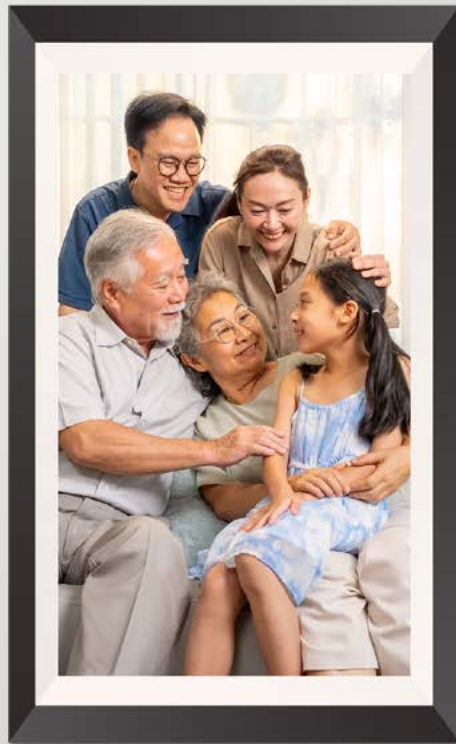


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STATE OF ASIA AMERICA



THE 21ST CENTURY HOMEBUYER

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EXECUTIVE SUMMARY

This year’s State of Asia America Report arrives at a moment of profound change. The story of American homeownership has long been one largely defined by steady ascent. For generations, homeownership offered a reliable path to stability, even with major disruptions like the 2008 housing crash. Today, however, the forces destabilizing the market are more structural than cyclical, and the patterns families once relied on are no longer behaving the same way.

Across every part of the housing system, signals are converging in ways that point to a fundamentally different market emerging. Mobility has stalled, leaving many families in a holding pattern where neither selling nor buying is feasible. Affordability has decoupled from mortgage rates as prices and fixed costs are outpacing what even lower rates could normally solve. Climate risk is redrawing where homes can be insured, shifting demand within metros and pushing some areas toward long-term uninsurability. Supply is recovering unevenly, and technology is increasingly determining which households can see or compete for available homes. At the same time, multigenerational living is becoming mainstream, and a great wealth transfer over the next two decades is beginning to influence access more than income.

Individually, these forces appear somewhat contradictory. Some loosen the market, while others tighten it, but together they indicate that the future of housing will be defined less by a return to past norms and more by how households, markets, and institutions adapt to constraints that are likely to persist. That is why this year, AREAA’s annual report looks as much at where the market currently stands as where it is headed. What is increasingly clear is that the systems that once helped families move upward are now straining faster than they can adjust, redefining who can remain housed and who can enter the market at all.

Rent affordability, for instance, is improving. Incomes now outpace rents in 37 of the 50 largest markets, according to Zillow, and multifamily rents are projected to rise only 0.3% in 2026. Nearly 3 in 5 renters plan to keep renting, and even if mortgage rates fell, only 37% of renters say they would buy, down from 45% last year. This trend shows a

growing willingness to opt out of homeownership altogether, potentially narrowing the future pool of first-time buyers who rely on it to build security, as well as the client base agents and brokers depend on.

For AANHPI communities, these shifts are especially consequential. Our households tend to cluster in the nation’s highest-cost metros and rely more heavily on homeownership for intergenerational wealth building. We have long relied on multigenerational living, homebuying decisions centered around caregiving, shared financing, and extended household strategies. And today, many Americans are now adopting these practices out of necessity.

In many ways, this demonstrates that AANHPI families are early indicators of what the country is beginning to experience. AREAA has long been able to track these indicators because of the past gains we made in data visibility. Last year, as we documented the resilience of AANHPI families in the face of unprecedented climate-driven disasters, we also celebrated the 10th anniversary of AREAA’s No Other campaign, the effort that ended the practice of categorizing AANHPI homeowners as “other” and secured independent Census recognition. That win changed the national conversation, allowing us, and policymakers, to see our communities more clearly and to design solutions that matched real conditions.

Yet this year, that data has vanished. Race-disaggregated datasets from Freddie Mac, Fannie Mae, and Zillow — essential for revealing critical information about denial rates, cost burdens, language-access needs, appraisal bias, climate-risk exposure, and early warning signs of instability among subgroups — have disappeared. Without these tools, the differences that determine who gets approved, who gets denied, and who is most at risk vanish with them. The loss halts national momentum toward better data and severely constrains fair-housing enforcement, targeted lending, and the policy reforms our communities need.

It also hits at the core of AREAA’s mission to understand the nuanced distinctions within AANHPI communities so that we can move the needle on homeownership. To restore clarity, AREAA commissioned the Urban Institute to produce

the most comprehensive AANHPI wealth-trajectory study to date: a project designed to map how wealth is built, transferred, and lost across our communities.

Significantly this year, we look closer at something our communities cannot afford to ignore: a troubling rise in AANHPI homelessness. Instability in our communities rarely resembles street homelessness. It often appears as overcrowding, doubled- and tripled-up households, garage or motel living, or constant rotation between relatives. These realities have been invisible in official counts.

We also examine how today’s pressures are changing the future buyer and as a result, changing the pathways into homeownership. We look at the rise of single women buyers, including many AANHPI women buying in the nation’s most expensive metros, as well as the delayed entry of first-time buyers into the market at age 40. We look at the caregiving responsibilities and financial obligations that make these timelines even more complex in our communities. We highlight affordability conditions in the metros where AANHPI households are most concentrated, and we trace the growing use of alternative income in underwriting, including hosting or rental income that families increasingly rely on to bridge the cost gap.

We also assess how wealth moves across generations specifically in AANHPI households, particularly as a result of the great wealth transfer the United States is entering. In our communities, inheritances may not always take the form of lump-sum transfers, and we explore the shared mortgages, ADU construction, pooled down payments, and caregiving arrangements that will shift both financial and housing responsibilities across multiple generations and bidirectionally across generations. Understanding these dynamics is essential for a market that is still calibrated around a buyer profile that essentially no longer exists.

We examine how the future physical home is changing as well. Multigenerational living has nearly quadrupled since the 1970s and is rapidly becoming a national strategy for affordability and aging — a trend AANHPI households have modeled for decades. Yet only 2% of homes in the United States are safe for aging in place. Families are responding

by building ADUs, creating caregiver suites, retrofitting unsafe entryways and bathrooms, and transforming renovation into the new mortgage when mobility is no longer possible. Financing tools have not kept pace, and we explore the need for new lending products beyond traditional home equity lines of credit to fund retrofits for households who must modify rather than move.

The future of American homeownership is changing in unexpected and challenging ways, yet many AANHPI families are already living these changes. Their experiences reveal the pressures and possibilities that will define the decade ahead. For AREAA, the mission remains constant: to ensure that every AANHPI family can stay housed, safe, and rooted in the places they have built, and in the places they hope to call home.

THE FUTURE TRENDS SHAPING THE HOUSING MARKET — AND HOW AANHPI HOUSEHOLDS ARE ALREADY LIVING MANY OF THEM

The disruptions hitting today’s housing market are creating real strain nationwide. Some of these pressures are familiar to AANHPI communities, such as high costs, constrained mobility, and shared financing. But that familiarity is itself a warning. What our households have long managed at the margins is now defining the broader market.

Some key trends shaping this future include:

A Mobility Freeze That’s Reshaping the Entire Market

American mobility is now at historic lows. In the 1950s and ’60s, roughly 20% of Americans moved each year. By 2019, the share had fallen to 9.8%, and in 2023 it reached 7.8% — the lowest level recorded since 1948. Moves within the same county have dropped nearly 47% over the past three decades. The housing side of this slowdown is stark: Roughly two-thirds of mortgage holders have rates below 4%, leaving millions effectively locked in place and pushing listings in many metros to near 15-year lows, according to *The Wall Street Journal*.

When owners stay put, supply constricts regardless of demand. Growing families cannot upgrade, older adults cannot downsize, and first-time buyers face record competition for a shrinking pool of available homes. For buyers entering today’s market, the constraint is about more than affordability, it is about access itself.

AANHPI households, already concentrated in the nation’s tightest and highest-cost metros, have been navigating low mobility far longer than the national average by relying on longer tenure, shared financing, and adaptive housing strategies, because opportunity has historically been scarce where we live. What is now a national freeze is a familiar operating reality in our communities, and it points to where the market is headed next: less movement, longer stays, and a housing system increasingly defined by adaptation rather than turnover.

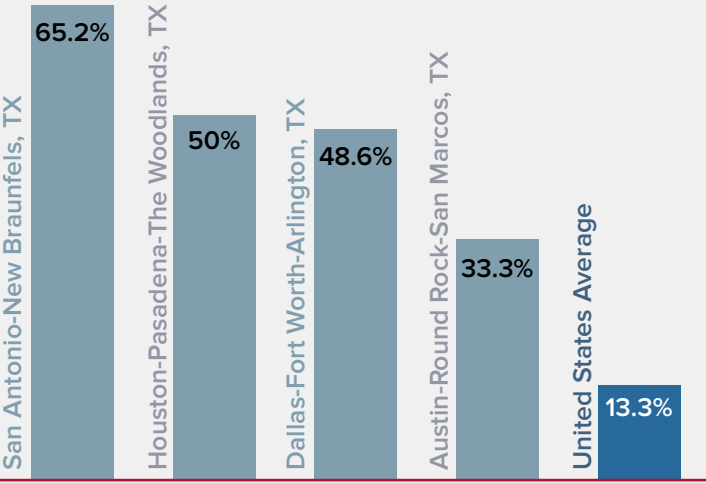
Affordability Has Broken From Mortgage Rates

The market has moved away from traditional affordability math. A median-income household would need home prices to fall 18%, or mortgage rates to drop from 6.74% to 4.43%, to afford a typical U.S. home. That is a shift economists say is unlikely without a major economic shock. Zillow economist Kara Ng told the *New York Times* that the typical mortgage payment is now nearly \$1,000 more per month than before the pandemic. In Los Angeles, San Francisco, Miami, and New York, even a theoretical 0% mortgage would not make a median-priced home affordable, because taxes, insurance, and maintenance alone exceed 10% of median income.

Today, only 38% of U.S. households can now qualify for a median-priced home, according to Oxford Economics, down from 57% five years ago. Affordability has deteriorated not only because prices climbed 36% over that period, but because the income needed to purchase a single-family home has nearly doubled from \$58,400 in 2020 to \$110,100 today. Meanwhile, affordability varies sharply across regions. Markets such as Pittsburgh, Indianapolis, St. Louis, and Birmingham would remain viable for median earners even at 8–9% rates, while buyers in coastal metros face barriers that interest-rate cuts cannot meaningfully resolve. Underbuilding, fixed costs, and constrained supply are now the defining forces.

AANHPI households, concentrated in the least affordable regions of the country, have been navigating these pressures far longer in markets where six-figure down payments are standard. As affordability continues to separate from mortgage-rate movement, the future of housing will tilt toward these models nationally, creating a landscape where stability hinges far more on supply, supplemental income, and the household networks strong enough to close the widening gap between wages and what homes actually cost.

Multigenerational Housing Demand Is Strong In Texas



Source: Multigenerational Data, Realtor.com®

Multigenerational Living Is Going Mainstream

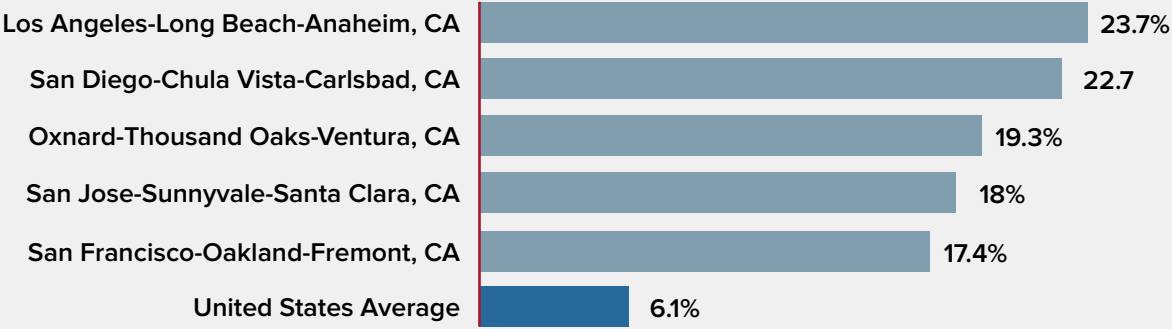
Nearly 60 million Americans now live in multigenerational households. That’s a fourfold increase since 1971, according to Pew Research. The increase is driven by both younger adults returning home and older adults choosing to stay with family rather than live alone.

Housing costs are the accelerant, as median home prices have climbed from the inflation-adjusted equivalent of \$186,000 in 1963 to more than \$400,000 today, pushing nearly half of adults ages 18–29 to live with their parents — a level not seen since the Great Depression. And families are increasingly reconfiguring their homes to accommodate multiple generations. ADU permitting and construction has surged, with Freddie Mac tracking 8.6% annual growth in first-time ADU listings over the decade prior to the pandemic.

As a result, the share of Americans over 65 living alone has fallen to 26% — down from 29% in 1990 — the smallest in over three decades. At the same time, 22% of older adults now live in multigenerational households, up from 17% in 1990, with rates even higher among those 85 and older. Nursing home costs are a major driver: Only 13% of Americans over 75 can afford a median-priced nursing home, and just 14% can afford daily home-health visits, making family-based housing the only viable long-term option for many. The demographic pressure will intensify as the U.S. ages; The Massachusetts Institute of Technology (MIT) estimates that the three states where 20% of residents are already over 65 will expand to 43 states by 2050.

AANHPI households have historically been the nation’s leaders in multigenerational living. They have normalized shared caregiving, combined income streams, and flexible living arrangements that the broader market is only now embracing out of necessity. The future of housing is shifting toward a model in which stability comes from collective capacity more than individual affordability, a structural reset that will push financing, development, and regulation to treat multigenerational living as the norm instead of the exception.

California Has The Highest Rate Of Multigenerational Housing



Source: Multigenerational Data, Realtor.com®

Climate and Insurance Are Changing Housing Decisions

Climate exposure is quickly becoming one of the primary determinants of where Americans can buy, insure, or remain housed. Families are beginning to make more hyperlocal moves across neighborhoods and counties rather than states, as they retreat from fire corridors, floodplains, and zones where insurers have raised premiums, capped coverage, or exited entirely. Redfin expects this hyperlocal climate migration to accelerate as more regions confront repeated disasters and shrinking insurance options.

At the same time, the public’s visibility into risk is diminishing. Zillow recently pulled climate-risk scores from more than a million listings after pressure from major listing services, even though First Street Foundation models, widely used by insurers, banks, and federal agencies, have consistently outperformed federal hazard maps. Research published through the National Bureau of Economic Research finds that when buyers do see accurate risk data, home prices adjust and demand shifts. Without it, families, and especially first-time buyers, face rising uncertainty around future costs, exposure, and whether a home will remain insurable at all.

Insurance instability and withdrawal is now also one of the most powerful drivers of housing inequality. Premiums in high-risk regions have doubled or tripled. Some insurers have stopped writing new policies altogether, and a growing share of homeowners are going uninsured completely because coverage is either unavailable or unaffordable. That gap will widen as rebuilding costs rise, and catastrophic events become more frequent. In several states, regulators and reinsurers have already warned that certain markets may face long-term or permanent insurance scarcity, a shift that effectively redraws the housing map without a change in zoning.

For AANHPI households concentrated in coastal regions, and increasingly relocated to rapidly growing inland markets hit by freezes, floods, and extreme heat, like Texas, Tennessee, and North Carolina, insurance volatility now overlaps with affordability and supply issues. The future of housing is moving toward a world where insurability defines access as much or more than mortgage rates. Markets will become more stratified by who can obtain coverage.

The algorithm has become the first agent, and often the most decisive one.



Source: Shutterstock.com

Technology Is Becoming the Central Gatekeeper

Twenty years ago, homebuyers had to meet an agent in person just to see printed listings of what was on the market, and then follow that agent, car to car, from one locked front door to the next. Then came Zillow, Redfin, and searchable databases that let consumers browse from their couch, followed by virtual tours that made it possible to walk through homes without ever setting foot inside them. Now the market is shifting again. The next phase of homebuying no longer simply involves searching on a screen. It means interacting with AI systems that learn a buyer’s preferences, anticipate what they can afford, and silently determine which homes appear at all.

Technology is doing more than just speeding up the home searching transaction. As the U.S. Government Accountability Office has warned in recent reports on AI in housing, it is increasingly defining the boundaries of access itself. For AANHPI buyers, who tend to be digitally fluent, maintain strong credit profiles, and search in some of the country’s most competitive metros, this shift brings both real advantages and new structural risks.

Search and Discovery: Algorithms Decide What Homes Feel Within Reach

The home search has become a fully algorithmic experience. Platforms are moving away from simple map-based browsing toward conversational and predictive systems that absorb every signal a buyer gives off, from which listings they click on to which ones they skip, how long they linger on photos, and even which features they zoom in on. These tools now combine behavioral data with affordability projections, climate exposure, insurance volatility, job-market risk, and school-boundary changes to curate what a buyer sees.

The Evolution of Homebuying



In-person agent



Zillow, Redfin,
searchable databases



Virtual tours



AI systems that learn preferences, predict affordability, and filter listings silently

The result is an experience that feels personalized, efficient, and intuitive. But it is also increasingly constrained, a tradeoff that federal regulators have flagged as AI-driven tools become more prevalent in housing markets. Algorithms now shape a buyer’s universe of options before the buyer ever sees the full market. If a system decides a household is slightly outside a price band, or infers preferences too narrowly, entire neighborhoods could disappear from view.

For AANHPI buyers concentrated in high-cost metros where affordability windows open and close quickly, the stakes are high. Missing a single listing or being filtered out of a narrow price range can materially change outcomes in their home buying search. Early adopters may benefit from sharper matching, but these opaque ranking systems also risk reinforcing barriers in ways buyers may never detect.

The digital advantage is also not evenly distributed within AANHPI communities. Research from Pew and Accenture’s Asian American Wealth show that gaps in broadband access, digital literacy, language support, and confidence navigating automated systems can leave some older, immigrant, or limited-English households effectively invisible to algorithm-driven search tools, even as the market assumes universal digital fluency.

In practice, this means the algorithm has become the first agent, and often the most decisive one.

Valuation and Appraisal: Automation Can Reduce Bias or Scale It

Technology is also changing how homes are valued. Automated Valuation Models (AVMs) and AI-driven appraisal systems increasingly rely on computer vision, image analysis, environmental risk data, and historical pricing trends to assess a property’s worth, according to Bankrate and federal consumer protection agencies monitoring the use of AVMs. These tools promise greater consistency and speed, particularly in volatile markets.

There are clear benefits. Automation can reduce exposure to subjective human bias and eliminate practices like “whitewashing” a home before an appraisal. In competitive markets with fast-moving prices, more consistent valuations can help prevent deals from collapsing at the appraisal stage.

But the risks are just as real. As federal housing oversight agencies have cautioned, algorithms inherit the data they are trained on, which includes decades of discriminatory pricing. Image-based systems may misinterpret multigenerational layouts or culturally specific home modifications as nonstandard and discount their value. Neighborhoods with fewer comparable sales, including many immigrant corridors, could be systematically undervalued because the model lacks clean reference points.

For AANHPI buyers and homeowners in markets such as Honolulu, San Francisco, Los Angeles, Seattle, and New York, where pricing volatility is high and housing stock is diverse, the accuracy and fairness of automated valuations will play a growing role in both access and long-term wealth building.

Underwriting and Approval: Qualification Is Becoming Pattern Recognition

Underwriting was once defined by paperwork, pay stubs, and manual review. Now, it is increasingly shaped by machine-learning systems that evaluate bank-transaction histories, detect income patterns, and assess financial stability in minutes rather than weeks, a shift closely tracked by both federal regulators and mortgage industry leaders. New models are beginning to look beyond the traditional W-2, incorporating rental-payment history, cash-flow analysis, and automated document extraction.

This shift aligns with the realities of many AANHPI households, which often include multiple earners, self-employment, contract or family-enterprise income, multigenerational support

structures, and strong credit profiles paired with unconventional documentation. When designed well, automated underwriting has the potential to recognize financial stability that traditional systems overlooked.

Yet, these systems can also misread complexity as risk and penalize it. As the Government Accountability Office notes, AI-driven qualification tools can be difficult to audit, may rely on historically exclusionary data, and can discount borrowers who do not fit a narrow definition of income regularity. As underwriting becomes more automated, oversight will determine whether these tools expand access or narrow it.

“
The future of housing will hinge on where supply returns, not simply whether it does.
”

Supply and Construction: AI Will Drive What Gets Built and Who It Serves

Technology is also impacting the housing supply. According to real estate industry analysts, builders and developers increasingly rely on AI to model feasibility, evaluate zoning constraints, estimate climate and insurance risks, and predict demand at the neighborhood level. These tools make modular construction, 3D-printed units, Accessory Dwelling Units (ADUs), and adaptive reuse of commercial space more financially viable by reducing uncertainty and accelerating approvals.

In a market defined by chronic undersupply, the systems that determine feasibility will heavily influence what gets built. Because these models optimize for financial performance, they can push development toward higher-margin products, potentially at the expense of the entry-level and multigenerational housing AANHPI first-time buyers often need most.

Used well, AI could help scale smaller-footprint homes, infill development, and accessory units that expand affordability. Used poorly, it risks narrowing the housing pipeline further. In this way, technology becomes a gatekeeper for the supply itself.



Source: Shutterstock.com

Closing and Ownership: Even the Last Human Steps Are Becoming Automated

The final stages of a transaction were once dominated by in-person meetings and thick paper packets. It’s now moved fully into the AI era. Practices such as remote notarization, digital closings, automated title verification, and AI-assisted disclosure review are becoming standard. These tools can reduce friction, accelerate timelines, and improve access for multilingual or first-generation buyers.

But such automation also introduces new risks. AI-generated summaries of legal documents may oversimplify critical details, and digital workflows can mask errors that a human might catch. Together, these shifts point to a housing market where technology increasingly coordinates search, valuation, underwriting, supply, and closing. While AI will certainly continue to change the future of homebuying, the question remains whether these systems will expand access or further restrict who even makes it through the gate.

The Supply Recovery Will Be Real — But Not Necessarily Where It’s Needed Most

Economists estimate the U.S. remains short at least 1.5 million homes, and possibly 3–4 million once aging stock and geographic mismatch are counted. This is a deficit so large that even rising inventory cannot quickly normalize supply, especially because the rising inventory is uneven and largely bypassing the regions where AANHPI buyers live.

Realtor.com forecasts an 8.9% increase in existing-home inventory in 2026, marking the third straight year of gains, with new single-family construction projected to grow another 3.1%. These are the strongest signs of national loosening since before the pandemic. Yet builders are expected to break ground on fewer new homes next year, with Zillow projecting the weakest year for single-family starts since 2019 — a signal that today’s inventory gains may not translate into sustained supply relief. Supply is still expected to end 2026 still 12% below pre-pandemic levels, meaning the market remains structurally tight.

Yet these gains are geographically mismatched. Inventory is expanding fastest in the Midwest, Great Lakes, and parts of the Northeast, markets that already held relatively stable affordability. Meanwhile, the West Coast, Hawaii, and major coastal metros where AANHPI households are overrepresented remain the tightest markets in the country, with elevated land costs, zoning limits, and slow permitting cycles preventing meaningful expansion. In these areas, even growing construction pipelines cannot overcome decades of underbuilding or the regulatory friction that keeps new units from reaching the market.

AANHPI households, who already face the steepest supply constraints, will see the least relief from national improvements. This means the long-discussed return to balance is unlikely to be a universal experience. The places where homeownership has long been most out of reach will remain so even as the national market cools. The future of housing will hinge on where supply returns, not simply whether it does. And unless the regions with the highest concentrations of AANHPI buyers see structural reform and sustained construction, the benefits of a national supply recovery will accrue elsewhere, widening the regional divide in homeownership access.

“
The wealth transfer will widen the gap between households who receive inheritances and those who do not.
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The Wealth Transfer Will Influence Access More Than Supply

The U.S. is entering the largest intergenerational wealth transfer in history — an estimated \$84–124 trillion by mid-century — with women poised to inherit the majority of it and younger adults increasingly reliant on inherited capital to close affordability gaps. Housing is the dominant asset being transferred, but its impact on the market is unclear. Some experts argue that while inheritances reliably increase who can buy, they do not reliably increase what is for sale.

A significant share of inherited homes may never reach the open market. Many heirs keep properties as rentals, transfer them within the family, or sell privately, meaning turnover is lower than death rates imply. In high-cost metros, heirs are also more likely to retain inherited homes because the replacement cost is prohibitive. And even when inherited capital boosts purchasing power, it does not change the structural constraints already driving shortages: underbuilding, zoning limits, insurance withdrawals, and the geographic mismatch between where young adults live and where housing actually exists.

What is clear is that the wealth transfer will widen the gap between households who receive inheritances and those who do not. It will increase the number of buyers able to make large down payments or buy all-cash, and it will accelerate the role of intergenerational financing, shared mortgages, and family equity.

These patterns are already dominant in AANHPI communities. And because women will receive most of the transferred wealth, it creates a major opening for culturally competent lenders, brokers, and wealth managers to guide new inheritors through asset building, tax strategy, and long-term housing planning. The future of housing will be shaped less by the wealth that changes hands than by who receives it, how they deploy it, and whether the industry steps up to equip future generations who will fund homeownership through inheritance rather than income.



Source: Shutterstock.com

“Disappearing datasets drastically limit our ability to see emerging problems early — when families have already absorbed the consequences.”

The Data We Lost — And Why It Matters

This year, several of the datasets that allowed AREAA, lenders, and policymakers to understand AANHPI homeownership with accuracy were removed from public view. Freddie Mac ended key race-disaggregated reporting tools. Fannie Mae paused the National Housing Survey, which had tracked borrower sentiment, mortgage strain, and barriers to entry for more than a decade. Zillow eliminated climate-risk scores from over a million listings after pressure from major listing services, despite the models being widely validated by insurers, banks, and federal agencies.

The loss is significant because subgroup differences inside the AANHPI umbrella are large enough to alter policy, lending, and consumer outcomes. Vietnamese, Filipino, Cambodian, Hmong, and NHPH households show distinct denial rates, cost burdens, and income-to-price ratios. South Asian and Korean households often present strong incomes but are concentrated in metros with extreme price volatility and insurance instability. Without disaggregation, these patterns flatten and conceal both advantage and vulnerability.

This directly affects AREAA's ability to advocate. Targeted down-payment assistance, language-access programs, loan-officer training, and fair-lending investigations require clarity about which communities are experiencing strain and where. When the data collapses, it also weakens the evidence needed to justify interventions that convince regulators, agencies, and lawmakers.

The disappearance of climate-risk visibility adds an additional layer of risk for AANHPI buyers, who are disproportionately clustered in wildfire- and flood-exposed regions. Removing those scores leaves buyers without information that materially affects insurance eligibility, long-term stability, and the financial safety of a purchase. It also limits agents' and brokers' ability to advise clients in a market where insurers are already withdrawing from key AANHPI metros.

Especially troubling is that disappearing datasets drastically limit our ability to see emerging problems early. Rising denial rates in a specific subgroup, surging cost burdens in a particular metro, increases in uninsurable homes, or early indications of displacement will surface later, when families have already absorbed the consequences.

For AREAA and its chapters, accurate data is the foundation for credible advocacy and community protection. Without it, the risks AANHPI households face simply become harder to identify and far more difficult to address in time.

AREAA is now relying on expanded research partnerships and independent modeling to preserve the visibility that federal and industry datasets once provided. But replacing this information cannot fall solely to nonprofits. These tools need to return, and without transparent, subgroup-level data, the nation's housing system cannot meet its responsibilities to our communities most exposed to financial and climate risk.



SECTION 2/THE FUTURE BUYER

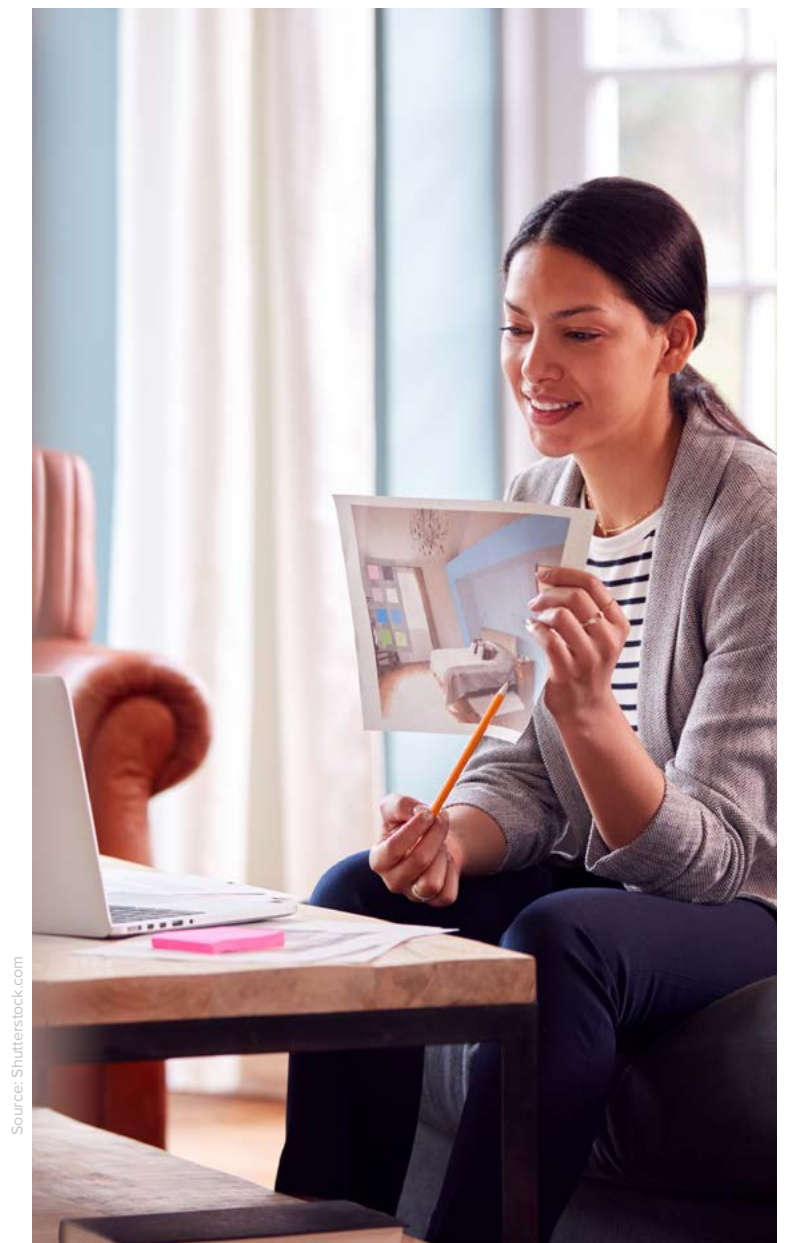
THE FUTURE BUYER HAS CHANGED, AND WITH IT, THE PATH TO HOMEOWNERSHIP

The buyers entering the market now, and in the next few years, look nothing like the buyers who shaped the last decade. They're older, often reaching their first purchase around 40, and the cost of waiting shows up in lost equity and increased competition. Single women are now one of the most influential buyer groups in the country, purchasing homes at nearly three times the rate of single men despite lower incomes and higher denial rates. And more buyers are stitching together eligibility through family help, pooled earnings, side income, or harder-to-document revenue streams as traditional underwriting struggles to match how people actually work and save.

Where people buy is shifting, too. With mortgage rates likely to settle in the low 6% range and wages finally outpacing price growth, buyers who can't make coastal or Sun Belt prices work are gravitating toward value markets in the Northeast and Midwest. At the same time, formerly hot metros, especially in Florida, Texas, and parts of the West, are cooling under the weight of insurance costs, climate exposure, and slowing demand. More buyers are staying in the cities they know but switching neighborhoods to manage affordability, commute patterns, or climate risk. And as more households take on caregiving or multigenerational responsibilities, people are rethinking not just when they buy, but also what kind of home, and where.

For AANHPI households, these shifts are already here. These communities are concentrated in some of the nation's highest-cost markets, where late entry aligns with peak childcare, eldercare, and extended-family support. AREAA's Opportunity Index and Urban Institute findings show AANHPI buyers rely more heavily on pooled income, family gifts, and intergenerational resources to close down-payment gaps. Some subgroups, especially in tech-driven metros, lean on financial-asset growth to bridge delays. Others depend almost entirely on home equity as their long-term safety net. And for self-employed buyers or those with non-traditional income streams, strict verification rules can become the barrier itself.

For AANHPI communities, the stakes are also higher. The timing of that first purchase now determines whether homeownership mobility or staying put.



The Future Is Female — And She Already Bought the House

Single women have become one of the most durable forces in the housing market. They’re now 20% of all buyers and 24% of first-time buyers — more than double the share of single men, at 8%. Although that trend has been rising since the 1980s, it continues to accelerate at one of the most challenging moments in recent history for first-time homebuyers. A recent BankRate study found that 75% of homes across the country are currently unaffordable for the typical household, and renting is cheaper than buying in the 50 largest metros. Yet single women continue to achieve homeownership against considerable odds.

“I think it’s unique in this environment, because women are successfully purchasing homes and outpacing even single men, but they’re doing so on the lowest household income, in an incredibly unaffordable housing market,” says Dr. Jessica Lautz, deputy chief economist and vice president of research at the National Association of Realtors.

The income gap is a significant barrier. NAR data shows the typical first-time male buyer earns \$87,500, while the typical first-time female buyer earns \$71,300. This gap helps account for the delay in women’s entry into homeownership, with the median age for first-time single women buyers now 40, compared with 34 for single men.

For AANHPI women, the timeline is accelerated. According to AREAA research, the average age of a first-time single female buyer is 36 — the youngest buyer segment nationally — supported by stronger savings behavior and exceptionally high credit scores. Asian households have higher median credit scores of any racial group and maintain savings rates that outpace income growth. These factors help explain why AANHPI women enter the market earlier despite the same income constraints facing women overall.

The wage side of the equation is complex as well. National analyses show AANHPI women face one of the widest internal wage gaps in the labor market, with earnings ranging from 52 to 95 cents on the dollar relative to white men, depending on subgroup. That variation helps explain why AANHPI single women can simultaneously outperform on education and credit while still navigating affordability strain.

Income, however, is not the only headwind unique to women in the current market. “Other data is suggesting that they’re also outperforming men in going to college, which means they would be

more likely to have student loan debt,” Lautz says. “We have picked up consistently in the data that student loan debt is one of the biggest hurdles to homeownership, regardless of gender or race. It’s very hard to save when you’re paying off student loan debt.”

Rent can further erode what might otherwise go toward a down payment. “If they’re renting by themselves,” she says, “and rental costs have certainly been high.”

Loan approval is uneven as well. Women on the whole face higher denial rates, even as Asian borrowers overall experience lower ones, at just 9% compared with 11% for White borrowers, 17% for Hispanic borrowers, and 21% for Black borrowers, according to NAR’s 2025 snapshot on race and homebuying. Lautz says “both are absolutely true,” a reminder that gender and race trend lines don’t always move in the same direction.

Despite these constraints, homeownership offers something renting does not: the predictability of stable payments in a stable location. Women are more likely to have children at home, Lautz says, to care for older relatives, and to seek permanence in a community.

That preference for stability is reflected in how AANHPI women buy. According to AREAA research, their priorities include quality of neighborhood (76%), proximity to family (55%), and affordability (42%). They also buy at roughly twice the rate of AANHPI single men in many major metros. NAR’s data found that Asian homeownership has grown by 5.6 percentage points over the last decade — the largest increase of any racial group — part of why AANHPI single women are emerging as a particularly strong share of this rising cohort.

To achieve that stability, women often take extreme steps. “What we’ve found in the data very consistently is that they’re more likely to make financial sacrifices,” Lautz says. “So they will cut spending everywhere they possibly can — on luxury items, entertainment, clothes, vacation plans, even being willing to take on a second job to achieve homeownership. It’s an interesting trade-off that they’re willing to really cut back on anything they possibly can for an end goal that they very much have in sight, which is homeownership.”

Those sacrifices shape how women assemble down payments. Women tend to lean heavily on savings and support networks. “Gifts from friends and relatives are quite common among first-

time home buyers,” Lautz says. According to AREAA’s Opportunity Index, AANHPI women also report some of the strongest financial resilience indicators among single female buyers, including above-average savings balances and lower non-mortgage debt burdens — structural advantages that help offset lower household income.

Younger single female buyers, in particular, are the most reliant on gifts. Recent NAR data found that 33% of younger Millennial women used a gift or loan from family or friends for their down payment. Older single women depend on something younger women do not yet have — equity from the sale of a previous residence.

Others rely on temporary co-living arrangements with family, though, as Lautz emphasizes, not everyone has that option. “We pick up that some women are more likely to move in with family before purchasing, so they’re skipping paying rent, but that’s not universal,” she says. “That’s not an opportunity everyone may have.”

When it’s time to buy, income constraints also shape what women choose. Only 45% of Gen Z single women could afford a detached home; the rest gravitated toward townhouses (23%) and condos (20%). On the other end of the age spectrum, 34–35% of Older Boomer and Silent Generation single women downsize into condos or townhouses for affordability, safety, and lower upkeep.

They’re also more likely to consider buying with a roommate. “I wouldn’t say it is common yet,” Lautz cautions, “but it is becoming more common. It still seems to be in the single digits, and it seems to be regardless of age. It could be a first-time home buyer, it could be someone who actually is older, who is a repeat buyer in the market, teaming up with roommates. I like to think of it as a Golden Girls phenomenon, a Grace and Frankie.”

Lautz says these choices, including purchasing a smaller house or condo, track directly with both finances and lifestyle. “They’re doing so in a lower household income,” she says, “but also they may need less space as well or want less space.”

Caregiving obligations also shape home choice. “Single women are more likely to be purchasing as single moms, and we do pick up that single women are more likely to be purchasing multi-generational homes, often taking care of an elderly parent,” Lautz says.

In some homes, caregiving flows both ways. “People of an older generation may actually still be contributing financially, or lending childcare, which can be really costly as well,” she says.

Across demographics, single women buy where they already have people, not necessarily toward job markets alone. “They want their support system around them,” Lautz says. “Where is my support system? Where are my friends and family? And that’s where I’m going to go purchase a home.”

As this segment grows, Lautz says real estate professionals and lenders need to shift their assumptions. “We should just not make assumptions that someone may want to be married or partnered up before they go to purchase a home,” she says.

She adds that single men have remained “really flat in the data” for four decades — a stagnation that suggests an opportunity to continue educating women about homebuying while also expanding pathways to ownership for single men.

Women are also projected to inherit a disproportionate share of the \$84–124 trillion in generational wealth transferring over the next two decades, a shift that could accelerate this trend. For AANHPI women, who already outperform on education, savings, and wage growth, that capital may arrive just as affordability slowly improves and inventory loosens.

“What we’re seeing is that women are still outperforming,” Lautz says. “This is a large segment and it’s not going anywhere.”

Single women have become one of the most durable forces in the housing market.

“**Buying at 40 instead of 30 means forfeiting roughly \$150,000 in equity on a typical starter home.**”

Meet the 40-Year-Old First-Time Buyer

The national average age for a first-time buyer has reached 40, the highest ever recorded. Entering the market a full decade later than earlier generations comes with steep consequences: buying at 40 instead of 30 means forfeiting roughly \$150,000 in equity on a typical starter home, before even counting local price appreciation. And this milestone now lands in the middle of life’s most expensive years. Childcare costs, supporting aging parents, tuition obligations, and multigenerational expenses all peak just as buyers are competing for scarce, increasingly out-of-reach homes.

AANHPI first-time buyers feel these pressures even more acutely. They tend to purchase later, but the path to a down payment is also more complex. Nationally, first-time buyers piece together financing primarily through personal savings (59%), followed by liquidating financial assets (26%) and gifts or loans from family and friends (22%).

Within many AANHPI households, those contributions stretch further. Buyers often shoulder extended-family expenses while saving or rely on help from parents who may themselves still rent or be engaged in caregiving. Multiple earners frequently contribute, but that doesn’t translate into faster entry. Instead, it creates a shorter runway to build independent savings and a greater dependence on family capital that isn’t evenly distributed across subgroups.

At the same time, the landscape for older repeat buyers highlights the widening gap. They enter the market at a median age of 62, bring 23% down payments, and make all-cash purchases nearly one-third of the time, resources a 40-year-old first-timer simply doesn’t have. And because “first-time buyer” status also includes people who re-enter ownership after divorce, widowhood, or financial setbacks, today’s cohort is a mix of late-entry Millennials and adults recovering from earlier housing losses in 2008, or life milestone transitions.

For AANHPI households without access to intergenerational wealth or liquid assets, the shift toward a 40-year-old first-time buyer has become a structural barrier to ownership. In densely concentrated AANHPI metros, the timing gap determines whether families ever get the chance to build generational equity.

Post-Settlement Compensation Changed the Rules — Not the Costs

The new settlement rules changed how buyer-agent compensation is disclosed and negotiated, but not what buyers actually pay. Despite expectations that costs would fall, compensation levels have barely budged. A Consumer Policy Center investigation found that 95% of buyer agents in 26 metro areas still quoted 2.5%–3%, almost identical to pre-settlement norms. Redfin data shows the same pattern: compensation levels have rebounded to 2.4%–3%, with the highest averages on homes under \$500,000 (2.52%) — the very tier first-time buyers depend on.

The new rules have also introduced more steps and more uncertainty. Buyers must now sign written compensation agreements before touring and negotiate — sometimes repeatedly — regarding whether the seller, the buyer, or both sides will cover fees. In practice, the CPC research found that many agents are still steering buyers toward listings that offer familiar compensation levels and warning that lower-compensation homes may not get shown. A few agents bypass the rules entirely by showing homes without written agreements, adding another layer of inconsistency for consumers.

For AANHPI first-time buyers, this matters more than it may seem on paper. Many enter the market later, save while supporting extended family, or assemble down payments from multiple household contributors. Layering new upfront fees, case-by-case negotiations, and higher entry-level compensation rates onto buyers who already operate with narrow margins raises the bar even further. And unlike older repeat buyers, who often rely on large equity stakes or pay all cash, first-timers cannot offset these added costs through proceeds from a prior sale.



Source: Shutterstock.com

In this environment, AANHPI buyers benefit from making compensation part of the strategy early on rather than treating it as a surprise at the offer stage. That means confirming at pre-approval whether their lender allows buyer-agent compensation to be financed into the mortgage, asking agents upfront how they handle listings with limited or no offered compensation, and having transparent conversations within the household about how these fees will be covered if the seller won’t. None of these steps eliminate the added cost, but they can prevent last-minute shocks, keep more homes within reach, and help buyers with tighter margins stay competitive in a system that now demands more planning.

“**The next phase of affordability will hinge on whether qualification frameworks finally catch up to how Americans actually earn, save, and support one another.**”

Affordability Hits Hardest Where AANHPI Buyers Live

Affordability pressures are most severe in the metros where AANHPI households are concentrated. California, Hawaii, Western Washington, and the Northeast remain the least affordable markets in the nation, according to NAR data. In Los Angeles and San Diego, middle-income buyers can afford fewer than 5% of active listings, and even households earning \$150,000+ can access under 30% of available homes. By contrast, buyers earning the same amount in Ohio, Iowa, Wisconsin, or Indiana can reach 45–60% of listings, which reveals a structural geographic divide that closely mirrors AANHPI population density.

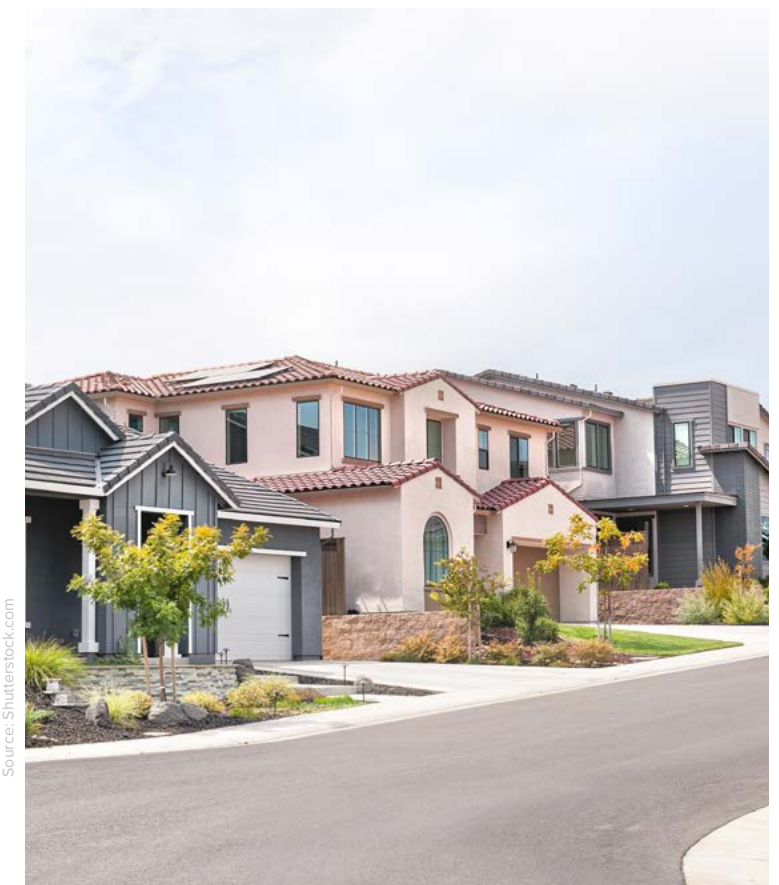
Forecasts for 2026 and beyond deepen this split. Realtor.com’s 2026 outlook predicts price declines in 22 metros, largely in Florida and parts of the West, while Redfin expects the strongest demand in the NYC suburbs (Long Island, Hudson Valley, Northern

NJ, Fairfield County), Great Lakes metros (Cleveland, Madison, Minneapolis, St. Louis), and inland Northeast cities (Syracuse, Rochester). These areas combine lower price-to-income ratios, healthier inventory, and insurance costs that have not spiked as sharply as coastal markets.

Climate exposure adds another affordability layer. Redfin’s 2026 forecast charts increasing hyperlocal migration, with households in Los Angeles moving away from wildfire-prone hillsides toward flatter coastal neighborhoods with lower insurance and risk. AREAA’s State of Asia America report from last year explored how AANHPI households, especially in California, Hawaii, and Texas, face disproportionate insurance burdens after climate events, further tightening already narrow budgets.

Insights from AREAA’s Opportunity Index, the AANHPI Hidden Housing Report, Urban Institute’s AANHPI wealth project, and Accenture’s Asian Wealth Insights show why affordability hits differently for this population. AANHPI households have higher average incomes and among the strongest credit profiles in the country, but these do not always translate into affordable access. Because they are disproportionately located in the nation’s most expensive metros, these advantages buy less home than in the Midwest or Great Lakes.

Wealth is also uneven and often illiquid. Accenture and AREAA data show wide gaps between subgroups: Chinese, Japanese, and Indian households hold significant financial assets, while Filipino, Vietnamese, Cambodian, Hmong, Laotian, and Pacific Islander households face far lower liquid-wealth levels. In high-cost markets that require six-figure down payments, this disparity determines who can enter.



Source: Shutterstock.com

Savings timelines are more compressed by multigenerational obligations. Urban Institute’s data shows AANHPI households provide more financial support to parents and extended kin than any other racial group. These obligations delay savings, which is especially problematic in metros where entry-level homes no longer exist.

Geographic concentration also magnifies every cost shock. According to AREAA’s Opportunity Index, AANHPI households are overrepresented in counties with the highest price-to-income ratios, highest insurance volatility, and lowest affordable-inventory shares. Even slight increases in rates or premiums disproportionately erode buying power.

Redfin and Realtor.com both identify the first meaningful opportunities for future access: Great Lakes and Midwest metros (Cleveland, St. Louis, Madison, Minneapolis) offer substantial inventory under \$350,000, rising wages, and more stable insurance costs. Northeast secondary cities (Hartford, Rochester, Albany, Scranton) align with job growth and maintain price-to-income ratios far below coastal markets. Last year, we tracked existing and ongoing AANHPI migration into Ohio, Illinois, Utah, Nevada, Arizona, and parts of Texas, often driven by affordability and new business formation.

For AANHPI households, affordability in 2026 and beyond is about high prices, but most importantly, where those prices are highest. Coastal markets where the community is most established are becoming structurally inaccessible, while inland and Northeast metros may become the only realistic on-ramps to homeownership and long-term wealth building.

In this sense, the future buyer is not an individual at all. It's a household planning for three generations.

Caregiving, Space, and the Multigenerational Household

Caregiving is becoming a central driver of homebuying decisions, and AANHPI households are on the leading edge of this shift. Many support both children and aging parents, and a rising share live in multigenerational arrangements that require larger floor plans, accessible layouts, and proximity to medical care, transit, and cultural networks. These needs often push buyers toward higher-priced neighborhoods or larger homes — raising the entry bar even further.

This is no longer a niche pattern. Multigenerational living has surged nationwide, driven by housing costs, student debt, caregiving needs, immigration dynamics, and the simple math of insufficient affordable supply, according to *USA Today*. Pew Research documented this growing trajectory in 2022: multigenerational households have quadrupled since the 1970s, and Asian Americans are among the most likely to live with extended family, nearly twice the rate of White households. For many younger adults, the cost of living alone has simply become prohibitive. For older adults, the cost of assisted living or home care often pushes families back under one roof. What began as an economic response is becoming a long-term arrangement more and more families are choosing to maintain.

Urban Institute research shows how this plays out financially across AANHPI subgroups. Filipino, Vietnamese, and Pacific Islander households report the heaviest eldercare and childcare spending, often supporting parents abroad while raising children at home, which leaves less room for long-term savings. East Asian households, such as Chinese, Korean, and Japanese, show higher rates of combined household income, with multiple wage earners contributing to housing costs even when only one buyer appears on the mortgage. South Asian households tend to have the highest earnings and savings rates but also the highest remittance and education-related expenditures, which delays liquidity for down payments despite strong credit profiles.

This means that buyers are evaluating their mortgage payments and now routinely assessing whether a home can safely house aging parents, returning adult children, or multiple wage earners supporting one budget. In this context, multigenerational living is still about cultural continuity, but it has increasingly become an economic strategy that stabilizes families amid high costs, limited supply, and widening caregiving gaps.

As affordability tightens, more Americans will push demand toward homes that can flex with family life: separate entrances, ADUs, accessible ground-floor bedrooms, and layouts that allow privacy and caregiving simultaneously. Markets that continue building exclusively for small households will fall behind. Markets that adapt to multigenerational needs will capture the next decade of AANHPI demand. In this sense, the future buyer is not an individual at all. It’s a household planning for three generations.



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Alternative Income Is Becoming the New Qualification Tool

With home prices rising far faster than wages, more buyers are turning to supplemental income streams to qualify for a mortgage. Lenders are slowly adjusting, too. Room-rental and hosting income, gig and contract earnings, combined household contributions, extended-family support obligations that reduce savings capacity, and small-business revenue are increasingly part of the underwriting conversation as borrowers work to meet debt-to-income thresholds.

For many AANHPI households, this has long reflected how income is earned. Urban Institute’s wealth research data shows high rates of self-employment, household pooling, and multigenerational contribution patterns across AANHPI subgroups. Filipino, Vietnamese, and Pacific Islander families report substantial caregiving obligations, which change how income flows. Chinese, Korean, and Japanese households show higher prevalence of multi-earner households supporting one mortgage, while South Asian households tend to report strong incomes but heavy education and business-investment expenses, delaying traditional savings accumulation even with excellent credit.

These realities are intersecting with verification systems still built around W-2 consistency and single-stream income, disadvantaging immigrants, entrepreneurs, and owners of family businesses, who are a significant share of the AANHPI homebuying population. Even highly creditworthy borrowers can be sidelined by documentation barriers that do not reflect modern earning patterns.

The result is that many AANHPI first-time buyers face a narrower, more complicated set of mortgage pathways. Not all products allow lenders to recognize cash-flow–based income, multigenerational contributions, or episodic 1099 earnings, even though these structures are central to AANHPI economic mobility. Accenture’s Asian Wealth study notes that asset growth outpaces homeownership growth in several subgroups, proving that the challenge is not capability, but qualification under outdated rules.

This is exactly why the expansion of alternative underwriting matters. FHA now incorporates positive rental-payment history into its TOTAL Scorecard, a change Urban Institute finds especially beneficial for buyers with thin files or non-traditional credit histories, including many younger AANHPI renters. Freddie Mac’s automated system can evaluate bank-transaction cash-flow data, giving self-employed and multi-stream earners a pathway that better reflects real financial stability. Early studies show that rent-reporting and cash-flow underwriting can meaningfully lift credit scores and expand access for borrowers who have long been creditworthy but poorly reflected in legacy scoring models.

Borrower education is more critical than ever, and lenders and brokers have a direct role to play in helping buyers navigate documentation hurdles, in encouraging rent reporting, in helping organize multi-stream income in verifiable formats, and by adopting underwriting tools that capture actual earning patterns rather than penalizing them, and to better align qualification standards.

As underwriting evolves, the future buyer within AANHPI communities will depend on a system that can accurately assess income without sidelining the very financial strategies that have sustained these families for generations. The next phase of affordability will hinge on whether qualification frameworks finally catch up to how Americans, and AANHPI households, actually earn, save, and support one another on the path to homeownership.

Mortgage payments exceed rent in all 50 major metros, averaging 38 percent higher per month.

Renting Is Becoming the New Normal

One simple maxim about homebuying has long held as conventional wisdom: you buy when a mortgage costs less than rent. Today, mortgage payments exceed rent in all 50 major metros, averaging 38% higher per month, according to BankRate. Analysts see little evidence that this gap will close anytime soon. Buying still pencils out in Rust Belt metros like Detroit, Philadelphia, and Cleveland, but in tech hubs such as San Francisco, San Jose, and Seattle, the math overwhelmingly favors renting.

Incomes now also outpace rents in 37 of the 50 largest markets, according to Zillow, and multifamily rents are projected to rise only 0.3% in 2026. These shifts are dramatic enough that nearly 3 in 5 renters say they plan to keep on renting. Even if mortgage rates fell, only 37% say they would buy, down from 45% last year.

Cost is a major deterrent discouraging renters from becoming buyers. Renters are increasingly drawn to the flexibility, mobility, and relief from maintenance and repair burdens that renting brings, especially as remote work continues to change where and how people live.

Construction is driving the trend, too. Nationally, the expansion of build-to-rent and amenity-rich multifamily buildings has made long-term renting more attractive by recreating the parts of single-family living renters desire, such as private entrances, garages, storage, and more space. Build-to-rent also offers additional perks single-family homes rarely provide, such as fitness centers, coworking rooms, secure package areas, and on-site staff.

Yet lack of adequate income is not always the deterrent to homeownership. Even some millionaires are continuing to rent rather than buy, according to Fortune. While it’s still a small share of high-wealth households doing so, that number is rising, driven in part by millennials whose affluent cohort has grown 60% since 2019. For these high-income earners, renting is a strategic choice to avoid taxes and maintenance costs, and free up capital to invest in the stock market at a time when the S&P 500 has posted strong gains in recent years. Analysts expect this renter-normal period to persist through the decade.

For AANHPI households, these rental features can be especially appealing. Secure buildings and elevators support elder and childcare, shared common areas ease multigenerational living, and proximity to transit, services, and culturally familiar neighborhoods offers stability without the cost and responsibility of owning. But subgroup differences reveal how uneven the starting point is: Vietnamese Americans have one of the highest homeownership rates at about 70%, while the Marshallese rate is closer to 6%. Meanwhile, some higher-income AANHPI subgroups in tech hubs — often Indian, Chinese, and Filipino professionals — hold more of their wealth in financial assets than in home equity, according to the Urban Institute.

Homeownership has long been a primary engine of wealth in AANHPI households. In a renter-normal era, the consequences of opting out will not be evenly distributed. Renting does not eliminate the possibility of wealth-building, but it shifts households toward more volatile, discretionary investments instead of the forced savings of amortization. This makes culturally competent homebuyer education and early navigational support essential, because the timing and feasibility of transitioning into ownership will determine which families build durable generational wealth in the years ahead.

The future of housing will hinge on whether today’s long-term renters ultimately gain access to ownership. If renting persists, the wealth gap between owners and renters will widen, and families will depend more heavily on higher-risk investment strategies that do not replicate the stability of home equity. The households already facing barriers to homeownership will be the ones most likely to fall behind.

Housing Costs Are Slowing America’s Birth Rate

High housing costs are increasingly influencing decisions about family formation. Redfin now expects U.S. birth rates to decline again in 2026, noting that many young adults view homeownership, or at least stable, adequate space, as a prerequisite to having children. With median sale prices up more than 40% since 2019 and mortgage payments far outpacing rents, Gen Z and millennial homeownership rates have flatlined. Researchers find that uncertainty in renting, lack of space, and prolonged multigenerational or roommate living arrangements all contribute to delayed or reduced childbearing. The U.S. fertility rate already fell to a historic low below 1.6 in 2024, and forecasters expect further declines.

Yet the picture is more complex across communities. Births rose 1% in 2024, driven entirely by increases among Hispanic and Asian women, according to provisional CDC data released in 2025. Births among Asian women increased 5% — the largest gain of any group — even as overall fertility remained below replacement and deeply stratified by region and cost of living. Demographers note that this increase comes from a low baseline, and that higher housing costs still suppress childbearing especially for young adults living in the nation’s most expensive metros.

For AANHPI households, where many families still hope to buy a home before having children, continued affordability barriers could weigh even more heavily on decisions about when or whether to start a family. And for the broader market, smaller families forming later in life means slower demand growth for traditional owner-occupied housing. This pushes builders and policymakers to plan for a future defined by smaller households, delayed milestones, and buyers who enter the market much later than previous generations.

**SECTION 3/
THE AANHPI WEALTH TRAJECTORY**

**HOMEOWNERSHIP
BUILDS WEALTH —
AND CARRIES IT
ACROSS A LIFETIME**

For decades, AREAA members have understood something the broader housing conversation often misses: For AANHPI families, homeownership is the central engine of their wealth creation. The Urban Institute’s first-of-its-kind longitudinal analysis of AANHPI wealth trajectories confirms this unequivocally. Once households enter homeownership, wealth growth is rapid, durable, and sustained across market cycles. It is time in homeownership, not market timing, that does the heavy lifting.

The data also reveals a second, equally important reality. Housing wealth does not simply accumulate and sit untouched. Over the life cycle, it becomes the financial reservoir households draw on when education costs rise, health care expenses grow, family obligations expand, and liquidity remains constrained. In practice, homeownership is the largest asset families rely on to absorb pressures that wages, savings, insurance, and public systems often do not fully cover.

For AANHPI families, wealth outcomes depend on how well financial, housing, and institutional systems support its use, preservation, and movement across generations.

**It is time in
homeownership, not
market timing, that
does the heavy lifting.**

Homeownership Is a Singular Wealth Engine — Especially Early

The first years of homeownership represent the most powerful wealth-building phase most families will ever experience. According to the Urban Institute’s longitudinal analysis using Panel Study of Income Dynamics data, median home equity among first-time AANHPI homeowners reaches approximately \$180,000 within the first five years after purchase. By six to 10 years, median equity rises to more than \$340,000, nearly doubling in less than a decade. Few other mainstream assets available to middle-income households deliver comparable median gains over such a short horizon without requiring serious financial risk-taking or sophisticated investment strategies.

Source: Shutterstock.com



What a Home Does in a Decade

For AANHPI First-Time Buyers, the First Decade of Homeownership Is the Most Powerful Wealth-Building Period of Their Lives.

Median home equity among AANHPI first-time buyers grows to approximately \$180,000 within the first five years, and surpasses \$340,000 by years six through 10. No other asset class produces comparable returns at this stage of a household's financial life.

Milestone 1 - Year 1 to 5

\$180,000 - Median equity accumulation during the first five years.

Milestone 2 - Year 6 to 10

\$340,000+ - Median equity accumulation by the end of the first decade, the typical AANHPI homeowner has accumulated wealth that took their renting peers an entire working career to approach.

The first years of homeownership represent the most powerful wealth-building phase most families will ever experience.

What’s more, these gains appear consistently across entry cohorts and market conditions. Within the first five years of ownership, equity growth reflects both mortgage amortization and price appreciation. As tenure lengthens, continued appreciation and debt reduction compound those gains. While the absolute magnitude of equity varies by purchase cohort, the trajectory remains upward regardless of whether households bought before, during, or after periods of market volatility.

Generational comparisons reinforce this pattern. Younger AANHPI homeowners — primarily Gen X, Millennial, and Gen Z buyers — exhibit especially sharp equity growth early in ownership, a result of higher purchase prices and faster appreciation following entry. Older cohorts accumulate larger absolute equity over longer horizons, particularly after 20 or more years of ownership. In both cases, once access is secured, homeownership delivers durable, compounding returns over time.

These dynamics help explain broader wealth divergence. Between 1999 and 2023, median total wealth among AANHPI homeowners more than doubled in real terms, rising from roughly \$236,000 to over \$516,000. Over the same period, median wealth among renters remained extremely limited and declined slightly. By 2023, the typical AANHPI homeowner held hundreds of thousands of dollars in total wealth, while the typical renter held only a small fraction of that amount. This divergence begins soon after purchase and widens over time.

Importantly, these gains are not confined to a narrow slice of high-income households. Median values indicate that wealth accumulation through homeownership is broadly shared among those who successfully enter the market.

The implications are particularly pronounced in high-cost housing markets, where AANHPI households are disproportionately concentrated. According to the AREAA Opportunity Index, many AANHPI families live in coastal and high-density metros where prices are high but long-term demand remains strong. National median gains suggest that households in high-cost markets likely experience even larger absolute equity accumulation once they are able to buy.

Taken together, the evidence shows that for AANHPI households, homeownership, particularly in the first five to 10 years, is a singular wealth-building moment — the period when housing shifts from a consumption good into a powerful asset that anchors long-term financial security and shapes subsequent wealth outcomes.

Housing Wealth Becomes the Pressure Valve for Education, Health, and Family

The same housing wealth that drives rapid accumulation early in ownership increasingly serves a second function as households age: It becomes the mechanism households draw upon to finance costs that outgrow income, savings, and insurance.

Urban Institute’s life-cycle analysis shows that home equity extraction — primarily through home equity loans and lines of credit — is rare in the earliest years of ownership, but rises steadily with tenure. Fewer than 5% of AANHPI homeowners extract equity within the first five years after purchase. By six to 10 years, more than 12% have done so. Among households with more than 20 years of ownership, the share rises to over 16%.



Source: Shutterstock.com

Households that extract equity tend to have higher median incomes than those that do not, suggesting that this pattern is not driven by declining earnings or financial distress. What distinguishes extractors is liquidity constraint. Compared with non-extracting households, AANHPI homeowners who draw on equity hold substantially lower liquid assets relative to income, even as their overall home equity levels remain comparable. Many extractors are income-stable but cash-constrained, particularly in mid-to-late stages of homeownership.

The uses of extracted equity make clear why this matters. When the Urban Institute compares spending within the same households during extract years versus non-extract years, the differences are pronounced. Median education spending nearly triples in extract years. Family support expenditures more than double, and health care spending rises sharply, especially among longer-tenure households.

Education is one of the most consistent drivers. In extract years, AANHPI households spend significantly more on education, reinforcing the role of housing wealth in financing investments in human capital. These households are also significantly more likely to carry student loan debt, with a larger gap between extractors and non-extractors than is observed for other racial and ethnic groups.

Health care emerges as a growing pressure point later in life. Among longer-tenure households, extract years coincide with substantial increases in health-related spending, reflecting rising out-of-pocket costs, long-term care needs, and expenses not fully covered by insurance — costs that intensify as liquid assets may be limited and fixed incomes become more common.

Family support shows the strongest life-cycle pattern of all. Beginning roughly 11 to 15 years after purchase, extract years are associated with sharp increases in both the likelihood and amount of financial transfers to family members. In the longest-tenure households, more than half of extract-year family support flows to younger generations, while earlier in the life cycle, support more often flows upward to parents or parents-in-law.

Housing wealth becomes the asset that can flex when other systems do not.

These findings reveal that equity extraction among AANHPI households is not episodic or reactive. It is a structural feature of how families manage predictable but unevenly supported life costs over time. Housing wealth becomes the asset that can flex when other systems do not.

Whether Wealth Breaks or Holds Depends on System Fit

Across the life cycle, whether housing-anchored wealth can be sustained, leveraged, and transferred depends less on how much wealth households accumulate than on how well their financial profiles align with the systems that govern access, use, and transfer. The Urban Institute’s findings show that even as AANHPI households generate strong housing and nonhousing wealth, structural mismatches with mortgage, assistance, refinance, business-credit, and estate systems shape outcomes at every stage, and do so unevenly across subgroups.

System fit challenges appear earliest at the point of market entry. Data from the 2022 Survey of Consumer Finances shows that Asian first-time homebuyers are more likely than other racial and ethnic groups to rely on gifts or loans from family members when purchasing their first home, particularly in high-cost markets where AANHPI households are disproportionately concentrated. Family assistance often functions as a substitute for limited access to public homeownership assistance and constrained liquid savings. At the same time, Asian first-time buyers are the least likely of any major racial or ethnic group to report using government or nonprofit homeownership assistance. Only 5.7% report such support, compared with more than 20% of Black and over 15% of Hispanic first-time buyers. This gap persists despite comparable and often higher incomes, credit profiles, and long-term wealth outcomes.

“AANHPI wealth moves early, flexes often, and frequently stalls before completing the generational cycle — not because assets are absent, but because systems are misaligned.”

The disparity points to system design rather than eligibility or need. Many assistance programs rely on standardized documentation, English-language materials, and outreach channels that may not effectively reach immigrant or limited-English-proficient households. According to the American Community Survey, AANHPI households are the only major racial group in which a majority of adults are foreign-born, increasing the likelihood that language access, familiarity with U.S. housing finance systems, and documentation requirements shape participation, even among otherwise qualified buyers.

Ultimately, family capital helps households clear the entry barrier, but reliance on informal support masks the gaps in formal systems and shifts risk back onto households and extended families.

System fit continues to shape outcomes after purchase. As shown earlier, AANHPI homeowners frequently rely on home equity to finance education, health care, and family obligations, yet access to refinancing and cash-out lending remains uneven. Prior research cited in the Urban Institute report documents persistent disparities for Asian borrowers in refinance markets, particularly for cash-out loans. When equity cannot be accessed smoothly, households may delay investments, draw down limited liquid assets, or rely on higher-cost credit, weakening the stabilizing role that housing wealth is meant to play.

These constraints intersect with small business finance, where subgroup exposure differs. Asian-owned employer firms rely heavily on traditional bank lending, while Native Hawaiian and Pacific Islander-owned firms show greater use of finance

companies and online lenders. These patterns reflect differences in access rather than preference alone and carry implications for cost, flexibility, and vulnerability during economic stress.

For households whose business income supports mortgage payments or family obligations, financing disruptions can cascade into housing stability. In these cases, housing wealth becomes both buffer and backstop, absorbing shocks originating outside the housing system and increasing exposure if disruptions are prolonged.

System fit again becomes decisive later in life, particularly around succession and estate processes. While nearly half of Asian homeowners aged 65 and older expect to leave an inheritance, only one in 10 households report ever having received one. The gap does not reflect a lack of accumulated wealth. Older AANHPI homeowners often hold substantial housing and nonhousing assets, with a significant share of net worth held outside of home equity.

Instead, the disconnect likely reflects institutional frictions: legal complexity, administrative burden, language barriers, and limited access to culturally and linguistically appropriate estate planning services. For immigrant households in particular, formal inheritance systems may be unfamiliar, delayed, or avoided altogether, increasing the likelihood that assets are eroded by health shocks, transaction costs, or administrative delays.

Housing wealth itself can be especially vulnerable. Without clear estate planning, ownership transfers may be delayed or contested, complicating refinancing, sale, or reinvestment. In these cases, the same asset that anchored wealth accumulation earlier in life becomes difficult to mobilize or preserve for the next generation.



Source: Shutterstock.com

These patterns show that AANHPI wealth moves early, flexes often, and frequently stalls before completing the generational cycle, and not because assets are absent, but because systems are misaligned with how households live, earn, borrow, and support family.

For AREAA, the implication is practical and immediate. The value of professional guidance lies not only in facilitating home purchase, but in helping households navigate the full arc of ownership from entry to equity use, to preservation and transfer. Addressing subgroup-specific barriers in assistance access, refinancing, business credit, and estate planning is central to ensuring that the wealth homeownership creates can be fully realized across generations.

“Only 5.7% of Asian first-time buyers report using government or nonprofit homeownership assistance — compared with more than 20% of Black and over 15% of Hispanic first-time buyers.”



Source: Shutterstock.com

Business Ownership Expands Wealth — And Heightens Risk

For a subset of AANHPI households, Urban Institute found that wealth building extends beyond housing into business ownership. While only a minority of homeowners hold business equity at any given time, entrepreneurship plays an outsized role in the economic footprint of the community and represents one of the primary nonhousing pathways through which wealth can grow over the life cycle. At the same time, business-linked wealth introduces exposure to income volatility, sector-specific risk, and credit constraints that can quickly spill over into household finances.

Data UI incorporated from the American Business Survey show that Asian American-owned employer firms account for roughly 11% of all U.S. employer businesses. However, that aggregate presence masks meaningful differences in where business ownership is concentrated and how vulnerable those enterprises are to economic shocks. Industry mix matters, and for many AANHPI business owners, exposure is clustered in sectors that are highly sensitive to demand fluctuations, labor disruptions, and broader economic conditions.

Asian American-owned employer firms are disproportionately concentrated in accommodation and food services, retail trade, and health care and social assistance. These sectors tend to be labor-intensive, margin-sensitive, and closely tied to consumer spending and public health conditions. Small changes in demand, staffing availability, or regulatory environments can have outsized effects on revenues and business continuity. For households whose business income supports mortgage payments, savings, or family obligations, these risks translate directly into household financial vulnerability.



Source: Shutterstock.com

Native Hawaiian and Pacific Islander-owned businesses exhibit a different, but similarly exposed, profile. ABS data shows a higher concentration of NHPI-owned firms in construction, a sector that is particularly sensitive to economic cycles, interest rates, and health and safety disruptions. Construction firms often face uneven cash flow, reliance on short-term contracts, and exposure to cost volatility in materials and labor. These characteristics heighten income uncertainty and can amplify financial strain during downturns.

The financing structures supporting these businesses further shape risk. Across racial and ethnic groups, bank lending remains the dominant source of small business financing. Among Asian-owned employer firms, more than 80% report relying primarily on banks, compared with smaller shares using credit unions, fintech lenders, finance companies, or community development financial institutions. While traditional banks can offer lower-cost capital in stable periods, they also tend to apply stricter underwriting standards and tighten credit access during economic stress. For business owners operating in volatile sectors or with nontraditional income profiles, this reliance can limit access to liquidity precisely when it is most needed.

For NHPI-owned businesses, reliance on nonbank financing channels is somewhat higher, including greater use of finance companies and online lenders. While these channels may provide more flexible access to capital, they often come with higher costs, shorter repayment terms, or greater exposure to refinancing risk. In both cases, limited diversification of financing sources can magnify vulnerability during downturns and reduce the ability of households to smooth income shocks.

The implications for household wealth are significant. As shown elsewhere in the Urban Institute analysis, nonhousing wealth among AANHPI homeowners grows steadily over the life cycle, particularly in later years. Business equity can contribute

meaningfully to that growth for some households, but it is often illiquid and highly sensitive to external shocks. Unlike home equity, which accumulates gradually through amortization and price appreciation, business wealth can decline rapidly in response to factors outside a household’s control.

These dynamics matter because business income and business equity are closely intertwined with housing stability. When business revenues fall, AANHPI households may face difficulty maintaining mortgage payments, replenishing liquid savings, or avoiding high-cost debt. In such cases, housing wealth may be drawn upon to absorb shocks originating outside the housing system, reinforcing the role of home equity as a financial buffer — but also increasing exposure if shocks are prolonged.

Importantly, the data does not suggest that business ownership is an unreliable wealth pathway. Rather, it highlights that for AANHPI households, entrepreneurship often operates alongside housing wealth rather than replacing it. Housing provides stability and long-term accumulation, while business ownership offers income potential and portfolio diversification, accompanied by higher volatility and risk concentration.

Over the life cycle, these patterns help explain why nonhousing wealth among AANHPI homeowners grows gradually and unevenly, and why liquidity constraints persist even among households with substantial total wealth. Business ownership can expand opportunity, but without diversified financing channels or mechanisms to manage sector-specific risk, it can also heighten vulnerability in ways that affect both nonhousing and housing wealth.

In this context, business equity should be understood not as a separate wealth track, but as an interconnected component of household balance sheets — one that shapes how housing wealth is preserved, accessed, and relied upon when economic conditions change.

Intergenerational Wealth Helps at Entry — But Often Stalls Later

Intergenerational wealth plays a critical, but uneven, role in the AANHPI homeownership and wealth-building trajectory. The Urban Institute’s analysis shows that family resources are most influential at the point of entry into homeownership, helping households overcome upfront barriers such as down payments and closing costs. Over time, however, the flow of wealth across generations becomes less reliable, with accumulated assets often failing to translate into realized transfers later in life.

Data from the 2022 Survey of Consumer Finances indicates that Asian first-time homebuyers are more likely than other racial and ethnic groups to rely on gifts or loans from family members when purchasing their first home. This reliance reflects the importance of intergenerational support in clearing the initial affordability hurdle, particularly in high-cost housing markets where AANHPI households are disproportionately concentrated. Family assistance functions as a substitute for limited access to public homeownership assistance and, in many cases, for constrained liquid savings at the time of purchase.

This early transfer of resources has long-term implications. By enabling households to enter homeownership sooner, family support accelerates exposure to housing appreciation and mortgage amortization — the same mechanisms that drive the substantial equity gains documented in the first decade of ownership. In this sense, intergenerational wealth does not merely supplement homeownership; it helps determine whether households can access the primary wealth-building engine at all. Yet the Urban Institute findings also reveal a striking asymmetry between early support and later transfer. While nearly half of Asian homeowners aged 65 and older report expecting to leave an inheritance, only a small share of households — one in 10 — report ever having received one. This gap suggests that intergenerational wealth flows are front-loaded, concentrated at entry rather than sustained across the full life cycle.

Importantly, the shortfall does not appear to reflect a lack of accumulated wealth. As shown elsewhere in the report, older AANHPI homeowners often hold substantial assets, including both housing and nonhousing wealth. By later life, a significant share of total net worth is held outside of home equity, reflecting portfolio diversification rather than asset scarcity. The challenge lies not in whether wealth exists, but in whether it can be preserved, accessed, and transferred effectively.

Several structural frictions shape this outcome. The SCF data captures both households’ expectations of leaving an inheritance and whether households report having actually received one, while the Urban Institute analysis points to broader institutional barriers that help explain the disconnect. Succession and estate planning requirements, legal complexity, language barriers, and limited access to culturally and linguistically appropriate services

can all impede the conversion of accumulated wealth into realized transfers. For immigrant households in particular, navigating formal inheritance systems may be unfamiliar, delayed, or avoided altogether, increasing the likelihood that assets are eroded by health shocks, transaction costs, or administrative delays. Housing wealth itself can be especially vulnerable to these frictions. Without clear estate planning, ownership transfers may be delayed or contested, complicating refinancing, sale, or reinvestment. In such cases, the same asset that anchored wealth accumulation earlier in life can become difficult to mobilize or preserve for the next generation.

The life-cycle pattern that emerges is therefore uneven. Intergenerational resources play a decisive role in helping households buy their first home, but later-stage transfers are far less certain. Wealth moves early but often stops short of completing the cycle. This asymmetry helps explain why expectations of intergenerational mobility remain high even as realized inheritance rates remain low.

For AANHPI households, these dynamics reinforce a central finding of the Urban Institute study: wealth building is not a single event, but a multi-stage process that depends on how assets are accessed, managed, and transferred over time. Homeownership may anchor wealth accumulation, but intergenerational mobility ultimately depends on whether that wealth can move forward across generations.

“Wealth building is not a single event, but a multi-stage process that depends on how assets are accessed, managed, and transferred over time.”

THE AMERICAN HOME IS BEING REDEFINED

For decades, the American home was built around a single assumption: one family, one income arc, one life stage at a time. That model held longer than anyone expected, but it is increasingly breaking down under the pressure of longer lifespans, rising costs, stalled mobility, climate risk, remote work, and intensifying caregiving demands. What households need today from a home has changed faster than the housing stock itself. The result is a sweeping redesign of domestic space as homes are forced to stretch across generations, economic roles, and physical needs that evolve over a lifetime.

For AANHPI households, this shift is not new, but it is newly visible. Many families in our communities have long lived in multigenerational and caregiving-centered arrangements, encountering the limits of an aging, inflexible housing stock earlier and more acutely.

What was once framed as cultural preference is now market necessity. As a result, the future home is becoming more flexible, layered, and shared. It is designed to support aging in place, absorb family transitions, generate income, and remain viable in high-cost metros. Multigenerational living, aging-safe design, renovation-based financing, and accessory dwellings make clear that the housing strategies AANHPI communities have relied on for decades are increasingly defining what comes next.

Multigenerational Living Goes Mainstream

Multigenerational living is no longer a niche housing arrangement or a cultural footnote. It has become one of the most durable responses to America’s affordability and caregiving crises, and, as a result, a defining feature of the future home.

Multigenerational households in the United States have nearly quadrupled since the 1970s, according to the Pew Research Center. What began as a coping mechanism during economic downturns has hardened into a long-term strategy, driven by longer lifespans, rising housing costs, student debt, childcare shortages, and the collapse of geographic mobility in the country’s most expensive metros. In 2024, multigenerational purchases accounted for 17% of all home sales, an all-time high, according to the National Association of REALTORS®.

Gen X is leading the trend, with 21% purchasing multigenerational homes in 2024, up from just 12% a decade earlier. Often described as the leading edge of the “Silver Tsunami,” this generation is simultaneously housing aging parents and supporting adult children who have returned home under pressure from high rents, volatile job markets, and student loan burdens. For these households, multigenerational living represents a recalibration of how family, finances, and care fit together.

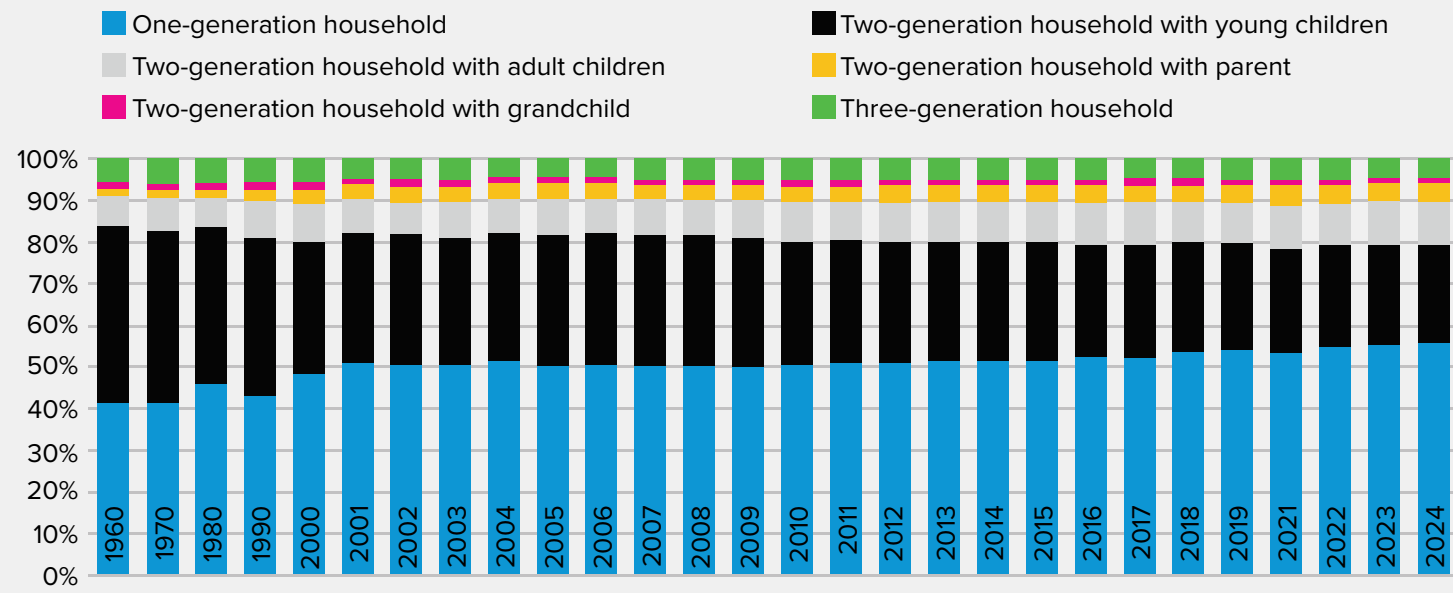
That shift is visible inside the home itself. The future home is not only larger, but built to hold multiple generations through economic cycles, caregiving demands, and life transitions without forcing families apart.

Families are no longer just looking for extra bedrooms to accommodate these arrangements. They are seeking layouts that allow independence and proximity at the same time: first-floor bedrooms for aging relatives, dual primary suites, semi-private living zones, kitchenettes or second kitchens, and bathrooms designed for accessibility. In short, homes that can absorb changes in family structure without forcing a move.

AANHPI families have long modeled this structure. In many Asian American households, multigenerational living has functioned as an organizing principle for decades, allowing families to pool resources, preserve wealth, and provide daily caregiving without outsourcing it to institutions. Living together allows families to share caregiving responsibilities, contribute to retirement savings, and stay rooted in communities where cultural, social, and economic ties remain strong. For many households, the alternative is displacement, either geographic or generational.

Across high-cost regions, the logic is increasingly pragmatic. In places like the San Francisco Bay Area, where median home prices in historically Asian American neighborhoods routinely exceed \$1.6 million, adult children often remain in the family home longer, using shared housing to maintain proximity, stability, and care. Similar patterns are emerging in fast-growing Sun Belt markets such as Orlando, where rising housing costs and caregiving needs are driving renewed interest in multigenerational homes across a broader range of families.

AANHPI Multigenerational Household Distribution, 1960–2024



Source: 2024 American Community Survey data.

Policy is beginning to catch up. In New York City, a recent change to affordable housing requirements now mandates that 20 percent of senior housing units include a second bedroom, explicitly acknowledging that many older adults live with family members or caregivers. The shift marks a departure from decades of age-segregated senior housing designed around efficiency rather than connection, and reflects a broader recognition that aging in place often requires shared space, not isolation.

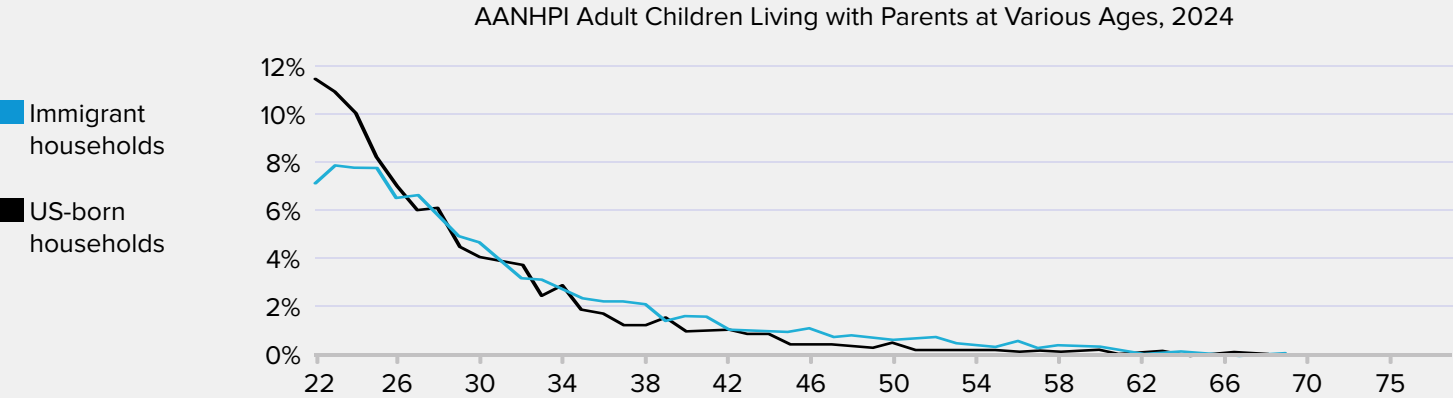
Builders and architects are responding, though unevenly. New construction increasingly features “bonus spaces,” separable living zones, private entrances, and flexible suites designed to function independently if needed. Renovation demand has surged in states with large AANHPI populations — including California, Washington, New York, and New Jersey — where zoning reforms around Accessory Dwelling Units (ADUs) have opened new possibilities for aging in

place. Still, real estate professionals note that multigenerational housing remains difficult to search for and underrepresented in listings, even as demand accelerates.

The day-to-day impact is tangible. Multigenerational households report reduced childcare costs when grandparents help with daily care, greater flexibility when health issues arise, and shared financial buffers when job loss or medical expenses hit. Caregiving flows in both directions: adult children support aging parents, while older relatives provide stability, childcare, and household labor that make dual income work possible. For many families, the arrangement is less about sacrifice than about resilience.

Taken together, these changes signal more than a passing trend. Multigenerational living is redrawing what Americans expect from a home as infrastructure for care, continuity, and economic survival. For AANHPI families, this future is already familiar. For the rest of the housing market, it is arriving quickly.

Multigenerational Co-Residence Persists Longer in Immigrant Families



Source: 2024 American Community Survey data.

Two Percent — America’s Aging-in-Place Crisis

Only a sliver of America’s housing is built for the lives people are actually living. Research from MIT finds that just 2% of U.S. homes are currently safe for aging in place, while AARP estimates the figure may be closer to 10%. Even at the high end, the gap is stark: most homes were designed for young families, short stays, and physical independence, and not for the decades of longevity, caregiving, and gradual mobility loss that now define the lived reality.

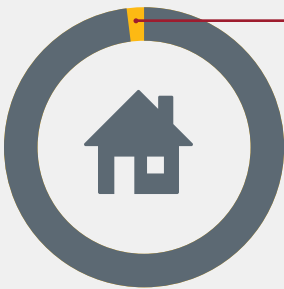
This goes beyond a marginal shortfall. It is a structural mismatch between longer lifespans and a housing stock that has not kept pace. Today, at least 20% of residents in three U.S. states are already over age 65. By 2030, one in five Americans will be over 65, and by 2050, the Census Bureau projects that 43 states will reach that threshold, with the senior population exceeding 82 million. Homes built for postwar nuclear families — still the backbone of today’s market — were never intended to support residents well into their 80s and 90s.

The consequences are increasingly visible. National surveys now find that seniors themselves identify aging in place as a health risk, not simply a preference, ranking housing-related barriers above access to care or income as the biggest threat to aging safely at home. Falls, poor lighting, inaccessible bathrooms, and stairs without alternatives turn familiar spaces into hazards, especially when mobility changes faster than the home itself does.

Basic retrofits can make a meaningful difference. Widened doorways, zero-step entries, grab bars, curbless showers, non-slip flooring, improved lighting, and first-floor bedroom conversions dramatically reduce risk and extend independence. But they come at a cost. Even modest aging-in-place upgrades routinely total tens of thousands, with more complex accessibility projects climbing higher. These expenses often land on families already managing caregiving responsibilities, medical bills, and work disruptions. Housing professionals consistently report that many households delay modifications until after an injury or health scare, when options are fewer, timelines are urgent, and costs are higher. For AANHPI families, the inadequacy of the existing housing stock is already an everyday constraint. These households are disproportionately likely to support aging parents or grandparents at home, often within multigenerational arrangements that combine caregiving with cultural continuity. In California, where the population of Asian older adults is projected to more than double by 2040 and the vast majority are foreign-born, aging in place is frequently the only viable alternative to displacement or institutional care, particularly when linguistically or culturally appropriate facilities are limited.

The challenge is access. While smaller interventions such as motion-activated lighting, lever-style handles, smart-home alerts, or layout changes that reduce reliance on stairs can significantly improve safety, families often struggle to find clear pathways to finance, insure, or coordinate these upgrades. Renovation loans, health benefits, and housing programs remain fragmented, leaving aging-in-place improvements caught between these systems rather

Built for Young Families. Needed by an Aging Nation.



Only 2% of U.S. homes are currently safe for aging in place.



By 2030, one in five Americans will be over 65, and by 2050 the senior population will exceed 82 million.

than supported by them.

The result is a widening gap between what families need and what the housing market readily offers. Buyers, agents, and developers increasingly recognize the demand for aging-ready homes, yet listings rarely surface these features clearly, and retrofitting older housing stock remains complex, uneven, and costly. This leaves a service gap where real estate professionals could play a more consequential role by guiding families through aging-in-place planning, retrofit options, and long-term housing decisions that determine whether households can remain safely and stably housed.

The future home will have to resolve this mismatch. Aging-in-place design is becoming a core pillar of housing stability, affordability, and dignity, especially for AANHPI families navigating longevity, caregiving, and community ties at the same time.

Renovation and Retrofitting Are Becoming the New Mortgage

The biggest lending opportunity of the next decade is in financing the modifications required to keep families safely housed as they age. As longevity increases and mobility changes, retrofitting is increasingly what allows households to remain stable. Yet the financial system has not adjusted to meet that reality.

The cost gap alone makes the problem unavoidable. Basic aging-in-place retrofits — such as zero-step entries, bathroom safety upgrades, widened doorways, improved lighting, stairlifts, or first-floor living conversions — routinely cost \$20,000 to \$50,000, with more complex accessibility projects climbing higher. These

Current Renovation Financing Options — and Their Limits

Home Equity Lines of Credit (HELOCs)
Widely used for renovations, HELOCs offer flexibility but are often too slow, equity-dependent, or ill-suited for urgent accessibility needs. They also assume stable income and strong credit, which may not align with caregiving transitions.

Senior-Targeted HELOCs (Age 62+)
Newer products designed for older homeowners allow faster access to equity for renovations and care-related expenses. While promising, these tools remain niche and are still structured as equity extraction rather than retrofit-specific financing.

FHA 203(k) Rehabilitation Loans
Government-backed loans that allow renovation costs to be bundled into a purchase or refinance mortgage. They can support accessibility upgrades but are administratively complex and not designed around incremental or time-sensitive aging-in-place needs.

Federal and Local Repair Loan Programs
Programs such as federal repair loans or local housing agency grants can offset certain improvement costs for qualifying households. Access is uneven, awareness is limited, and funding rarely matches the scale or urgency of accessibility retrofits.

Out-of-Pocket Spending
Many families ultimately self-fund aging-in-place upgrades despite having savings or equity, because existing products do not align with permitting rules, insurance classifications, or the functional nature of accessibility work.

The Shortfall
None of these tools function as a purpose-built financing category for aging-in-place retrofits. Most treat accessibility upgrades as discretionary renovations rather than essential housing infrastructure — leaving families to piece together solutions at moments of vulnerability.

are not merely cosmetic upgrades, but functional investments that determine whether an older adult can remain at home safely or must move prematurely.

Despite their importance, most of these modifications fall into a financing gray zone. Stairlifts and home elevators are typically not classified as durable medical equipment and are therefore not covered by insurance. At the same time, they are often treated as discretionary renovations rather than essential housing infrastructure. Permitting rules vary widely by jurisdiction, and accessibility projects frequently fall outside traditional renovation categories, complicating approvals, appraisals, and timelines. For families navigating caregiving in real time, this mismatch creates real friction. Accessibility needs often emerge suddenly, such as after a fall, a diagnosis, or a rapid change in mobility, when waiting months for a traditional HELOC or cash-out refinance is not realistic. Even households with strong credit or substantial home equity can find themselves paying out of pocket because existing lending products are not designed for the urgency, scale, or purpose of these retrofits.

Income requirements further narrow access. Many renovation-linked loan products require verifiable earned income, effectively excluding older homeowners living on fixed incomes such as Social Security or retirement distributions. In households where elders have substantial equity but limited reportable income, the available financing options shrink dramatically, often leaving reverse mortgages as the only viable tool, despite their long-term tradeoffs. Some early signals suggest the industry recognizes the gap, but solutions remain partial. In the past year, lenders have introduced niche products such as HELOCs targeted to homeowners over age 62, designed to accelerate access to home equity for renovations and care-related expenses. Government-backed programs like the FHA 203(k) Rehab Loan allow renovation costs to be bundled into a mortgage or refinance, and federal repair loans can offset some improvement costs for qualifying households.

The arrangement is less about sacrifice than about resilience.

In practice, however, these products are difficult to use for incremental or emergency retrofits, particularly for borrowers who already have a mortgage and are not seeking to refinance, or who lack the income documentation required to qualify. None are designed specifically around aging-in-place safety needs, nor do they function as purpose-built retrofit financing at scale.

One Unit. Four Lifetimes of Use.



For AANHPI families, these gaps are encountered repeatedly. Multigenerational households supporting aging parents or grandparents often need to modify homes incrementally as needs evolve, rather than undertaking a single, comprehensive renovation. An elevator may trigger a different permitting process than a stairlift. A bathroom retrofit may meet accessibility needs without qualifying for appropriate financing. When elders lack verifiable income or live on fixed incomes that underwriting models discount, families are often forced to self-finance critical safety upgrades, even when substantial home equity exists. What families experience as necessary safety upgrades, the system continues to treat as optional add-ons.

The future home is one in which stability is created through flexibility. As households age, combine, and rebalance care and work under one roof, the home becomes the primary place where affordability, continuity, and dignity are sustained over time. Whether through incremental adaptation or intentional redesign, tomorrow’s housing will be defined by how effectively it can change alongside the people who live there.

ADUs Are the New Starter Home

The traditional starter home is no longer the primary entry point into housing stability. In many parts of the country, especially high-cost metros, smaller single-family homes have disappeared, price points have jumped, and first-time buyers face longer timelines before ownership is possible. In response, families are redefining what “starting” looks like, using accessory dwelling units (ADUs) as flexible footholds within existing properties that offer stability, proximity, and room to adapt over time.

ADUs are allowing households to combine affordability, caregiving, income generation, and long-term planning in one place, going from a workaround to increasingly operating as a first rung on a reconfigured housing ladder, particularly for families navigating high costs, stalled mobility, and multigenerational needs at the same time.

Over the past decade, ADU policy has moved decisively from zoning experiment to mainstream housing strategy. Nationwide, roughly 2.8 million ADU permits have been issued, a sharp break from the pre-2010 era when many cities effectively prohibited them outright. Their rise is a direct result of a deeper structural failure in the collapse of the traditional starter-home pipeline in fast-growing and high-cost regions, where entry-level ownership has largely vanished.

California leads the nation by a wide margin, emerging as the country’s primary testing ground for large-scale ADU adoption. After a series of state laws beginning in 2016 streamlined permitting, reduced setbacks, eliminated owner-occupancy requirements, and capped local fees, approvals surged. In 2018, California permitted roughly 9,000 ADUs statewide. By 2023, Los Angeles County alone approved more than 45,000 ADUs. As a result, ADUs now account for roughly one-fifth of the state’s annual housing growth, even as overall housing production has stalled. In some markets, that redefinition has become explicit. In 2024, San José became the first city in California to allow ADUs to be sold separately from the primary home, and in 2025 completed the state’s first for-sale ADU condominium. City officials described the move as a way to create the most accessible form of homeownership in one of the nation’s most expensive housing

Zoning reform may open the door, but execution still depends on capital and capacity.

markets. In regions like Silicon Valley — where AANHPI households are highly concentrated and entry-level ownership has long been out of reach — policy experiments like for-sale ADUs point toward a future where ownership itself becomes smaller, more flexible, and more incremental.

The trend is no longer confined to the West Coast. Massachusetts’ Affordable Homes Act has triggered a surge in ADU applications around Greater Boston, where accessory units are now permitted by right in many single-family zoning districts for the first time. The reform is reshaping older housing stock in suburbs where downsizing and rightsizing options are limited and multigenerational households are increasingly common. At the same time, Sun Belt metros such as San Antonio are seeing rising interest in casitas and backyard units as families respond to population growth, rising rents, and the need to house extended family without leaving established neighborhoods. Together, these regions illustrate a national pattern indicating that ADUs scale fastest where affordability pressure, population growth, and policy alignment converge.

Permit data, however, reveals an important constraint. A meaningful share of approved ADUs are never built. Financing barriers, construction costs, labor shortages, utility hookups, and household readiness all shape whether a unit moves from paper to reality. Zoning reform may open the door, but execution still depends on capital and capacity — factors that continue to determine who ultimately benefits.

For AANHPI households, ADUs are rarely single-purpose units. They function as multi-use family infrastructure, allowing one property to adapt across multiple life stages. In high-cost metros with large AANHPI populations — from the San Gabriel Valley and Bay Area to Seattle’s Eastside, Greater Boston, and parts of Texas — families use ADUs to house aging parents close to caregiving networks, provide affordable space for adult children priced out of ownership, accommodate rotating caregivers, or generate rental income that stabilizes household finances.

This flexibility reflects long-standing household strategies. Adult children may live in ADUs while saving for a down payment, reducing rent leakage while remaining embedded in family support systems. Aging parents may move into detached casitas

or backyard units that preserve independence without isolation. In other cases, caregivers or extended relatives rotate through ADUs during periods of illness, recovery, or childcare need. What appears in permit data as a backyard cottage often functions, in practice, as essential family infrastructure.

Detached casitas and ground-level granny flats are especially well suited for elders with mobility or safety needs. Garage conversions and internal ADUs are more common in dense urban neighborhoods where land is constrained. Across these configurations, ADUs allow families to adapt existing property rather than compete for a shrinking supply of traditional entry-level homes.

Financial policy has begun to acknowledge this reality, though unevenly. Fannie Mae and Freddie Mac now allow projected rental income from ADUs to be considered in certain mortgage applications, including limited recognition of short-term rental income. This shift aligns with how many AANHPI families manage household economics through pooled income and flexible living arrangements. Even so, access to financing remains one of the largest barriers to execution, particularly for households without substantial cash reserves or specialized lending options.

ADUs still require upfront capital, access to financing, and ownership of an existing property. While permitting has become easier, construction and financing hurdles continue to limit who can act. Without targeted lending products, technical assistance, and culturally competent outreach, ADUs risk accelerating wealth-building for some households while remaining out of reach for others.

It also sharpens an important distinction. For some families, ADUs function as wealth-building assets layered onto existing homeownership. For others, particularly younger adults, renters, recent immigrants, or households without access to family property, they operate as a substitute for a starter home that no longer exists, offering proximity, affordability, and partial independence without ownership. This uneven access means ADUs can reduce displacement for some AANHPI households while remaining structurally out of reach for others, reinforcing disparities even as they expand flexibility.

Even so, their rise marks a structural shift in what the future home looks like. As traditional starter homes disappear, ADUs, casitas, and granny flats are redefining how families enter, share, and sustain housing, especially for AANHPI communities that have long relied on intergenerational solutions to bridge gaps the market leaves behind.

Multigenerational Co-Residence Persists Longer in Immigrant Families

Immigrant status is a key factor shaping long-term co-residence, especially among adult children. When focusing on two-generation households with adult children, a stark difference emerges. Among immigrant AANHPI households, 27.6 percent of co-residing adult children are 35 or older. Among US-born AANHPI households, just 18.1 percent of co-residing adult children are 35 or older. These gaps suggest that intergenerational co-residence persists much longer in immigrant families.

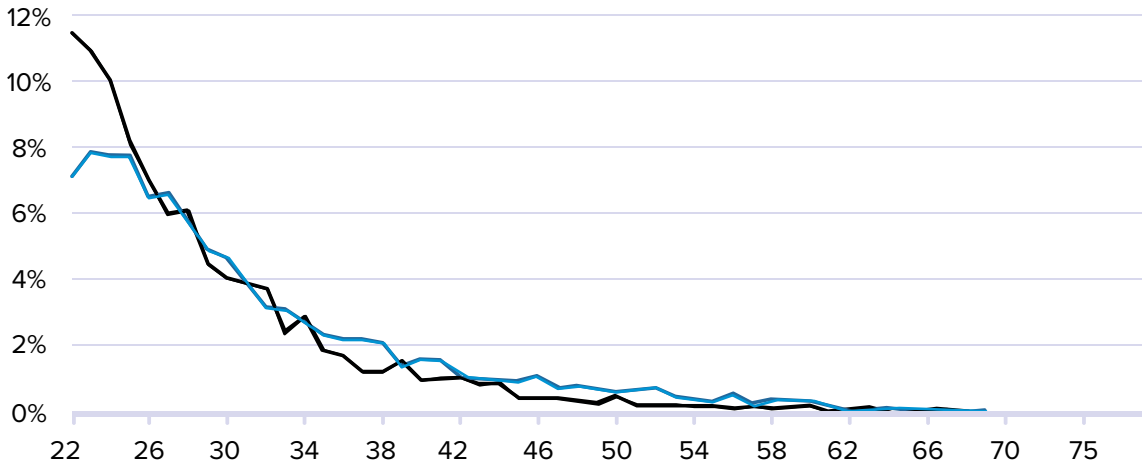
AANHPI Multigenerational Immigrant Children Age Comparison, 2024

Age Group		Two-generation households with adult children
Immigrant households		
22–34		72.4%
35–54		23.9%
≥ 55		3.7%
US-born households		
22–34		81.9%
35–54		16.0%
≥ 55		2.1%

Source: 2021–24 Home Mortgage Disclosure Act data.

AANHPI Adult Children Living with Parents at Various Ages, 2024

- Immigrant households
- US-born households



Source: 2021–24 Home Mortgage Disclosure Act data.

Support housing models and financial services that accommodate multigenerational living. Multigenerational living remains an important feature of AANHPI household structure, particularly among immigrant families. Co-residence between adult children and parents often serves as both a caregiving arrangement and an economic strategy for managing housing costs. Housing policies that support flexible housing arrangements—including accessory dwelling units, multigenerational home design, and zoning flexibility—may better reflect the ways many households adapt to affordability pressures and caregiving needs.

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