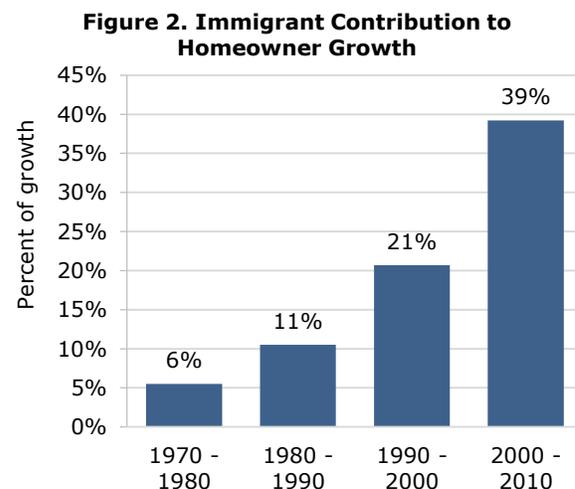
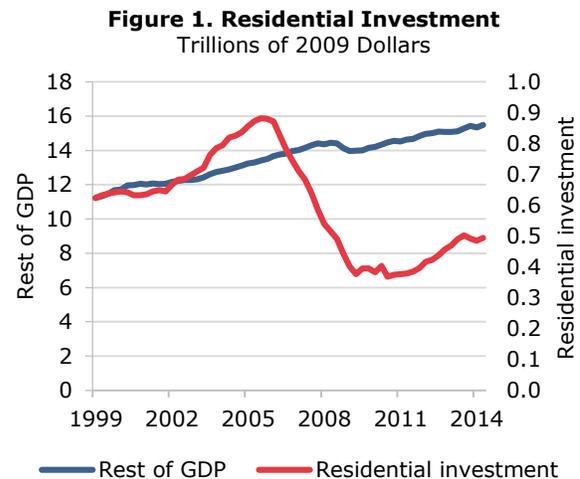


Immigration and Housing

A new Bipartisan Policy Center (BPC) white paper examines the intersection of housing and immigration. As U.S. demographic trends shift toward lower population growth, immigrants are critical to sustaining growth in the number of households forming, which in turn drives investment in new residential construction. Furthermore, immigrants are essential to the construction labor force. The September 2014 paper, *Immigration and Housing: Supply, Demand, and Characteristics*, contains the following key findings:

- Housing demand is holding back the economic recovery.** In 2005, residential investment made up 6 percent of the U.S. economy, but today it constitutes just 3 percent. Compared with the rest of the economy, residential construction fell significantly during the recession and remains below historical levels (Figure 1). Construction employment followed a similar trend.
- Immigration is an important driver of housing demand.** Immigrants currently contribute about 40 percent of the demand for new housing, which creates jobs in the construction industry and other housing-related sectors. Since the 1970s, the immigrant contribution to housing demand has increased each decade. Figure 2 shows immigrants' decade-by-decade contribution to growth in the number of homeowners.
- Immigration will become even more critical to the housing market.** Demand for housing construction is higher when the population (and by extension, the number of households) is increasing. Over the coming decades, immigrants will become the main driver of U.S. population growth, making immigration the primary driver of demand for new housing. In fact, projections show that without immigration, the U.S. population would stop growing around 2040.
- Immigrants are essential to the construction labor force.** Between 2000 and 2014, immigrant representation in the construction labor force increased from 16 percent to 25 percent. Immigrants also make the construction labor force more responsive to market demand.



This document reflects the key findings of the Bipartisan Policy Center's September 2014 white paper, [Immigration and Housing: Supply, Demand, and Characteristics](#). To read the full paper and learn more about key issues in the immigration debate, please visit bipartisanpolicy.org/immigration.