

APARTMENTS: A VITAL HOUSING RESOURCE

The apartment industry is a competitive and **robust \$1.3 trillion industry that helps today's 37 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 Americans rent their housing and 42% of those live in apartments.
- Growth in renter households is at a historic high. We gained 4.2 million new renters in the five years ending in 2013, while the number of homeowners fell by 900,000. Going back 10 years (pre-housing bubble), there were 8 million new renter households and just 500,000 new owner households.
- The fastest growing population segments in the next decade—young adults and empty nesters—are most likely to want an alternative to single-family housing.
- Eighty million Millennials are already entering the housing market, primarily as renters. They will make up 24 million new households from 2015-2025, and their preferences will reshape housing demand.
- Many of their parents, the 77 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.
- Married couples with children are now only 20% of households. Single-person households (28%), single-parent households (18%) and roommates (7%) collectively account for 53% of all households, and these households are more likely to rent.

Demand Outstrips New Supply

- The surge in apartment demand has outstripped new supply. We need to be building an estimated 300,000 to 400,000 new apartments a year to meet expected demand. This includes the apartments lost every year to destruction, demolition and deterioration (estimates are as high as 125,000). Even with apartment construction on the rise, in 2014 only 254,000 apartments were built.

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, almost \$4 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, default rates for the GSEs' multifamily loans remain at 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.