

A Wave of Change: Rental Market Today and Beyond

Skylar Olsen, PhD
Director of Economic Research and Outreach

Agenda

1

Rent pressures happening across the U.S.

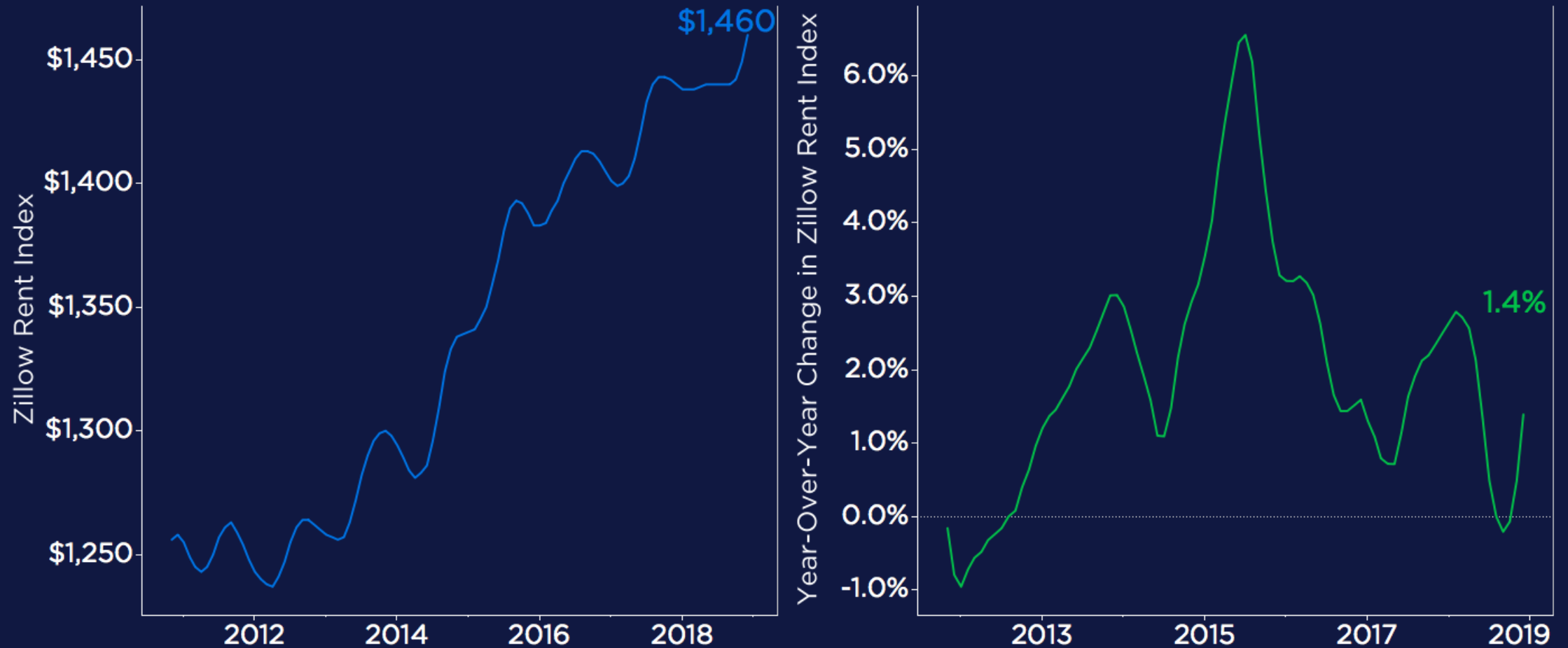
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Too much building in certain segments

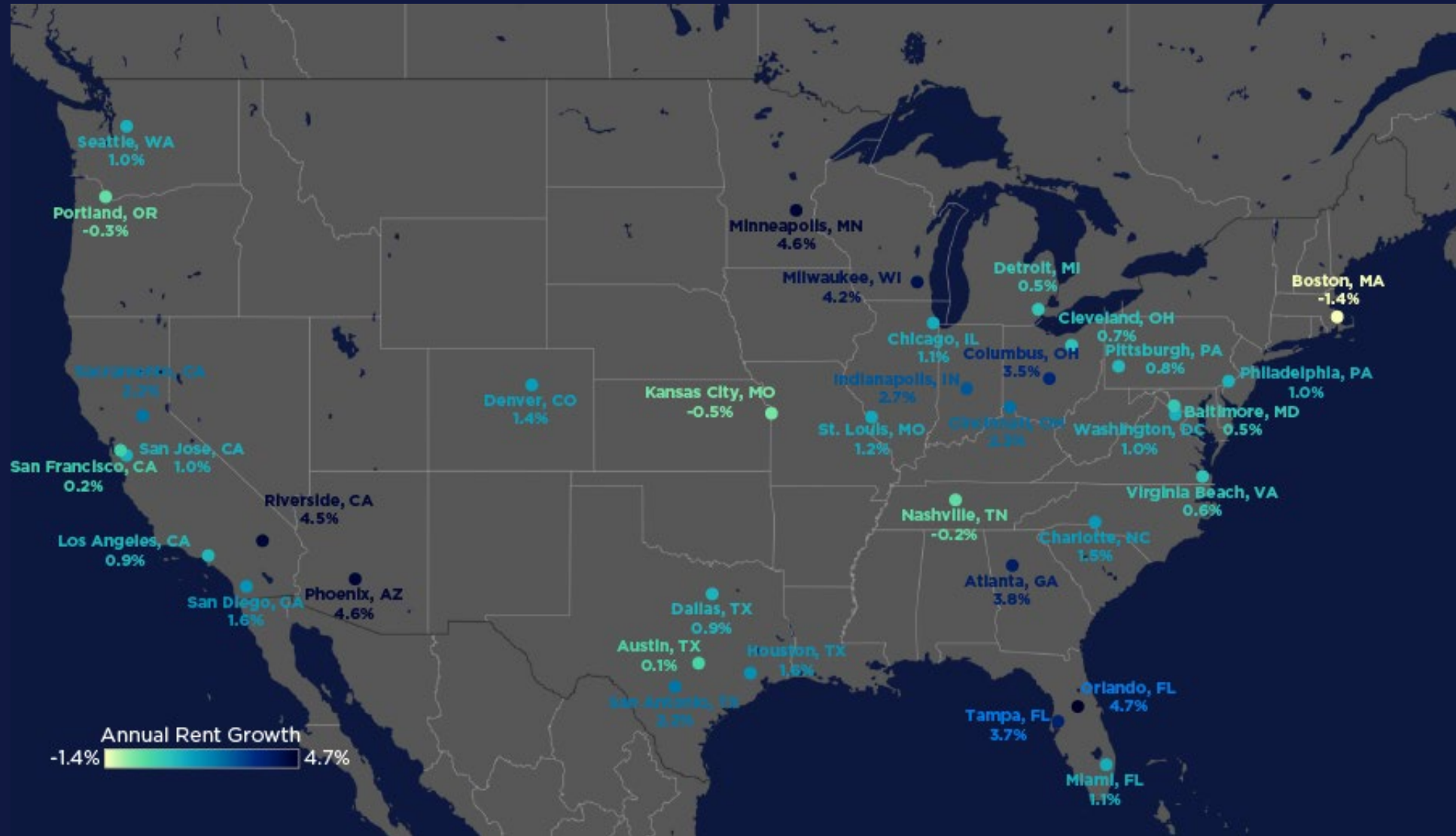
3

Argument for the long term health of rent

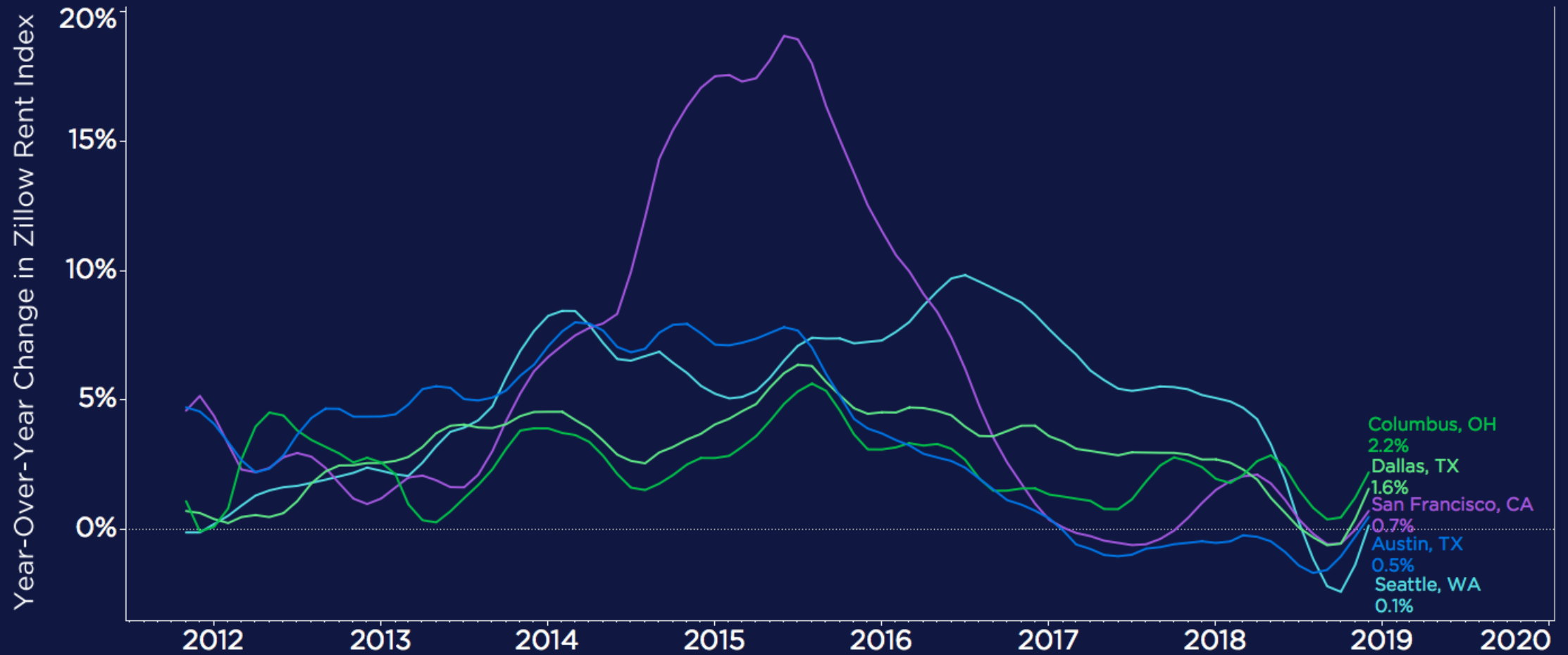
Annual growth is getting volatile, remains far below 2015 highs, but is on another uptick



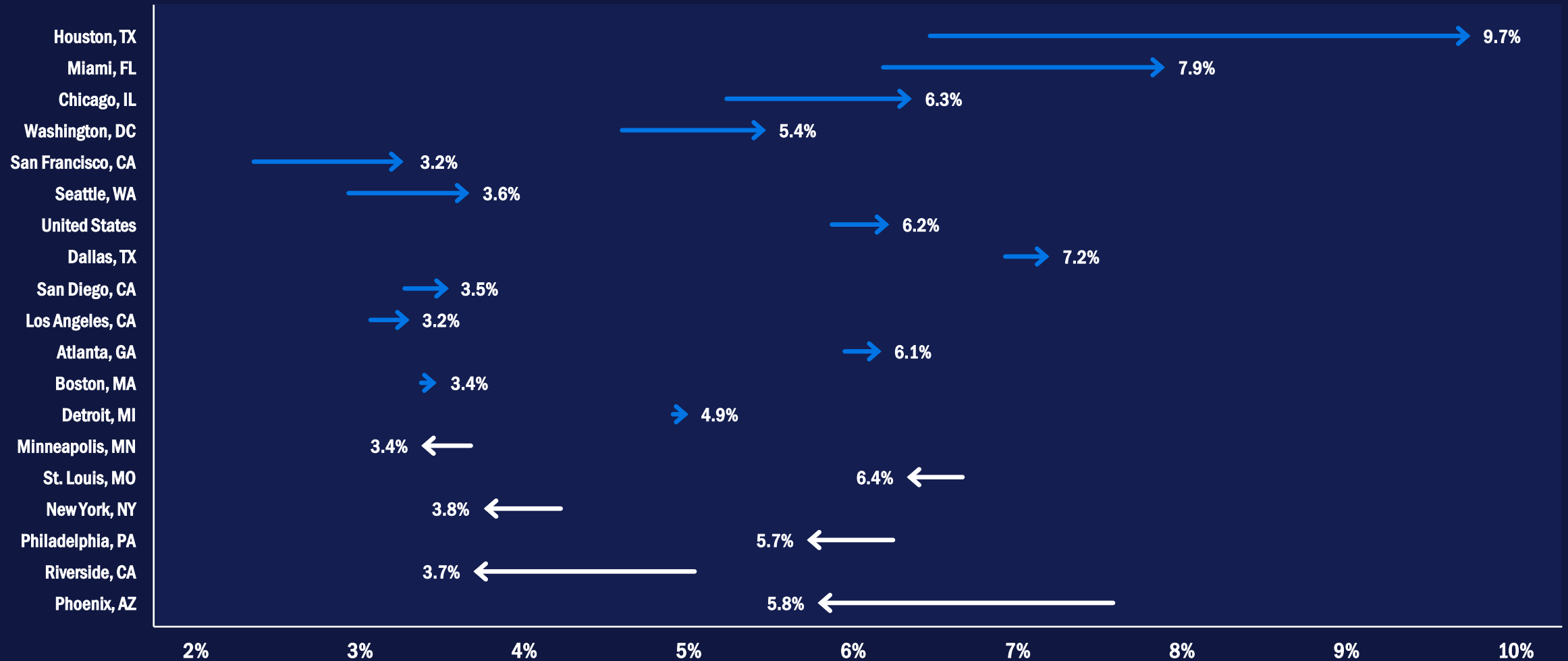
Rent pressure varies significantly across the country



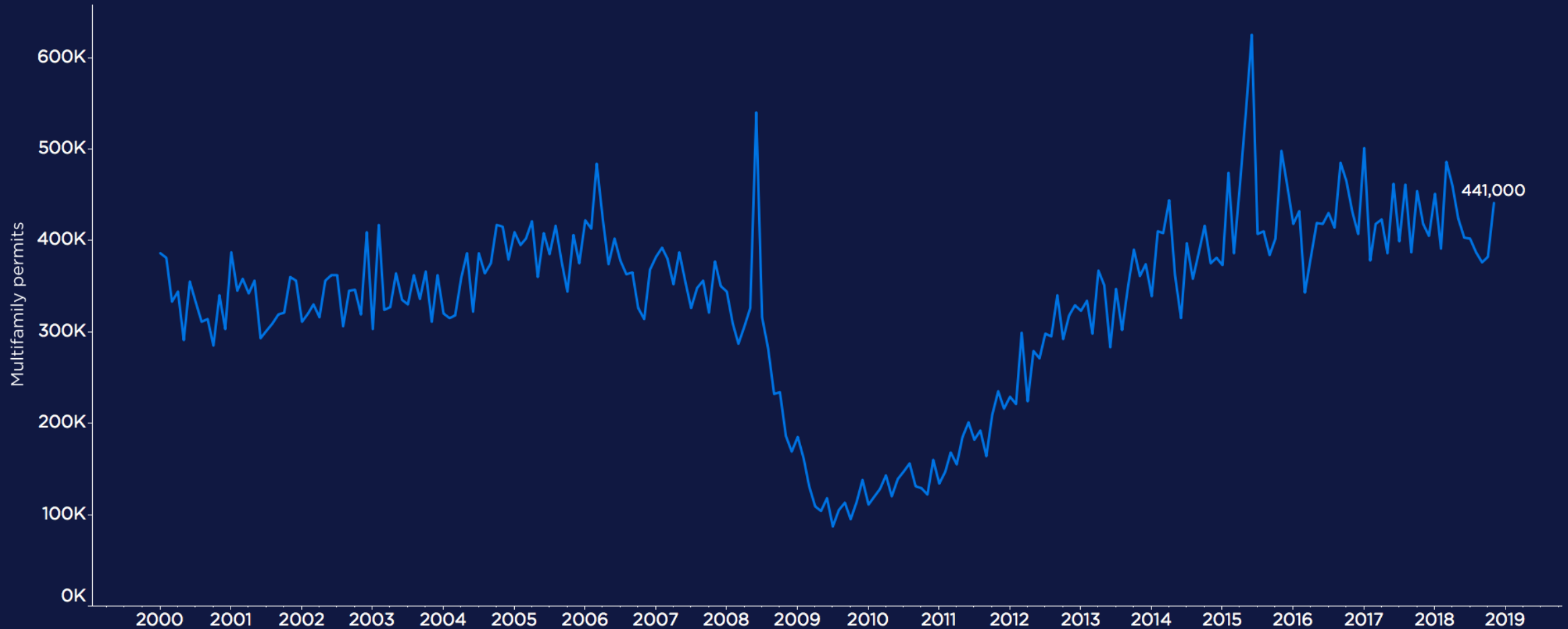
Metros have taken different paths, but with some exceptions the story is similar



Rental vacancy change, 2015 to 2017

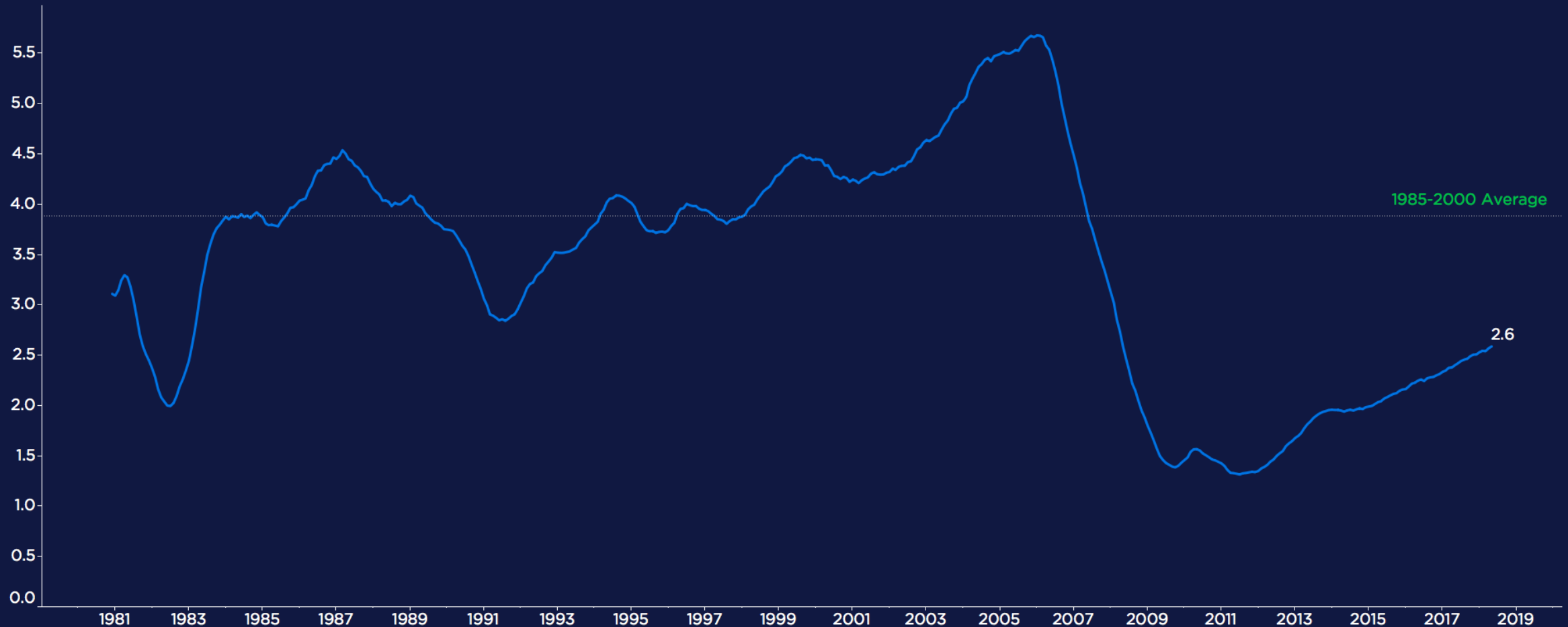


Multifamily construction is contributing to the volatility, slower overall pace of rents



Permits for single-family homes remain well below the historical norm

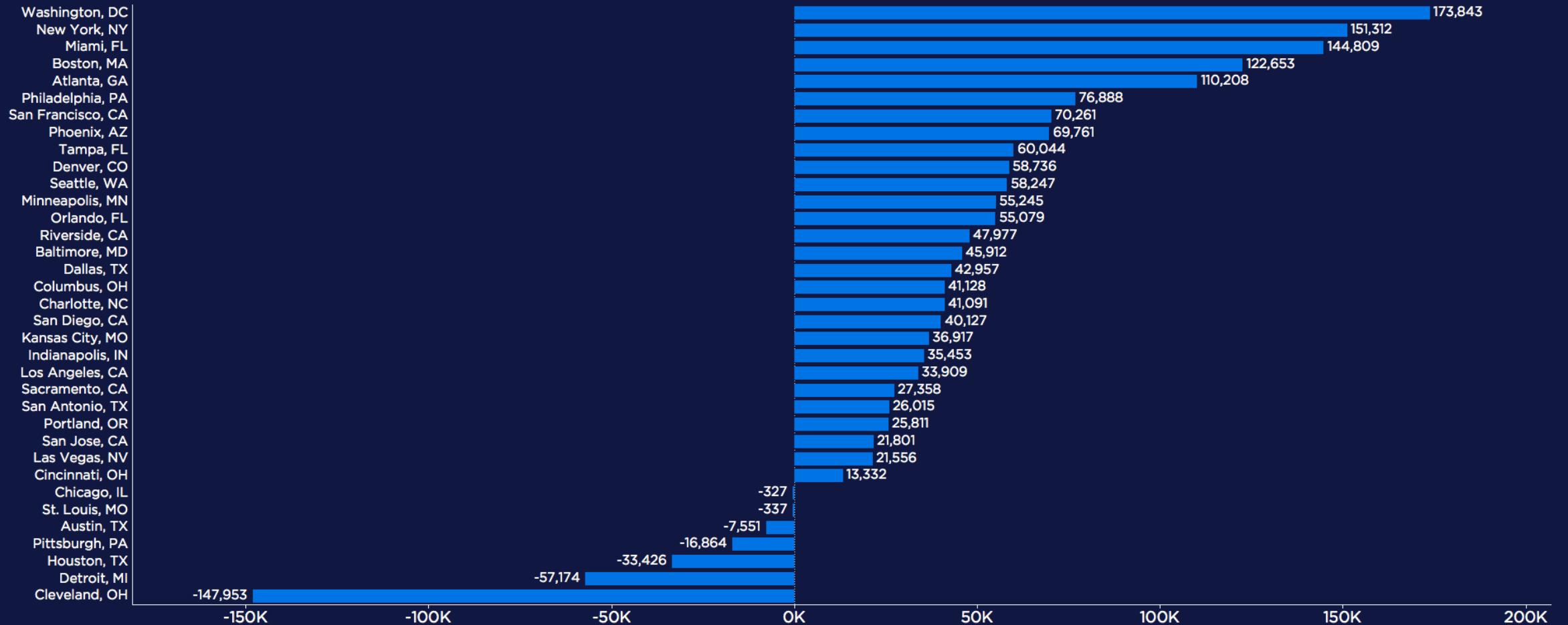
Permits per 1,000 residents in previous 12 months



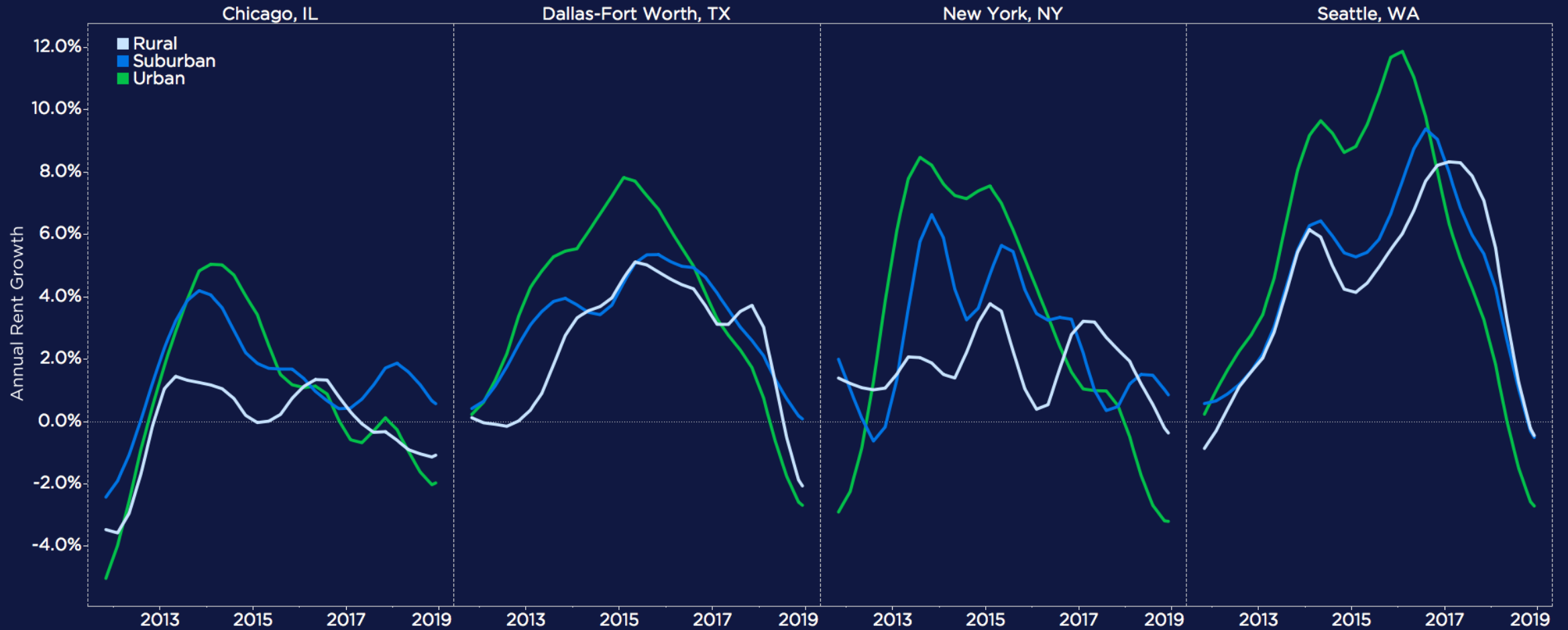
Source : U.S. Census Bureau: New Residential Construction

Most Metros Have Many Fewer Permits Than They Would Have

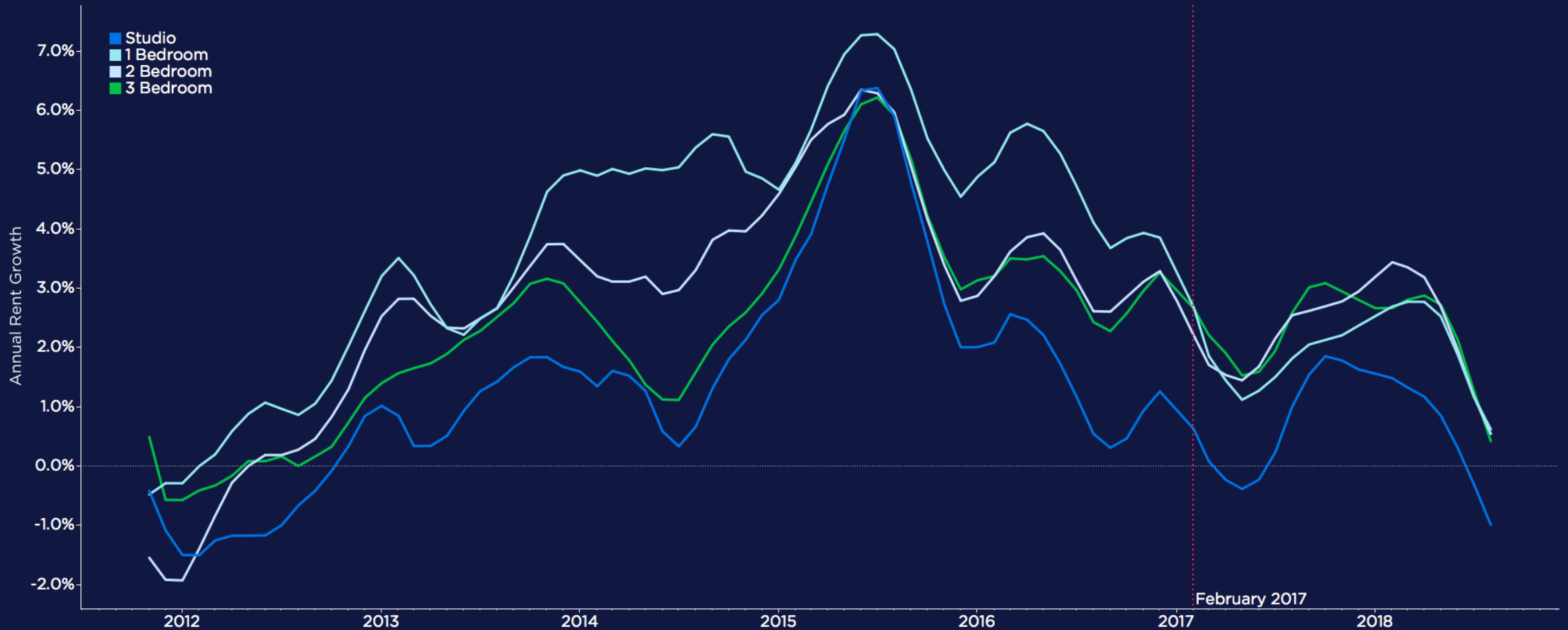
Number of additional permits these metros would have had in the past decade if the rate of permits matched historic norms



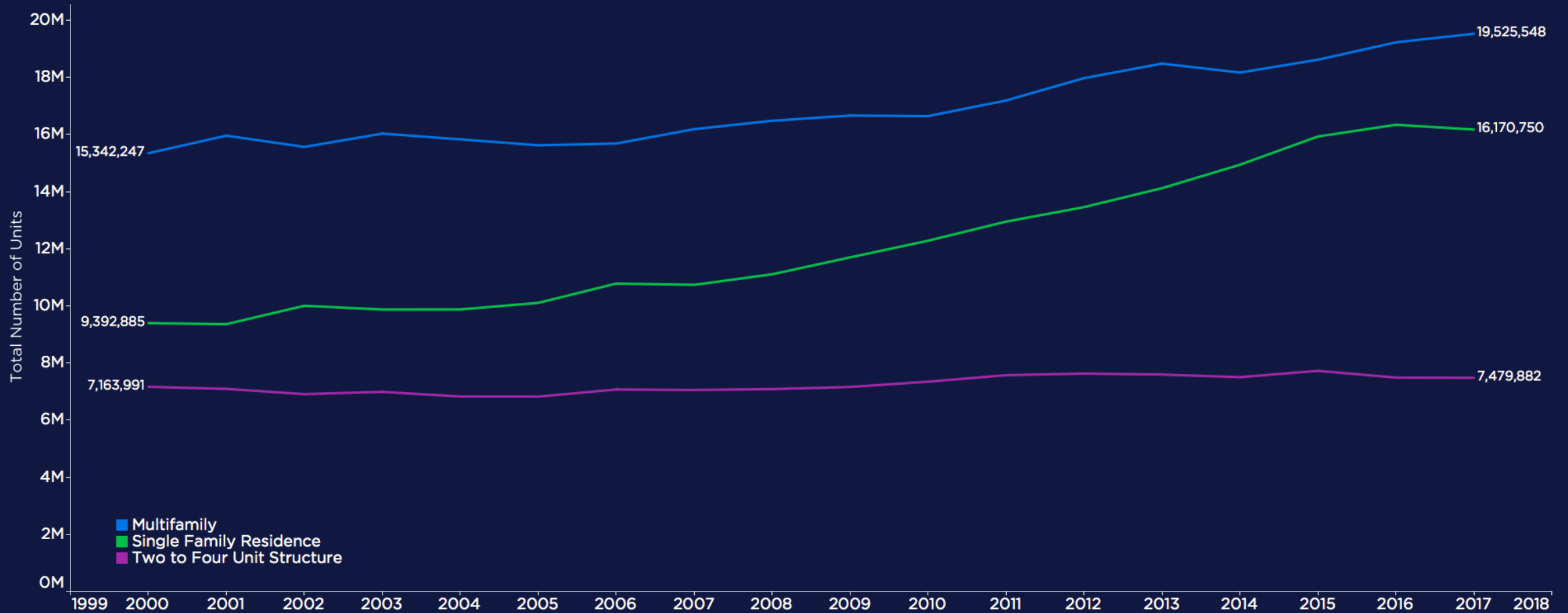
Without new supply, suburban rent growth outpaces urban



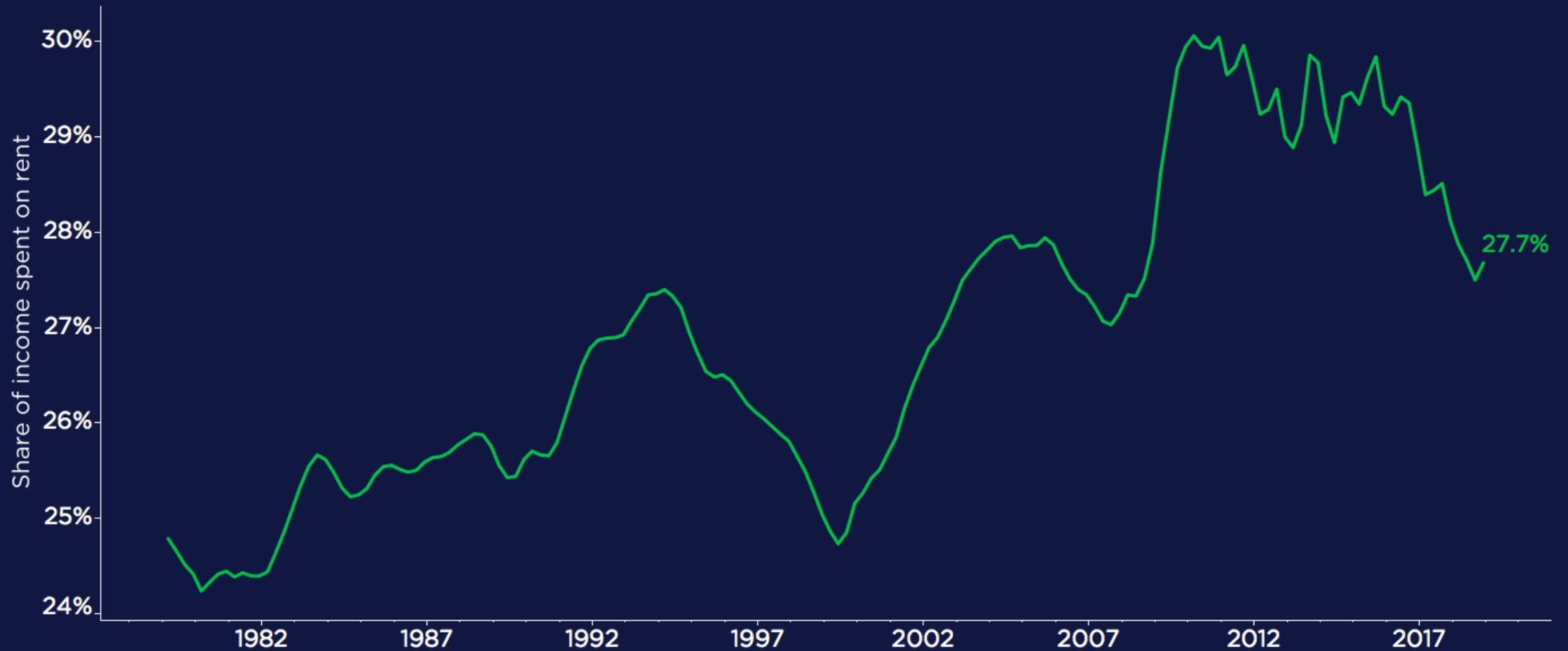
Before building boom, 1-bedroom units rent growth dominated. Post apartment boom, 2 and 3 bedroom units set the pace, current convergence.



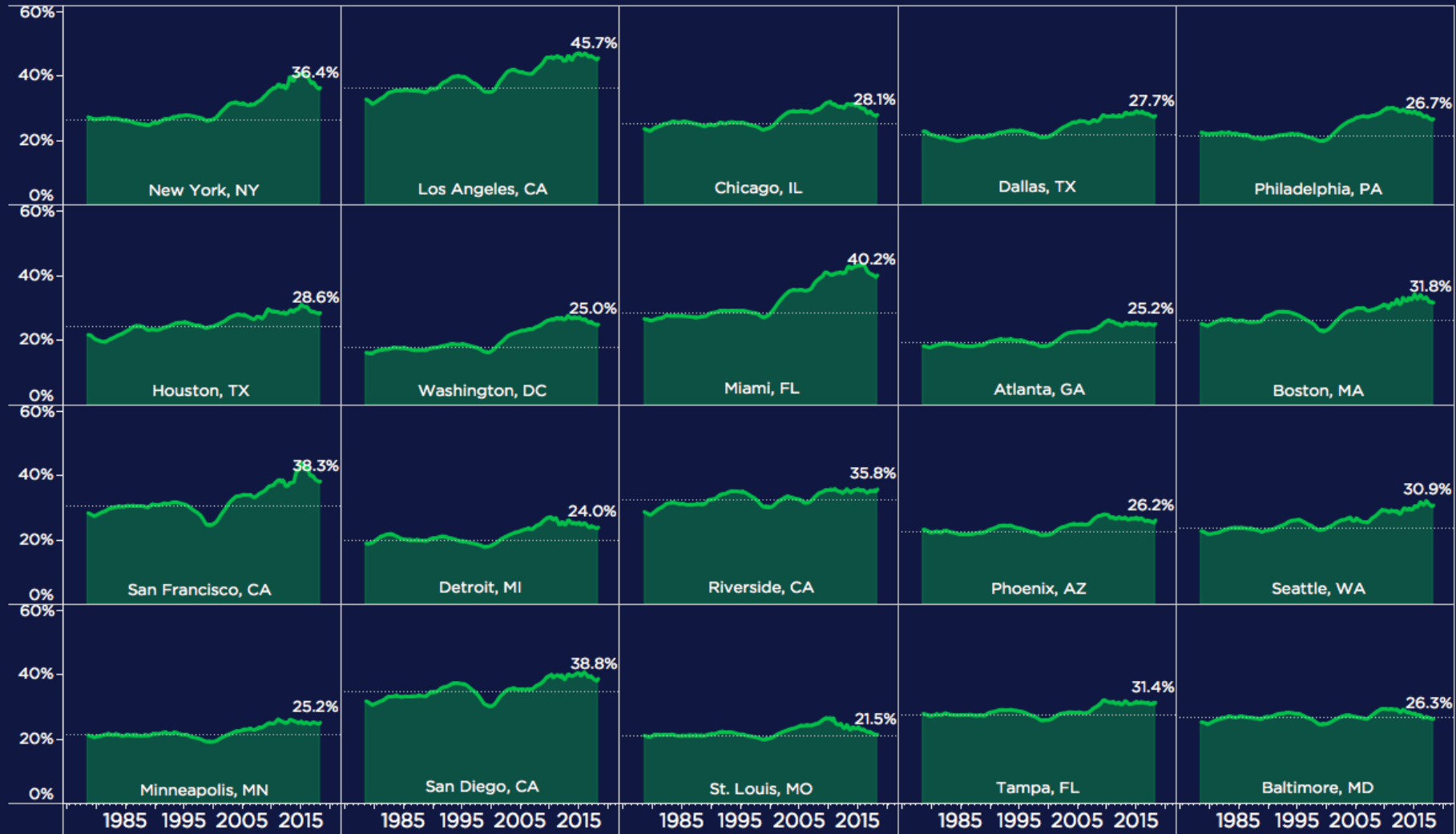
The Missing Middle: Where are the small rental buildings?



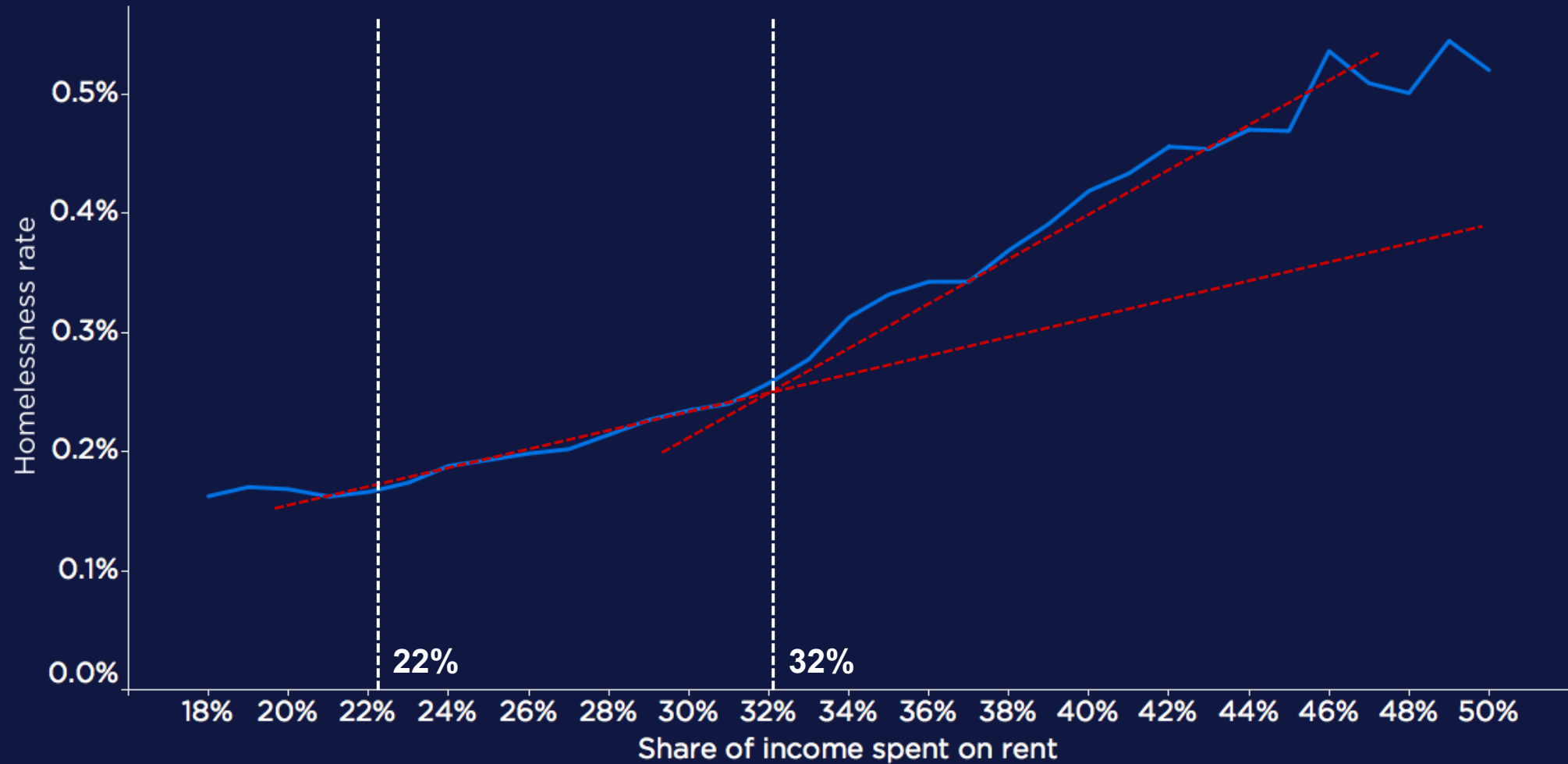
Rent affordability in the US: Still not great, but down from recent extremes or stabilizing



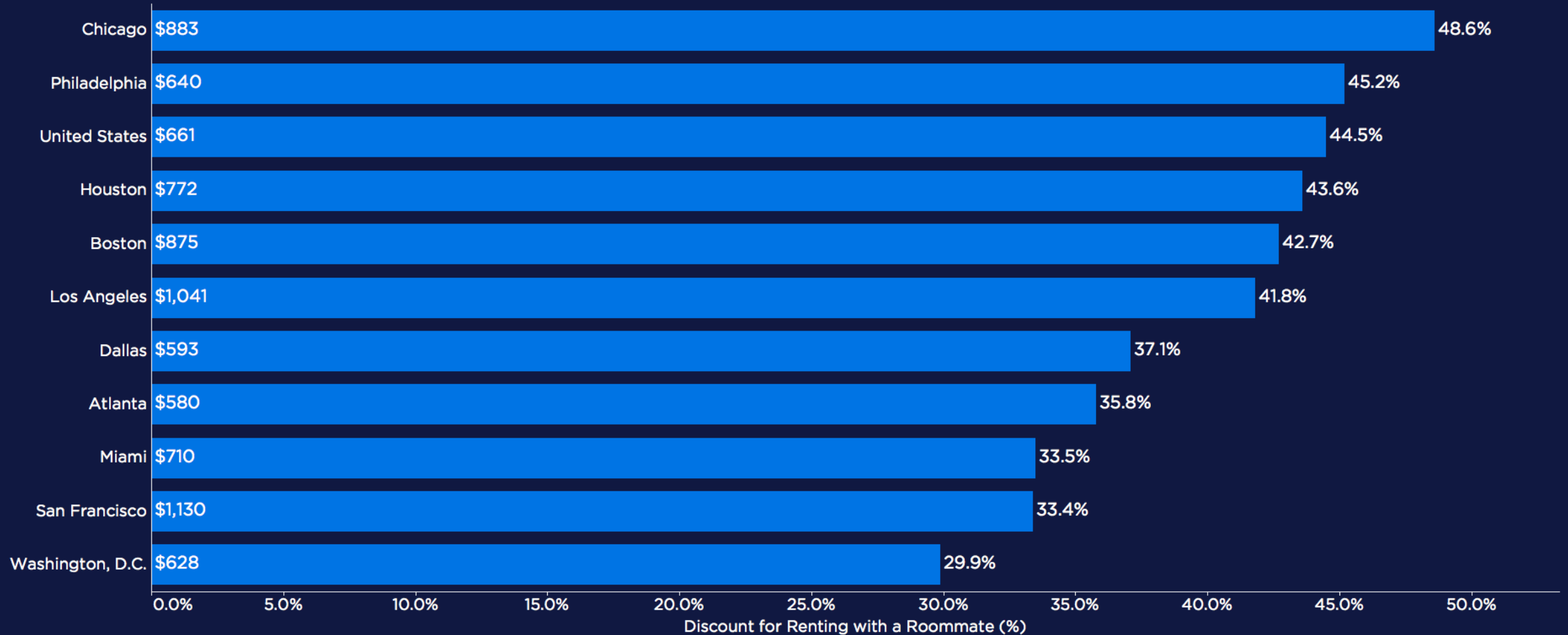
Rent Affordability, Largest 20 Metros



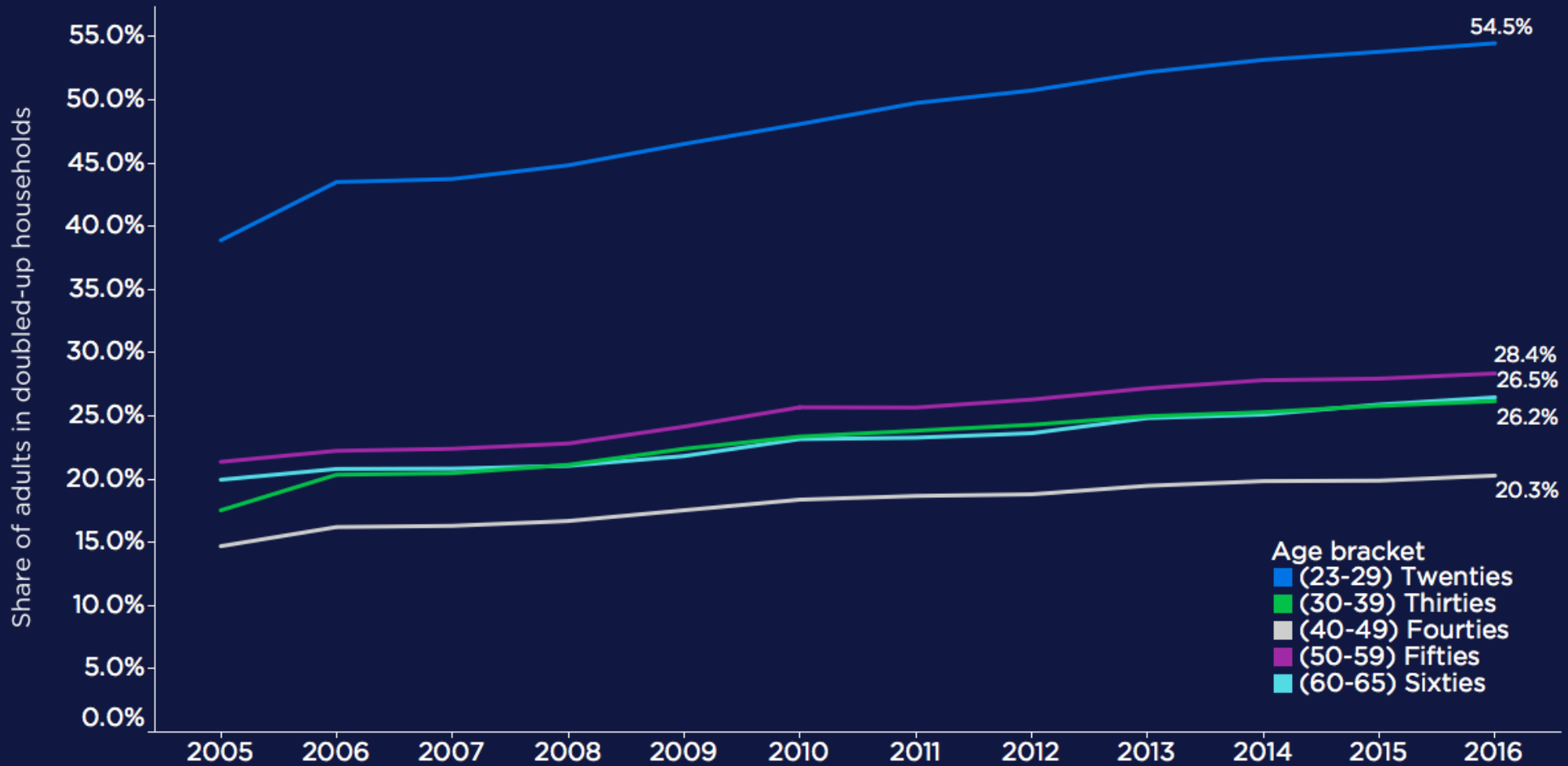
Homelessness climbs faster when rent affordability reaches 22% and 32% thresholds



Renters save by having a roommate



Doubled up households are not just a young people phenomenon



Populist backlash to rising rents

Rent control is on the ballot in California

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NATIONAL

Is Rent Control An Answer To California's Housing Crisis?

September 27, 2018 · 5:01 AM ET

KIRK SIEGLER

Opinion

Rent control does more harm than good

Originally published January 18, 2018 at 12:34 pm | Updated January 18, 2018 at 12:35 pm

There are better ways to protect vulnerable renters, such as a citywide system of government social insurance for renters.

By Noah Smith
Syndicated columnist

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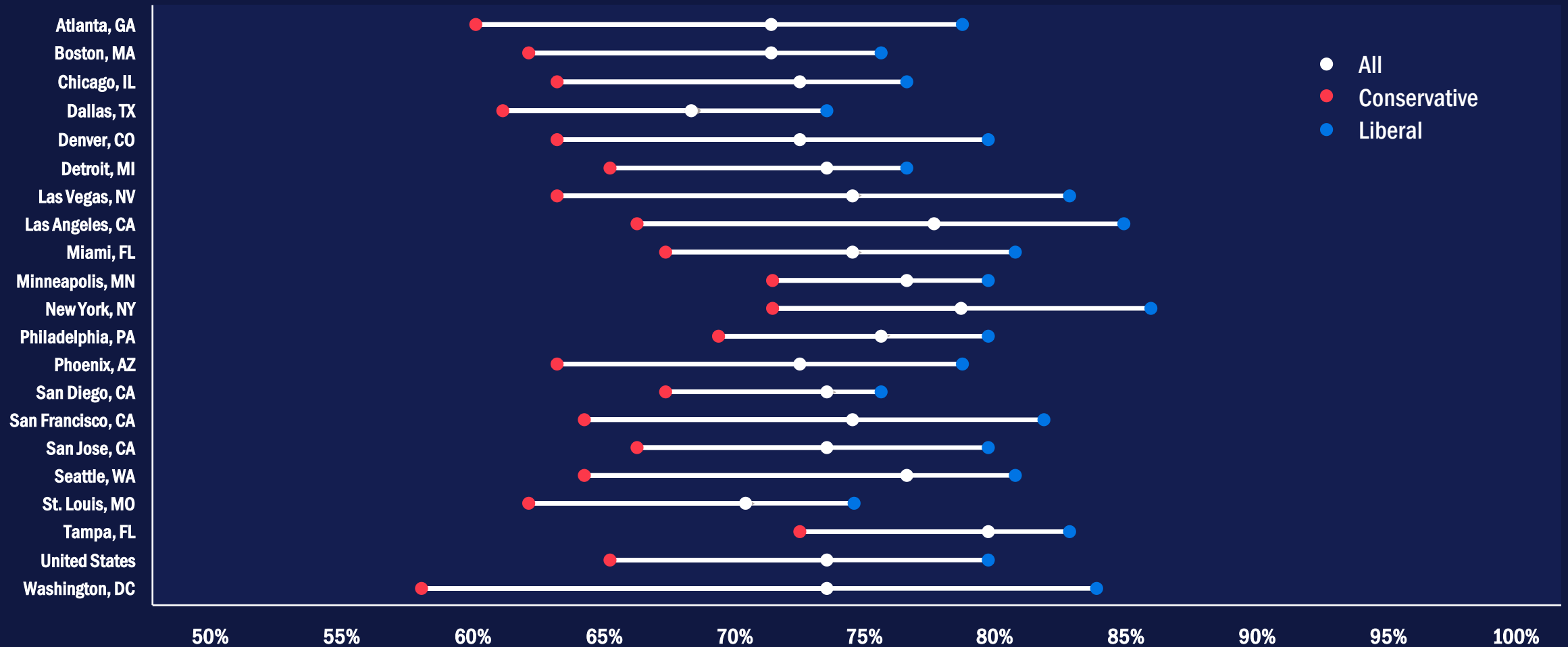
POLITICS

What a rent control fight in Silicon Valley could mean for the rest of California

By LIAM DILLON | SEP 26, 2018 | 7:55 AM | MOUNTAIN VIEW, CALIF.

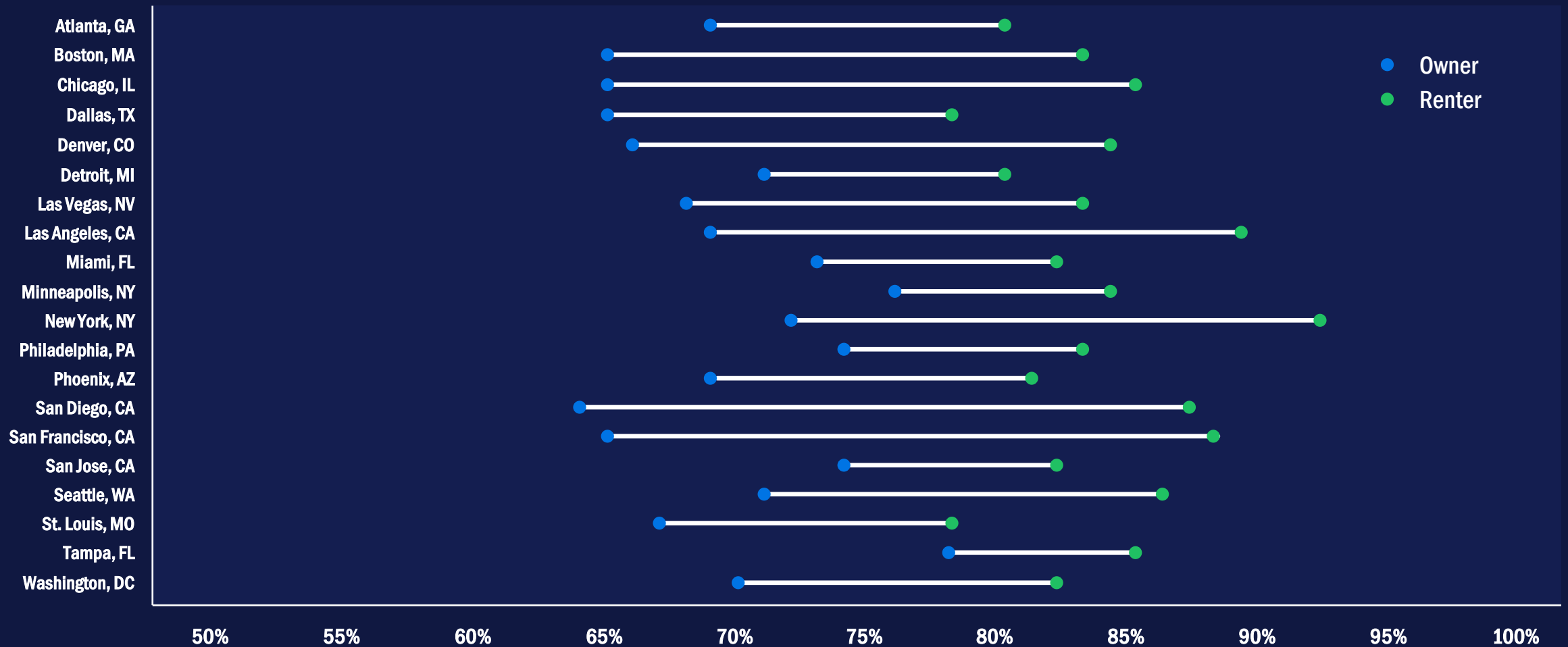
Rent control is popular regardless of party affiliation

Share of adults who support rent control

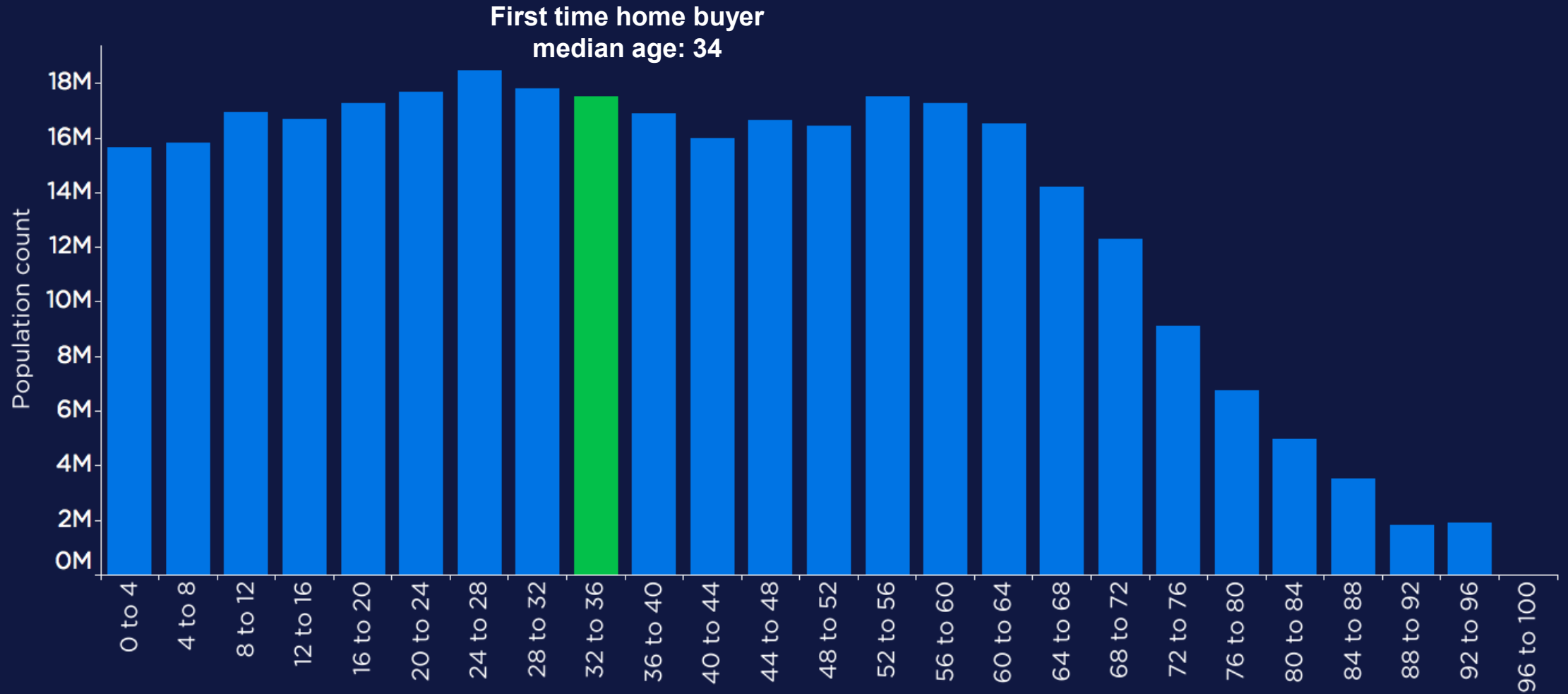


Owners and renters support rent control

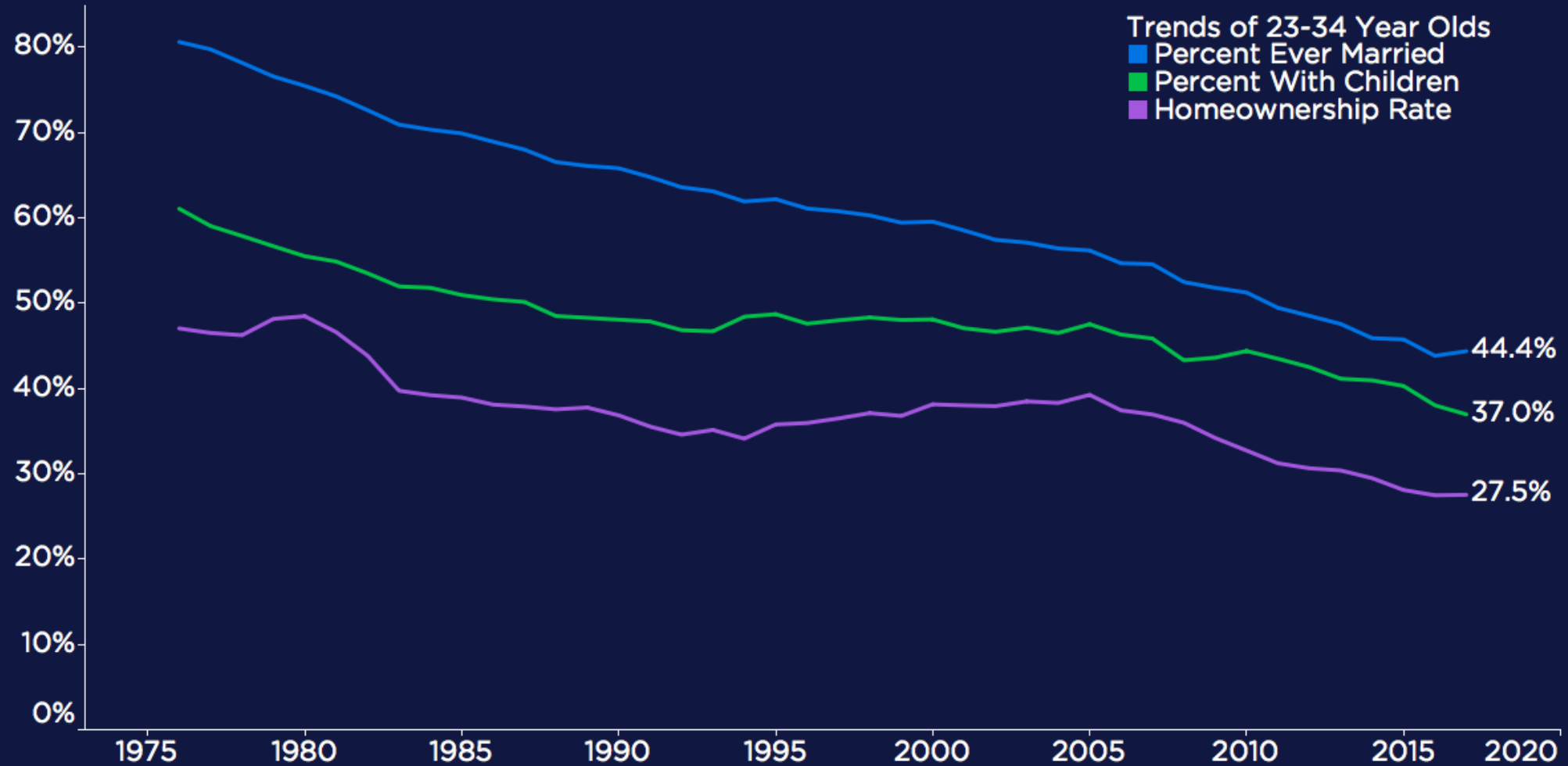
Share of adults who support rent control



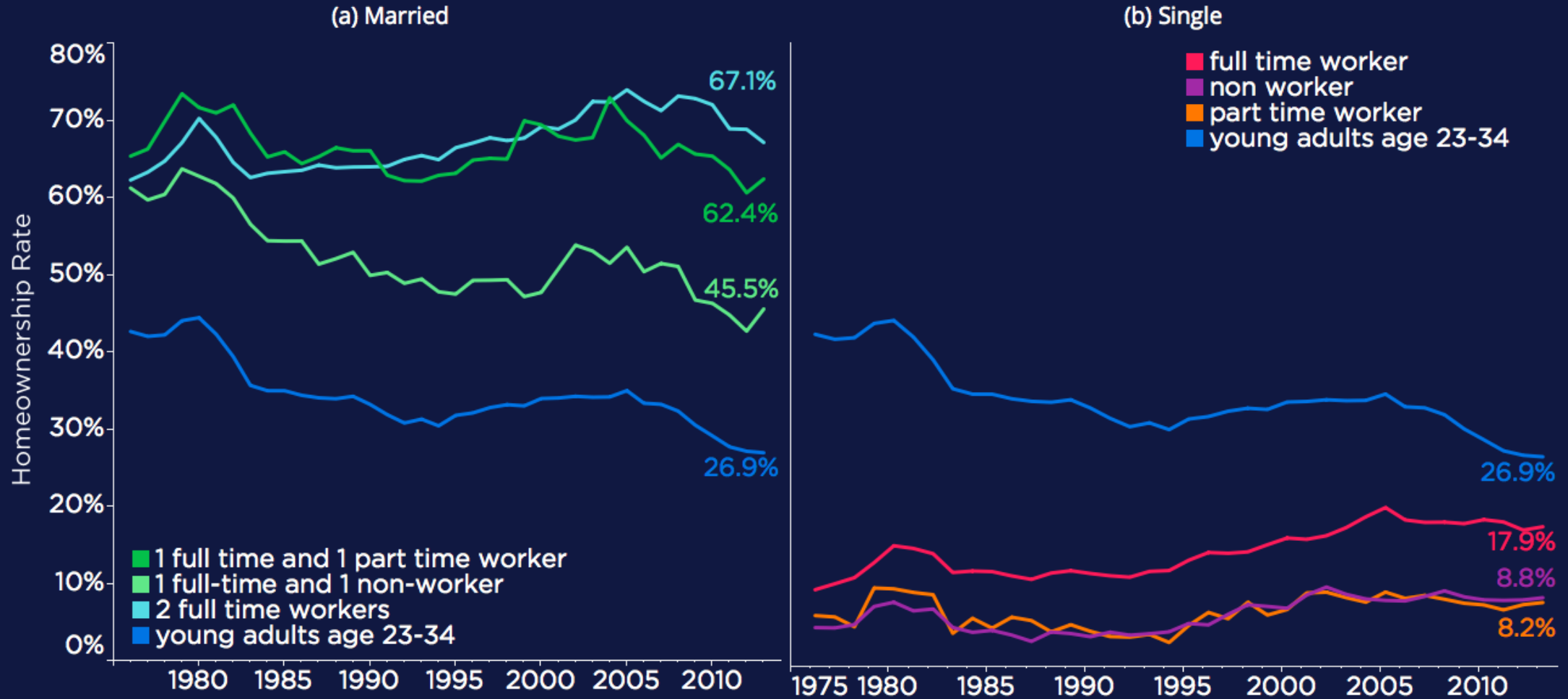
Age distribution of the U.S says we've got strong long term demand



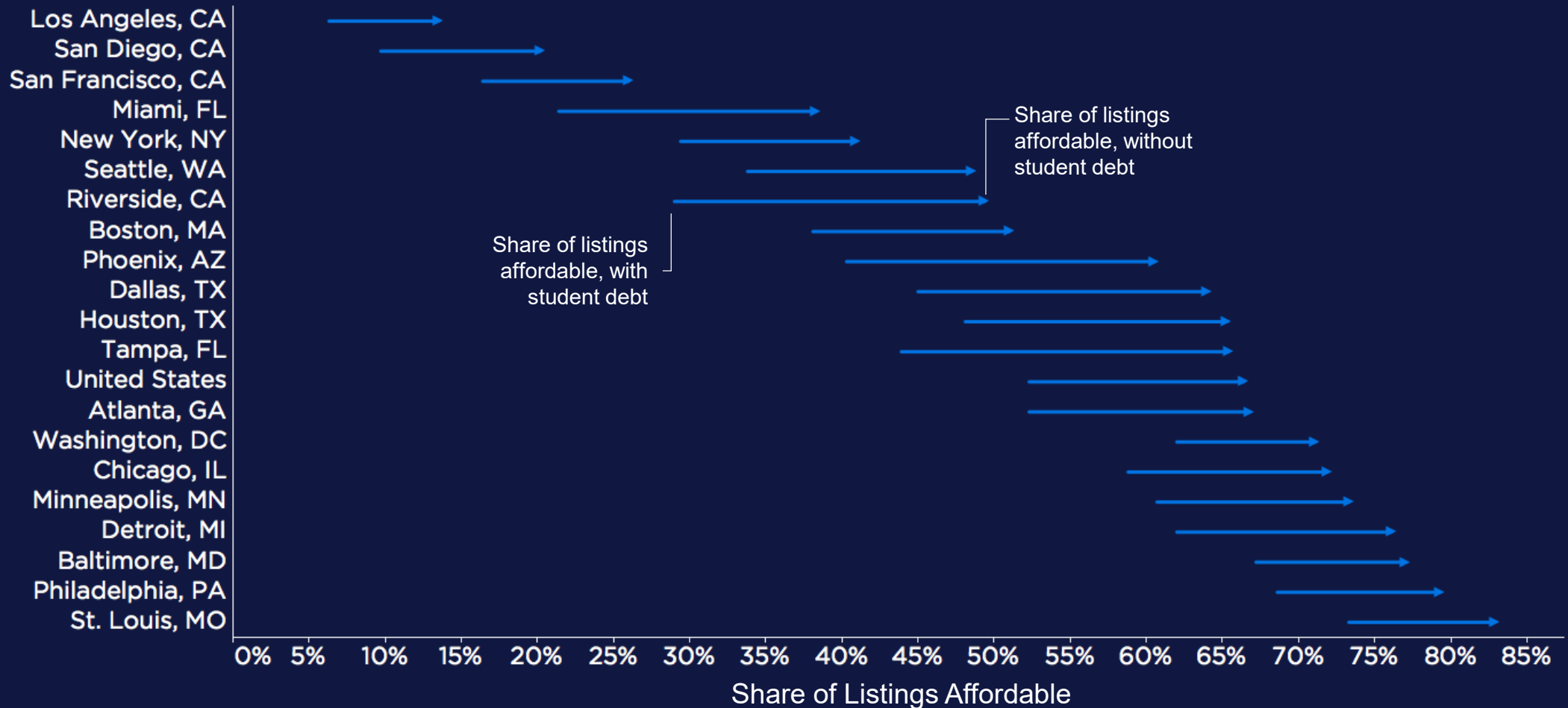
Those get married and having kids timeseries



The two panel homeownership by single & married



Good reasons why renting will be a bigger part of our housing lifecycle – student debt



Job opportunities drive list of hottest US markets for 2019

- | | | | |
|---|-------------|----|---------------|
| 1 | San Jose | 6 | San Francisco |
| 2 | Orlando | 7 | Dallas |
| 3 | Denver | 8 | Nashville |
| 4 | Atlanta | 9 | Jacksonville |
| 5 | Minneapolis | 10 | San Diego |