



UNIDOSUS

HOME

HOME OWNERSHIP MEANS EQUITY

Building California's Future:
Latino Homeownership



STRONGER COMMUNITIES. STRONGER AMERICA.

UnidosUS is a nonprofit, nonpartisan organization that serves as the nation's largest Hispanic civil rights and advocacy organization. Since 1968, we have challenged the social, economic, and political barriers that affect Latinos through our unique combination of expert research, advocacy, programs, and an [Affiliate Network](#) of nearly 300 community-based organizations across the United States and Puerto Rico. We believe in an America where economic, political, and social progress is a reality for all Latinos, and we collaborate across communities to achieve it.

In California, there are 68 Affiliates, 39 of which provide wealth-building services and six that are HUD-Approved Housing Counseling Agencies.

For more information on UnidosUS, visit www.unidosus.org or follow us on [Facebook](#), [Instagram](#), [LinkedIn](#), and [Twitter](#).

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Building California's Future: Latino Homeownership

September 2023

EXECUTIVE SUMMARY

In June of 2023, UnidosUS launched its [Home Ownership Means Equity \(HOME\)](#) initiative, which set the bold goal of adding four million new Latino* homeowners by 2030. This goal is driven primarily by the understanding that homeownership has the unique ability to stabilize communities, bridge the wealth gap, and strengthen the U.S. economy. The HOME initiative is making targeted investments, through its HOMEownership Solutions Network, into various markets that offer housing opportunities for prospective Latino homebuyers and builders.



Nationally, homeownership rates reflect economic vitality and the financial security of families. When homeownership is rising, job markets tend to be strong and wages and tax payments increase, which are signs of a healthy and growing economy. California is the most populous state in the U.S. and—by some measures—if it were a country it would rank among the top five economies in the world. However, the size of California's economy can overshadow troubling weaknesses. For example, California has the second-lowest homeownership rate among U.S. states, with implications for long-term economic risks for all Californians, in both reduced tax revenue and weakened community safety nets.

Given demographic trends in California, examining the homeownership status of Latinos throughout the state can help to illustrate the systemic problems that Californians are facing which could result in deeper economic troubles in the coming years. At a median age of 30.2, Latinos in California are entering into prime “homebuying” ages yet are often locked out of homeownership opportunities.¹ A failure to address the systemic barriers to homeownership for Latinos today could devastate California tomorrow and affect our nation's economy.

* The terms “Hispanic” and “Latino” are used interchangeably by the U.S. Census Bureau and throughout our materials to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race. Our materials may also refer to this population as “Latinx” to represent the diversity of gender identities and expressions that are present in the community.



KEY FINDINGS

In California, the Latino homeownership rate lags far behind the non-Hispanic white homeownership rate and contributes to the racial-ethnic wealth divide in the state. In 2021, only 45.4% of California's Latinos were homeowners—18 percentage points lower than that of California's non-Hispanic white population (63.6%).

At a 45.4% homeownership rate, Latinos in California trail behind the national Latino rate of 49.4%. Latino homeownership in California heavily influences the national outlook for the Latino community. California is home to 25% of the U.S. Latino population. Therefore, national efforts to increase Latino homeownership cannot be successful without a substantial increase in the number of Latino homeowners in the nation's most populous Latino state.

Latinos are driving growth in homeownership throughout the state. Between 2013 and 2021, Latinos accounted for 76% of homeownership growth, adding 301,367 new owner households. Additionally, despite significant increases in home prices, Latinos added 174,228 new owner households to California's economy between 2018 and 2021. A quarter of owner households in California are currently headed by a Latino.

Incomes are not growing at the same rate as home price appreciation, which is a major obstacle for Latino homeownership. From 2016 to 2021, home prices appreciated by 49%, while median household incomes for Latinos only rose by 37% during that same period. Steep home price appreciation and lower incomes make homeownership difficult even for those who have the credit characteristics to qualify for a mortgage.

Low housing supply in key markets also weighs down the Latino homeownership rate in California. While there are 1.9 million Latinos aged 18–45 in California who are considered “mortgage ready,” there are not enough homes to meet demand.



Targeted investments in key regions can unleash the potential for Latinos to own homes. The Riverside-San Bernardino-Ontario market, coupled with a subset of Central Valley markets, boast the greatest opportunity markets in the state for further homeownership growth.

Recommendations for California Policymakers

1. Boost housing supply.
2. Incentivize development of entry-level housing.
3. Expand significant budgetary investments for homeownership.
4. Improve homebuyer readiness.
5. Expand down payment assistance programs.

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SECTION 1: LATINO HOMEOWNERSHIP TRENDS IN CALIFORNIA

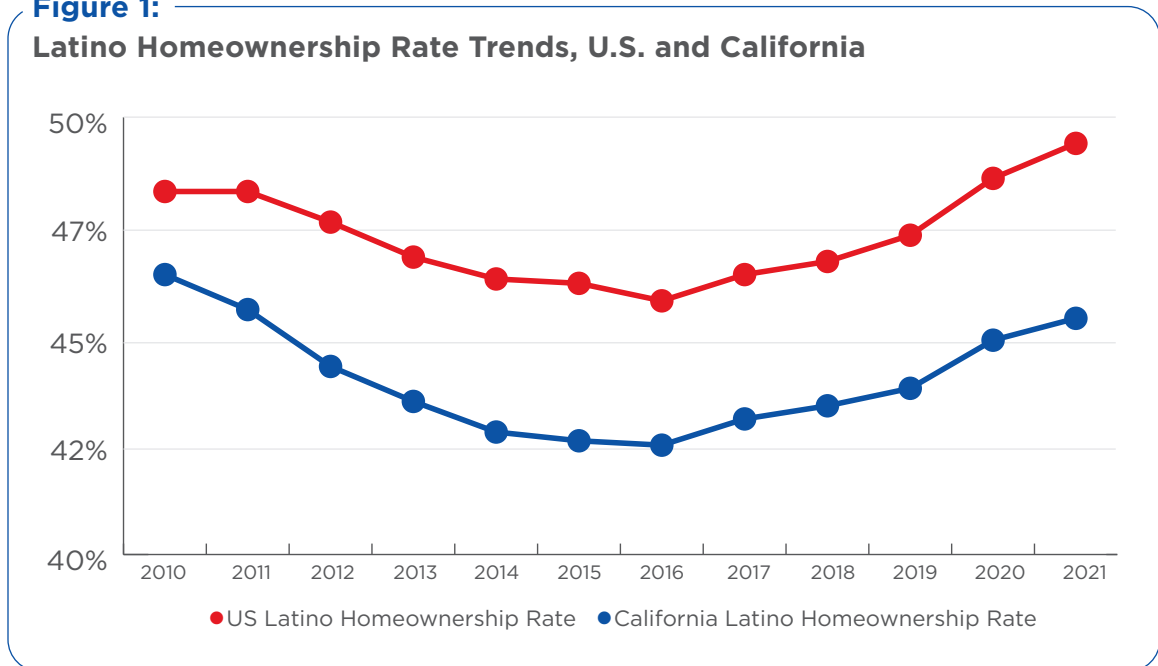
DESPITE FIVE CONSECUTIVE YEARS OF HOMEOWNERSHIP GROWTH, CALIFORNIA LATINOS LAG BEHIND NATIONAL LATINO TRENDS.

	Total
U.S. Latino Homeownership	49.4%
California Latino Homeownership	45.4%
California non-Hispanic white Homeownership	63.6%

According to the most recent U.S. Census data, Latinos in California reached a 45.4% homeownership rate in 2021. This is nearly 18 percentage points lower than their non-Hispanic white counterparts (63.6%) in the state and trails the national Latino homeownership rate of 49.4%.²

During the Great Recession (2007 to 2009), Latinos in California experienced some of the steepest declines in homeownership rates in the country. As a result, they took longer to recover from the economic crisis, weighed down further by California's severe housing shortage. So, while Latinos in California have increased their homeownership rate over the past five consecutive years, these increases occurred on the heels of great loss. To illustrate, the gap between the Latino homeownership rate in California and the Latino homeownership rate nationwide grew from 1.9 percentage points in 2010, to four percentage points in 2021.³

Figure 1:
Latino Homeownership Rate Trends, U.S. and California



IN SPITE OF AFFORDABILITY CHALLENGES, LATINOS DRIVE HOMEOWNERSHIP GROWTH IN CALIFORNIA.

“ Given the youth of the Latino population, **California relies on Latinos to drive the lion’s share of the state’s new homeowners.**”

In the aftermath of the Great Recession, Latinos have played an outsized role in driving growth for California’s real estate market (leading in the share of new homeowners). Between 2013 and 2021, Latino new owner households increased by 301,367, which accounted for 76% of California’s overall homeownership growth. Even during the severe affordability challenges between 2018 and 2021, 174,228 Latino new owner households were added to California’s economy, while the number of non-Hispanic white new owner households decreased by 99,655. Latinos are the main drivers and source of any potential growth in homeownership in California’s future.⁴



FOR LATINOS, HOMEOWNERSHIP GROWTH DEPENDS ON LOCATION.

Latino homeownership growth in California has varied throughout the state, with growth primarily occurring in more affordable markets in the Inland Empire and the Central Valley. The Inland Empire market (Riverside-San Bernardino-Ontario) boasts the state’s highest Latino homeownership rate at 59.6%. To underscore this region’s significance in driving homeownership growth for Latinos, the Riverside-San Bernardino-Ontario metropolitan statistical area (MSA) added the most net new homeowners, not only in the state but also the country—creating 82,640 new Latino homeowners between 2010 and 2021. The Inland Empire produced almost twice as many new Latino households than the Greater Los Angeles region, which came in second at 45,041 new Latino owner households over the same period.⁵

Other markets in California with high Latino homeownership rates include those in the Central Valley, such as Madera (55.4%) and Modesto (52.7%), El Centro in the Imperial Valley (55.3%), and Vallejo in the Bay Area (55.1%). Both the Yuba City and Napa markets increased their homeownership rates by seven percentage points since 2018, the highest in the state.⁶

While most California metro areas saw an increase in Latino homeowners over the past decade, the San Jose-Sunnyvale-Santa Clara market experienced a 5.4% decline of Latino owner households, the only market to see a net loss in the state.⁷

Table 2: Most New Latino Homeowners in California, by Metropolitan Statistical Area (MSA) Market 2010–2021

Market	2010–2021 Net New Latino Homeowners Added
Riverside-San Bernardino-Ontario	82,640
Los Angeles-Long Beach-Anaheim	45,041
San Diego-Chula Vista-Carlsbad	18,662
Sacramento-Roseville-Folsom	18,087
Bakersfield	15,431

Source: U.S. Census Bureau, 2021 and 2010 American Community Survey 5-Year Estimates.

Table 3: MSA Markets with the Lowest Latino Homeownership Rates, 2021

Market	Rates by Demographic Group		
	Latino	General Population	Non-Hispanic White
Los Angeles-Long Beach-Anaheim	39.5%	48.8%	57.3%
San Jose-Sunnyvale-Santa Clara	40.2%	56.5%	63.7%
Santa Cruz-Watsonville	40.2%	60.5%	67.8%
Salinas	41.1%	51.7%	62.3%
San Diego-Chula Vista-Carlsbad	41.1%	54.1%	61.5%

Source: U.S. Census Bureau. 2021 American Community Survey 5-Year Estimates.

Table 4: Congressional and State Legislative Districts with Highest and Lowest Latino Homeownership Rates⁸

	Congressional Districts	State Senate	State Assembly
Highest Latino Homeownership Rates	CD-42 67.8% Cities: Corona, Menifee, Lake Elsinore, and Murrieta	SD-21 63.4% Cities: Lancaster, Palmdale, and Victorville	AD-67 69.9% Cities: Canyon Lake, Hemet, Lake Elsinore, Menifee, Murrieta, and Wildomar
Lowest Latino Homeownership Rates	CD-34 19.8% Cities: Boyle Heights, Chinatown, Eagle Rock, and Koreatown	SD-24 21.5% Cities: East Los Angeles, Boyle Heights, Silver Lake, and Highland Park	AD-53 12.5% Cities: Koreatown, Vernon, Huntington Park, and Boyle Heights

Source: U.S. Census Bureau. 2021 American Community Survey 5-Year Estimates.

Congressional data is reflective of the 116th Congress. Elected officials and districts have changed through the years due to redistricting. Districts are used to highlight subsets of markets.

SECTION 2: LATINO POPULATION SEGMENTS

LATINAS PLAY AN IMPORTANT ROLE IN THE HOMEOWNERSHIP STORY IN CALIFORNIA.



According to data from the National Equity Atlas, more than two in every five (41%) Latinas in California owned a home in 2020. Latinas account for about 20% of California's population, making them the largest ethnic group in the state (39%).⁹ Moreover, 17.5% of all Latinas in California aged 25 and over in 2021 had a bachelor's degree, compared to 14.3% of their Latino male counterparts.¹⁰

However, the Latina homeownership rate for 2020 trailed behind other demographic groups: 21 percentage points lower than non-Hispanic white women (62%), six percentage points lower than their Latino male counterparts (47%), and four percentage points lower than the national Latina homeownership rate of 45%.¹¹

FOREIGN-BORN LATINOS FACE STEEPER CHALLENGES TO HOMEOWNERSHIP.

While the overwhelming majority of Latinos in California are U.S.-born,¹² citizenship status impacts overall homeownership rates. In California, 67.5% of Latinos are U.S.-born, compared to 32.5% who are foreign-born. When comparing homeownership rates among the two groups, U.S.-born Latinos have a 47% homeownership rate, five percentage points higher than their foreign-born Latino counterparts at 42%.¹³



SECTION 3: A SHARED ECONOMIC FUTURE

CALIFORNIA IS BECOMING INCREASINGLY LATINO.

Latino households are poised to drive homeownership growth in California. As the most populous Latino state in the nation, California is home to 15.6 million Latinos, representing 40% of the state's population. Between 2010 and 2021, Latinos accounted for 75.6% of California's population growth, with an increase of 2.1 million Latinos during that time period.¹⁴

In 2021, there were 3.98 million Latino households in California—representing 30% of the state's total households. Since 2010, Latinos have added a total of 672,810 net new households, accounting for 82% of net new household formations in the state. This growth happened while the non-Hispanic white and Black populations experienced a net loss of 414,042 households and 11,037 households, respectively.¹⁵

LATINOS ARE THE YOUNGEST DEMOGRAPHIC GROUP IN THE STATE.

Age is one of the most critical factors in understanding why Latino homeownership is growing despite outsized barriers. At a median age of 30.2,¹⁶ California's Latinos are just entering into the most important “homebuying” decade. A failure to address homeownership opportunities today creates a devastating slowdown of what could be one of the most pivotal opportunities for Latino wealth creation in California. As the youngest demographic in the state—which is seven years younger than the general population and 16.1 years younger than the non-Hispanic white population¹⁷—Latinos will continue to play a pivotal role in determining the state's current and future homeownership rates. For context, as of 2021, Latinos under 18 years of age in California made up more than half (51.7%) of the entire under-18 population in the state.¹⁸

LATINOS LEAN ON MULTIGENERATIONAL LIVING TO AFFORD HOMEOWNERSHIP.

Driven by a cultural proclivity for multigenerational living and by housing affordability constraints that force families to pool incomes, Latinos are more likely to live in multigenerational households¹⁹ compared to other demographic groups. Latinos in California are three times more likely to live in a multigenerational household than the non-Hispanic white population (18% vs. 5.8%) and approximately 1.5 times more likely than the general population (12%).²⁰



HOMEOWNERSHIP HAS ECONOMIC IMPLICATIONS FOR CALIFORNIA AND ITS LATINO POPULATION.

Homeownership continues to be the primary way Latinos build wealth in the U.S. According to the Hispanic Wealth Project, in 2019 Latino homeowners had a median household wealth of \$171,900 compared to just \$6,210 for Latino renters, or roughly 28 times the wealth of Latino renters.²¹ In 2021 California was home to 1.8 million Latino homeowners. One out of every four owner households in California are currently headed by a Latino. California's approach to access to homeownership will have a large impact on Latino aggregate wealth.

As of 2021, California had an alarmingly low homeownership rate, 55.5%—the second lowest in the nation and almost 10 percentage points lower than the national rate of 64.6%.²² The low homeownership rate is symptomatic of larger systemic issues, such as low housing supply and affordability challenges. According to research by the Turner Center for Housing Innovation, the financial ability to afford a home²³ accounts for 55.6% of the difference in homeownership rates between residents of Californians 25–75 years of age and the rest of the U.S.²⁴

As California grapples with competing priorities, growing homelessness, and housing insecurity crises, it is important to understand that housing challenges occur on a spectrum and are interdependent. While there is a housing shortage across the board, the severe underproduction of entry-level housing has a downstream effect on all housing types.²⁵ Limited access to homeownership translates to individuals staying as renters for longer, which further creates stressors on the state as more households require affordable housing to remain housed, further impacting the growing unhoused population. California needs to build all housing types, including entry-level housing for sale. A low homeownership rate also poses long-term economic risks to the state, as homeownership increases tax revenues that pay for the state's infrastructure, education, and affordable housing production. Homeownership is a stabilizing force for communities and has the power to strengthen safety nets for families. In addition, higher homeownership rates have also been linked to better education, health, and civic participation outcomes for individuals living in owned households.²⁶

Because Latinos are a large and growing number of all workers, families, taxpayers, and households throughout California, the economic status of the Latino community will increasingly influence economic conditions in the state. Investing in the economic potential of the Latino community is not only good for Latino families but also for all Californians.

MAPPING OUT THE FUTURE FOR LATINO HOMEOWNERSHIP RATES.

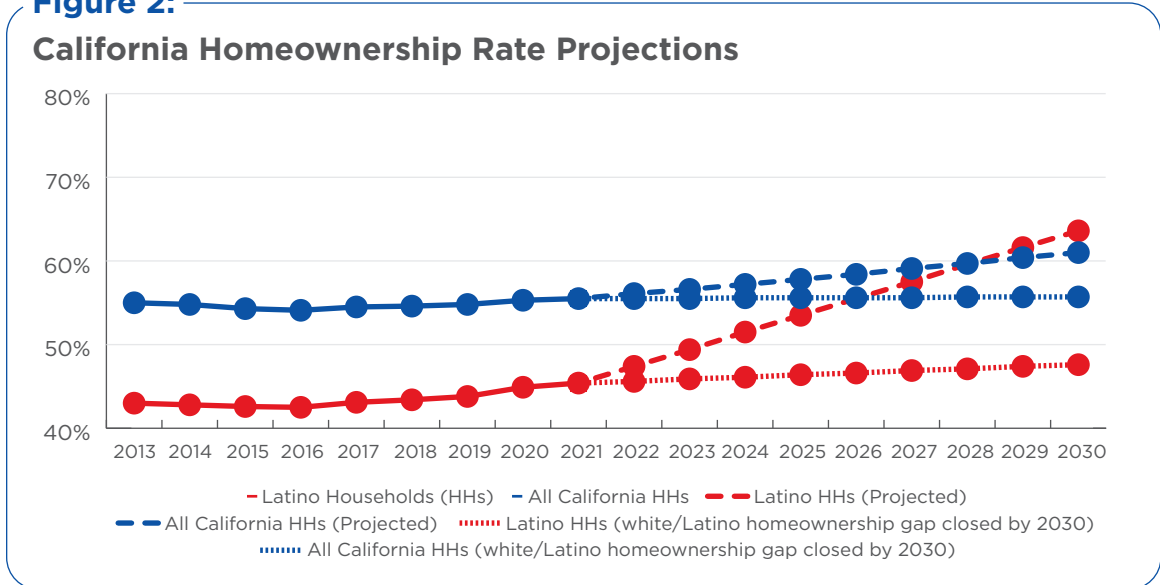
Considering the impact of the Latino population on the state's macro economy, closing the Latino/non-Hispanic white homeownership gap could significantly boost the state's overall homeownership rate in California by more than five percentage points.²⁷



The graph below shows two scenarios for how homeownership rates in the state could change by 2030. With no intervention, as shown by the dotted line, the Latino homeownership rate would be 47.6% by 2030, with the overall homeownership rate in California remaining at roughly the same rate it is

today (55.7%). In the second scenario, displayed by the dashed line, if in 2030 the Latino homeownership rate were to match the current non-Hispanic white homeownership rate of 63.6%, the overall homeownership rate in California would increase 49.4%²⁸ to 61% in 2030, closer to what the national rate is today.²⁹

Figure 2:
California Homeownership Rate Projections



SECTION 4: LOW HOUSING SUPPLY AND LOWER WAGES DRIVE AFFORDABILITY CONSTRAINTS

As the average Latino enters critical “would-be” homebuying years, California becomes less conducive to first-time homebuyers achieving the American Dream.

According to [Redfin](#), the median-priced home in California reached \$766,000 in April of 2023 which, while down from its peak at \$838,000 a year ago, is still unaffordable to the average Latino household.³⁰ Meanwhile, 52% of California’s renters are cost-burdened,³¹ further limiting their ability to save for a down payment.

The Los Angeles-Long Beach-Anaheim market is the least affordable for Latinos. Even before considering barriers to saving for a down payment, the monthly costs required to sustain a mortgage given home prices make homeownership unsustainable for many Latinos in the Greater Los Angeles area. As such, while the Latino median household income for the metro was \$66,905 in 2021,³² the median monthly housing cost for owner-occupied homes with a mortgage was \$2,796.³³ This means that, on average, the median Latino household would have to pay 50% of their monthly income toward housing costs as homeowners.

CALIFORNIA HAS THE MOST UNAFFORDABLE MARKETS IN THE COUNTRY FOR LATINOS.

According to the National Association of Hispanic Real Estate Professionals, seven of the top 10 most unaffordable markets for Latinos are in California.³⁴ This calculation considers the difference between the median Latino household income in the market and the income needed to afford the median-price home. Below is a list of the difference between the median Latino household income in the market and the income needed to afford the median-price home in major cities.

- San Francisco-San Mateo-Redwood City, CA (-\$152,500)
- San Jose-Sunnyvale-Santa Clara, CA (-\$147,400)
- Oakland-Berkeley-Livermore, CA (-\$78,700)
- Anaheim-Santa Ana-Irvine, CA (-\$72,700)
- Los Angeles-Long Beach-Glendale CA (-\$63,800)
- San Diego-Chula Vista-Carlsbad, CA (-\$62,500)
- Oxnard-Thousand Oaks-Ventura, CA (-\$62,400)

INCOMES LAG BEHIND HOME APPRECIATION.

Incomes have not kept pace with drastic increases in home price appreciation. Although Latino households in California have a 14.5% higher median household income than their national counterparts, the Latino median household income in California remains relatively low compared to its non-Hispanic white counterparts (\$67,327 and \$96,449, respectively).³⁵ Between 2016 and 2021, the Latino median household income grew by 37% while home prices appreciated by 49% during that same time period.

The most considerable increases in home price appreciation relative to income growth occurred in the state's most affordable markets. For example, home price appreciation increased more than fivefold relative to income increases in El Centro, and more than threefold in the Hanford-Corcoran area.



Table 5: Largest Home Price Appreciation Relative to Income Growth

Market	Latino Homeownership Rate (2021)	Latino Median Household Income (2021)	Income Appreciation (2016-2021)	Median Home Sales Price (2021)	Home Price Appreciation (2016-2021)	Percentage Rate of Appreciation Relative to Income Growth (2016-2021)
El Centro	55.3%	\$46,452	18%	\$302,182.38	115%	545.2%
Hanford-Corcoran	46.6%	\$51,966	35%	\$306,145.83	145%	318.2%
Bakersfield	52.3%	\$50,799	25%	\$310,882.08	50%	94.9%
Salinas	41.1%	\$68,058	35%	\$801,000.00	62%	75.7%
Santa Maria-Santa Barbara	40.4%	\$68,499	32%	\$833,224.67	56%	74.2%

Sources: U.S. Census Bureau 2021 American Community Survey 5-Year Estimates and [Redfin](#) Housing Market Data.



As affordability in the coastal and urban markets of Los Angeles, San Diego, and the Bay Area has worsened, household formation data signals that Latinos have been migrating inland toward more affordable areas of the state. Between 2010 and 2021, the Inland Empire saw a total of 152,341 new households, accounting for a quarter of all new Latino households in the state over the past decade. Since 2018, Los Angeles experienced a net loss of 12,086 Latino households while the Inland Empire saw an increase of 113,810.³⁶

In addition, Latinos accounted for the largest share of household formation growth in the Central Valley: 146% in the Visalia metro area and 138% in the Modesto metro area.³⁷

LOW HOUSING SUPPLY DRIVES UP HOUSING UNAFFORDABILITY.

“ California has the most severe housing deficit in the country, with a shortage of 977,654 homes compared to the national average shortage of 79,000 homes.”

According to Up for Growth, a national housing supply nonprofit, California has the most severe housing deficit in the country. Housing underproduction³⁸ has increased by 82% since 2012, to the point where California has reached a shortage of 977,654 homes. This is particularly concerning given that the average U.S. state has a housing deficit of 79,000 homes.³⁹ Restrictive zoning, permitting fees and delays, labor shortages, and building costs all contribute to the underproduction of homes. According to the Turner Center, land prices rose by 76% from 2000 to 2016 and construction materials rose by 4.4% in 2017. Additionally, in 2017, the national single-family construction price index rose by 5.6% and 6.3% for multifamily, which is more than twice the average annual increase of 2.7% between 1990 and 2000.⁴⁰



STARTER HOMES ARE MOST UNDERBUILT HOUSING

However, no housing product is more underbuilt in California than homes for sale—especially entry-level homes such as condos or townhomes. Given the costs to build housing—coupled with land constraints—condos and townhomes are some of the best options for first-time homebuyers. The median sale price of condos in March 2023 was \$621,700 but account for only about 15% of active listings, whereas single-family homes comprised about 77% of listings.⁴¹

SMALLER AND MORE AFFORDABLE HOMES ARE LACKING IN THESE KEY LATINO MARKETS.

Condos are most prevalent in Southern California's coastal markets and offer the most affordable options for first-time homebuyers in these markets, even while Latinos prefer larger units. In April of 2023, condos made up 21% of all listings in the Los Angeles and San Diego metro areas. These metros also have the highest share of townhome listings. But they still drastically lag behind the supply of single-family homes which are above the affordable price range for the median Latino household. Condos were 40% more affordable than a single-family home in Sacramento but only made up 7% of the market.⁴²

Table 6: Three Different Housing Types in Five Key Latino Markets (April 2023)

Market	Median Sales Price for all Residential	Single-Family	Condos	Townhomes
Los Angeles-Anaheim-Long Beach	Los Angeles: \$828K Anaheim: \$965K Available: 20,585	Los Angeles: \$870K Anaheim: \$1,200K Available: 13,137 64% of listings	Los Angeles: \$616K Anaheim: \$640K Available: 4,336 21% of listings	Los Angeles: \$705K Anaheim: \$800K Available: 1,142 6% of listings
San Bernardino-Riverside-Ontario	\$545K Available: 13,657	\$556K Available: 11,610 85% of listings	\$480K Available: 1,663 12% of listings	\$525K Available: 129 1% of listings
San Diego-Chula Vista-Carlsbad	\$840K Available: 4,564	\$935K Available: 3,002 66% of listings	\$575K Available: 936 21% of listings	\$710K Available: 421 9% of listings
Sacramento-Roseville-Folsom	\$550K Available: 4,446	\$550K Available: 3,911 88% of listings	\$337K Available: 318 7% of listings	\$345K Available: 62 1% of listings
Fresno	\$400K Available: 1,466	\$409K Available: 1,358 93% of listings	\$249K Available: 80 5% of listings	N/A

Source: [Redfin](#) Housing Market Data.



SECTION 5: AFFORDABILITY AND SUPPLY HURDLES FOR A LARGE MORTGAGE-READY POPULATION

“ Nearly one out of every four mortgage-ready Latinos in the U.S. ages 18–45 live in California: 1.9 million.”

There are 15.6 million Latinos in California, and 1.9 million Latinos ages 18–45 in the state who do not own homes are considered “mortgage-ready.”⁴³ This means nearly one out of every four (23%) mortgage-ready Latinos in the U.S. in this age range live in California.⁴⁴ These are individuals who have sufficient credit characteristics to qualify for a mortgage today but are not currently mortgage holders. However, that number decreases drastically to 246,230 mortgage-ready Latinos when only considering those who have sufficient incomes to afford homeownership where they live.⁴⁵

MARKETS WHERE MOST “MORTGAGE-READY” LATINOS LIVE.

The first set of markets tend to be California’s largest urban areas with the highest concentration of Latinos. For the most part, these markets also correspond with higher median incomes and are regions where the job market is strong. But they also tend to have homes that sell at higher prices than other markets and have low inventory for sale. For context, six months’ supply of housing has historically been considered a “healthy” housing market.

Together, these markets contain 1.5 million Latinos between the ages of 18 and 45 who are mortgage-ready. However, the number goes down drastically to 176,100 when considering those who have enough income to sustain homeownership, which includes monthly mortgage payments, taxes, and insurance.

Table 7: Income, Housing Inventory, and Sales Prices in Markets with Most Mortgage-Ready Latinos

Metro Areas	Mortgage-Ready Latinos	Mortgage-Ready Latinos with Enough Income to Buy a Home	Latino Median Household Income	Months of Inventory, 05/2022-04/2023 (Avg)	Median Sales Price (April 2023)
Los Angeles-Long Beach-Anaheim	842,000	84,200 (10%)	\$66,905	2.7 (Orange County 2.4; Los Angeles County 3.0)	Los Angeles County \$830,000; Orange County \$965,000
Riverside-San Bernardino-Ontario	229,000	41,220 (18%)	\$67,885	3.2 (Riverside 3.1; San Bernardino 3.2)	San Bernardino County \$490,000; Riverside County \$577,000
San Francisco-Oakland-Berkeley	167,000	15,030 (9%)	\$86,633	2.0 (Contra Costa 1.6; Alameda 1.7; San Mateo 1.8; Marin 2.0; San Francisco 3.2)	Contra Costa County \$825,000; Alameda County \$1,050,000; San Francisco County \$1,337,500; San Mateo County \$1,555,000; Marin County \$1,575,000
San Diego-Chula Vista-Carlsbad	151,000	19,630 (13%)	\$69,724	1.8	\$840,000
San Jose-Sunnyvale-Santa Clara	81,000	6,480 (8%)	\$90,299	2.6 (Santa Clara 1.5; San Benito 3.7)	San Benito County \$770,000; Santa Clara County \$1,500,000
Sacramento-Roseville-Folsom	53,000	9,540 (18%)	\$68,300	2.2 (Sacramento 1.8; Yolo 1.9; Placer 2.3; El Dorado 2.8)	Sacramento County \$496,000; Yolo County \$600,000; Placer County \$635,000; El Dorado Count \$719,433

Sources: U.S. Census Bureau American Community Survey 5-Year Estimates, Freddie Mac, and [Redfin](#) Housing Market Data.

THE POTENTIAL TO INCREASE LATINO HOMEOWNERSHIP RATE IN CALIFORNIA ARE IN THESE TOP REGIONS.

The following markets in the table below offer the most opportunities to increase the Latino homeownership rate in California.

Table 8: Income, Housing Inventory, and Sales Prices in Markets with most Potential for Latinos

Metro Areas	Total Number of Mortgage-ready Latinos Ages 18-45	Total Number of Mortgage-ready Latinos (18-45) with enough Income to Sustain Homeownership	Latino Median Household Income	Median-priced Home	Average # of Months Housing on the Market
Riverside-San Bernardino-Ontario	229,000	41,220 (18%)	\$67,885	San Bernardino County \$490,000; Riverside County \$577,000	San Bernardino County 2.5; Riverside County 2.3
Sacramento-Roseville-Folsom	53,000	9,540 (18%)	\$68,300	Sacramento County \$496,000; Yolo County \$600,000; Placer County \$635,000; El Dorado County \$719,433	Sacramento County 1.1; Yolo County 1.6; Placer County 1.8; El Dorado County 2.1
Bakersfield	37,000	11,840 (32%)	\$50,799	\$349,000	1.9
Stockton	31,000	4,650 (15%)	\$65,353	\$505,000	1.5
Visalia	25,000	6,500 (26%)	\$50,807	\$363,570	1.7
Modesto	25,000	4,500 (18%)	\$61,681	\$450,000	1.2
Merced	16,000	3,360 (21%)	\$54,635	\$396,500	1.8
Vallejo	15,000	2,250 (15%)	\$82,605	\$565,000	1.5
Madera	7,000	1,470 (21%)	\$56,384	\$410,000	3.3

Sources: U.S. Census Bureau American Community Survey 5-Year Estimates, Freddie Mac, and [Redfin](#) Housing Market Data.



RECOMMENDATIONS FOR CALIFORNIA POLICYMAKERS

1. **Boost housing supply.** Housing underproduction has led to competitive housing markets which put low- and middle-income homebuyers at a disadvantage, exacerbating inequalities. Exploring reforms of restrictive zoning regulations and regulatory burdens that unduly encumber building housing and increase the cost are worthy. The reforms could create more opportunities for the construction of more homes and increasing affordability. These reforms should also consider tenant and displacement protections.
2. **Incentivize development of entry-level housing.** Addressing affordability is a critical piece of the puzzle for increasing access to homeownership. Increased availability of entry-level housing means an increase in affordability. Incentives and financial support for developers who prioritize constructing entry-level housing can stimulate the supply of homes.
3. **Expand significant budgetary investments for homeownership.** Decades of underproduction cannot be remedied without investments that reflect the importance and urgency of this crisis. With soaring housing costs, limited inventory, and a widening affordability gap, it has become crucial for the California legislature to take proactive measures to ensure that homeownership remains attainable for its residents. By allocating additional resources to support homeownership initiatives, the state can help alleviate the burden on renters, stabilize communities, and promote long-term economic growth.



4. **Improve homebuyer readiness.**

Increase support for homeownership counselors and financial coaches at community-based organizations to help prospective homeowners.

5. **Expand down payment assistance programs.**

Enhance existing down payment assistance programs to make homeownership more accessible to first-time buyers. Increasing the income limits and expanding eligibility criteria will ensure that a broader range of individuals and families can benefit from these programs. Additionally, exploring innovative financing models such as shared equity programs or forgivable loans can assist low- to moderate-income households in purchasing their first homes.

Tackling the challenges that Latinos face in achieving homeownership in California requires a comprehensive approach that addresses the housing supply shortage, expands entry-level housing options, and involves more significant budgetary investments from the state. These efforts can help bridge the gap between the dream of homeownership and its realization, providing a pathway for Latino families to build wealth and financial stability. Such measures will not only address the immediate needs of the community but also contribute to building a more inclusive and prosperous future for all Californians.

ACKNOWLEDGEMENTS

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Many thanks to UnidosUS team members:

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