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Snapshot of Home Ownership in Local Housing Markets
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In March 2012, NAHB published a special study allowing readers to compare local housing markets. The article provided statistics based on the 2010 American Community Survey (ACS) for all metropolitan areas in the United States. The purpose of this study is to update the previous report using data from the recently released 2012 ACS.

The ACS is an annual survey conducted by the Census Bureau. The survey provides economic and demographic characteristics of local areas across the United States.

Consistent with the 2012 report, this paper highlights the following statistics from the ACS:

- Population
- Number of owner-occupied housing units
- Homeownership rate
- Homeowner vacancy rate
- Share of homes that are single-family detached
- Value of homes owned
- Income of homeowners
- Share of homes recently built

The level of geography selected for this analysis is referred to in this report as metropolitan area. The metropolitan area corresponds to the Metropolitan Statistical Area (MSA) and Metropolitan Division (metro division) as defined by the U.S. Office of Management and Budget. The metropolitan area is an aggregation of counties that share a local labor and housing market based on local commuting patterns.

The following sections provide the top metropolitan areas for each of the nine key housing market statistics. A complete list with the nine statistics for all metropolitan areas in the U.S. is available in a separate spreadsheet.

Number of Homes

The metropolitan area with the most owner-occupied units is the Chicago-Joliet-Naperville, IL (Chicago) metro division with just over 1.8 million units (Figure 1). The Chicago metro division has more owner-occupied units than the metro divisions of New York-White Plains-Wayne NY-NJ (New York) and Los Angeles-Long Beach-Glendale, CA (Los Angeles) which are both more populous.

The Chicago metro division has a large population with a homeownership rate of 63.3% which is slightly below the national average of 64.7%. The New York and Los Angeles metro divisions have large populations with relatively low homeownership rates.

The ACS typically produces lower homeownership rates than other government data sources like the Housing Vacancy Survey (HVS). NAHB believes this is due to the extensive follow-up interviews conducted with the ACS which classifies

fewer units as vacant and more as occupied (probably differentially owner-occupied), although the Census Bureau has not yet confirmed this assertion. The HVS is more timely, but the ACS has more geographic detail.

Figure 1 - Largest Metropolitan Housing Markets
(Number of Owner-Occupied Units)

1 Chicago-Joliet-Naperville, IL – Metro Division – 1,814,279 units

2	New York-White Plains-Wayne, NY-NJ Metro Division	1,670,606
3	Los Angeles-Long Beach-Glendale, CA Metro Division	1,481,122
4	Houston-Sugar Land-Baytown, TX Metro Area	1,288,302
5	Atlanta-Sandy Springs-Marietta, GA Metro Area	1,227,569
6	Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Division	1,005,873
7	Philadelphia, PA Metro Division	984,992
8	Phoenix-Mesa-Glendale, AZ Metro Area	954,941
9	Dallas-Plano-Irving, TX Metro Division	904,726
10	Minneapolis-St. Paul-Bloomington, MN-WI Metro Area	900,327

Homeownership Rates

The homeownership rate is calculated by taking the total number of owner-occupied units divided by the total number of occupied units for a specified geography. Occupied units can either be rented or owned. Therefore, a high homeownership rate implies a low rental rate.

According to the 2012 ACS, the metropolitan area with the highest homeownership rate is Barnstable Town, MA at 81.6% (Figure 2). The national homeownership rate during the same time period is 64.7%.

With the exception of Nassau-Suffolk, NY, metropolitan areas in the top ten have populations less than 100,000. Eight of the top ten metropolitan areas have median home values below the national figure.

Figure 2 - Highest Homeownership Rates
(Number of Owner-Occupied/Number of Occupied Units)

1 Barnstable Town, MA – Metro Area – 81.6%

2	Punta Gorda, FL Metro Area	79.8
3	Nassau-Suffolk, NY Metro Division	79.6
4	Holland-Grand Haven, MI Metro Area	78.3
5	Bay City, MI Metro Area	77.5
6	Monroe, MI Metro Area	77.1
7	Houma-Bayou Cane-Thibodaux, LA Metro Area	76.4
8	Idaho Falls, ID Metro Area	76.2
9	Palm Coast, FL Metro Area	75.9
10	Johnstown, PA Metro Area	75.8

According to the 2012 ACS, the metropolitan area with the lowest homeownership rate is the New York metro division at 38.8% (Figure 3). The three areas with the lowest homeownership rates (New York, NY, Los Angeles, CA and San Francisco, CA) are heavily populated metropolitan areas with median home values well above the national figure.

In addition, three of the ten areas with the lowest homeownership rates are home to large universities which place a heavy demand on rental units. Group quarters such as dormitories are included in the ACS which also pushes homeownership rates lower in these areas.

The Manhattan, KS metro area is home to Kansas State University. The Lawrence, KS metro area is home to the University of Kansas. The College Station-Bryan, TX metro area is home to Texas A&M University.

Figure 3 - Lowest Homeownership Rates
(Number of Owner-Occupied/Number of Occupied Units)

1 New York-White Plains-Wayne, NY-NJ – Metro Division – 38.8%

2	Los Angeles-Long Beach-Glendale, CA Metro Division	45.8
3	San Francisco-San Mateo-Redwood City, CA Metro Division	47.6
4	Salinas, CA Metro Area	48.8
5	Hanford-Corcoran, CA Metro Area	49.0
6	Manhattan, KS Metro Area	49.4
7	Lawrence, KS Metro Area	51.0
8	College Station-Bryan, TX Metro Area	51.1
9	Fresno, CA Metro Area	51.4
10	Santa Barbara-Santa Maria-Goleta, CA Metro Area	51.7

Vacancy Rates

The homeowner vacancy rate is calculated by taking the total number of vacant units intended for owner-occupancy divided by the total number of owner-occupied units. A low vacancy rate indicates a tight housing market where demand for owner-occupied units is high relative to supply.

The metropolitan area with the lowest homeowner vacancy rate in 2012 is Bismarck, ND with a rate of 0.2% (Figure 4). The metro area is a new entrant to the top ten due in large part to the state's ongoing energy boom. The figure is well below the national homeowner vacancy rate of 2.0%.

There is considerable churn in the list from year-to-year as local economic conditions shift. Alexandria, LA is the only metropolitan area to appear in both the 2010 and 2012 lists.

Figure 4 - Tightest Metropolitan Housing Markets
(Lowest Homeowner Vacancy Rates)

1 Bismarck, ND – Metro Area – 0.2%

2	Manchester-Nashua, NH Metro Area	0.3
3	Fond du Lac, WI Metro Area	0.4
4	Alexandria, LA Metro Area	0.5
5	Springfield, IL Metro Area	0.5
6	St. Cloud, MN Metro Area	0.5
7	Wheeling, WV-OH Metro Area	0.6
8	San Jose-Sunnyvale-Santa Clara, CA Metro Area	0.6
9	Chico, CA Metro Area	0.7
10	Lafayette, LA Metro Area	0.7

Eight of the ten metropolitan areas in the list have fewer than 100,000 owner-occupied housing units. This suggests it may also be useful to examine metropolitan areas with more housing units.

The tightest metropolitan area with at least 500,000 owner-occupied housing units is the Seattle-Bellevue-Everett, WA metro division with a rate of 1.1% (Figure 5). Again, there is considerable churn in the list from the prior report. In the prior report, for example, Seattle-Bellevue-Everett, WA had a homeowner vacancy rate of 2.5% and did not make the top ten.

Figure 5 - Tightest Large Metropolitan Housing Markets
(Metropolitan Areas with at least 500,000 Owner-Occupied Units)

1 Seattle-Bellevue-Everett, WA – Metro Division – 1.1%

2	Santa Ana-Anaheim-Irvine, CA Metro Division	1.2
3	Edison-New Brunswick, NJ Metro Division	1.2
4	Denver-Aurora-Broomfield, CO Metro Area	1.2
5	Dallas-Plano-Irving, TX Metro Division	1.3
6	Oakland-Fremont-Hayward, CA Metro Division	1.3
7	Minneapolis-St. Paul-Bloomington, MN-WI Metro Area	1.3
8	Nassau-Suffolk, NY Metro Division	1.4
9	Los Angeles-Long Beach-Glendale, CA Metro Division	1.4
10	Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Division	1.4

Single Family Concentration

The share of homeowners living in single-family detached housing is calculated by taking the total number of single-family detached units divided by the total number of owner-occupied units. The figure gives a snapshot of the housing stock for a specified geography.

The metropolitan area with the highest share of homeowners living in single-family detached housing is Wausau, WI with 96.2% (Figure 6). The national share of homeowners living in single-family detached housing is 82.3%.

With the exception of Modesto, CA, all of the metropolitan areas in the top ten are located in the Midwest. All metropolitan areas in the top ten have median home values below the national figure. The median value of owner-occupied housing units for the entire United States in 2012 was $171,900.

Figure 6 - Metropolitan Areas with Greatest Single-Family Concentration
(Share of Homeowners Living in Single-Family Detached Housing)

1 Wausau, WI – Metro Area – 96.2%

2	Modesto, CA Metro Area	94.0
3	Green Bay, WI Metro Area	94.0
4	Decatur, IL Metro Area	93.9
5	Fort Wayne, IN Metro Area	93.8
6	Omaha-Council Bluffs, NE-IA Metro Area	93.7
7	Lafayette, IN Metro Area	93.5
8	Lima, OH Metro Area	93.5
9	Appleton, WI Metro Area	93.4
10	Canton-Massillon, OH Metro Area	93.2

Home Values

The metropolitan area with the highest median home value is San Francisco-San Mateo-Redwood City, CA at $719,800 (Figure 7). Eight of the top ten metropolitan areas are in California.

Nine of the ten metropolitan areas on the list have homeownership rates well below the national figure. The strong negative correlation between homeownership rates and median home values is not surprising. The relationship between housing affordability and homeownership is well documented.

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Figure 7 - Metropolitan Areas with Highest Home Values
(Based on Median Value of Homes Owned)

1 San Francisco-San Mateo-Redwood City, CA – Metro Division – $719,800

2	San Jose-Sunnyvale-Santa Clara, CA Metro Area	624,200
3	Honolulu, HI Metro Area	563,600
4	Santa Cruz-Watsonville, CA Metro Area	545,700
5	Santa Ana-Anaheim-Irvine, CA Metro Division	492,200
6	New York-White Plains-Wayne, NY-NJ Metro Division	450,300
7	Oakland-Fremont-Hayward, CA Metro Division	435,800
8	Oxnard-Thousand Oaks-Ventura, CA Metro Area	413,100
9	San Luis Obispo-Paso Robles, CA Metro Area	410,900
10	Santa Barbara-Santa Maria-Goleta, CA Metro Area	409,700

Owners' Income

The metropolitan area where homeowners have the highest median income is San Jose-Sunnyvale-Santa Clara, CA at $115,297 (Figure 8). The top employers in this metropolitan area include tech giants such as Cisco Systems, eBay, IBM, and Adobe Systems. Three of the top ten median homeowner income metropolitan areas are in California.

High income metropolitan areas tend to be in higher population areas. Eight of the top ten median homeowner income metropolitan areas have populations greater than 1 million.

There is also a relationship between median home values and median household income. Three metropolitan areas in figure 8 also appear in figure 7.

Figure 8 - Metropolitan Areas with Highest Homeowners' Income
(Based on Owners' Median Household Income)

1 San Jose-Sunnyvale-Santa Clara, CA – Metro Area – $115,297

2	Bethesda-Rockville-Frederick, MD Metro Division	114,444
3	Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Division	111,816
4	San Francisco-San Mateo-Redwood City, CA Metro Division	110,663
5	Cambridge-Newton-Framingham, MA Metro Division	105,786
6	Bridgeport-Stamford-Norwalk, CT Metro Area	104,790
7	Nassau-Suffolk, NY Metro Division	102,632
8	Oakland-Fremont-Hayward, CA Metro Division	101,124
9	Newark-Union, NJ-PA Metro Division	100,067
10	Boulder, CO Metro Area	97,690

New Construction

The share of new owner-occupied units is calculated by taking the total number of owner-occupied housing units built since 2000 divided by the total number of owner-occupied housing units. The number indicates how fast the stock of owner-occupied housing is growing.

The metropolitan area with the highest share of new owner-occupied units is Palm Coast, FL with 46.3% (Figure 9). The Palm Coast figure is well above the national share of new owner-occupied units of 17.0%.

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Figure 9 - Metropolitan Areas with Highest Share of Owner-Occupied Units Built since 2000

1 Palm Coast, FL – Metro Area – 46.3%

2	St. George, UT Metro Area	40.1
3	Greeley, CO Metro Area	38.7
4	Provo-Orem, UT Metro Area	36.8
5	Las Vegas-Paradise, NV Metro Area	36.8
6	Austin-Round Rock-San Marcos, TX Metro Area	35.6
7	Dover, DE Metro Area	35.3
8	Myrtle Beach-North Myrtle Beach-Conway, SC Metro Area	34.5
9	Yuma, AZ Metro Area	34.2
10	Raleigh-Cary, NC Metro Area	34.1

The demand for new housing will depend on many factors including demographic and economic characteristics. Although the local areas experienced significant economic growth in recent years, no other characteristics from the eight provided appear to be shared. In fact, three of the ten have a population greater than 1 million while four have a population below 200,000.The metropolitan areas with the highest share of new owner-occupied units are scattered from Delaware to Utah.

The metropolitan area with the lowest share of new owner-occupied units is Binghamton, NY with 4.2% (Figure 10). Four of the ten metropolitan areas on the list are located in New York.