



## New Research Finds Increasing Preference for Renting

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### More Boomers, Gen Xers Do Not Anticipate Buying a Home

MCLEAN, Va., April 04, 2018 (GLOBE NEWSWIRE) -- New research released today by [Freddie Mac Multifamily](#) finds growing segments of the population—baby boomers and Generation Xers in particular—are showing less interest in owning a home. The latest [Profile of Today's Renter](#) reveals that despite growing economic confidence among renters, affordability remains dominant in driving renter behavior.

Specifically, the spring Profile finds a total of 67 percent of renters view renting as more affordable than owning a home, including 73 percent of baby boomers (aged 53-71). Similarly, 67 percent of renters who will continue renting say they will do so for financial reasons—up from 59 percent just two years ago.

**The survey finds half (50 percent) of baby boomers currently renting do not anticipate buying a home in the future, up eight points from the previous Profile taken six months ago.** Of that half, 35 percent have no interest in owning, and 15 percent believe they will never be able to afford it. Similarly, 31 percent of Gen Xers (aged 38-52) expressed that sentiment, up from 28 percent from the previous Profile. Of those respondents, 19 percent lack interest and 12 percent believe they will never be able to afford it.

“Perceptions of affordability and cost continue to play an outsized role in the choices of America’s renters, as they overwhelmingly see renting as more affordable and the right choice for them – right now,” said David Brickman, executive vice president and head of Freddie Mac Multifamily. “Remarkably, half of baby boomers who rent do not anticipate owning a home in the future, with a growing number of Generation Xers following suit. Indeed, we are witnessing an historic shift in preference among older Americans, as they increasingly are choosing the size, convenience and affordability that renting offers over ownership.”

#### Affordability Concerns

Although the Profile finds a growing number of renters believe their economic situation has improved compared to last summer, it also finds that cost is increasingly driving rental decisions. While 67 percent of renters stated they will continue renting for financial reasons, that number is significantly higher for millennials (aged 21-37), jumping 15 points from 59 percent in 2016 to 74 percent. Multifamily renters (versus single-family renters) expressing this view jumped eleven points—from 57 percent in 2016 to 68 percent today. And although this increase takes place in all geographic areas, urban renters are increasingly likely to continue renting for financial reasons.

As part of the Profile, a [companion survey](#) conducted by GfK Custom Research was also released today, finding that cost concerns play a major role in mobility and housing choices. The study shows a significant majority, 64 percent, of renters cite price as the most important factor when considering their next home, a theme consistent across all generational cohorts. Only 36 percent cited location as the most important factor in choosing a home. In addition, this survey found that across generations, renters are more likely to perceive homeownership as less accessible than it was three years ago—with a plurality, 40 percent, sharing that view. Eighty-one percent of renters anticipate it would be difficult for them to buy a home, as compared to 38 percent who believe renting a home is difficult. Plans to continue renting remain relatively constant, with a majority (55 percent) of renters indicating they plan to continue doing so.

#### Rental Satisfaction

Rental satisfaction continues to run high. A significant and growing majority of renters – 66 percent – are satisfied with the overall rental experience, up from 60 percent in August 2017. Even among renters who have experienced a rent increase in the past two years, a growing number – 64 percent – stated they do not plan to move, up from 49 percent in August 2017. This includes a noteworthy 70 percent of baby boomers. The findings are consistent with a [2016 study](#) of the 55 plus population, which found 63 percent of boomers prefer to age in place.

In addition, a majority of renters – 54 percent – continue to believe that renting is a good choice for them now, including 71 percent of millennials.

In addition to boomers and Gen Xers, 31 percent of urban renters do not see homeownership in their future, up from 27 percent in August.

#### Renters in the West Facing Added Difficulty

The Profile also shows renters living in the western United States face increasing issues related to affordability and the cost of living. Those living in the West feel the impact of rent increases more than other regions, with 64 percent saying they are now spending less on other essentials due to changes in their rent—which is at least nine points more than any other region. Additionally, renters living in the West perceive homeownership as more difficult to attain than other regions, with 51 percent believing homeownership is less accessible than three years ago.

Brickman added, “Renter satisfaction remains high, but the continued shortage of supply and growing demand means more renters are looking at cost than ever before. Although it’s clear that the demand for rental housing will continue for the foreseeable future, this survey is also a reminder of the important role we play in financing low-income and workforce housing across the United States.”

#### Survey Methodology

Freddie Mac’s [custom renter research](#) is based on a survey conducted online between January 30-February 1 among 4,115 adults aged 18 and over,

including 1,209 renters, by Harris Poll, on behalf of Freddie Mac, via its QuickQuery omnibus product. The previous survey was conducted between August 28–August 30, 2017 among 4,459 adults and 1,342 renters using the same methodology.

In addition, GfK Custom Research conducted an online survey of 2,600 homeowners and renters ages 18-71 using a blend of KnowledgePanel™ and opt-in samples. The survey was conducted November 17-December 4, 2017. Figures were weighted to bring them in line with proportions of the population.

Additional details for both surveys, including charts, are on the [Freddie Mac website](#).

**About Freddie Mac**

[Freddie Mac Multifamily](#) is the nation's multifamily housing finance leader. Historically, nearly 90 percent of eligible rental homes we fund are affordable to families with low to moderate incomes.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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