

Apartments: A Vital Housing Resource

The apartment industry is a competitive and **robust \$1.1 trillion industry that helps 37.5 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

- One-third of Americans rent their housing and 36% of those live in apartments.
- Growth in renter households is at a historic high. Only five times since 1966 has the annual growth in renter households exceeded one million; three of those have been in the last four years.
- In 1955, married couples with children—the drivers of suburban development—made up 44% of all households. Today they constitute under 20%, and that number continues to fall.
- Among the fastest growing population segments in the next decade are those most likely to seek options other than single-family houses: young adults and empty nesters.
- Almost 80 million Millennials are already entering the housing market, primarily as renters. They will make up 25 million new households from 2015-2025, and their preferences will reshape housing demand.
- Many of their parents, the 76 million Baby Boomers, are beginning to downsize, and some will choose the convenience of renting. From 2005-2013, households aged 55-64 accounted for a quarter of the growth in renters, nearly as many as households under age 35.

Demand Outstrips New Supply

- The surge in apartment demand has outstripped new supply. We need to be building an estimated 300,000-400,000 new apartments a year to meet expected demand. Even with apartment construction on the rise, in 2013 barely half that number (186,200) were built.
- Keeping in mind that we lose apartments every year to destruction, demolition, and deterioration (estimates are as high as 125,000), it's clear that talk of overbuilding in the apartment sector is premature.

Growing the Economy and Creating Jobs

- In 2011, the nation's 19.1 million apartment homes and the 35 million residents who lived in them contributed \$1.1 trillion annually to the economy.
- To put this number in perspective, that means apartments and the people who live in them contributed, on average, more than \$3 billion a day to the economy.
- The collective economic impact of apartments and their residents continue to grow as constructions begins catching up to demand. This will only continue as greater economic stability and stronger job creation leads to stronger household formations.

A Strong Track Record

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

