



Quick facts: Affordability over time

One in 6 households in the United States spend more than half of their income on housing. At Habitat for Humanity, we know that this problem is only getting worse. As housing costs have increased over the past decade, wages have remained stagnant. As a result, homeownership rates have decreased during that period, even as the number of households continues to increase. In fact, 67 percent of renters would prefer to own a home, assuming they had the financial resources to do so.²

The number of households increased by around 940,000 a year between 2005 and 2015, bringing the total number of households in the U.S. to 118.3 million in 2015. The number of renter households increased to 43.9 million between 2005 and 2015, a 29 percent rise. The total number of homeowners decreased to 74.4 million in 2015.¹

The number of low-income households increased by 440,000 a year between 2005 and 2015, bringing the total number of low-income households to 27.9 million in 2015.

The Harvard Joint Center for Housing Studies suggests that the increased number of rental households is due to increased housing prices.² According to the Federal Reserve, the national average home sales price in the U.S. increased by 35.9 percent (\$105,500) between 2005 and 2017.³

Between 1990 and 2016, the number of units renting for \$800 or less per month decreased by 2.5 million. During this same period, the number of renters earning \$32,000 or less — thus requiring monthly rent at or below \$800 to avoid being cost-burdened — increased by 5 million households.⁴ As the graph below shows, the monthly rent in newly constructed multifamily housing is increasingly out of reach for low-income families.

Snapshot

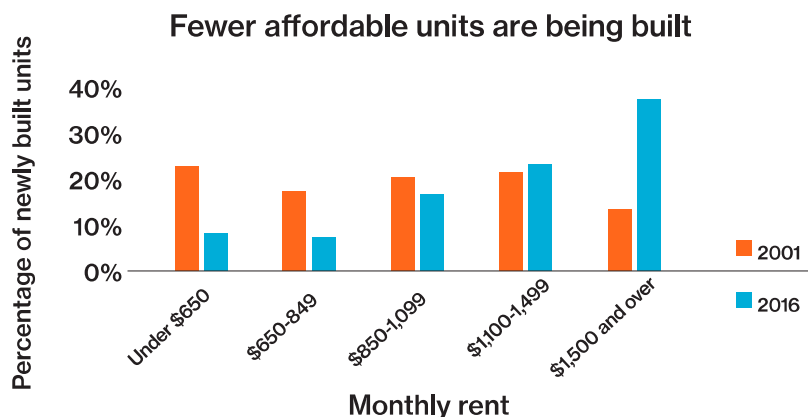
The **homeownership rate decreased** from 69 percent in 2005 to 64 percent in 2017.³

Annual median household **income increased by only 5.5 percent**, or \$3,200, between 2005 and 2017.³

In the lowest-cost neighborhoods, average home values grew from about \$179,000 in 2012 to \$297,000 in 2017. This is a **66 percent increase in the cost of housing** over five years.²

Helpful definitions

- **Lowest-cost units** are those selling for 74 percent or less of the median sales price.
- **Low-income households** are those with incomes less than 80 percent of the average median income in their area.



Previous cost and income data have been adjusted for inflation.

¹ *Trends in Housing Problems and Federal Housing Assistance*. Urban Institute. <https://www.urban.org/sites/default/files/publication/94146/trends-in-housing-problems-and-federal-housing-assistance.pdf> (2017).

² *The State of the Nation's Housing 2018*. Joint Center for Housing Studies of Harvard University. http://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2018.pdf (2018).

³ Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/>

⁴ <https://shelterforce.org/2018/10/03/same-challenges-bigger-numbers-30-years-of-reporting-on-the-state-of-the-nations-housing>