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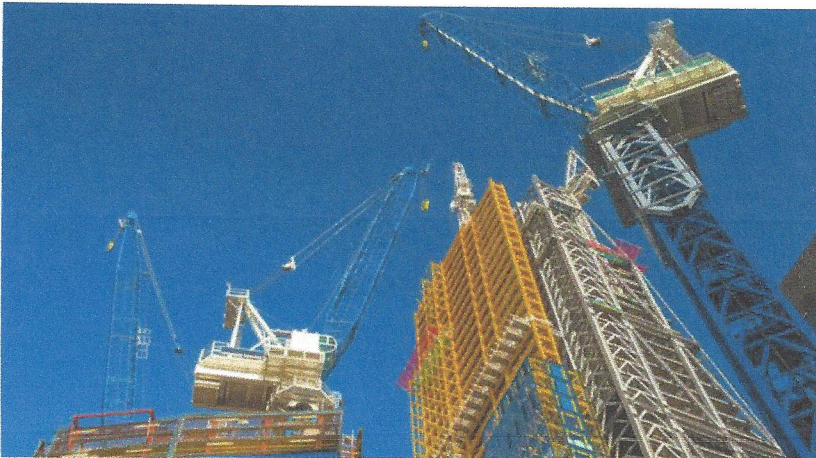
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U.S. Needs 4.6M New Apartments by 2030 to Keep Pace with Demand



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FOR IMMEDIATE RELEASE

Growing Demand is Due to Aging Population, Immigration, Declining Home Purchases

WASHINGTON, D.C., June 12, 2017 – Delayed marriages, an aging population and international immigration are increasing a pressing need for new apartments, to the tune of 4.6 million by 2030, according to a new study commissioned by the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA). It's important to note that:

- Currently, nearly 39 million people live in apartments, and the apartment industry is quickly exceeding capacity;
- In the past five years, an average of one million new renter households were formed every year, which is a record amount; and,
- It will take building an average of at least 325,000 new apartment homes every year to meet demand; yet, on average, just 244,000 apartments were delivered from 2012-2016.

Based on research conducted by Hoyt Advisory Services and commissioned by NAA and NMHC, the data includes an estimate of the future demand for apartments in the United States, the 50 states and 50 metro areas, including the District of Columbia. For the purposes of this study, apartments are defined as rental apartments in buildings with five or more units. The data are available on [WeAreApartments.org](http://www.WeAreApartments.org) (<http://www.WeAreApartments.org>).

The increased demand for apartments is due in large part to:

- **Delayed house purchases.** Life events such as marriage and children are the biggest drivers of home ownership. In 1960, 44 percent of all households in the U.S. were married couples with children. Today, it's less than one in five (19 percent), and this trend is expected to continue.
- **The aging population.** People ages 65-plus will account for a large part of population growth going forward across all states. The research shows older renters are helping to drive future apartment demand, particularly in the northeast, where renters ages 55-plus will account for more than 30 percent of rental households.
- **Immigration.** International immigration is assumed to account for approximately half (51 percent) of all new population growth in the U.S., with higher growth expected in the nation's border states. This population increase will contribute to the rising demand for apartments. Research has shown that immigrants have a higher propensity to rent and typically rent for longer periods of time.

"We're experiencing fundamental shifts in our housing dynamics, as more people are moving away from buying houses and choosing apartments instead. More than 75 million people between 18 and 34 years old are entering the housing market, primarily as renters," said Dr. Norm Miller, Principle at Hoyt Advisory Services and Professor of Real Estate at the University of San Diego. "But renting is not just for the younger generations anymore. Increasingly, Baby Boomers and other empty nesters are trading single-family houses for the convenience of rental apartments. In fact, more than half of the net increase in renter households over the past decade came from the 45-plus demographic."

"Apartment rentals are on the rise, and this trend is expected to continue at least through 2030, which means we'll need millions of new apartments in the U.S. to meet the increased demand. The western U.S. as well as states such as Texas, Florida and North Carolina are expected to have the greatest need for new apartment housing through 2030, although all states will need more apartment housing moving forward," said NAA Chair Cindy Clare, CPM. "The need is for all types of apartments and at all price points."

There will also be a growing need for renovations and improvements on existing apartment buildings, which will provide a boost in jobs (and the economy) nationwide. Hoyt's research found that 51 percent of the apartment stock was built before 1980, which translates into 11.7 million units that could need upgrading by 2030. The older stock is highly concentrated in the northeast.

"The growing demand for apartments – combined with the need to renovate thousands of apartment buildings across the country – will make a significant and positive impact on our nation's economy for years to come," explained NMHC Chair Bob DeWitt. "For frame of reference, apartments and their 39 million residents contribute \$1.3 trillion to the national economy. As the industry continues to grow, so will this tremendous economic contribution."

Other highlights from the report include:

- Demand is expected to be especially significant in Raleigh, N.C., with a 69.1 percent increase in new apartment units between now and 2030, Orlando, Fla. (56.7 percent), and Austin, Texas (48.7 percent). Also notable, the demand in the New York City metro area will call for an additional 278,634 apartment units, Dallas-Ft. Worth, Texas (266,296 new units), and Houston, Texas (214,176 new units).
- Propensity to rent is higher in high-growth and high-cost states.
- Hundreds of thousands of new rental units will be needed by 2030 in states such as California, Georgia, Arizona, Florida, North Carolina, Nevada, New York, Texas, Virginia and Washington.

In conjunction with the study's release, the website www.WeAreApartments.org (<http://www.WeAreApartments.org>) breaks down the data by each state and 50 key metro areas. Visitors can also use the Apartment Community Estimator – or ACE – a tool that allows users to see the trends in their state or metro area to determine the potential economic impact locally.