

# A CENTURY OF PROGRESS

1900



1950



2000





# NAHB

NATIONAL ASSOCIATION  
OF HOME BUILDERS

## A CENTURY OF PROGRESS: AMERICA'S HOUSING 1900-2000

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The National Association of Home Builders is a Washington-based trade association representing more than 205,000 members involved in home building, remodeling, multifamily construction, property management, subcontracting, design, housing finance, building product manufacturing and other aspects of residential and light commercial construction.

Known as "the voice of the housing industry," NAHB is affiliated with more than 800 state and local home builders associations around the country.

NAHB's builder members will construct about 80 percent of the new homes projected for 2003, making housing one of the largest engines of economic growth in the country.

**For more information, contact  
NAHB Advocacy/Public Affairs  
at 202-266-8254.**

## Housing Finance

- 1900**—People typically paid cash; long-term amortized loans were not available
- 1950**—FHA mortgage rate was 4.25%; limited number of financing options
- 2000**—Interest rates averaged 8% for a 30-year fixed rate mortgage; large selection of financing options

## Profile of a Typical New Home

- 1900**—700-1,200 square feet  
Two or three bedrooms  
One or no bathroom  
Two stories
- 1950**—1,000 square feet or less  
Two bedrooms  
One bathroom  
One story
- 2000**—2,265 square feet  
Three or more bedrooms  
2½ bathrooms  
Garage for two or more cars  
Central air conditioning  
One fireplace  
Two stories

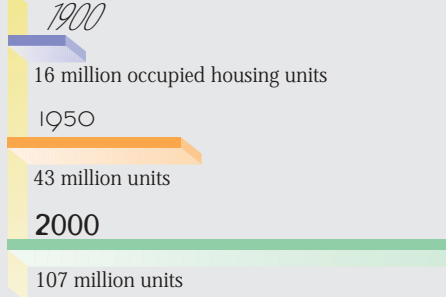
# A CENTURY OF PROGRESS

## OVERVIEW

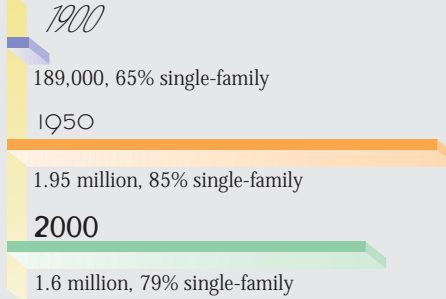
**F**rom size and configuration to quality and convenience, the nation's housing changed dramatically during the 20th century, evolving to the point that new homes now provide comfort, convenience and a quality of life unknown to previous generations.

Following are a number of comparisons showing the significant housing progress the nation made during the last century. It is important to note that although these numbers profile new home construction, they do not address actual living conditions. For instance, in 1900, well over 20% of the nation's population lived in crowded units, with entire families often sharing just one or two rooms. Most existing homes were small, rural farmhouses and lacked the basic amenities, such as complete plumbing and central heat, that are standard in housing today. In fact, even in 1950, more than 35% of the nation's homes lacked complete plumbing facilities (hot and cold piped water, a bathtub or shower and a flush toilet) according to the Census Bureau.

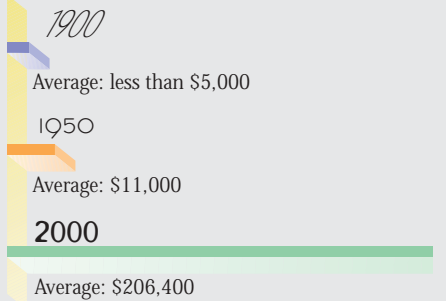
### Total Housing Units



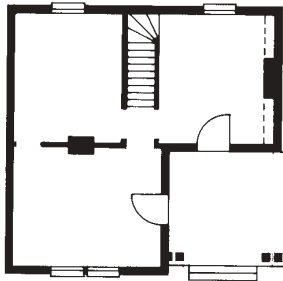
### Total Housing Starts



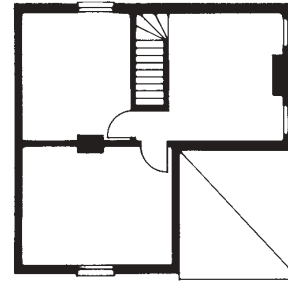
### New Home Prices



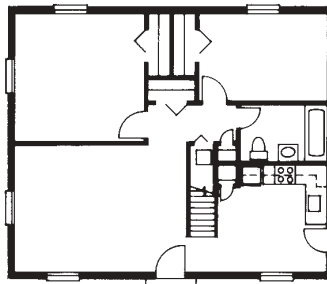
Illustrations and floorplans by Rick Vitullo



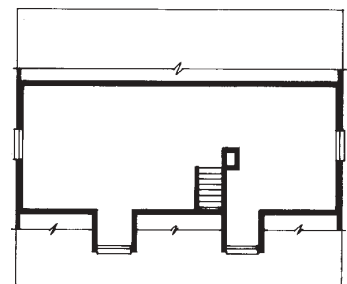
FIRST FLOOR



SECOND FLOOR

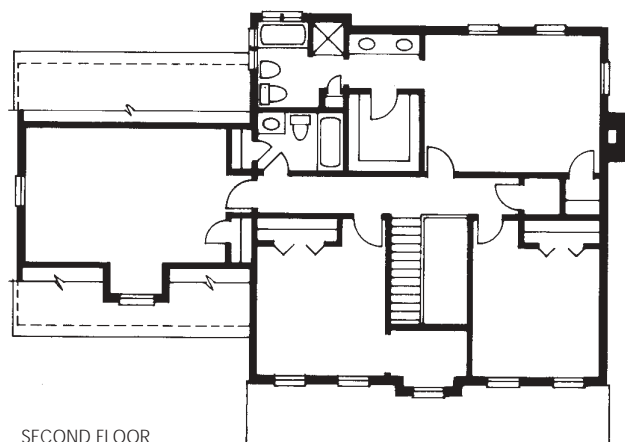
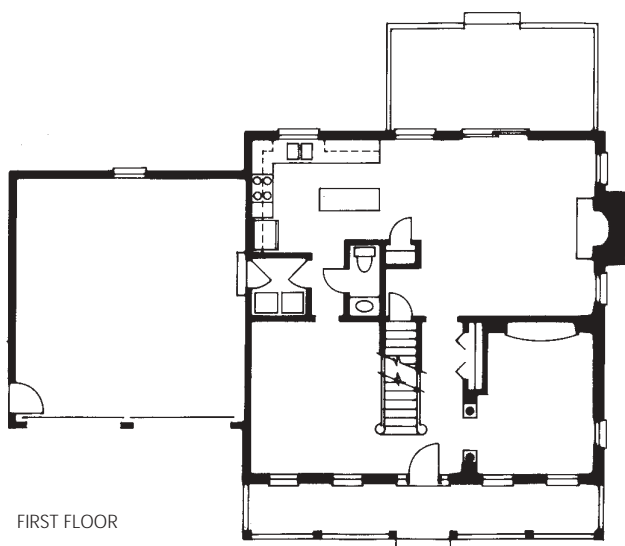


FIRST FLOOR

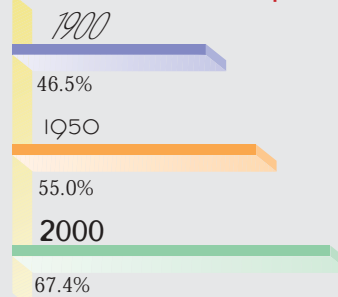


SECOND FLOOR (unfinished)

2000



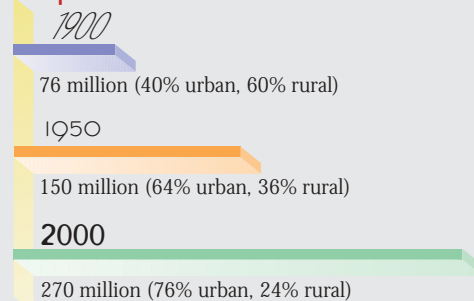
### Homeownership Rate



### Median Family Income



### Population



# 50 YEARS OF MILESTONES IN THE

More than 50 years ago, the Housing Act of 1949 established housing as a national priority and ushered in an era of unprecedented housing progress.

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- 1949** The Housing Act of 1949 establishes a national goal of “a decent home and a suitable living environment for every American family” and designates the private sector as the means of achieving the goal. Other priorities include eliminating substandard and inadequate housing through slum clearance and the construction of almost a million units of low-rent public housing. The prime rate stands at 2.0%, the lowest rate recorded between 1949 and 1999. The nation’s homeownership rate is about 55%.
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- 1950** Housing credit controls are imposed as part of an effort to conserve resources for the Korean War effort.
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- 1953** The last of the housing credit controls imposed in 1950 are removed.
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- 1954** The Omnibus Housing Act of 1954 broadens the urban redevelopment program initiated by the 1949 act, renames it “urban renewal” and creates the Urban Renewal Administration. It also requires builders or sellers to certify that new FHA-insured and VA-guaranteed housing is in “substantial conformity” with approved standards.
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- 1956** The Omnibus Housing Act of 1956 expands the urban renewal program and redefines it to include slum clearance and rehabilitation of slum areas.
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- 1959** The Omnibus Housing Act of 1959 makes FHA insured mortgages available for new or rehabilitated housing where half or more of the residents are elderly.
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- 1961** The Housing Act of 1961, the most comprehensive housing legislation since 1949, is enacted. Its objectives are to improve housing for low- and moderate-income families, reduce urban blight and congestion, and stimulate building activity to counter the 1960-1961 recession. The Civil Rights Commission issues a landmark report on housing discrimination.
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- 1962** President Kennedy issues Executive Order 11063 prohibiting racial discrimination in housing built, purchased or financed with federal assistance and creating the President’s Committee on Equal Opportunity in Housing.
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- 1964** Fannie Mae is authorized by the Omnibus Housing Act of 1964 to pool its mortgages and sell interests in the pool to private investors.
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- 1965** The Department of Housing and Urban Development is created. Its cabinet-level status reflects a new priority for housing.
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- 1968** The Fair Housing Act bans all discrimination in public and private housing due to race, color, religion or national origin. The report of President Johnson’s Commission on Urban Housing, also known as the Kaiser Report, is released; its focus is on housing quality and homeownership.
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- 1968** Fannie Mae becomes a private shareholder-owned corporation and its authority is broadened so it can purchase conventional mortgages. Congress creates the National Flood Insurance Program, which makes residential flood insurance available to home owners. The Douglas Commission report recommends a goal of 2.0 to 2.5 million housing starts per year.

# EFFORT TO HOUSE AMERICA

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- 1970** Freddie Mac is created to establish a market for mortgage securities backed by conventional home loans.
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- 1972** Annual housing starts reach 2.34 million, the highest level ever recorded.
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- 1973** President Nixon imposes a moratorium on all federal housing programs, and attempts are made to eliminate the Federal Housing Administration.
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- 1974** Federal legislation allows lenders to count the income of a second household wage earner when qualifying families for mortgages.  
The Housing and Community Development Act is enacted. The Community Development Block Grant program and the Section 8 Housing Assistance Payments program are created.
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- 1977** The Community Reinvestment Act is enacted.
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- 1980** The National Building Museum opens.
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- 1981** The prime rate reaches 18.87%, the highest level recorded between 1949 and 2000.
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- 1982** The report of President Reagan's Commission on Housing is issued; its focus is on affordability issues.
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- 1983** NAHB establishes the Home Builders Institute to offer a wide range of educational and job training programs.  
FHA mortgage rates are deregulated and FHA begins insuring Adjustable Rate Mortgages (ARMs).
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- 1985** NAHB publishes its long-range planning report, "Housing America—The Challenges Ahead."
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- 1986** Despite considerable opposition, the mortgage interest and property tax deductions are preserved in the Tax Reform Act of 1986.  
The Low Income Housing Tax Credit program is created, providing incentives for private-sector development of low-income housing.
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- 1987** NAHB celebrates the completion of the nation's 100 millionth home.  
The Housing and Community Development Act is passed.  
The National Housing Endowment is established to provide funding for areas critical to the future of housing, including education, job training and research.
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- 1988** Fannie Mae celebrates its 50th anniversary.  
The Fair Housing Act is amended to bar discrimination against families with children and persons with disabilities.  
"A Decent Place to Live," the Rouse-Maxwell report, is published.  
NAHB develops a "Blueprint for National Housing Policy," one of several reports aimed at moving housing to a higher level among the federal government's domestic priorities.
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- 1989** The Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) restructures the thrift industry, which is nearing collapse.  
Freddie Mac stock begins trading publicly, and the company's charter is modified to provide for shareholder-elected board members.

# 50 YEARS OF HOUSING MILESTONES

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- 1990** A severe credit crunch, which will adversely affect the housing industry for more than two years, begins.
- The Cranston-Gonzalez National Affordable Housing Act is passed. The Act contains two significant new programs: The HOME Investment Partnerships Act, to provide funds for state and local affordable housing programs, and the Low Income Housing Preservation and Resident Homeownership Act, to preserve and rehabilitate low- and moderate-income housing.
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- 1991** "Not in My Back Yard: Removing Barriers to Affordable Housing," a report to President Bush and HUD Secretary Kemp, is published by the Advisory Commission on Regulatory Barriers to Affordable Housing. The report finds that unnecessary regulation adds significantly to the cost of new homes.
- The average interest rate for a 30-year fixed-rate mortgage drops below 10% for the first time in more than a decade.
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- 1992** NAHB commemorates its 50th anniversary with a ceremony on the South Lawn of the White House where President Bush speaks about housing's importance to the nation.
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- 1993** President Clinton moves to free-up financing for housing through an Interagency Policy Statement on Credit Availability.
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- 1994** Fannie Mae makes a \$1 trillion commitment to finance targeted mortgage lending to minorities, people living in inner cities, people below their area median income, new immigrants and people with special needs.
- The Veterans Administration guarantees its 14 millionth home mortgage.
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- 1995** President Clinton unveils a new National Homeownership Strategy aimed at raising the nation's homeownership rate to 67.5% by 2000.
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- 1997** The Taxpayer Relief Act of 1997 exempts gains of up to \$500,000 on the sale of a home from capital gains taxation. It also reduces the top tax rate on capital gains from 28% to 20%.
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- 1999** NAHB, HUD and the nation's mayors make a commitment to construct a million new homes in the nation's cities and older inner suburbs over the following decade.
- Freddie Mac finances its 25 millionth home.
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- And beyond** Sales of new homes reach a record high of 974,000 in 2002.
- In May 2002, the Millennial Housing Commission issues a landmark report calling for the U.S. to make producing and preserving more sustainable, affordable housing a top national priority. Its recommendations include revitalizing and restructuring the Federal Housing Administration, enacting a new homeownership tax credit and establishing a new, mixed-income, multifamily rental production program.
- The average interest rate for a 30-year fixed-rate mortgage drops to 5.61%, the lowest level since the early 1960s, in March 2003.



THE NATIONAL ASSOCIATION OF HOME BUILDERS

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