

For more information, contact:

**Stephanie Singer** 202-383-1050 [ssinger@realtors.org](mailto:ssinger@realtors.org) (<mailto:ssinger@realtors.org>)  
(<mailto:ssinger@realtors.org>)

## U.S. Will Remain a Nation of Homeowners

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ANAHEIM (November 12, 2011) – The U.S. will not become a nation of renters; there are just too many benefits, both financial and otherwise, to own versus rent. That's according to the combined findings of several recent studies presented during the "Buyer or Renter Nation?" session today at the [2011 Realtors® Conference & Expo](http://www.realtor.org/convention.nsf/pages/homepage?opendocument) (<http://www.realtor.org/convention.nsf/pages/homepage?opendocument>).

An analysis over a 31-year period across 23 metropolitan areas compared the ownership benefits in terms of appreciation and interest deductibility and the costs homeowners incur with downpayment, taxes, insurance and maintenance. When it was assumed that renters reinvested any savings in rent (versus a higher monthly mortgage payment), maintenance and downpayment, renters had a greater portfolio than buyers in 91 percent of the areas examined. However, when the model allowed renters to spend any savings rather than reinvest those savings, 84 percent of buyers came out ahead.

"We knew that homeowners, on average, accumulate more wealth than renters," said Ken Johnson, editor, Journal of Housing Research at Florida International University. Johnson spoke at the session and conducted the analysis with Eli Beracha. "These findings indicate that homeownership is a self-imposed savings plan. Not everyone should own a home, but from a financial perspective, people who are planning to stay in a property over the long term can benefit from buying."

According to the [most recent data from the Federal Reserve Board](http://www.federalreserve.gov/pubs/oss/oss2/2007/bull09_SCF_nobkgdscreen.pdf) ([http://www.federalreserve.gov/pubs/oss/oss2/2007/bull09\\_SCF\\_nobkgdscreen.pdf](http://www.federalreserve.gov/pubs/oss/oss2/2007/bull09_SCF_nobkgdscreen.pdf)), a homeowner's net worth is 45.9 times that of a renter's.

Another analysis conducted by Johnson, Beracha, Hilla Skiba and Mark Hirschey determined that housing affordability is at record levels. Twenty-three states are at 30-year record levels of affordability based on price-to-income ratios, and all 50 states are at 30-year record affordability levels based on mortgage payment-to-income ratios.

"Homeownership is more affordable today than at anytime over the last 30 years," said Johnson.

Beyond the financial advantages of homeownership, Johnson also cited [several studies](http://www.realtor.org/research/research/homeownershipbenefits) (<http://www.realtor.org/research/research/homeownershipbenefits>) that have demonstrated how homeownership enhances civic pride, improves voter turnout, increases personal happiness, reduces crime, and provides a better familial environment.

"These findings are no surprise to Realtors®," said NAR President Ron Phipps, broker-president of Phipps Realty in Warwick, R.I. "We, like the nation's 75 million homeowners and many other who aspire to one day own a home, know homeownership is an investment in the future of our families, communities, and nation. That is why we will continue to fight for public policies that promote responsible, sustainable homeownership; we believe that anyone who is able and willing to assume the responsibilities of owning a home should have the opportunity to pursue that dream."

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