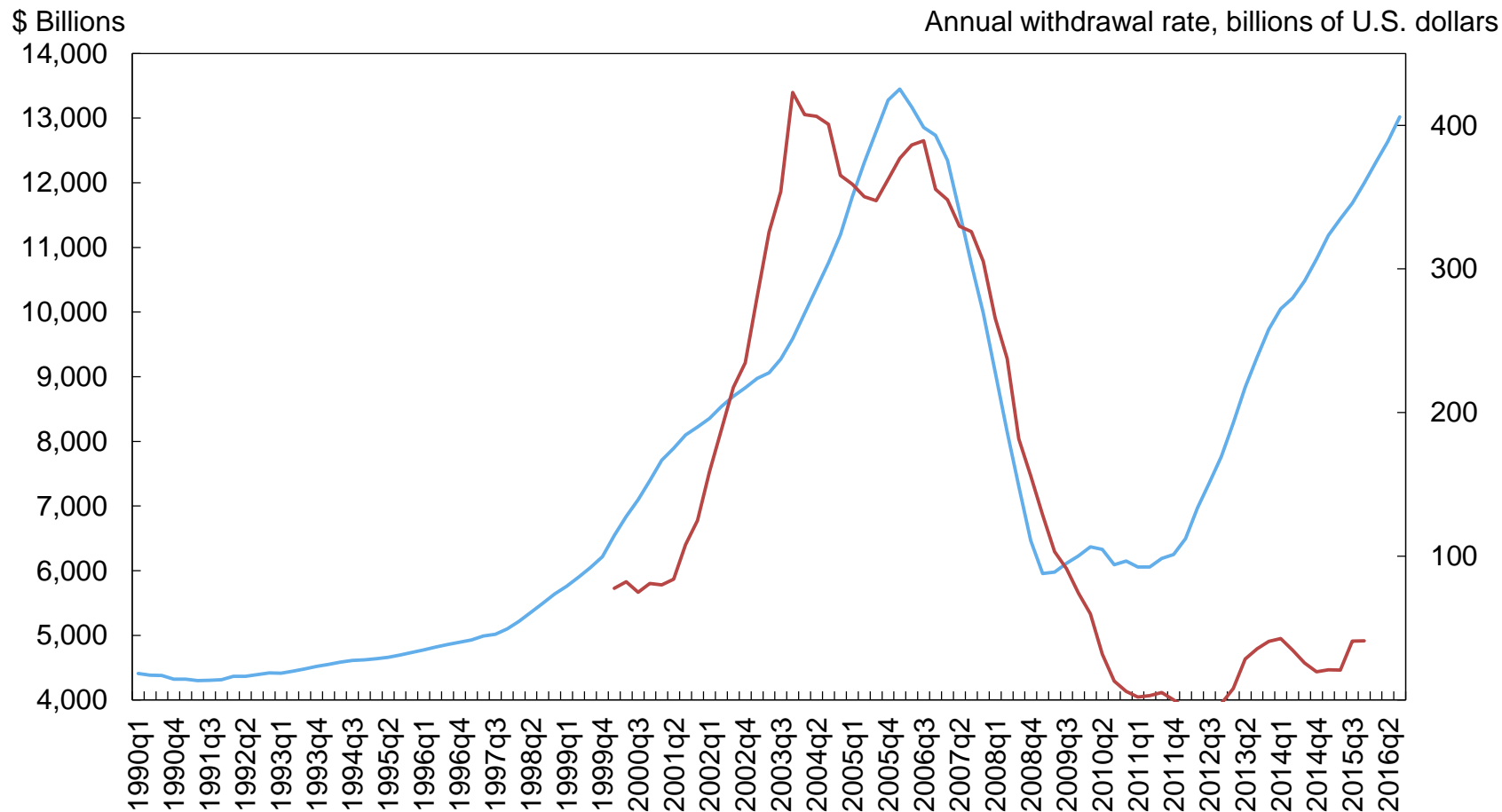
## Conclusion

- Slight recovery in homeownership rates after long and steep decline.
- Outlook for homeownership unclear.
- Home prices and housing wealth have recovered in aggregate.
- But aggregate masks differences across age and credit score groups.

# **REFERENCE**

# Total Equity vs. Equity Withdrawal

— Households: Owners' Equity in Real Estate  
 — Mortgage balance change due to refinances and junior lien activity



Sources: Financial Accounts of the United States (Flow of Funds); New York Fed Consumer Credit Panel.