



## Research

# Study: Economic Benefits of Immigration on Housing Markets

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Immigration reform resulting in net population growth and an increase in employment-based immigration would likely have wide-reaching economic benefits, and would provide a boost to the housing sector. Understanding how increased immigration benefits housing is quite straightforward; increased population growth leads to a greater demand for housing that would aid a still recovering residential construction industry. Many of the states that have consistently attracted the largest foreign-born populations were also some of the hardest hit by the housing crisis that began in 2006 and could benefit directly from increased demand in the years ahead.

Assuming comprehensive reform will lead to higher net migration, I use Census Bureau population projections to estimate the increased number of immigrants likely to own a home. I find that 2.1 million more people would become homeowners by 2020 in light of policies that increase net migration. This increased homeownership would encourage greater residential construction along with the virtuous economic effects of household purchasing that comes with a new home, particularly in metro areas that attract foreign-born residents.

