

Study: Middle- and low-income homeownership rates fall in R.I.

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A NEW STUDY from the National Association of Realtors. found middle- and low-income homeownership declined in Rhode Island during the last decade. / PBN FILE PHOTO

WARWICK – Middle- and low-income homeownership declined in Rhode Island during the last decade, according to a new study from the National Association of Realtors.

The study released on Tuesday found the number of low-income homeowners fell 27.2%, and the group's level of homeownership fell from 34.8% to 23.5%, the highest among all income groups in the Ocean State.

The association found middle-income homeownership rate dropped 78.9% in 2010 to 64.9% in 2020.

"When housing prices become unaffordable, low- and middle-income earners lose the ability to access suitable housing and our labor market suffers. It's critically important that we take the steps now to shore up our housing inventory to protect our citizens, as well as our economy overall," said Philip Tedesco, CEO of the Rhode Island Association of Realtors and State-Wide Multiple Listing Service.

The association's study, "Housing Wealth Gains for the Rising Middle-Class Markets," examined the distribution of housing wealth, widely recognized as the leading source of net wealth among families. The study looked at housing wealth between 2010 and 2020 across income groups and in 917 metropolitan or micropolitan areas across the country.

The association's study found that of the \$8.2 trillion amassed nationally in housing wealth from 2010 through 2020, high-income homeowners claimed roughly 71% of all wealth accumulation.

In Rhode Island, the number of high-income homeowners doubled from 2010 to 2020, rising from 17.1% of all homeowners in 2010 to 31.7% in 2020. It is the only homeowner income group to increase during the decade, the data found. By comparison, while the number of middle-income homeowners grew slightly, they accounted for 44.9% of all homeowners in 2020, compared to 48.2% in 2010.

While housing wealth grew among all income groups nationally, in Rhode Island, housing wealth fell among low-income homeowners, falling from \$33 billion in 2010 to \$30 billion in 2020, according to the report.

In 2020, the median home sale for low-income earners was \$270,321 and for middle-income earners, the median sales price was \$298,891. In mid-March of 2022, only 146 single-family homes and condominiums under \$300,000 were listed for sale in Rhode Island.