



More Than Half of Renters Plan to Keep Renting

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Majority of Boomers, Millennials and Gen Xers View Renting as More Affordable Than Homeownership

MCLEAN, VA--(Marketwired - Mar 16, 2016) - Despite rent increases and feeling burdened by their finances, 70 percent of renters currently feel renting is a more affordable choice than homeownership, according to a [Freddie Mac](#) (OTCQB: FMCC) [survey pdf](#), and 55 percent plan to keep renting in the next three years. When looking across the generations, the views are similar with 70 percent of Millennials, 61 percent of Gen Xers and 73 percent of Baby Boomers thinking that renting is a more affordable choice for them.

"Renting is becoming a popular choice among many age groups," said David Brickman, executive vice president of Freddie Mac Multifamily. "While most renters still have favorable views toward homeownership and aspire to it, many choose to rent because they view it as more affordable and a better fit for their lifestyle right now."

For the Freddie Mac quarterly online survey of renters conducted in January and February 2016, 46 percent say renting is a good choice for them now regardless of whether they plan to buy or believe they will be able to afford to do so. The perception is even more positive among Millennials with 54 percent saying renting is a good choice for now.

Future Home Buyers

Similar to what was seen in the [October 2015 survey pdf](#), renters of single-family homes are the most likely home buyer, with 52 percent stating they plan to purchase a home in the next three years, compared to 36 percent of apartment renters. A closer look shows that older Millennials age 25-34 are the group most likely to become homeowners (56 percent), followed by Gen Xers (49 percent), younger Millennials age 18-24 (44 percent) and Baby Boomers (31 percent).

Many renters who plan to buy in the next three years still indicate they have financial hurdles to overcome which include:

- Affording a down payment (36 percent)
- Not a good enough credit history (35 percent)
- Not making enough money (30 percent)
- Carrying too much debt (23 percent)

Popular Reasons for Renting

Renters continue to indicate their choice to rent is influenced by more than just financial reasons, that lifestyle preferences also are a factor.

- The most popular reason for younger Millennials is that renting allows them to save money (42 percent), followed by it being their best option for their lifestyle and age (39 percent).
- Gen Xers top reason is that renting gives them freedom from home maintenance (28 percent), followed by not wanting the responsibilities of owning a home (24 percent).
- Close to four in ten Baby Boomers say they rent because they do not want to worry about home maintenance (41 percent), do not want the responsibilities of owning a home (37 percent) and renting is the best option for their lifestyle and age (37 percent).

Many renters also report that they do not intend to move even if their rent has increased.

"Almost half of all renters whose rent rose in the last two years say they like where they live and will stay regardless of rent increases," Brickman said.

Aside From Cost, Safety is Key When Choosing a Rental

When cost is taken out of the equation, about half of the decision in choosing a rental property is influenced by both the safety and convenience of the location. Among all age groups, the most important considerations in choosing a rental are:

- Safety and security (27 percent)
- Convenient location (19 percent)
- Size (13 percent)
- Privacy (12 percent)
- Pet friendliness (12 percent)

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

Survey Methodology

Harris Poll on behalf of Freddie Mac conducted an online survey within the United States via its QuickQuery product to get adult renters' perceptions about renting. The most recent survey was conducted between January 26 and February 1, 2016, among 4063 adults aged 18 and over of which 1,527 were renters. The previous survey was conducted October 8-12, 2015, among 2,020 adults ages 18 and older, of which 703 were renters. Millennials are defined as ages 18 to 34, Gen Xers are 35 to 49 and Baby Boomers are 50 to 68. 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.

[Freddie Mac Multifamily](#) helps ensure an ample supply of affordable rental housing by purchasing and securitizing mortgages on apartment buildings nationwide. The loans range from \$1 million to several billions and roughly 90 percent support rental units for lower income households. Freddie Mac securitizes about 90 percent of the multifamily loans it purchases, thus transferring the vast majority of the expected credit risk from taxpayers to private investors.

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 home borrowers and is the largest source of financing for multifamily housing. Additional information is available at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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