



## LATINO HOMEOWNERSHIP POLL

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## Latino Homeownership Poll

From August 11 –16, 2007, David Binder Research conducted a historic statewide public opinion survey of California's Latino population. The first-of-its-kind poll provides policy makers, homebuilders and the public a comprehensive look at the Latino community's attitudes towards homeownership.

The poll, which was conducted in both English and Spanish, surveyed a total of 957 adults. Specifically, 800 Latino registered voters and 150 Latino nonvoters were surveyed, with a margin of error of 3.2%.

The survey included seven specific sections to provide an unparalleled perspective on California's housing crisis. The survey first tested respondents' views on the direction of the state and their overall satisfaction with their living situation. Next, barriers and motivations were tested to compile a view about the Latino community's perspective on homeownership and what they believe are the obstacles to owning a home. The survey then tested attitudes and behaviors to determine how respondents value homeownership and their attitudes towards specified policy barriers. Lastly, the respondents were asked a series of trade-off questions regarding housing policy.

The survey findings represent the most comprehensive examination of Latino homeownership to date. This information, combined with the demographic trends in California, demonstrate that California's housing problem is extremely important to the Latino community and it portends a future housing crisis.

### OVERALL FINDINGS

- Housing and homeownership is a top-tier issue for California's Latino community.
- The most important reason to own a home is to provide a better environment in which to raise children, followed closely by the possibility to build equity through homeownership in order to create long-term wealth.
- Nearly all non-homeowners would like to own a home of their own. However, the main reasons they do not own their own homes are that they cannot afford a home in the community where they'd like to live and that they are waiting for the housing market to go down before buying.

- Nearly two-thirds of homeowners and renters believe that fees on homeownership are too high and 3 out of 4 respondents believe that average fees of \$50,000 are too high.
- Most respondents agree that the government, rather than developers, should pay for transportation, schools and infrastructure, even if it increases taxes.
- Most respondents are supportive of improving the ability of local governments to assist moderate income families with homeownership and streamlining the environmental review process to allow more new homes to be built at a lower cost.
- More than 70% of renters believe local government is not doing enough to promote homeownership and nearly 50% believe that housing should be the top priority for local government.

## **MOOD AND ISSUES**

- More respondents feel that California is moving in the wrong direction than those who say things are going well. About 35% of respondents say things are headed in the right direction, while 48% of voters and 42% of nonvoters say things are headed off on the wrong track.
- Health care, education, immigration, and the economy are the top issues of concern, with at least 20% of voters naming these as one of the most important issues facing California today. Also of concern are housing prices, which are named by 12% of nonvoters. Comparing this survey to other recent survey, demonstrates that Latinos are more concerned about housing than California as a whole.
- Among voters, Bay Area Democrats (17%), renters (16%), and women ages 50 and older (15%) are more concerned about affordable housing than the average voter (9%).
- Nonvoters place a greater importance on housing concerns, ranking the following as personally more important than ranked by voters:
  - Reducing the cost of housing;
  - Making it easier for their children to buy a home of their own; and
  - Making it easier for families to get a home loan.

## **HOME SATISFACTION**

*Overall, California's Latino community is very satisfied with their living situation; however they have serious concerns about housing costs relating to government fees.*

- Satisfaction with the current residency is most directly tied to homeownership, with homeowners much more satisfied than renters.
  - Three-quarters (74%) of voters that own their own home are very satisfied with their house, while 45% of voters that rent are very satisfied with their apartment.
  - For nonvoters, 61% of homeowners are very satisfied with their house, while only 35% of renters are very satisfied with their apartments.
- Voters are more likely to own their own home (68%) than nonvoters (53%), with nonvoters more likely to rent or live with their parents.

- When asked about certain aspects of their houses and/or apartments, respondents are least satisfied with the traffic in their neighborhood and the availability of nearby parks and recreational spaces.
- Among voters, renters are much less satisfied than homeowners with the cost of housing and the average lot size. Homeowners are generally satisfied; with at least half saying they are very satisfied. On the other hand, only about one-third of renters are satisfied with cost and lot size.

% Satisfied	Voters		Non-Voters	
	Owners	Renters	Owners	Renters
The community you live in	91	88	93	87
The cost of your apartment or house	88	83	73	80
The safety of your neighborhood	84	83	78	74
The average lot size of your home and surrounding homes and how close together the homes are built	85	79	81	78
The availability of nearby parks and recreational spaces	83	86	84	72
The streets and traffic in your neighborhood	76	73	76	78

### NON-OWNER MOTIVATIONS AND BARRIERS

*Latinos who are able to achieve homeownership find tremendous satisfaction in the purchase, however the major barrier to becoming a homeowner as perceived by Latino Californians is cost.*

- Most non-homeowners wish to own their own home, with 81% of voters and 92% of nonvoters hoping to become homeowners someday.
- The top reasons for wanting to become a homeowner are because of family, a personal desire to own a home, and the feeling that renting is a waste of money. Other reasons named by a substantial amount of respondents include the desire to obtain equity, have a sense of privacy and personal space, and to live independently.
- For those that would not like to own their own home, the top reasons named are that it's too expensive and unaffordable. Some respondents say age is a barrier, while others say that they are not working, and therefore do not want to become homeowners.
- Similarly, respondents are most likely to say they do not currently own a home because it is too expensive, unaffordable, their finances are not ready, and that their income is not high enough.
- The most important reasons non-homeowners say they do not own homes is because they cannot afford to live in their desired community and that they are waiting for the housing market to decline further before buying.

## MOTIVATIONS

*The major motivating factor behind the Latino community's desire to be homeowners is family. Latino's strongly believe owning a home provides a better environment in which to raise children and, ultimately build long-term wealth.*

- More than 10% of homeowners named the following as reasons they bought their own house:
  - Wanted to buy a home, the American dream
  - Family
  - Location
  - Didn't want to pay to rent, tired of living in an apartment
  - Financial investment, equity
- Respondents strongly believe that owning ones own home provides a better environment in which to raise children. About two-thirds of respondents ranked this reason as a '10' on a scale of zero to ten – meaning it is extremely important.
- There is little difference between owners and renters. Renters feel like owning a home is a sign of prestige and success. Homeowners are more focused on their dislike for paying rent, as well as the tax deductions available on interest from a home loan.
- The statement that owning a home provides a better environment for raising children is extremely important across nearly all demographic groups, with remarkable consistency across age, gender, area of residency, and party. Those with children under the age of 18 and non-college graduates are more likely to say owning a home is extremely important in order to raise children.

% Important ("8-10")	Voters		Non-Voters	
	Owners	Renters	Owners	Renters
Owning a home provides a better environment in which to raise children	87	80	87	87
I don't like paying rent	79	66	77	70
Owning a home is the fulfillment of the American dream	82	80	81	72
Owning a home helps families to build equity to create long-term wealth	83	76	88	74
Owning your own home provides a tax deduction on the interest you pay on your home loan.	74	61	77	65
Owning a home is a sign of prestige and success	58	69	66	72
Owning a home is an important way to integrate into mainstream society	58	54	59	61

## **ATTITUDES AND BEHAVIORS**

*Latinos are passionate about environmental protection; however they are also adamant that the process be balanced so as not to encumber or restrict the opportunity for well-planned housing that is attainable for working California families.*

- Respondents strongly feel that local government fees that add as much as \$50,000 to the cost of new homes are too high. There is little difference between age, gender or party.
- Bay Area voters agree with greater intensity, with 44% of Bay Area voters completely agreeing that government fees are too high. Also, Democrats (39% completely agree) and Independents (39%) are more likely to completely agree than Republicans (32%).
- Also, respondents strongly agree that local and state governments should have strict environmental policies regarding open space, future housing developments and growth in general.
- Non-voters that rent are much more likely to completely agree with local and state governments having strict environmental policies, with over half saying they completely agree.
- There is also agreement that placing more restrictions on growth will only increase housing prices and make the problem of affordable housing even worse.
- Renters are more likely than homeowners to agree with this statement, likely identifying with the challenge of affording a house in the community they desire, and fearing that the problem will only get worse with additional restrictions.
- Renters are likely to completely agree with the statement that local government is not doing enough to promote homeownership, while homeowners are more mixed on this statement. About 40% of renters completely agree that local government is not doing enough to help promote homeownership.
- More than half of renters (52%) view homeownership as a more important issue for the Latino community than for other groups.

% Agree	Voters		Non-Voters	
	Owners	Renters	Owners	Renters
As you may know, these fees can add \$50,000 more to the cost of a new home. These costs are just too high.	73	77	78	63
Local and state governments should have a strict environmental policy regarding open space, future housing developments, and growth in general	80	83	79	89
It's already hard enough for families to afford a house in my area. Placing more restrictions on growth will increase housing prices and make the problem even worse	65	73	70	67
The fees that the government county charges each time a new home is built to defray the costs of things like schools, sewers, and roads are too high	63	70	67	63
Government puts too many environmental regulations on home builders that unnecessarily add to the cost of a home	56	61	56	59
Local government is not doing enough to promote homeownership in my community	50	71	50	61
Homeownership is more important to Latinos in California than for other groups	42	52	49	52

## TRADE-OFFS

*Nearly a majority of renters believe that housing should be the top priority of elected officials, however they believe growth and environmental protection should be balanced.*

- More than half of voters (55%) and non-voters (54%) are more likely to agree that the government, rather than developers, should pay for transportation, schools and infrastructure, even if it increases taxes.
- Those living with family members (67%), voters under 30 (62%), those with incomes under \$50,000 (62%) and Democrats in the Bay Area (61%) are more likely than the average voter (55%) to say the government should pay.
- Independents (49%) are less likely to say developers should pay than the average voter (55%).
- More non-homeowners (45.8%) believe that government should ease current environmental restriction to allow for more homes to be built, whereas 39% of non-homeowners believe government should maintain environmental protection. This coupled with prior responses demonstrate that Latinos want to keep housing costs down and protect the environment.
- Nearly fifty percent of renters (48%) believe that housing should be the top priority for local government officials. Among all respondents, 34% of voters and 40% of non voters agree more with those that say elected representatives should make housing their priority.

- After hearing that an environmentalist organization opposes a new housing project, about as many respondents are more likely to support the project as oppose.
- There is little difference between renters and homeowners or voters and non-voters, in the response to this question. Younger voters are more likely than older voters to support the housing project after hearing environmentalist groups oppose the housing project.

## PROPOSALS

*California Latinos strongly support proposals that make housing more affordable and want a combination of urban infill development and suburban housing to meet their needs.*

- Renters and non-voters are most supportive of the proposals to address the issue of housing.
- The top proposal is to improve local governments' ability to assist moderate income families with homeownership opportunities. This proposal is most strongly supported by renters, but support is strong across demographic groups.

% Support	Voters		Non-Voters	
	Owners	Renters	Owners	Renters
Improving local governments' ability to assist moderate income families with home ownership opportunities using redevelopment funds and other housing programs	79	87	76	85
Streamlining the environmental review process to allow more new homes to be built at a lower cost	67	82	79	83
Limiting or reducing the amount of fees that local governments can charge for each new house	69	77	68	78
Building more housing to bring down housing prices	50	68	54	76
Requiring local governments to make more land available for new home construction	49	62	66	72
Building higher density housing, closer to the urban center	49	53	49	70
Requiring new developments to sell ten percent of the houses at below market prices for low income individuals, even though other residents have to pay more to subsidize the low-income units	43	58	40	54

- While a majority of voters would prefer a smaller home and shorter commute (53%) to a larger home and longer commute (41%), a majority of non-voters would prefer the larger home and longer commute (53%) to a smaller home and shorter commute (42%).
- Renters are more likely to prefer a smaller home and shorter commute, whereas homeowners are more likely to prefer a larger home and longer commute.