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# Awaiting Immigration Reform

By LISA PREVOST

Passage of [immigration](#) reform could be a boon to the real estate and mortgage markets over the next decade.

So says the [National Association of Hispanic Real Estate Professionals](#) in San Diego. If Congress approves legislation providing a pathway to citizenship for undocumented immigrants, the organization expects the country's pool of home buyers to swell by three million, generating some \$500 billion in new mortgages.

The [estimates](#) are based on the assumption that some six million unauthorized immigrants would probably pursue legalization if given the opportunity. That's a little more than half of the total number of unauthorized immigrants in the United States, which the [Pew Research Hispanic Center](#) estimates to be 11.1 million. Almost 60 percent of those are Mexicans.

The association calculated that about three million of those who would pursue legalization would also buy homes, based on previous rates of homeownership among foreign-born households, said Gary Acosta, the chief executive of the real estate association.

The \$500 billion in real estate transactions would also generate \$25 billion in mortgage origination and refinance income, and \$28 billion in commission income to real estate professionals, the association says.

"It's not what we expect to happen in a year or two, but over 5 to 10 years," Mr. Acosta said. "These are people who can't get mortgages right now, and they're primarily living in the shadows."

The association did not try to break down the economic benefits by region, but Mr. Acosta said the effects would be concentrated in states with large Hispanic populations. More than 60 percent of the country's Hispanic residents are concentrated in a handful of states, among them New York, though Mr. Acosta notes that Hispanic populations are growing rapidly in "nontraditional" states like [North Carolina](#), Oklahoma and [Utah](#).

Hispanic households are already a strong force in the nation's housing market. A report from the association found that from 2000 to 2012, the net growth in new Hispanic households was 58 percent, versus 5 percent for the rest of the Amer



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Mr. Acosta attributed the growth to several factors. The Hispanic population is a “younger demographic that’s just moving into prime-home buyer years.” Their household makeup tends toward two-parent families, making them more likely to buy. And in surveys, Hispanics report a “fundamental desire to participate in homeownership,” Mr. Acosta said.

New York’s five boroughs would most likely see a rise in housing demand should Congress pass an amnesty measure. Right now, the homeownership rate among the 30 percent of the population that is Hispanic is just 15 percent, half the citywide rate, according to Josiah Madar, a research fellow at the [Furman Center for Real Estate and Urban Policy](#) at New York University.

Mr. Madar hasn’t studied what share of the city’s Hispanic population is undocumented, but the low rate of homeownership suggests that legal status plays a role. “There might be a lot of prospective homebuyers in that population,” he said.

The share of home purchase mortgages issued to Hispanic borrowers in New York peaked in 2006, just over 16 percent, according to data provided by Mr. Madar. It then declined sharply, and as of 2011 stood at just under 10 percent.

The fate of the immigration reform measure in Congress is uncertain. Mr. Acosta says his organization believes that a legal path to immigration should be a “required component” of any reform measure.