



behavior research center's

Latino Poll

NEWS RELEASE
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HISPANIC HOME OWNERSHIP DOWN; RESTRUCTURING MORTGAGE DEBT BEING WEIGHED BY 20 PERCENT

Phoenix, Arizona, January 31, 2003. Within Arizona's rapidly growing Hispanic consumer market, the proportion of full-time residents who own their own homes rose steadily throughout the 1990's, registering as high as 68 percent in the 2001 and 2002 period. Today however, and for the first time in a decade, home ownership appears to be shrinking as these consumers struggle with the realities of the current economy.

Between 1990 and 2000, the HispanicTRACK™ surveys registered a slow but steady increase in home ownership within the Hispanic community – rising from around 57 percent in 1990 to nearly 68 percent in 2000. Currently, home ownership is being reported by only 61 percent, a full seven-point drop from two years ago. Renters now comprise 39 percent of this market compared to 32 percent in 2000.

Home ownership is stronger in Pima County (68%) than in Maricopa (54%) and is directly correlated to age and income. Thus, 85 percent of the highest income earners in the Hispanic community own their own homes, compared to only 41 percent in lower income groups. Similarly, 69 percent of Hispanic consumers over the age of 45 are homeowners compared to less than half of Hispanic family heads under the age of 25.

The study also finds that fully a fifth say they may this year seek refinancing of their homes, a figure that rises sharply within the 35 to 44 age segment and among the highest income earners in the Hispanic market. While some of the planned refinancing may be directed to acquiring cash to take care of major home improvements, some may as well be a mechanism to simply help them reduce their payments and hang on to their homes.

A robust 53 percent of Hispanic consumers say they plan on making major improvements to their home during 2003, news that could spell much new business for the home improvement retail industry and for the financial community. This figure swells to over 60 percent in the middle income strata and is very strong in households where the head of the family is under 35 years of age.

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It also appears that among families who are currently renting their homes, 31 percent hope to be able to enter the home buying market this year. And among current home owners, roughly 12 percent say they are planning on moving into a different home. Overall then, 19 percent of Hispanic families have their eye on making a home purchase in 2003.

As might be expected, family income is a major driver in whether families have plans to make a new home purchase, with purchasing intentions rising to 23 percent among the most affluent segments of the Hispanic community. The readings are also somewhat stronger in Pima County (16%) than in Maricopa County (12%).

On other spending or planned spending fronts, HispanicTRACK™ records that nearly a quarter of Hispanic consumers have made plans to purchase a major kitchen appliance in 2003, a pattern that is fairly even spread across all income segments.

The findings outlined in this report are based on a survey of 505 Hispanic heads of household across Maricopa and Pima Counties, conducted between October 16 and November 2, 2002, by the Behavior Research Center of Arizona as part of the Center's independent and non-partisan Rocky Mountain Poll series. The public is welcome to visit www.brcpolls.com to read this and other recent polls.

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EDITOR'S NOTE: This Rocky Mountain Poll Arizona (2003-I-09) is based on 505 telephone interviews with Hispanic heads of household across Maricopa and Pima Counties, conducted from October 16 through November 2, 2002 throughout Arizona. In the overall sample, one may say with 95 percent certainty that the results have a statistical precision of plus or minus 4.4 percent of what they would have been had the entire adult population been surveyed. The Rocky Mountain Poll is conducted by the Behavior Research Center of Arizona and is an independent and non-partisan research program.

This statement conforms to the principles of disclosure of the National Council on Public Polls.

BELOW: Statistical data

For this and other polls. See www.brcpolls.com/results

STATISTICAL DATA

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Rocky Mountain Poll - Arizona
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“Which of the following things do you think you or someone in your household will be doing in the next 12 months?”

New home purchase	19%
Major home improvement	53
Purchase of major kitchen appliance	23

HOMEOWNERS ONLY

Refinance your current home	20
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HOME OWNERSHIP – SURVEY  
ESTIMATES AVERAGED FOR TUCSON  
AND PHOENIX

|                                | <u>%<br/>Home Owners</u> |
|--------------------------------|--------------------------|
| 1990 - 1992                    | 57%                      |
| 1993 - 1994                    | NA                       |
| 1995 - 1996                    | 60                       |
| 1997 - 1998                    | 59                       |
| 1999 - 2000                    | 65                       |
| 2001 - 2002                    | 68                       |
| 2003 (1 <sup>st</sup> quarter) | 61                       |

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