

## Macro Roundup Article

**Headline:** [The Future of Homeownership](#)

**Article Link:** <https://www.home-economics.us/p/the-future-of-homeownership>

Author(s)	Aziz Sunderji
Publication	Home Economics
Publication Date	May 07, 2024

**Tweet:** [. @AzizSunderji forecasts the end of an 80-year boom for the real estate industry, as slower population growth causes slower homeownership growth.](#)

**Summary:** Three factors explain the growth rate of homeownership: The population growth rate. The headship rate: the number of household heads, divided by the total adult population. The ownership rate: the percentage of households who own their home, rather than renting. At any given time, the number of homeowners across the country is equal to the population multiplied by the headship rate, multiplied by the ownership rate. We can estimate the growth in homeownership by forecasting these three variables into the future. In my base case forecast, I assume headship and ownership rates stay right where they are today. In my view, this is a more reasonable approach than guessing at how these variables evolve. In any case, when I stressed these assumptions (I elaborate on this below), the result is not very different. The population effect dominates: the rate of homeownership growth is set to rapidly slow.

**Related Articles:** [America Is Uniquely Ill-Suited To Handle a Falling Population and The Demographic Outlook: 2024 to 2054 and Inflation Adjusted House Prices 2.4% Below Peak](#)

**Primary Topic:** Business Cycle

**Topics:** Banking, Business Cycle, GDP, Op-Ed/Blog Post

**Permalink:** <https://www.edwardconard.com/macro-roundup/azizsunderji-forecasts-the-end-of-an-80-year-boom-for-the-real-estate-industry-as-slower-population-growth-causes-slower-homeownership-growth?view=detail>

**Featured Image Link:** <https://www.edwardconard.com/wp-content/uploads/2024/05/20835-the-future-of-homeownership-featured-image.png>