Home Ownership in Ohio and the Great Recession

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Household Home Ownership Rates in Ohio Remain Above U.S. Average

Home ownership is a valued part of American life and is considered an important investment. When polled, 81% of adults agreed that owning a home is the best long-term investment a person can make and 81% of renters plan on buying a home in the future.\(^1\) Both the Ohio and the U.S. housing market experienced a boom-and-bust cycle over the past decade, putting the goal of home ownership at risk.\(^2\) Prior to the Great Recession of 2007-2009, 70% of Ohioan household heads owned their homes in 2006, placing Ohio above the national average of approximately 67%.\(^4\) The recession negatively affected home ownership, though, with the national average falling 3 percentage points to 64% in 2012. While Ohio remains above the national average, it was hit slightly harder by the recession. In 2012, the proportion of home ownership among household heads in Ohio was approximately 66%, a drop of 4 percentage points.

**Home Ownership by Household Head** – Household head (claimed by one member of a household or assigned to individuals living alone) reports owning their current residence.

**Owner-Occupied Housing** – The property owner resides within the unit (houses and apartments are each one housing unit).

![Figure 1. Home Ownership among Household Heads in Ohio and the United States, Pre and Post Recession](image)

![Figure 2. Percentage of Owner-Occupied Homes by County: 2008-2012](image)

**Geographic Variation in Owner-Occupied Homes**

Ohio’s higher rate of home ownership does not translate into all Ohio counties having high ownership rates. As seen in Figure 2, there are large differences in home ownership from region to region. Urban areas tend to have much lower rates of home ownership among households, with clusters of high home ownership rates in the extreme northwest and southeast of the state.

**Ohio Property Value, Pre- and Post-Recession**

Owner-occupied houses in Ohio depreciated in value by 5.6 percentage points from 2006 to 2012.\(^3\) Ohio properties, with a median value of $135,200, began well below the national median property value of $185,200. While Ohio property values have remained below the national values, Ohioan property values were less affected, on average, by the recession than U.S. property as a whole. The U.S. median property values depreciated by 7.2 percentage points, nearly 2 percentage points higher than experienced in Ohio.

![American Community Survey, 1-year estimates](image)

![American Community Survey, 5-year estimates](image)
Minority Home Ownership

The Great Recession caused a drop in the rates of home ownership across most racial/ethnic groups within the U.S.\(^2\) While home ownership among white Ohioan head of households fell during the recession by 3 percentage points, it has remained well above that of their minority counterparts. Interestingly, Asians household heads, though less likely to own a home in Ohio than whites, experienced no decrease in home ownership. Blacks, Hispanics, and other minorities, however, not only began the recession with the lowest prevalence, but have each witnessed a decline in their respective pre-recession rates of 5-6 percentage points. Contributing to these racial and ethnic differences is the higher loan-to-income ratios that some minorities face and the higher average interest rates on mortgages.\(^2\)

Age and Home Ownership

The largest declines in home ownership through the Great Recession occurred for those household heads under the age of 55.\(^3\) Only 43% of household heads between the ages of 18 and 34 years owned their homes in 2006 in Ohio, the lowest proportion of ownership across age categories, and this group also experienced the largest decrease in ownership, roughly 8 percentage points, by 2012. During the recession, a larger proportion of young adults were living with their parents.\(^5\) Post-recession, young adults are increasingly moving out of their parents’ homes, but many are moving in with friends or other relatives due to lack of money or, in some cases, decreased inclination, to form independent households. Ohioans 35 to 54 years old also saw a drop in ownership by 6 percentage points from 2006 to 2012 (approximately 73% to 67%, respectively). On the other hand, 81% of household heads 55 and older owned their own homes in the year 2006. Older adults have maintained the highest rates of home ownership and experienced a decline of only 2 percentage points from 2006 to 2012. The percentage of homeowners within each age group in Ohio remains fairly comparable to national age group trends; although Ohio remains just above the US percentage for each age group, it follows similar trajectories within each age category between 2006 to 2012.

Sources:
5- Matthews, Chris. 2014. "Millennials are Finally Leaving Their Parent's Basements." Fortune.

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