



Freddie Mac Research Shows Many U.S. Renters Still Dream of Homeownership, but Some Prefer to Rent

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MCLEAN, VA--(Marketwired - Dec 8, 2014) - The majority of U.S. renters are struggling financially and plan to remain renters for the next three years, according to recent [Freddie Mac](#) (OTCQB: FMCC) survey data. However, the recent financial crisis did not tarnish renters' dreams of homeownership with 91% of them viewing homeownership as something of which to be proud.

"It's no secret that for the last several years, consumers have felt more strapped financially, particularly renters," said David Brickman, executive vice president of Freddie Mac Multifamily. "Many renters are not buying homes because of a perceived lack of ability to afford the down payment or mortgage and poor credit history. But there also is a segment of renters who simply do not want the responsibilities of owning a home."

Freddie Mac commissioned Harris Poll to survey more than 2,000 U.S. adults online in August 2014 to get their perceptions about renting in the post financial crisis marketplace. A presentation on the research results is available [here](#).

Highlights

- The majority of renters say they tend to live paycheck to paycheck. 45% of renters say they have just enough money to get by, and 17% say they do not have enough money for basics, like food and housing until the next payday. In comparison, only 38% of homeowners indicate a similar financial hardship.
- 61% of renters believe they will continue to rent in the next three years, despite 91% of them viewing homeownership as something of which to be proud. While 39% of all renters say they expect to purchase a home in the next three years, the remainder plan to continue to rent. Those most likely to buy a home in the next three years are from ages 25-44.
- Younger adults are more inclined toward buying a home than older ones. For example, 47% of renters aged 25-34 and 58% of renters aged 35-44 responded that they will purchase a home in three years, compared to 27% for people age 45-64. In addition, if a renter hasn't owned a home by age 45, then chances are they will continue to rent throughout their lifetime.
- According to renters, the top three favorable factors about renting are:
 - Provides freedom from home maintenance responsibilities (78% strongly or somewhat agreed);
 - Allows more flexibility over where you live (68% strongly or somewhat agreed); and
 - Protects against home price declines (66% strongly or somewhat agreed).
- According to renters, the top three favorable factors about homeownership are:
 - Something of which to be proud (91% strongly or somewhat agreed);
 - Can be passed on to your children (90% strongly or somewhat agreed); and
 - Allows more flexibility to design it the way you want (89% strongly or somewhat agreed).

Freddie Mac intends to do this type of research quarterly to learn about renters' preferences towards the housing choices available to them, the constraints preventing them from obtaining housing that they think would better suit their needs, and the drivers for their decisions.

Freddie Mac also is rolling out a new online [Rent vs. Buy](#) calculator to help individuals compare the cost of renting or owning a home.

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac supports communities across the nation by providing mortgage capital to lenders. Today Freddie Mac is making home possible for one in four homebuyers and is one of the largest sources of financing for multifamily housing. www.FreddieMac.com. Twitter: @FreddieMac

Survey Methodology

This survey was conducted online within the United States by Harris Poll on behalf of Freddie Mac from August 7-11, 2014 among 2,044 adults ages 18 and older, among which 672 were renters. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Freddie Mac.

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