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Open House

History shows shift toward urbanization, homeownership

Housing market stays strong amid weak economy

By JAMES M. WOODARD
COPLEY NEWS SERVICE

The first quarter of the new year is a good time to look at demographics and housing to gain a perspective in the evolving real estate marketplace.

Before 1950, more than half of our nation's population occupied housing that was rented, not owned. After 1950, the trend turned around and thereafter most families and individuals owned their homes, according to the U.S. Census Bureau.

Generally, the homeownership rate has continued to grow, except for a period in the 1980s when there was a slight decrease. Today, it's climbed to a record 67 percent.

The proportional share of one-person households increased more than households of any other size. In 1950, one-person households represented 1-in-10 households. They now comprise 1-in-4.

The Census Bureau noted some interesting facts about our population and demographics.

For example, at the beginning of the 20th century, more than half of the U.S. population was male. Most citizens were younger than 23 years old and resided outside of metropolitan areas.

Today, more than half our population is female, is older than 35, and lives within metropolitan areas.

In every decade of the past century, the population in the West increased more rapidly than that of any other region. However, Florida's population most, from 10th to 30th.

Today in our evolving marketplace, our economy is struggling to gain momentum, but the housing market has remained surprisingly strong.

One factor contributing to the strength of the home-building industry, in addition to low interest rates, is the strong population growth and associated expansion in new households over the last decade, according to The Meyers Group, a noted research and consulting firm.

As the nation emerged from recession in the early 1990s, the home-building industry was slow to respond to improved economic and employment conditions. Even as home builders boosted construction activity over the past five years to levels not seen since the mid-1980s, the ratio of home-building permits to household growth remained below the 40-year average.

The ratio of housing permits to household growth has stayed below the long-term average for more than a decade. This indicates that, despite lingering employment losses, our nation is still undersupplied in terms of housing.

Renter's woes

The key to making ends meet on \$6- or \$7-per-hour income is to find a housing unit to rent at no more than \$500 per month, according to a feature in Multifamily Trends magazine. That's an almost impossible challenge in a high-price housing market.

"Apartments used to be the main source of housing for working families but, in recent years, only government to the lowest-income working families are declining in numbers.

"Low-income-housing, tax-credit projects are on the increase, but these rent to people making considerably more than \$6 or \$7 per hour."

Land costs, impact fees, environmental constraints and building codes have taken their toll to the point where police, firefighters, nurses, teachers, municipal workers and office support staffers can no longer afford apartments near their jobs, the magazine noted.

Q. Should a person's "credit score" be checked for accuracy from time to time?

A. Definitely. A recent report from the Consumer Federation of America indicates that there are problems in our credit-scoring system. The problem could directly affect a person's ability to qualify for a home mortgage or obtain the most favorable terms in a home financing loan.

The report reveals that there are many cases where inaccurate and incomplete information is retained in consumers' credit files.

It's a good idea to examine credit files annually to be sure all information is correct and current. The information will determine a consumer's credit score, and that will be a major factor in his or her ability to obtain the best possible mortgage.

The three major credit groups to check are Equifax (800-685-1111), Experian (888-experian), and TransUnion (800-888-4213).

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