



Struggling with Housing Costs, Renters Continue to Find Affordability in Renting

October 17, 2018

Freddie Mac Multifamily Releases “Profile of Today’s Renter”

MCLEAN, Va., Oct. 17, 2018 (GLOBE NEWSWIRE) -- New research released today by Freddie Mac Multifamily finds a large and growing segment of renters continue to believe renting is a more affordable option than owning, even as many of those same renters are feeling the squeeze of rising housing costs. The latest “[Profile of Today’s Renter](#)” reveals that all generations of renters continue to perceive renting as the more affordable housing choice and remain satisfied with their current situation.

According to the survey, 78 percent of renters believe renting is more affordable than owning – up a stunning 11 points from just six months ago in February 2018. This is the case even as the majority of renters (66 percent) reported difficulty affording their rent at some point over the past two years. The survey found nearly 9 in 10 renters employed in the essential workforce, such as healthcare and education, had significant difficulty affording the rent over the past two years.

“Views of renting as the more affordable option continue to drive the behavior and satisfaction of a large and growing majority of renters,” said David Brickman, president of Freddie Mac and Head of Multifamily. “While renting is seen as more affordable, this research underscores that renters are feeling the effects of the rising cost of housing, driven in part by lack of supply, increased demand and the cost of construction. More than ever, it’s important that Freddie Mac continues working to provide innovative solutions that create and preserve housing that is affordable to low-income and working families.”

Affordability of Renting

While perceptions of affordability over owning increased by 11 points to 78 percent among all renters, the survey found this was evident across generations. In fact, millennials (up 14 points to 75 percent), Generation Xers (up 11 points to 78 percent) and baby boomers (up eight points to 81 percent) all saw marked increases in the perception that renting is more affordable than owning.

Rising Cost of Renting

The survey also indicates that a significant number of renters – 66 percent – reported having trouble affording their monthly rent in the last two years – significantly more than the 43 percent of homeowners who experienced similar difficulties. More than half of renters say these changes affected spending on food, utilities and other essentials (51 percent) – as well as savings (50 percent) and nonessential items (64 percent). For renters living in rural areas, the impacts were particularly stark, with 77 percent spending less on essential items versus 59 percent in urban and suburban areas. While a majority of renters across generations reported these difficulties, older millennials (aged 28-37) reported the greatest hardship, with 79 percent reporting trouble affording rent over the past two years.

As noted earlier, renters employed in the essential workforce – such as the healthcare and education sectors – had significant additional difficulty affording rent, with a staggering 88 percent reporting hardship affording rent over the past two years. This is compared with 65 percent of all other workforce renters and 61 percent of homeowners in the essential workforce. Approximately half (48 percent) of renters working in essential jobs believe it is difficult to find housing that is affordable close to where they work – compared to 39 percent of homeowners in the essential workforce.

Deborah Jenkins, senior vice president of Freddie Mac Multifamily, added, “The struggles experienced by renters in the essential workforce are particularly sobering. Nearly 9 in 10 renters experienced some hardship in affording their rent in the last two years. Numbers like these underscore the need for us to remain focused on the important role we play in financing workforce housing across the United States, with programs such as our Mezzanine Loan and Social Impact offerings.”

Rental Satisfaction

A consistent number of renters – 63 percent – continue to express their satisfaction with their rental experience. In fact, 58 percent of renters believe that renting is a good choice for them now and do not have plans to buy a home at this time – up from 54 percent in February. Over the last three years there has been a gradual increase in the number of renters who are not interested in buying. This quarter shows a small increase in this trend, with 23 percent of renters reporting they have no interest in buying a home – up from 20 percent in February. In addition, 42 percent of baby boomers have expressed no interest in owning a home.

A total of 66 percent of renters plan to continue renting for their next residence – up 11 points from February. Consistent with this view, fewer renters (41 percent) believe buying a home will be equally or more affordable in the next 12 months – down from 46 percent in February.

Survey Methodology

Freddie Mac’s [custom renter research](#) is based on a survey conducted online between August 13-15 among 4,040 adults aged 18 and over, including 1,059 renters, by Harris Poll, on behalf of Freddie Mac, via its QuickQuery omnibus product. The previous survey was conducted between January 30-February 1, 2018 among 4,115 adults and 1,209 renters using the same methodology.

Additional details, 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](https://www.FreddieMac.com), Twitter [@FreddieMac](https://twitter.com/FreddieMac) and Freddie Mac's blog [FreddieMac.com/blog](https://www.FreddieMac.com/blog).

MEDIA CONTACT: Christopher Spina
703-388-7031
Christopher.Spina@FreddieMac.com