

National Homeownership Month is a good time to reflect on benefits of owning a home

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Each June, the homebuilding industry joins in celebrating National Homeownership Month — a great time to reflect on the benefits of homeownership not just for families, but for the community as well.

First and foremost, homeowners often benefit financially. For many, owning a home is the most important way a family can build net worth as their equity climbs over time. Owning a home is often the best way to build intergenerational wealth, which creates financial security, breaks cycles of poverty and promotes upward social mobility from one generation to the next. It can also help alleviate wealth inequality and provide access to opportunities that otherwise might not be available.

Homeownership also builds stronger communi-

ties, provides a solid foundation for families and improves the quality of life for individuals in our community. In addition, homeownership increases stability because homeowners are less likely than renters to move frequently. And as homeowners settle in, they make friends, get to know their neighbors and develop a sense of community. That commitment to community fosters civic participation.

Through volunteering, school and community activities and property maintenance, homeowners help build strong and healthy neighborhoods.

Our local governments benefit as well. Homeowners pay property taxes, which are an important and stable revenue source for local governments that allows them to provide important services to their residents. In addition, homeowners tend to spend more in their communities on goods and services, generating increased sales



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tax revenue. When local governments sometimes make it more difficult and more expensive to build the new homes the Sacramento area needs, perhaps they should remember these advantages.

After all, building new homes boosts the economy. Here in the Sacramento region, our 500 member companies employ some 50,000 people and generate millions of dollars for the economy each year. But the lack of available land, the months and years it often

takes to get projects approved, and the high fees charged by government agencies — on average, more than \$100,000 per home locally — make it impossible to build all the homes the market demands and drive up the cost of those that are built.

The good news is, despite affordability challenges, it is possible to buy a new home. Many lenders offer first-time homebuyer programs that provide assistance with down payment and closing costs.

Many builders provide incentives that help buyers qualify. And while historically new homes have often cost significantly more than existing homes, that gap has greatly narrowed in recent years.

The National Association of Home Builders has analyzed sales data and found that over the past five years, the average difference between the price of a new home and an existing home was just \$26,700 nationwide, compared to a much wider gap of \$66,000 in the decade prior to 2019.

This puts the benefits of buying a new home more in reach for many buyers. Just think — everything will work just right, and if there are any problems, your builder will promptly address them.

It's highly unlikely that you'll be facing unexpected repair bills for many years to come.

You can also customize many features — appliances, floor coverings, cabinets

and countertops, lighting and much more. Your new home will be your home the day you move in.

And as energy bills continue to climb, you'll have the benefit of energy-efficient building materials and built-in solar power, which in our sunny climate can mean substantial savings each month.

So if you're thinking about upsizing, downsizing or taking your first steps into homeownership, open your laptop, take a look at the nearly 200 active new home communities in our region, find communities and floorplans that meet your needs and talk to your builder. That new home could be yours before you know it. Murphy is President & CEO of the North State Building Industry Association, which represents builders, developers, subcontractors, suppliers and related professionals dedicated to providing new housing opportunities in the Greater Sacramento region.