

Profile of Today's Renter Multifamily Renter Research

Market Insights, Corporate Communications & Marketing

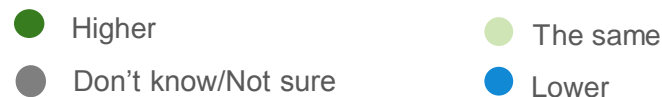
August 2017

Most Believe Housing is Becoming More Costly

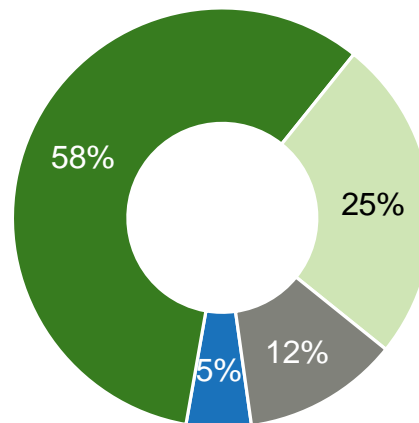


Q: Thinking about the housing market in your area, how would the following compare to a year ago?

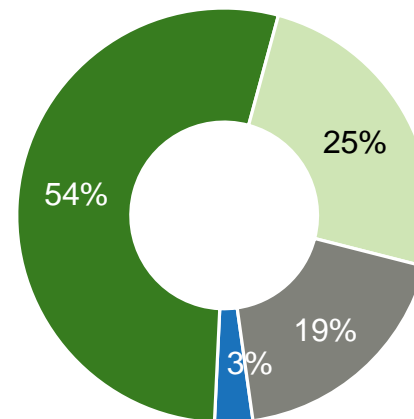
Views of The Market



Home prices



Rental prices



(Base=4,459 Total Respondents)

More Americans Believe There Are More Homes Available To Buy Than Rent In The Area Where They Live

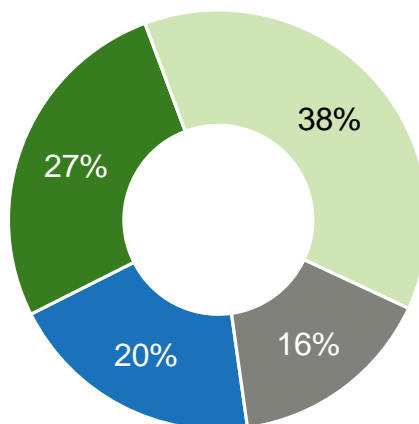


Q: Thinking about the housing market in your area, how would the following compare to a year ago?

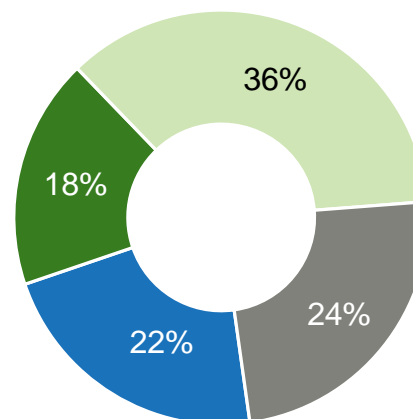
Views of The Market

- Higher
- The same
- Don't know/Not sure
- Lower

Supply of available homes to buy



Supply of available homes to rent



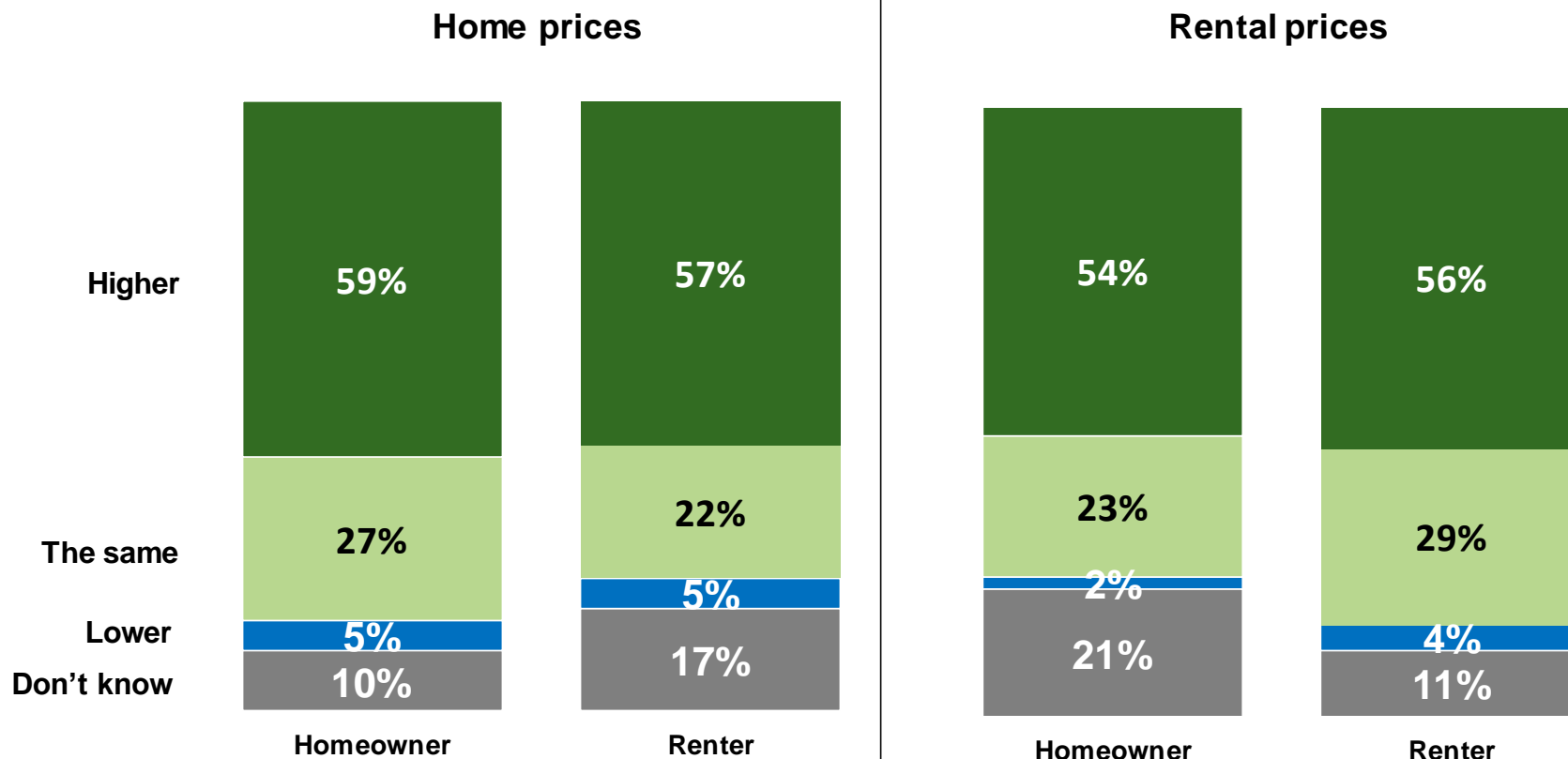
(Base=4,459 Total Respondents)

Housing Prices

Renters vs. Homeowners



Q: Thinking about the housing market in your area, how would the following compare to a year ago?



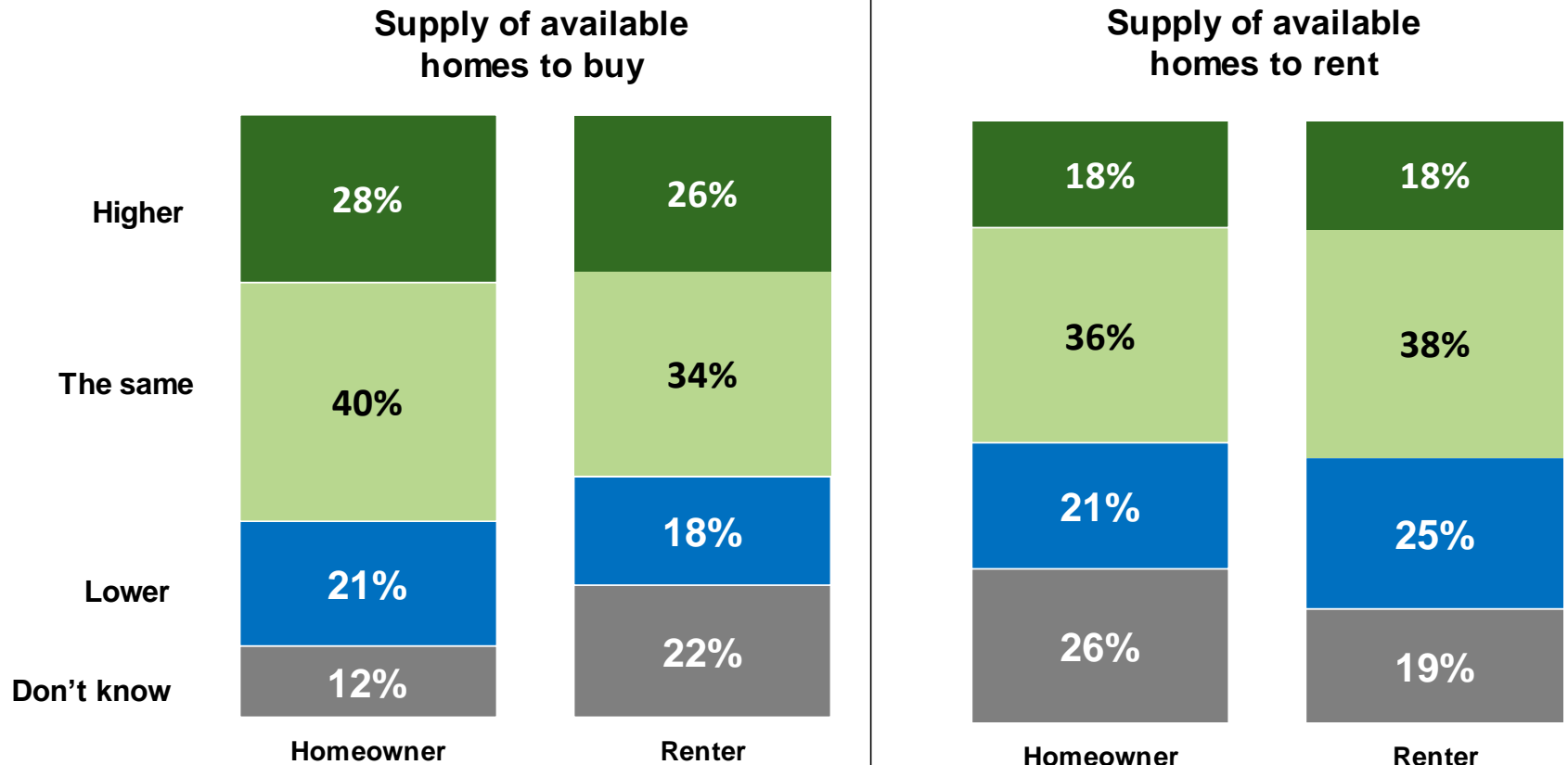
(Base=1,342 Renters and 3,030 Homeowners)

Housing Prices

Renters vs. Homeowners



Q: Thinking about the housing market in your area, how would the following compare to a year ago?

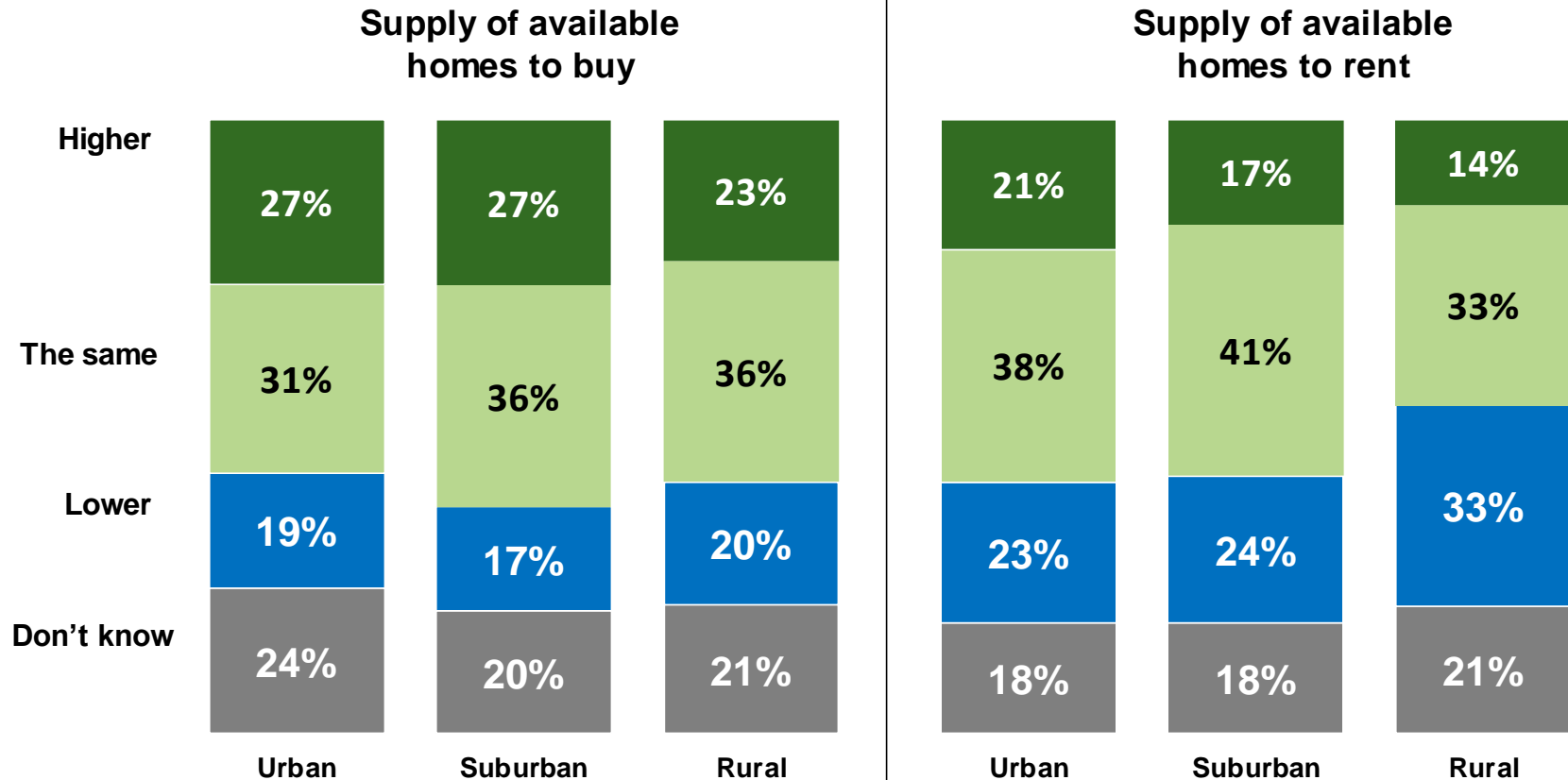


(Base=1,342 Renters and 3,030 Homeowners)

Rural Renters Feel Rental Supply Is Squeezed



Q: Thinking about the housing market in your area, how would the following compare to a year ago?

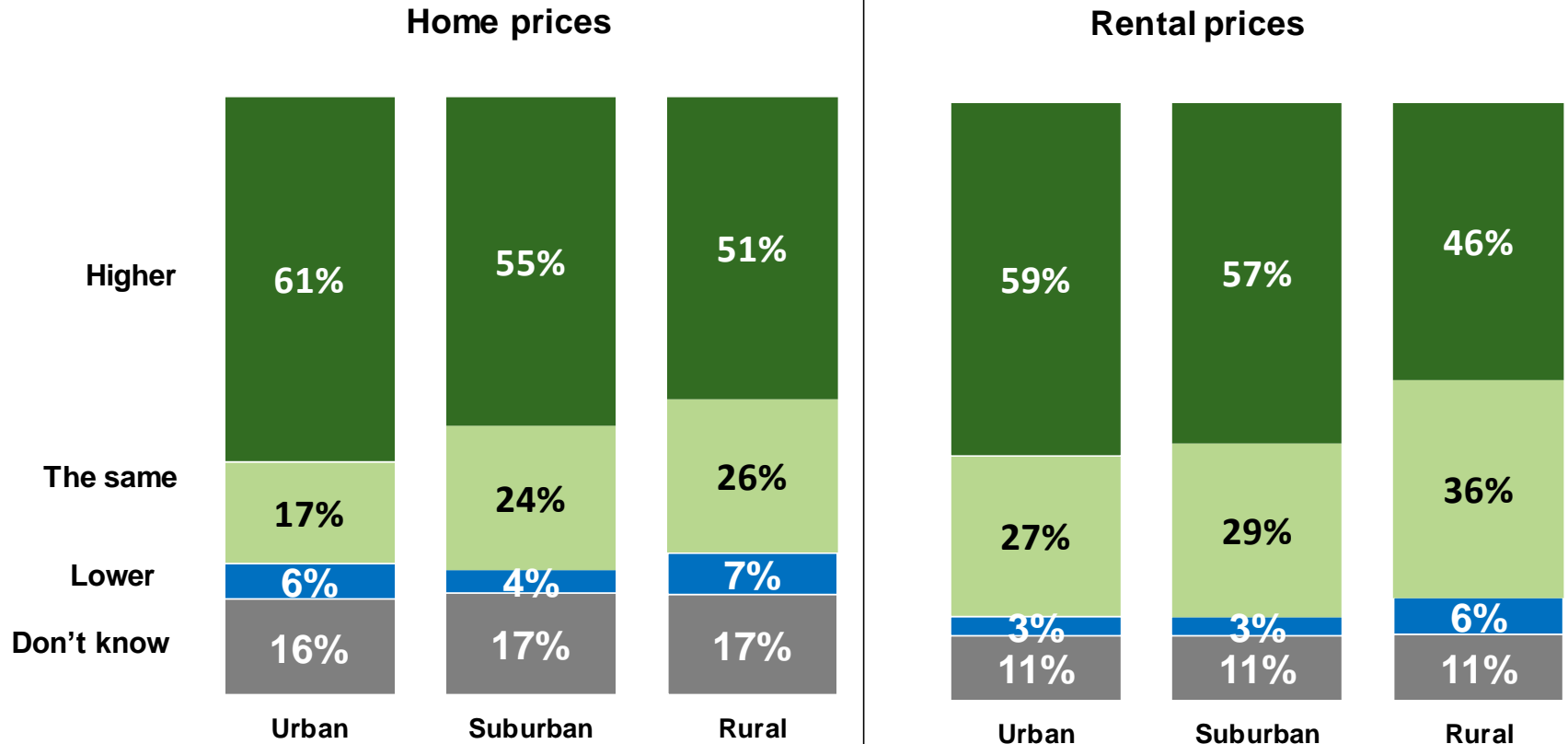


(Base=Total Renters)

Urban Renters Feel Price Increases More Acutely



Q: Thinking about the housing market in your area, how would the following compare to a year ago?



(Base=Total Renters)

Young Millennials and Boomers More Likely to Say Renting Fits Their Lifestyle



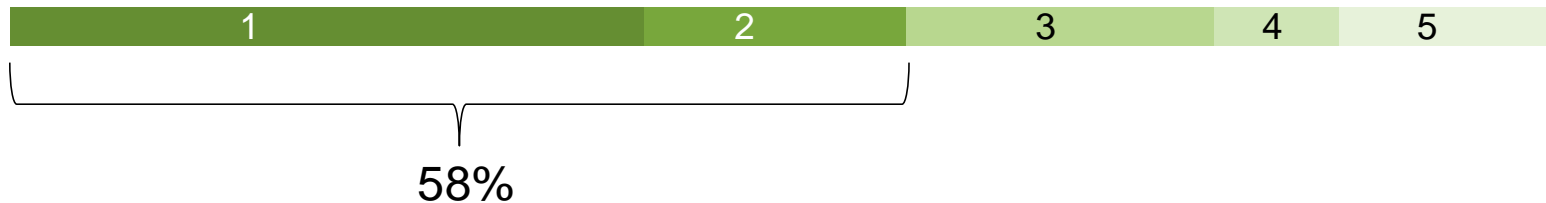
Q: Following are several pairs of statements. For each pair, please select the point on the scale that best reflects your opinion..

Attitudes Towards Renting

% (2,1 Ratings – Top Favorable Ratings for the Statement)

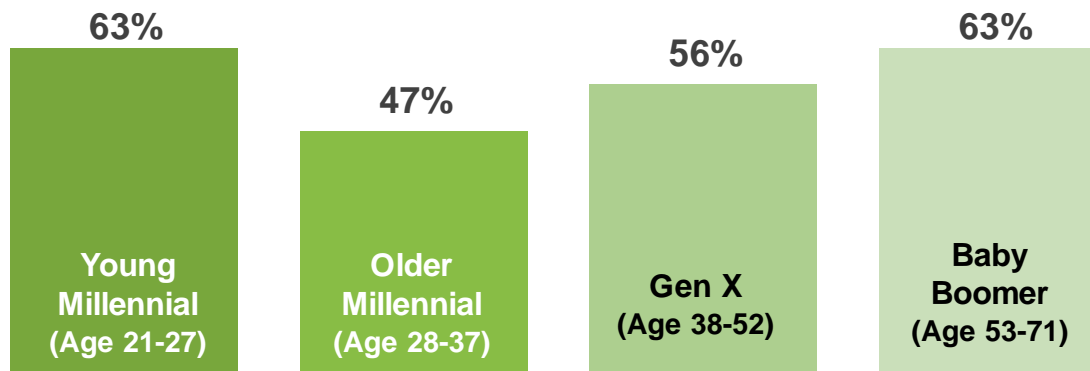
Renting fits my current lifestyle

Owning a home fits within my current lifestyle



Renting Fits My Current Lifestyle

% (4,5 Ratings – Top Favorable Ratings for the Statement)



(Base = Total Renters)

The Majority of Renters See Renting as a Strategic Choice at Many Life Stages



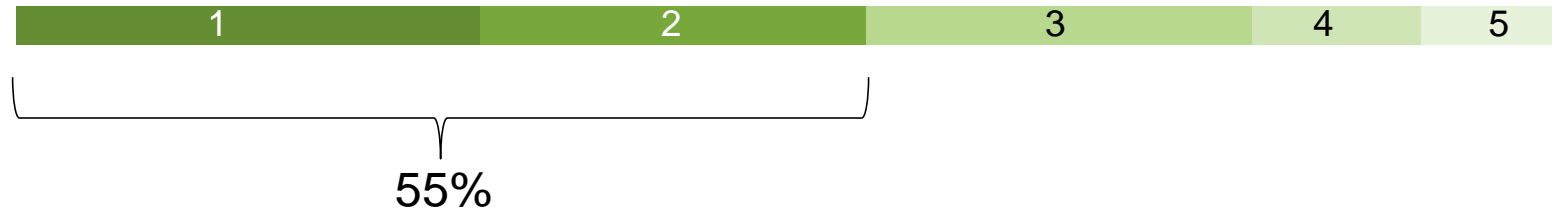
Q: Following are several pairs of statements. For each pair, please select the point on the scale that best reflects your opinion..

Attitudes Towards Renting

% (2,1 Ratings – Top Favorable Ratings for the Statement)

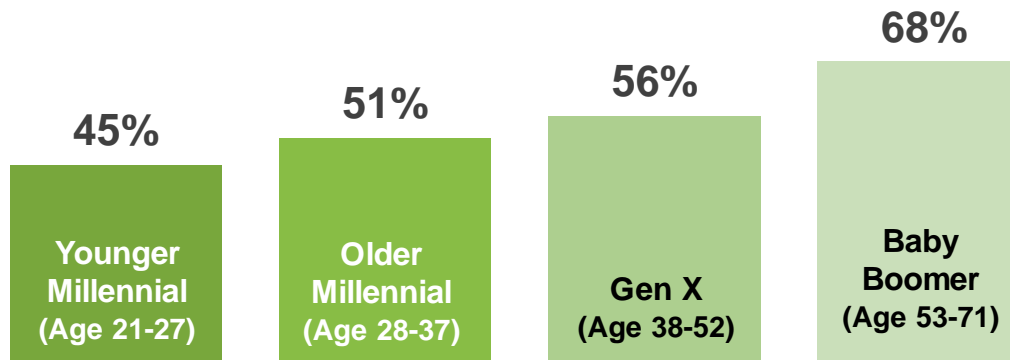
Renting is a strategic choice that makes sense at many life stages

Renting is only for the young and/ or those who move often



Renting Is a Strategic Choice That Makes Sense At Many Life Stages

% (4,5 Ratings – Top Favorable Ratings for the Statement)

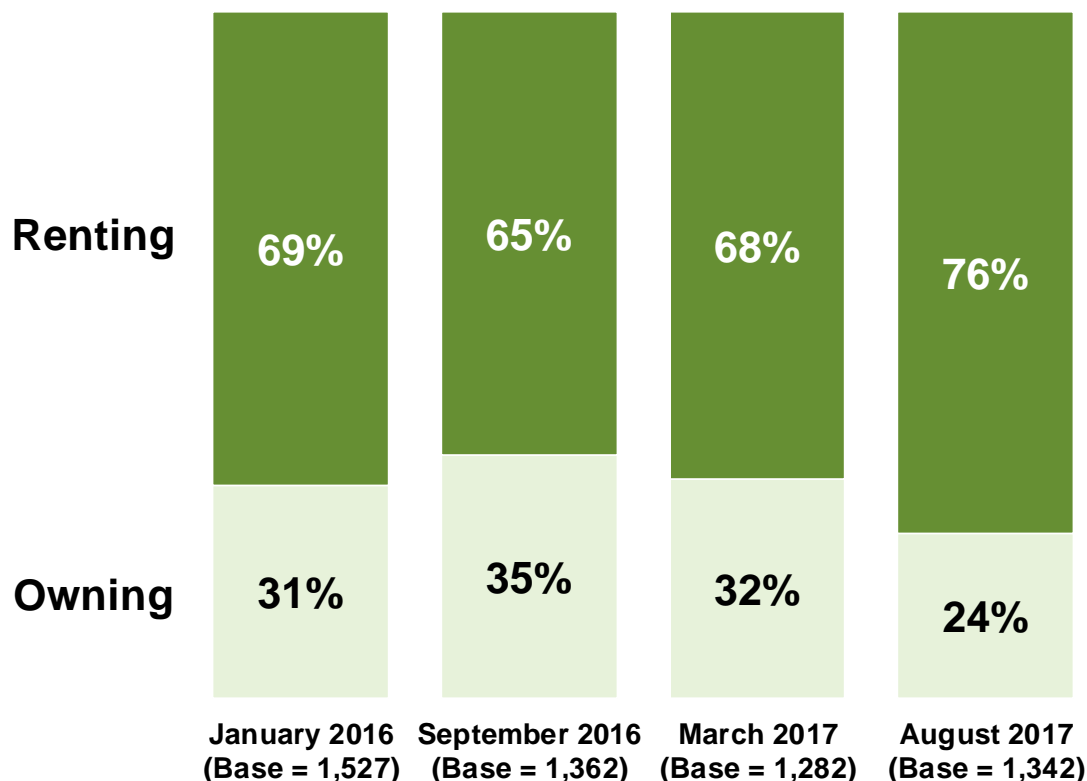


(Base = Total Renters)

Seven Out of Ten Renters Believe Renting Is More Affordable Than Owning



Q: Overall, which do you think is more affordable for you today?

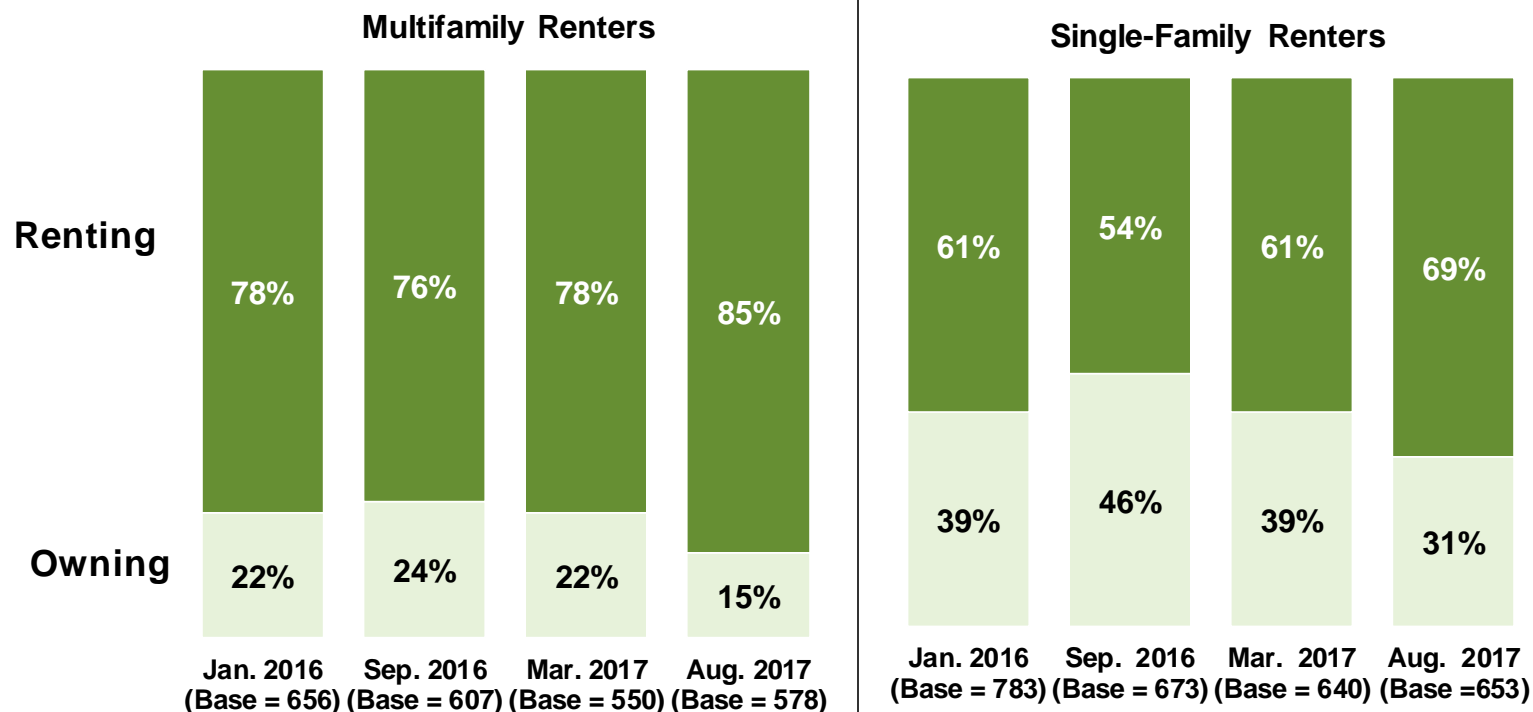


(Base=Total Renters)

Both Multifamily and Single-Family Renters Consider Renting as More Affordable



Q: Overall, which do you think is more affordable for you today?



Excludes renters who selected "Other" type of rental dwelling given extremely small sample size.

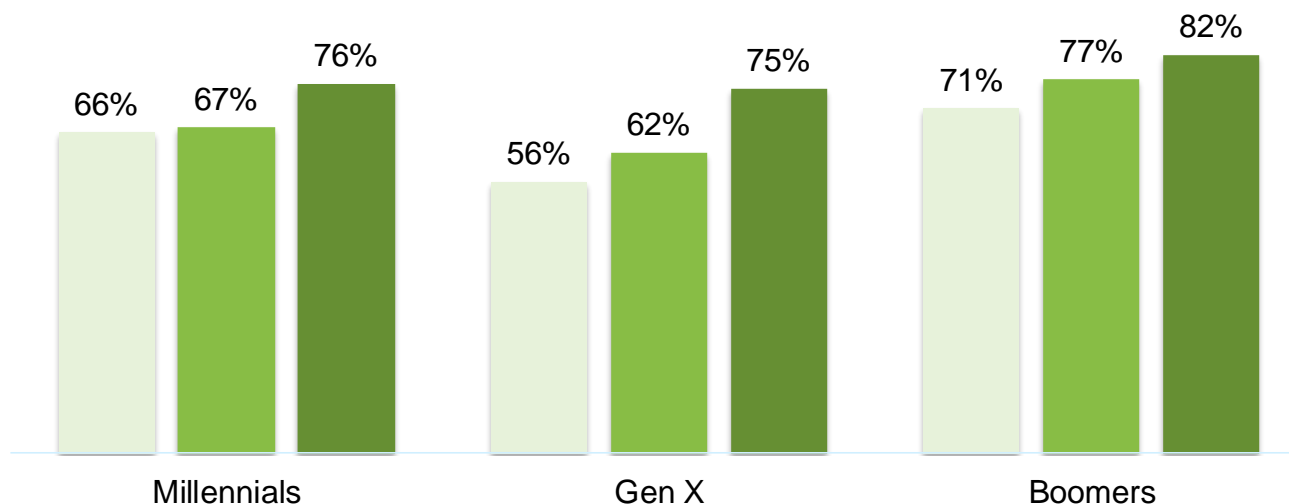
Perceptions of Renting Being More Affordable Increased Across All Generations



Q: Overall, which do you think is more affordable for you today?

■ September 16 ■ March 2017 ■ August 2017

Renting Is More Affordable



Please refer to table Appendix C for detailed sample size information.

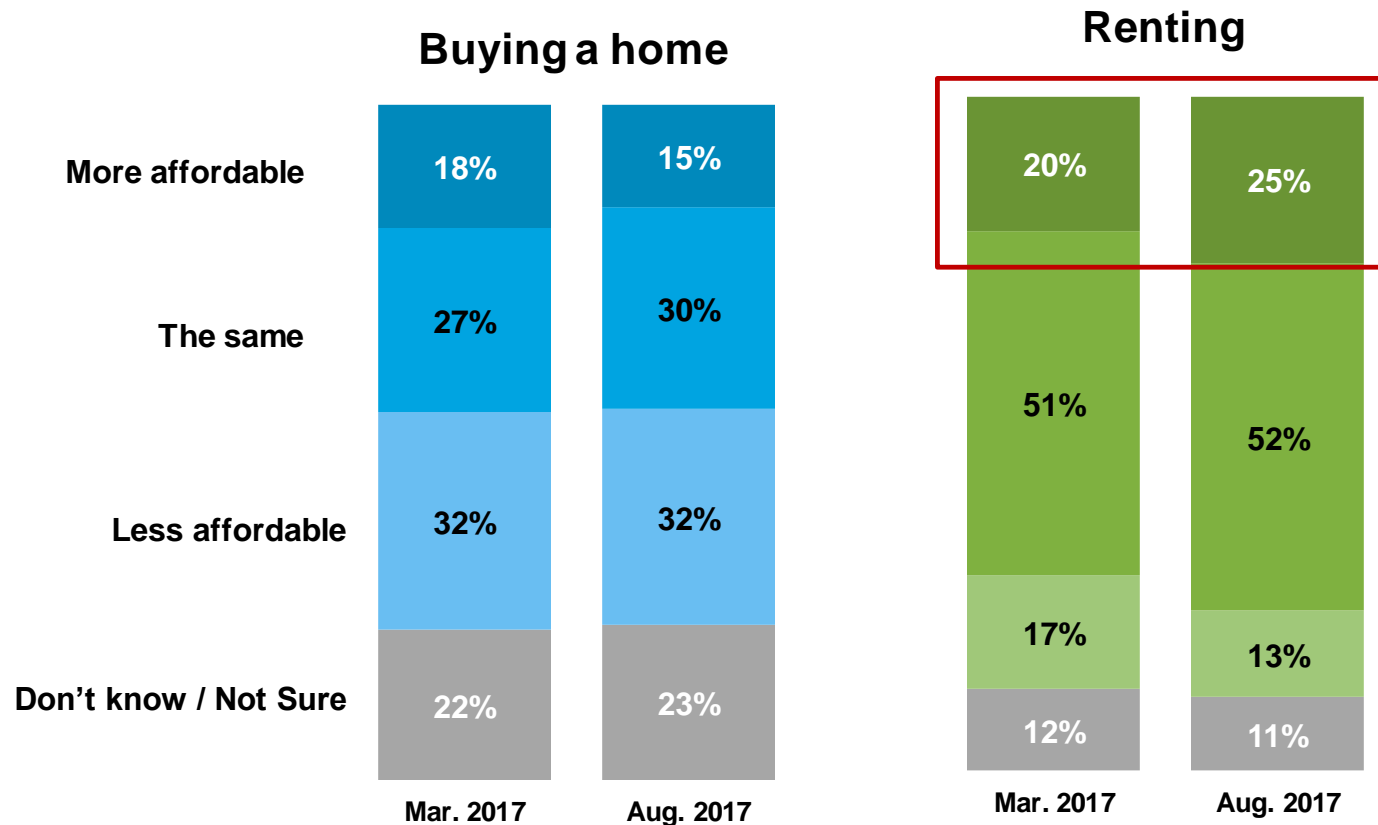
(August 2017 Base = 438 Millennials, 330 Gen X, and 341 Baby Boomers)
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.

A Quarter of Renters Believe Renting Will Be More Affordable for Them in the Next 12 Months



Q: Over the next 12 months, do you think each of the following will be...? Even if you aren't planning to buy or rent a home in the next 12 months, we are still interested in your opinion.

Views on Affordability in the Future

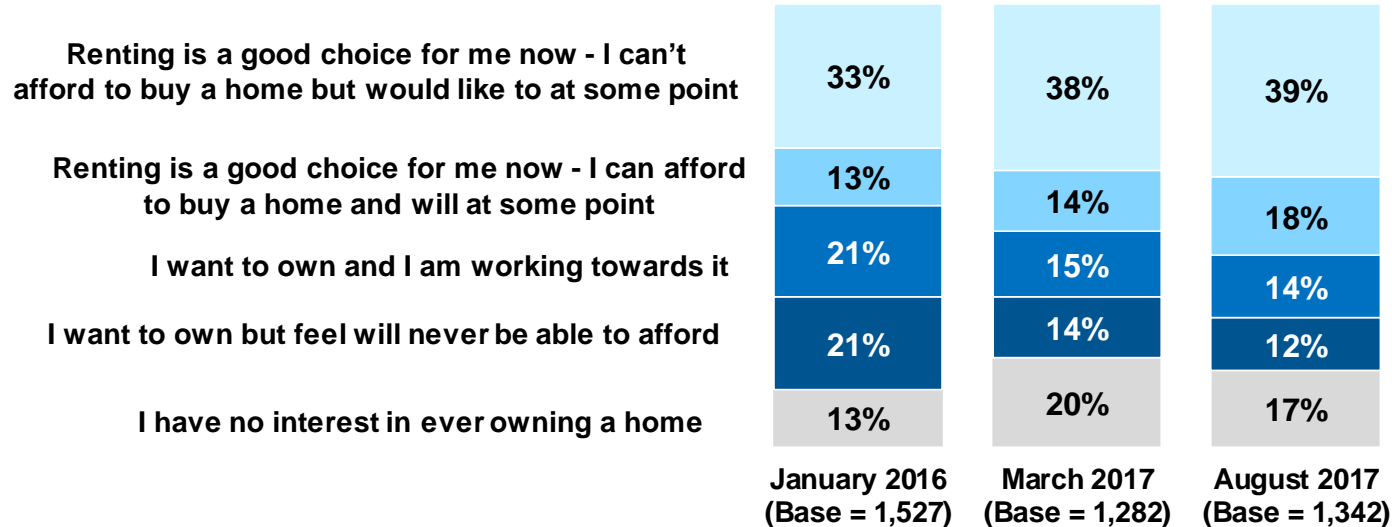


(Base=Total Renters)

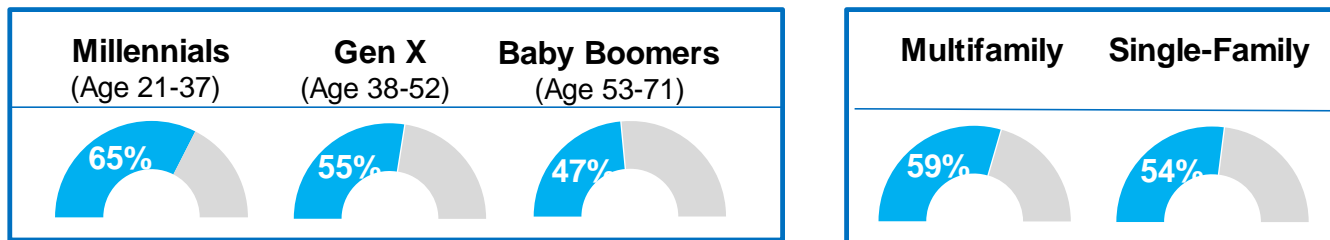
There's an Increase in the Number of Renters Who Say Renting Is a Good Choice for Now



Q: Which one of the these statements best reflects your views about why you are currently renting?



Renting is a good choice for me now...



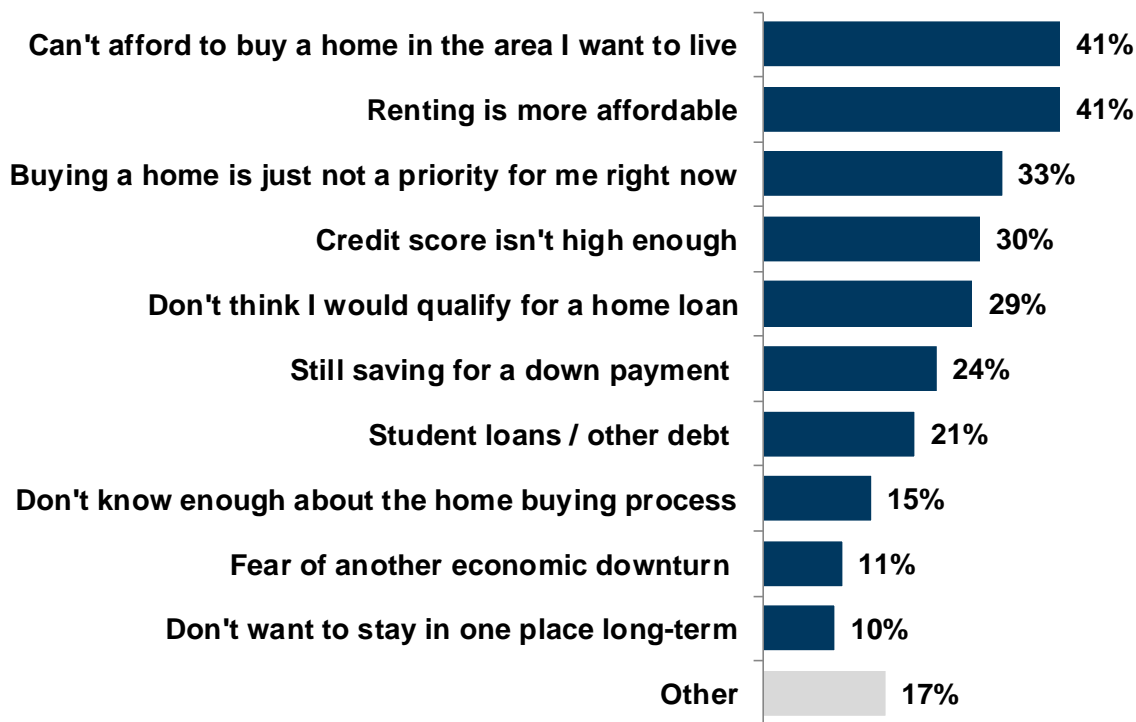
(Aug. 2017 Base = 456 Millennials, 361 Gen X and 420 Baby Boomers / 578 Multifamily Renters and 653 Single-Family Renters).
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.

While Many Rent For Financial Reasons, a Third Say Buying a Home Is Not a Priority Right Now



Q: Which of the following are reasons why you currently rent instead of own your primary residence? Please select all that apply.

Reasons For Renting Instead of Owning *% Selected*



(Base = 1,059 Renters who did not have to postpone to purchase a home)

Millennials Can't Afford to Buy in the Area Where They Want to Live



Q: Which of the following are reasons why you currently rent instead of own your primary residence? Please select all that apply.

Younger Millennials Age 21 – 27

47%

Can't afford to buy
in the area I want
to live

43%

Renting is more
affordable

35%

Student loans/other
debt

Older Millennials Age 28 - 37

48%

Can't afford to buy
in the area I want
to live

43%

Still saving for a
down payment

38%

Credit score isn't
high enough

Gen X Age 38 - 51

43%

Renting is more
affordable

39%

Can't afford to buy
in the area I want
to live

37%

Credit score isn't
high enough

Baby Boomers Age 52 - 71

46%

Renting is more
affordable

41%

Can't afford to buy
in the area I want
to live

41%

Buying a home is
just not a priority
for me right now

(August 2017 Base = 120 Young Millennials, 212 Older Millennials, 268 Gen X and 368 Baby Boomers who did not have to postpone buying a home)

Multifamily Renters More Likely to Cite Affordability as a Reason For Renting



Q: Which of the following are reasons why you currently rent instead of own your primary residence? Please select all that apply.

Multifamily Renters

50%

Renting is more affordable

47%

Can't afford to buy in the area I want to live

40%

Buying a home is just not a priority for me right now

Single-Family Renters

36%

Can't afford to buy in the area I want to live

32%

Credit score isn't high enough

31%

Renting is more affordable

(Base = 479 Multifamily and 498 Single-Family Renters who did not have to postpone to purchase a home)

Most Renters Who Expect to Rent Their Next Property Want to Live in a Single-Family Home

Expect to Rent or Buy

44%



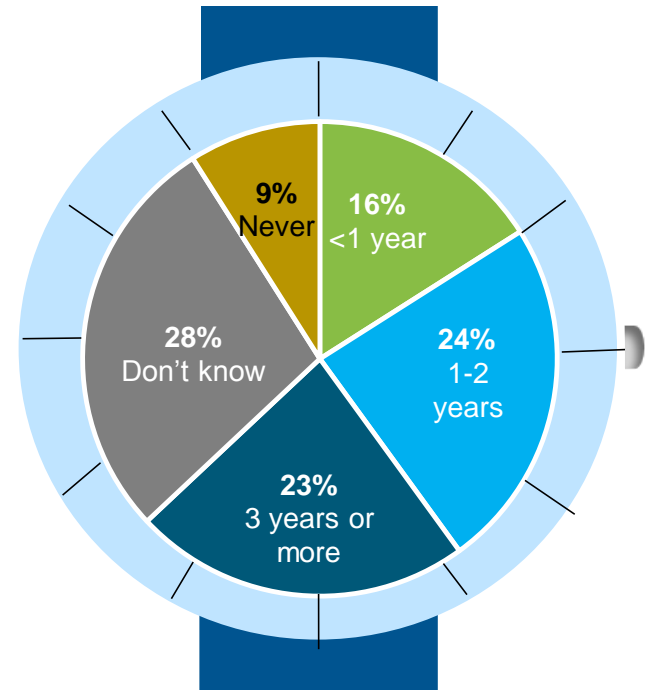
56%



Those Who Expect To Rent
Say They Will Live ...

Single-Family Home	39%
Complex with < 50 Units	27%
Complex with > 50 Units	12%
Townhouse	11%
Other*	7%
Condo	5%

When Expect to Move



(Base = Total Renters Who Plan To Move/Don't Know)

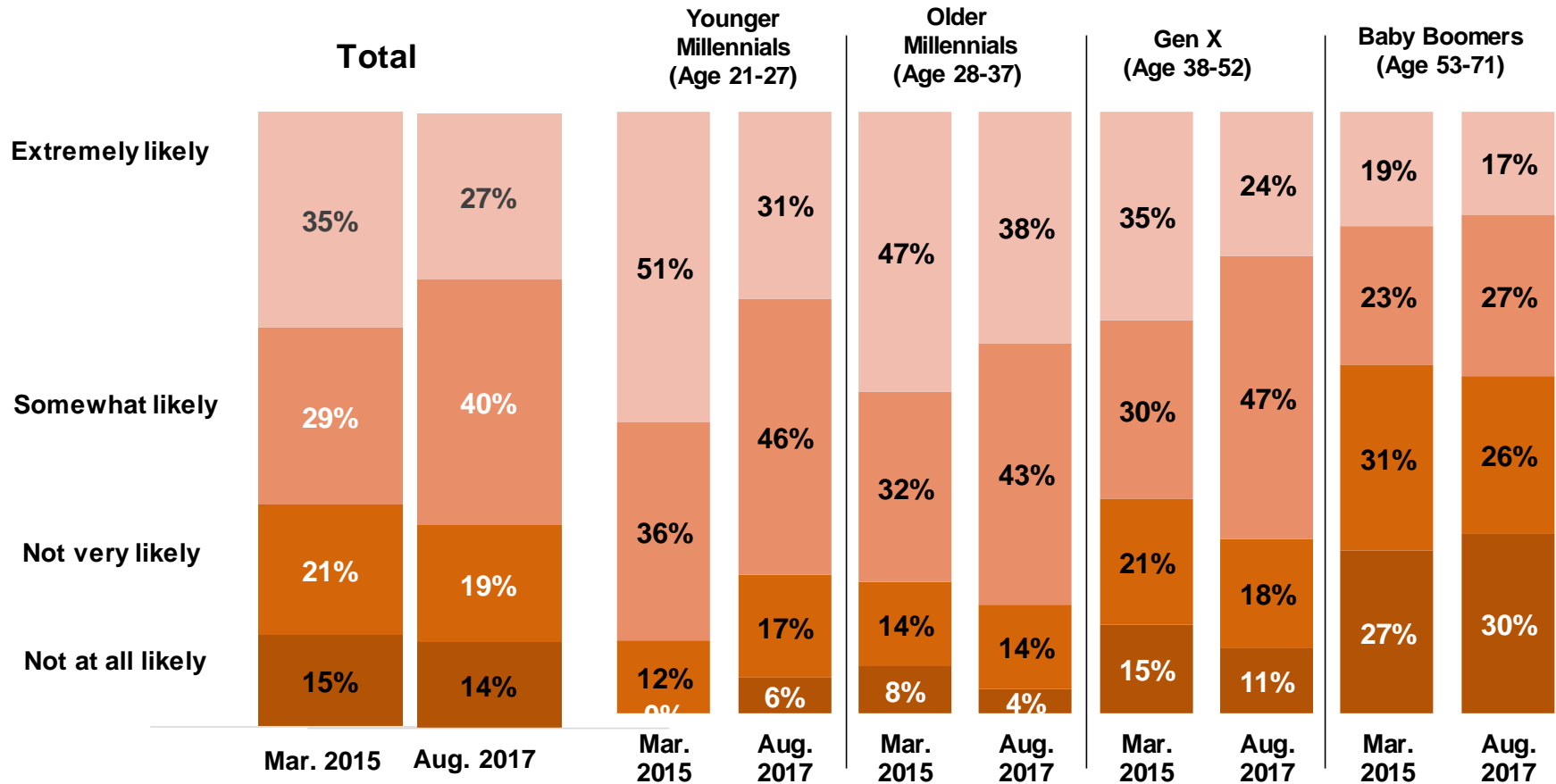
*Other category includes mobile homes

Over 2 years, Younger Renters Have Become Less Sure They Will Become Homeowners



Q: How likely, if at all, do you think it is that you will ever purchase/own a home?

By Generation



(Base=Total Renters)

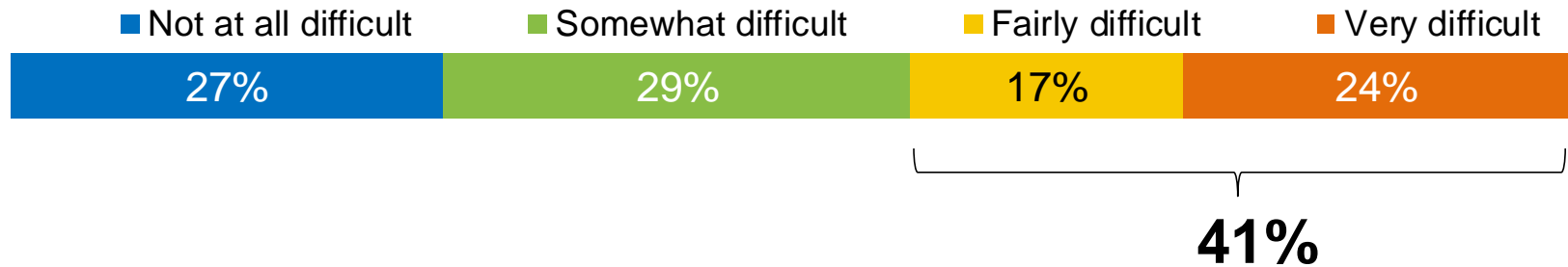
Please refer to table Appendix C for detailed sample size information.

Excludes "Mature" generational renters (Age 69+) given extremely small sample size.

Renters Find it Difficult to Find Affordable Housing Near Work

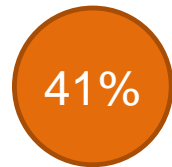


Q: How difficult would it be to find housing that is affordable to you close to where you work (i.e., commute of 25 minutes or less)?

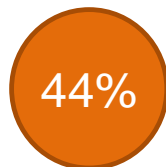


Finding affordable housing close to work*

(% Very difficult/Fairly difficult)



Millennials
(Base=292)



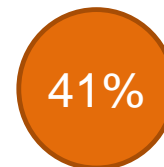
Gen X
(Base=217)



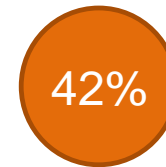
Boomers
(Base=185)

Finding affordable housing close to work*

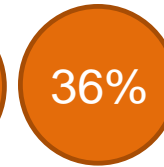
(% Very difficult/Fairly difficult)



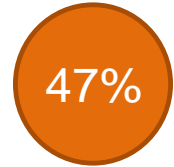
Northeast
(Base=169)



South
(Base=147)



Midwest
(Base=253)



West
(Base=164)

Excludes Not Applicable

(Base=769 Renters Who Are Currently Employed)

About Half of Employed Renters Are Satisfied With Their Current Commute to Work



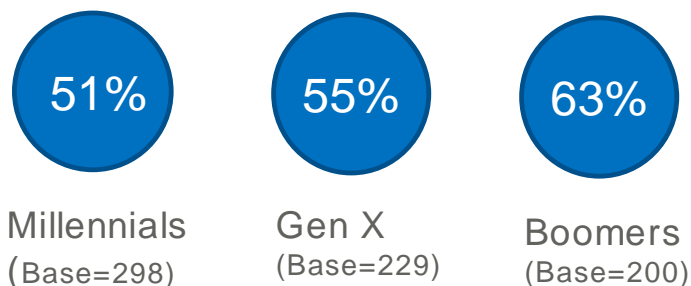
Q: How satisfied have you been... with your current commute to work*

Satisfaction With Current Commute To Work

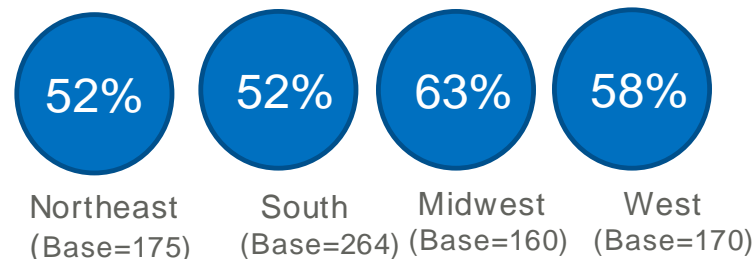
■ Top Satisfied (7,6) ■ Somewhat Satisfied (5) ■ Moderately Dissatisfied/Dissatisfied (4 - 1)



Satisfaction With Current Commute To Work By Generation (% Top Satisfied 7,6)



Satisfaction With Current Commute To Work By Region (% Top Satisfied 7,6)



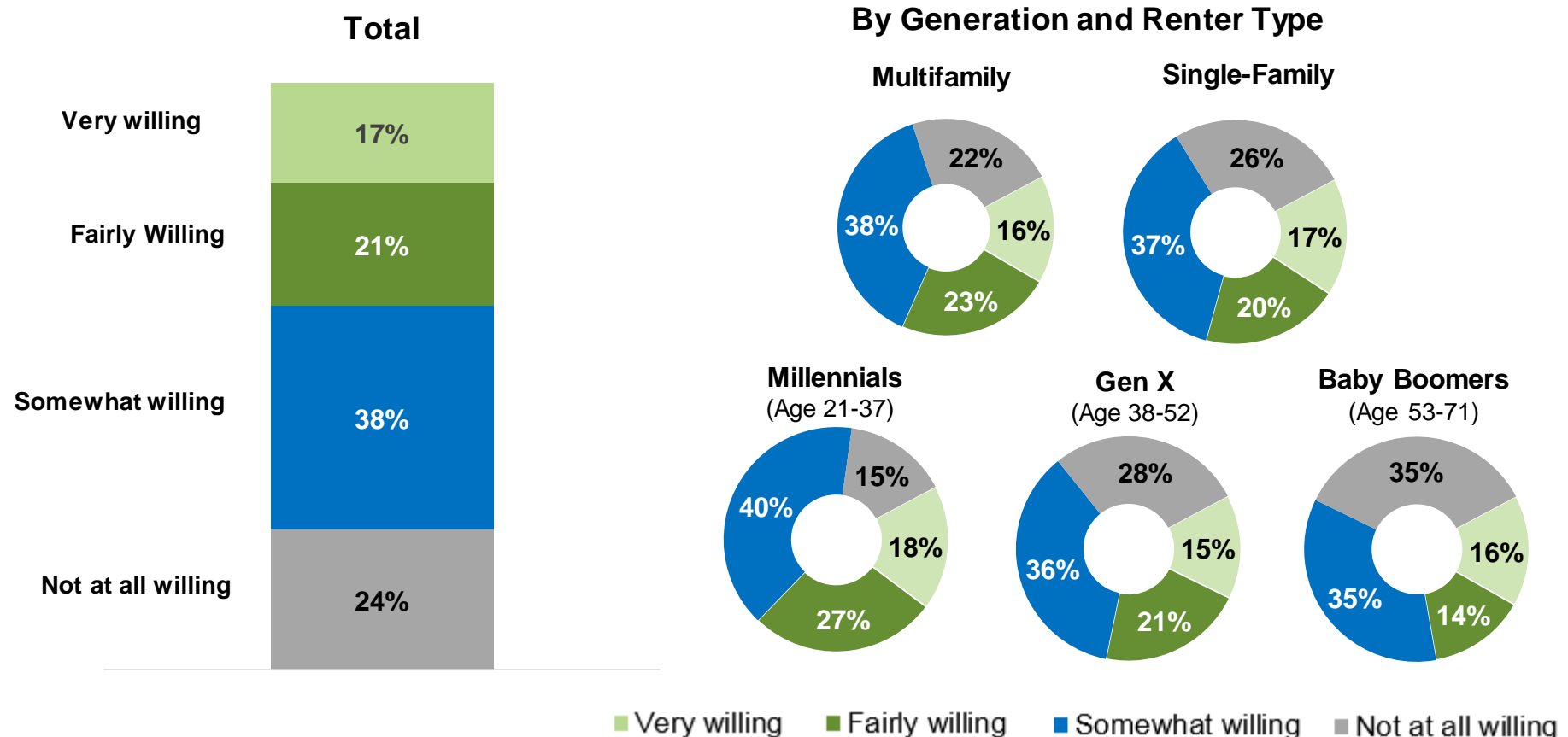
(Base=769 Renters Who Are Currently Employed)

Millennial Renters Willing to Downsize in Order to Live Closer to Work



Q: How willing would you be to live in a smaller property than you initially wanted to be able to have a shorter commute to work?

Willing to Downsize To Live Closer to Work



Please refer to table Appendix C for detailed sample size information.

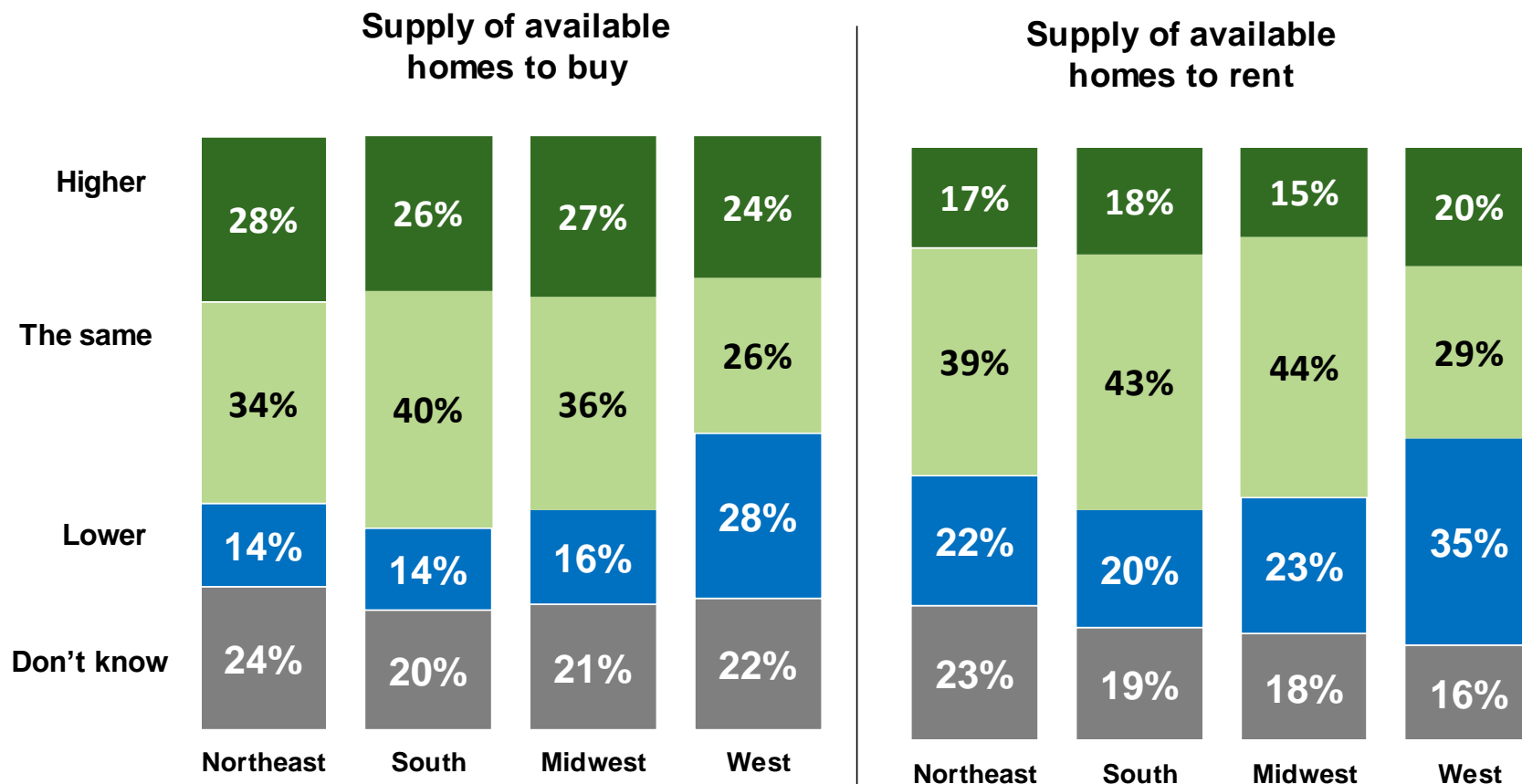
(Base=Total Renters)

Regional Differences

Renters Living in the West Significantly More Likely to Say Housing Supply Is Lower Compared to a Year Ago



Q: Thinking about the housing market in your area, how would the following compare to a year ago?

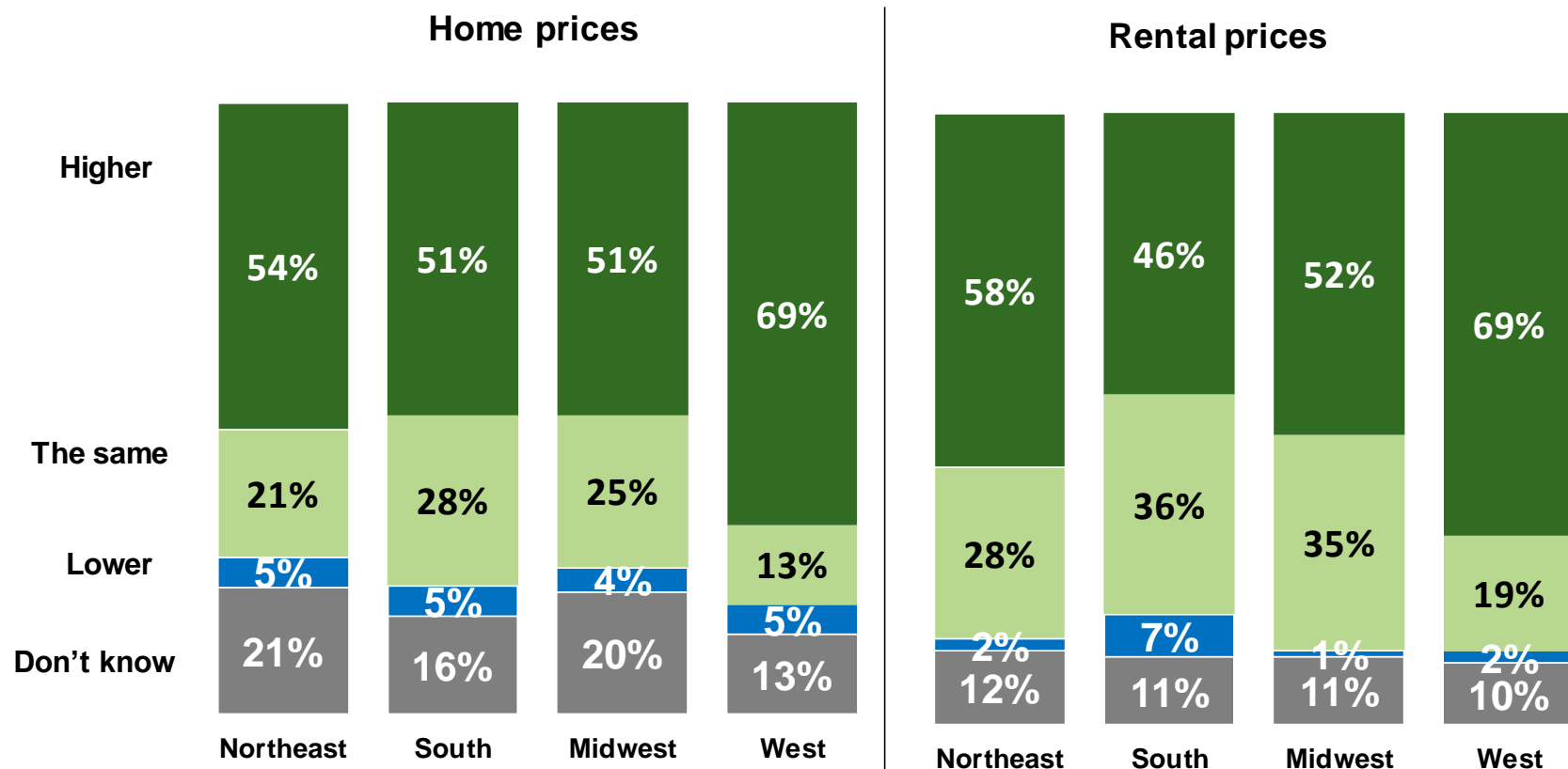


(Base=Total Renters)

Seven in Ten Renters Living in the West Say Housing Prices Are Higher Compared to a Year Ago



Q: Thinking about the housing market in your area, how would the following compare to a year ago?



(Base=Total Renters)

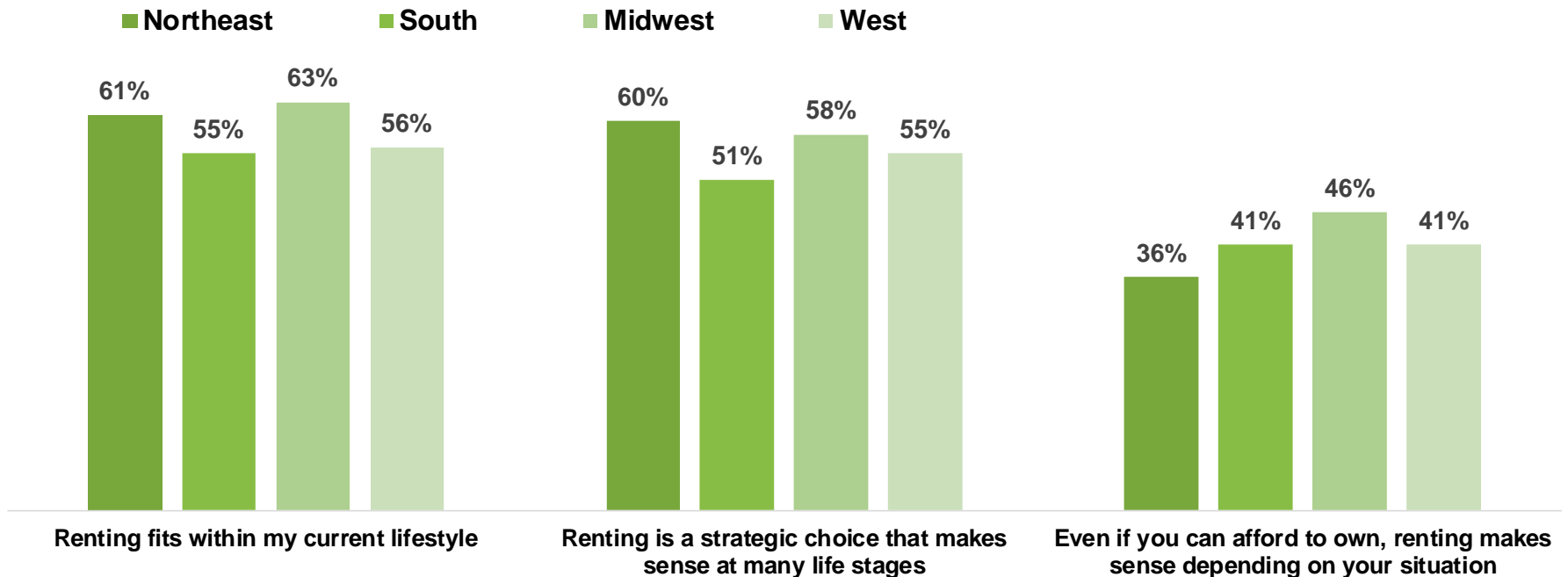
Renters in the Midwest Are Slightly More Positive About Renting



Q: Following are several pairs of statements. For each pair, please select the point on the scale that best reflects your opinion...

Favorable Attitudes Towards Renting

% (1,2 Ratings – Top Favorable Ratings for the Statement)



(Base = Total Renters)

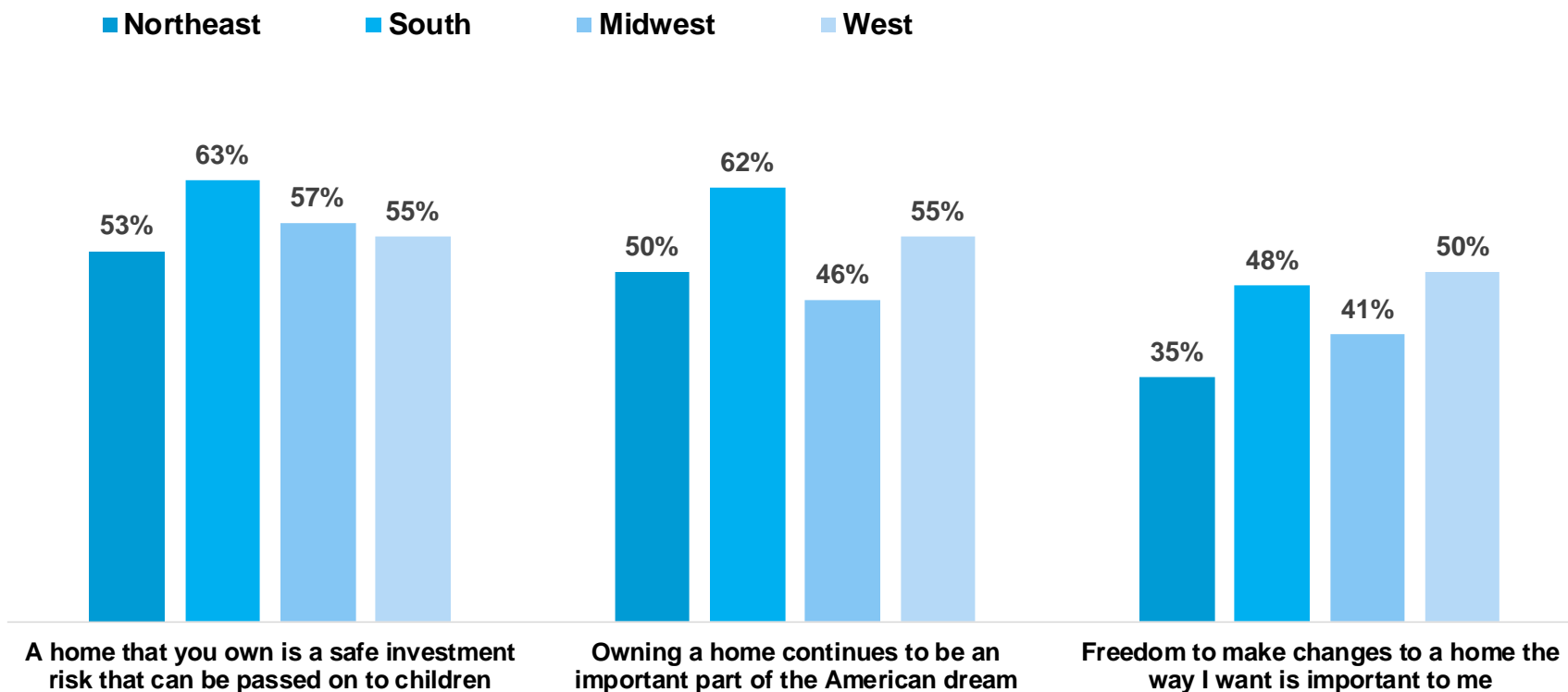
Renters Living in the South Feel More Strongly About Home Ownership Values



Q: Following are several pairs of statements. For each pair, please select the point on the scale that best reflects your opinion...

Favorable Attitudes Towards Home Ownership

% (4,5 Ratings – Top Favorable Ratings for the Statement)



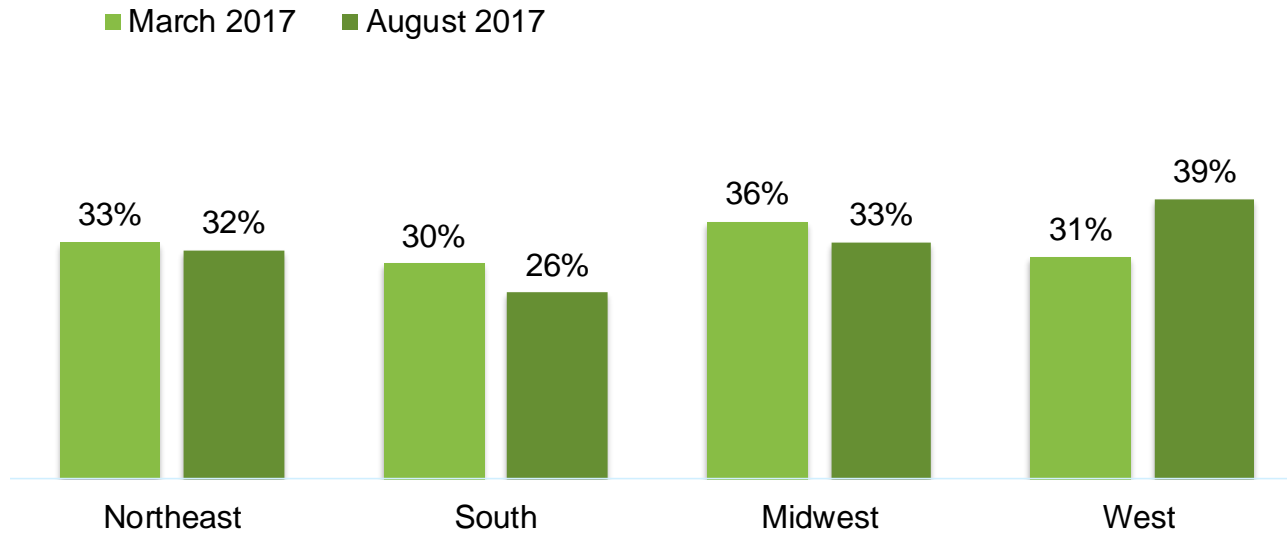
(Base = Total Renters)

Feelings of Not Being Able to Afford a Home Is More Prevalent in The West



Q: Over the next 12 months, do you think each of the following will be...? Even if you aren't planning to buy or rent a home in the next 12 months, we are still interested in your opinion.

Buying a Home Will Become Less Affordable For Me *% Selected By Region*



Please refer to table Appendix C for detailed sample size information.

(Base=Total Renters)

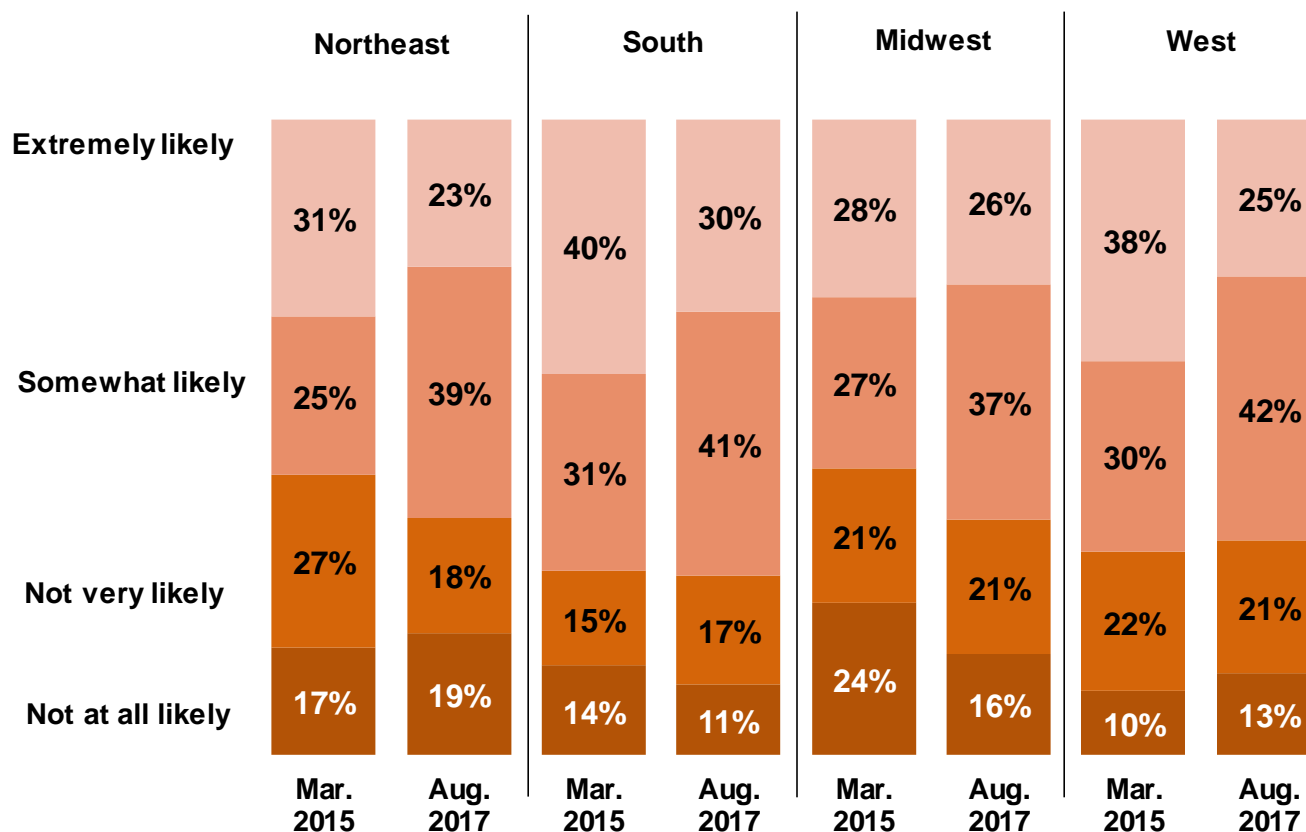
Likelihood to Ever Purchase a Home

By Region



Q: How likely, if at all, do you think it is that you will ever purchase/own a home?

By Region

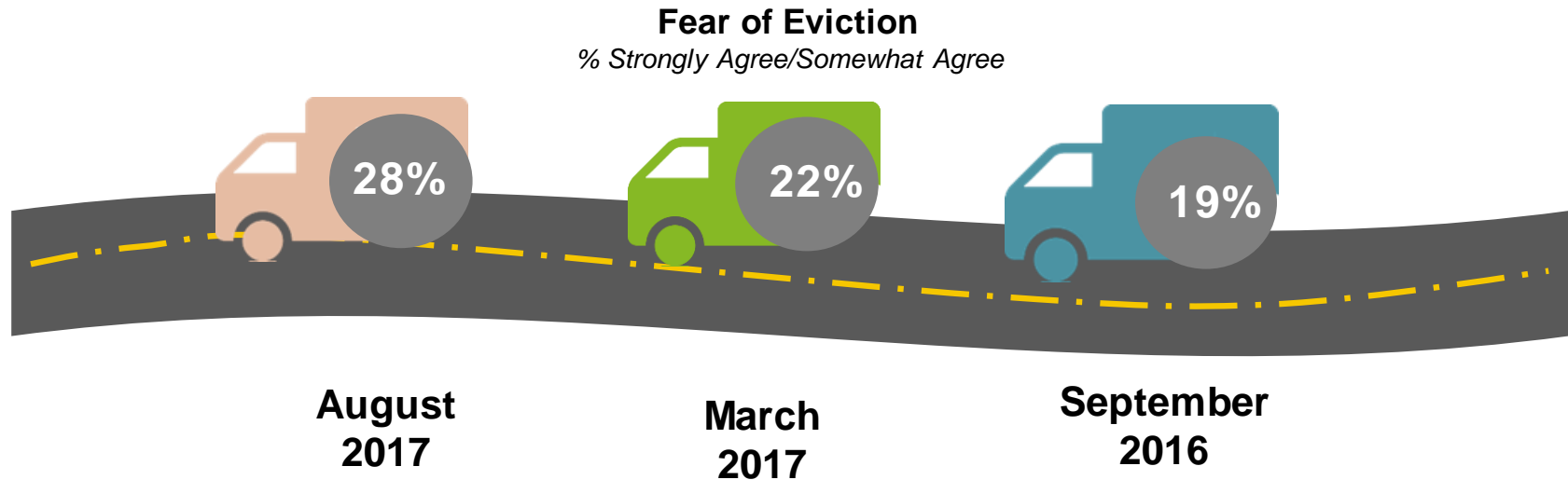


Please refer to table Appendix C for detailed sample size information.

(Base=Total Renters)

Fear of Eviction Is Rising Particularly Among Renters Living in the West

Q: Given the recent changes in your rent, please indicate how much you agree or disagree with each statement regarding what, if any, changes you have had to make or how this change has impacted you. I fear eviction because I can no longer afford rent.



Northeast (Base=118)	South (Base=88)	Midwest (Base=165)	West (Base=154)
20%	29%	20%	37%

(Base = Renters who indicate they have experienced a rent increase in the past two years)

Appendix

Background and Methodology

- Freddie Mac has commissioned Harris Poll to survey more than 4,000 U.S. adults to get their perceptions about renting in the post financial crisis marketplace.
- Freddie Mac has conducted this research to learn about renters':
 - » Preferences towards the housing choices available to them;
 - » Financial views and behavior;
 - » Views on renting and owning;
 - » The drivers for their housing decisions.

- Harris Poll on behalf of Freddie Mac conducted an online survey within the United States via its QuickQuery product five different times between August 2014 and August 2017. Below are the last four waves ordered by date:
 - » The August 2017 survey was conducted in two waves between August 28 to August 30, 2016 among 4,459 adults (aged 18 and over), among which 1,342 were renters.
 - » The March 2017 survey was conducted in two waves between March 3 to March 6, 2016 among 4,283 adults (aged 18 and over), among which 1,282 were renters.
 - » The September 2016 survey was conducted in two waves between August 31 to September 6, 2016 among 4,105 adults (aged 18 and over), among which 1,362 were renters.
 - » The January 2016 survey was conducted in two waves between January 26 to February 1, 2016 among 4,063 adults (aged 18 and over), among which 1,527 were renters.
 - » The October 2015 survey was conducted between October 8-12, 2015 among 2,020 adults (aged 18 and over), among which 703 were renters.
- For all surveys, 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.
- All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, the words "margin of error" are avoided as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.
- Respondents for this survey were selected from among those who have agreed to participate in our surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the online panel, no estimates of theoretical sampling error can be calculated.
- Due to rounding, percentages may add up to 100% +/-1%

Appendix C

Detailed Sample Information

N Sizes for Comparison and Tracking

	March 2015	October 2015	January 2016	September 2016	March 2017	August 2017
TOTAL	676	703	1,527	1,362	1,282	1,342

GENERATION

	March 2015	October 2015	January 2016	September 2016	March 2017	August 2017
Millennials	286	307	644	587	388	456
Gen X	165	188	408	405	383	361
Boomers	194	170	395	371	395	420

AREA

	March 2015	October 2015	January 2016	September 2016	March 2017	August 2017
Urban	N/A	N/A	N/A	500	463	478
Suburban	N/A	N/A	N/A	625	586	597
Rural	N/A	N/A	N/A	237	233	267

N Sizes for Comparison and Tracking Contd.

REGION

	March 2015	October 2015	January 2016	September 2016	March 2017	September 2017
Northeast	164	478	365	285	289	314
South	189	652	508	501	386	457
Midwest	165	515	345	279	312	259
West	158	375	309	297	295	312

RENTER TYPE

	March 2015	October 2015	January 2016	September 2016	March 2017	September 2017
Multifamily	294	269	656	607	531	578
Single-Family	324	390	783	673	668	653