

Fixing the Foundation: A Look at Iowa's Spectrum of Housing Needs

Workforce Housing and Homeownership

September 2024

Definitions:

WORKFORCE HOUSING: Housing affordable to households earning between 60 and 120 percent of Area Median Income. In Polk County 60% of Area Median Income is \$47,460 for a person or 67,800 for a family of four. In Polk County, 120% of Area Median Income is \$94,900 for a person or \$135,600 for a family of four. (Urban Land Institute, 2010)

LOW INCOME: Households with income between 51%-80% of the Area Median Income. In Polk County Low Income is currently \$63,280 for an individual or \$90,400 for a family of four. (National Low Income Housing Coalition)

MIDDLE INCOME: Households with income above 80% of the Area Median Income. (National Low Income Housing Coalition)

Workforce Housing

In this income range, a household has abundant rental housing choices across the Des Moines region. They are also within striking distance of becoming homeowners, though they may have to stretch financially and sacrifice quality and location to do so.

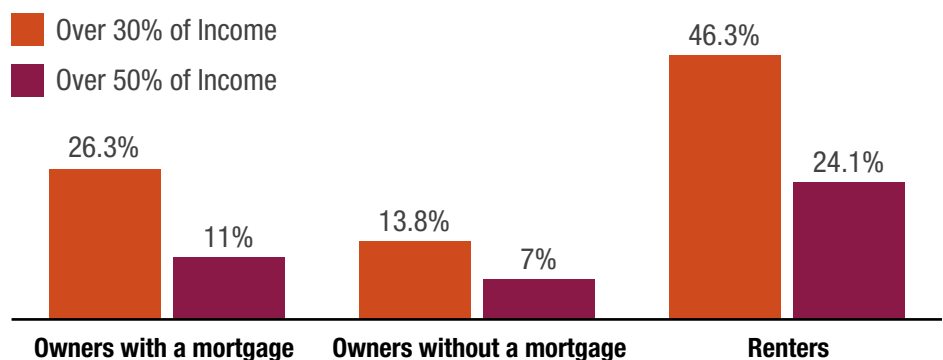
Source: DSM Workforce Housing, March 2020

Quality of Housing in the U.S.: Renting vs. Owning

	RENTING	OWNING
Single-Family Home	32.9%	89.7%
Home with more than one bathroom	41.1%	83.9%
Home with three or more bedrooms	30%	81.9%
Home built before 1950	15.4%	19.4%
Disagree with the neighborhood having good schools	8.9%	6.7%
Agree with the neighborhood having a lot of serious crime	11%	3.8%

Source: Data from the American Housing Survey analyzed by The Urban Institute, 2024

Percent of U.S. Households That Spent Over 30% or Over 50% of its Monthly Household Income on Housing Costs (2022)



Source: United States Census Bureau, 2022

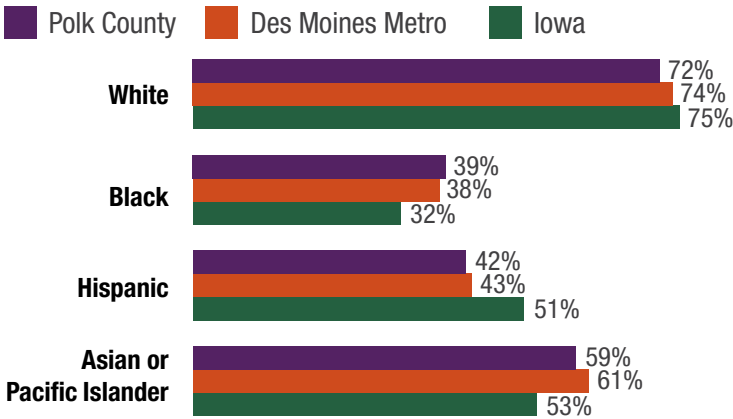


Homeownership

Disparities in Homeownership

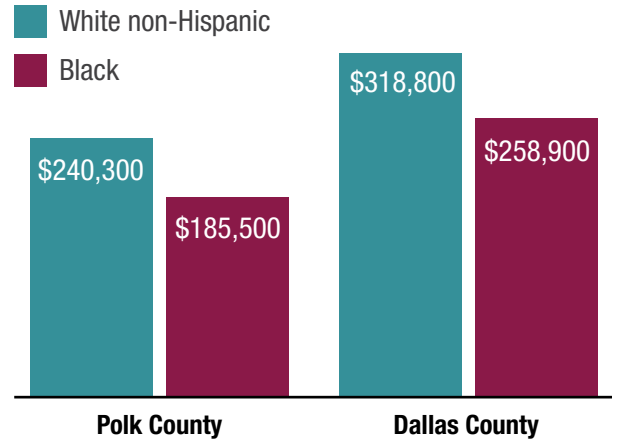
Homeowners by Race in Iowa, Des Moines Metro, Polk County (2021)

The Des Moines metro includes Polk, Dallas, Jasper, Madison, and Guthrie Counties



Source: Polk County Housing Trust Fund, 2021

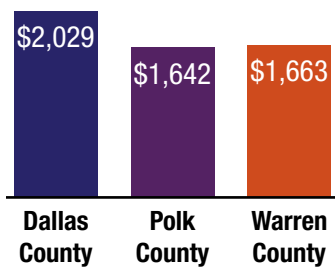
Disparities in Median Home Values



Source: 2022 5-year ACS, via PolicyMap

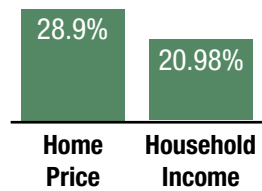
Median Monthly Mortgage Owner Costs

5 year period estimates
2018-2022



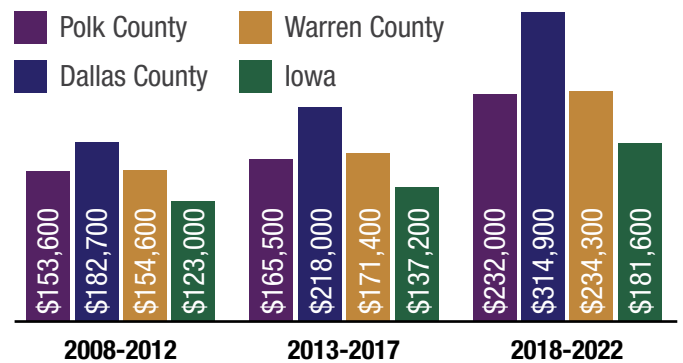
Source: Iowa State Data Center, 2022

Median Home Price Growth and Median Household Income Growth in Iowa (2012-2019)



Source: Housing by the Numbers, 2022

Home Value and Cost in Central Iowa



Source: Iowa State Data Center, 2022

Homeownership and Wealth Building

National Median Wealth for Households Age 65 and Over (2022 dollars)

	RACE/ETHNICITY	HOME EQUITY	NONHOUSING WEALTH	NET WEALTH
Home-owners	White	\$251,000	\$289,100	\$597,600
	Black	\$123,000	\$32,200	\$242,600
	Hispanic	\$200,000	\$25,500	\$271,700
	Asian/other race or multiracial	\$270,000	\$158,100	\$377,500
	All	\$250,000	\$221,600	\$499,000
Renters	White	-	\$14,000	\$14,000
	Black	-	\$3,900	\$3,900
	Hispanic	-	\$3,000	\$3,000
	Asian/other race or multiracial	-	\$5,100	\$5,100
	All	-	\$10,100	\$10,100

50x
In 2022, older homeowners held nearly 50 times the net wealth of older renters

White, Black and Asian/other race/multiracial householders are non-Hispanic. Hispanic householders may be of any race. Nonhousing wealth includes cash savings, retirement funds, stocks and bonds, and other assets, minus debts. Median home equity and nonhousing wealth are calculated independently and do not sum to median net wealth.

Source: JCHS tabulations of Federal Reserve Board, 2022 Survey of Consumer Finances

Homeownership Stability

Help for Homeowners



Routine maintenance or necessary major improvements for a home can be a challenge for some homeowners. Deferring maintenance due to financial constraints can eventually lead to displacement and housing instability. In some situations, finding an affordable home comes with the sacrifice of location, resulting in long commutes, which causes more wear and tear on a vehicle and high gas costs. That excess wear and tear could cause a higher likelihood that a breakdown might lead to employment instability, further impacting housing stability.

To address the complexities related to homeownership, **Home Inc.** has launched a new **Post-Purchase Homeowner Success Program**. This programming will expand HOME, Inc.'s housing counseling reach along the housing continuum, largely impacting low-income homeowners by providing knowledge and resources to navigate such issues on their own and will offer one-on-one counseling to homeowners in need of individualized support.