

Profile of Today's Renter

Multifamily Renter Research

October 2015

- Freddie Mac has commissioned Harris Poll to survey more than 2,000 U.S. adults online in August 2014, March 2015, June 2015, and October 2015 to get their perceptions about renting in the post financial crisis marketplace.
- Freddie Mac has conducted this research four times since 2014 to learn about renters' preferences towards the housing choices available to them, the constraints preventing them from obtaining housing that they think would better suit their needs and the drivers for their decisions.

- Harris Poll on behalf of Freddie Mac conducted an online survey within the United States via its QuickQuery product four different times between August 2014 – October 2015:
 - » The October 2015 survey was conducted between October 8-12, 2015 among 2,020 adults (aged 18 and over), among which 703 were renters.
 - » The June 2015 survey was conducted between June 19-23, 2015 among 2,024 adults (aged 18 and over), among which 727 were renters.
 - » The March 2015 survey was conducted between March 26-30, 2015 among 2,030 adults (aged 18 and over), among which 646 were renters.
 - » The August 2014 survey was conducted between August 7-11, 2014 among 2,044 adults (ages 18 and older), among which 672 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.

Renter Perceptions - Finances

- Renters continue to be challenged with their finances and many feel they are just getting by.
 - » Nearly half (48%) of renters continue to say they are living payday to payday and one in 10 say they don't have money for basics.
 - » The sentiment is stronger among those who say they have experienced a rent increase, with 34% saying they have enough money to go beyond each payday compared to 44% among those whose rent remained flat.
- While two in three (66%) renters indicate they have carried some kind of debt from month to month in the past year, the majority of renters (56%) are optimistic about managing their debt. Only 26% of renters say they can barely manage it month to month.
 - » For those who have carried debt month to month for in the past 12 months, much of the debt is in credit cards (51%) and household bills (44%).
 - » Across generations, Millennials are more likely to say they have carried over debt from month to month (74%), compared to Gen X (64%) and Baby Boomers (61%). However, more than half (53%) of Millennial renters are optimistic about managing their debt.

Savings

- Most renters indicate they are saving for multiple financial goals and generally feel behind on saving for their goals.
 - » When asked about their savings priorities, more renters saving for all listed goals consider saving for emergencies (59%), retirement (51%), and children's education (50%) an essential/high priority than do saving for a down payment (39%) – driven largely by renters of multifamily properties.
 - » For shorter-term savings goals, Millennials are more likely to say they are saving for a major purchase (92%) or a vacation (94%) compared to Boomers (82% and 81% respectively) and Gen Xers (77% and 75% respectively).

Rising rents

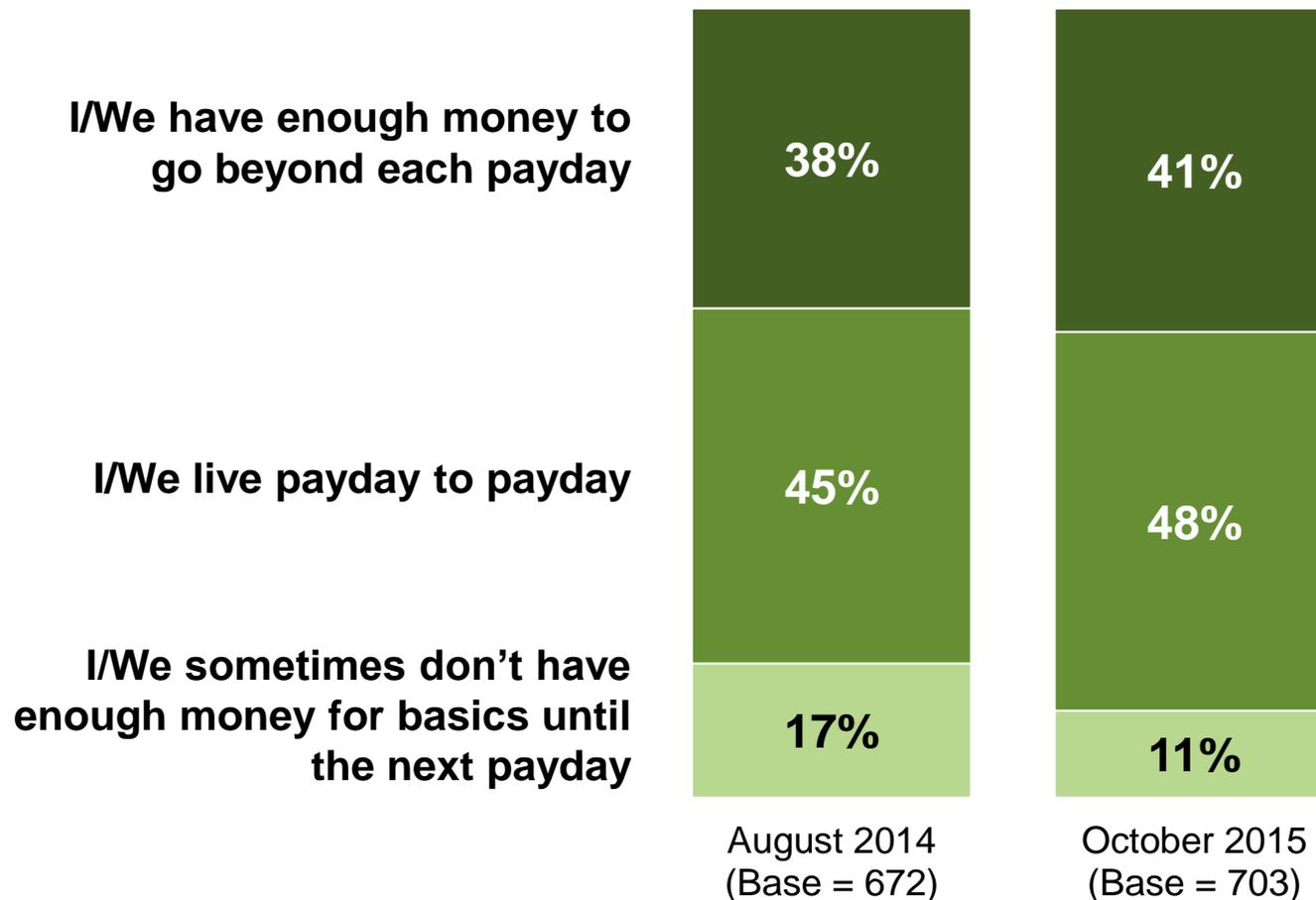
- Rising rents could be a contributing factor in renters reevaluating their housing alternatives as there is a shift in attitudes from June 2015 among those who say they experienced a rent increase.
 - » Renters are still making the same spending adjustments to essential (51%, compared to 51% in June) and non-essential (58%, compared to 56% in June) spending. However, fewer renters whose rent has increased report making no changes to spending or plans (45%, compared to 55% in June).
 - » Nearly 4 in 10 renters (39%) agree they like where they live but can no longer afford the rent, up significantly from 27% in June.
 - » Similar to the June study, half of renters (51%) whose rent has increased say they have started looking to buy, while more than a third (35%) are considering a roommate.

Satisfaction with Rental Experience

- When it comes to satisfaction with their rental experience, those who are most satisfied are remain more likely to continue renting rather than buying in the next three years (70% vs. 30%), up from 68% vs. 32% in June.
 - » Seven in 10 (72%) multifamily renters say they expect to continue renting, significantly up from 64% in the previous quarter. These renters are also more likely to be satisfied, with only 32% reporting dissatisfaction.
 - » Meanwhile, renters of single-family properties are increasingly dissatisfied (49%, up from 39% in June and 33% in March), and continue to be more likely to purchase a home (57%) than renters of multifamily properties (28%).
 - » When broken out by generations, Gen X renters (58%) indicate a greater likelihood to purchase a home in the next 3 years, compared to 42% of Millennials and 33% of Baby Boomers.

Renter Perceptions of Their Finances is Relatively Unchanged Over the Past Year

Q: Which of the following statements best describes your household's general financial situation?



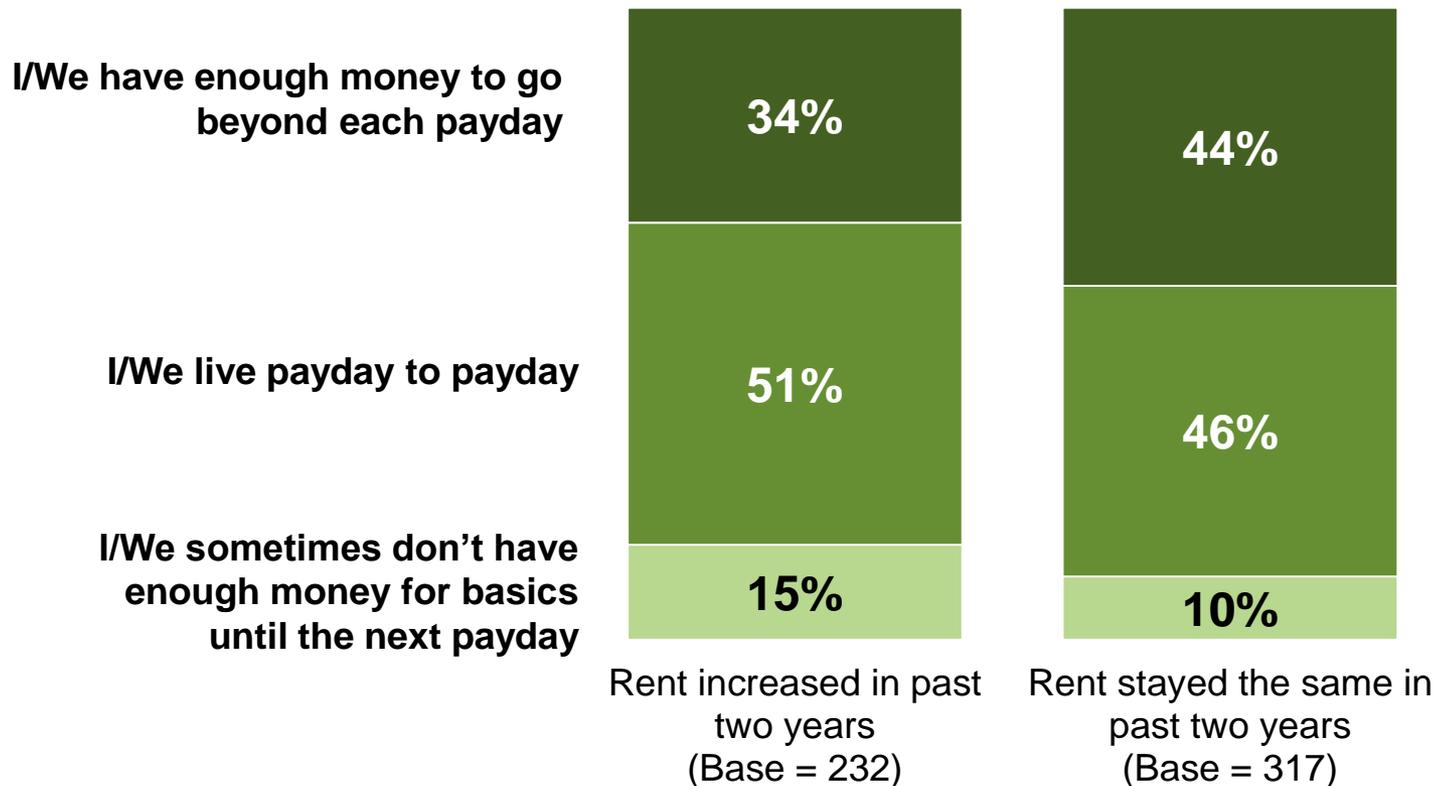
(Base = Total renters)

Renters Whose Rent Increased Feel They are Just Getting By



Q: How much, if at all, has the rent for your current home changed in the past 2 years?

Q: Which of the following statements best describes your household's general financial situation?

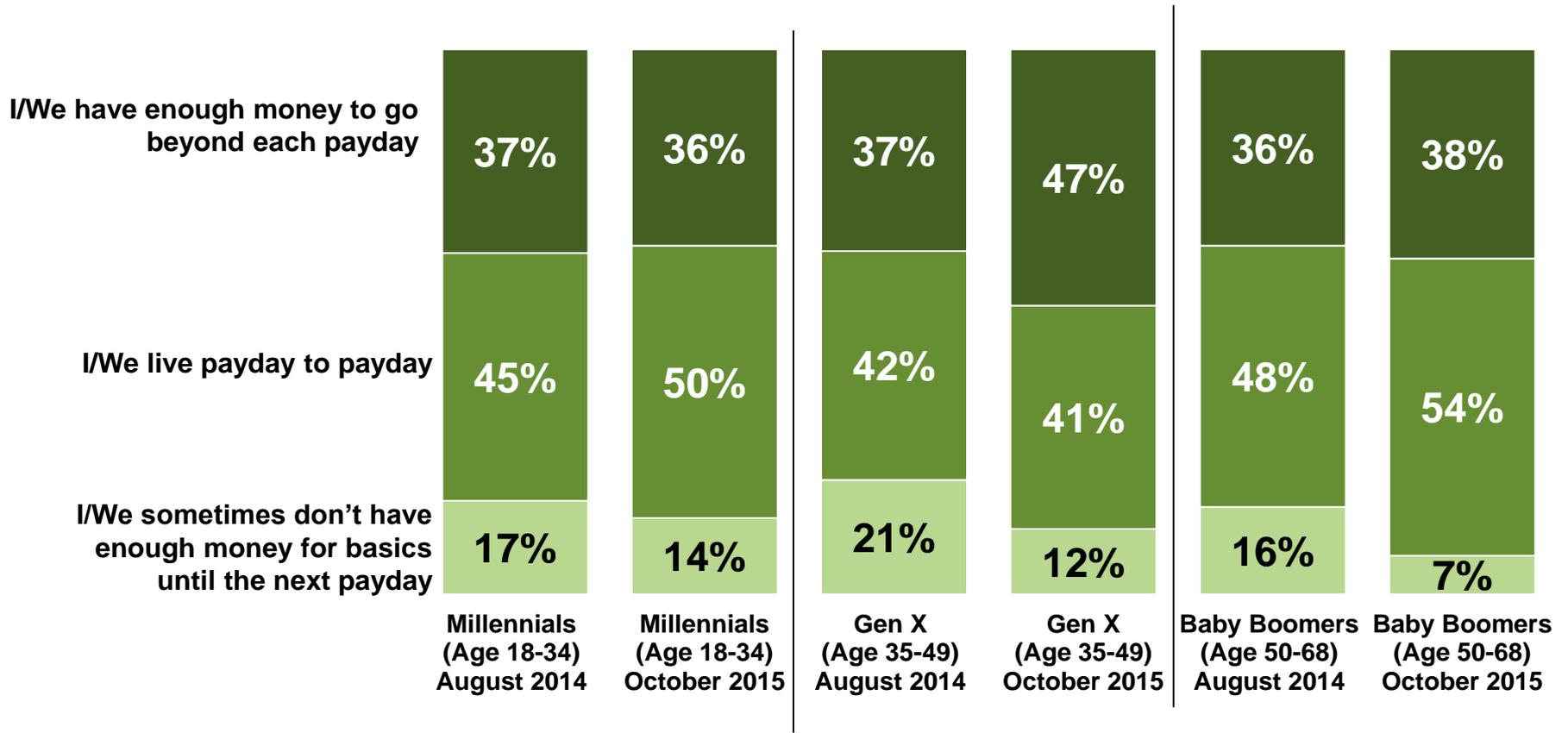


*(Base = Renters who indicate they have been in their current home two years or more)
Excludes renters whose rent has decreased in the past two years given extremely small sample size.*

Gen X Renters are Feeling More Comfortable With Their Finances



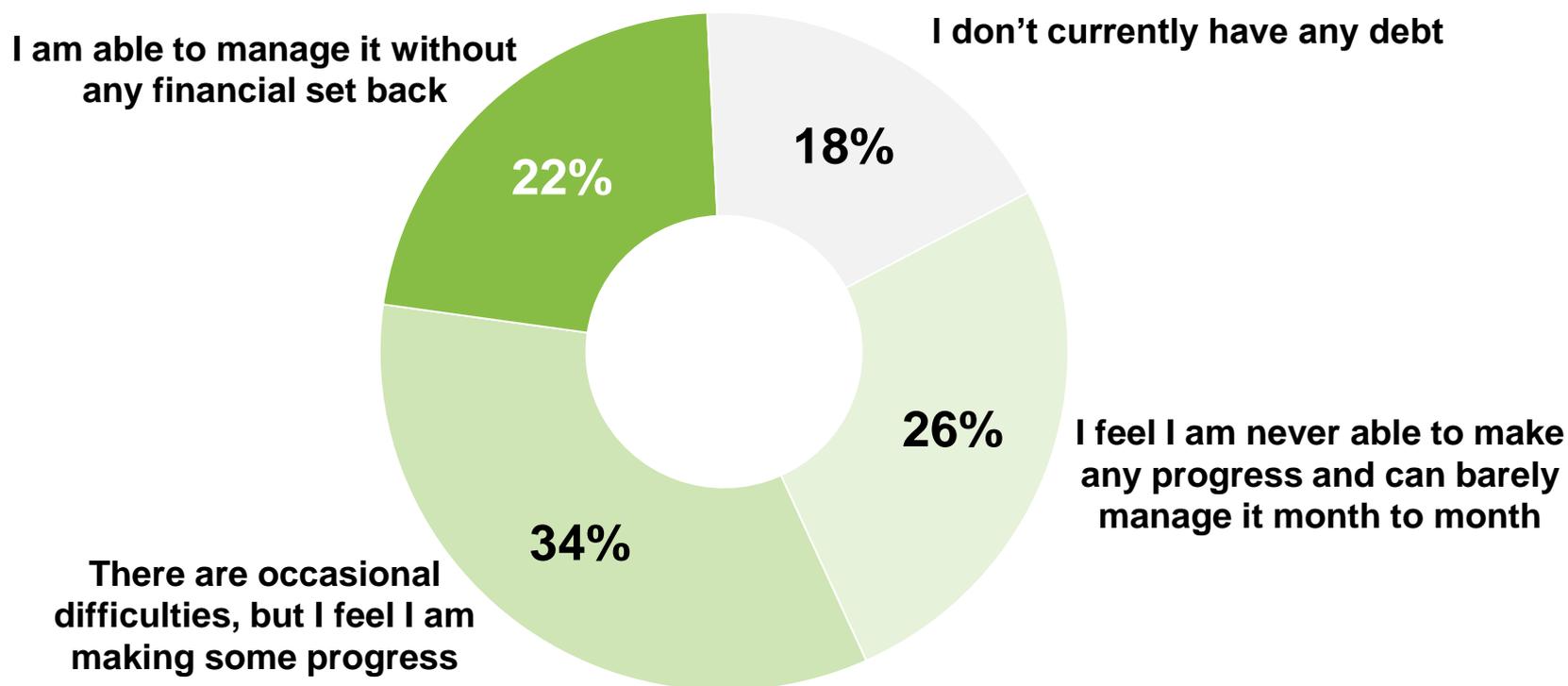
Q: Which of the following statements best describes your household's general financial situation?



*(October 2015 Base = 307 Millennials, 188 Gen X and 170 Baby Boomers; August 2014 Base = 249 Millennials, 193 Gen X and 182 Baby Boomers)
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.*

Renters are Largely Optimistic on Being Able to Manage Their Current Debt

Q: Which of the following statements best describes your general feelings about your current debt?

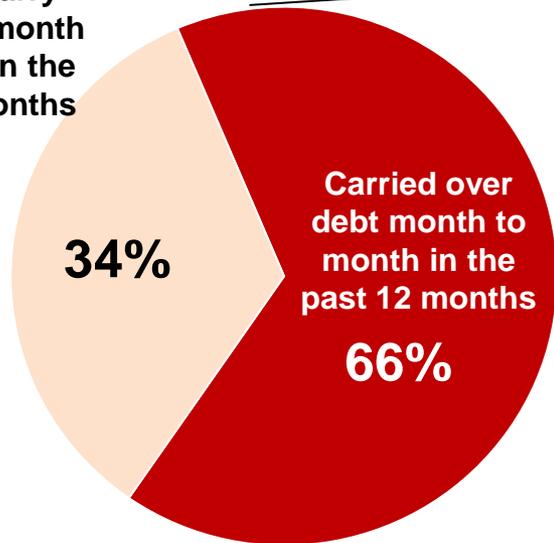


(Base = 703 Total renters)

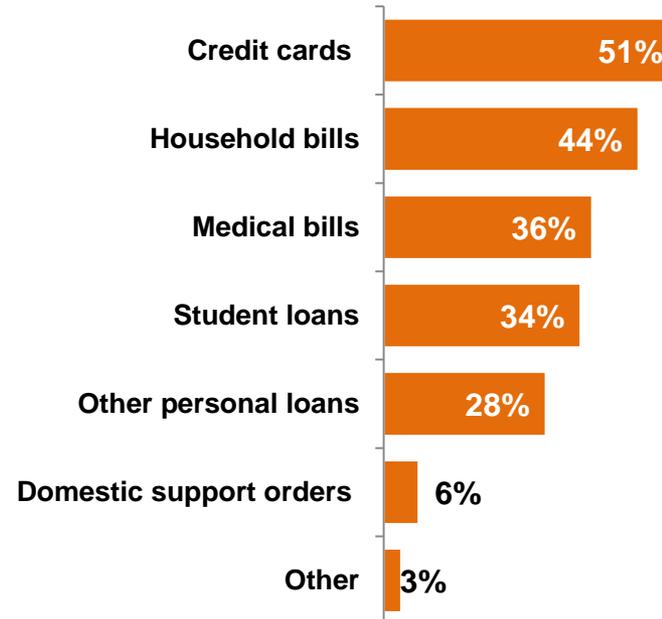
Renters are Carrying Debt, Mostly in the Form of Credit Cards and Household Bills

Q: Over the last 12 months, which of the following types of debt, if any, have you carried over from month to month (i.e. not paid the month it was due and carried it over to the next month?) Please select all that apply.

Did not carry over debt month to month in the past 12 months



(Base = 703 Total renters)



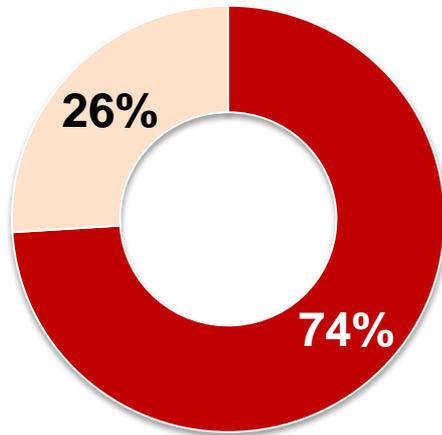
(Base = 475 Renters who carried debt over from month to month over the past year)

All Generations are Carrying Over Debt Each Month

Q: Over the last 12 months, which of the following types of debt, if any, have you carried over from month to month (i.e. not paid the month it was due and carried it over to the next month?) Please select all that apply.

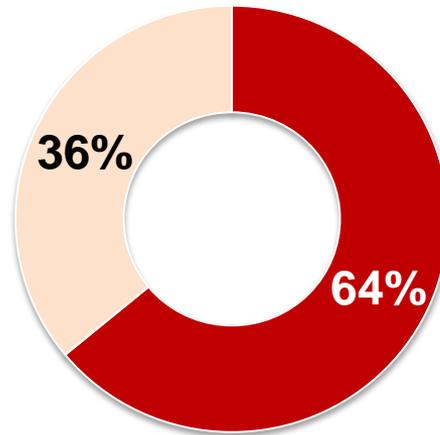
Millennials

Age (18-34)



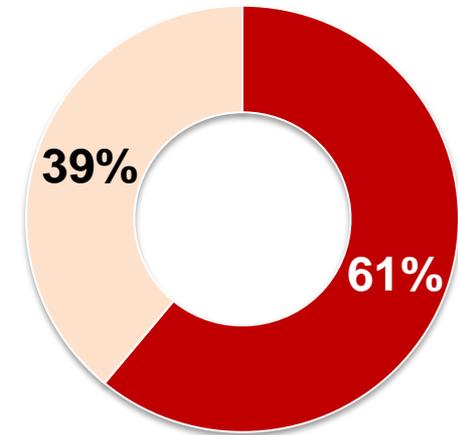
Gen X

Age (35-49)



Baby Boomers

Age (50-68)



Carried over debt month to month

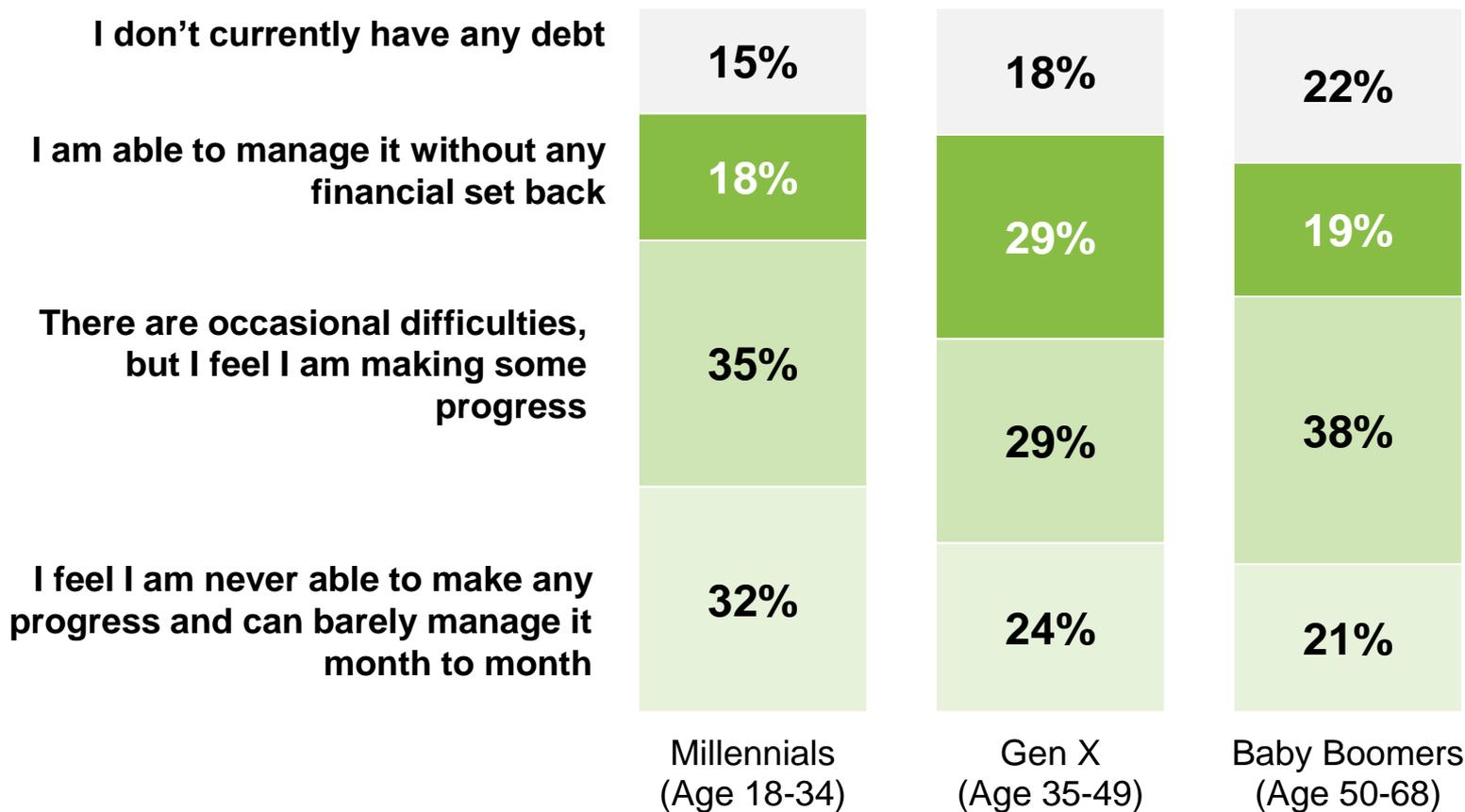
Did not carry over debt month to month

*(Base = 307 Millennials, 188 Gen X and 170 Baby Boomers)
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.*

Just Like Their Overall Finances, Gen X Renters Feel Able to Manage Their Current Debt



Q: Which of the following statements best describes your general feelings about your current debt?



*(Base = 307 Millennials, 188 Gen X and 170 Baby Boomers)
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.*

Renters Whose Rent Increased Feel More Negative Regarding Their Current Debt



Q: How much, if at all, has the rent for your current home changed in the past 2 years?

Q: Which of the following statements best describes your general feelings about your current debt?

I don't currently have any debt

15%

20%

I am able to manage it without any financial set back

20%

20%

There are occasional difficulties, but I feel I am making some progress

33%

36%

I feel I am never able to make any progress and can barely manage it month to month

32%

24%

Rent increased in past two years
(Base = 232)

Rent stayed the same in past two years
(Base = 317)

(Base = Renters who indicate they have been in their current home two years or more)

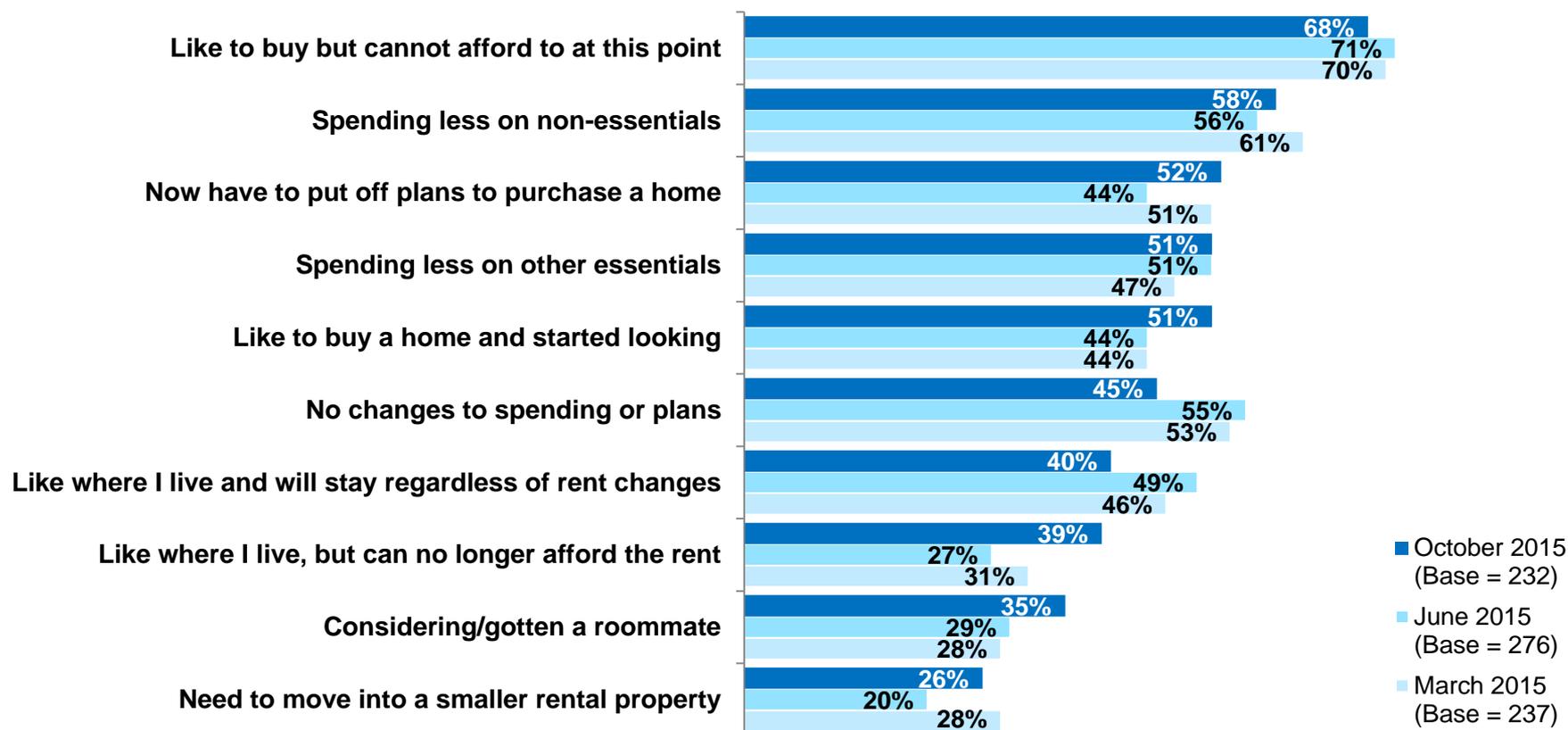
Excludes renters whose rent has decreased in the past two years given extremely small sample size.

Increasing Rents May Be Changing The Views on Housing Alternatives



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.

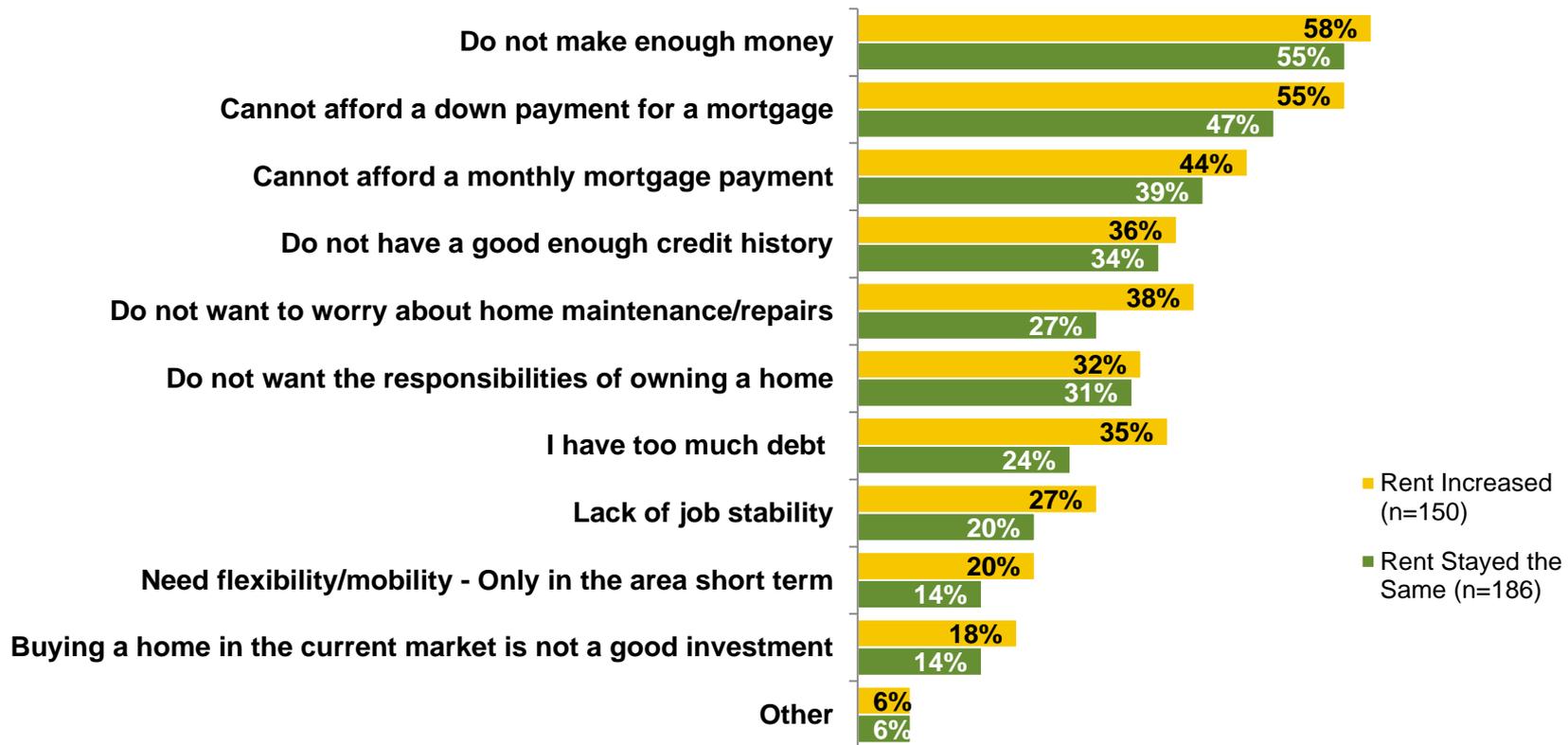
% Strongly Agree/Somewhat Agree



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

Increases Don't Appear to Impact Reasons Renters Plan to Continue Renting

Q: How much, if at all, has the rent for your current home changed in the past 2 years?
Q: What are the main reasons you expect to still be renting in the next three years? Please select all that apply.



*(Base = Renters who indicate they have been in their current home two years or more AND expect to continue renting in the next 3 years)
 Excludes renters whose rent has decreased in the past two years given extremely small sample size.*

Rental Experience Dissatisfaction Rising Among Those Whose Rent Has Been Unchanged

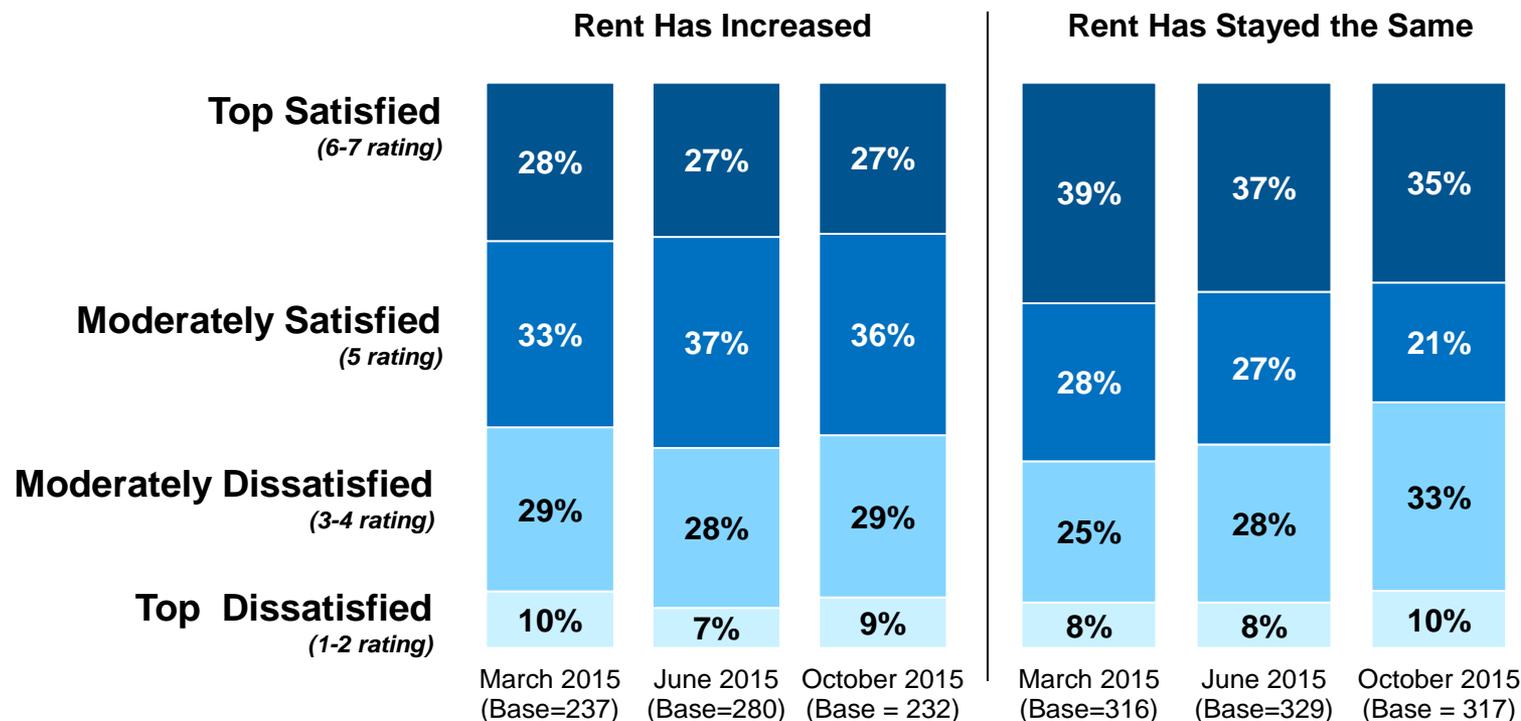


Q: How much, if at all, has the rent for your current home changed in the past 2 years?

Q: How satisfied have you been with your overall rental experience?

Satisfaction With Rental Experience

By Changes in Rent



(Base = Total renters)

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

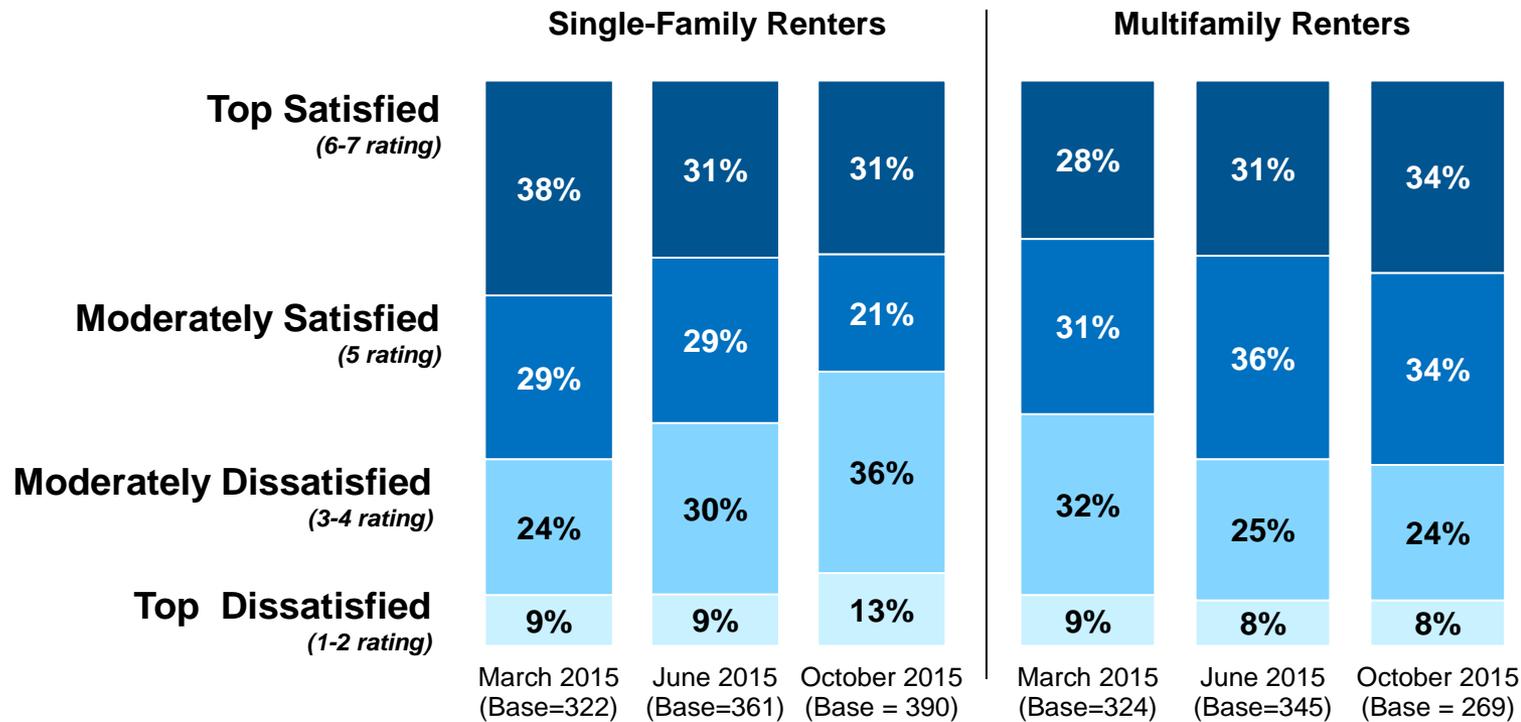
Single-Family Renter Dissatisfaction Rising



Q: How satisfied have you been with your overall rental experience?

Satisfaction With Rental Experience

By Renter Type*



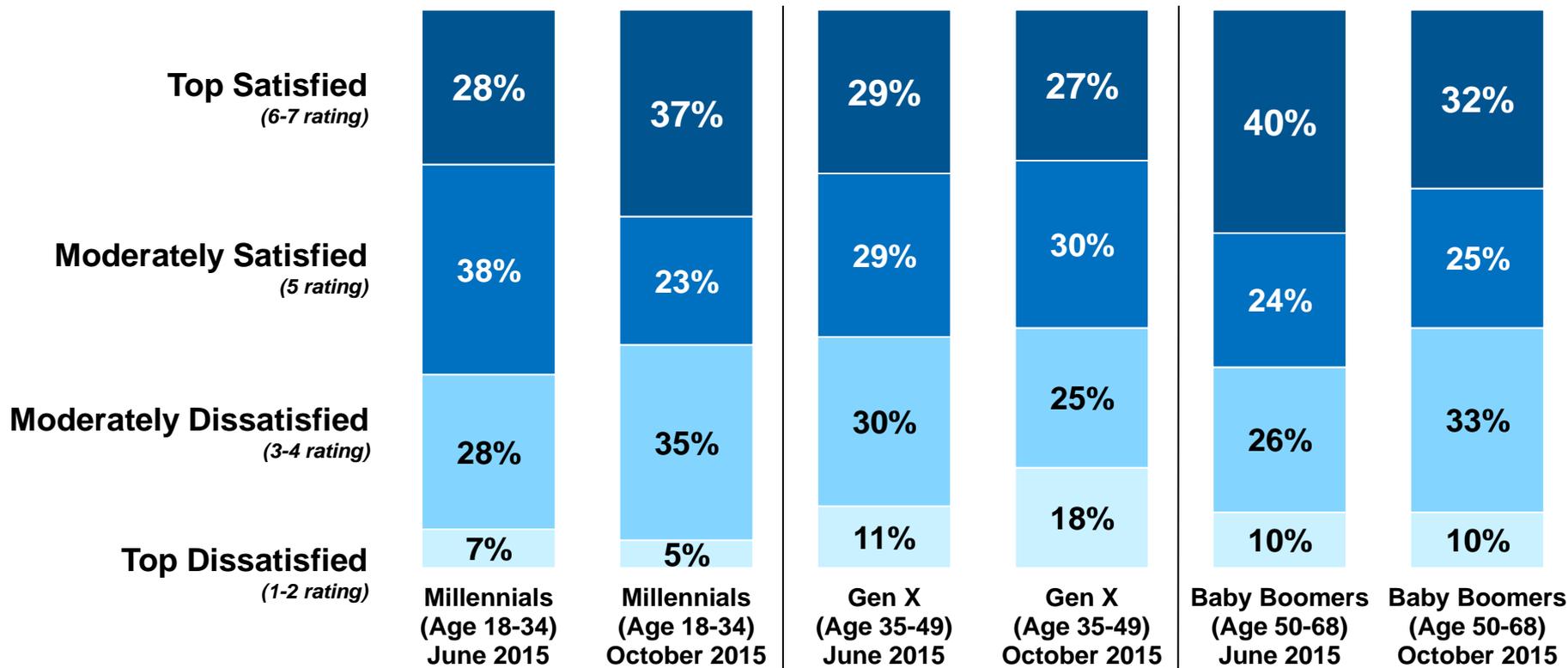
(Base = Total renters)

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

Millennials are Becoming More Satisfied with Their Rental Experience



Q: How satisfied have you been with your overall rental experience?



*(October 2015 Base = 307 Millennials, 188 Gen X and 170 Baby Boomers; June 2015 Base = 332 Millennials, 166 Gen X and 201 Baby Boomers)
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.*

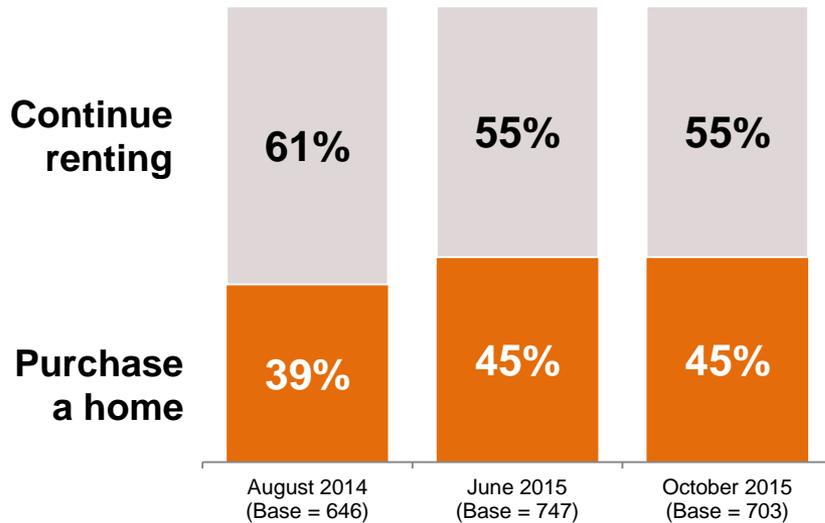
Satisfied Renters Continue to be More Likely to Continue Renting



Q: In the next three years, do you expect to...? We realize you may be unsure, but please provide your best assumptions.

Q: How satisfied have you been with your overall rental experience?

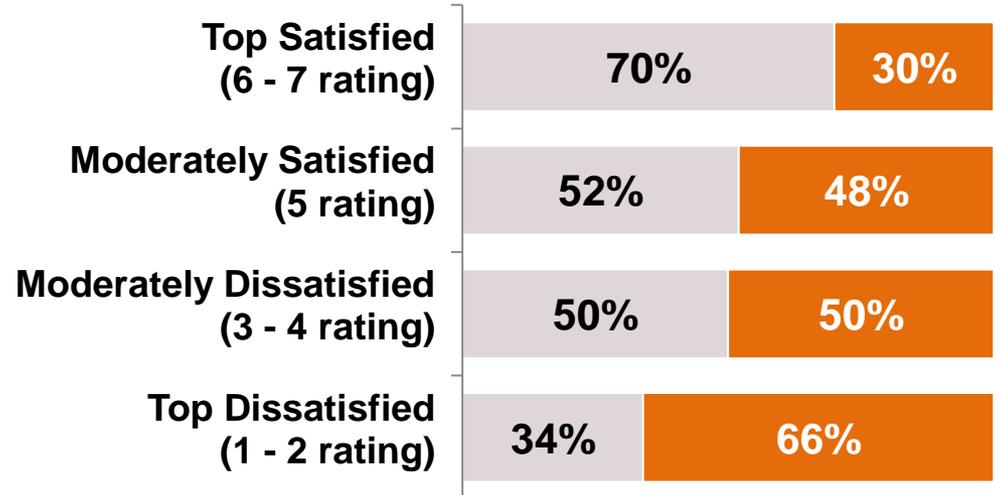
Anticipated Three Year Plan to Rent or Purchase



Anticipated Three Year Plan to Rent or Purchase

By Rental Experience Satisfaction

■ Continue renting ■ Purchase a home



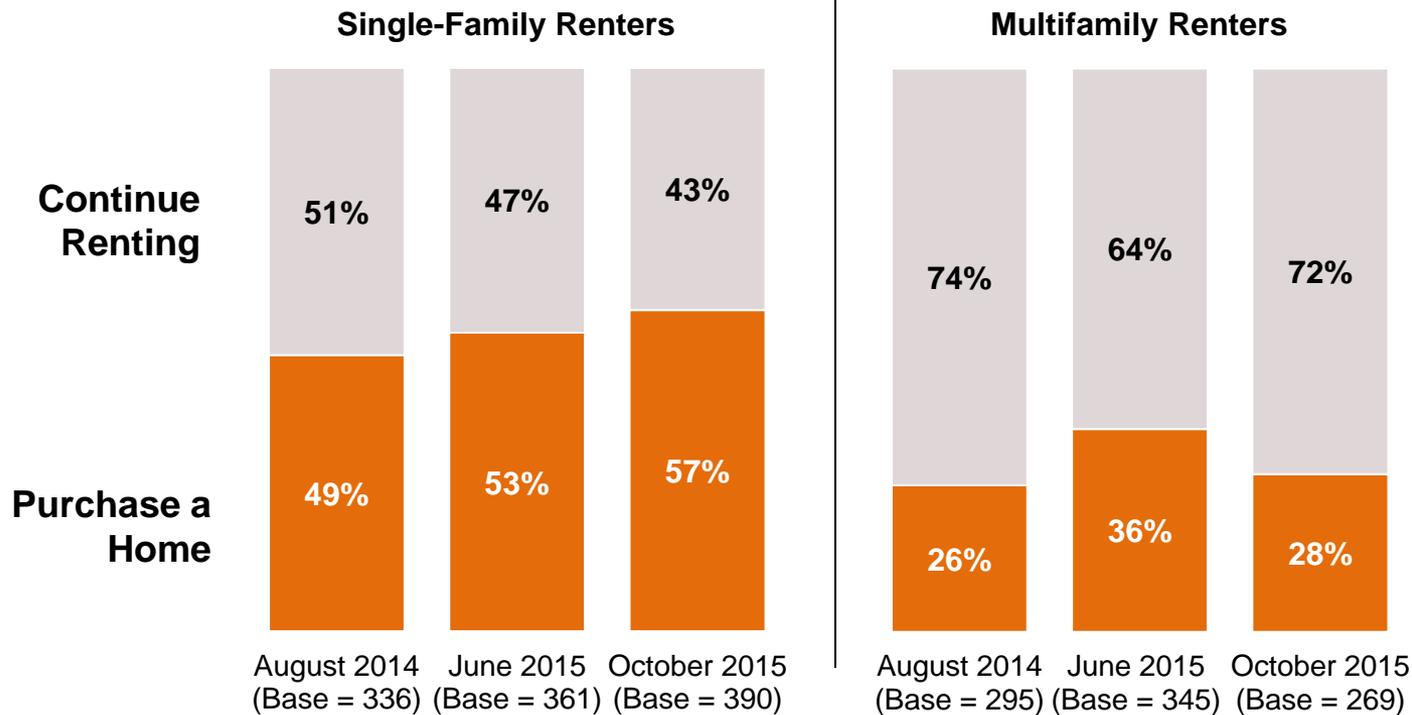
(Base = Total renters)

Multifamily Renters Remain More Likely To Continue Renting In The Next Three Years



Q: In the next three years, do you expect to...? We realize you may be unsure, but please provide your best assumptions.

Anticipated Three Year Plan to Rent or Purchase
By Renter Type*



(Base = Total renters)

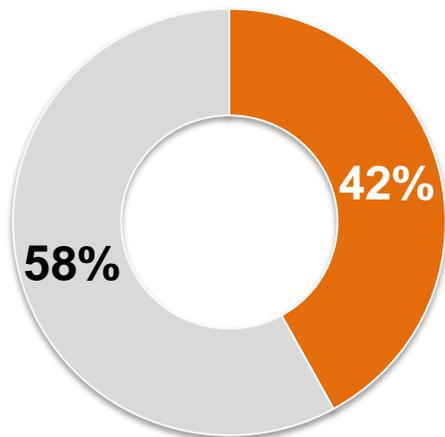
Excludes renters who selected "Other" type of rental dwelling given extremely small sample size.

Gen X Renters Show a Greatest Likelihood to Purchase a Home in the Next Three Years

Q: In the next three years, do you expect to...? We realize you may be unsure, but please provide your best assumptions.

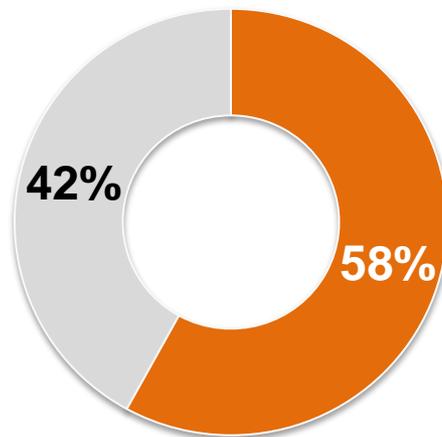
Millennials

Age (18-34)



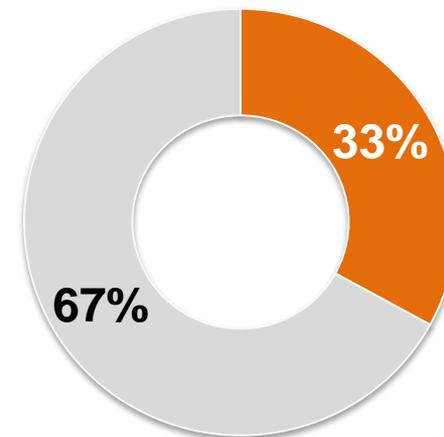
Gen X

Age (35-49)



Baby Boomers

Age (50-68)



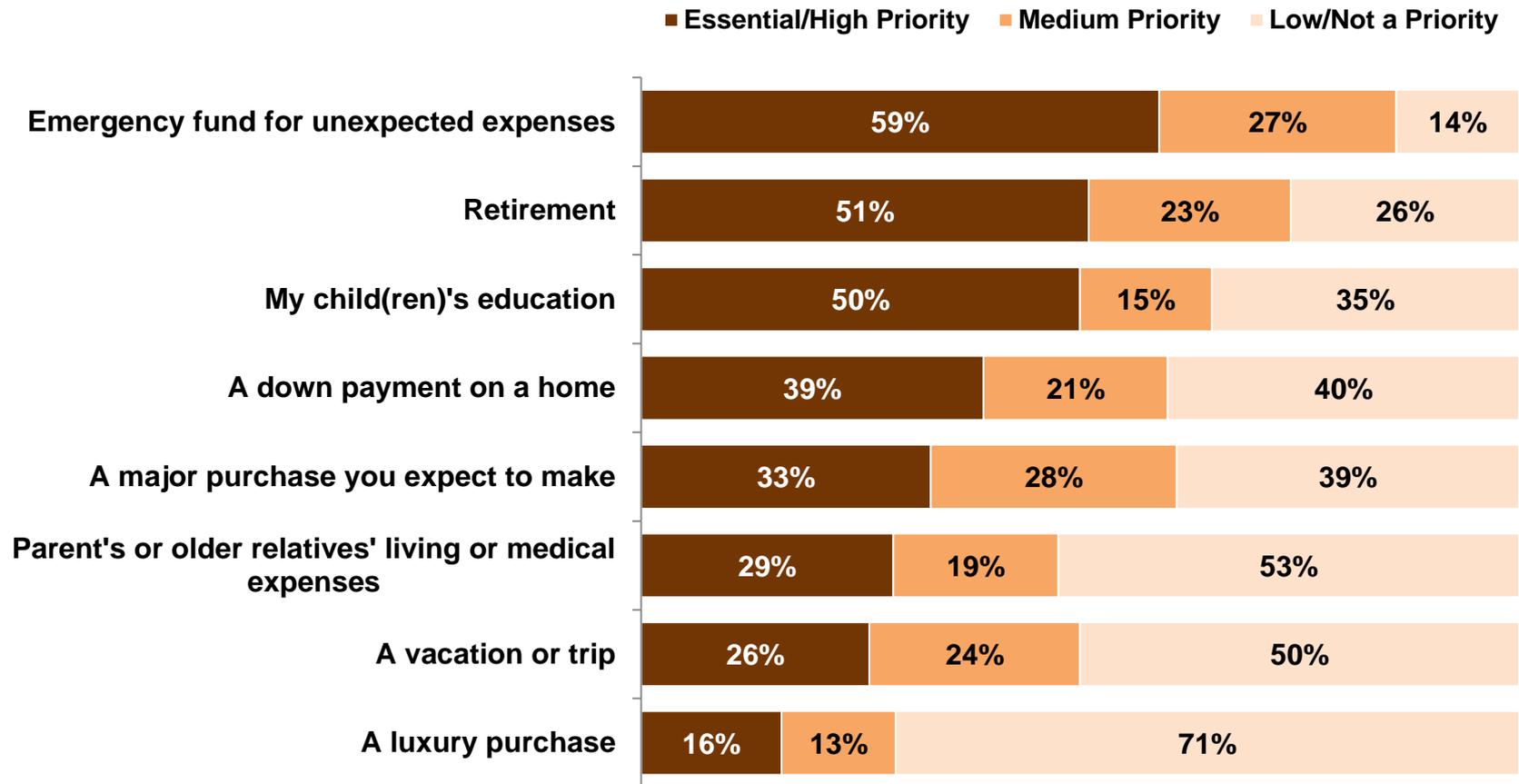
Purchase a home Continue Renting

*(Base = 307 Millennials, 188 Gen X and 170 Baby Boomers)
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.*

Renters Place Higher Priority on Saving for Emergencies, Retirement and Education Than a Home



Q: Thinking about your current saving goals, please rate how much of a priority each of following is to you.

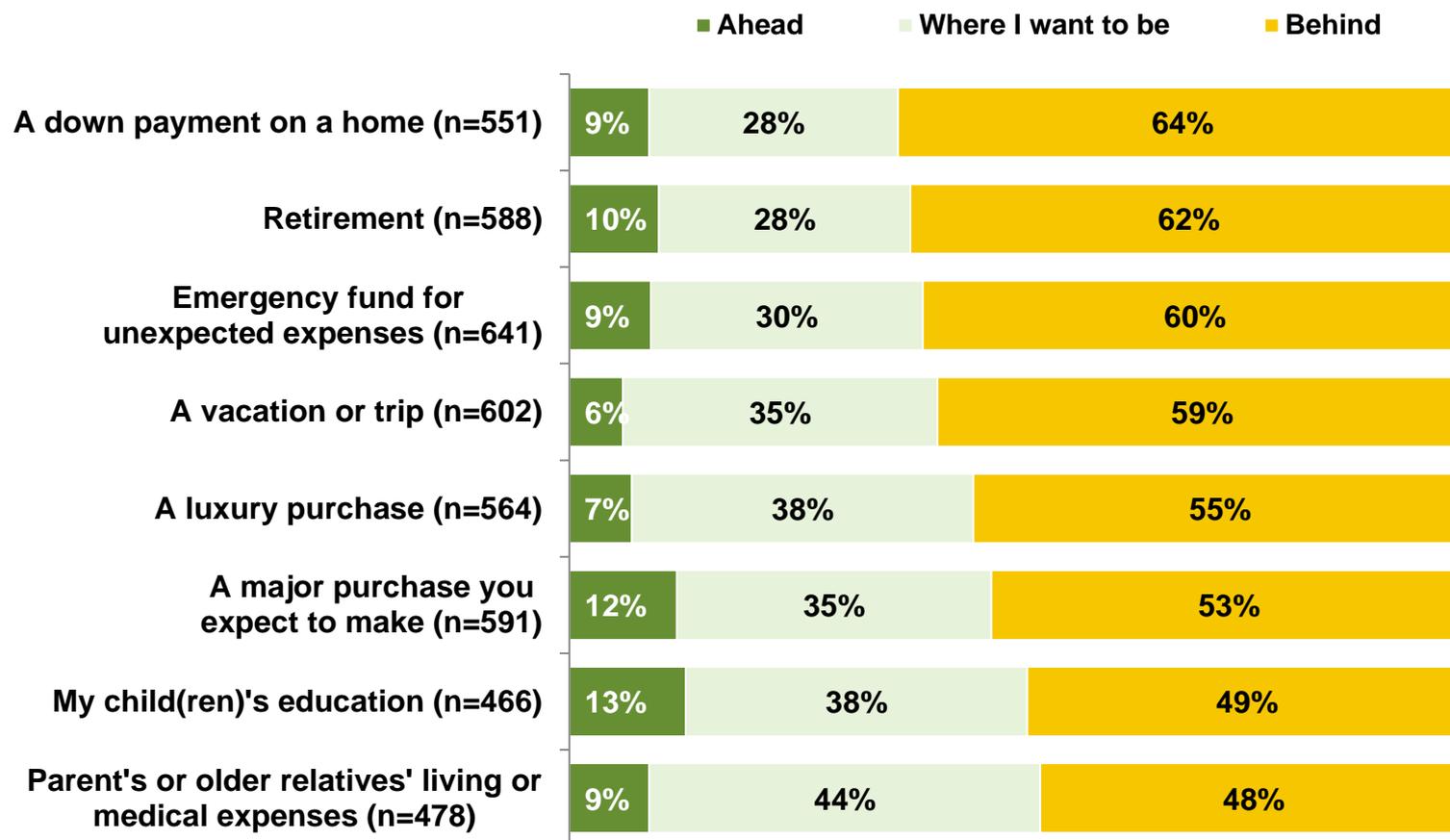


(Base = 378 renters currently saving for ALL listed goals)

Most Renters Feel Behind in Their Saving Goals



Q: How do you feel about the progress you have made so far in saving for the following?

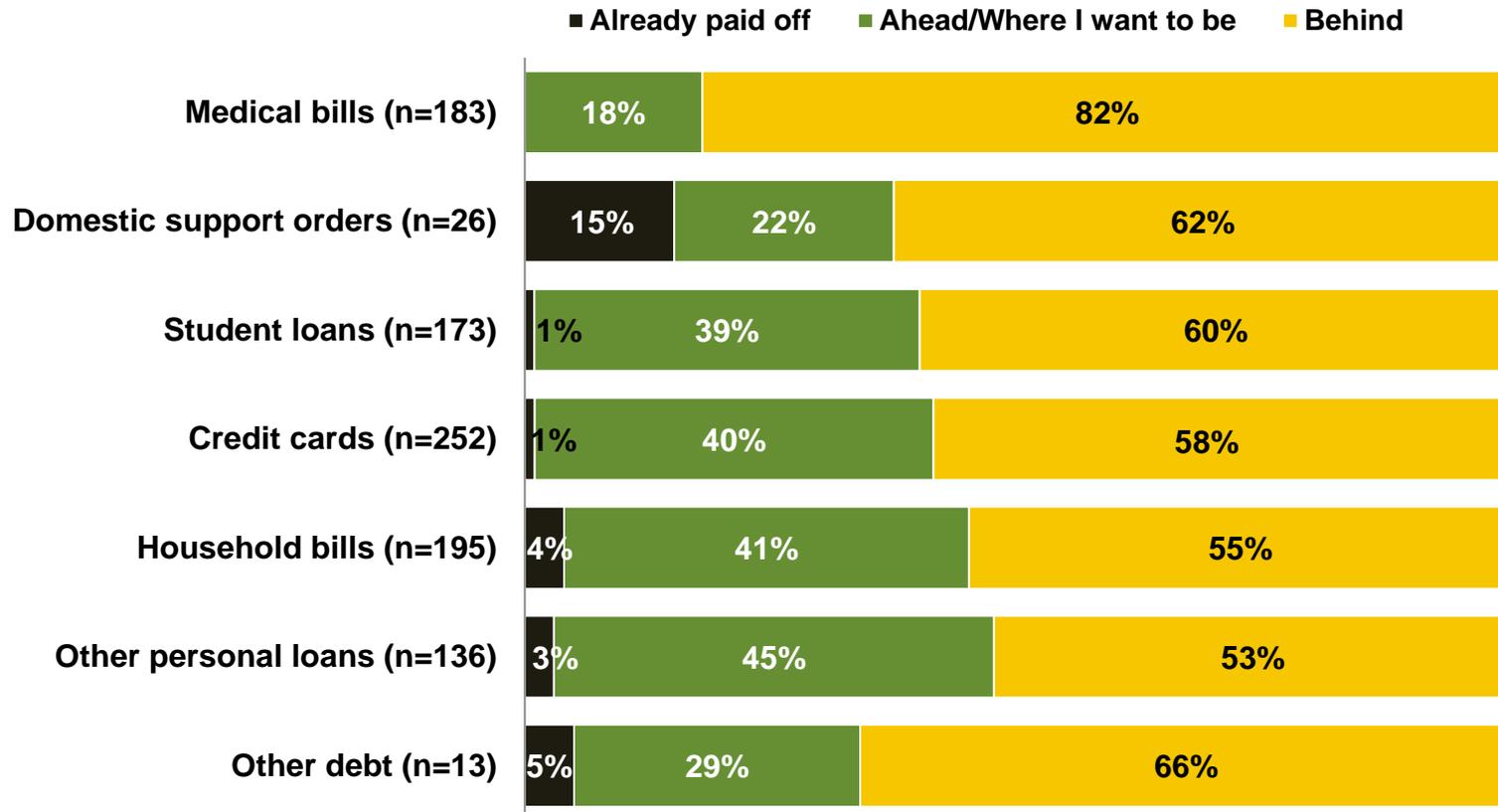


(Variable Base = Renters currently saving for **EACH** of the listed goals)

Just Like Their Saving Goals, Most Feel Behind in Paying Off Their Debt



Q: How do you feel about the progress you have made so far in paying off the debt you have carried over from month to month?



(Variable Base = Renters who have carried debt from month to month over the past year)

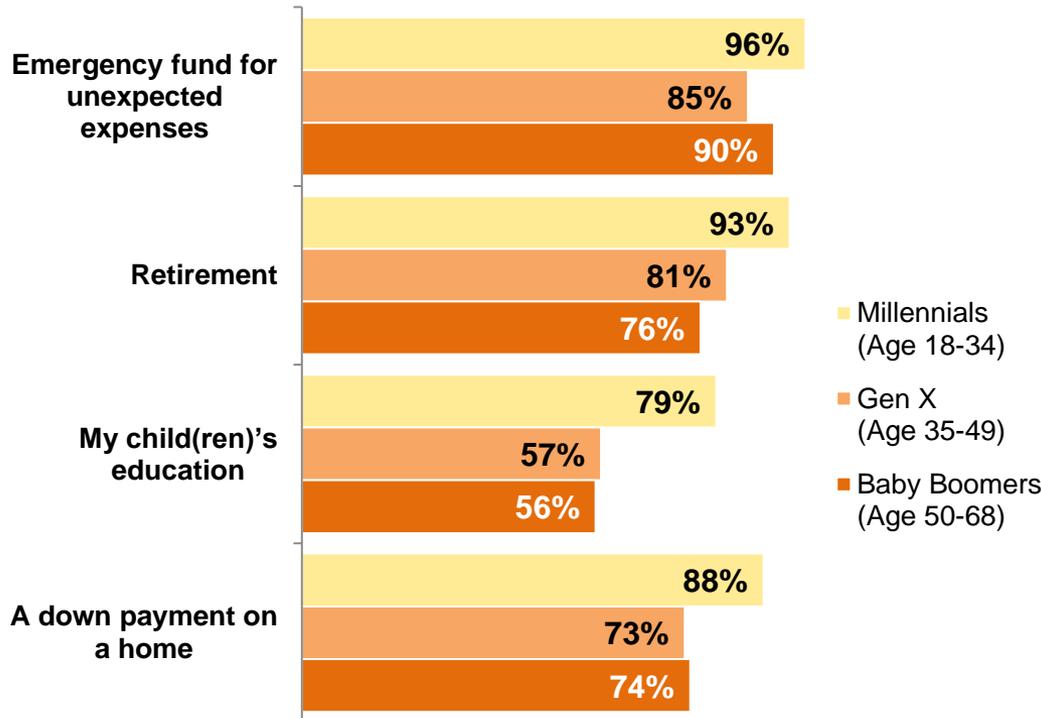
Millennials More Likely to Be Saving for Both Short and Long-Term Goals



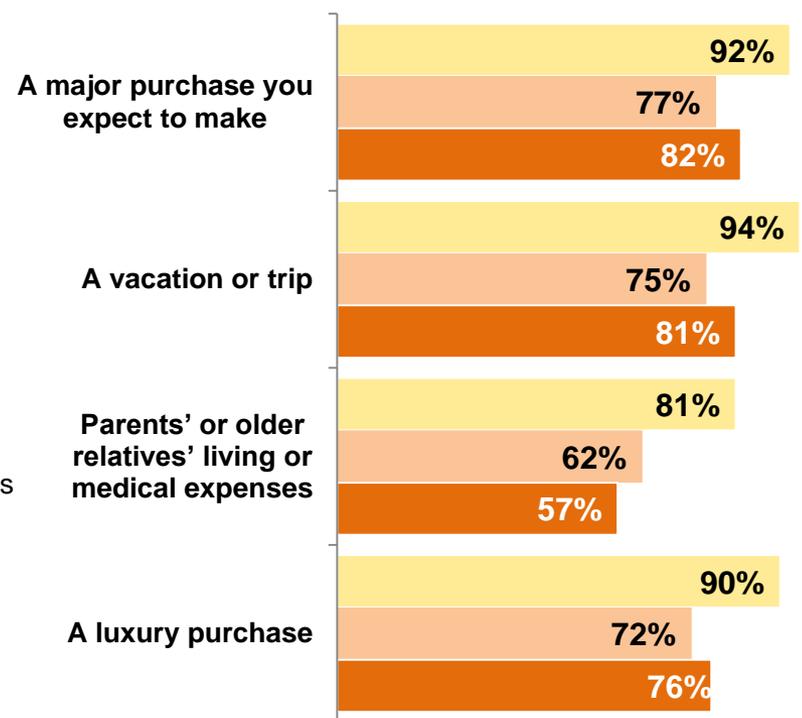
Q: Thinking about your current saving goals, please rate how much of a priority each of the following is to you.

% Currently Saving For

Long-term Saving Goals



Short-term Saving Goals



*(Base = 307 Millennials, 188 Gen X and 170 Baby Boomers)
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.*

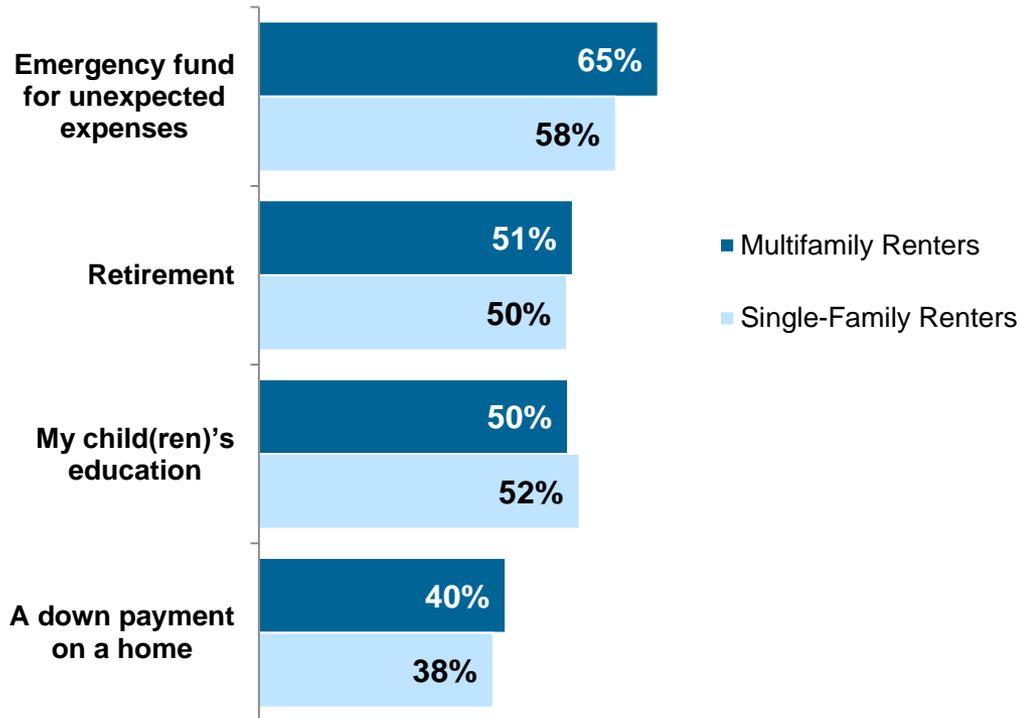
MF Renters Place More Priority on Saving for Emergencies, Retirement and Education Than A Down Payment



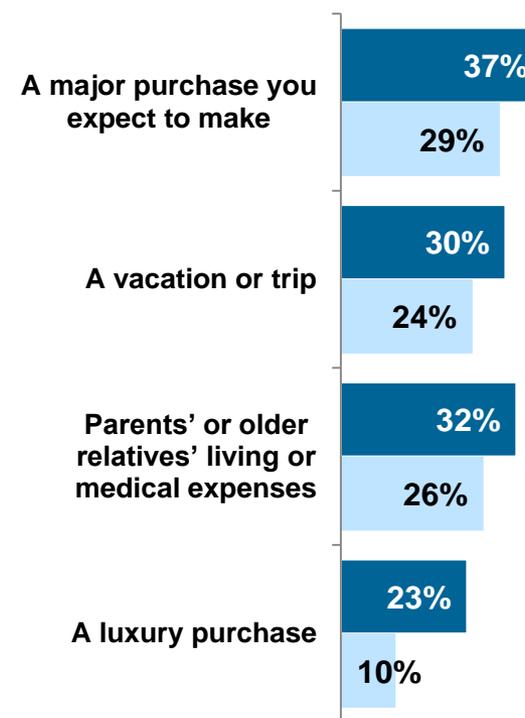
Q: Thinking about your current saving goals, please rate how much of a priority each of the following is to you.

% Absolutely Essential/High Priority

Long-term Saving Goals



Short-term Saving Goals



*(Variable Base = 124 Multifamily renters and 229 Single-Family renters currently saving for **ALL** of the listed goals)
Excludes renters who selected "Other" type of rental dwelling given extremely small sample size.*

Down Payment, Major Purchases and Vacations are Nearly Equal Priorities for Those Whose Rent Has Increased

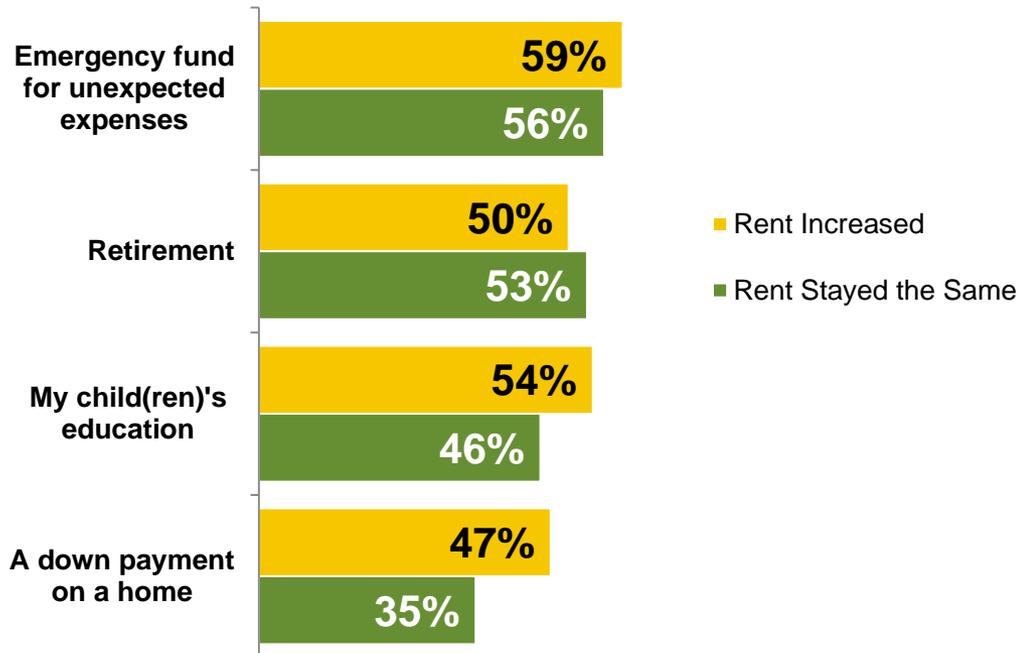


Q: How much, if at all, has the rent for your current home changed in the past 2 years?

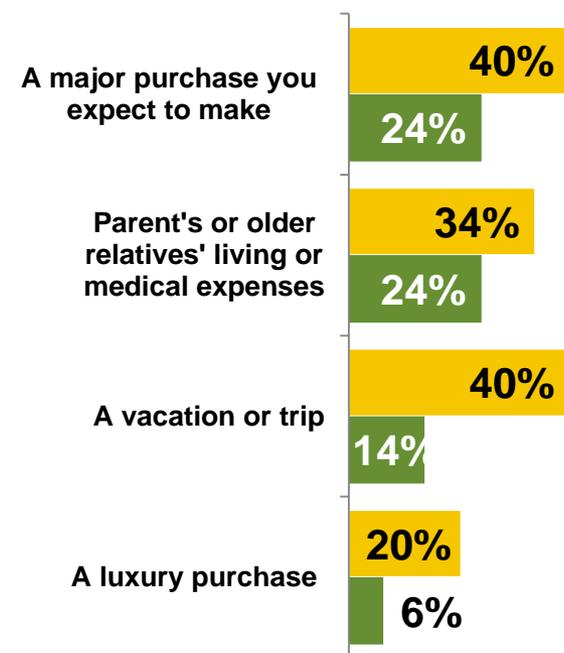
Q: Thinking about your current saving goals, please rate how much of a priority each of following is to you.

% Absolutely Essential/High Priority

Long-term Saving Goals



Short-term Saving Goals



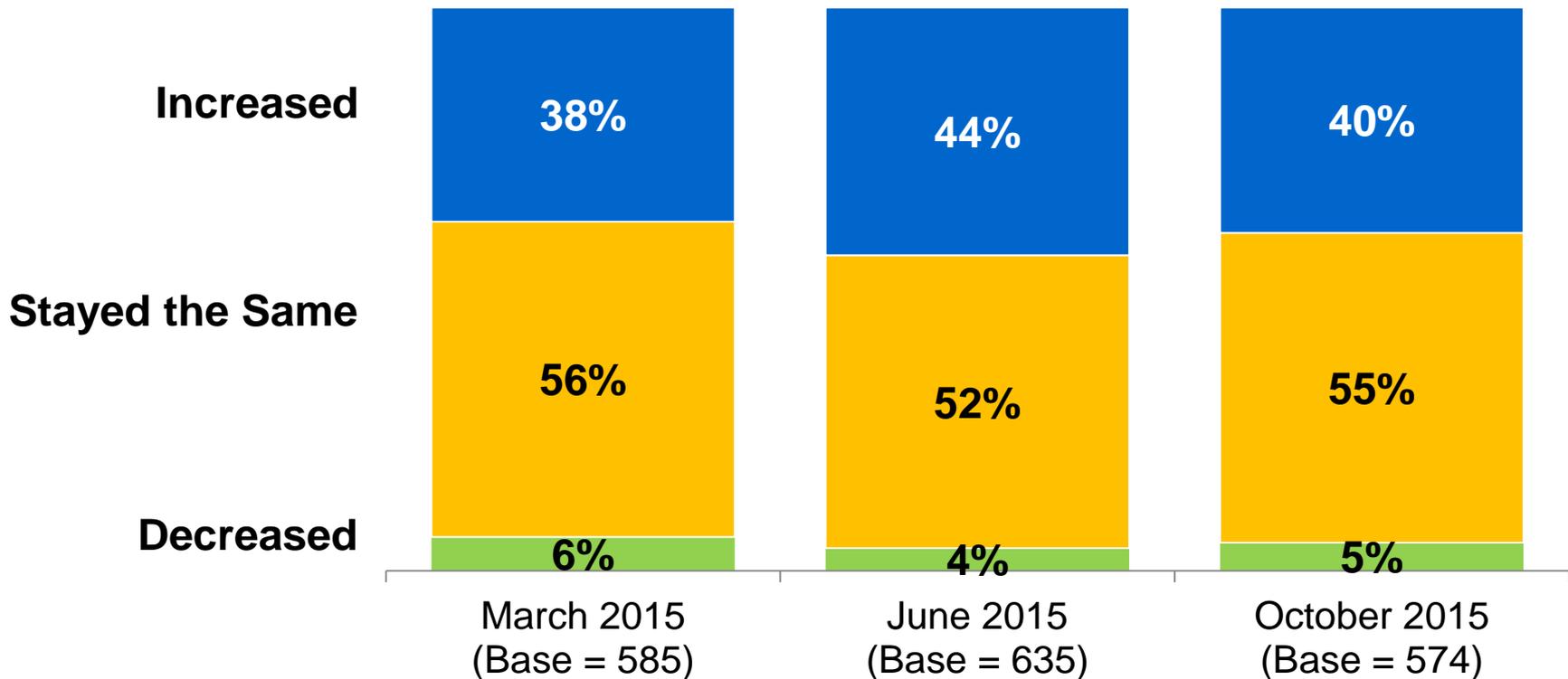
*(Variable Base = 120 Rent Increased and 180 Rent Stayed the Same renters currently saving for **ALL** of the listed goals)
Excludes renters whose rent has decreased in the past two years given extremely small sample size.*

Appendix

Tracking Detail

Rent Changes in The Past Two Years

Q: How much, if at all, has the rent for your current home changed in the past 2 years?

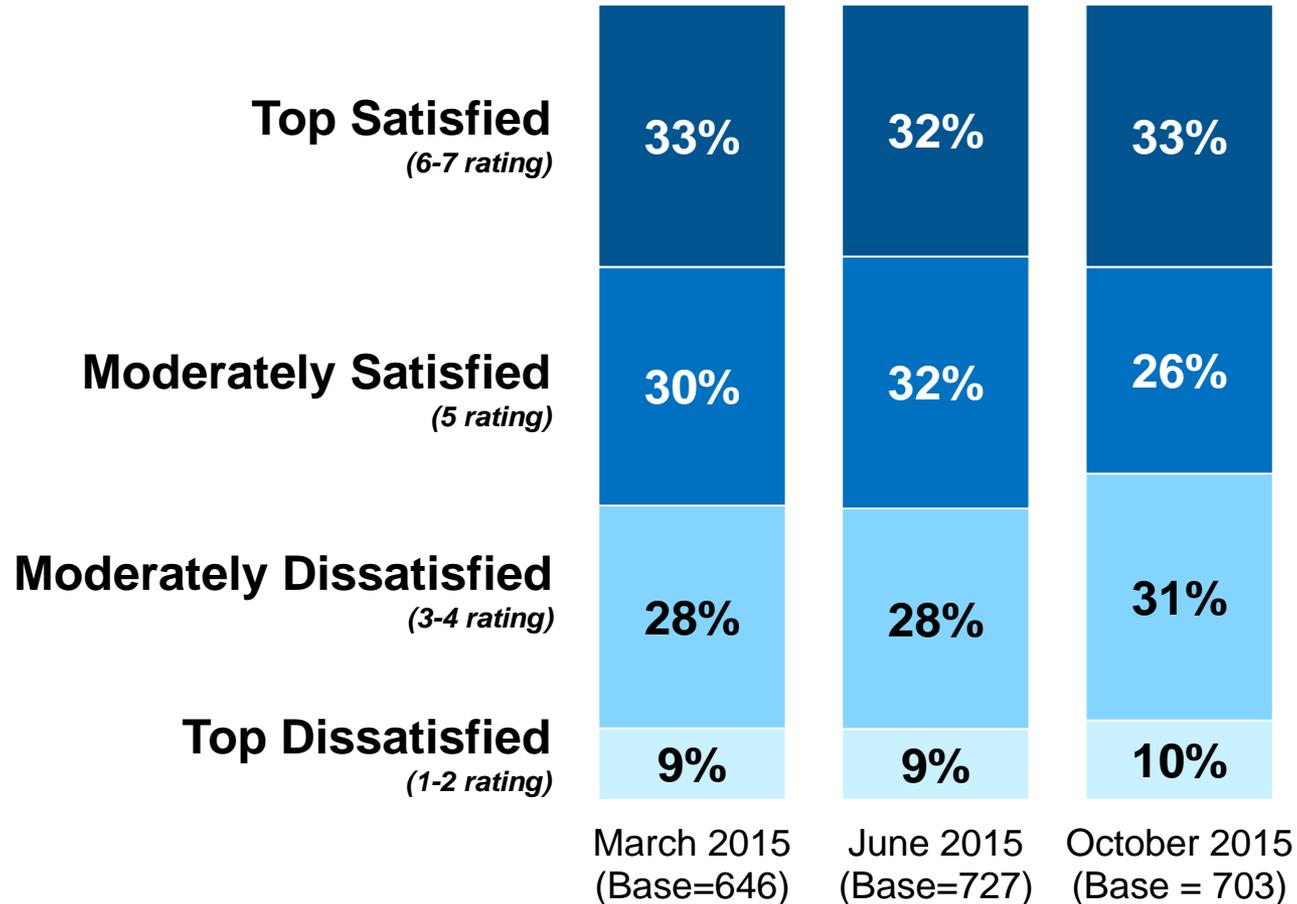


(Base = Renters who indicate they have been in their current home two years or more)

Satisfaction With Rental Experience



Q: How satisfied have you been with your overall rental experience?



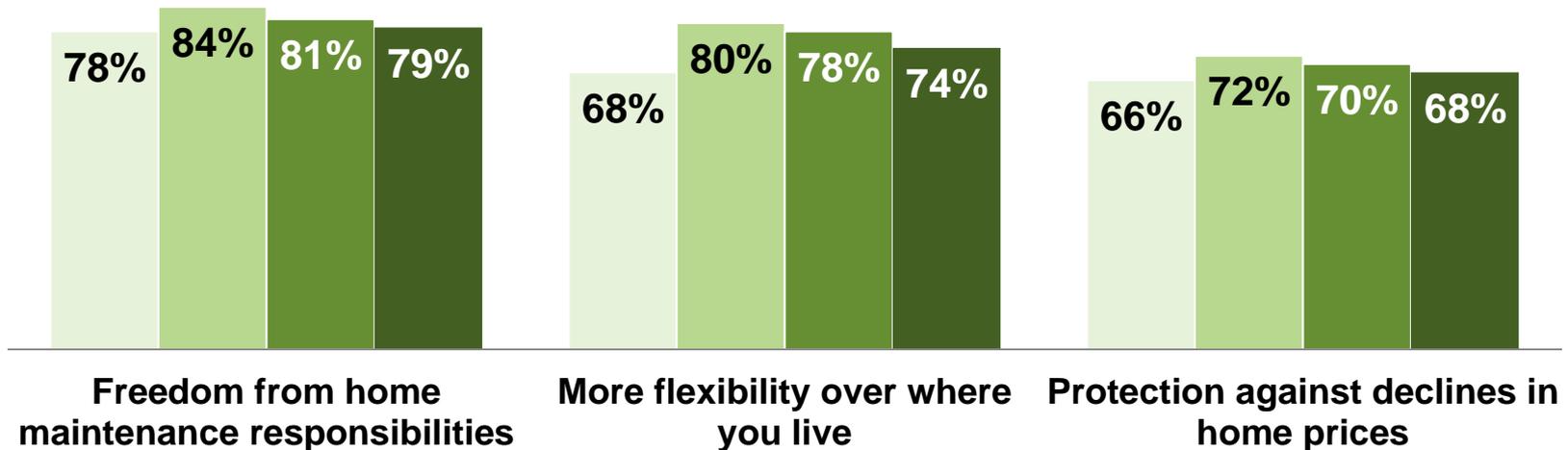
(Base = Total renters)

Top Favorable Factors About Renting Have Remained The Same All Year

Q: The list below contains some views people have about renting. Please indicate how much you agree or disagree with each statement.

% Strongly/Somewhat Agree

■ August 2014 (Base = 672) ■ March 2015 (Base = 676) ■ June 2015 (Base = 743) ■ October 2015 (Base = 703)



(Base = Total renters)

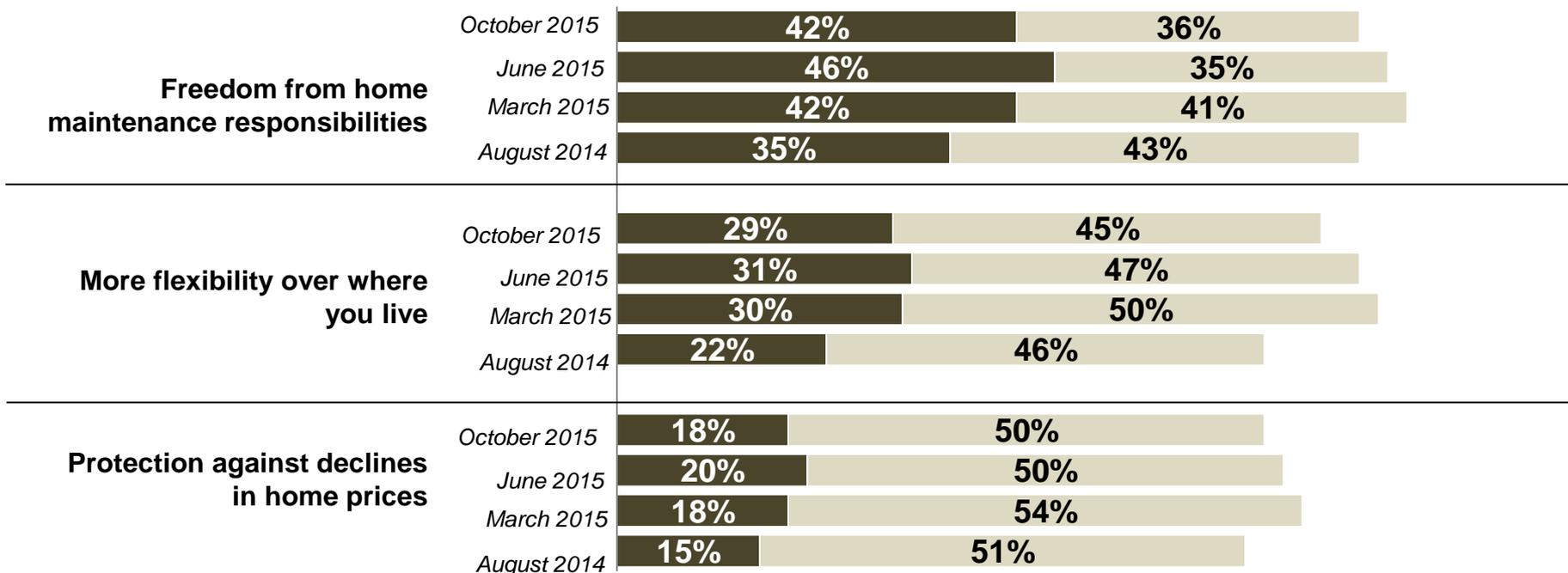
Strength of Favorable Views About Renting are Steady



Q: The list below contains some views people have about renting. Please indicate how much you agree or disagree with each statement.

Strength of Agreement

■ Strongly Agree ■ Somewhat Agree

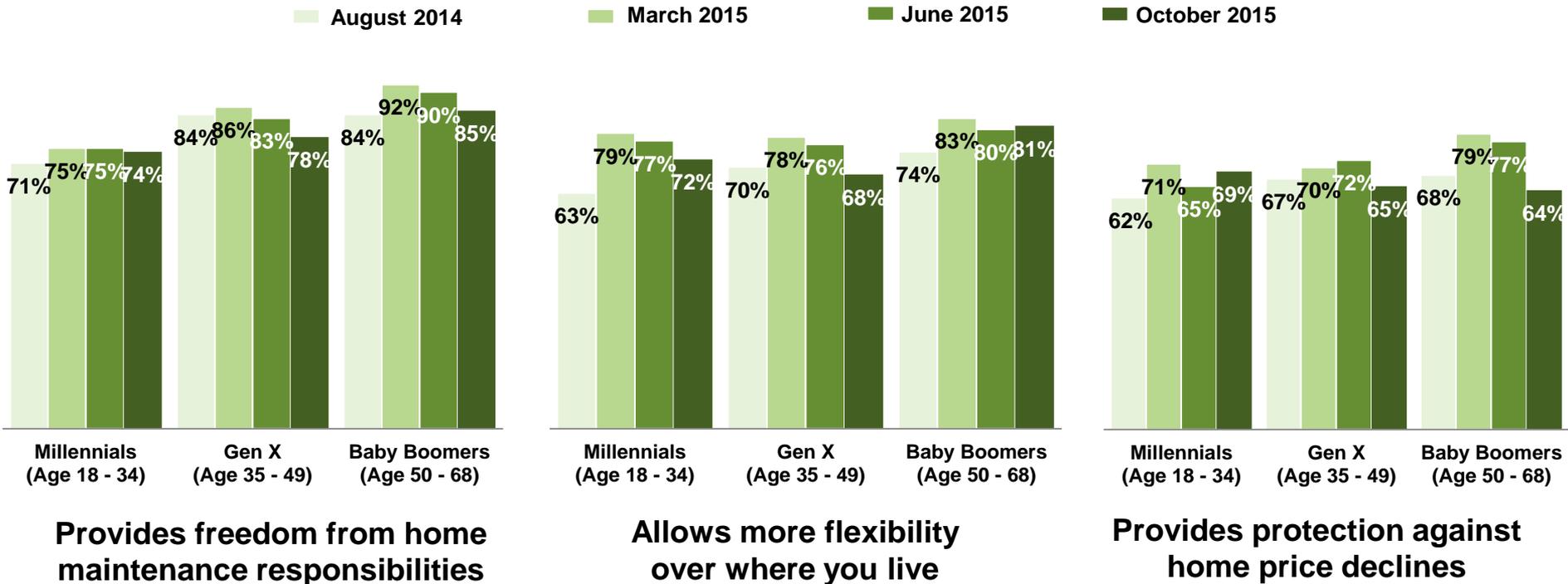


(October 2015 Base = 703 Total Renters; June 2015 Base = 743 Total Renters; March 2015 Base = 676 Total Renters; August 2014 Base = 672 Total Renters)

Top Favorable Factors About Renting By Generation



Q: The list below contains some views people have about renting. Please indicate how much you agree or disagree with each statement.

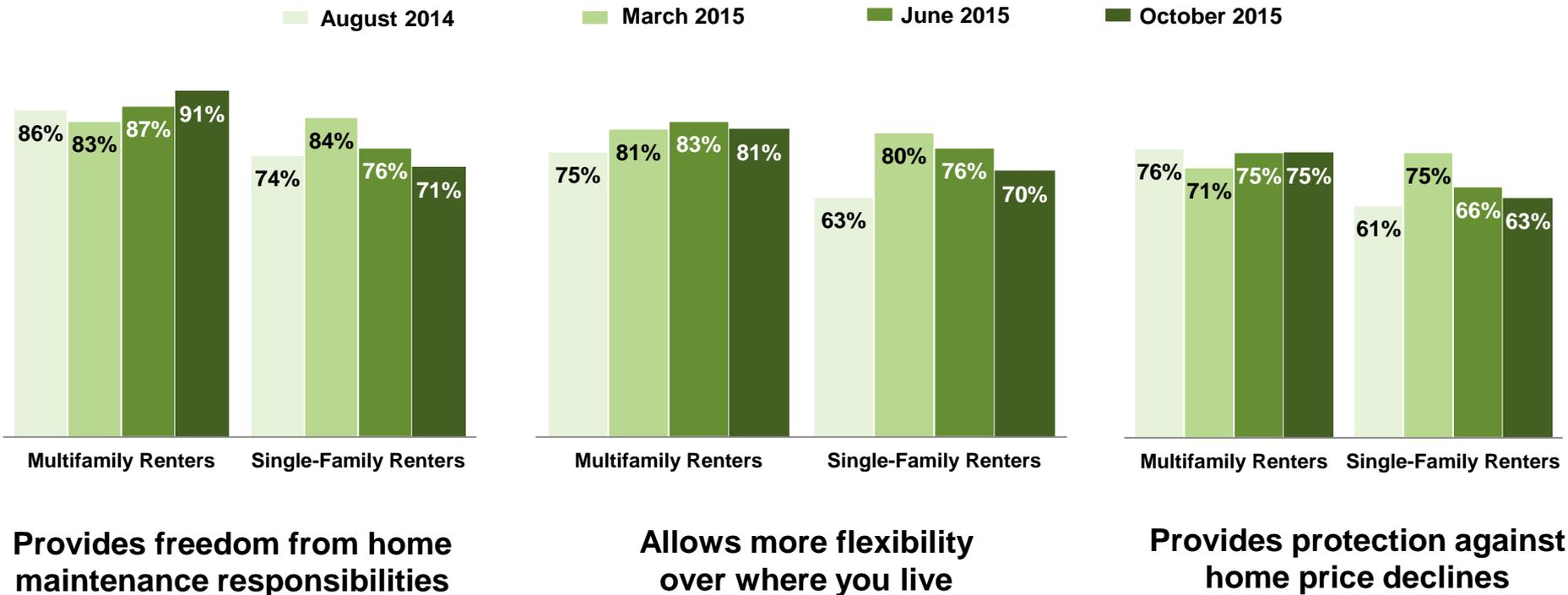


(October 2015 Base = 307 Millennials, 188 Gen X and 170 Baby Boomers; June 2015 Base = 332 Millennials, 166 Gen X and 201 Baby Boomers; March 2015 Base = 286 Millennials, 165 Gen X and 194 Baby Boomers; August 2014 Base = 249 Millennials, 193 Gen X and 182 Baby Boomers) Excludes "Mature" generational renters (Age 69+) given extremely small sample size.

Top Favorable Factors About Renting By Renter Type



Q: The list below contains some views people have about renting. Please indicate how much you agree or disagree with each statement.



*(October 2015 Base = 269 Multifamily renters, 390 Single-Family renters; June 2015 Base = 345 Multifamily renters, 361 Single-Family renters; March 2015 Base = 324 Multifamily renters, 322 Single-Family renters; August 2014 Base = 295 Multifamily renters, 336 Single-Family renters)
Excludes "Other" type of properties given extremely small sample size.*

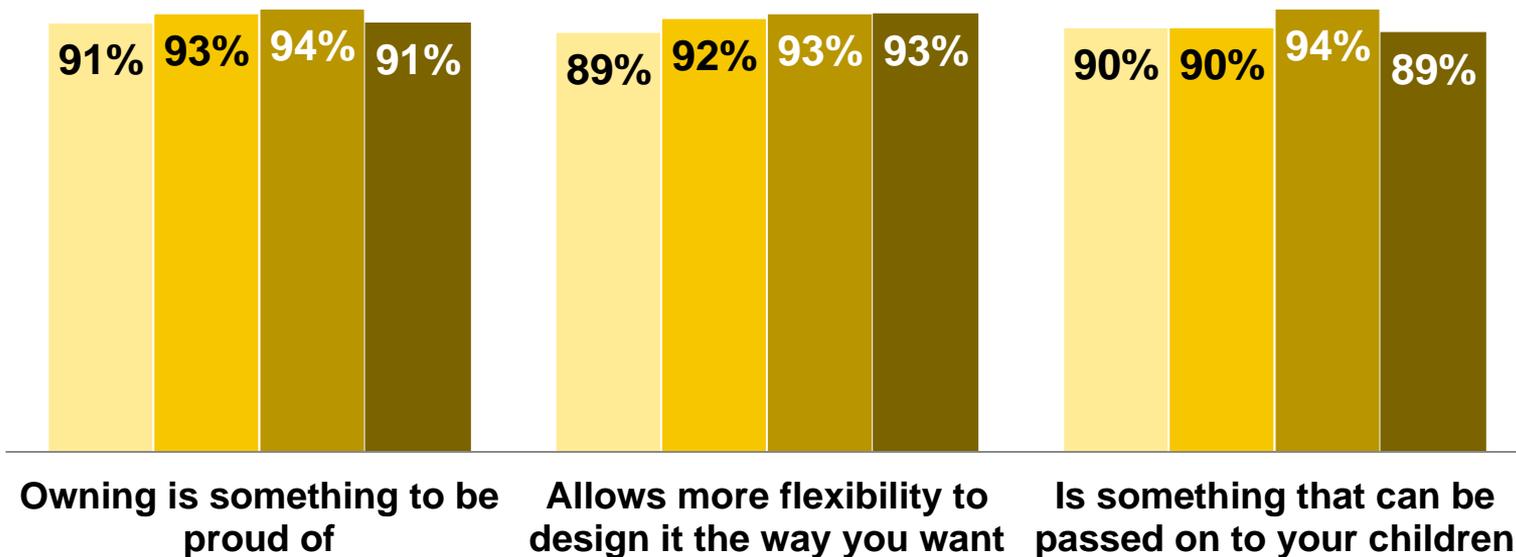
Top Favorable Factors About Owning



Q: The list below contains some views people have about owning. Please indicate how much you agree or disagree with each statement.

% Strongly/Somewhat Agree

■ August 2014 (Base = 672) ■ March 2015 (Base = 676) ■ June 2015 (Base = 727) ■ October 2015 (Base = 703)

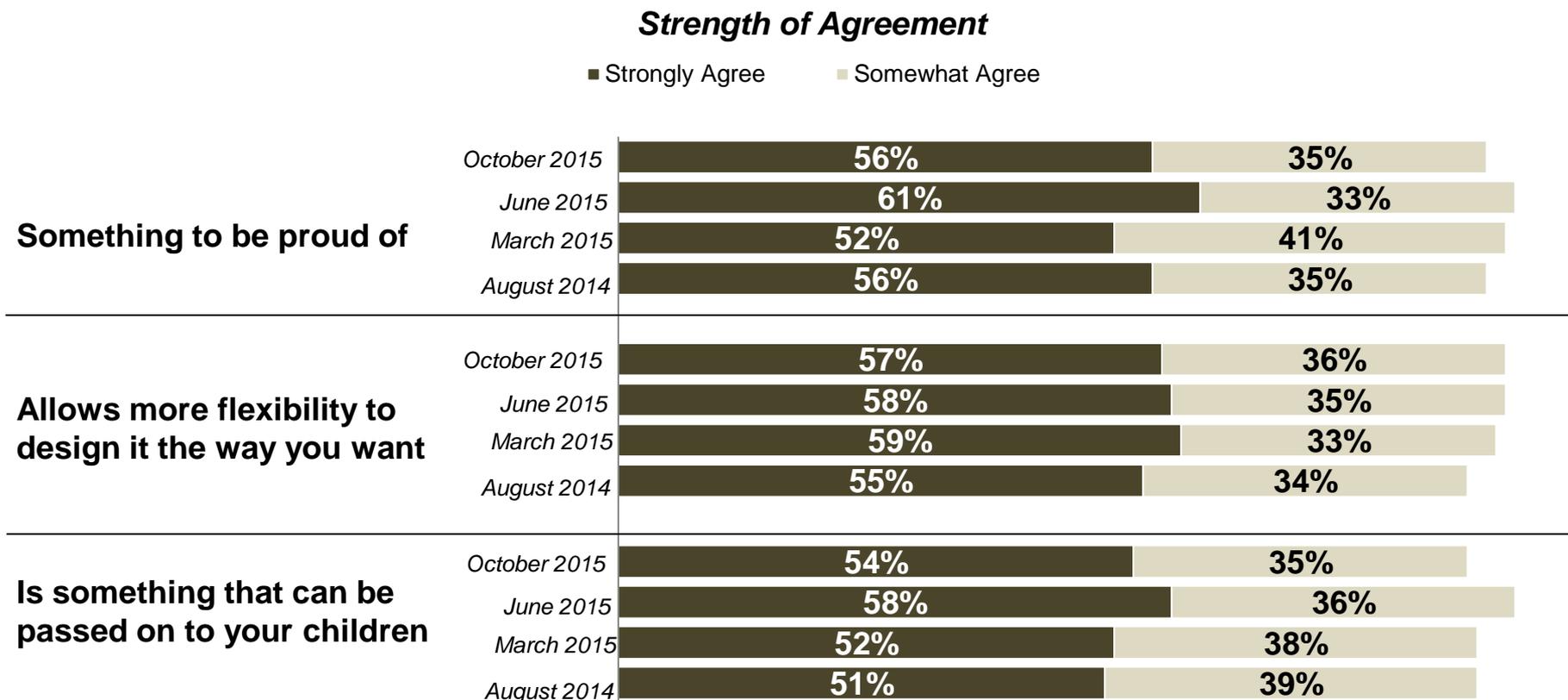


(Base = Total renters)

Strength of Favorable Ownership Views are Steady



Q: The list below contains some views people have about owning. Please indicate how much you agree or disagree with each statement.

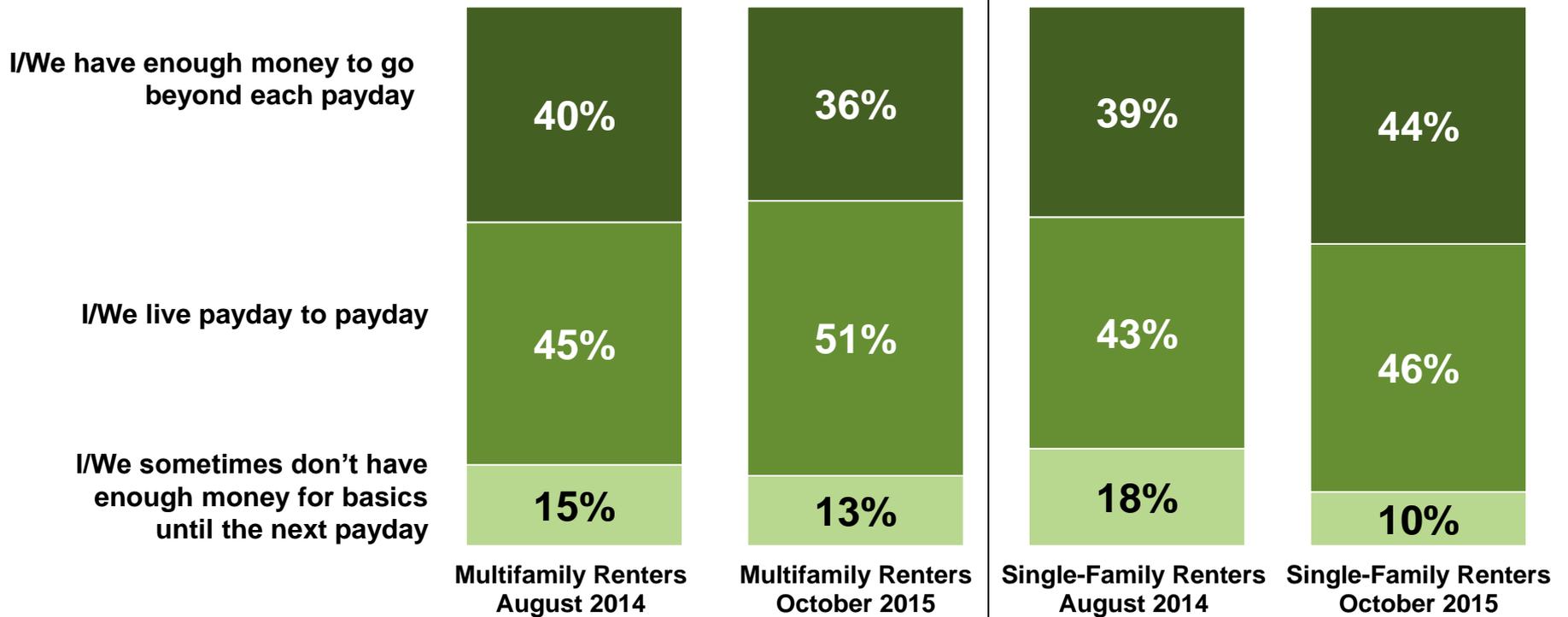


(October 2015 Base = 703 Total Renters; June 2015 Base = 743 Total Renters; March 2015 Base = 676 Total Renters; August 2014 Base = 672 Total Renters)

No Significant Difference in Perceptions of Finances Based on Rental Type



Q: Which of the following statements best describes your household's general financial situation?



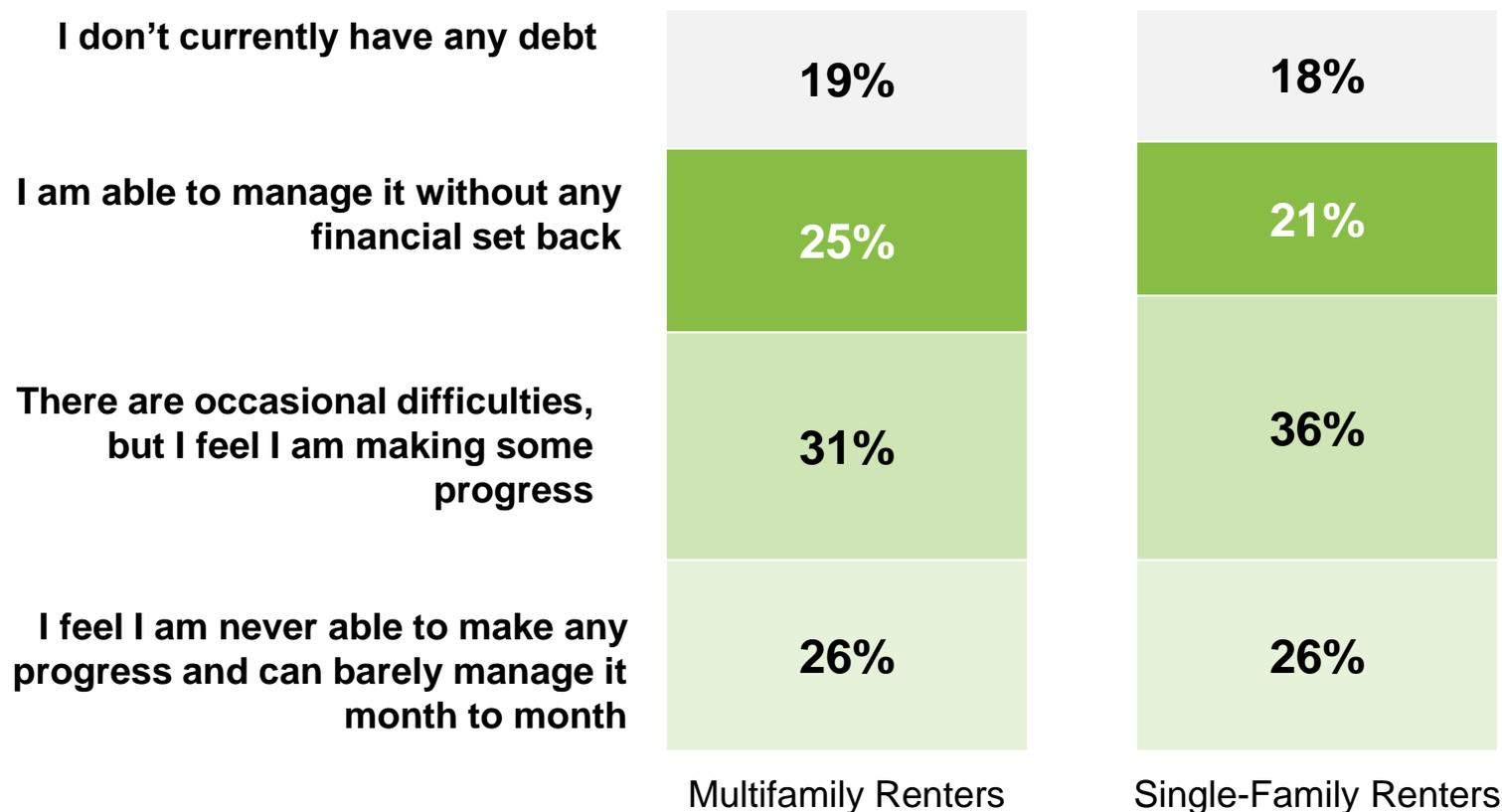
(October 2015 Base = 269 Multifamily renters and 390 Single-Family renters ; August 2014 Base = 295 Multifamily renters and 336 Single-Family renters)

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

Multifamily and Single-Family Renters Feel the Same Regarding Their Current Debt



Q: Which of the following statements best describes your general feelings about your current debt?

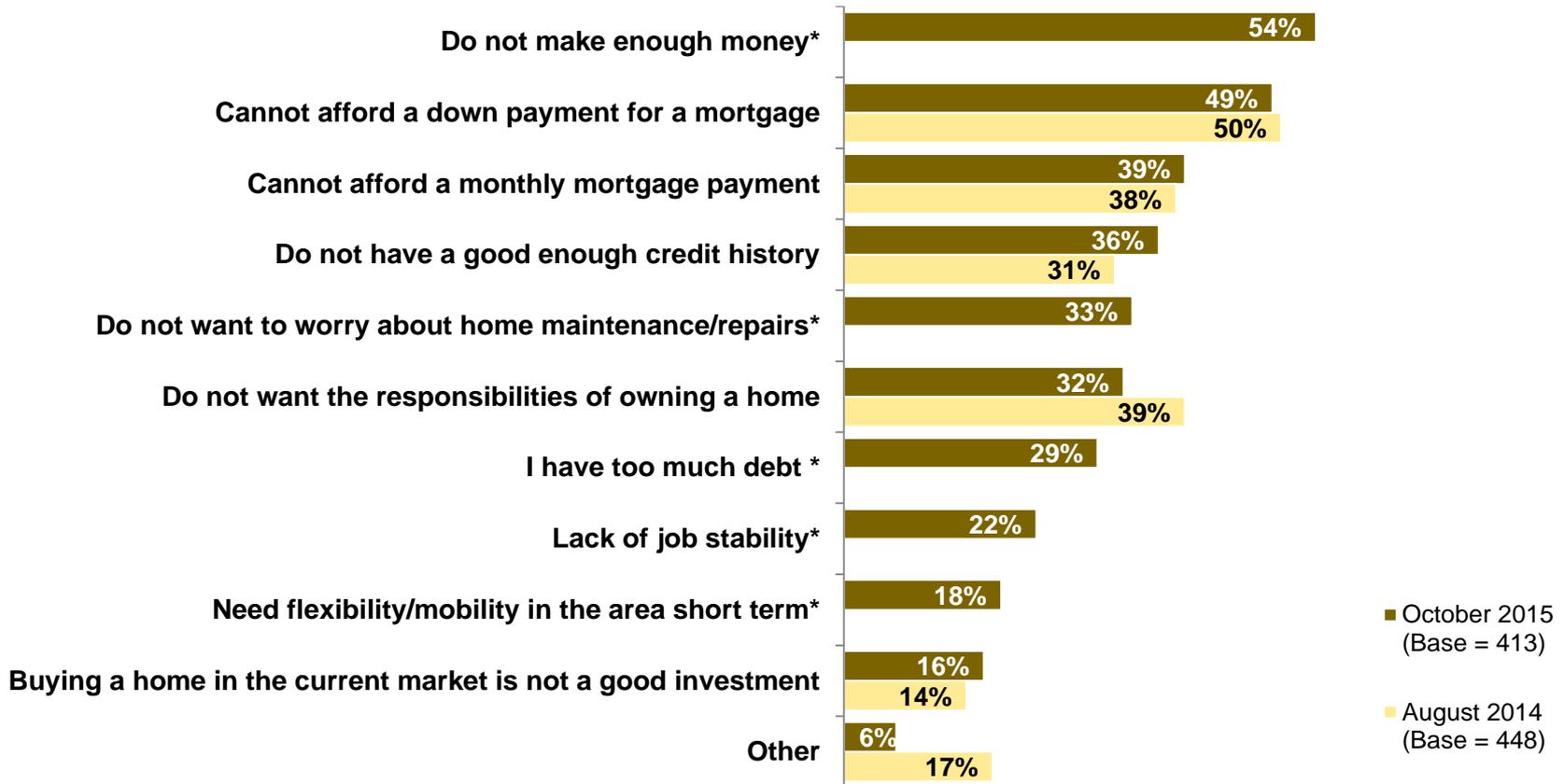


*(Base = 269 Multifamily renters and 390 Single-Family renters)
Excludes renters who selected "Other" type of rental dwelling given extremely small sample size.*

Financial Factors are Still the Primary Reason Renters Plan to Continue Renting



**Q: What are the main reasons you expect to still be renting in the next three years?
Please select all that apply.**



(Base = Renters who expect to continue renting in the next three years)

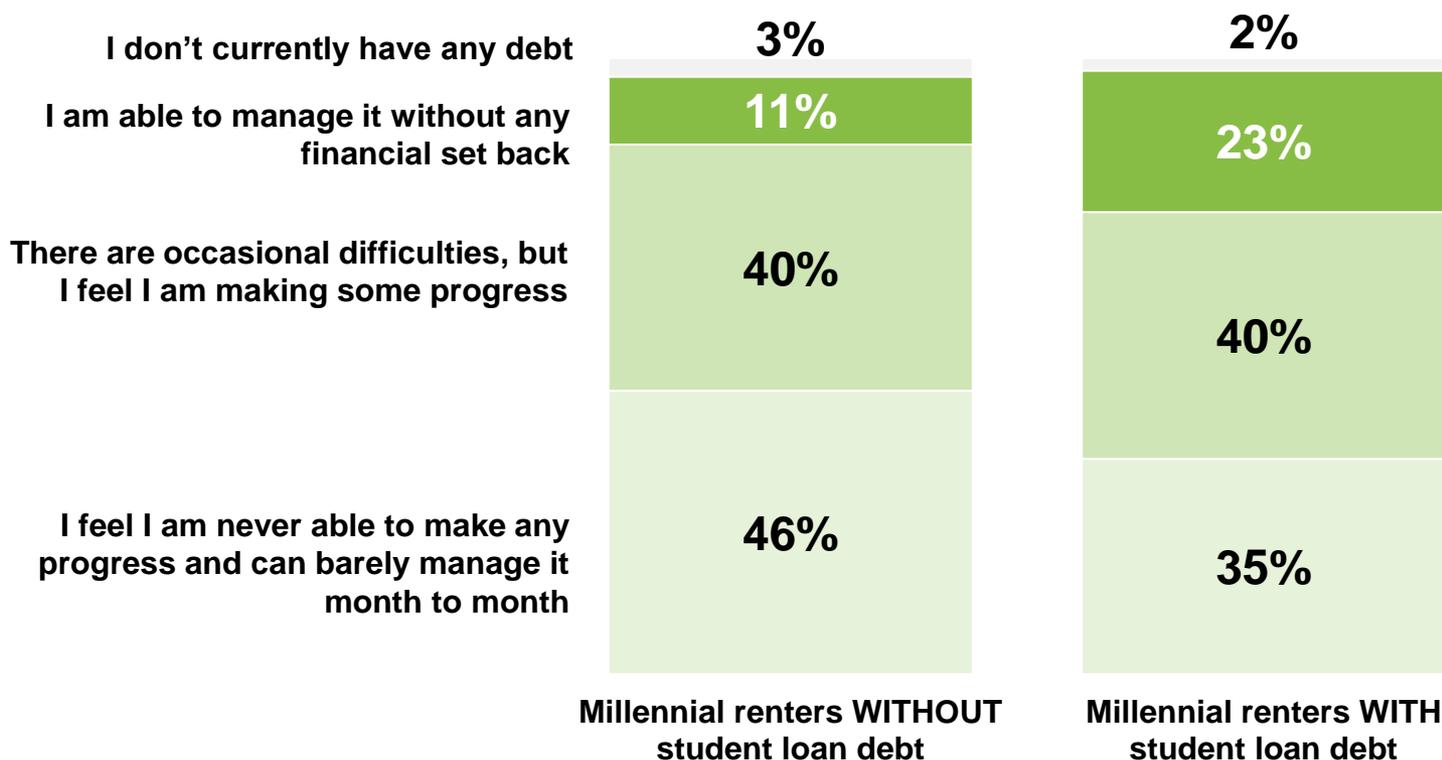
*No comparison available as new categories were added in 2015

Millennial Renters With Student Loan Debt are More Optimistic About Managing Their Debt



Q: Over the last 12 months, which of the following types of debt, if any, have you carried over from month to month (i.e. not paid the month it was due and carried it over to the next month?) *Please select all that apply.*

Q: Which of the following statements best describes your general feelings about your current debt?



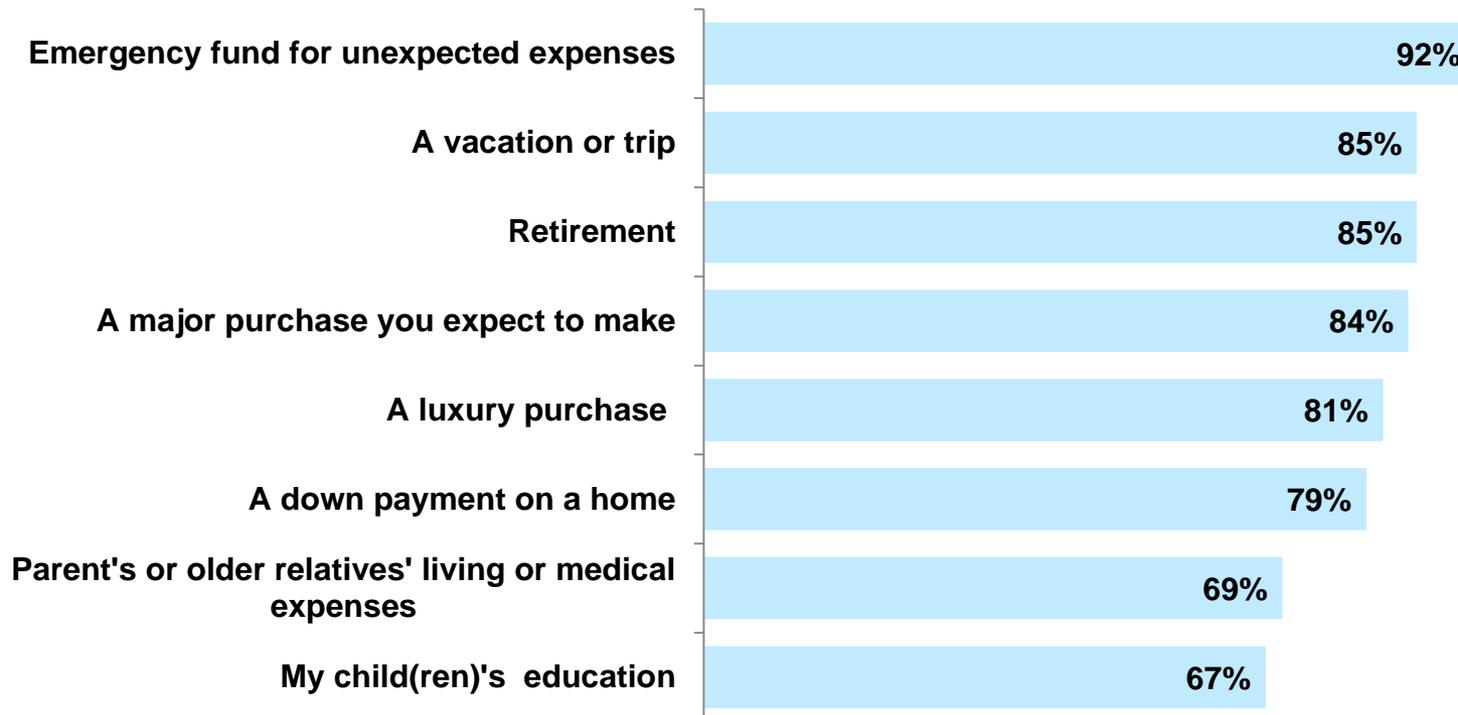
(Base = 108 Millennial renters with debt but without student loan debt and 122 Millennial renters with student loan debt)

More Renters are Saving for Emergencies, Retirement or a Vacation than for a Down Payment



Q: Thinking about your current saving goals, please rate how much of a priority each of the following is to you.

% Currently Saving For



(Base = 703 Total renters)

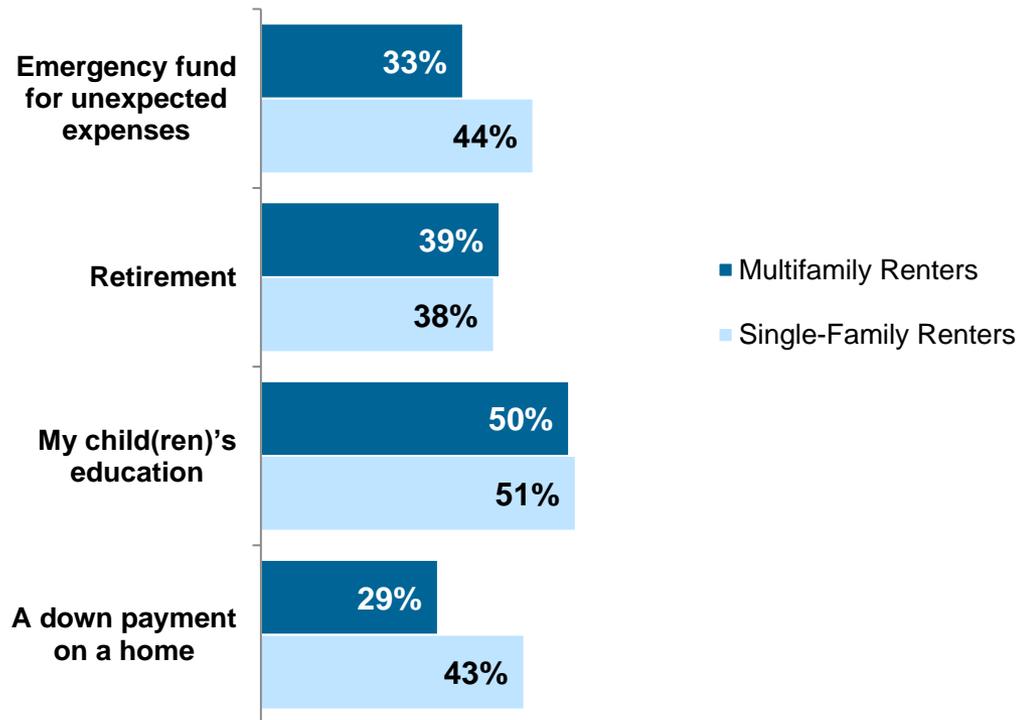
Multifamily Renters Saving for a Down Payment are Less Likely to Feel Positive on Their Progress



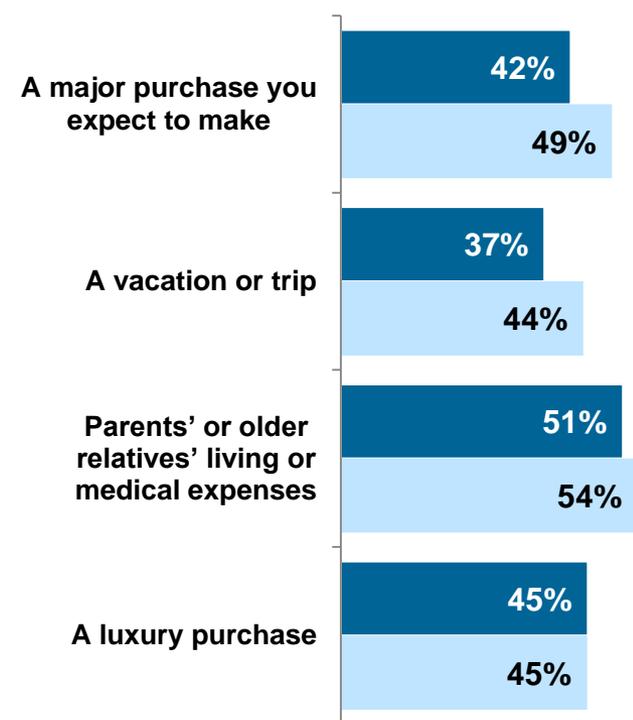
Q: How do you feel about the progress you have made so far in saving for the following?

% Feeling Ahead or Where Want to Be

Long-term Saving Goals



Short-term Saving Goals



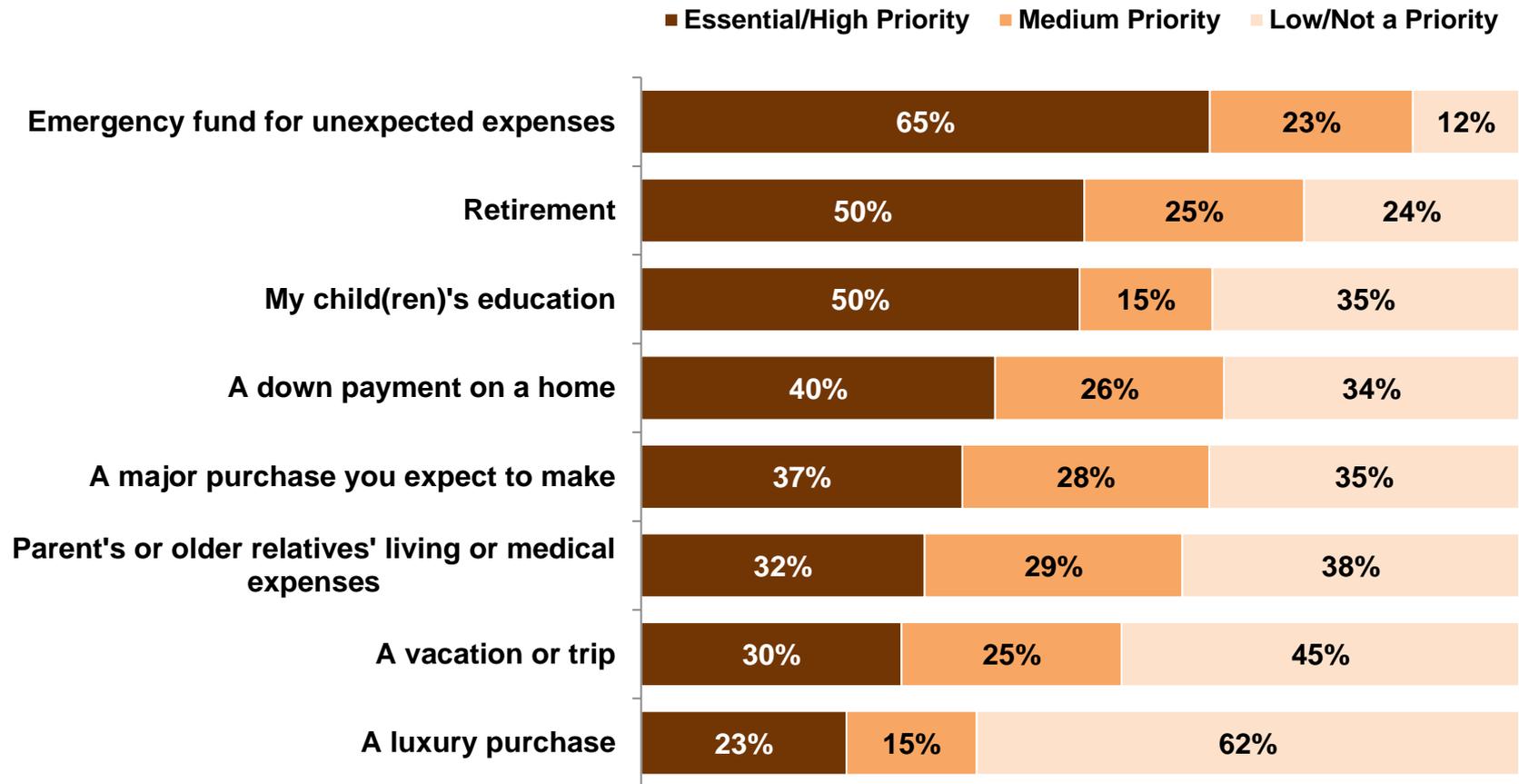
(Base* = 390 SF Renters and 269 MF Renters)

*Variable Base = Renters currently saving for **EACH** of the listed goals

Multifamily Renter Saving Priorities



Q: Thinking about your current saving goals, please rate how much of a priority each of following is to you.

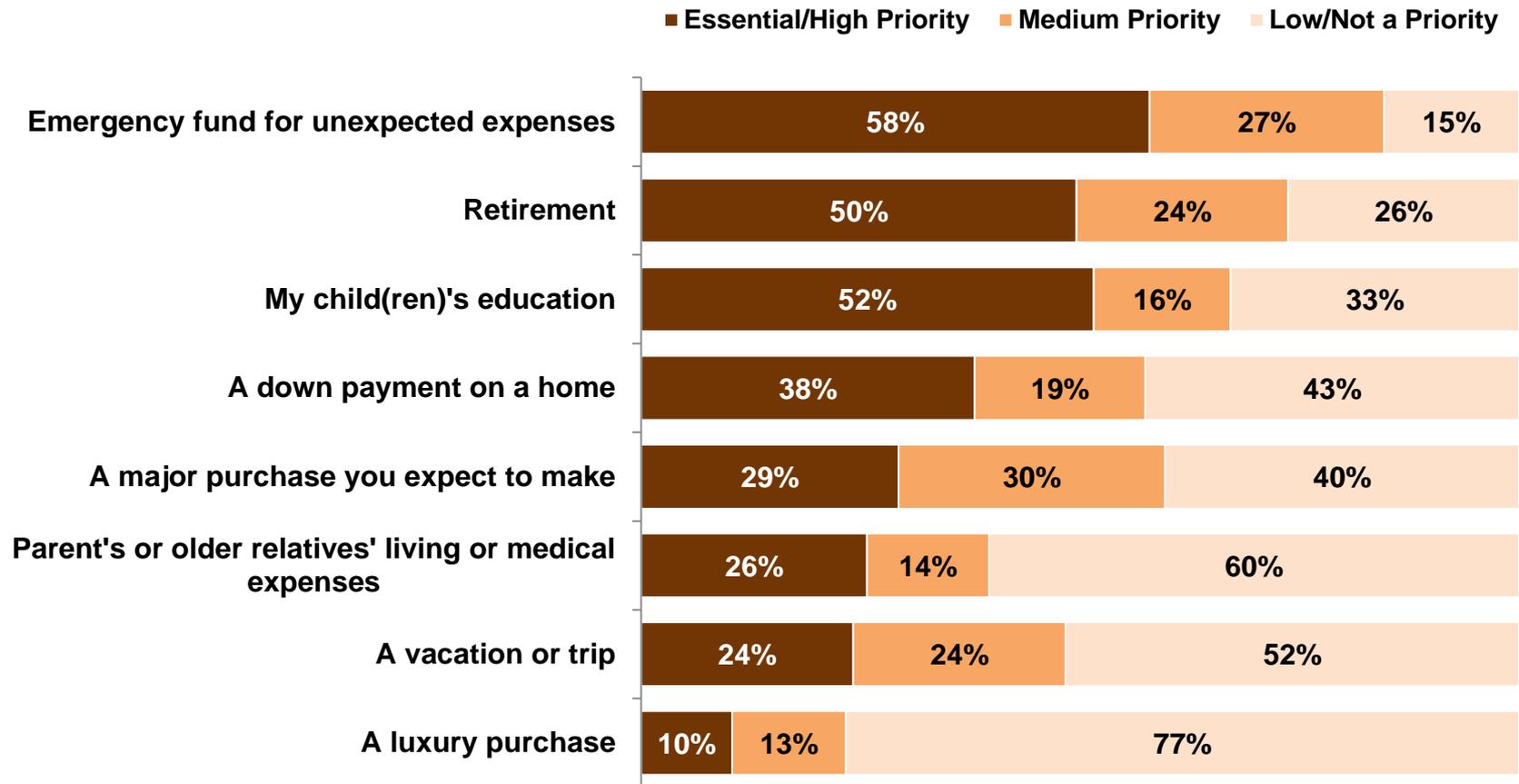


(Base = 124 Multifamily renters currently saving for ALL of the listed goals)

Single-Family Renter Saving Priorities



Q: Thinking about your current saving goals, please rate how much of a priority each of following is to you.



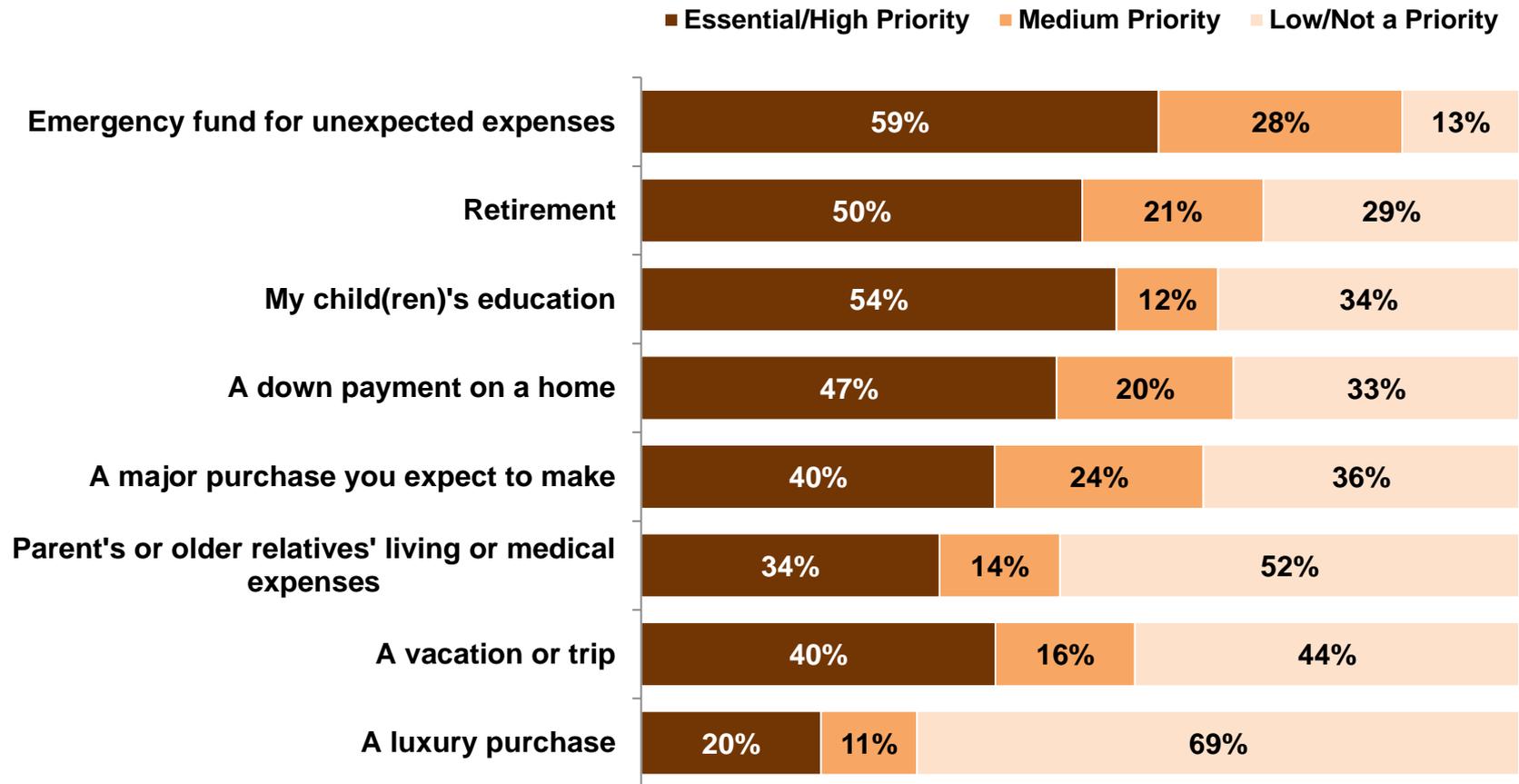
(Base = 229 Single-Family renters currently saving for **ALL** of the listed goals)

Renter Saving Priorities Among Those Whose Rent Has Increased



Q: Thinking about your current saving goals, please rate how much of a priority each of following is to you.

Q: How much, if at all, has the rent for your current home changed in the past 2 years?



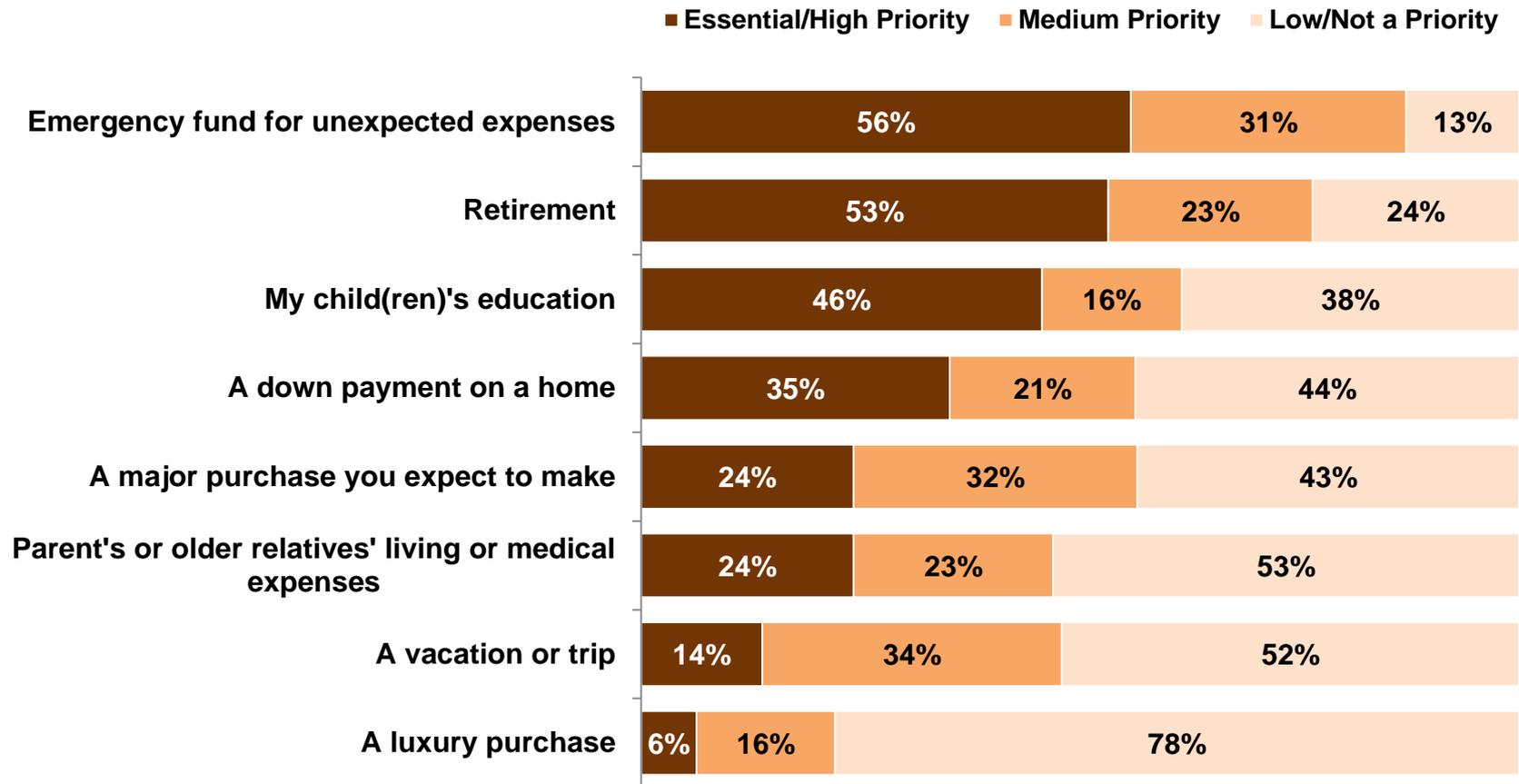
(Base = 120 Rent Increased renters currently saving for **ALL** of the listed goals)

Renter Saving Priorities Among Those Whose Rent Has Stayed the Same



Q: Thinking about your current saving goals, please rate how much of a priority each of following is to you.

Q: How much, if at all, has the rent for your current home changed in the past 2 years?



(Base = 180 Rent stayed the same renters currently saving for **ALL** of the listed goals)

Favorable Perceptions of the Renting Lifestyle Come Through Even with Rent Increases



Q: The list below contains some views people have about renting. Please indicate how much you agree or disagree with each statement.

Q: How much, if at all, has the rent for your current home changed in the past 2 years?



(Base = 232 Renters whose rent has increased and 317 Renters whose rent has stayed the same in the past two years)

Excludes renters whose rent has decreased in the past two years given extremely small sample size.

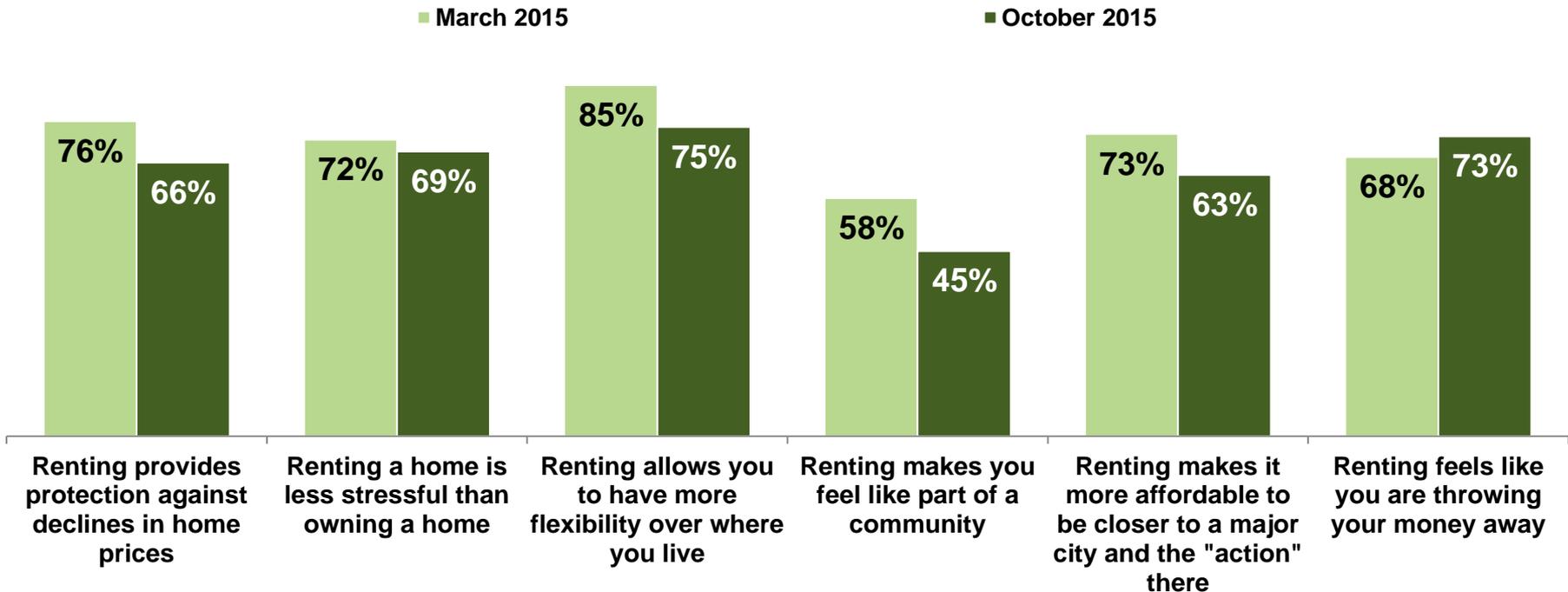
**Excludes N/A responses*

Renting Perceptions, However, are Declining Among Those Who Experienced a Rent Increase



Q: The list below contains some views people have about renting. Please indicate how much you agree or disagree with each statement.

Q: How much, if at all, has the rent for your current home changed in the past 2 years?

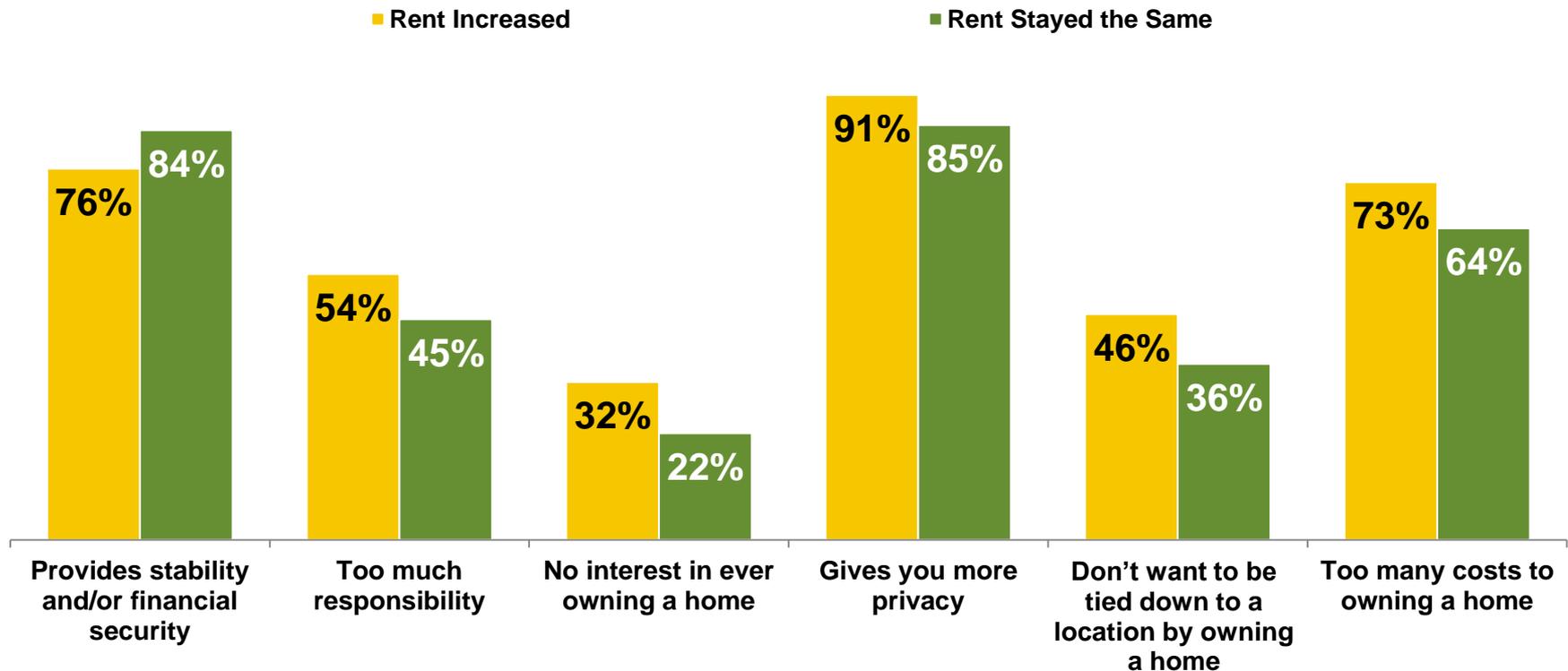


*(October Base = 232 Renters whose rent has increased; March Base = 276 Renters whose rent has increased in the past two years)
Excludes renters whose rent has decreased in the past two years given extremely small sample size.*

Those With Recent Rent Increases Show More Negative Views of Owning

Q: The list below contains some views people have about owning. Please indicate how much you agree or disagree with each statement.

Q: How much, if at all, has the rent for your current home changed in the past 2 years?

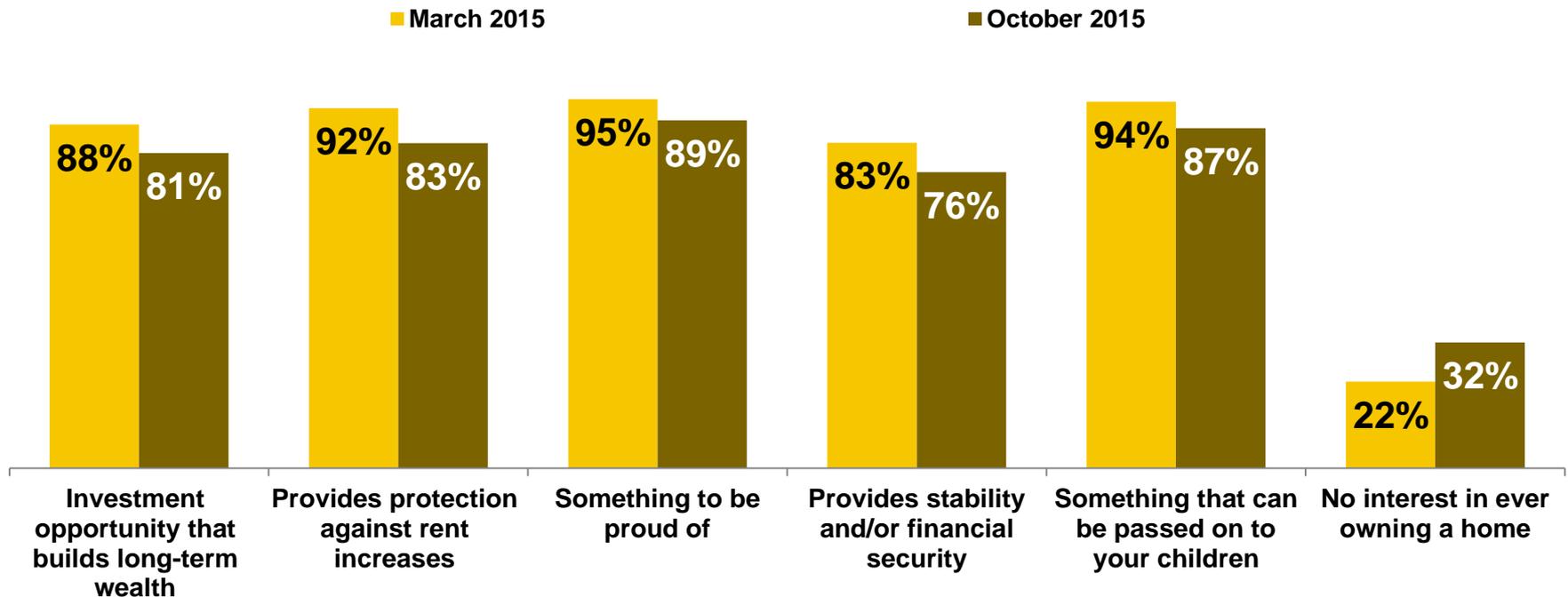


*(Base = 232 Renters whose rent has increased and 317 Renters whose rent has stayed the same in the past two years)
Excludes renters whose rent has decreased in the past two years given extremely small sample size.*

Further, Those With Recent Rent Increases Show Declining Favorable Views of Owning

Q: The list below contains some views people have about owning. Please indicate how much you agree or disagree with each statement.

Q: How much, if at all, has the rent for your current home changed in the past 2 years?



*(October Base = 232 Renters whose rent has increased; March Base = 276 Renters whose rent has increased in the past two years)
Excludes renters whose rent has decreased in the past two years given extremely small sample size.*

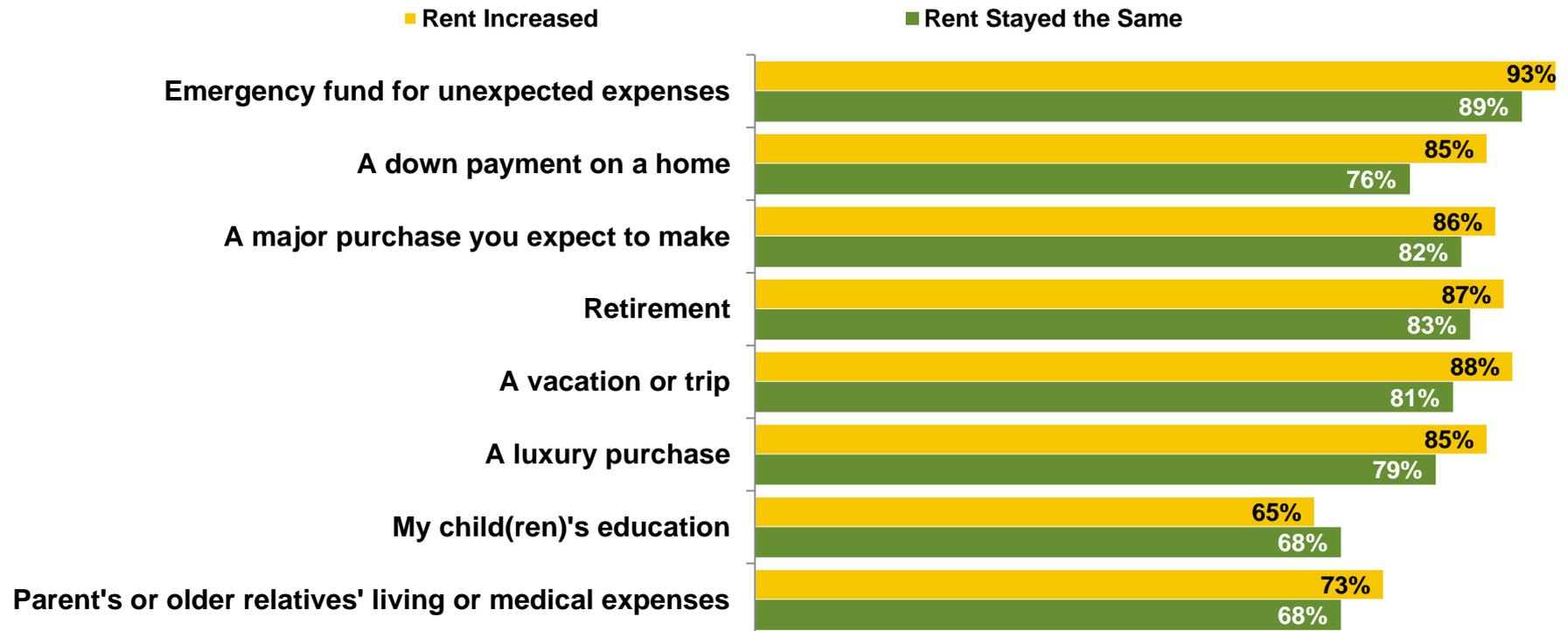
Those With Rent Increases are Saving For More Goals Than Those Whose Rent Stayed the Same



Q: Thinking about your current saving goals, please rate how much of a priority each of the following is to you.

Q: How much, if at all, has the rent for your current home changed in the past 2 years?

% Currently Saving For



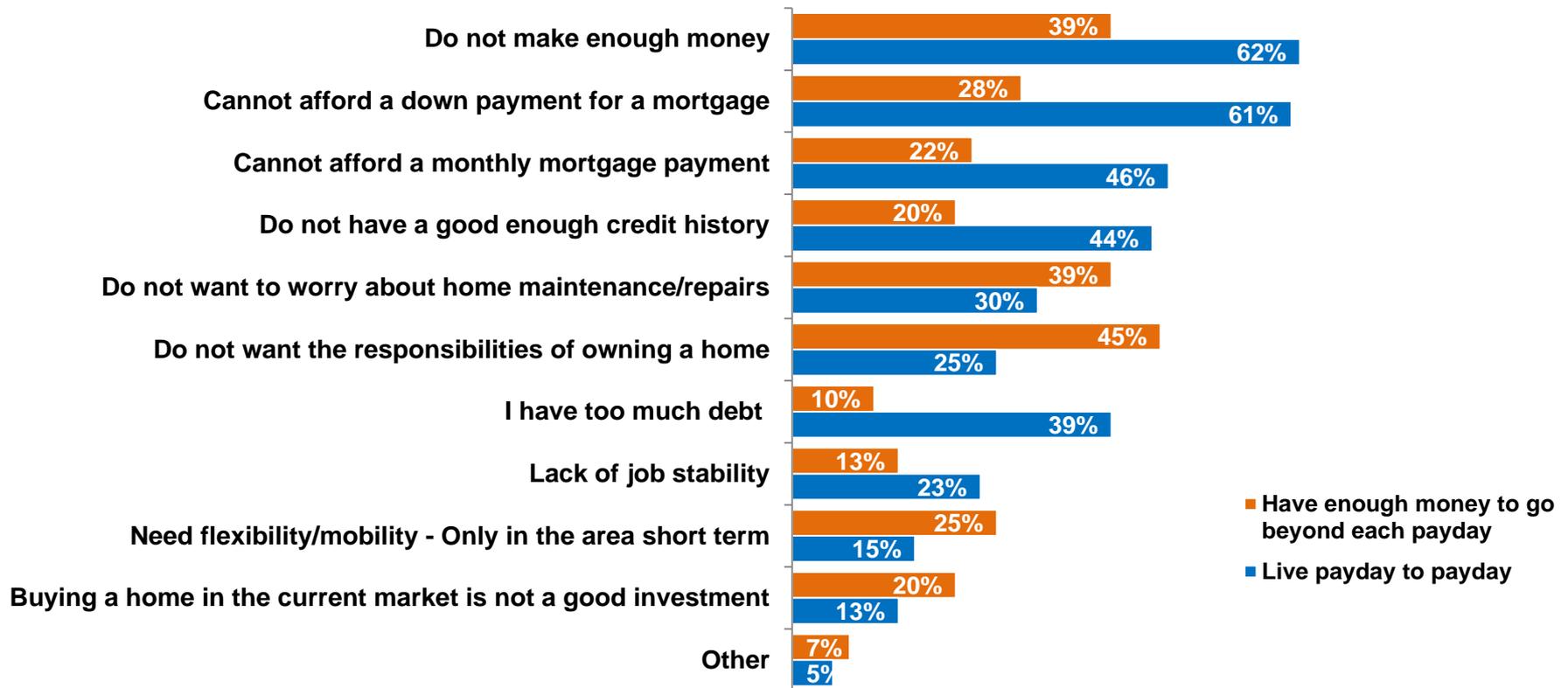
*(Base = 232 Renters whose rent has increased and 317 Renters whose rent has stayed the same in the past two years)
Excludes renters whose rent has decreased in the past two years given extremely small sample size.*

Reasons to Still Be Renting in Three Years By Financial View



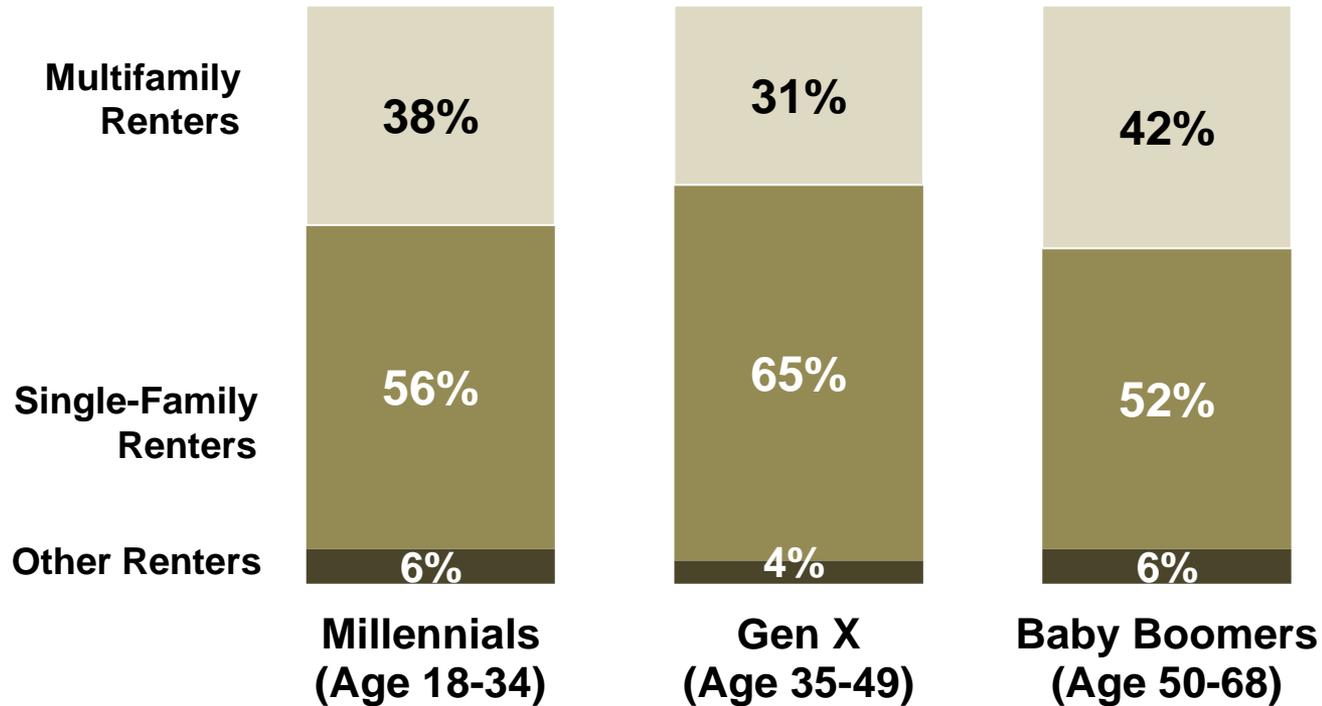
**Q: What are the main reasons you expect to still be renting in the next three years?
Please select all that apply.**

Q: Which of the following statements best describes your household's general financial situation?



(Base = 130 renters who say they have enough money to go beyond each payday and 216 renters who say they are living payday to payday who expect to continue renting in the next three years)

Renter Type by Generation



*(Base = 307 Millennials, 188 Gen X and 170 Baby Boomers)
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.*