

IMPROVING HOUSING QUALITY THROUGH WHOLE HOME REPAIRS

FACTSHEET

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Addressing our nation's housing crisis will require multiple solutions, including investing resources to improve the quality of existing homes. This includes public investments in comprehensive **home repair programs** that provide homeowners with resources to repair, upgrade, and weatherize their homes to address habitability, efficiency, and climate resiliency issues. Without critical public investments, families and communities have even fewer opportunities to maintain quality housing that supports their health, economic security, and overall well-being.

Millions of Homeowners Struggle to Afford the Costly Home Repairs That Can Improve Housing Quality

Millions of families live in inadequate housing in need of critical repairs.

- Nationally, 44.5 million homes have repair and upgrade needs related to electric wiring, heating, plumbing, and, most commonly, leaks and mold.¹
- Our country's aging housing stock means a greater need for repairs. In 2021, an estimated 35 percent of homes built before 1999 needed repair, compared to only 26 percent of homes built after 1999.² Almost 50 percent of housing in the country was built before 1980.³
- Low-income families are more likely to need home repairs. In 2021, an estimated 40 percent of households with incomes below the federal poverty level needed home repairs, compared to 33 percent of households with incomes 200 percent of the poverty level or higher.⁴
- Communities of color also face higher rates of repair needs. In 2021, an estimated 40 percent of Black households, 38 percent of Hispanic or Latino households, and 48 percent of Native American households had home repair needs, compared to 33 percent of white households.⁵
- Households with children also had higher rates of need for home repair.⁶

While homeowners' repair needs are significant, renters are more likely to live in homes that need repair.

- Renters are more likely to live in homes that need repair; these homes are sometimes owned by small landlords who can't afford to do necessary repairs without raising rents, which could price out many renters.⁷
- In 2017, 17.4 million renter-occupied homes, or 39.5 percent of rented homes nationally, and 26 million, or 33.6 percent of owner-occupied housing stock had repair needs.⁸

- Repair needs for renter-occupied homes have a disproportionate impact on Black and brown households, who are more likely to be renters. In 2019, 58 percent of Black households and 52 percent of Hispanic households rented, compared to 28 percent of white households.⁹

Despite need, homeowners and small landlords often struggle to afford home repairs.

- The national average for home repair costs was \$3,359 in 2021; this represents 15 percent of the yearly income for a three-person family at the federal poverty guideline that year.¹⁰ Even for a homeowner earning the national median income in 2021, a home repair of \$3,359 would cost 57 percent of their monthly income.¹¹
- Families living in older homes also experience costlier repairs. In 2021, repair costs for homes built before 1940 averaged about \$1,000 more than those built after 1999.¹²
- Taking on debt to pay for home repairs may not be possible for many homeowners, especially for homeowners with low incomes who may be unable to afford monthly loan repayments.¹³ In 2020, an estimated 39 percent of all applicants were denied home improvement loans.¹⁴
- Black and brown households face even higher obstacles to borrowing for home repairs. In 2020, over half of Hispanic and Black applicants were denied home repair loans, compared to only about 33 percent of white applicants.¹⁵

Without Critical Home Repairs, Households Face Risks to Their Health, Economic Security, and Overall Well-Being

Poor housing quality can lead to significant health issues.

- For example, research shows poor ventilation and mold in homes cause respiratory illnesses.¹⁶
- Children are particularly vulnerable to poor housing conditions; home pollutants, such as lead and mold, can have long-term and severe impacts on their health and development.¹⁷

Without needed home repairs and upgrades, households may spend more money in the long run, undermining their economic security.

- Without needed improvements, households miss out on long-term cost savings from energy efficiency, further deepening the affordability and sustainability crisis.
- For example, inefficient heating systems or poor insulation can contribute to increasingly expensive energy bills. According to the Department of Energy, heating and cooling costs account for 43 percent of a household's utility bill; water heating accounts for 12 percent.¹⁸
- Upgrade and weatherization needs have a particular impact on Black and brown homeowners, who bear higher utility costs than their white counterparts and are more likely to receive a utility shut-off notice due to their inability to pay.¹⁹
- Neglecting or deferring repairs, such as fixing a leaking roof or faulty plumbing, can also result in more costly, extensive repairs down the line.²⁰

Disrepair may contribute to families being displaced from their homes and communities.

- Homeowners who cannot afford repairs may opt to sell their homes to large institutional investors, who can more easily afford to make needed repairs and upgrades.²¹
- Institutional investors own an increasing share of single-family homes. In the first quarter of 2022, institutional or corporate investors made, on average, 28 percent of average home purchases each month, up from 19 percent the previous year.²²
- These investors often sell or rent repaired homes at a much higher cost, driving up housing costs and potentially displacing low-income residents.²³

Repairs are critical to helping households endure the effects of climate change.

- Many homes, especially older homes, were not built to withstand the increasing impacts of climate change, such as extreme heat, rising sea levels, or extreme weather events.²⁴
- For example, heat waves in major U.S. cities are happening more frequently, increasing from an average of two per year in the 1960s to more than six per year in the 2020s.²⁵
- Households with inadequate cooling systems will become increasingly vulnerable to heat-related illness and death.²⁶
- Lack of resources limits households' ability to access supports aimed at decarbonizing homes, such as installing solar panels or upgrading heating systems, which are essential to addressing climate change.

ENDNOTES

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