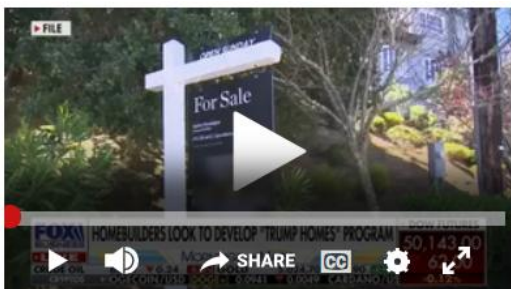


Housing crisis hits all ages as homeownership declines nationwide

Homeownership rates dropped 8% to 10% across every age cohort between 2000 and 2022, new research shows



OpenDoor Technologies (OPEN) CEO on Trump Homes plan & AI's impact on housing affordability

OpenDoor Technologies CEO Kaz Nejatian discusses the company's surging stock amidst a new 'Trump homes' program to boost housing affordability for first-time buyers. He highlights AI integration to streamline home buying and selling processes.

A common narrative suggests that the housing crisis is a young person's problem, with Gen Z and millennials bearing the brunt of high prices.

However, new data from [the Federal Reserve Bank](#) of New York and the American Enterprise Institute Housing Center reveals a much more disturbing reality: the collapse of homeownership is happening at every age level.

"The profile has shifted from the young couple starting a life to the established professional who has been squeezed out of the market for a decade," Douglas Elliman's Jaclyn Bild told Fox News Digital on Wednesday. "Today's first-time buyer is juggling way more than someone buying their first home 20 years ago. They're coming in with kids, fully formed careers, sometimes aging parents, and zero interest in a temporary starter home. They want something that supports the life they already have. The challenge is that pricing hasn't adjusted to reality."

"Many first-time buyers are coming in later, with stronger incomes and more established careers, but they are also navigating a much higher cost basis. In practice, the biggest hurdle is the total cost of ownership. Buyers are underwriting price, of course, but they also heavily consider

monthly payments, taxes, and long-term carrying costs," Douglas Elliman's Katzen Team founder Frances Katzen also told Digital. "That is why the buyer profile has evolved to reflect a more deliberate, financially prepared buyer who approaches the process with a long-term mindset."

The core issue isn't just high mortgage rates, which are currently near historical norms, but a massive divergence between what Americans take home and what homes actually cost. Data from the American Enterprise Institute Housing Center, cited by Fortune, shows that in 2003, the median home price was 4.3 times household income. In 2017, it was 5.1 times, but today it has risen to nearly 6 times.



A single-family home in a prime location in Houston, Texas, is seen with construction workers outside. (Getty Images)

Additionally, between 2000 and 2022, homeownership rates dropped between 8% and 10% across every age cohort. For the "first-timer" group earning between \$50,000 and \$75,000 annually, only 25% owned homes in 2022, compared to 70% to 80% of households making \$175,000 and up.

"Buyers are making incredibly conscious trade-offs. Some are choosing to stay in place longer and maximize their current space rather than move into a higher price point. Others are adjusting expectations around size, location or condition to be able to remain within budget. There's also a timing component. Some buyers are waiting for more clarity, while others are moving forward, hoping to prioritize long-term stability. The broader dynamic is that moving up now requires a much more significant financial step, so every decision is more intentional and more strategic," Katzen explained.

"People feel genuinely boxed in, they are navigating by simply not moving because the math doesn't work," Bild noted. "We are seeing the starter home turn into the forever home by necessity... Many are staying put and building new homes on the lot they already own, others are building an addition for extra space or converting a garage into another bedroom to make it work – that puts additional pressure on supply. We are also seeing a record number of buyers getting family support to bridge the financial gap. We are even seeing some families rethinking having more kids because they don't have the space."



Mitch Roschelle reveals silver lining to slow spring housing market

M2 Communities CEO Mitch Roschelle discusses the slow spring housing market amid the Iran war and uncertainty and programs from Iowa and Connecticut helping first-time homebuyers on 'Varney & Co.'

Co-director of the American Enterprise Institute Housing Center Ed Pinto warned Fortune that the current trajectory is creating a permanent class of renters among those who are not already affluent.

"When purchasing power declines, fewer people buy homes at 28 – but also fewer purchase at 38 or 48. The result is a broad-based drop in homeownership. The less-rich are getting squeezed out, and that trend is uniform across all age groups," Pinto said.

"As the pool of first-time buyers gets smaller across the board, the marginal families get excluded across the board," he continued. "As long as prices are flat and incomes are rising 3% a year, affordability is improving. But the gap is still so large that if nothing else changes, the lower-and middle-income families stuck on the sidelines could get locked out for years to come."

The AEI research also identified a severe supply shortage as part of the housing affordability culprit, noting that the "bottleneck" isn't a lack of interest in buying, but a lack of permitted land for entry-level housing.



US homebuilder gives a reality check on America's housing affordability 'crisis'

PMG Affordable principal Dan Coakley speaks to Fox News Digital about what it may take to making housing affordable again across the country.

Katzen agreed that limited supply significantly adds to America's housing strain.

"One of the most consistent challenges is supply, particularly in the types of homes buyers are looking for at the entry and move-up levels. Limited inventory is reducing optionality and keeps pricing elevated. In many cases, the issue is not inherently demand, but rather, its availability," she said. "When the right product comes to market, it tends to move quickly because there are multiple buyers looking for the same type of home. From a

broader perspective, increasing supply meaningfully would have the greatest impact on improving market accessibility."