

APARTMENTS: A VITAL HOUSING RESOURCE

The apartment industry is a competitive and **robust \$1.3 trillion industry that helps today's 38.8 million renters live in a home that's right for them.** We help build vibrant communities by offering housing choice, supporting local small businesses, creating millions of jobs and contributing to the fabric of communities across the country. And we are increasingly important given the historic growth in renter households in recent years. That's good news. **Meeting that demand will create millions of jobs.** To get there, **we need new public policies that support the multifamily housing industry** and that don't make it harder for renters and their families to find the housing that makes sense for them and their community.

Booming Rental Demand

- Over one-third of American households rent their housing and 43% of those live in apartments.
- Growth of renter households is at an historic high. In the five years ending in 2016, the number of renter households grew by 5.8 million while homeowners only increased by 1.3 million.
- Over the last 10 years, there were 9.9 million new renter households and only 1.6 million new owner households.
- The fastest growing population segments over the next decade—young adults and empty nesters—are most likely to want an alternative to single-family housing.
- There are over 75 million people between 18 and 34 years old (traditionally the “prime renter” age group) entering the housing market, primarily as renters. They could make up 24 million new households from 2015-2025 and their preferences will reshape housing demand.
- Many of their parents, the almost 73 million Baby Boomers, are beginning to downsize and some will choose the convenience of renting. Over half (57 percent) of the net increase in renter households from 2006 to 2016 came from householders 45 years or older.
- Married couples with children are now only 21% of households. Single-person households (28%), single-parent households (9%) and roommates (6%) collectively account for 43% of all households, and these households are more likely to rent.

Demand Outstrips New Supply

- The surge in apartment demand has outstripped new supply. The country needs 300,000 to 400,000 new apartments each year just to keep up with demand – a number reached just twice in the past decade.

Growing the Economy and Creating Jobs

- In 2013, the nation's 19.5 million apartment homes and the 36 million residents who lived in them contributed \$1.3 trillion annually to the economy. They supported 12.3 million jobs.
- To put this number in perspective, that means apartments and the people who live in them contributed, on average, \$3.6 billion a day to the economy.
- In 2013, new apartment construction produced \$30.0 billion in spending, supported 702,482 jobs and had a total economic contribution of \$92.6 billion.
- The same year, the operation of the nation's existing apartments accounted for \$69.1 billion, 1.5 million jobs and a total economic contribution of \$190.7 billion.
- Apartment resident spending in 2013 totaled \$406.0 billion, supporting 10.1 million jobs and a total economic contribution of \$1.0 trillion.
- The collective economic impact of apartments and their residents continues to grow as construction begins catching up to demand. This will only continue, as greater economic stability and stronger job creation lead to stronger household formations.

A Strong Track Record

- The performance of the apartment industry stands in stark contrast to the single-family sector. The apartment industry did not overbuild in the housing boom and did not contribute to the housing meltdown.
- Importantly, delinquency rates for the GSEs' multifamily loans remain below 0.1 percent.

Find out how apartments are contributing to your state or metro area economy at www.WeAreApartments.org, where you can also use ACE—the Apartment Community Estimator—to see the economic impact of a given number of apartments in your state.



ON POINT:

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BACKGROUND

*The apartment industry is a competitive and **robust \$1.3 trillion industry that helps today's 38.8 million renters live in a home that's right for them.** We help build vibrant communities by offering housing choice, supporting local small businesses, creating millions of jobs and contributing to the fabric of communities across the country.*

KEY TALKING POINTS

➤ **Growing Rental Demand**

- Over **one-third of Americans rent** their housing and **43 percent** of those **live in apartments.**
- Over 75 million **young adults** are entering the housing market, primarily as renters.
- Many of the almost 73 million **Baby Boomers** could choose to downsize and if so, will choose the convenience of renting.

➤ **Apartments help grow the economy and create jobs**

- **Apartments and their residents contributed \$3.6 billion** a day to the economy in 2013.
- New apartment construction produced \$30.0 billion in spending.
- New construction supported more than 702,000 jobs, with an economic contribution of \$92.6 billion in 2013.
- Operating the nation's apartments accounted for \$69.1 billion, 1.5 million jobs and a total economic contribution of \$190.7 billion in 2013.

➤ **Demand for apartments has outstripped supply**

- Reduction in homeownership rate has added to growing need for more rental housing.
- A one percentage point decrease in homeownership rate translates into an increase of 1.2 million renters
- 300,000 to 400,000 apartments need to be built each year to meet the growing demand.
- Only twice in 10 years have we achieved the number needed.

SPECIFIC REQUEST

Meeting the growing rental demand will create millions of jobs. To get there, **we need new public policies that support the multifamily housing industry** and that don't make it harder for renters and their families to find the housing that makes sense for them and their community.

