

Home in America

Immigrants and Housing Demand



Lisa Sturtevant

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**Urban Land
Institute**

Terwilliger Center for Housing

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The Urban Land Institute is a global, member-driven organization comprising nearly 40,000 real estate and urban development professionals dedicated to advancing the Institute's mission of providing leadership in the responsible use of land and creating and sustaining thriving communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 80 countries.

The extraordinary impact that ULI makes on land use decision making is based on its members sharing expertise on a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. In 2016 alone, more than 3,200 events were held in 340 cities around the world.

Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at uli.org. Follow ULI on Twitter, Facebook, LinkedIn, and Instagram.

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About the ULI Terwilliger Center for Housing

The ULI Terwilliger Center for Housing conducts research, performs analysis, and develops best practice and policy recommendations that reflect the land use and development priorities of ULI members across all residential product types. The Center’s mission is to facilitate creating and sustaining a full spectrum of housing opportunities—including workforce and affordable housing—in communities across the country. The Center was founded in 2007 with a gift from longtime ULI member and former ULI chairman J. Ronald Terwilliger.

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Preface

Urban Land Institute members active as developers, builders, and investors in residential real estate are always interested in better understanding the drivers and shapers of housing demand. Immigration has become a front-burner issue for many.

ULI and PwC's *Emerging Trends in Real Estate*® 2015 noted: "The bulk of pent-up and emerging demand [for housing] comes from the battered middle-income and lower-middle-income sector, predominantly renters. As the forecasted gains in employment take hold, millennial sharers, 'boomerang children,' domestic migrants, and international immigrants represent the bulk of new residential renter demand. Developers may actually be able to 'make up in volume what they can't achieve in price.'"

Over the past two decades, immigrants accounted for about 28 percent of all household growth in the United States and nearly all the growth in households headed by someone under age 45.¹ Immigrants have been a critical factor in the housing market's recovery after the 2008 downturn,² and immigration policy is poised to have a big impact on the continued improvement and overall health of the U.S. housing market.³

Housing researchers and trade associations have assessed how immigration has influenced, and may be expected to influence, the U.S. housing market overall and with respect to particular product types.

This report examines the role immigrants play in local housing markets. It focuses on five metropolitan areas that each reflect a different type of immigrant gateway community: San Francisco, California; Minneapolis–St. Paul, Minnesota; Houston, Texas; Charlotte, North Carolina; and Buffalo, New York.

The report also explores the implications and opportunities for real estate and land use leaders in these regions and in other areas seeing significant growth in the foreign-born population. The intended result is a more robust understanding of the big picture in terms of immigration's shifting—and increasingly important—impacts on the residential sector in a growing number of markets.

Stockton Williams

Executive Director
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Top Takeaways

- **Immigration has been an important source of population growth and housing demand in a diverse set of metropolitan areas.**

Without growth of the foreign-born population, regions with strong housing markets, such as San Francisco, would not have recovered so quickly after the recent recession, and regions that are still struggling in the aftermath of the downturn, such as Buffalo, would have seen even weaker growth. Overall, recent immigration to those and other metropolitan areas has had a positive effect on local housing markets.

- **Immigrants have strong aspirations for detached single-family homeownership.**

Although most newly arrived immigrants rent for at least a few years, homeownership rates increase for all immigrant groups as household incomes rise and as the length of time in the United States increases. In San Francisco, Houston, and Buffalo, the homeownership rate among immigrants who have been in the country since at least 2006 is similar to the rate for the native-born population. Immigrants, therefore, will be a key source of demand for homeownership in the years to come. When immigrants do become homeowners, many exhibit strong preferences for single-family detached homes.

- **The suburbs are increasingly attracting new immigrants who desire single-family homeownership opportunities.** Previous research has documented the growth in the suburban foreign-born population, as new immigrants are attracted to job opportunities and lower housing costs in the suburbs. This analysis of five metropolitan areas finds that more immigrants live in the suburbs than in urban areas and that immigrants from diverse socioeconomic backgrounds are choosing suburban locations. Immigrants are somewhat more likely to live in closer-in suburban locations than are

native-born populations, but the immigrant population is growing in all types of suburbs, from economically challenged suburbs to high-end suburbs. While homeownership draws immigrants to the suburbs, immigrants who rent are also settling in the suburbs at growing rates.

- **Immigration will drive demand for a variety of housing types.** As immigration flows shift to include more Asian-born immigrants and as current immigrant households reside in the United States longer, demand will grow for single-family, for-sale homes, which should spur new homebuilding in a number of markets. However, a substantial share of expected immigrant-driven homeownership demand may be met by the resale of existing homes in established middle-income and high-end suburbs. The sellers of those homes (likely including a number of higher-income, downsizing baby boomers) could then constitute a new source of demand for smaller single-family homes and townhouses, condominiums, and multifamily rental apartments—in suburbs as well as in cities.

- **Areas experiencing or expecting significant immigration should be proactive in accommodating this growth.** Immigrants tend to be attracted to places where others from their home countries live, so an influx of immigrants from a particular area will likely be followed by additional flows. Planning for growth in the foreign-born population can be challenging for places with little history and few supports already in place for new immigrants. However, investments in housing, retail, recreational and cultural amenities, as well as in social assistance and education programs will enable communities to experience long-term benefits from a growing foreign-born population.

Recent Research on Immigration and the U.S. Housing Market

According to data from the U.S. Census Bureau's 2015 American Community Survey, more than 43 million foreign-born residents live in the United States,⁴ accounting for 13.5 percent of the country's total population. Between 2006 and 2015, the number of foreign-born individuals living in the United States increased by 15.3 percent while the overall population grew at about half that rate (7.5 percent). California is home to the most immigrants, with nearly 10.7 million foreign-born residents, followed by Texas, New York, and Florida, all of which have more than 4 million foreign-born residents.

About a million people move to the United States from abroad each year, according to data from the U.S. Census Bureau. Inflows of new immigrants dropped off somewhat in the aftermath of the recession, though the numbers are on the rise again.

The biggest change in immigration inflows in recent years has been in the countries of origin of new immigrants. In 2010, the number of new immigrants from Asian countries surpassed the number from Latin American countries. In 2014, new immigrants from China and India each outpaced the number of new immigrants from Mexico for the first time.⁵

Much has been written recently about immigrants and housing in the United States and the importance of immigrants to the recovery of the U.S. housing market. A 2014 study by the Bipartisan Policy Commission concluded that "if current birthrate trends continue, immigrants and their children will be the source of almost all U.S. population growth and, by extension, the primary driver of demand for new residential construction."⁶ In a 2013 report published

by the Research Institute for Housing America of the Mortgage Bankers Association, Dowell Myers and John Pitkin emphasized that in the postrecession environment, there is "a need for a better understanding of immigrants' potential contribution to a recovery of demand for housing and home ownership in the years ahead."⁷

As these and other researchers have examined various housing outcomes among immigrants, two important findings have emerged:

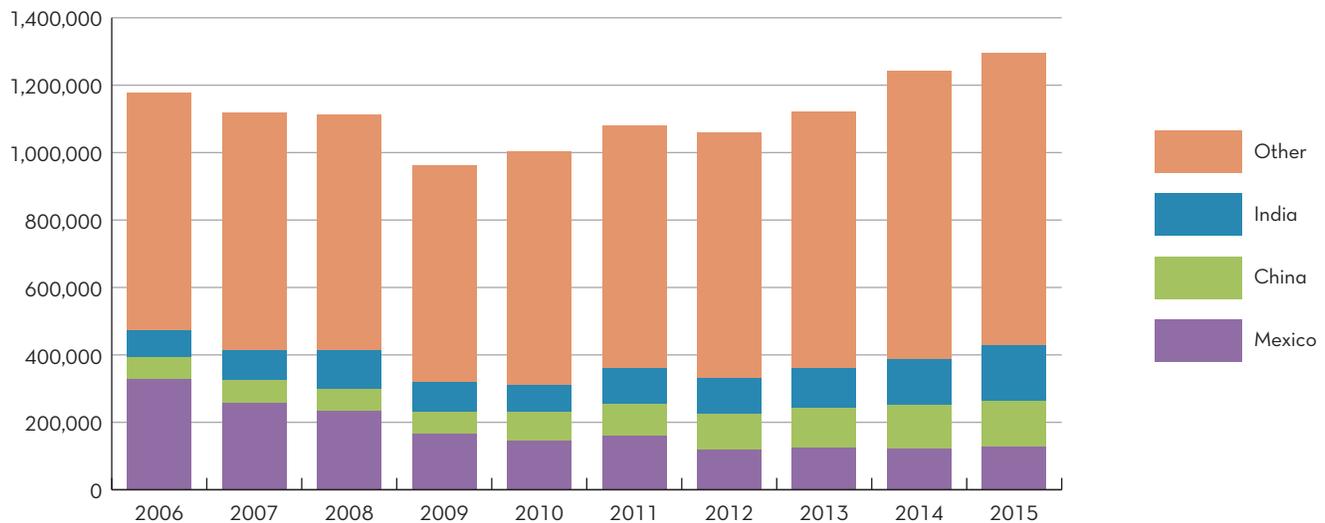
1. Although becoming a homeowner remains an important milestone for immigrants, homeownership rates vary for different groups.

Homeownership continues to represent the attainment of the "American Dream" for many immigrants to the United States. Although some observers have worried about the decline in overall homeownership rates since the economic recession and housing market downturn, immigrants remain as enthusiastic as ever about buying a home.⁸ The homeownership rate among the foreign-born population was 50.5 percent in 2015, while the homeownership rate for the native-born population was 65.9 percent.

The gap is closing, however, with the homeownership rate among the foreign-born population increasing by 2.3 percentage points between 1994 and 2015. The rate remained virtually unchanged for native-born households over that period.⁹

A number of factors influence the likelihood of homeownership among the foreign-born population, including socioeconomic characteristics, such as household composition and household income, and length of time in the United States. In their analysis, Myers and Pitkin found that im-

In-Migrants by Country, 2006-2015



Source: U.S. Census Bureau via University of Minnesota (IPUMS).

Note: Totals reflect the number of non-U.S. citizens, regardless of immigration status, who were living in a given source country a year earlier. Totals for China exclude Taiwan.

migrants are increasingly likely to be homeowners the longer they live in the United States. In fact, they found that homeownership rates can accelerate rapidly with time in the United States, with immigrants sometimes achieving homeownership more quickly than native-born households.¹⁰ The Pew Research Center has reported that homeownership rates among second-generation immigrants are similar to homeownership rates for native-born households.¹¹

However, immigrants from different parts of the world have different homeownership rates here in the United States. In his research, George Borjas found that the homeownership rate among Canadian immigrants to the United States was 67.9 percent while the homeownership rate among Mexican immigrants was 38.4 percent.¹² Therefore, he concluded that as the national origin mix in the United States changes over time, the overall homeownership rate for the foreign-born population will also change.

2. Immigrants are increasingly moving to the suburbs, bypassing traditional urban enclaves in search of employment opportunities, high quality of life, and lower costs of living.

The suburbs are increasingly home to immigrants from different regions of the world and with widely varying socioeconomic characteristics.¹³ In 2000, about half of the foreign-born population in the United States lived in the suburbs. By 2013, that share had increased to 61 percent. Since just 2000, the suburban immigrant population has more than doubled in 20 metropolitan areas.¹⁴ The suburbs are home both to high-skilled, high-income immigrants and to low-skilled immigrants and immigrants living in poverty.¹⁵ Many immigrants are moving to the suburbs for employment opportunities and to find housing they can afford.

All U.S. major metropolitan areas have experienced growth in the foreign-born population, but there have been changes in the types of places in which new immigrants are settling.

Specifically, the foreign-born population has grown significantly in smaller metropolitan areas that lack historic urban immigrant enclaves. These newer destinations include more “suburban” metropolitan areas in the Southeast and Southwest.

Homeownership and suburban residence are strongly correlated with living in single-family housing (as opposed to multifamily housing, including garden-style or high-rise apartment buildings). However, little research to date has examined the types of housing in which immigrants live and the characteristics of foreign-

born households that are associated with residence in single-family versus multifamily housing.

This report builds on recent work on immigrants and housing to examine specifically how immigration contributes to household growth and housing demand in five metropolitan areas with different patterns of immigration. The research includes analysis of the characteristics and housing choices of immigrants along with an assessment of their likely future impact on regional housing markets.



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Immigrants and Housing in Five Metropolitan Areas

This report examines the housing and residential location choices of the foreign-born population in five metropolitan areas that represent different types of immigrant gateways based on a typology developed by researcher Audrey Singer and summarized in the figure below.

Although the likelihood of particular housing outcomes, such as homeownership or suburban residence, is related to a household's characteristics, such as income and household composition, it is also influenced by the nature of the community in which the immigrant resides. Large

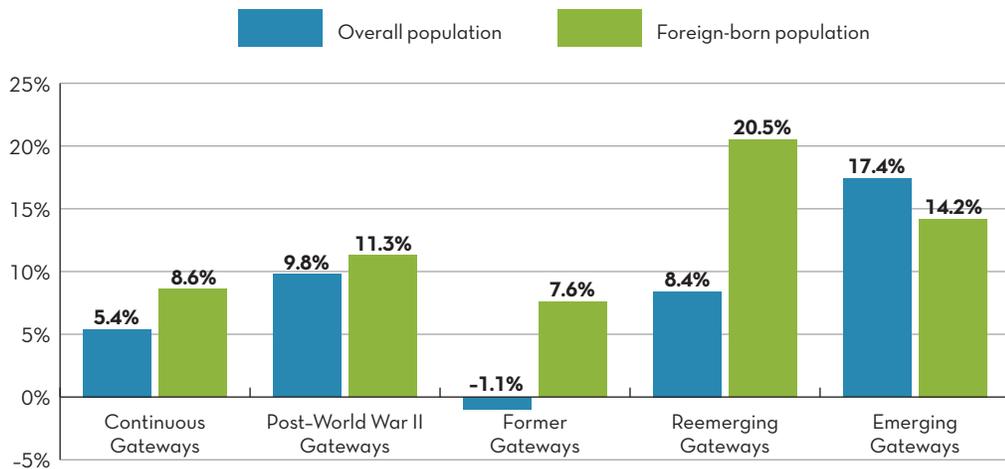
Immigrant Gateway Types

| | |
|---|---|
| <p>Major Continuous Gateways are the quintessential immigrant destinations, those that have had large and sustained immigrant populations over the 20th century and into the 21st century.</p> | <p>Boston, Massachusetts Chicago, Illinois New York, New York San Francisco, California</p> |
| <p>Post-World War II Gateways became large immigrant hubs during the mid-20th century. These metropolitan areas had comparatively small immigrant populations until the 1950s but grew rapidly thereafter.</p> | <p>Dallas, Texas Houston, Texas Los Angeles, California Miami, Florida San Diego, California Washington, D.C.</p> |
| <p>Former Gateways were once major immigrant ports of entry and are found mostly in old manufacturing areas in the Northeast or Midwest.</p> | <p>Buffalo, New York Cleveland, Ohio Detroit, Michigan Milwaukee, Wisconsin Pittsburgh, Pennsylvania St. Louis, Missouri</p> |
| <p>Reemerging Gateways had an early 20th century settlement pattern very similar to the former gateways, attracting immigrants in great numbers in the early part of the 20th century, followed by slower growth. However, these metropolitan areas experienced fast immigrant growth at the tail end of the 20th century and into the 21st century.</p> | <p>Baltimore, Maryland Denver, Colorado Minneapolis-St. Paul, Minnesota Philadelphia, Pennsylvania Portland, Oregon Seattle, Washington Tampa, Florida</p> |
| <p>Major Emerging Gateways have only relatively recently become major destinations for immigrants. These metropolitan areas had small immigrant populations for most of the 20th century, but their foreign-born populations grew relatively fast at the end of the 20th century.</p> | <p>Atlanta, Georgia Austin, Texas Charlotte, North Carolina Las Vegas, Nevada Orlando, Florida Phoenix, Arizona</p> |

Source: Audrey Singer, "A Typology of Immigrant Gateways, 2014," Brookings Institution, Washington, DC, 2014. This report is an update to Singer's 2004 research. The immigrant gateway typology also includes classifications for smaller metropolitan areas: Minor Continuous Gateways (e.g., Bakersfield, California; Rochester, New York) and Minor Emerging Gateways (e.g., Durham, North Carolina; Salt Lake City, Utah). Examples from those types of gateways were not included in this ULI study.

Note: Examples of each gateway type are provided, and the metropolitan area examined in this report is indicated in **bold**.

Population Growth Rate by Immigrant Gateway Type, 2006–2014



Source: U.S. Census Bureau, 2006 and 2014 American Community Survey.

metropolitan areas with strong urban ethnic enclaves will offer different choices to immigrants from those of metropolitan areas with no historic immigrant ethnic enclaves or with a dominant suburban development pattern.

Between 2006 and 2014, immigrant population growth outpaced overall growth in four of the five types of immigrant gateways. Only emerging gateways, where the foreign-born population grew a robust 14 percent, saw faster growth in their overall population.

This study presents descriptive analysis of the household and housing characteristics of immigrant households in the San Francisco, Houston, Buffalo, Minneapolis–St. Paul, and Charlotte metropolitan areas.

- San Francisco (continuous gateway): Alameda, Contra Costa, Marin, San Francisco, and San Mateo counties
- Houston (post-World War II gateway): Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller counties
- Buffalo (former gateway): Niagara and Erie counties

- Minneapolis–St. Paul (reemerging gateway): Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Le Sueur, Mille Lacs, Pierce (Wisconsin), Ramsey, Scott, Sibley, Sherburne, St. Croix (Wisconsin), Washington, and Wright counties
- Charlotte (emerging gateway): Cabarrus, Chester (South Carolina), Gaston, Iredell, Lancaster (South Carolina), Lincoln, Mecklenberg, Rowan, Union, and York counties

(Note that although the metropolitan areas are based on definitions established by the U.S. Census Bureau, the regions do not necessarily align directly with metropolitan statistical areas (MSAs) because of limitations in the geographies available in the census microdata.)

In addition to examining homeownership rates and housing types, this analysis describes the suburban locations in which immigrants are settling. The analysis is based on a new census tract-level typology of suburban places using distance from the central business district (CBD), current development patterns, current home values, and other factors developed for the

2016 ULI Terwilliger Center for Housing report, *Housing in the Evolving American Suburb*. The analysis examines the locations of the foreign-born population in five types of suburbs across the metropolitan areas:

- Economically Challenged Suburb: Locations that have lower home values and have seen little to no population growth in recent years
- Stable Middle-Income Suburb: Locations with a wide range of home values attainable to a broad range of households in the region, often located in close-in areas where most of the housing was built decades ago
- Established High-End Suburb: Locations with high home values and established development patterns, often near employment centers
- Greenfield Lifestyle Suburb: Locations that are at or close to the suburban fringe, typically adjacent to established high-end suburbs. These areas have mostly developed over the past ten to 15 years.
- Greenfield Value Suburb: Locations at or close to the suburban fringe, often adjacent to stable or economically challenged areas. These areas have been developing over the past ten to 15 years and sometimes reflect a “drive until you qualify” pattern.

San Francisco Metropolitan Area

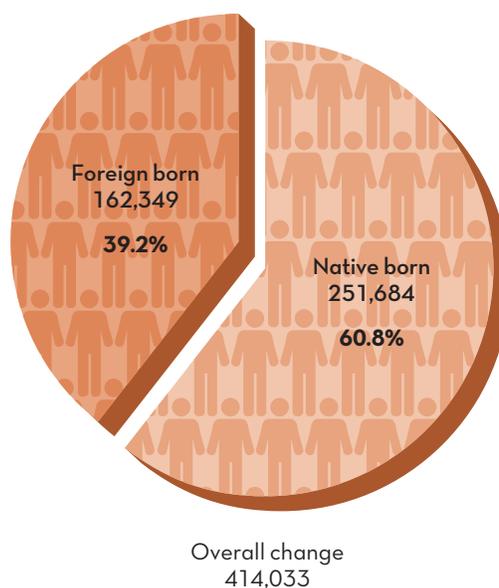
More than 4.5 million people live in the San Francisco metropolitan area, including 1.4 million people who were born outside the United States. Immigrants, therefore, account for over 30 percent of the total population in the San Francisco region. San Francisco is emblematic of a continuous gateway, the archetypal immigrant destination that had large and sustained immigrant populations over the 20th century. The region has been a magnet for both foreign-born and native-born residents in recent years as a result of its strong economy. Between 2006 and 2014, the San Francisco metropolitan area added more than 400,000 people, including 162,000 people who were born outside of the United States.

The majority of the region’s foreign-born population—55 percent—is from Asian countries, though the single largest immigrant group is from Mexico. Nearly one-fifth (19 percent) of the foreign-born population living in the San Francisco region was born in Mexico. About 14 percent were born in China and 12 percent were born in the Philippines. San Francisco has a very small African-born immigrant population; only two percent of the foreign-born population in San Francisco was born in Africa.

As a continuous immigrant gateway, San Francisco has attracted immigrants for decades. About a fifth (19 percent) of the immigrant population has been in the country since before 1980 and about a fifth (18 percent) has arrived since

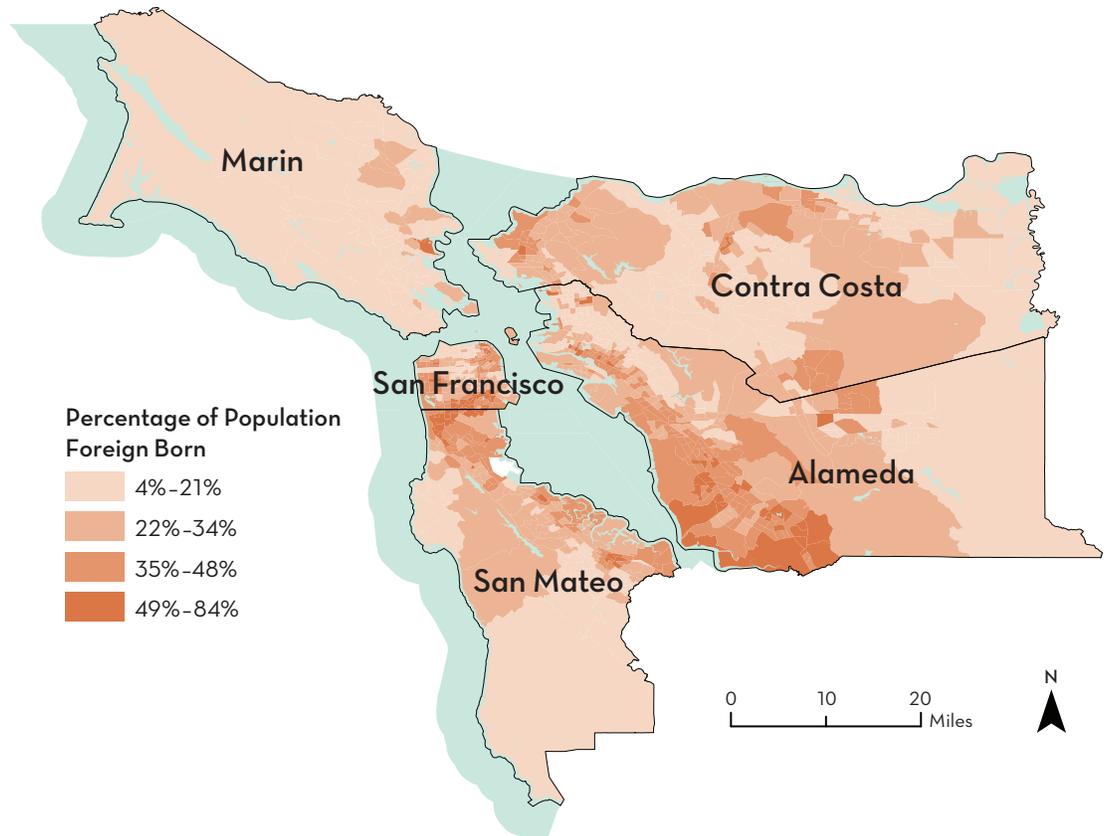
Share of Population Change, 2006–2014

San Francisco Metropolitan Area



Source: U.S. Census Bureau, 2006 and 2014 American Community Survey.

San Francisco Metropolitan Area Foreign-Born Population



Source: 2010-2014 American Community Survey, 5-year file.

2006. In every decade since 1980, more than 250,000 immigrants have moved to the San Francisco region, either directly from their home countries or from other places in the United States. Recent immigrants to San Francisco are more likely to come from China and India, while previously the greatest numbers of immigrants to the region were from Mexico.

Overall, 49 percent of foreign-born households living in the San Francisco region are homeowners, compared with 55 percent of native-born households. Asian immigrant households are more likely than native-born households to be homeowners in the region, owning at a rate of 57 percent. Latin American and African immigrant households have lower homeownership rates, at 33 percent.

About 79 percent of native-born households and 77 percent of foreign-born households living

in the San Francisco metropolitan area live in areas classified as suburban. However, some notable differences among immigrant groups suggest different preferences or opportunities for living in the city of San Francisco. Asian immigrants are less likely than either Latin American or African immigrants to live in a suburban area.

By contrast, Latin American and African immigrant households are more likely than other immigrant groups and native-born households to live in the suburbs of San Francisco. About 86 percent of Latin American-born households and 87 percent of African-born households live in the suburbs, compared with 77 percent of all foreign-born households and 79 percent of all native-born households.

Some of the differences in housing characteristics are related to length of time in the United States. Immigrants who arrived in the United

Housing Characteristics and Residential Location of San Francisco's Foreign-Born and Native-Born Households, 2014

| | Native born | Foreign born | Region of Origin | | | | Arrived before 2006 |
|--|-------------|--------------|------------------|--------|--------|--------|---------------------|
| | | | Latin America | Asia | Africa | Other | |
| Homeowner | 55% | 49% | 33% | 57% | 33% | 54% | 53% |
| Housing type ^a | | | | | | | |
| SFD | 53% | 45% | 43% | 47% | 33% | 46% | 49% |
| SFA/TH | 8% | 11% | 8% | 14% | 7% | 7% | 11% |
| MF | 38% | 42% | 47% | 39% | 59% | 46% | 39% |
| Suburban location ^b | 79% | 77% | 86% | 74% | 87% | 69% | 77% |
| Average age of household head | 51.6 | 49.9 | 45.7 | 51.0 | 46.4 | 54.3 | 51.6 |
| Average household size | 2.3 | 3.1 | 3.7 | 3.0 | 2.7 | 2.3 | 3.1 |
| Multigenerational household (%) | 2.8 | 7.6 | 9.8 | 8.1 | 3.1 | 2.6 | 8.1 |
| Median household income (2014 dollars) | 85,100 | 72,300 | 49,900 | 86,000 | 59,400 | 95,800 | 72,900 |
| Average number of years in U.S. | n/a | 24.9 | 24.5 | 24.4 | 19.2 | 28.7 | 27.5 |

Source: 2012–2014 American Community Survey, extracted from the 5-year 2010–2014 ACS public use microdata sample (PUMS) file, September 2016.

Note: Table presents data on households. Place of birth and other characteristics are based on the household head. n/a = not applicable.

^a SFD= single-family detached; SFA/TH = single-family attached/townhouse; MF = multifamily unit (in building with 5+ units).

^b Defined as suburban if the majority of the tracts in the PUMA are suburban based on the RCLCO/ULI typology.

Residential Location of San Francisco's Foreign-Born and Native-Born Populations, 2014

| Neighborhood Type | Native Born | | Foreign Born | |
|--------------------------------|------------------|-------------|------------------|-------------|
| | Number | % | Number | % |
| Urban | 582,449 | 19% | 320,697 | 24% |
| Economically Challenged Suburb | 1,047,132 | 33% | 471,545 | 35% |
| Stable Middle-Income Suburb | 695,194 | 22% | 291,929 | 22% |
| Established High-End Suburb | 762,334 | 24% | 241,568 | 18% |
| Greenfield Lifestyle Suburb | 0 | 0% | 0 | 0% |
| Greenfield Value Suburb | 0 | 0% | 0 | 0% |
| Rural | 43,097 | 1% | 10,306 | 1% |
| Total | 3,130,206 | 100% | 1,336,045 | 100% |

Source: 2010–2014 American Community Survey 5-year file; RCLCO/ULI.

States before 2006 are significantly more likely than recent arrivals to be homeowners. In addition, they are somewhat more likely to live in single-family detached homes. Recent arrivals are just as likely to reside in the suburbs as more established immigrants are.

Other socioeconomic factors drive the differences in housing choices across immigrant groups. Latin American and African immigrants have lower household incomes than do Asian immigrants, and lower incomes are usually associated with lower rates of homeownership and

single-family residence. Asian immigrants also tend to be somewhat older, and homeownership rates generally rise with age. Less than 8 percent of the foreign-born households in San Francisco are multigenerational households, with the highest share (9.8 percent) found among Latin American immigrants.

Immigrants in the San Francisco metropolitan area live in all types of suburban communities. About 35 percent of the region's foreign-born residents live in an economically challenged suburb, comparable to 33 percent of the region's native-born population. Compared with native-born residents, the foreign-born population in San Francisco is less likely to live in an established high-end suburb. However, nearly one-fifth of the immigrant population (18 percent) lives in the high-income, high-home-value communities in the San Francisco region.

"Affordability is a major concern in the Greater Bay Area, little surprise in one of the country's most expensive housing markets. . . . Both Asians and millennials in the Greater Bay Area are also less likely to be confident that they can afford the home they want than are other area residents, with only 21 percent and 24 percent, respectively, saying they are very confident. This concern about affordability is likely a major factor driving the dissatisfaction among these groups when it comes to their housing choices."

—ULI Terwilliger Center for Housing, "Bay Area in 2015," 2015

Houston Metropolitan Area

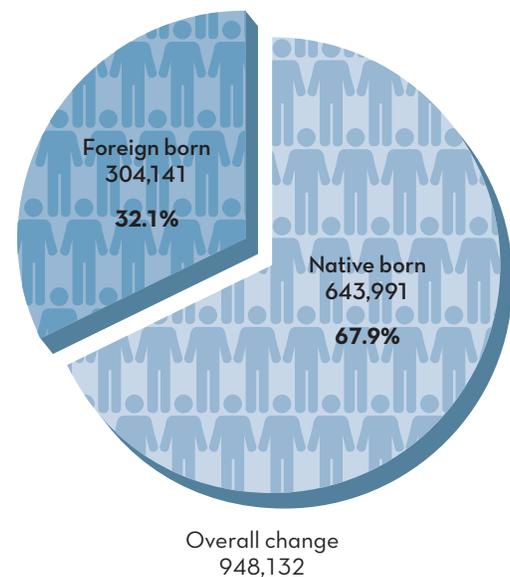
The Houston metropolitan area has about 6.5 million people. About a quarter of them—approximately 1.5 million—are immigrants. Between 2006 and 2014, the Houston metropolitan area population increased by 17.1 percent, adding nearly 950,000 people. The foreign-born population in the Houston region increased by 25.5 percent over that same time period, adding more than 300,000 residents.

Houston is an example of a post-World War II immigrant gateway, which has been defined as a metropolitan area that had a relatively small immigrant population until the 1950s but grew rapidly in the second half of the 20th century. Nearly 90 percent of the foreign-born population in the Houston region came to the United States after 1980.

The largest immigrant group in Houston is from Mexico. Nearly 600,000 people—42 percent of the foreign-born population in the Houston metropolitan area—were born in Mexico. Eight

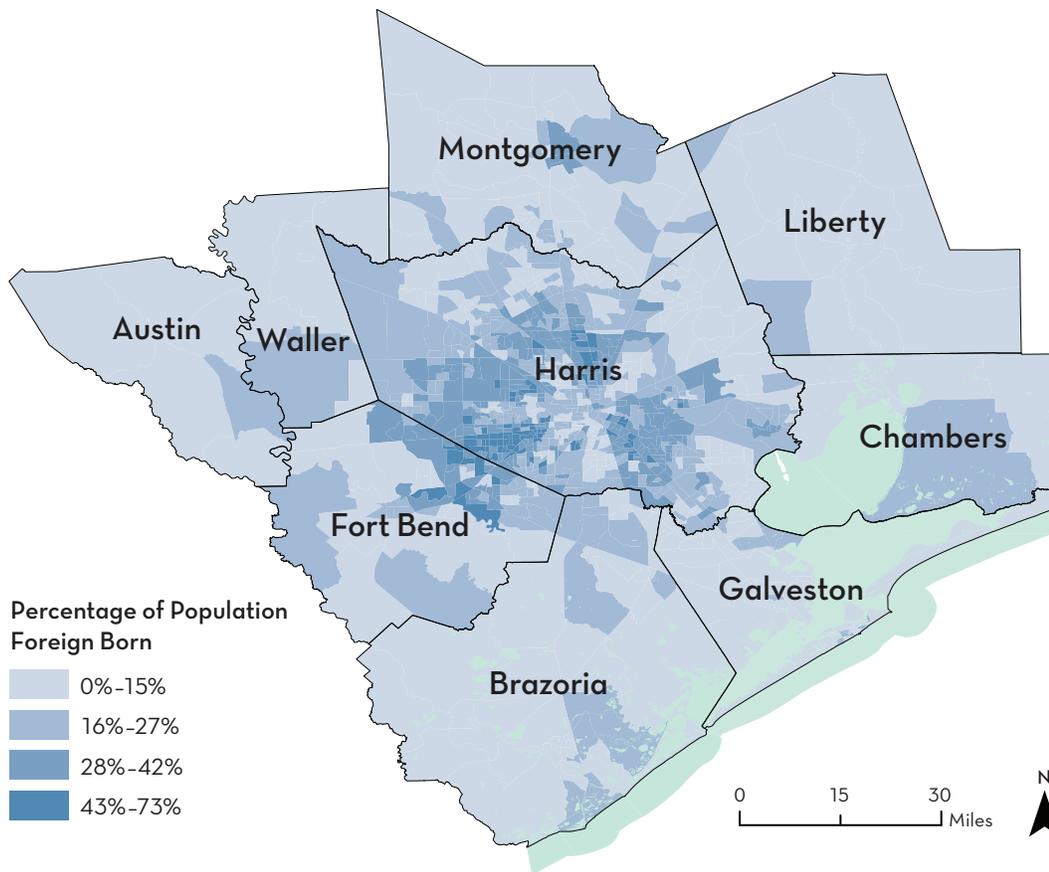
Share of Population Change, 2006-2014

Houston Metropolitan Area



Source: U.S. Census Bureau, 2006 and 2014 American Community Survey.

Houston Metropolitan Area Foreign-Born Population



Source: 2010–2014 American Community Survey, 5-year file.

percent of Houston’s foreign-born population is from El Salvador. About a quarter of the foreign-born population in the Houston metropolitan area is Asian, arriving in the United States from a wide range of counties. The largest single Asian country of origin is Vietnam, which accounts for 5 percent of the foreign-born population in Houston. Houston is home to an increasing number of Chinese and Indian immigrants, but immigration from Mexico continues to dominate, even in the post-2005 period.

Overall, foreign-born households in the Houston metropolitan area are less likely to be homeowners and to live in single-family detached homes compared with the native-born population. Latin American and African immigrants have lower homeownership rates than the overall

rate, but the homeownership rate among Asian immigrants in the Houston metropolitan area is higher than the homeownership rate among native-born households. Asian immigrants are more likely to live in single-family detached homes than are immigrants from either Latin America or Africa. Despite this difference in housing type, the likelihood of suburban residence is very similar across immigrant groups—between 84 and 86 percent of immigrants from Latin America, Asia, and Africa live in the suburbs.

Less than 8 percent of foreign-born households in the Houston region are multigenerational. As in San Francisco, the highest share of multigenerational households is among Latin American immigrants.

Housing Characteristics and Residential Location of Houston's Foreign-Born and Native-Born Households, 2014

| | Native born | Foreign born | Region of Origin | | | | Arrived before 2006 |
|--|-------------|--------------|------------------|--------|--------|--------|---------------------|
| | | | Latin America | Asia | Africa | Other | |
| Homeowner | 62% | 54% | 50% | 65% | 43% | 65% | 60% |
| Housing type ^a | | | | | | | |
| SFD | 67% | 57% | 53% | 65% | 46% | 64% | 61% |
| SFA/TH | 3% | 3% | 2% | 4% | 4% | 6% | 3% |
| MF | 26% | 34% | 35% | 31% | 50% | 28% | 29% |
| Suburban location ^b | 85% | 86% | 86% | 85% | 84% | 81% | 87% |
| Average age of household head | 49.4 | 45.4 | 44.2 | 47.2 | 44.0 | 50.8 | 46.8 |
| Average household size | 2.5 | 3.3 | 3.6 | 3.0 | 2.8 | 2.3 | 3.4 |
| Multigenerational household (%) | 4.2 | 7.6 | 8.5 | 7.7 | 4.5 | 1.3 | 8.5 |
| Median household income (2014 dollars) | 63,500 | 47,500 | 38,900 | 78,700 | 57,100 | 98,900 | 48,400 |
| Average number of years in U.S. | n/a | 21.2 | 21.7 | 20.5 | 16.1 | 22.7 | 24.2 |

Source: 2012–2014 American Community Survey, extracted from the 5-year 2010–2014 ACS public use microdata sample (PUMS) file, September 2016.

Note: Table presents data on households. Place of birth and other characteristics are based on the household head. n/a = not applicable.

^a SFD= single-family detached; SFA/TH = single-family attached/townhouse; MF = multifamily unit (in building with 5+ units).

^b Defined as suburban if the majority of the tracts in the PUMA are suburban based on the RCLCO/ULI typology.

Higher household incomes are associated with higher homeownership rates across immigrant groups in the Houston region—Asians and immigrants from “other” countries have the highest incomes and are more likely than previously mentioned immigrant groups or the native-born population to be homeowners. However, income does not appear to be strongly associated with suburban residence.

About 29 percent of foreign-born residents in the Houston metropolitan area live in economically challenged suburbs, compared with 23 percent of the region’s native-born residents. The largest share of both foreign-born and native-born residents lives in the region’s stable middle-income suburbs, at 39 percent and 42 percent, respectively. Foreign-born residents in Houston are about as likely as native-born residents to live in an established high-end suburb, but they are somewhat less likely to settle in a greenfield lifestyle or greenfield value suburb.

Last year, veteran Texas homebuilder Jim Lemming decided to construct houses to meet the prevailing tastes and lifestyles of Houston’s growing southwest suburbs. That meant he began building houses with prayer rooms, Islamic-style arches, domed roofs, and extra master bedroom suites to accommodate multigenerational households. “This is a sophisticated city. We’re the most diverse city in the country, and if you don’t understand the different cultures that live here, it’s hard to sell them a home,” says Lemming, president of Houston-based Partners in Building.

—Ralph Bivens, “Gateway Houston: Attracting Immigrants, Global Trade, and Investors,” *Urban Land*, April 27, 2015

Residential Location of Houston’s Foreign-Born and Native-Born Populations, 2014

| Neighborhood Type | Native Born | | Foreign Born | |
|--------------------------------|------------------|-------------|------------------|-------------|
| | Number | % | Number | % |
| Urban | 432,083 | 9% | 180,685 | 13% |
| Economically Challenged Suburb | 1,104,537 | 23% | 404,807 | 29% |
| Stable Middle-Income Suburb | 2,039,313 | 42% | 548,794 | 39% |
| Established High-End Suburb | 717,452 | 15% | 200,496 | 14% |
| Greenfield Lifestyle Suburb | 175,070 | 4% | 17,369 | 1% |
| Greenfield Value Suburb | 129,746 | 3% | 18,014 | 1% |
| Rural | 211,424 | 4% | 24,351 | 2% |
| Total | 4,809,625 | 100% | 1,394,516 | 100% |

Source: 2010–2014 American Community Survey 5-year file; RCLCO/UJI.

Buffalo Metropolitan Area

The Buffalo metropolitan area typifies a former immigrant gateway, a region that was once a major immigrant port of entry, mostly found in old manufacturing areas in the Northeast or Midwest. The Buffalo metropolitan area is home to about 1.1 million residents. Currently, about 72,000 of Buffalo’s residents are foreign born, comprising about 6.3 percent of the overall population. In recent years, immigrants have been very important to population growth in the metropolitan area. Between 2006 and 2014, the Buffalo metropolitan area lost about 1,160 people; however, the region gained 15,500 foreign-born residents. Therefore, without the growth in the immigrant population, the Buffalo metropolitan area would have lost nearly 17,000 people—or about 1.5 percent of its population—between 2006 and 2014.

The largest groups of immigrants in Buffalo are from Asian countries, though no one Asian country of origin dominates. About 7 percent of Buffalo’s immigrants are from China and 6 percent are from India. The country with the single greatest number of immigrants, however, is Canada, which represents 11 percent of immigrants in the Buffalo region. Latin American immigrants, generally, and Mexican immigrants,

Share of Population Change, 2006–2014

Buffalo Metropolitan Area

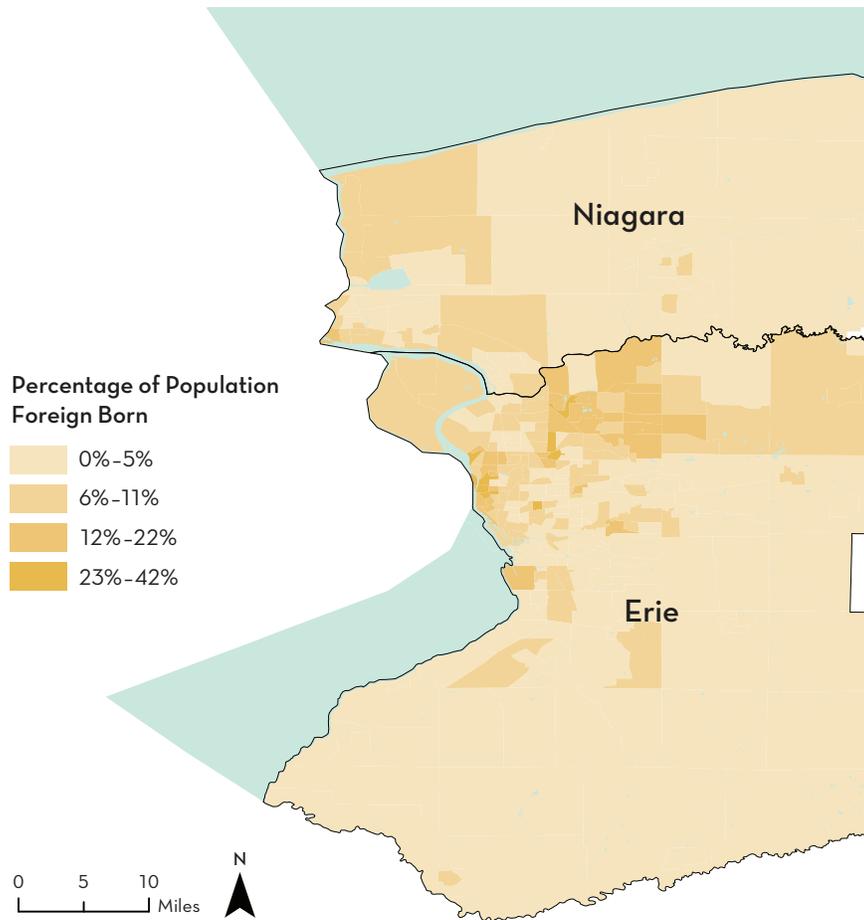


The Buffalo metropolitan area’s native-born population declined by 16,627 between 2006 and 2014.

Source: U.S. Census Bureau, 2006 and 2014 American Community Survey.

specifically, compose a relatively small share of the immigrant population in Buffalo. Immigrants from Latin American countries account for 12 percent of the immigrant population in the Buffalo region.

Buffalo Metropolitan Area Foreign-Born Population



Source: 2010-2014 American Community Survey, 5-year file.

Although Buffalo has been classified as a former immigrant gateway, some evidence indicates a resurgence in the immigrant population. About a third of the current foreign-born population in the Buffalo metropolitan area came to the United States in 2006 or later. Recent immigrants in Buffalo are significantly more likely to come from Asian countries. One key reason has been an increase in refugees to the Buffalo region from Myanmar (Burma) and Bhutan over the past decade. Since 2001, about a third of refugees to the state of New York have settled in the Buffalo area, specifically in Erie County.

Foreign-born households in Buffalo have housing characteristics that are notably different from those of native-born households, but there is substantial variation across different immigrant groups. Overall, compared with native-

born households, foreign-born households are less likely to be homeowners and are less likely to live in single-family detached homes. They are also somewhat less likely to live in suburban areas of the region. Among native-born households, the homeownership rate was 67 percent, and among foreign-born households, the rate was just 51 percent. Immigrants from African countries have the lowest homeownership rate (26 percent), while the homeownership rates for Latin American and Asian immigrants are 41 percent and 45 percent, respectively.

Sixty-two percent of foreign-born households that arrived in the United States before 2006 are homeowners, a rate slightly lower than the homeownership rate of 67 percent among native-born households. By contrast, however,

Housing Characteristics and Residential Location of Buffalo's Foreign-Born and Native-Born Households, 2014

| | Native born | Foreign born | Region of Origin | | | | Arrived before 2006 |
|--|-------------|--------------|------------------|--------|--------|--------|---------------------|
| | | | Latin America | Asia | Africa | Other | |
| Homeowner | 67% | 51% | 41% | 45% | 26% | 64% | 62% |
| Housing type ^a | | | | | | | |
| SFD | 64% | 49% | 40% | 43% | 26% | 60% | 58% |
| SFA/TH | 3% | 4% | 8% | 4% | 1% | 5% | 5% |
| MF | 32% | 46% | 52% | 53% | 73% | 34% | 37% |
| Suburban location ^b | 77% | 71% | 53% | 68% | 44% | 85% | 75% |
| Average age of household head | 52.9 | 52.4 | 48.7 | 43.7 | 43.7 | 62.0 | 56.9 |
| Average household size | 2.3 | 2.7 | 2.5 | 3.4 | 3.4 | 2.0 | 2.5 |
| Multigenerational household (%) | 2.2 | 4.2 | 5.3 | 7.2 | 1.8 | 2.0 | 4.4 |
| Median household income (2014 dollars) | 52,100 | 43,700 | 42,900 | 56,900 | 23,600 | 42,900 | 48,700 |
| Average number of years in U.S. | n/a | 27.5 | 26.4 | 15.9 | 12.4 | 40.0 | 19.4 |

Source: 2012–2014 American Community Survey, extracted from the 5-year 2010–2014 ACS public use microdata sample (PUMS) file, September 2016.

Note: Table presents data on households. Place of birth and other characteristics are based on the household head. n/a = not applicable.

^a SFD = single-family detached; SFA/TH = single-family attached/townhouse; MF = multifamily unit (in building with 5+ units).

^b Defined as suburban if the majority of the tracts in the PUMA are suburban based on the RCLCO/ULI typology.

Residential Location of Buffalo's Foreign-Born and Native-Born Populations, 2014

| Neighborhood Type | Native Born | | Foreign Born | |
|--------------------------------|------------------|-------------|---------------|-------------|
| | Number | % | Number | % |
| Urban | 194,393 | 18% | 18,463 | 27% |
| Economically Challenged Suburb | 238,042 | 22% | 12,028 | 18% |
| Stable Middle-Income Suburb | 159,330 | 15% | 9,210 | 14% |
| Established High-End Suburb | 253,041 | 24% | 20,884 | 31% |
| Greenfield Lifestyle Suburb | 108,330 | 10% | 3,807 | 6% |
| Greenfield Value Suburb | 34,191 | 3% | 1,076 | 2% |
| Rural | 80,467 | 8% | 2,405 | 4% |
| Total | 1,067,794 | 100% | 67,873 | 100% |

Source: 2010–2014 American Community Survey 5-year file; RCLCO/ULI.

Note: n/a = not applicable.

only 11 percent of foreign-born households that arrived in the United States in 2006 or later are homeowners. Foreign-born households that have been in the United States longer are also somewhat less likely than native-born house-

holds to live in single-family detached homes (58 percent versus 64 percent), although the difference in the share that lives in the suburbs is fairly small (75 percent versus 77 percent).

In the Buffalo region, income is a key driver of homeownership and suburban residence among the foreign-born population, and refugee status is also likely an important determinant of residential location. (This analysis did not examine refugee or other immigration status specifically.) Lower household incomes among African immigrants are associated with significantly lower homeownership rates and a lower likelihood of living in the suburban areas of the Buffalo region.

Compared with other metropolitan areas examined for this report, Buffalo tends to have a higher share of immigrants located in urban neighborhoods, likely a result to some extent of refugee settlement patterns. However, the foreign-born population in Buffalo lives in all types of suburban communities in the region. More than 30 percent live in established high-end suburbs, a share higher than that for native-born residents. About 14 percent of foreign-born residents live in stable middle-income suburbs and 18 percent live in economically challenged suburbs.

“Buffalo, as a city founded by immigrants from Europe, has also embraced a new wave of immigrants. Second only to Ellis Island in the number of immigrants who traveled through its port in the early 20th century, the city was the starting point for a wave of immigration across the Great Lakes. Today’s immigrants hail from Ethiopia, Laos, Burma (Myanmar), Serbia, Somalia, and war-torn countries across the globe. These new residents bring with them a work ethic and entrepreneurial spirit that is helping repopulate teetering neighborhoods and creating new businesses to fill empty storefronts. The city has become more cosmopolitan and tolerant because of their presence.”

—David Stebbins, vice president, Buffalo Urban Development Corporation, *Urban Land*, October 2014

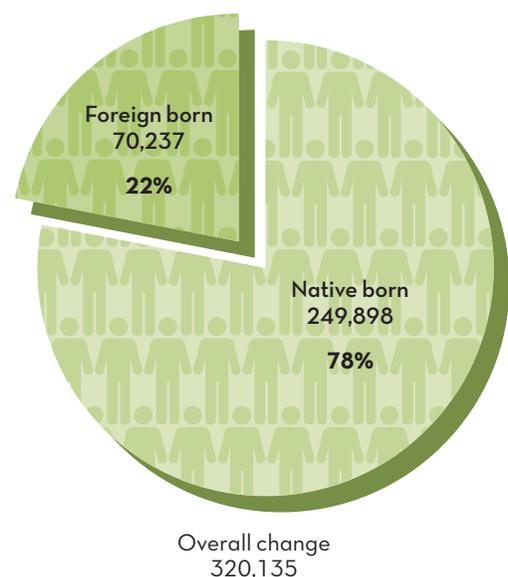
Minneapolis–St. Paul Metropolitan Area

The Minneapolis–St. Paul (Minneapolis) metropolitan area is home to about 3.5 million people, including about 350,000 foreign-born individuals who make up about 10 percent of the region’s population. Between 2006 and 2014, the foreign-born population in the Minneapolis metropolitan area grew by 24.9 percent, adding more than 70,000 residents. Over the same period, the overall population in Minneapolis grew by just 10.1 percent. Minneapolis is an example of a reemerging immigrant gateway, a metropolitan area that had an immigrant settlement pattern similar to a former gateway but with a resurgence in its immigrant population in the late 20th and early 21st century.

More than 40 percent of the immigrant population in the Minneapolis metropolitan area is from Asian countries, 25 percent is from Latin American countries, and 21 percent is from African countries. A large share of the African immigrant population in the Minneapolis met-

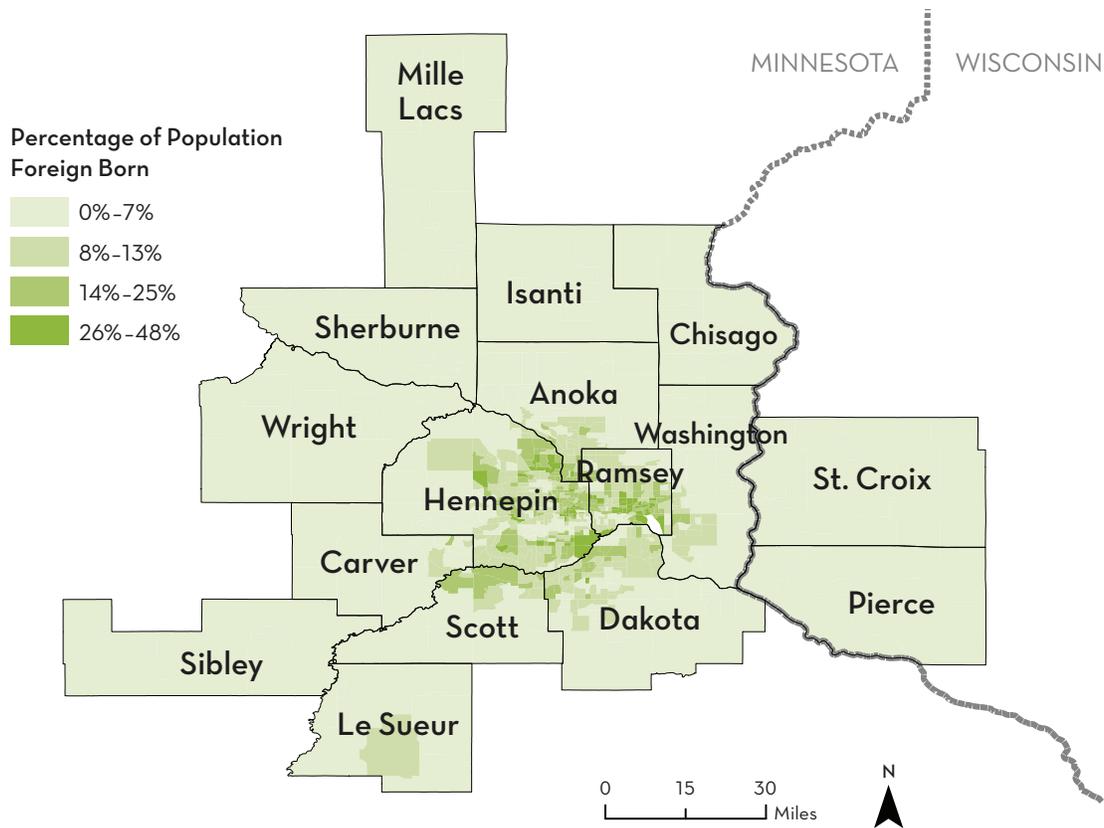
Share of Population Change, 2006–2014

Minneapolis–St. Paul Metropolitan Area



Source: U.S. Census Bureau, 2006 and 2014 American Community Survey.

Minneapolis–St. Paul Metropolitan Area Foreign-Born Population



Source: 2010–2014 American Community Survey, 5-year file.

ropolitan area is composed of Somali refugees. The region is home to nearly 19,000 Somali-born residents, accounting for 6 percent of the overall foreign-born population. Over the past 15 years, the Minneapolis area has become home to one of the largest Somali-American populations in the United States.

Although the Minneapolis region has a relatively high share of African immigrants through refugee resettlement, the largest group of immigrants is from Mexico, accounting for 15 percent of the region's immigrant population. Indian and Laotian immigrants each account for 7 percent of the region's immigrant population.

The Minneapolis metropolitan area's immigrant population is relatively new. Only 9 percent of the current foreign-born population in Minneapolis arrived in the United States before 1980. More than a quarter (26 percent) arrived

in the United States in 2006 or later, and about half have been in the country only since 2000. Recent immigrants are more likely to be from Africa and Asia and are less likely to be from Latin America. About a quarter of the immigrants in Minneapolis who came to the United States since 2006 are from Africa, compared with 20 percent of those arriving before 2006. About 47 percent of recent immigrants in Minneapolis are from Asian countries, compared with 38 percent of immigrants arriving before 2006.

Only 48 percent of foreign-born households are homeowners in Minneapolis, compared with 72 percent of native-born households. Foreign-born households are much less likely than native-born households are to live in single-family detached homes (43 percent versus 64 percent) and they are much more likely to live in multifamily hous-

Housing Characteristics and Residential Location of Minneapolis-St. Paul's Foreign-Born and Native-Born Households, 2014

| | Native born | Foreign born | Region of Origin | | | | Arrived before 2006 |
|--|-------------|--------------|------------------|--------|--------|--------|---------------------|
| | | | Latin America | Asia | Africa | Other | |
| Homeowner | 72% | 48% | 39% | 56% | 29% | 71% | 55% |
| Housing type ^a | | | | | | | |
| SFD | 64% | 43% | 43% | 50% | 26% | 55% | 51% |
| SFA/TH | 10% | 11% | 8% | 12% | 10% | 14% | 12% |
| MF | 23% | 44% | 43% | 38% | 64% | 30% | 36% |
| Suburban location ^b | 88% | 79% | 73% | 85% | 71% | 86% | 80% |
| Average age of household head | 50.5 | 43.4 | 39.4 | 42.0 | 43.0 | 54.3 | 45.3 |
| Average household size | 2.4 | 3.3 | 3.8 | 3.4 | 3.1 | 2.5 | 3.4 |
| Multigenerational household (%) | 1.9 | 5.4 | 4.9 | 7.6 | 4.6 | 1.2 | 6.0 |
| Median household income (2014 dollars) | 70,600 | 50,400 | 43,800 | 69,000 | 33,300 | 65,100 | 54,300 |
| Average number of years in U.S. | n/a | 18.8 | 16.9 | 19.4 | 13.9 | 28.2 | 22.4 |

Source: 2012–2014 American Community Survey, extracted from the 5-year 2010–2014 ACS public use microdata sample (PUMS) file, September 2016.

Note: Table presents data on households. Place of birth and other characteristics are based on the household head. n/a = not applicable.

^a SFD= single-family detached; SFA/TH = single-family attached/townhouse; MF = multifamily unit (in building with 5+ units).

^b Defined as suburban if the majority of the tracts in the PUMA are suburban based on the RCLCO/ULI typology.

Residential Location of Minneapolis–St. Paul's Foreign-Born and Native-Born Populations, 2014

| Neighborhood Type | Native Born | | Foreign Born | |
|--------------------------------|------------------|-------------|----------------|-------------|
| | Number | % | Number | % |
| Urban | 365,996 | 12% | 70,222 | 21% |
| Economically Challenged Suburb | 738,383 | 24% | 106,903 | 32% |
| Stable Middle-Income Suburb | 934,766 | 30% | 90,021 | 27% |
| Established High-End Suburb | 651,611 | 21% | 56,062 | 17% |
| Greenfield Lifestyle Suburb | 0 | 0% | 0 | 0% |
| Greenfield Value Suburb | 0 | 0% | 0 | 0% |
| Rural | 402,144 | 13% | 8,678 | 3% |
| Total | 3,092,900 | 100% | 331,886 | 100% |

Source: 2010–2014 American Community Survey 5-year file; RCLCO/ULI.

Note: n/a = not applicable.

ing (44 percent versus 23 percent). In addition, foreign-born households are less likely than native-born households are to live in suburban areas (79 percent compared with 88 percent).

There are differences across immigrant groups in the Minneapolis metropolitan area; however,

across the board, immigrants in Minneapolis exhibit housing characteristics that are very different from those of native-born households. After “other” immigrants (primarily Canadian), Asian immigrants have the highest homeownership rate at 56 percent, and African immigrants have

the lowest homeownership rate at 29 percent. Asian immigrants are more likely than either Latin American or African immigrants to live in single-family detached homes. Nearly two-thirds (64 percent) of African immigrant households in Minneapolis live in multifamily housing, and African immigrants are also the least likely to live in suburban areas—71 percent compared with 79 percent of all foreign-born households.

Less than 6 percent of immigrant households in Minneapolis are multigenerational households. Asian immigrants are most likely to live in multigenerational households (7.6 percent).

As in other metropolitan areas, immigrants who have been in the United States longer are more likely to be homeowners, to live in single-family detached homes, and to live in the suburbs. Fifty-five percent of pre-2006 immigrant households in Minneapolis are homeowners compared with just 16 percent of those who arrived after 2005. More than half of longer-term immigrants live in single-family detached homes. Regardless of period of arrival, immigrants in Minneapolis still tend to be less likely to be suburban—80 percent of pre-2006 immigrants live in suburban areas, compared with 88 percent of native-born households.

Foreign-born residents in the Minneapolis area are more likely to live in urban areas than are native-born residents. They are also significantly

more likely to live in economically challenged suburbs (32 percent compared with 24 percent). Foreign-born residents in the region are somewhat less likely than native-born residents to live in both stable middle-income suburbs and established high-end suburbs; however, more than two in five immigrants in the Minneapolis region do reside in one of these types of suburban locations.

“Three-quarters of Minneapolis/St. Paul households are projected to be without children by 2035, and the number of new immigrants has grown an average of 12% since 2000 in Minnesota. These changing demographics bring new market preferences—amenity-rich walkable neighborhoods, rental housing, multi-generational homes, work/live spaces—creating a mismatch between housing inventory and market demand, and a need for different services and amenities. To be competitive, we must offer choices that reflect these shifts in a time of increasing financial constraints. It’s all part of the New Normal.”

—ULI Minnesota, “Navigating the New Normal,” 2012

Charlotte Metropolitan Area

About 2.4 million people live in the Charlotte metropolitan area. The Charlotte region is home to an estimated 220,000 foreign-born residents who make up 9.3 percent of the total population. Charlotte is a fast-growing region and has added population quickly in recent years. Both the native-born and foreign-born populations grew by more than 50 percent between 2006 and 2014 (50.4 percent for the native-born and 51.3 percent for the foreign-born population).

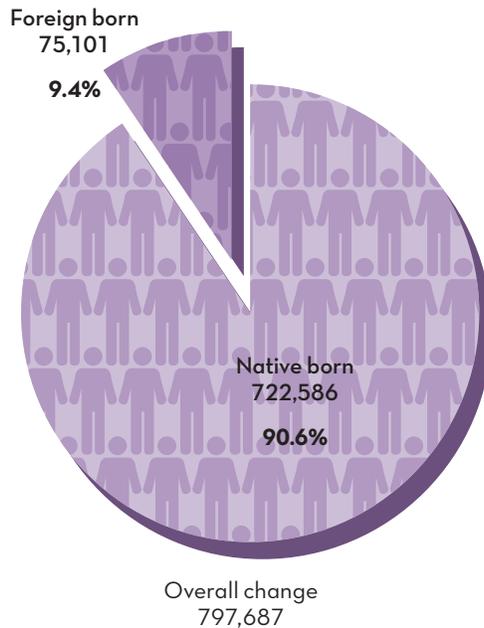
The Charlotte metropolitan area is an example of an emerging immigrant gateway, a region that has only recently become a major destination for

immigrants. Half of the foreign-born population in Charlotte arrived in the United States in 2000 or later; more than three-quarters (77 percent) arrived in the country in 1990 or later. More than half of the foreign-born population in Charlotte is from Latin America; 25 percent is from Mexico, making it the dominant immigrant group in the metropolitan area.

About a quarter (26 percent) of the foreign-born population is from Asian countries and just 8 percent is from African countries. Asian immigrants have recently become a greater share of immigrants to the Charlotte metropolitan area.

Share of Population Change, 2006-2014

Charlotte Metropolitan Area



Source: U.S. Census Bureau, 2006 and 2014 American Community Survey.

Among those arriving in the United States in 2006 or later, 36 percent are from Asian countries. By contrast, among earlier (pre-2006) arrivals, just 23 percent of Charlotte's immigrants are from Asian countries. Charlotte has also recently attracted more African immigrants—12 percent of post-2005 arrivals in Charlotte were born in Africa, compared with 7 percent of earlier immigrants.

In the Charlotte metropolitan area, foreign-born households are less likely to be homeowners and to live in single-family detached homes than are native-born households. They are also less likely to live in suburban areas, though 91 percent of foreign-born households in Charlotte live in the suburbs (compared with 96 percent of native-born households). Foreign-born households are nearly twice as likely as native-born households to live in multifamily housing—32 percent versus 18 percent.

There are differences across immigrant groups. Asian immigrant households are more likely

Housing Characteristics and Residential Location of Charlotte's Foreign-Born and Native-Born Households, 2014

| | Native born | Foreign born | Region of Origin | | | | Arrived before 2006 |
|--|-------------|--------------|------------------|--------|--------|--------|---------------------|
| | | | Latin America | Asia | Africa | Other | |
| Homeowner | 67% | 52% | 43% | 60% | 43% | 76% | 58% |
| Housing type ^a | | | | | | | |
| SFD | 70% | 57% | 52% | 60% | 43% | 73% | 62% |
| SFA/TH | 5% | 4% | 3% | 6% | 6% | 7% | 4% |
| MF | 18% | 32% | 32% | 33% | 50% | 20% | 26% |
| Suburban location ^b | 96% | 91% | 90% | 91% | 90% | 94% | 92% |
| Average age of household head | 50.5 | 43.9 | 41.9 | 43.5 | 43.5 | 51.3 | 45.5 |
| Average household size | 2.4 | 3.3 | 3.6 | 3.1 | 3.2 | 2.5 | 3.3 |
| Multigenerational household (%) | 3.4 | 5.0 | 5.7 | 4.8 | 7.0 | 1.9 | 5.6 |
| Median household income (2014 dollars) | 52,100 | 48,400 | 39,200 | 74,300 | 38,800 | 69,900 | 47,500 |
| Average number of years in U.S. | n/a | 19.6 | 18.7 | 18.2 | 16.5 | 26.8 | 22.2 |

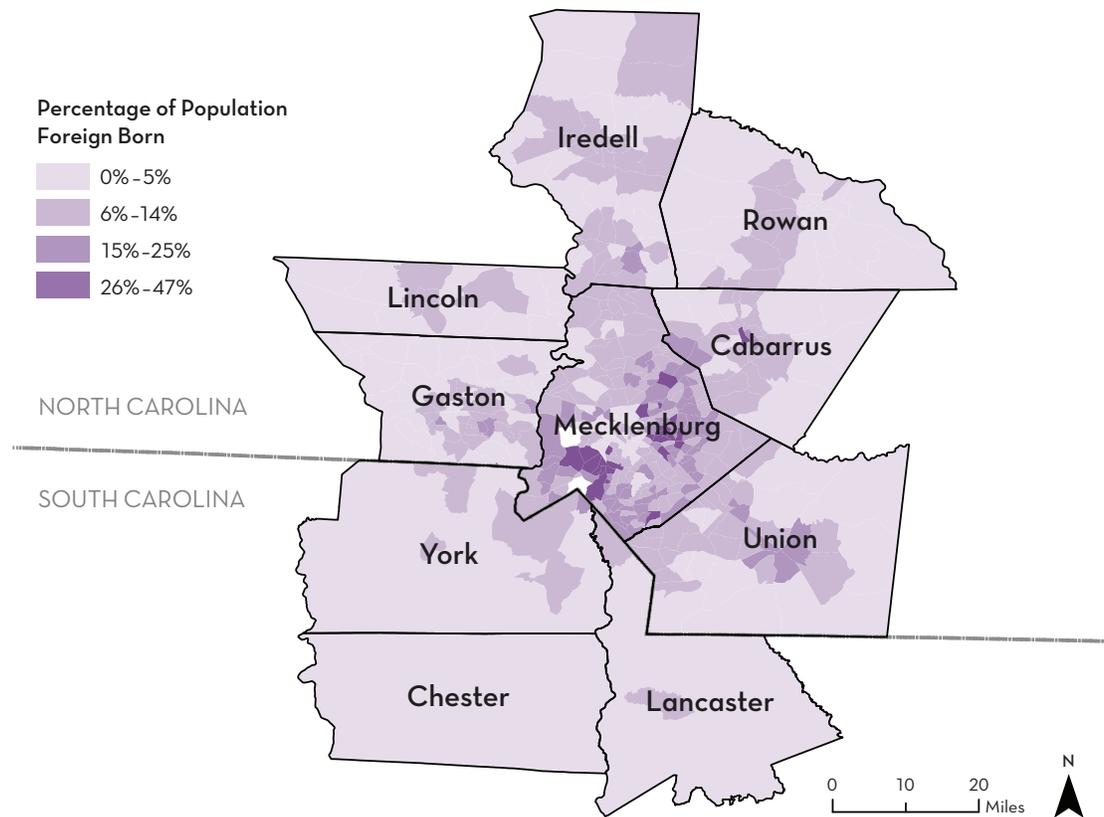
Source: 2012-2014 American Community Survey, extracted from the 5-year 2010-2014 ACS public use microdata sample (PUMS) file, September 2016.

Note: Table presents data on households. Place of birth and other characteristics are based on the household head. n/a = not applicable.

^a SFD= single-family detached; SFA/TH = single-family attached/townhouse; MF = multifamily unit (in building with 5+ units).

^b Defined as suburban if the majority of the tracts in the PUMA are suburban based on the RCLCO/ULI typology.

Charlotte Metropolitan Area Foreign-Born Population



Source: 2010-2014 American Community Survey, 5-year file.

Residential Location of Charlotte's Foreign-Born and Native-Born Populations, 2014

| Neighborhood Type | Native Born | | Foreign Born | |
|--------------------------------|------------------|-------------|----------------|-------------|
| | Number | % | Number | % |
| Urban | 92,532 | 4% | 16,981 | 8% |
| Economically Challenged Suburb | 348,115 | 17% | 57,712 | 27% |
| Stable Middle-Income Suburb | 276,773 | 13% | 40,111 | 19% |
| Established High-End Suburb | 357,089 | 17% | 39,528 | 19% |
| Greenfield Lifestyle Suburb | 389,170 | 19% | 26,220 | 12% |
| Greenfield Value Suburb | 444,518 | 21% | 26,832 | 13% |
| Rural | 179,082 | 9% | 4,252 | 2% |
| Total | 2,087,279 | 100% | 211,636 | 100% |

Source: 2010-2014 American Community Survey 5-year file; RCLCO/ULI.

to be homeowners than are other immigrant groups, but their homeownership rate (60 percent) is still lower than that of native-born households. The homeownership rate for Latin American and African immigrant households is

43 percent. However, African-born households are significantly more likely than other immigrant groups to live in multifamily housing. Half of African immigrant households in the Charlotte area live in multifamily housing, compared with

32 percent of all foreign-born households and just 18 percent of native-born households.

As in other metropolitan areas, foreign-born households that arrived in the United States before 2006 have higher rates of homeownership and are more likely to live in single-family detached homes in the Charlotte metropolitan area. They are also much more likely to live in suburban areas. About 92 percent of immigrant households in the Charlotte region that came to the United States before 2006 live in the suburbs, compared with 85 percent of more recent arrivals.

Also as in the other metropolitan areas examined, income is a key predictor of homeownership and the likelihood of living in single-family detached housing among immigrants in the Charlotte metropolitan area. Suburban residence does not appear to be related to income or housing type.

Foreign-born residents are more likely than are native-born residents to live in Charlotte's economically challenged suburbs. More than a quarter (27 percent) of Charlotte's immigrants

live in these suburban locations, compared with 17 percent of the native-born population. However, about one-fifth (19 percent) of Charlottes' foreign-born population lives in a stable middle-income suburb and one-fifth (19 percent) lives in an established high-end suburb. Compared with native-born residents, a smaller share of foreign-born residents lives in greenfield suburbs, but there are still significant shares living in greenfield lifestyle suburbs (12 percent) and greenfield value suburbs (13 percent).

The demographics of east Charlotte are changing as more immigrant groups have located into the area. These newcomers will continue to add to the area's diversity and bring new entrepreneurship to the neighborhoods and corridors.

—Urban Land Institute, Charlotte, North Carolina. *Reenergizing, Repositioning, and Ensuring the Long-Term Viability of Independence Boulevard: A ULI Daniel Rose Fellowship Program City Study Visit Report, 2011*

Key Findings from the Five Metropolitan Areas

The characteristics of foreign-born households will be critical to their impact on the local housing market. This analysis showed that key factors such as household income and length of time in the United States are good predictors of homeownership and single-family residence among the foreign-born populations in most metropolitan areas. Immigrants from all backgrounds, however, are generally attracted to suburban locations, particularly in more recent immigrant gateways.

Some of the key findings from the analysis of household and housing characteristics of foreign-born households in the five metropolitan areas included in this study are as follows:

In **San Francisco**, Asian immigrant households are older and have higher incomes than the overall foreign-born population, a finding that

likely explains their greater likelihood to be homeowners and to live in single-family detached homes. Asian immigrant households in San Francisco are less likely, however, to live in suburban areas. That finding could suggest a preference for city living exhibited by these households (e.g., the draw of historic Asian ethnic enclaves in the city), or it could reflect the higher housing costs that are more easily achievable by higher-income households in San Francisco.

The urban location also could reflect the types of jobs held by these immigrants, which may be disproportionately located in the city. Latin American immigrants have the lowest incomes and largest household sizes of the immigrant households in San Francisco. They are more likely

to live in multigenerational households than either Asian or African immigrants. Compared with Asian immigrants, Latin American immigrants are less likely to live in single-family housing despite the relatively larger household sizes.

Foreign-born households in **Houston** are younger and have lower incomes than native-born households, which could explain the lower homeownership rates and lower likelihood of living in single-family detached homes. However, foreign-born households are just as likely as native-born households to live in suburban areas, a fact that could reflect Houston's largely suburban character.

African immigrant households in Houston are the youngest immigrant group and have been in the country the shortest amount of time, on average, which could explain their lower homeownership rates. However, African immigrants have a higher median household income than do Latin American immigrant households, so theoretically they should have higher homeownership rates. Because they constitute such a small share of the immigrant population, African immigrants may currently have a harder time achieving homeownership in Houston than Latin American immigrants have.

Homeownership rates among Latin American, Asian, and African immigrant households are lower than the homeownership rate for native-born households in the **Buffalo** metropolitan area. Foreign-born households are younger and have lower incomes than native-born households, which would help explain the lower rates of homeownership as well as the lower rates of single-family detached home and suburban residence.

In Buffalo, immigrant groups with higher incomes have somewhat higher homeownership rates than do other immigrants. However, household size and length of residence in the United States do not appear to be closely associated with homeownership rates, single-family detached residence, or suburban residence. The Asian-born population, including the growing refugee population in Buffalo, is most likely to

live in multigenerational households, a finding that could be related to the refugee settlement process. The settlement process is also likely a factor in explaining the residential location and housing characteristics of the region's Asian immigrants.

Compared with other metropolitan areas analyzed in this report, foreign-born households in **Minneapolis-St. Paul** have been in the United States a shorter amount of time and are younger. The Minneapolis immigrant community also includes a substantial number of recent refugees. The relative newness of this population could explain why foreign-born homeownership rates and the likelihood of living in single-family detached homes are so much lower than they are for native-born households in Minneapolis.

Although Asian-born households have a median household income about as high as that of native-born households, they still have much lower homeownership rates and are much less likely to live in single-family detached housing than are native-born households. African-born households in the Minneapolis region tend to be slightly older, but they have lower household incomes and shorter tenures in the United States, facts that could explain the lower homeownership rates, as well as lower likelihood of single-family detached home and suburban residence. But there could be other factors, as well, because the African-born immigrant community is composed of a significant share of refugees who come to communities in the United States in a process that is different from that of other immigrants.

In **Charlotte**, the median household income of foreign-born households is not very different from that of native-born households. Asian immigrant households have a median household income that is significantly higher than that of native-born households. However, even with higher incomes, foreign-born households in the Charlotte metropolitan area are still less likely than native-born households to be homeowners or to live in single-family detached homes.

Implications of Immigration for U.S. Residential Demand and Development

Over the past two decades, immigrants accounted for about 28 percent of all household growth in the United States. A sizeable share of future household growth and housing demand will also be driven by immigrants, assuming there is no major disruption to immigration to the United States. The Harvard Joint Center for Housing Studies has estimated that between 2015 and 2025, the United States will add nearly 12.5 million households.¹⁶ If recent immigration trends continue, that would mean the nation could add 3.5 million new immigrant households over that time period. Without sustained immigration, the housing market could weaken, and in many markets the impact could be dramatic.

Implications for the Housing Market Overall

Sustained Interest in Homeownership: Overall homeownership rates in the United States continue to decline following the recession and housing market downturn.¹⁷ However, the desire for homeownership among immigrants remains very strong. This report substantiates other research that shows that homeownership rates among the immigrant population increase as length of time in the United States increases and that the relationship between length of time in the United States and homeownership is consistent across immigrant groups, as well as across different types of metropolitan areas.

Immigrants with higher incomes are more likely to be homeowners across the five metropolitan areas examined. If recent shifts in immigration flows continue, more higher-income immigrants—including rising numbers of immigrants from China and India—could accelerate the demand for homeownership among the foreign-born

population. Metropolitan areas that are attractive to these new immigrants and that have an adequate supply of housing at appropriate price points stand to gain.

A Strong Preference for Single-Family Housing: In most cases, the desire for homeownership among immigrants means single-family homeownership, and the growing foreign-born population will be a key source of demand for single-family housing in the years to come. The demand for and construction of single-family housing took a hit during the recession and housing market downturn, and it has yet to recover fully.¹⁸ Growth in the immigrant population will be a key driver of sustained demand for single-family housing. Although demand for multigenerational housing may be somewhat stronger among the foreign-born population, only a small share of immigrants live as part of multigenerational households.

The foreign-born population could be an important source of demand not only for new single-family housing, but also for existing single-family housing. As baby boomers look to sell their single-family homes in order to downsize, the growing immigrant population may be a key source of buyers for these homes, particularly in stable middle-class and established high-end suburbs. The impact depends on the characteristics of the region's immigrant population and housing stock, but the preferences for single-family housing among the immigrant population generally suggest opportunities for immigrants to become an important source of demand for existing single-family homes.

More Diverse Suburbs: Across all five metropolitan areas examined for this report, foreign-born households were more likely to live in suburban

locations than they were to live in urban locations, and the total number of foreign-born households in the suburbs far surpasses the number living in urban areas. This report shows that an immigrant's likelihood of living in a suburb is not consistently predicted by length of time in the United States, household income, age, or household size. In other words, suburban communities are attracting immigrants from varied economic backgrounds.

These results lend support to other research on immigration to new immigrant gateways. Because new gateways are less likely to have established ethnic enclaves in the urban core, new immigrants are not necessarily drawn to the urban sections of those metropolitan areas. Rather, as they settle in the United States in places without a well-established ethnic community anchor, they move to where jobs are and to where housing is most affordable. Often, these can be found in the suburbs.

Growth of the immigrant population could be a response to declarations about the "death of the suburbs" as more new arrivals flow to suburban communities of all types. New immigrants could be key to fueling the revitalization of economically challenged suburbs. They will increasingly be drawn to stable middle-income suburbs for affordable housing options and high quality of life. Higher-income immigrant households will be important to the growth of established high-end suburbs and, to a lesser extent, greenfield lifestyle suburbs.

Implications for Different Types of Immigrant Gateway Metro Areas

The effect of foreign-born households on local housing markets will be different in regions with different patterns of immigration.

Continuous Gateways such as San Francisco, Boston, Chicago, and New York will continue to attract new immigrants from all over the world and with diverse economic situations. Many

of those metropolitan areas have economies increasingly concentrated in the high-skilled technical services sector; as a result, higher-educated, higher-income immigrant households likely will be drawn to those generally high-cost metropolitan areas.

Post-World War II Gateways, including Houston, Dallas, Los Angeles, Miami, San Diego, and Washington, D.C., will continue to add to their immigrant populations. The growth of the foreign-born population in those gateways will be determined by economic opportunities and by the groups of immigrants that have recently concentrated in those regions. Metropolitan areas in Texas, for example, will continue to attract large numbers of Latin American, primarily Mexican, immigrants, assuming no major changes to immigration flows.

In *Former Gateways*, immigrants will be a key source of population growth and in some cases, new immigrants may be the *only* source of population growth. Those lower-cost metropolitan areas, including Buffalo, Cleveland, Detroit, Milwaukee, Pittsburgh, and St. Louis, will be attractive to immigrants from diverse economic backgrounds looking for varied housing options.

Reemerging Gateways represent a more diverse set of metropolitan areas, including Minneapolis, Baltimore, Denver, Philadelphia, Portland, Seattle, and Tampa. Growth in the foreign-born population in those metropolitan areas may depend on the current composition of immigrants or, in places like Minneapolis, on future decisions about refugee settlement.

Finally, *Major Emerging Gateways* include areas that are experiencing relatively fast population growth generally. Places like Charlotte, Atlanta, Austin, Las Vegas, Orlando, and Phoenix will attract new immigrants looking for economic opportunities and will include growing immigrant enclaves in the suburbs.

Methodology

The research for this report relies primarily on data from the U.S. Census Bureau, specifically the American Community Survey (ACS) public use microdata sample (PUMS) to describe the household and housing characteristics of the foreign-born population in five metropolitan areas. The dataset is also used to develop a multivariate model to better isolate the specific factors associated with homeownership, single-family residence, and suburban residence among different immigrant groups.

The ACS PUMS data contain information for a sample of individuals and households in the United States and are the best source of current data on socioeconomic and housing characteristics available for relatively small levels of geography. The smallest unit of geography in the ACS microdata is the public use microdata area (PUMA), which is an area that typically includes about 100,000 people. PUMAs were used to define the metropolitan areas studied in this analysis. As a result of changes to the PUMA definitions in 2012, this research uses a subset of the 2010–2014 five-year PUMS data that includes only data collected in 2012, 2013, and 2014.

The ACS PUMS data include detailed socioeconomic characteristics, including age, household type, household income, place of birth, and length of time in the United States. The data also include detailed housing information, including tenure (i.e., owner or renter) and housing type

(i.e., single-family detached home, single-family attached/townhouse, or home in a multifamily building). In addition, each household record in the ACS PUMS data is identified geographically by a PUMA.

For the maps and the analysis of urban and suburban location, tract-level data from the 2010–2014 American Community Survey five-year summary file were used.

For this study, each PUMA was classified as urban or suburban using information from a census tract-level typology of urban and suburban places that was developed by RCLCO and the Urban Land Institute.

The typology uses data at the census-tract level and is based on population density, housing characteristics, and distance from the metropolitan area's central business district. RCLCO/ULI identified urban and suburban census tracts and then further defined six different suburban types. For this research, tract-level typology data were aggregated to the PUMA level. A PUMA was identified as suburban if at least half of the census tracts in the PUMA were identified as suburban in the RCLCO/ULI typology. With the exception of one PUMA in the Houston metropolitan area, which was identified as being primarily rural using the RCLCO/ULI typology, all PUMAs were defined as either “suburban” or “urban” for the descriptive analyses presented in this report.

Notes

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