



New Freddie Mac Survey Finds Affordability Driving Demand for Rental Housing

October 25, 2017

Study Highlights Changing Preferences Towards Renting Among All Demographics

MCLEAN, VA--(Marketwired - Oct 25, 2017) - New research released today by [Freddie Mac](#) (OTCQB: FMCC) indicates that affordability and changing attitudes towards renting are playing a significant role in the growing demand for rental housing. The study finds that an increasing number of America's renters are satisfied with their living situation and consider it the most affordable option for the foreseeable future. More renters believe this despite their view that housing prices -- both to purchase and rent -- continue to rise and supply continues to tighten.

According to the latest [Freddie Mac renter survey pdf](#), a large number of renters view renting as an option that fits their lifestyle, and a strategic choice at many life stages. While sentiments differ among urban, suburban and rural households, nationally those who believe that renting is more affordable has increased to 76 percent from 68 percent since Freddie Mac's last renter survey in March, 2017.

"Our rental survey confirms what we're seeing in the market -- that a growing number of individuals across demographic groups view renting as more affordable and better suited to their current economic situation," said David Brickman, executive vice president and head of Freddie Mac Multifamily. "These changing perceptions, combined with rising rents and tightening supply of affordable housing, are likely to fuel continued multifamily market growth in the years ahead. More importantly, it makes our role -- providing financing to meet the nation's growing workforce housing need -- even more important."

Changing Perceptions Towards Renting

Conducted by Harris Poll, the survey finds an increasing number of renters view renting as a good choice for them, increasing in August to 57 percent compared to 52 percent in March, 2017. Over half of renters -- 58 percent -- believe that "renting fits my current lifestyle". Of these respondents, 63 percent of Young Millennials ages 21-27 and Baby Boomers ages 53-71 feel the statement reflects their views. Moreover, 55 percent see renting as a strategic choice at many life stages, with 45 percent of Younger Millennials, 51 percent of Older Millennials (aged 28-37), 56 percent of Generation X (aged 38-52), and 68 percent of Boomers sharing those views.

A Majority View Renting as the Far More Affordable Option

Bolstering these perceptions are evolving views on affordability. While more than seven out of 10 renters view renting as more affordable than owning generally, perceptions of renting as more affordable have increased across all generations as well. In fact, since September of 2016, the view that renting is more affordable has increased by more than 10 percentage points among Millennials (66 percent to 76 percent), Generation X (56 percent to 75 percent) and Baby Boomers (71 percent to 82 percent).

Simultaneously, most renters believe all housing is becoming costlier, with 57 percent believing home prices have increased, and 56 percent viewing rents as on the rise. The research finds that renters living in urban areas are feeling the cost increases most significantly, with 6 out of 10 renters living in urban areas saying housing prices are more expensive compared to last year. Further, most renters see supply tightening, with 52 percent citing the supply of available homes to purchase -- and 63 percent viewing available rental options -- as about the same or lower than last year. The rental shortage is particularly pronounced among rural renters with a third (33 percent) believing there are fewer homes to rent where they live.

While owning a home continues to remain an aspiration for many, the financial realities of cost and tight inventory make renting the more practical option. An increasing number of renters believe it will be more affordable to rent than to own in the future. The number who view renting as more affordable in the next 12 months increased to 25 percent from 20 percent in March, 2017, while the number who believe buying a home would become more affordable decreased to 15 percent from 18 percent over the same period.

Views on the Rental Experience Remain Positive

Overall, satisfaction with the rental experience remains high and largely unchanged. Approximately 60 percent of renters express satisfaction with their overall rental experience. While 41 percent of those surveyed cited affordability as the primary driver of their renting decision, one-third (33 percent) said buying a home is just not a priority at the moment.

The survey also explored views about rental housing as it relates to working life. About half of renters (56 percent) express high satisfaction with their commute. However, a much higher percentage (76 percent) indicated they are at least somewhat willing to move to a smaller property to live closer to work. About 41 percent of employed renters find it difficult to find affordable housing close to where they work.

Conducted in March for Freddie Mac by the Harris Poll, the findings are based on responses from 1,342 renters in urban, suburban, and rural markets, including Millennials (aged 21-37), Gen-X'ers (38-52) and Baby Boomers (53-71).

Additional details about the research, including charts, are on the [Freddie Mac website pdf](#).

Survey Methodology

Freddie Mac's custom renter research is based on a survey conducted online August 28 - August 30 among 4,459 adults aged 18 and over, including 1,342 renters, by Harris Poll, on behalf of Freddie Mac, via its QuickQuery omnibus product. The previous survey was conducted online within the U.S. March 3 - March 6 among 4,283 adults aged 18 and older, including 1,282 renters, by Harris Poll on behalf of Freddie Mac via its QuickQuery omnibus product. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was used to adjust for respondents' propensity to be online.

About Freddie Mac

[Freddie Mac Multifamily](#) is the nation's multifamily housing finance leader. Nearly 90 percent of the 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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