

#APARTMENTALIZE

The 2020s – Can Apartments Meet the Demand?

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Meet the Experts



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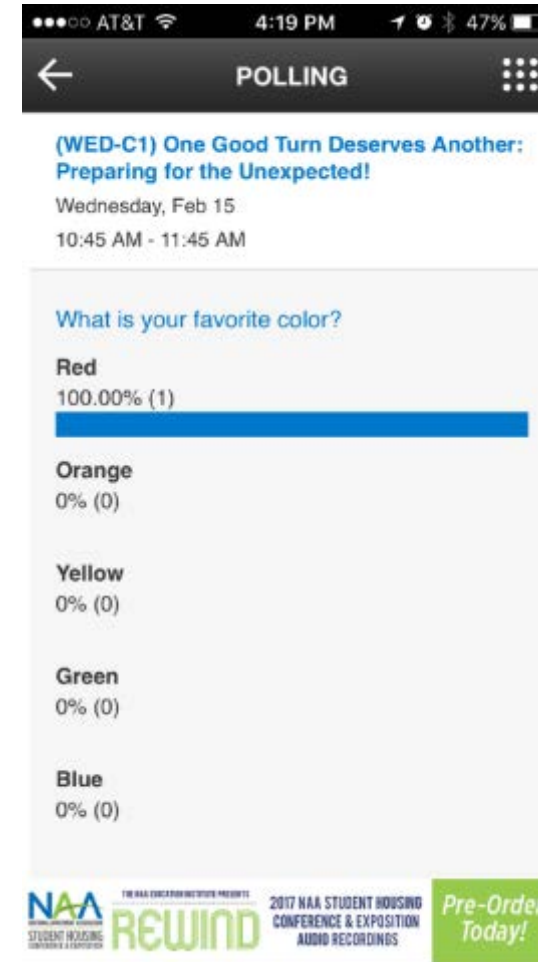
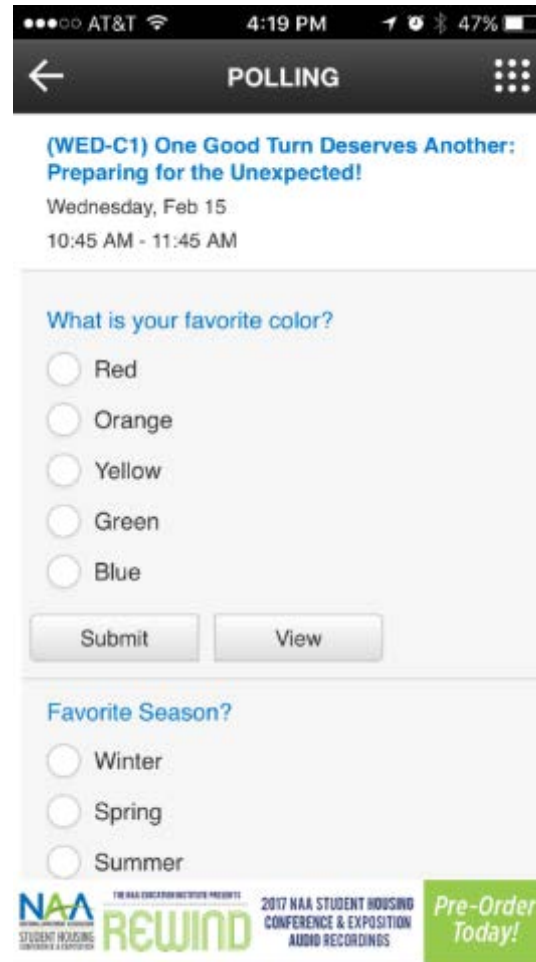
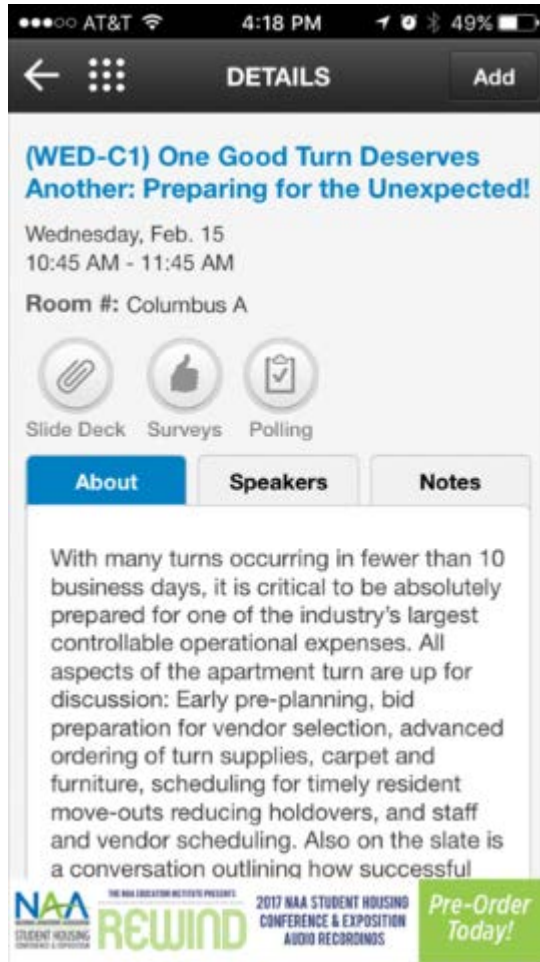
Senior Director of
Research
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Paula Munger

Director, Industry Research & Analysis
NAA
Moderator

Polling



Polling Question #1

Do you expect homeownership rates to increase or decrease over the next 3-5 years?

1. Increase
2. Decrease

Polling Question #2

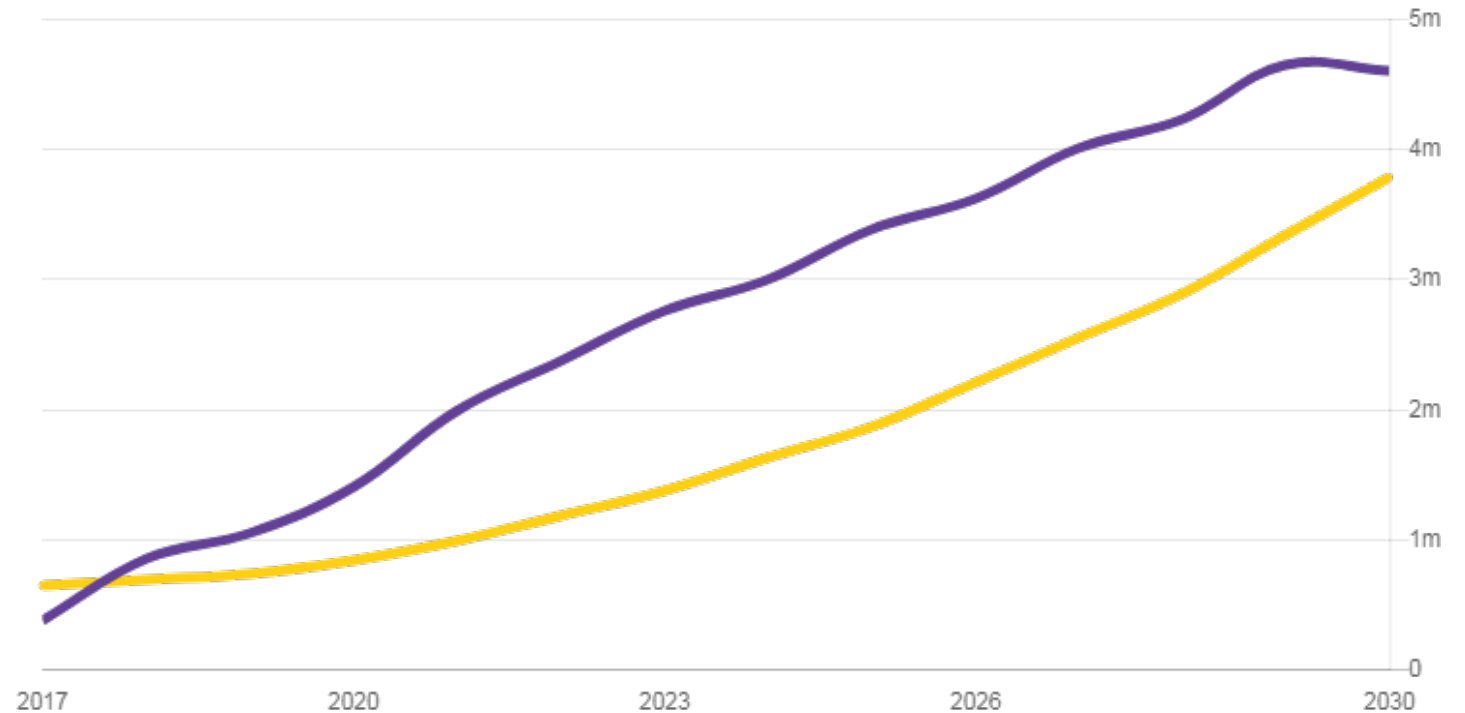
What's the top reason for your answer?

1. Interest rate increases
2. Student debt
3. Demographic changes
4. Lifestyle preferences
5. Policy changes

1 Demand Research High-level Findings

We Need 4.6 Million New Apartments

- We need an average of 328,000 new apartment homes each year to keep up with demand.
- 2017 was the first year we hit that number in years.

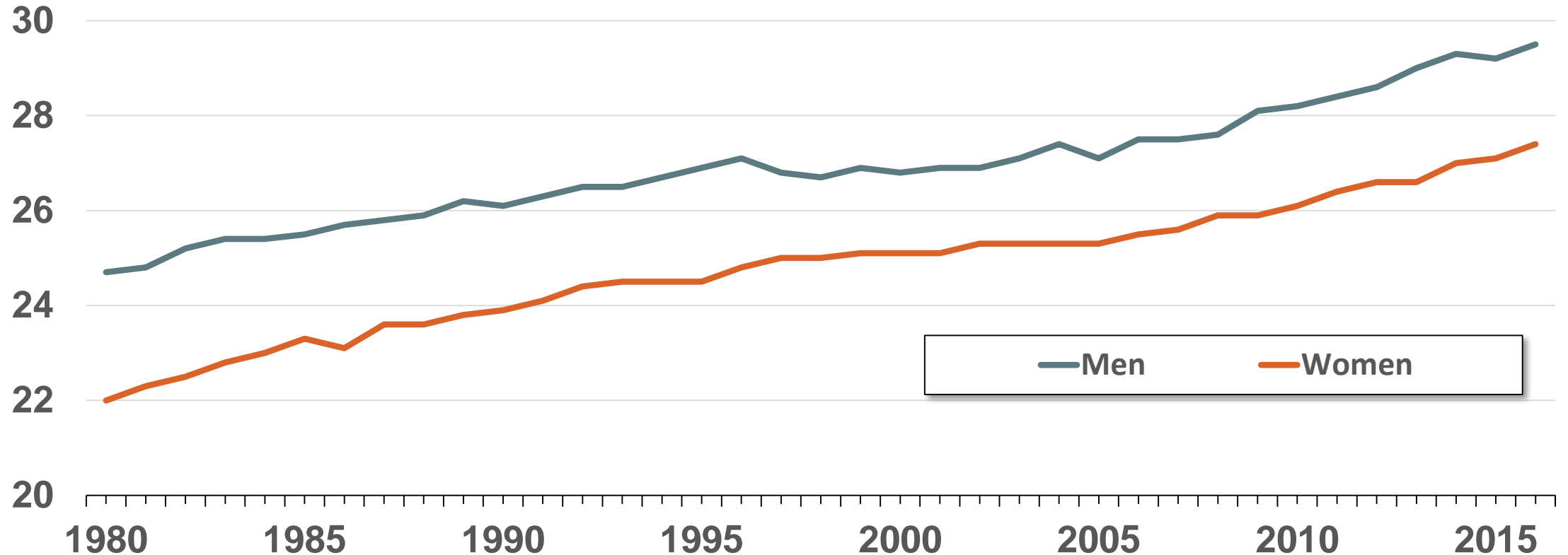


★ NUMBER OF NEW APARTMENT HOUSEHOLDS PER YEAR

★ NUMBER OF APARTMENTS BUILT PER YEAR

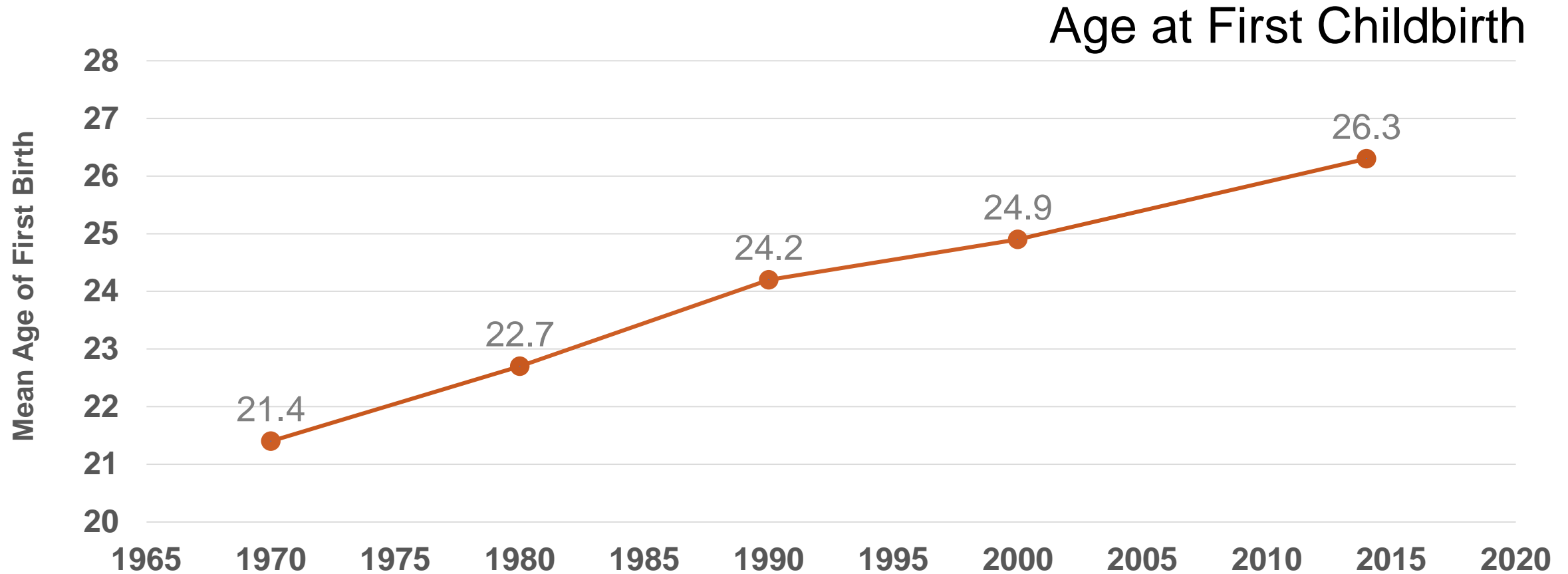
Younger Households Continue to Delay Marriage

Age at First Marriage



Source: U.S. Census Bureau.

People are Having Children Later



Source: U.S. Census Bureau.

Polling Question #3

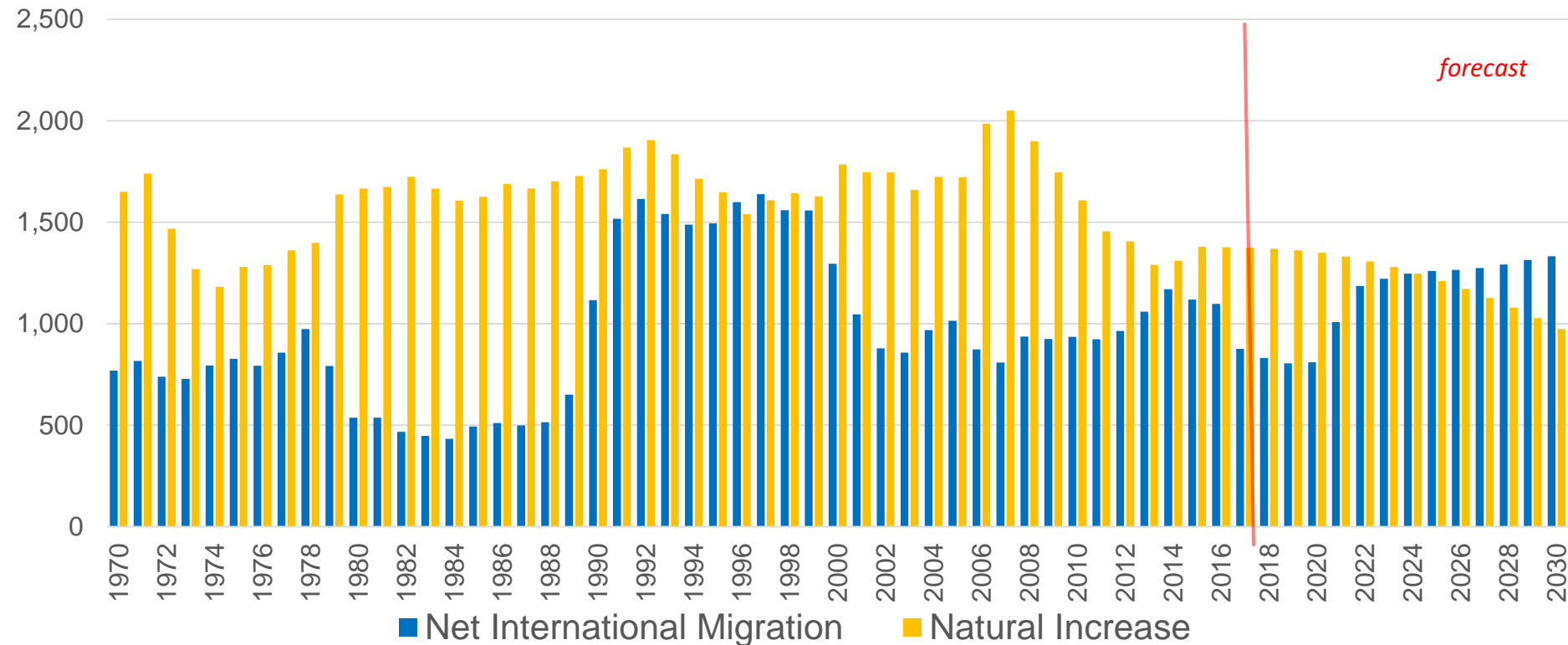
Some of the following strategies can help ease affordability issues. Which has your firm implemented or planning to implement?

1. Micro-units
2. LIHTC
3. Voucher program participation
4. Tax abatement/Inclusionary zoning/Bonus density
5. Federal financing programs (Fannie/Freddie/FHA)
6. Renovations bringing a property to B/B+ (Naturally Occurring Affordable Housing)

2 Risks to the Forecast

Demographic Fundamentals: Slowing Growth, More Dependent on Immigration

US Natural Internal Population Increase vs Immigration (000's)



Source: U.S. Census Bureau, Moody's, U.S. Dept. of Homeland Security, Hoyt Advisory Services

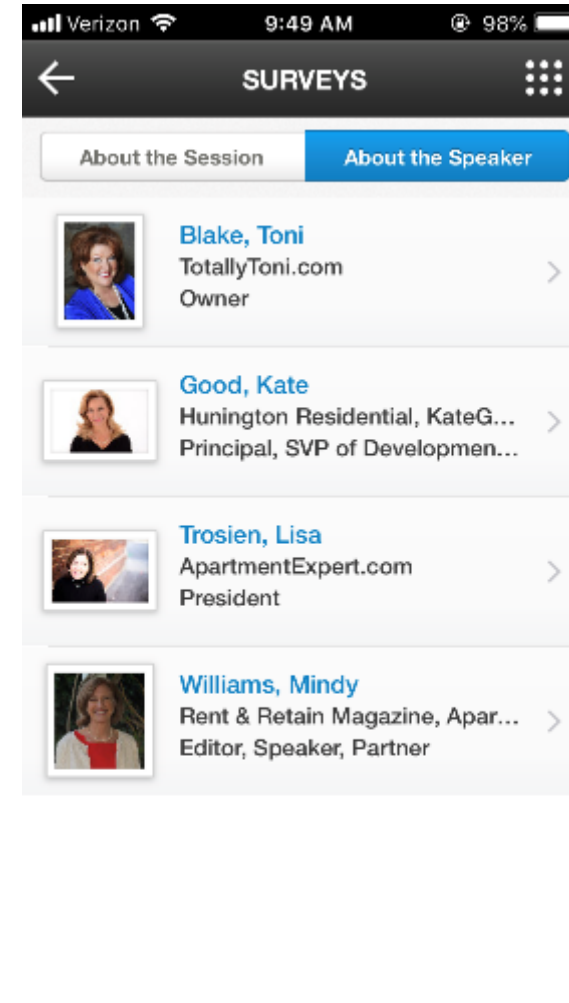
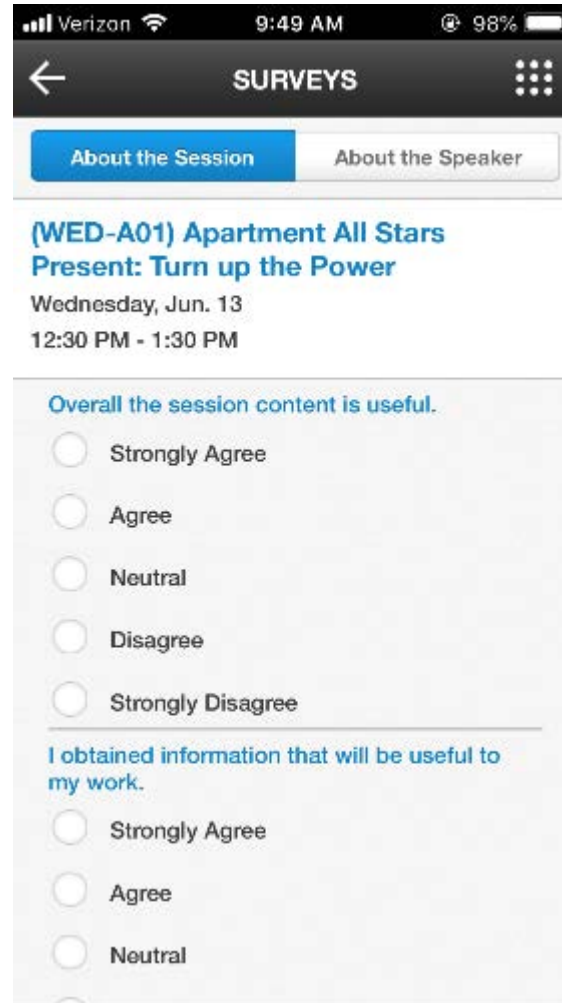
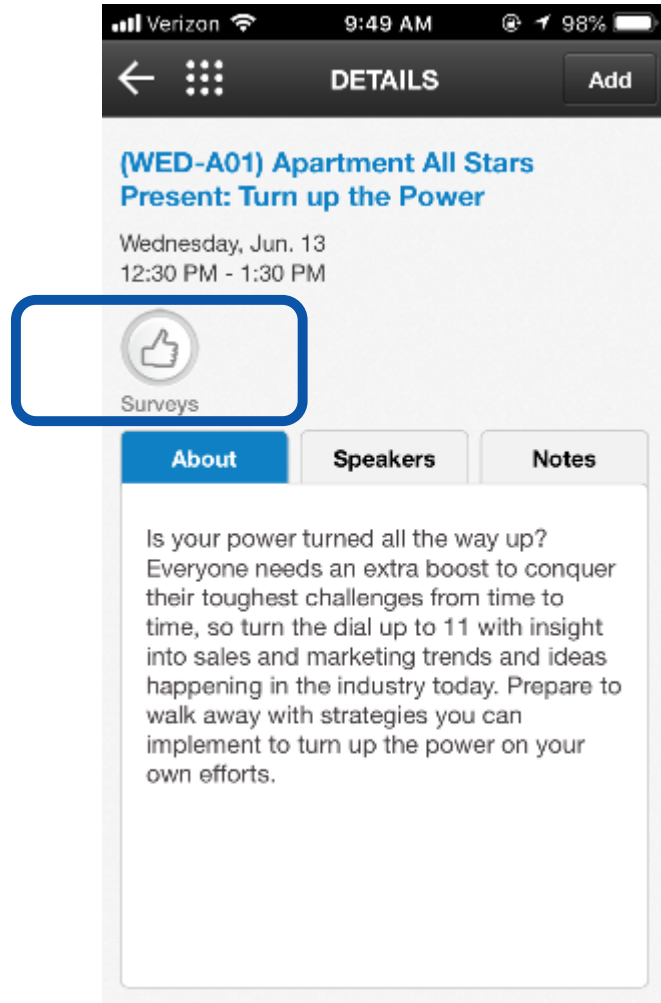
Polling Question #4

Outside of affordability and homeownership rates, what's your number one concern for the apartment industry over the next 5 – 10 years?

1. Costs of construction
2. Staffing
3. Regulations/fees
4. NIMBYism
5. Rent control

3 Opportunities & Challenges

How Are We Doing?



4 Wrap-Up and Next Steps

5 Q & A

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