



Profile of Today's Renter Multifamily Renter Research

Market Insights, Corporate Communications & Marketing

March 2017



Although their finances are better, renters are comfortable with continuing to rent with many believing renting will be more affordable or stay the same for them in the next 12 months.

- There's a significant increase in the number of renters who don't know when they will move. For the ones who say they will move, Single-Family properties are becoming more attractive.
- Renters are feeling more confident about their financial situation across all generations, but demonstrate relatively little change in how they're managing their debt.
- This quarter saw an increase in the number of renters saying they want to stay in place because they like where they live, even though their rent has increased. For the renters whose rents have remained the same for the past two years, 29% say they will not move or adjust their lifestyle to cope with a potential rent increase.
- The majority of renters are expecting their rent will stay the same in the next 12 months while many are more uncertain about owning.

More renters say renting is a good choice for them now and have no interest in ever owning.

- Renting is increasingly becoming a good choice for now. Whether they can afford to buy a home or not, the number of renters reporting renting is a good choice for them increased over the past year.
- Similarly, more renters say they have no interest in owning. The expectation to purchase a home is lower than it's ever been (41%), and more Baby Boomers now say they have no interest in owning.

Millennials are staying put, choosing to continue renting over owning.

- Millennials are more likely to say renting is a good choice for now, and are also likely to say that they are going to stay renting. Four in ten Millennials renters indicate a move in the short-term is likely.
- Millennials' views on the affordability of renting today are not changing. However, many feel that buying a home will be less affordable for them in the future.
- While home ownership is on the horizon for some, fewer younger renters say they are working towards it.
- Although Millennials' views on managing their debt did not change, they are feeling better about their finances.

The Burden of Rent Payments

- Of those who know how much of their income goes to rent, four in ten pay more than a third of their income in rent payments. Millennials and Gen X renters are spending more than one-third of their income on rent when compared to Baby Boomers.
- For those who believe that it's easy to find suitable and affordable rentals in their area, half are spending less than a third of their income on rent.

Satisfaction With Rental Experience, Home, Community and Overall Quality of Life

- Satisfaction with rental experience went down for all generations, but it is still strong overall. Younger renters are less satisfied with their rental experience, community, and home when compared to older generations. However, they are more satisfied with overall quality of life.

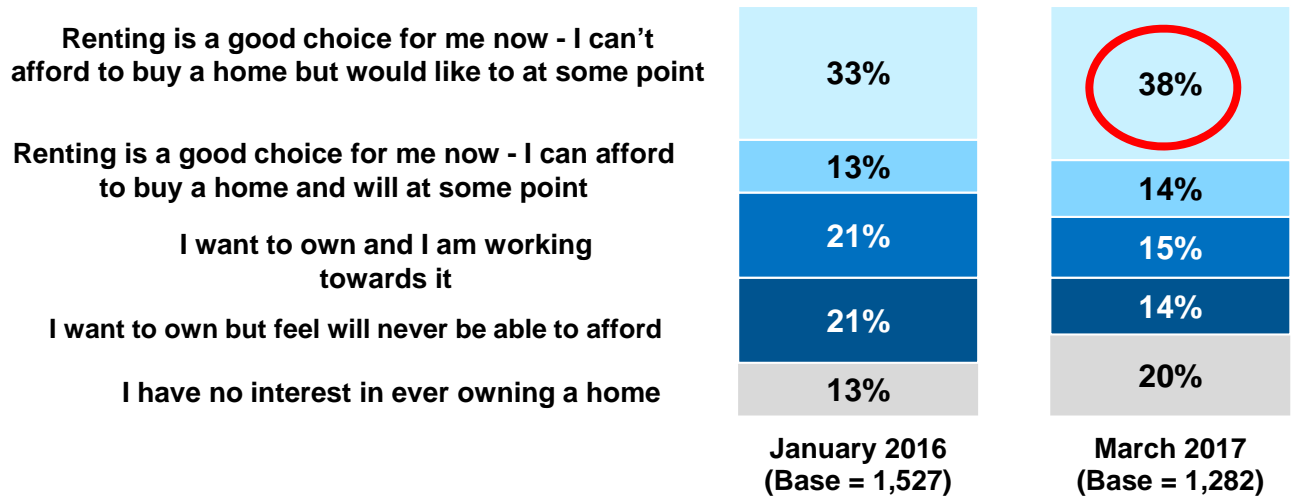
The Urban Factor

- Seven in 10 renters are at least somewhat willing to sacrifice space to live in an urban area. Urban renters are more likely to say renting is a good choice for them, although they would like to own a home at some point.
- Urban renters report lower satisfaction with their community, but their scores on overall quality of life are similar to renters in other areas. Suburban renters score higher on satisfaction when it comes to the house they live compared to rural renters.
- Renters living in urban areas are also more likely to say they are living payday to payday compared to other areas.

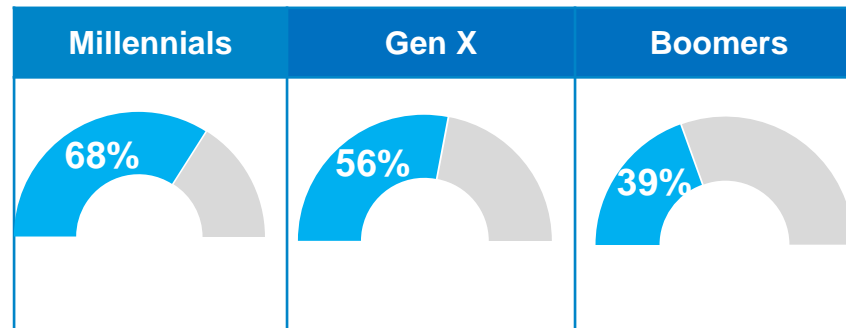
More Renters Say Renting Is a Good Choice for Them Now



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...

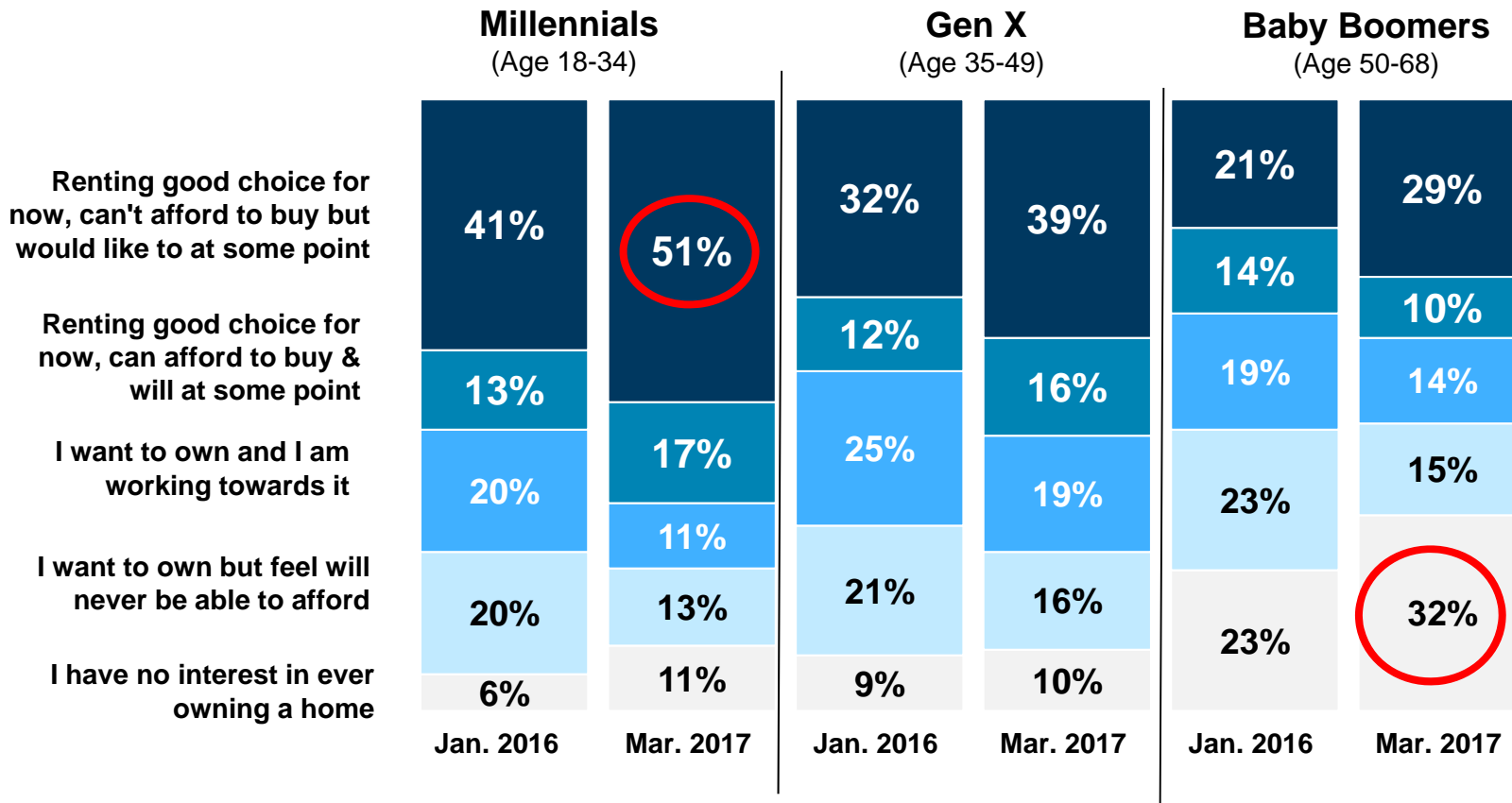


(2017 Base = 388 Millennials, 383 Gen X and 395 Baby Boomers)

Millennials More Likely to Rent by Choice While More Baby Boomers Say They Have No Interest in Owning



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



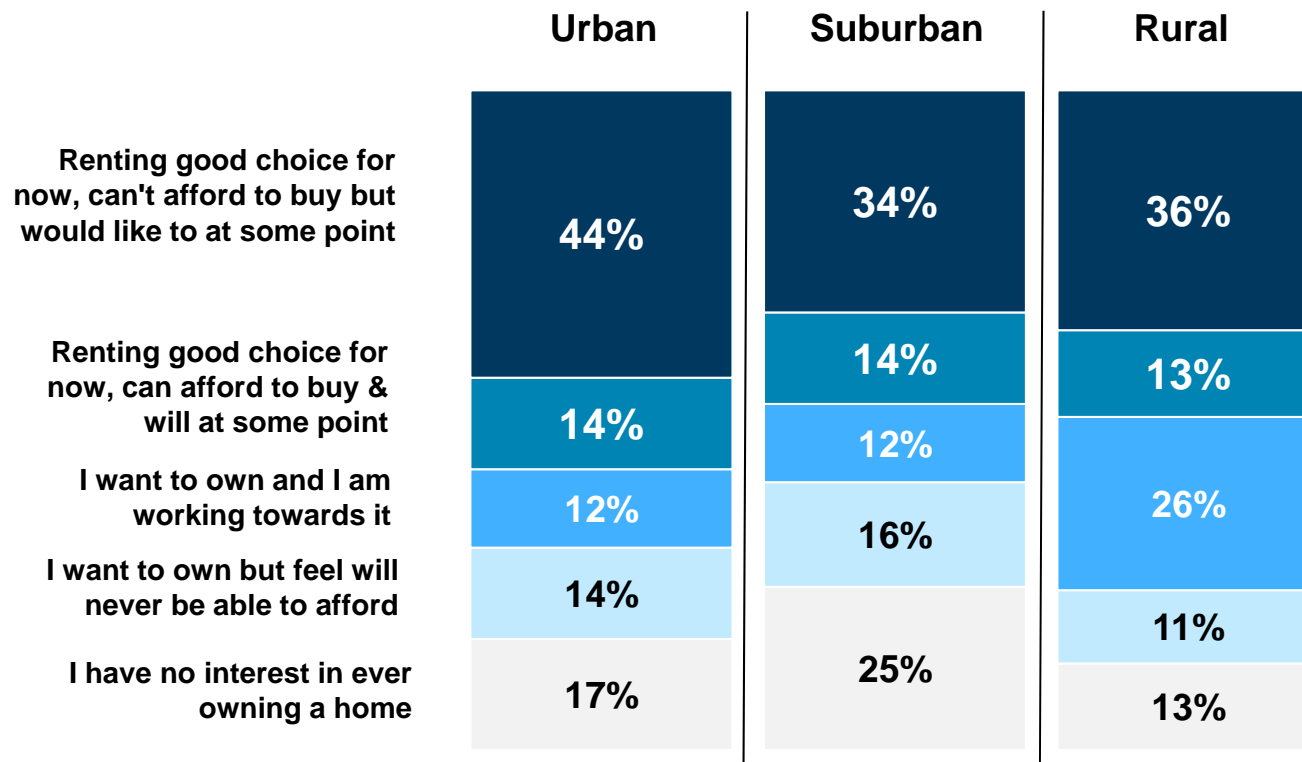
Please refer to table Appendix C for detailed sample size information.

(2017 Base = 388 Millennials, 383 Gen X and 395 Baby Boomers). Excludes "Mature" generational renters (Age 69+) given extremely small sample size.

Urban Renters More Likely to Say Renting Is a Good Choice for Them Although They Would Like to Own at Some Point



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



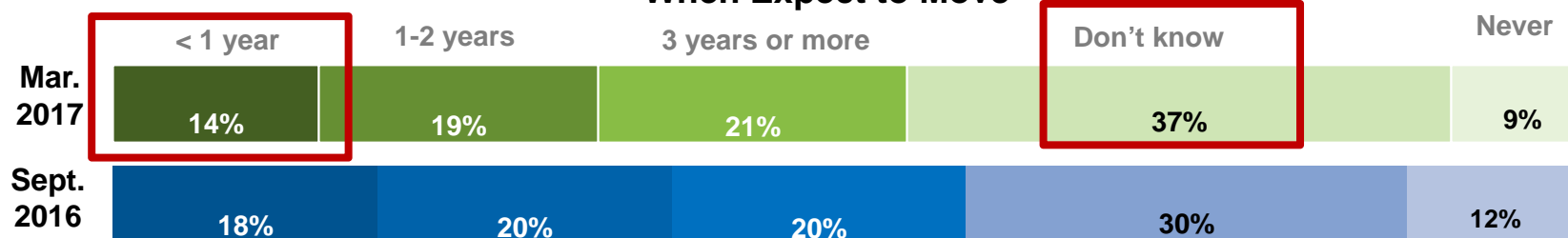
Please refer to table Appendix C for detailed sample size information.

(March 2017 Base = 463 Urban Renters, 586 Suburban Renters, 233 Rural Renters)

There's an Increase in the Number of Renters Who Don't Know When They Will Move



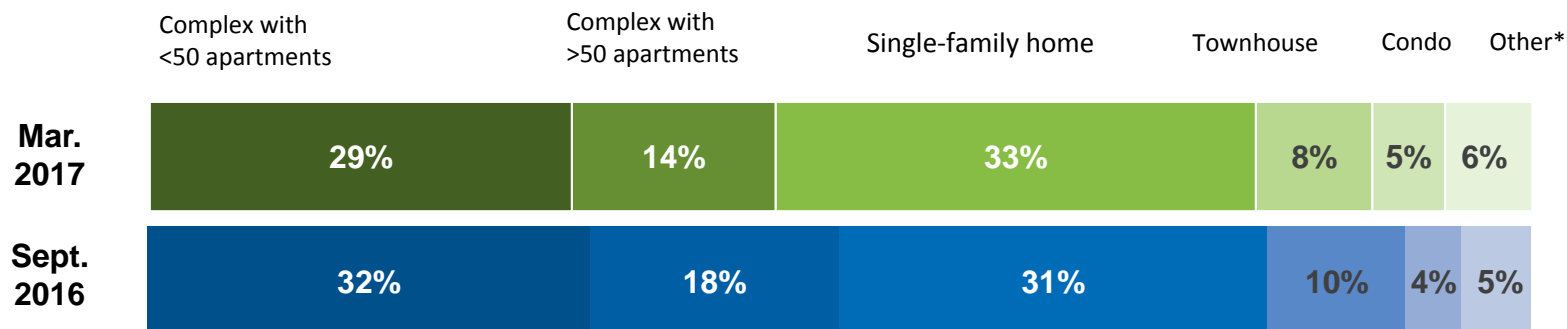
When Expect to Move



Expect to Rent or Buy



Type of Future Property to Rent



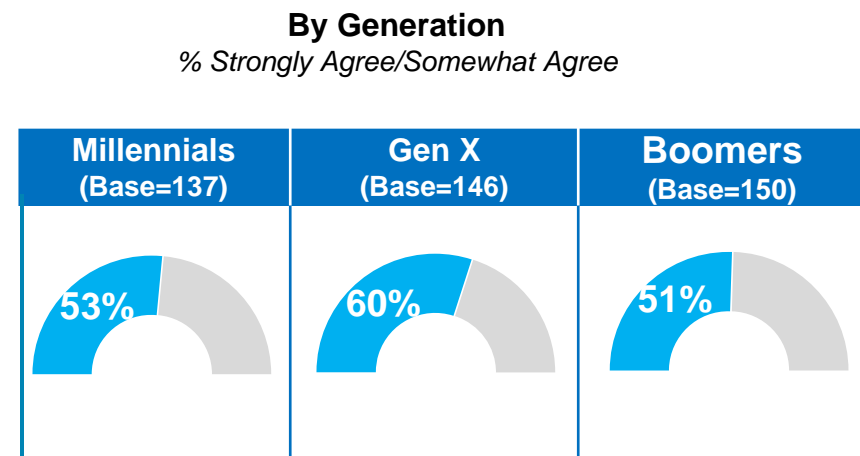
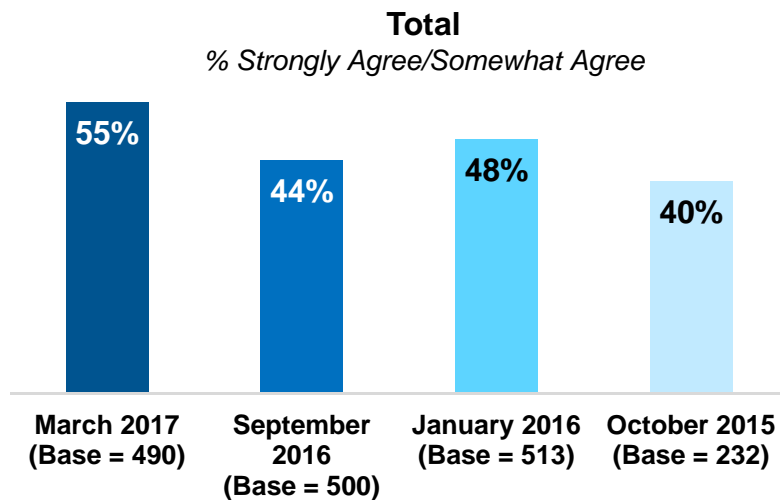
(Base = Total Renters who plan to rent or base)
*Other category includes mobile homes

Renters Like Where They Live and Don't Plan to Move Despite Rent Increases



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 like where I live and don't plan to move despite the changes in my rent
% Strongly Agree/Somewhat Agree



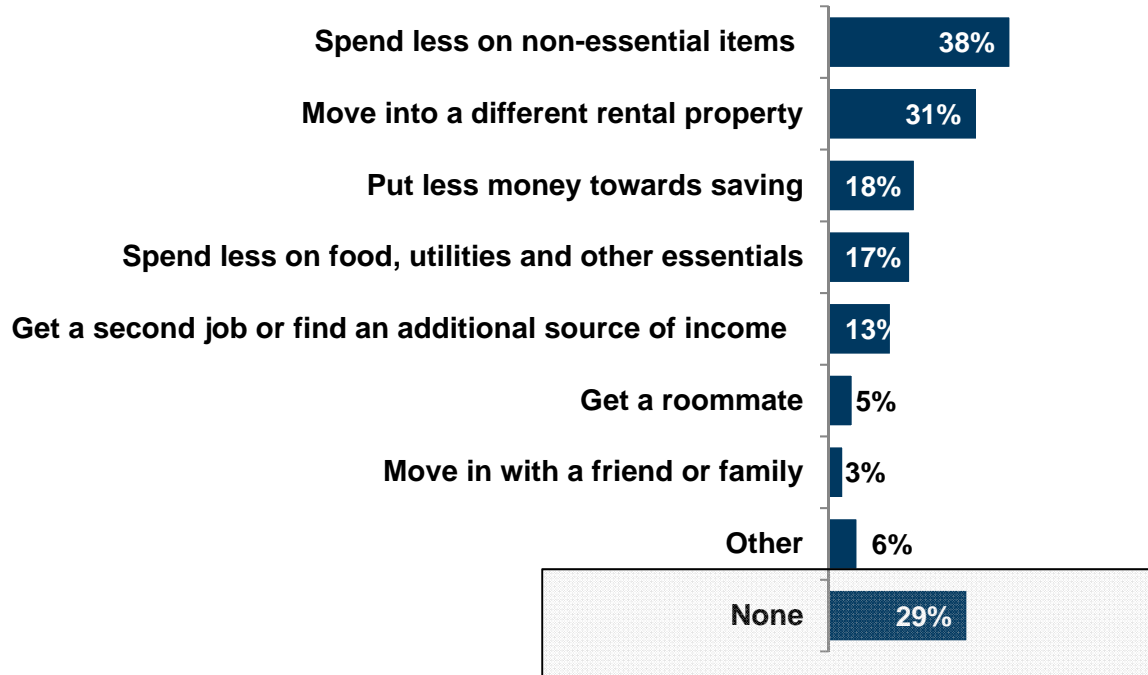
(Base = 490 Renters who indicate they have experienced a rent increase in the past two years)

A Considerable Number of Renters Would Not Make Any Changes if Their Rent Increased



Q: If your rent increases in the next year, what change(s), if any, would you make? Please select the top three changes you would consider making. (Please select up to 3 responses)

Changes If Rent Increased
% Selected



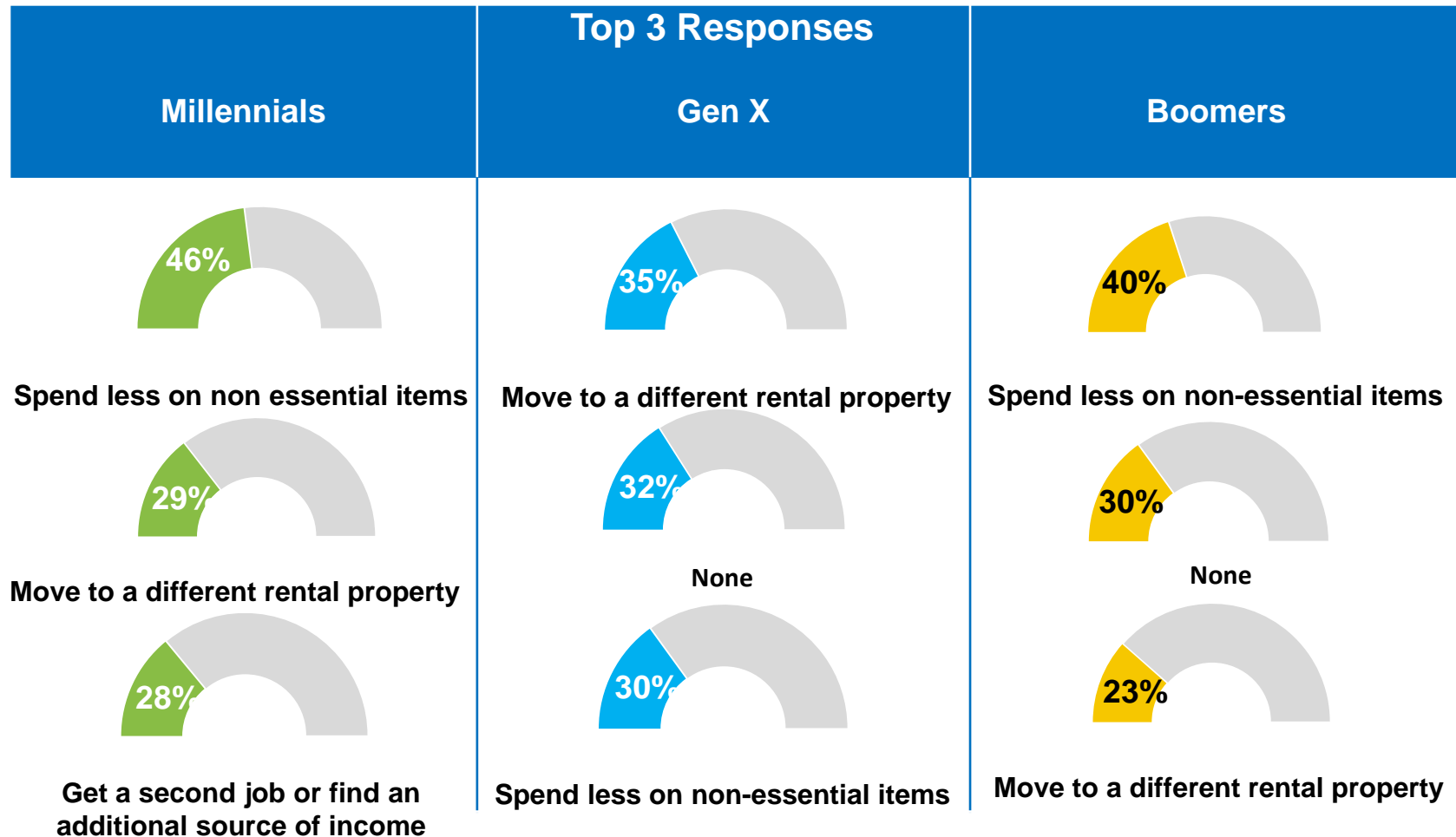
(Base = 530 Renters whose rent stayed the same in the past two years)

Potential Changes if Rent Increases

by Generation



Q: If your rent increases in the next year, what change(s), if any, would you make? Please select the top three changes you would consider making. (Please select up to 3 responses)



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

(Base = Renters whose rent stayed the same in the past two years)

Reductions in Spending Continues to Be the Main Way Renters Adapt to Rent Increases

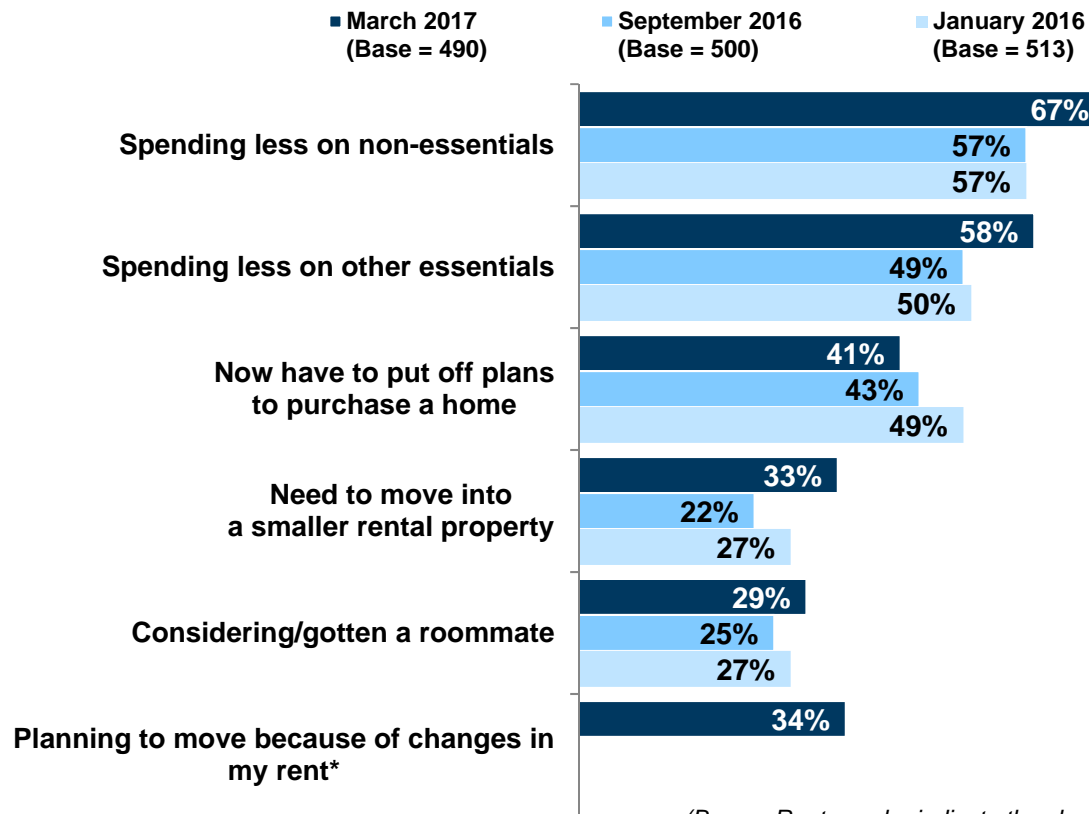


Q: Given the recent changes in your rent, please indicate how much you agree or disagree with each statement regarding what, if any, changes you have had to make or how this change has impacted you.

Because of the changes in your rent...

Financial and Living Situation Changes

% Strongly Agree/Somewhat Agree



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

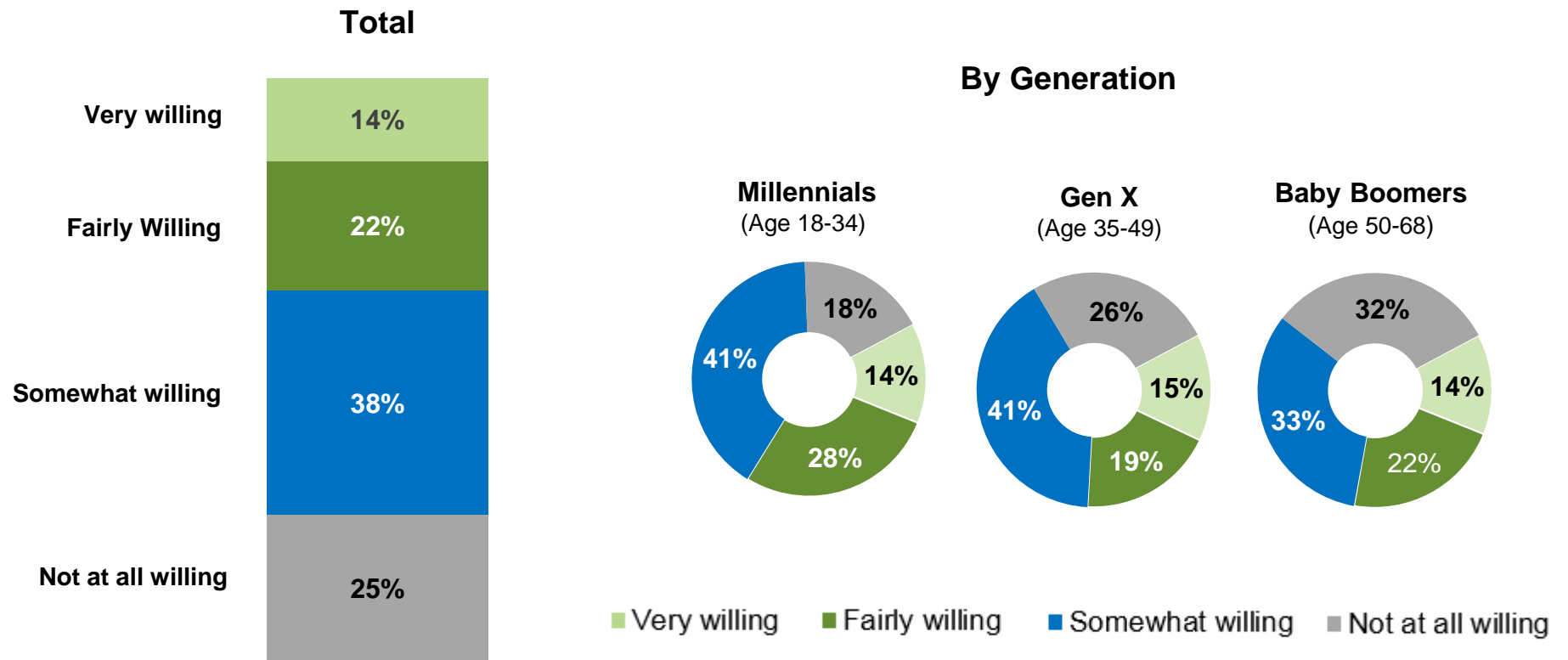
** Question added in 2017*

Seven in Ten Renters Are Willing to Downsize in Order to Live in an Urban Area



Q: How willing would you be to live in a smaller property than you initially wanted in order to be able to live in an urban area?

Willing to Downsize To Live In An Urban Area



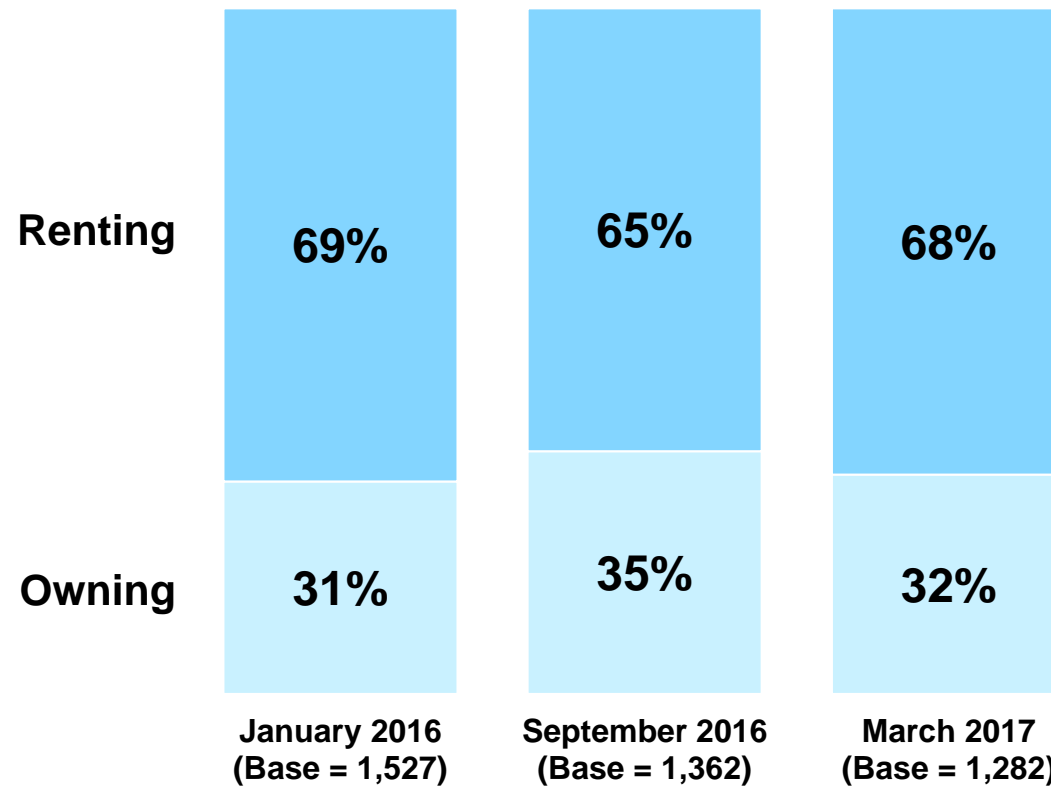
Please refer to table Appendix C for detailed sample size information.

(Base=Total Renters)

Many Renters Still See Renting as More Affordable Than Owning



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



(Base = Total Renters)

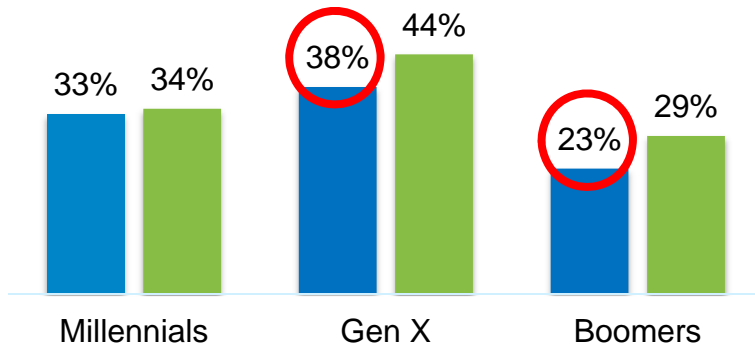
Perceptions of Owning Being More Affordable Declined Across All Generations



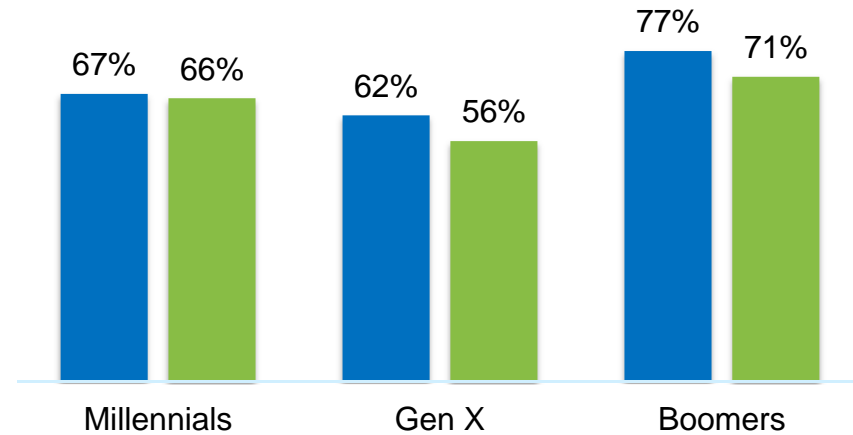
Q: Overall, which do you think is more affordable for you today?

■ March 2017 ■ September 2016

Owning Is More Affordable



Renting Is More Affordable



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

(March 2017 Base = 388 Millennials, 383 Gen X, and 395 Baby Boomers)
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.

Seven in Ten Renters Believe Renting Will Be the Same or More Affordable for Them in the Next 12 Months

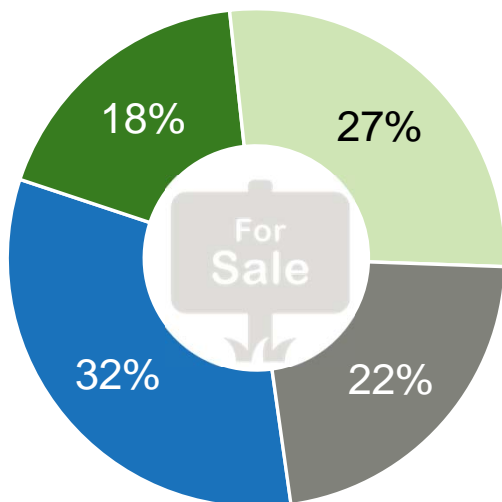


Q: Over the next 12 months, do you think each of the following will be...? Even if you aren't planning to buy or rent a home in the next 12 months, we are still interested in your opinion.

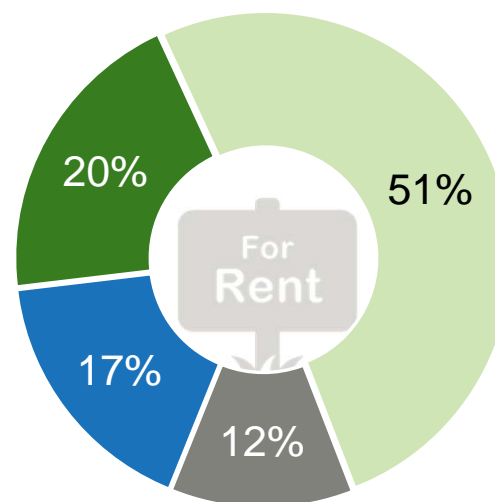
Views on Affordability in the Future

- More affordable for me
- The same
- Don't know/Not sure
- Less affordable for me

Buying a home



Renting



(Base = Total Renters)

A Third of Millennials Renters Feel Buying a Home Will Be Less Affordable in the Future

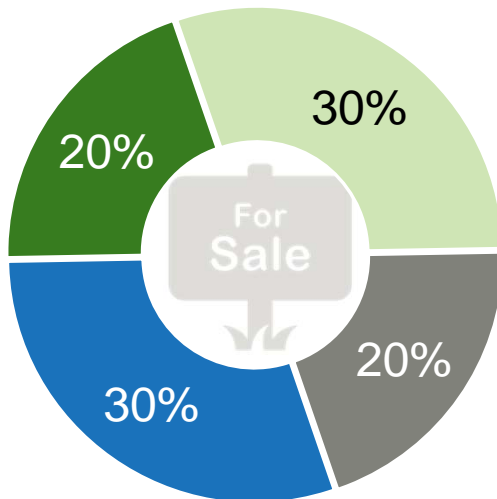


Q: Over the next 12 months, do you think each of the following will be...? Even if you aren't planning to buy or rent a home in the next 12 months, we are still interested in your opinion.

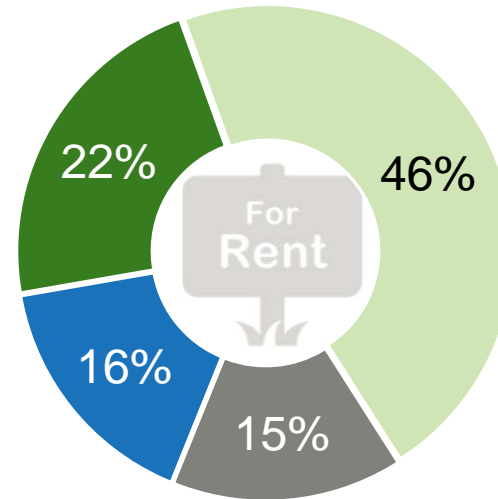
Millennial Views on Affordability in the Future

- More affordable for me
- The same
- Don't know/Not sure
- Less affordable for me

Buying a home



Renting



(Base = 388 Millennial Renters)

For Gen X Renters, Most Expect the Affordability of Renting To Be the Same in the Future

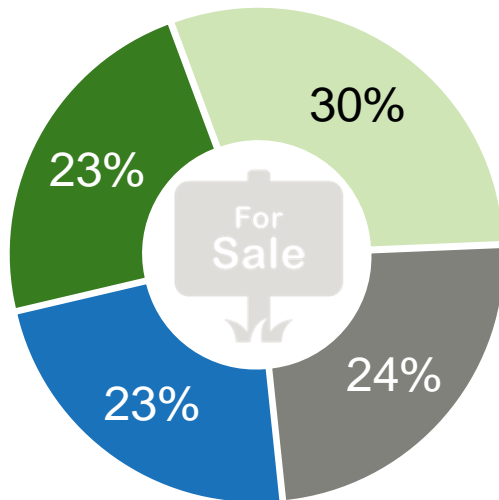


Q: Over the next 12 months, do you think each of the following will be...? Even if you aren't planning to buy or rent a home in the next 12 months, we are still interested in your opinion.

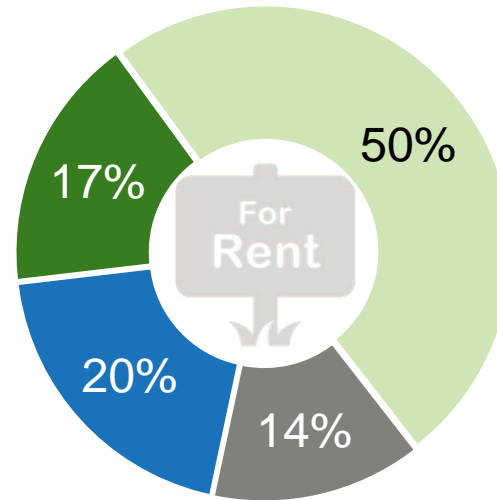
Gen X Views on Affordability in the Future

- More affordable for me
- The same
- Don't know/Not sure
- Less affordable for me

Buying a home



Renting



(Base = 383 Gen X Renters)

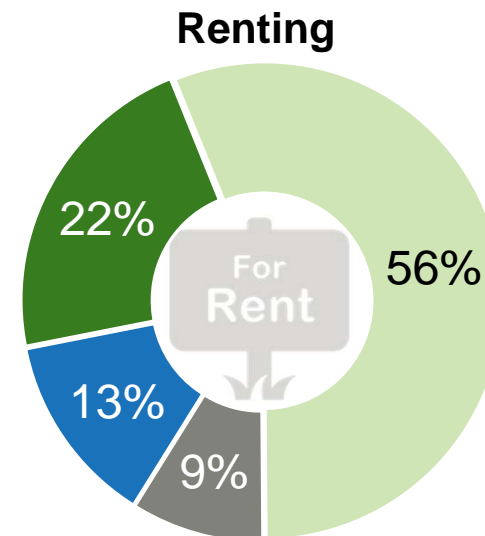
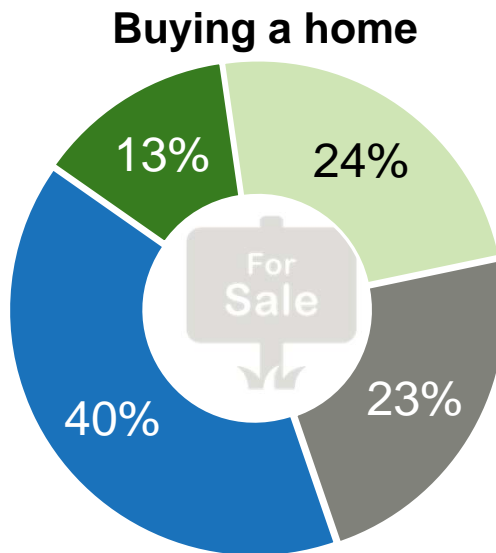
Baby Boomers Are Not Optimistic About the Affordability of Owning in the Future



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.

Baby Boomer Views on Affordability in the Future

- More affordable for me
- The same
- Don't know/Not sure
- Less affordable for me

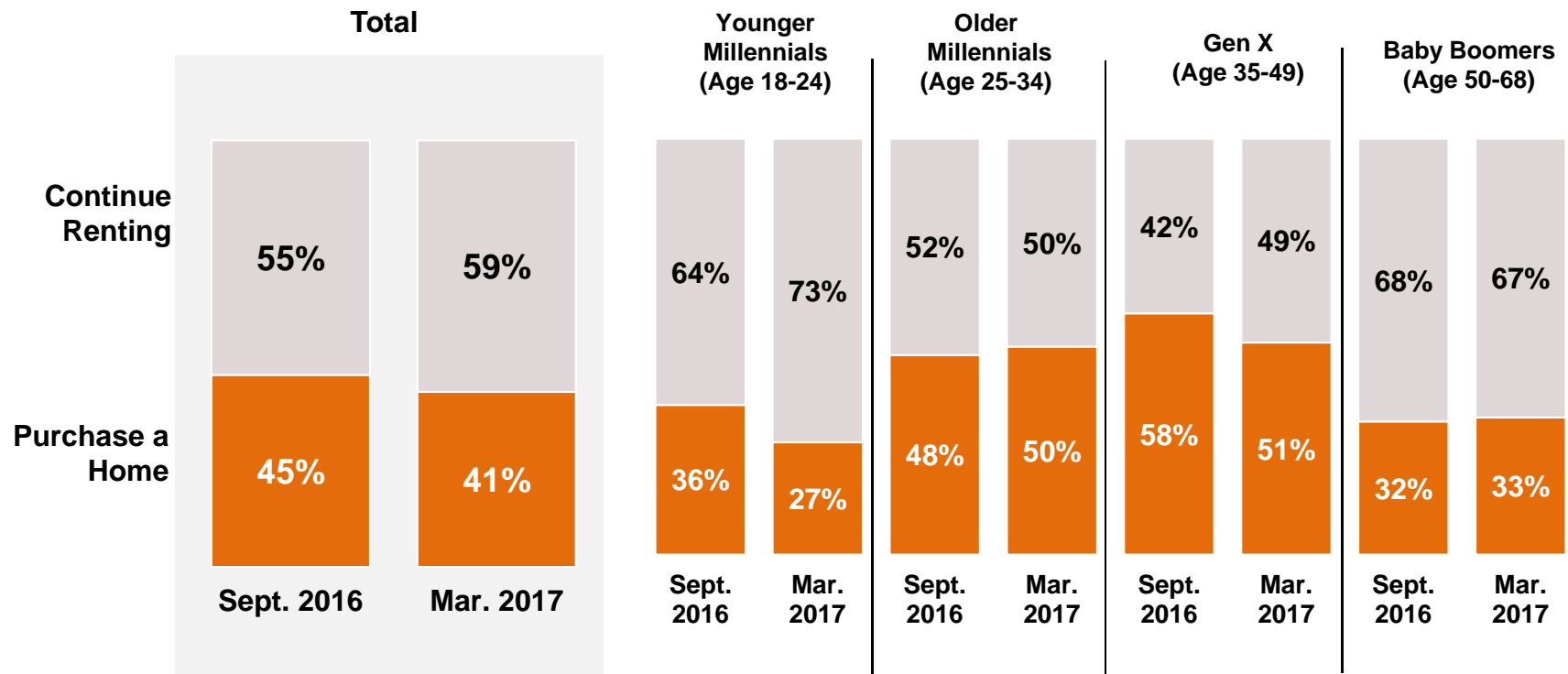


(Base = 395 Baby Boomers Renters)

Millennials Are More Likely to Continue Renting



Q: For your next residence, do you expect to...? We realize you may be unsure, but please provide your best assumptions.



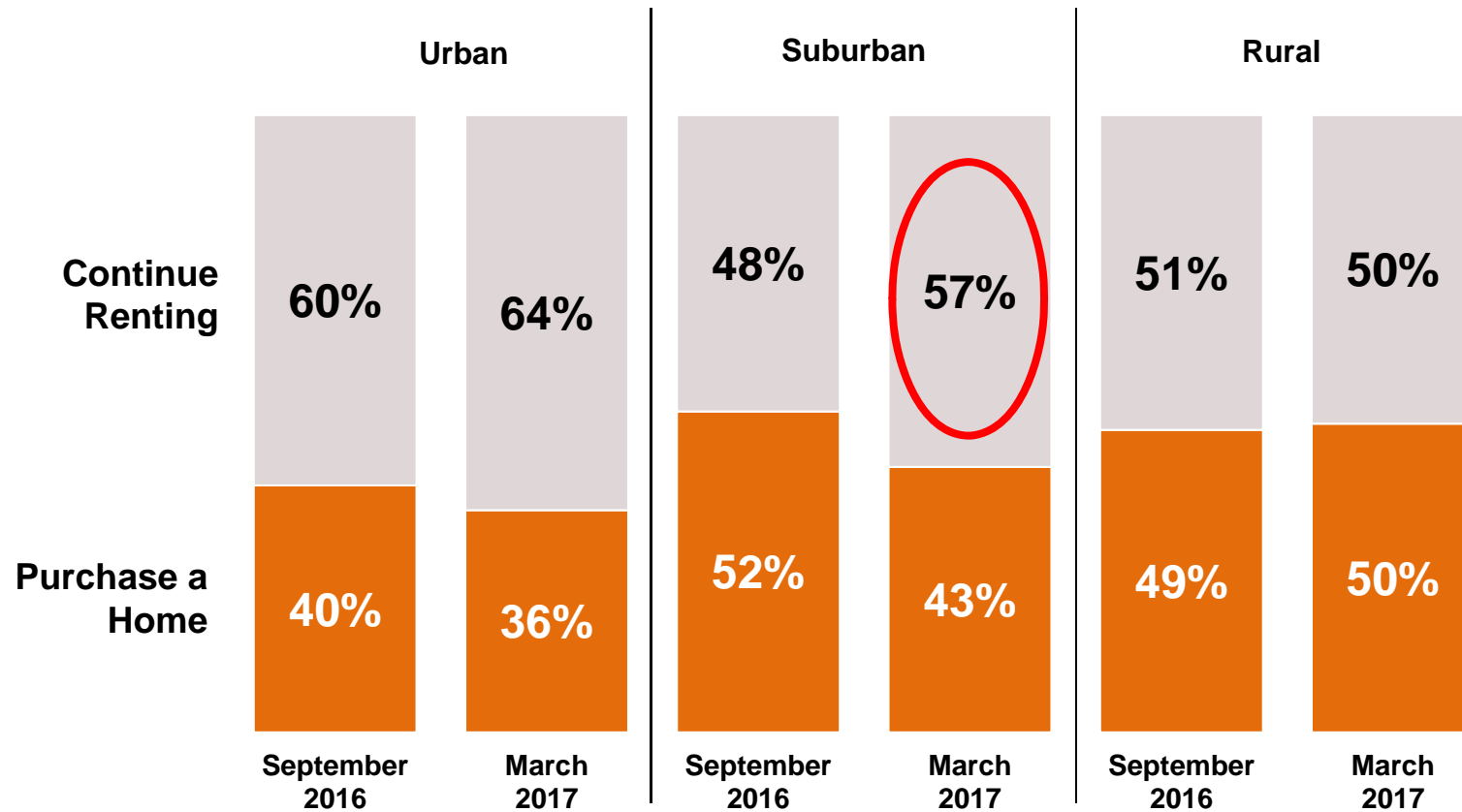
Please refer to table Appendix C for detailed sample size information.

(Base = Total Renters)

Compared to Last Year, More Renters Living in Suburban Areas Say They Will Continue Renting for Their Next Residence



Q: For your next residence, do you expect to...? We realize you may be unsure, but please provide your best assumptions.

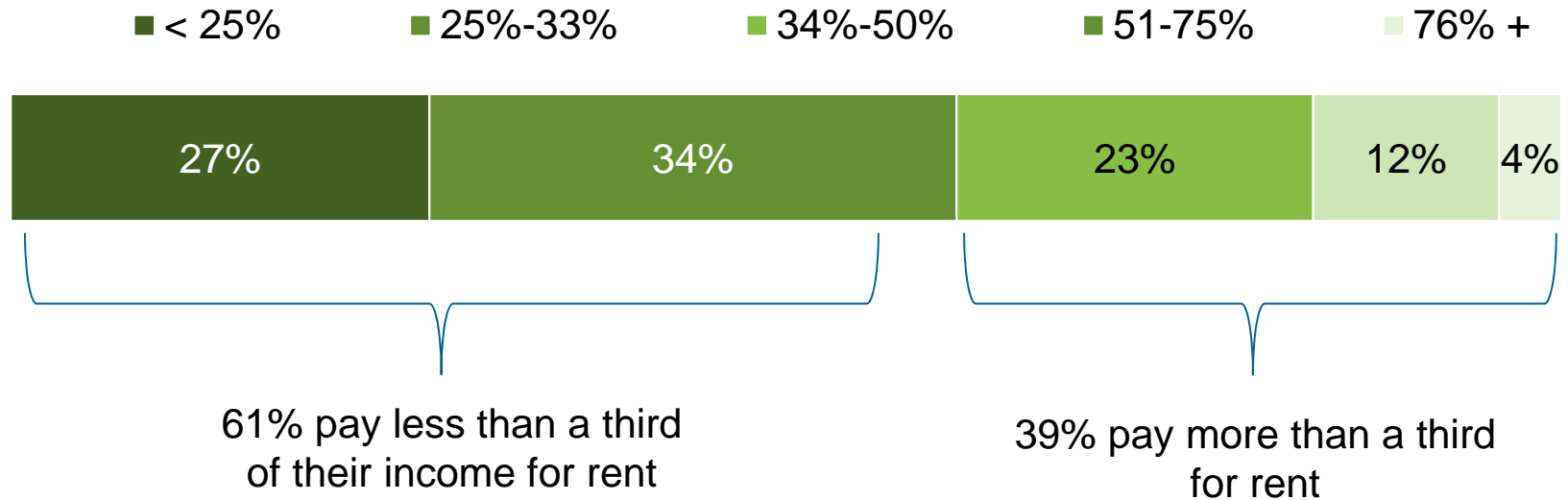


Please refer to table Appendix C for detailed sample size information.

Many Renters Are Paying More Than a Third of Their Income For Rent



Q: Approximately what percentage of your total household income after tax do you pay in rent (excluding utility bills and other fees)?



(Base = Total Renters)

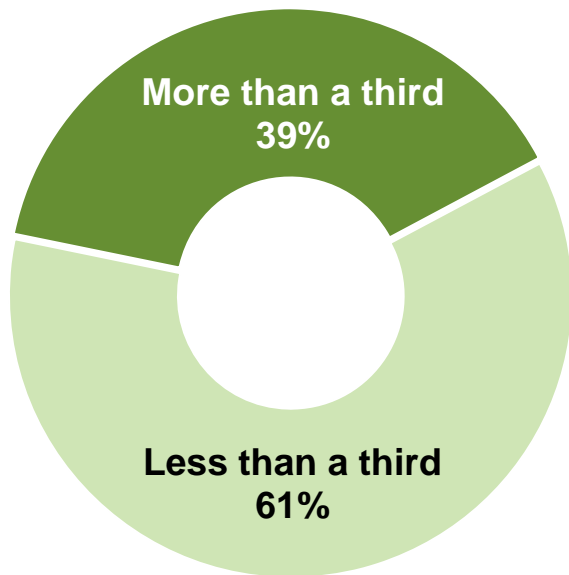
Graph excludes Not Applicable responses and 209 Renters who currently don't know the percentage of their income they pay in rent

Four in Ten Renters Pay More Than a Third of Their Income in Rent Payments

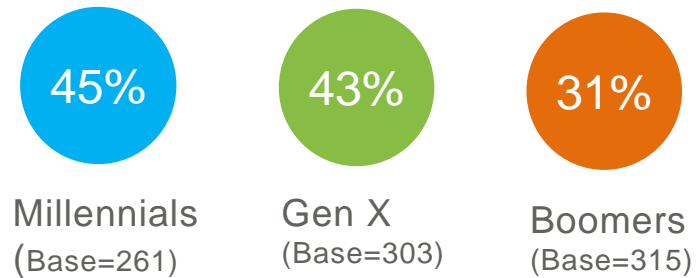


Q: Approximately what percentage of your total household income after tax do you pay in rent (excluding utility bills and other fees)?

Housing to Income Ratio (Base = 969)



Housing to Income Ratio* (More Than 33% In Rent Payments)



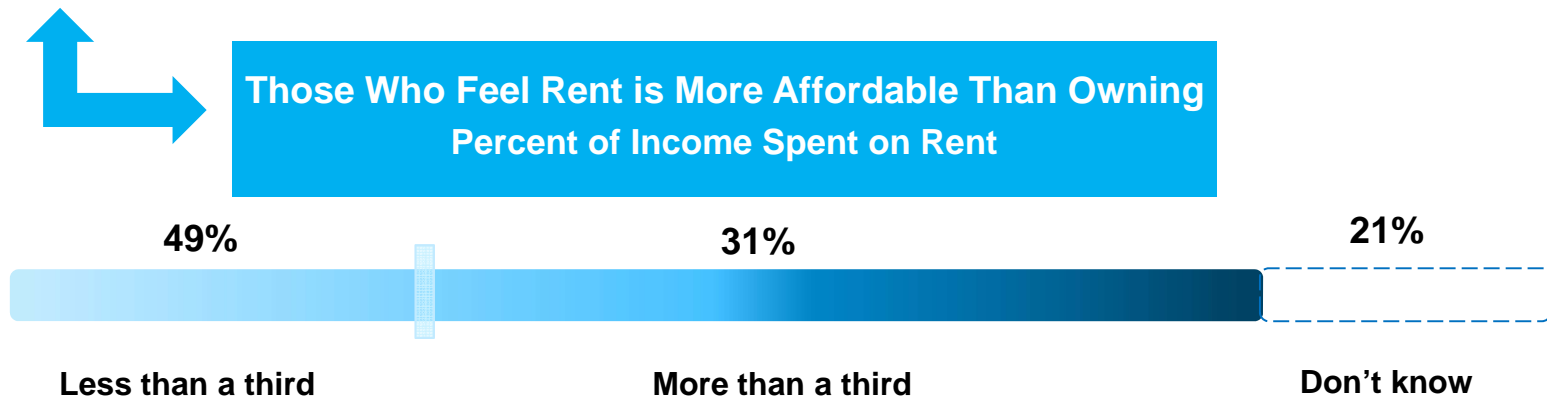
*Excludes Don't Know and N/A Not Applicable responses. Excludes "Mature" generation.

(Base = Total Renters)

Those Who Feel Rent Is More Affordable Than Owning Are Paying Less Than a Third of Their Income for Housing



Q: Overall, which do you think is more affordable for you today? The list below contains some views people have about renting - It is easy to find suitable and affordable rentals where I live.

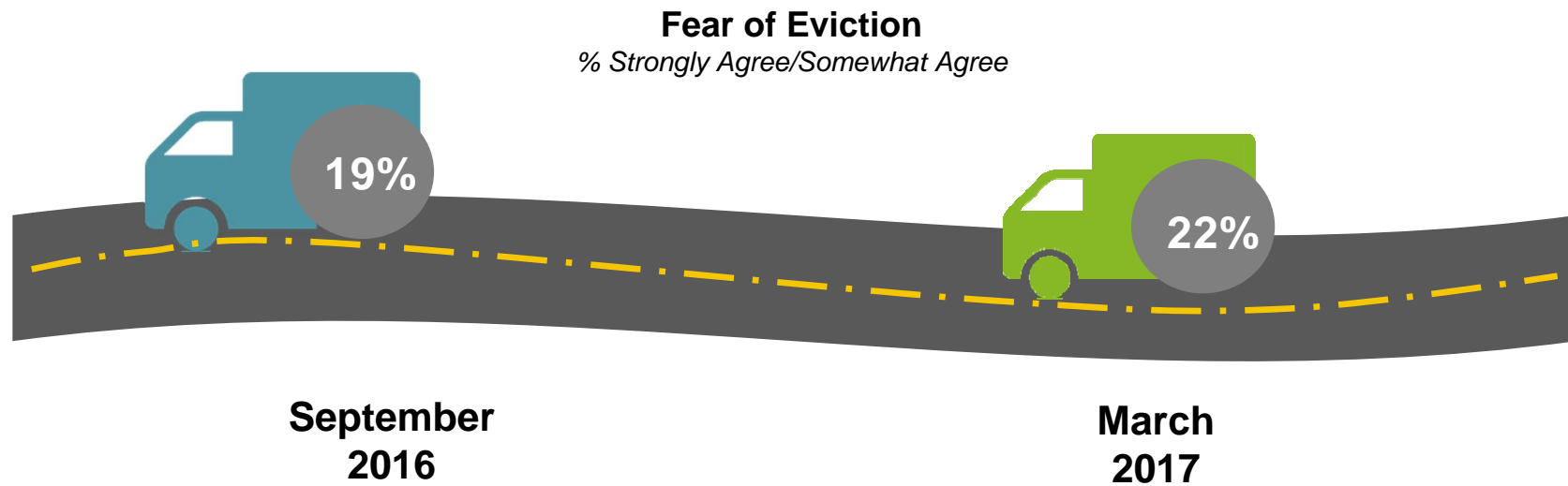


(Base = Total Renters)

Fear of Eviction Remain a Reality For Some Renters



**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.**



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

Renters Are Making Progress on Their Debt and More Optimistic About Personal Finances



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

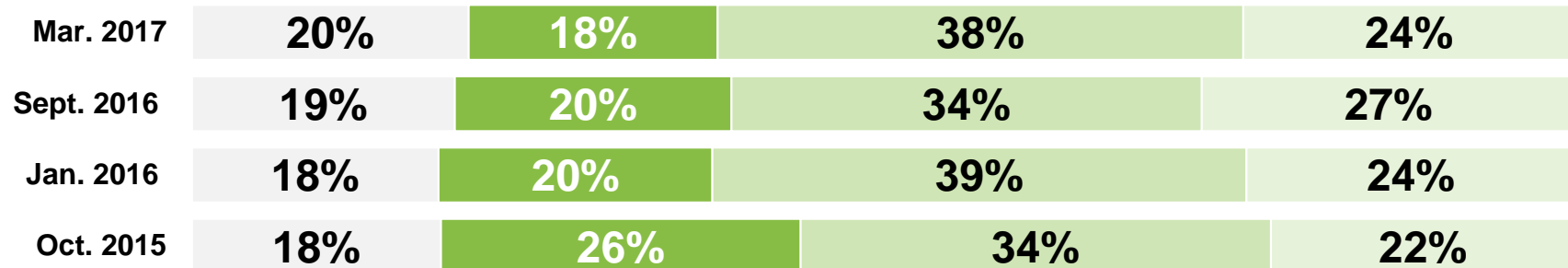
Managing Finances

■ Have enough money to go beyond each payday ■ Live payday to payday ■ Sometimes don't have enough money for basics



Managing Debt

■ Don't current have any debt ■ Manage debt without any set back ■ Occassional difficulties, but making progress ■ Never able to make any progress



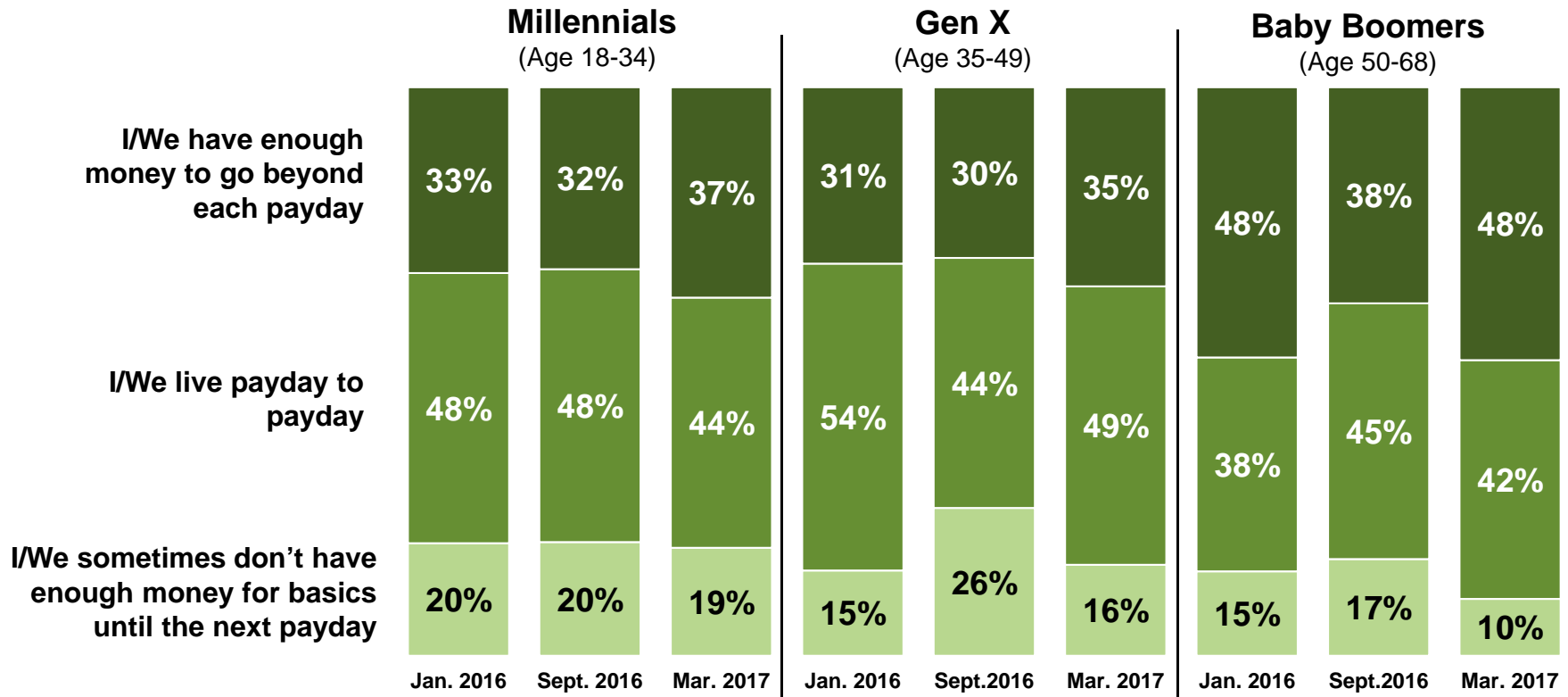
Please refer to table Appendix C for detailed sample size information.

(Base = Total Renters)

Confidence About Their Financial Situation Improved Across All Generations



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



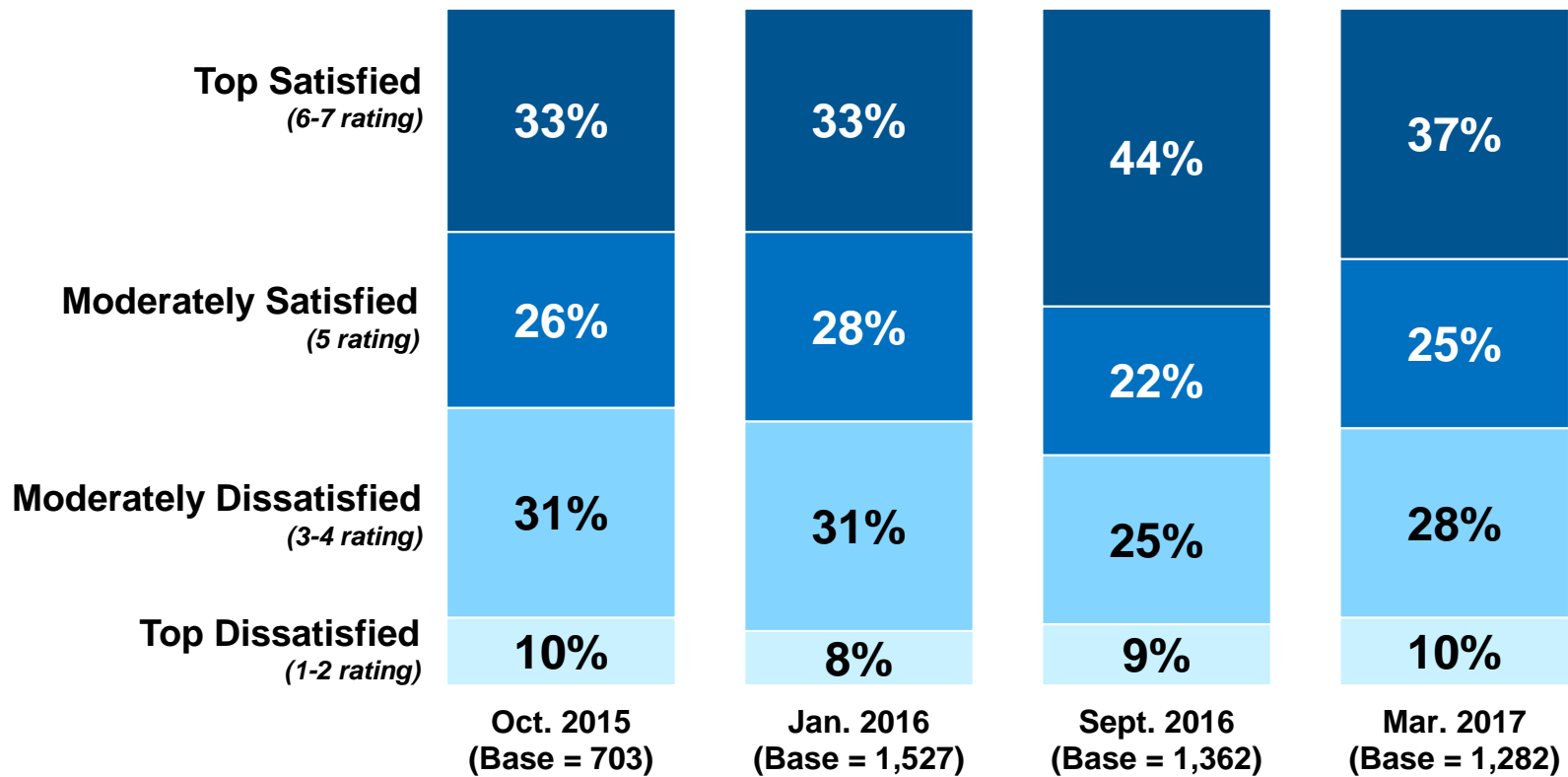
Please refer to table Appendix C for detailed sample size information.

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

Satisfaction With Rental Experience Is Not as High as Last Quarter But Still Strong



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

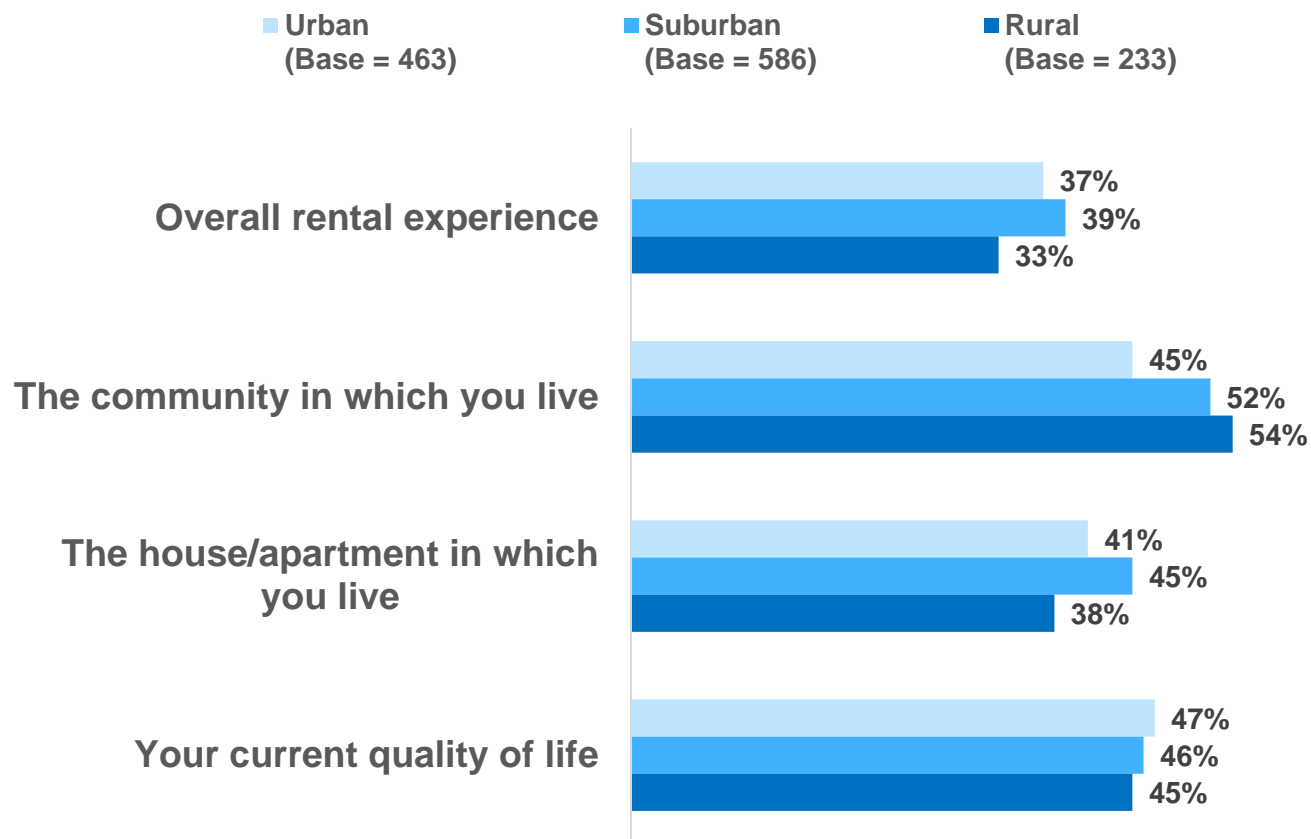


(Base = Total Renters)

Rural Renters Are Less Happy About the Property They Live in



Q: How satisfied have you been...
% Top 2 Box (7-6)



(Base = Total Renters)

Appendix A:

Detailed Results

Future Housing Plans

Housing Continuum for Homeowners Moving to Renting



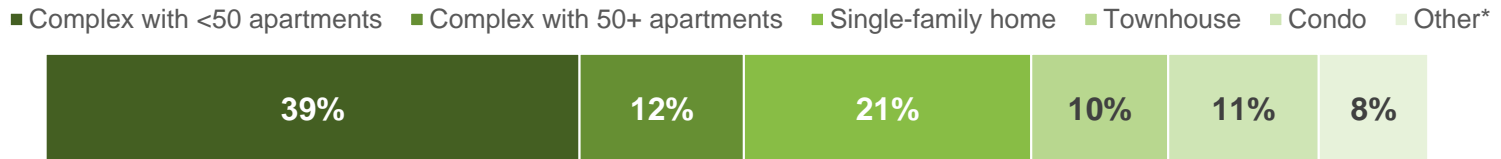
Expect to Rent or Buy



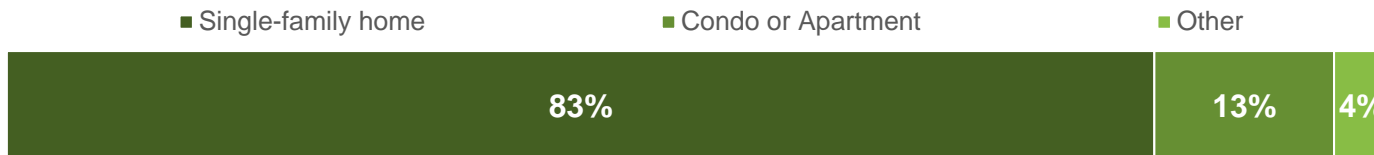
When Expect to Move



Type of Future Property to Rent



Where They Live Now



(Base = 310 Homeowners who expect to rent next home)
 *Other category includes mobile homes

Housing Continuum for Millennial Renters



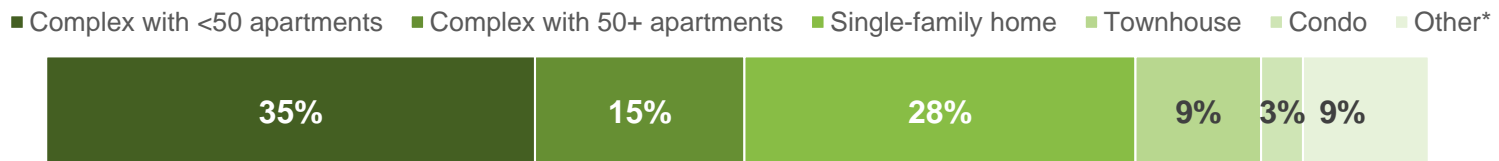
When Expect to Move



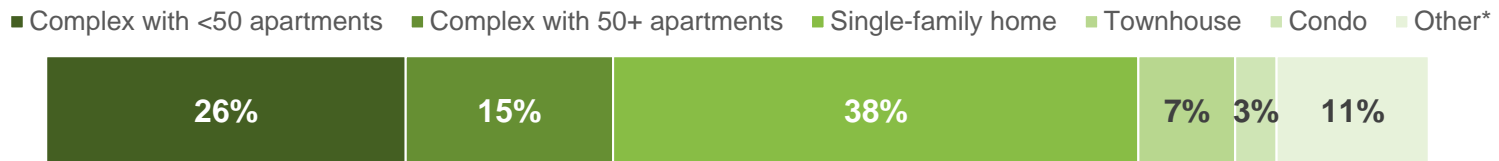
Expect to Rent or Buy



Type of Future Property to Rent



Where They Live Now



(Base = 388 Millennial Renters)
 *Other category includes mobile homes

Housing Continuum for Gen X Renters



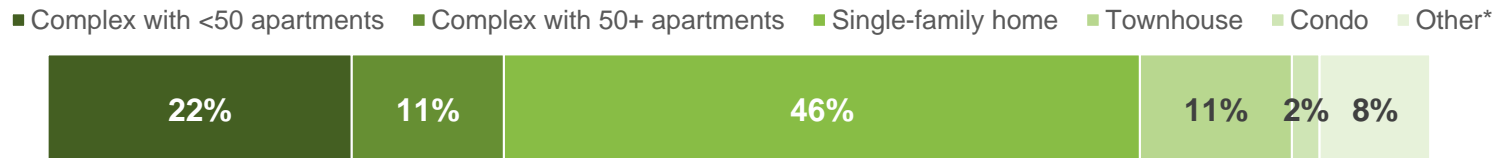
When Expect to Move



Expect to Rent or Buy



Type of Future Property to Rent



Where They Live Now



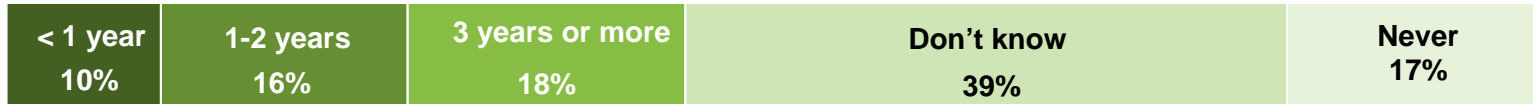
(Base = 383 Gen X Renters)

*Other category includes mobile homes

Housing Continuum for Baby Boomer Renters



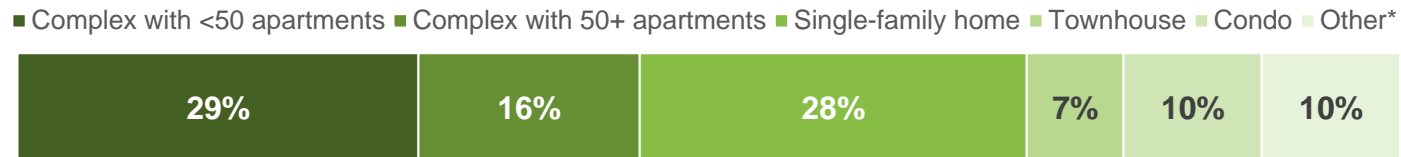
When Expect to Move



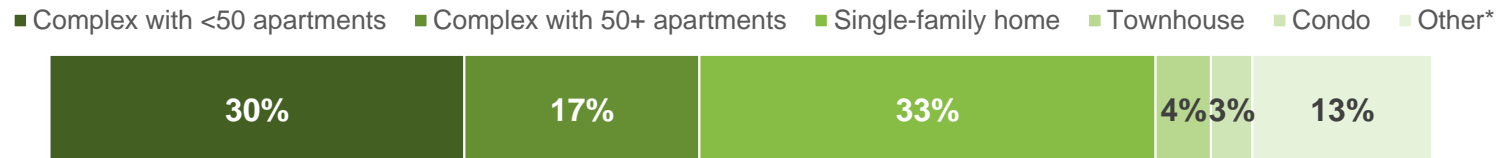
Expect to Rent or Buy



Type of Future Property to Rent



Where They Live Now



(Base = 395 Baby Boomer Renters)
 *Other category includes mobile homes

Housing Continuum for Urban Renters



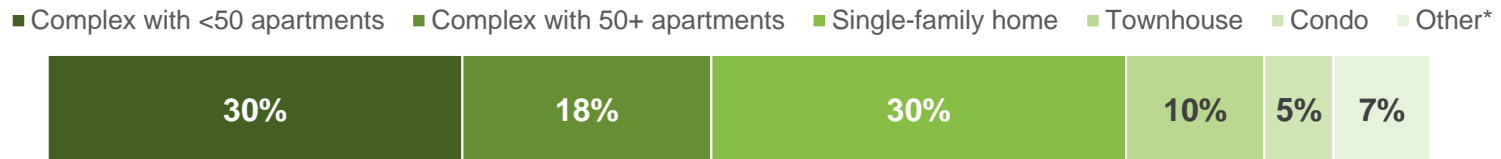
When Expect to Move



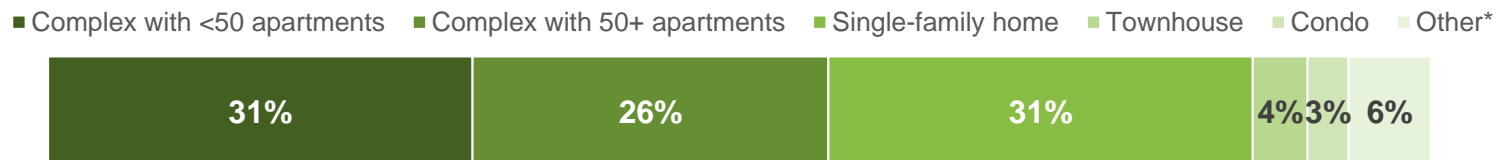
Expect to Rent or Buy



Type of Future Property to Rent



Where They Live Now



(Base = 463 Urban Renters)

*Other category includes mobile homes

Housing Continuum for Suburban Renters



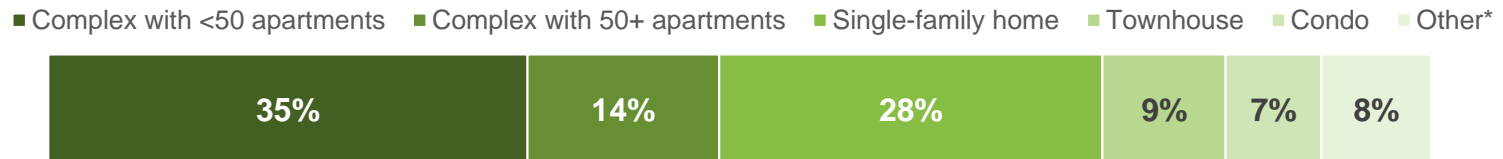
When Expect to Move



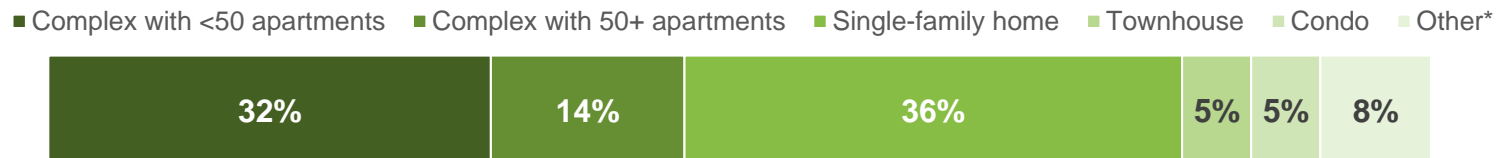
Expect to Rent or Buy



Type of Future Property to Rent



Where They Live Now



(Base = 586 Suburban Renters)
 *Other category includes mobile homes

Housing Continuum for Rural Renters



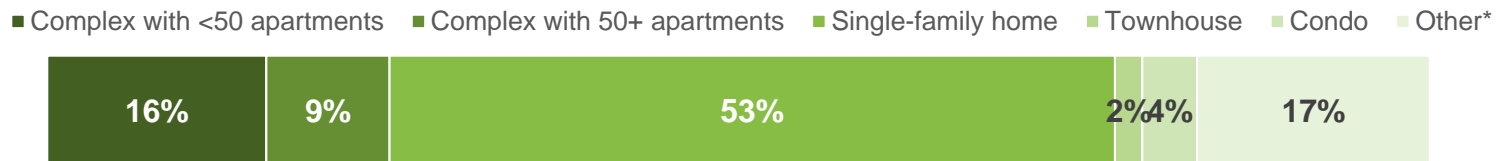
When Expect to Move



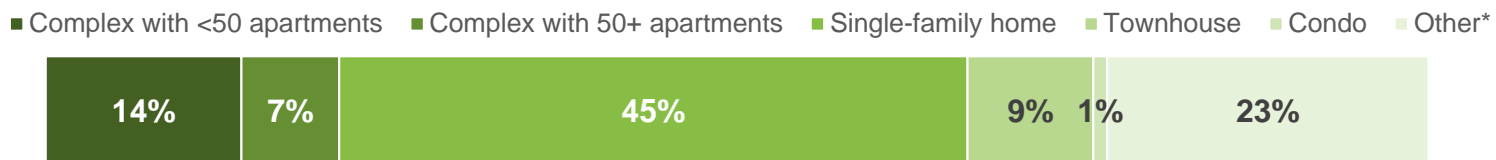
Expect to Rent or Buy



Type of Future Property to Rent



Where They Live Now



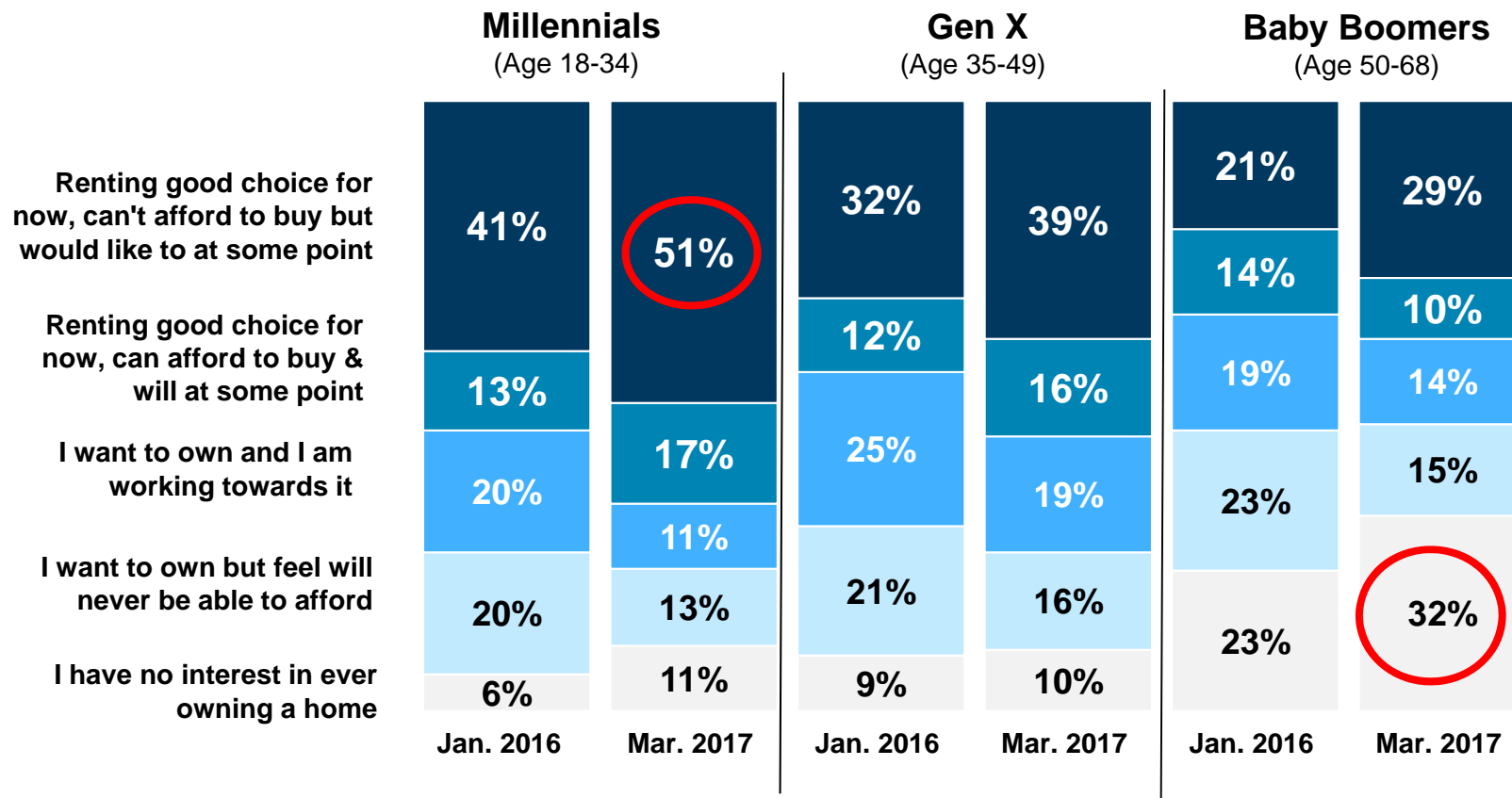
(Base = 233 Rural Renters)
*Other category includes mobile homes

Views On Renting & Satisfaction

Millennials More Likely to Say Rent Is A Good Choice While More Baby Boomers Say They Have No Interest in Owning



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



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

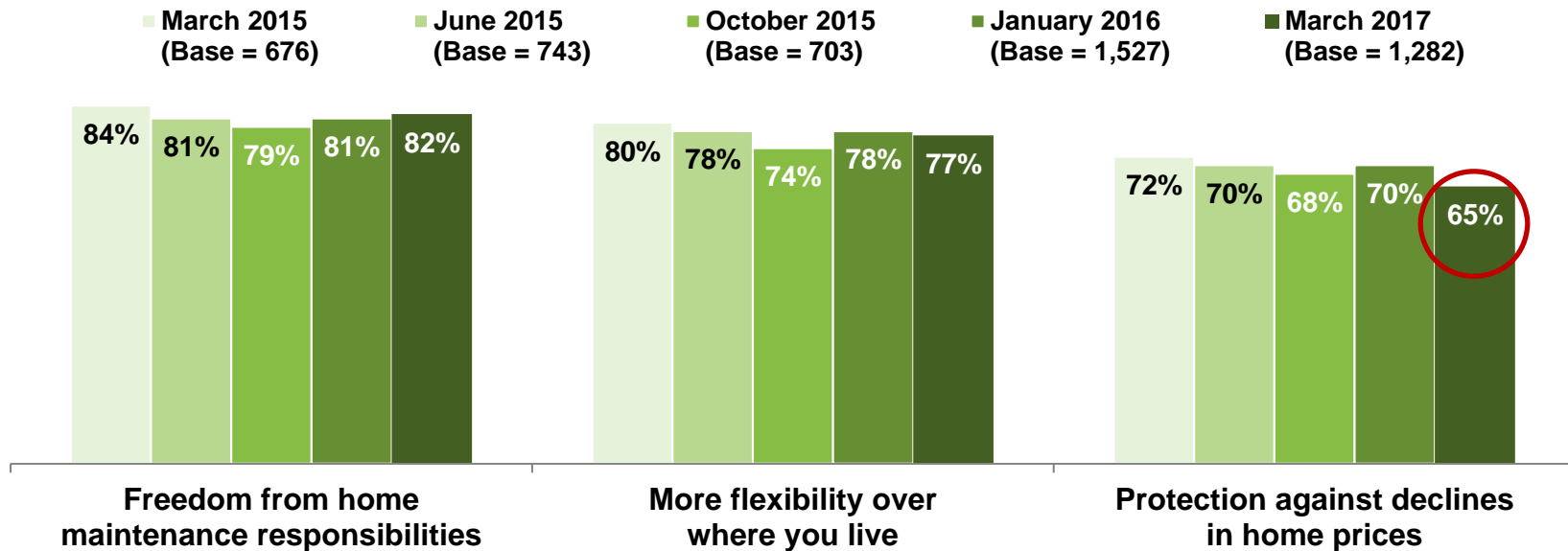
(2017 Base = 388 Millennials, 383 Gen X and 395 Baby Boomers). Excludes "Mature" generational renters (Age 69+) given extremely small sample size.

Perceptions on Renting Providing Protection Against Declines in Home Prices Is Not as Strong as in the Past



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

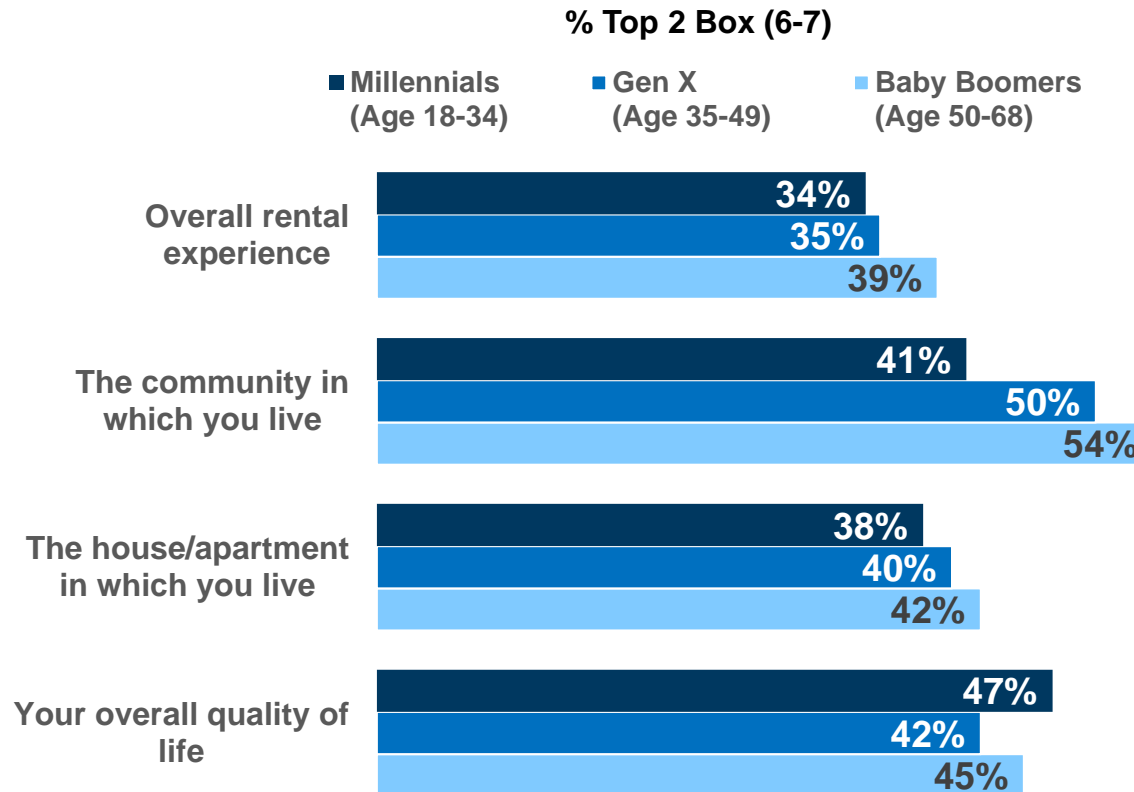


(Base = Total Renters)

Younger Renters Less Satisfied With Rental Experience, Community, Home But Satisfied With Overall Quality of Life



Q: How satisfied have you been with ...



(March 2017 Base = 388 Millennials, 383 Gen X and 395 Baby Boomers)
 Excludes "Mature" generational renters (Age 69+) given extremely small sample size.

Views On Affordability

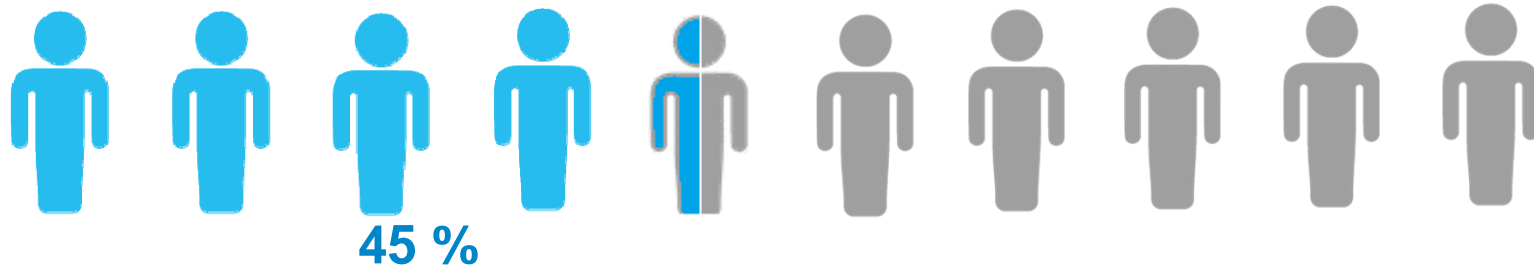
Renters Who Believe It Is Easy to Find Suitable and Affordable Rentals Are Spending Less Than a Third Of Their Income on Rent



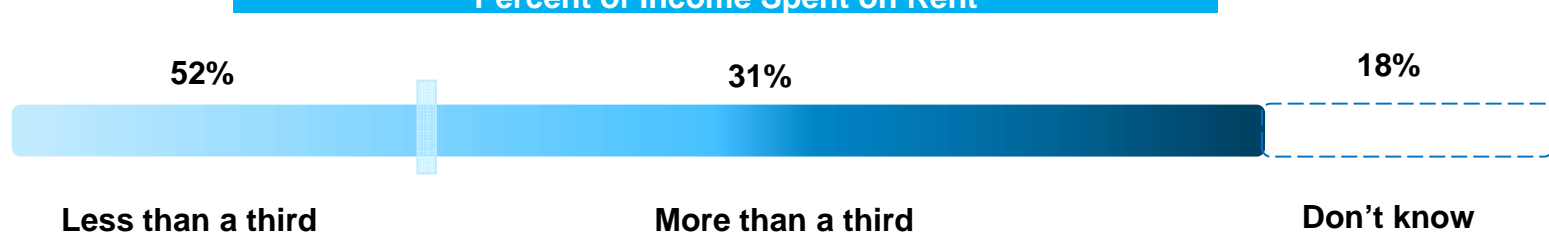
Q: The list below contains some views people have about renting - It is easy to find suitable and affordable rentals where I live.

Q Approximately what percentage of your total household income after tax do you pay in rent (excluding utility bills and other fees)?

Ease of Finding Suitable and Affordable Rentals % Strongly Agree/Agree



Renters Who Believe It Is Easy To Find Suitable And Affordable Rentals Percent of Income Spent on Rent

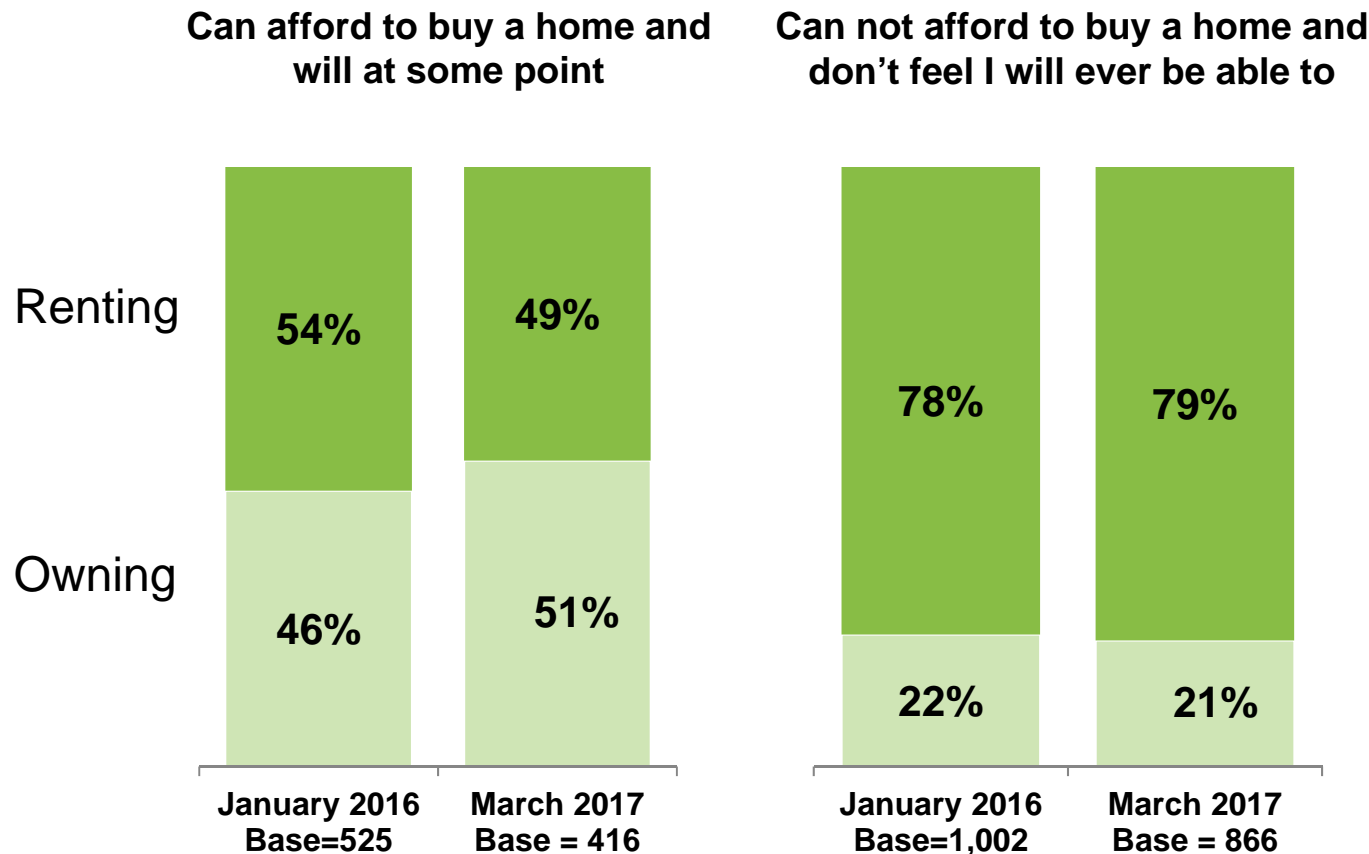


(Base = Total Renters)

Half of Renters Who Can Afford to Buy Are Split on Whether Renting or Owning Is More Affordable



Q: Which one of the these statements best reflects your views about why you are currently renting?
 Q: Overall, which do you think is more affordable for you today?



(Base = Total Renters)

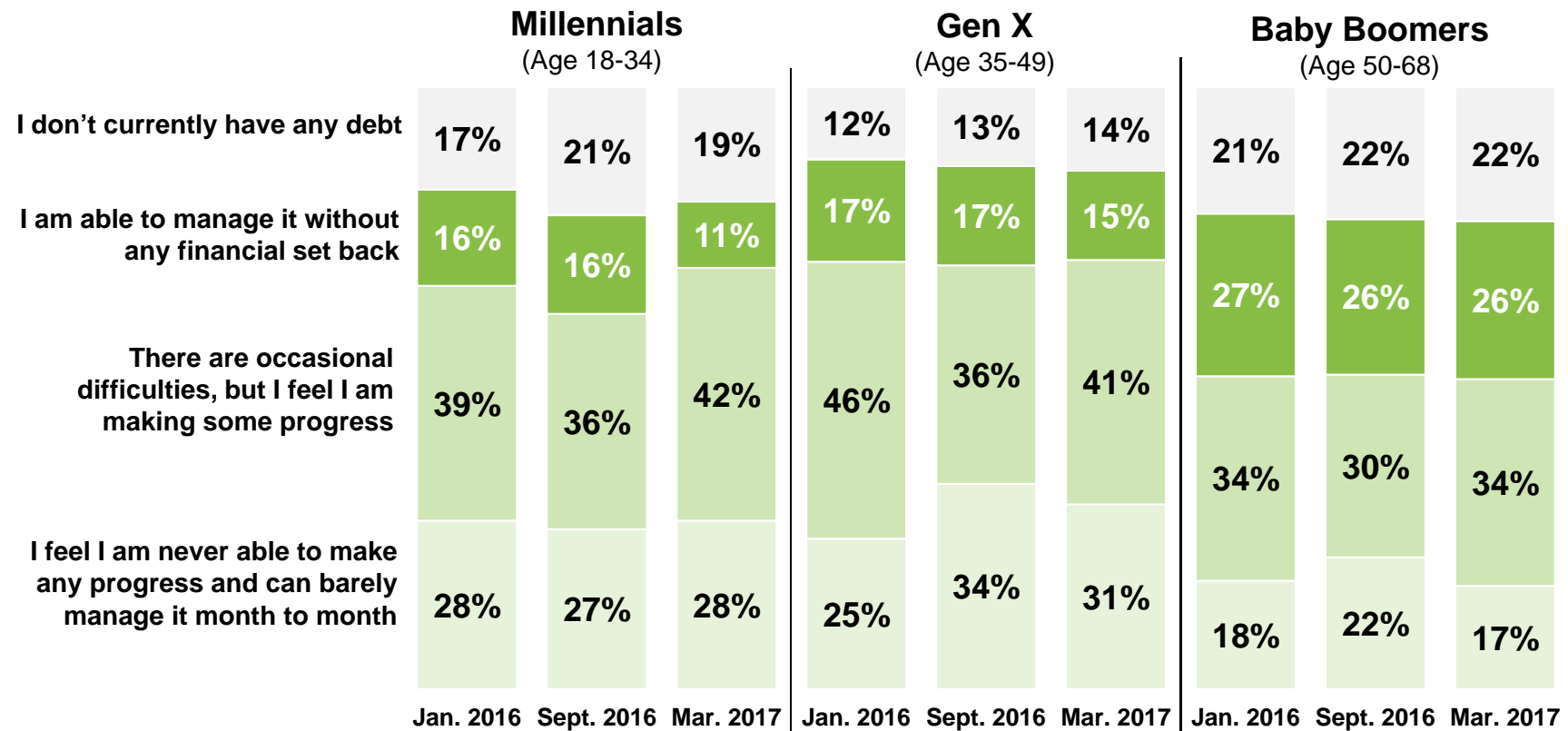
Views On General Finance & Debt

General Perceptions About Debt

by Generation



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



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

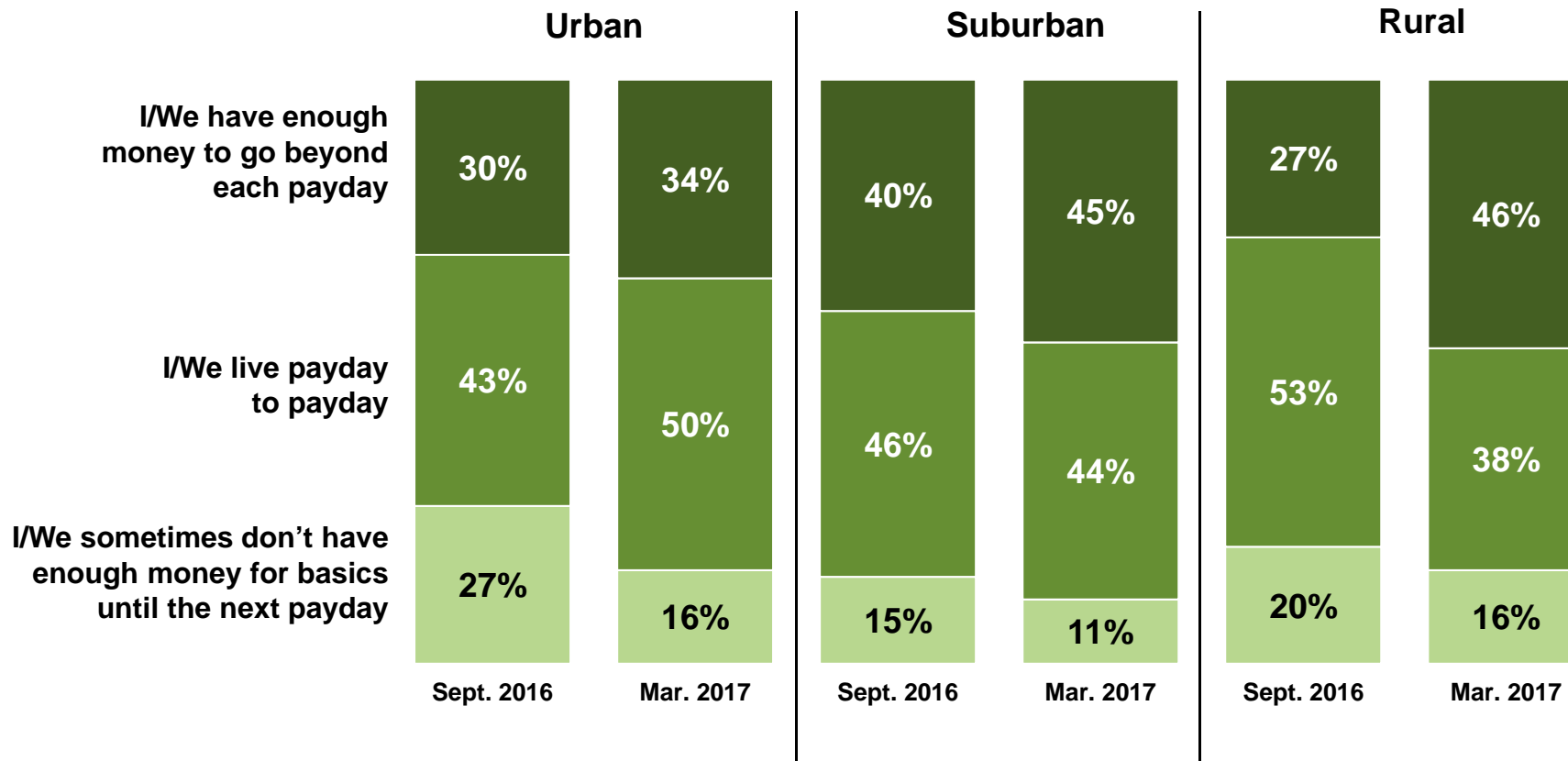
(March 2017 Base = 388 Millennials, 383 Gen X and 395 Baby Boomers)
Excludes "Mature" generational renters (Age 69+) given extremely small sample size.

General Feelings About Financial Situation

by Area



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



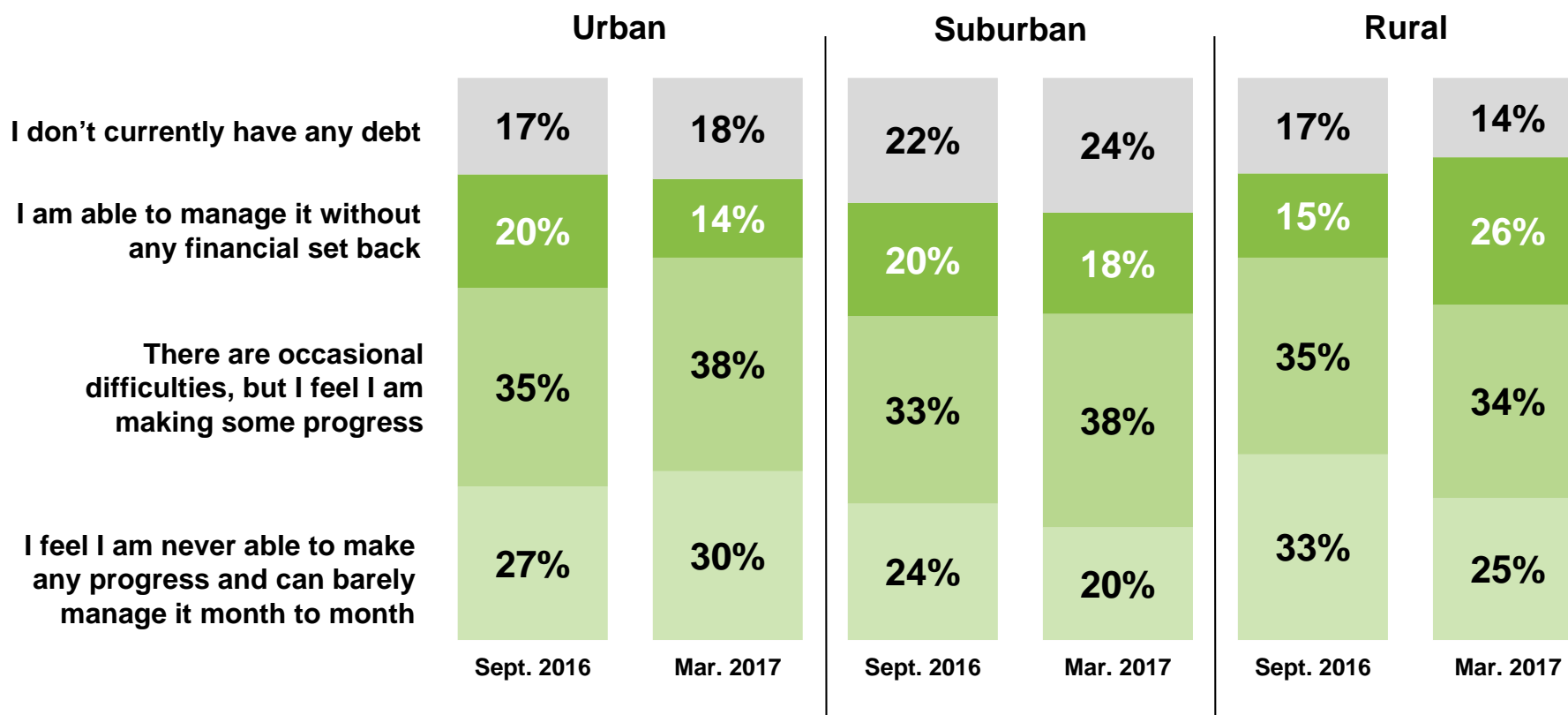
Please refer to table Appendix C for detailed sample size information.

(March 2017 Base = 463 Urban renters, 586 Suburban renters, 233 Rural renters)

Renters in Urban Areas More Likely to Struggle With Their Debt



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



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

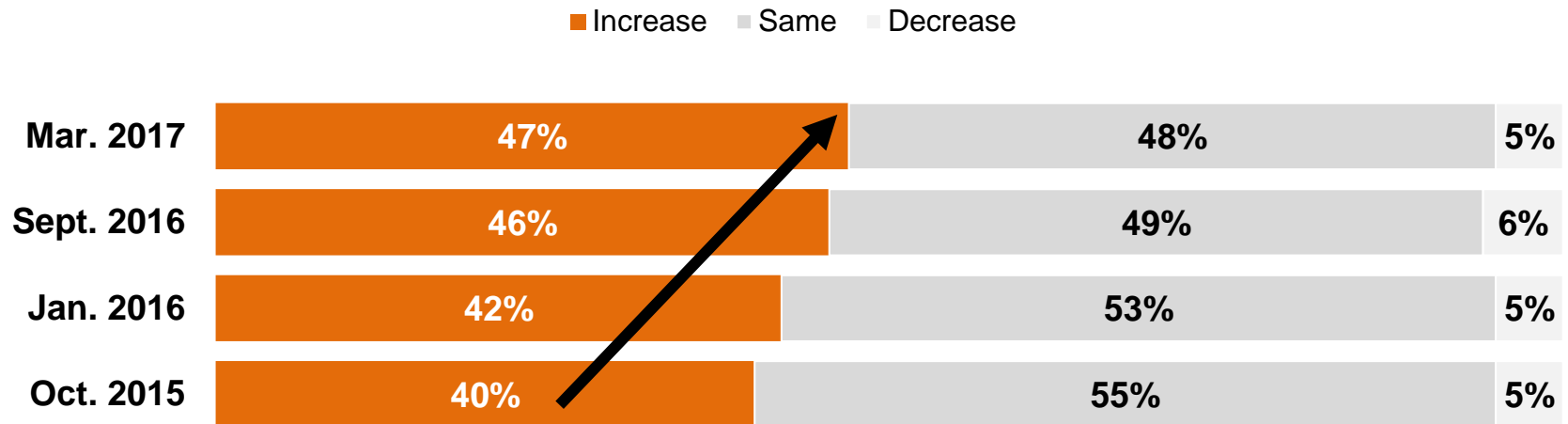
(March 2017 Base = 463 Urban Renters, 586 Suburban Renters, 233 Rural Renters)

Rent Change



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

Rental Change in Past Two Years



(March 2017 Base = 1107 renters who indicate they have been in their current home two years or more)

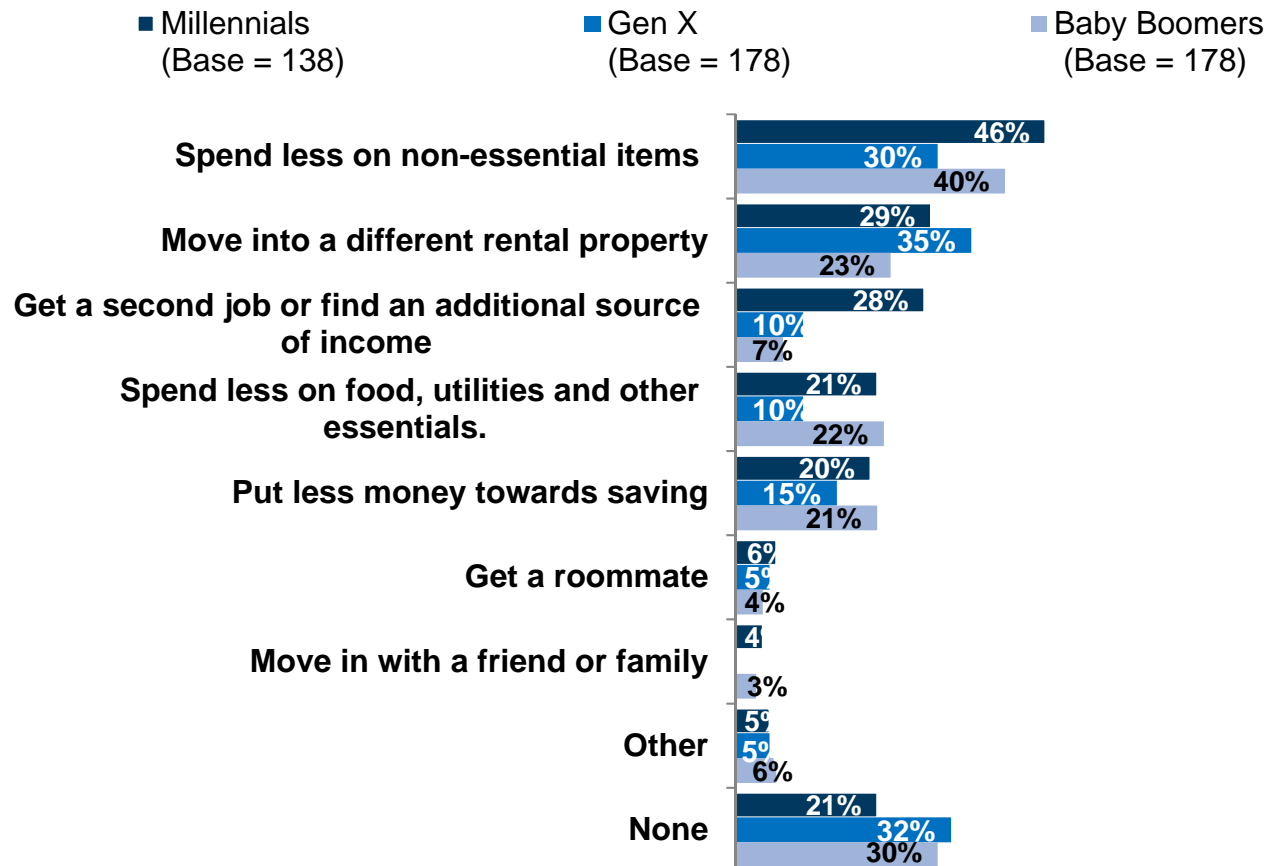
Overall Millennials Are More Likely to Consider Adjusting Their Finances to Accommodate Future Rent Increases



Q: If your rent increases in the next year, what change(s), if any, would you make? Please select the top three changes you would consider making. (Please select up to 3 responses)

Changes If Rent Increased

% Selected



(Base = 530 Renters whose rent stayed the same in the past two years)

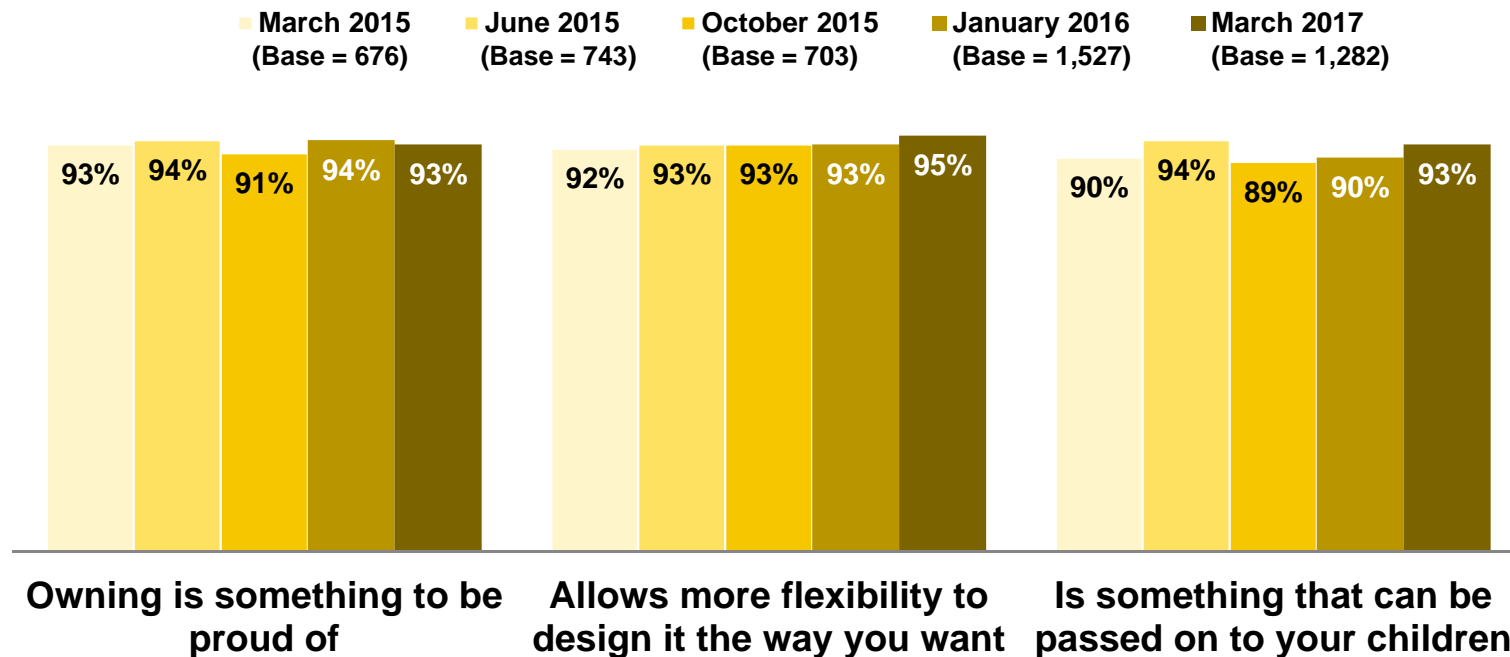
Views On Home Ownership

Top Favorable Factors About Owning Remain Steady



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



(Base = Total Renters)

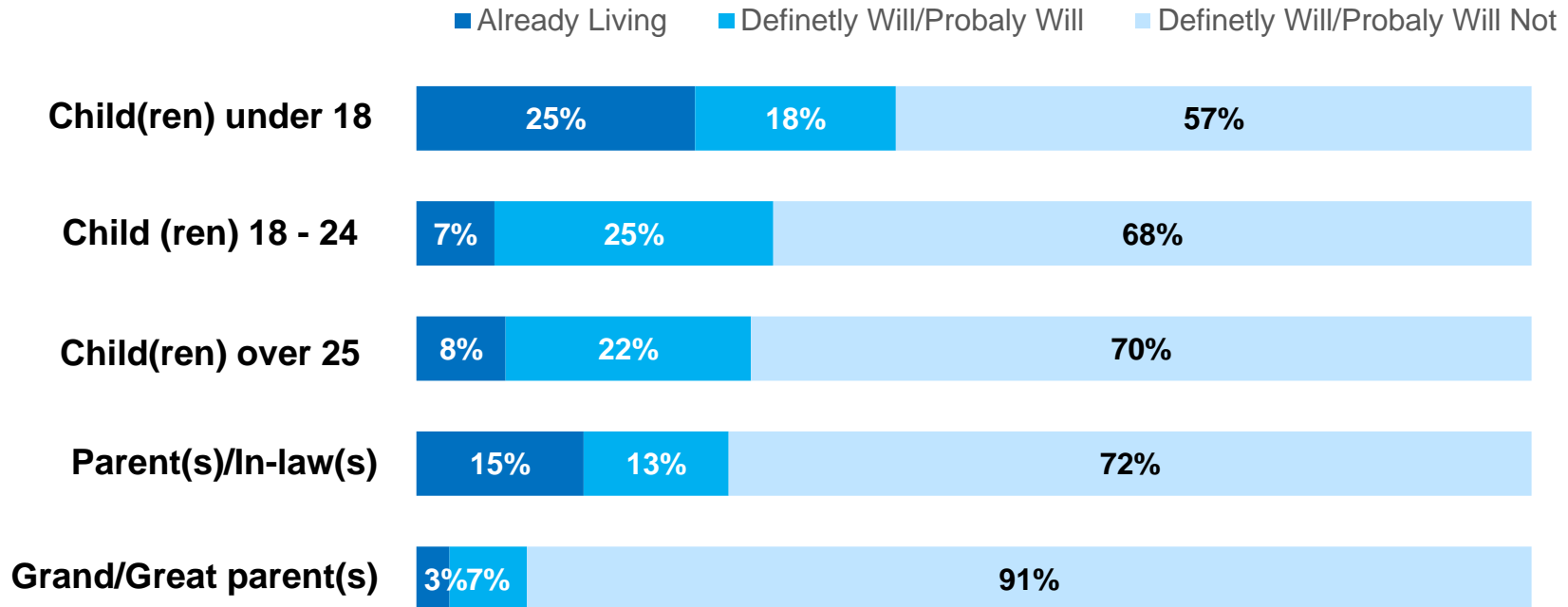
Composition of Multigenerational Household

Overall Likelihood to Live With Relatives



Q: Thinking about your long-term or permanent living arrangements, how likely is it that you will live with any of the following family member(s) in the future? *Even if you are unsure at this point, please give your best guess.*

Composition of Multigenerational Household*



(Base = Total Renters)

*Excludes Renters who selected N/As in each category

Overall Likelihood to Live With Relatives

by Generation

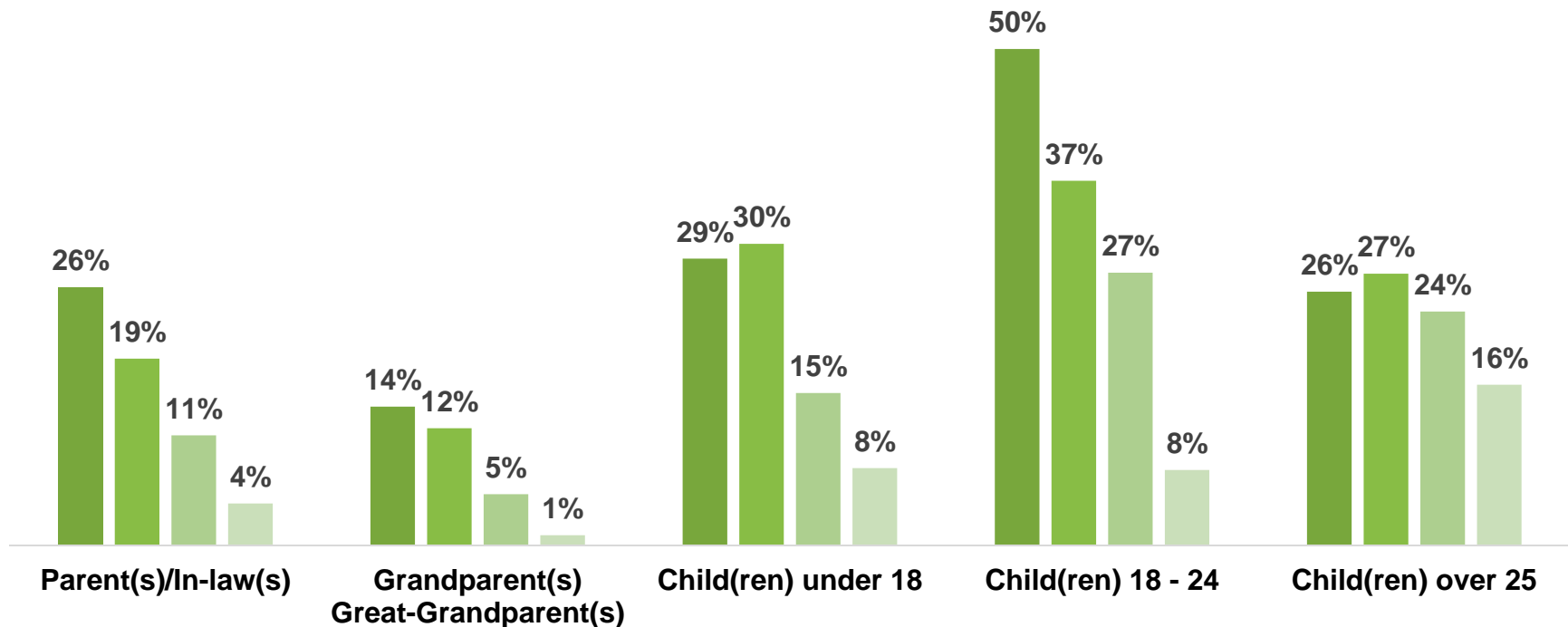


Q: Thinking about your long-term or permanent living arrangements, how likely is it that you will live with any of the following family member(s) in the future? *Even if you are unsure at this point, please give your best guess.*

Future Composition of Multigenerational Households

% Definitely/Probably will live with this family member

■ Younger Millennials ■ Older Millennials ■ Gen X ■ Boomers



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

(Base=Total Renters)

Composition of Multigenerational Household

by Generation

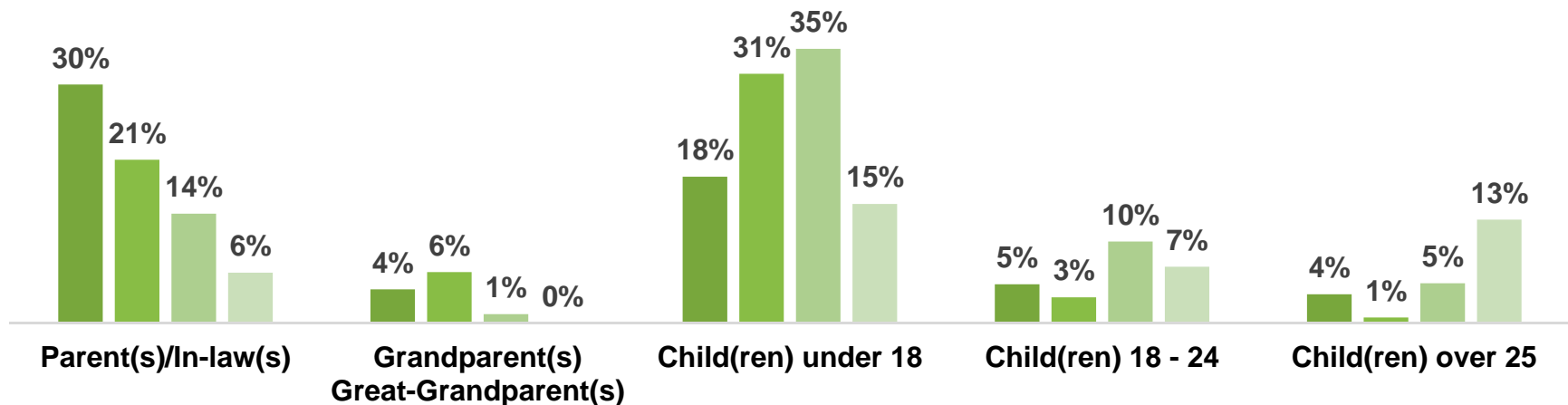


Q: Thinking about your long-term or permanent living arrangements, how likely is it that you will live with any of the following family member(s) in the future? *Even if you are unsure at this point, please give your best guess.*

Composition of Multigenerational Households

% Already living with this family member

■ Younger Millennials ■ Older Millennials ■ Gen-X ■ Boomers



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

(Base=Total Renters)

Urban Renters Significantly More Likely to Live with Older Children in the Future



Q: Thinking about your long-term or permanent living arrangements, how likely is it that you will live with any of the following family member(s) in the future? *Even if you are unsure at this point, please give your best guess.*

Future Composition of Multigenerational Households

% Definitely/Probably will live with this family member

| | Parent(s)/ In-law(s) | Grandparent(s)/ Great-grandparent(s) | Child(ren) Over 25 | Child(ren) 18-24 | Child(ren) under 18 |
|----------|-------------------------|---|-----------------------|---------------------|------------------------|
| Urban | 13% | 10% | 28% | 26% | 22% |
| Suburban | 11% | 4% | 18% | 22% | 14% |
| Rural | 16% | 6% | 19% | 29% | 18% |

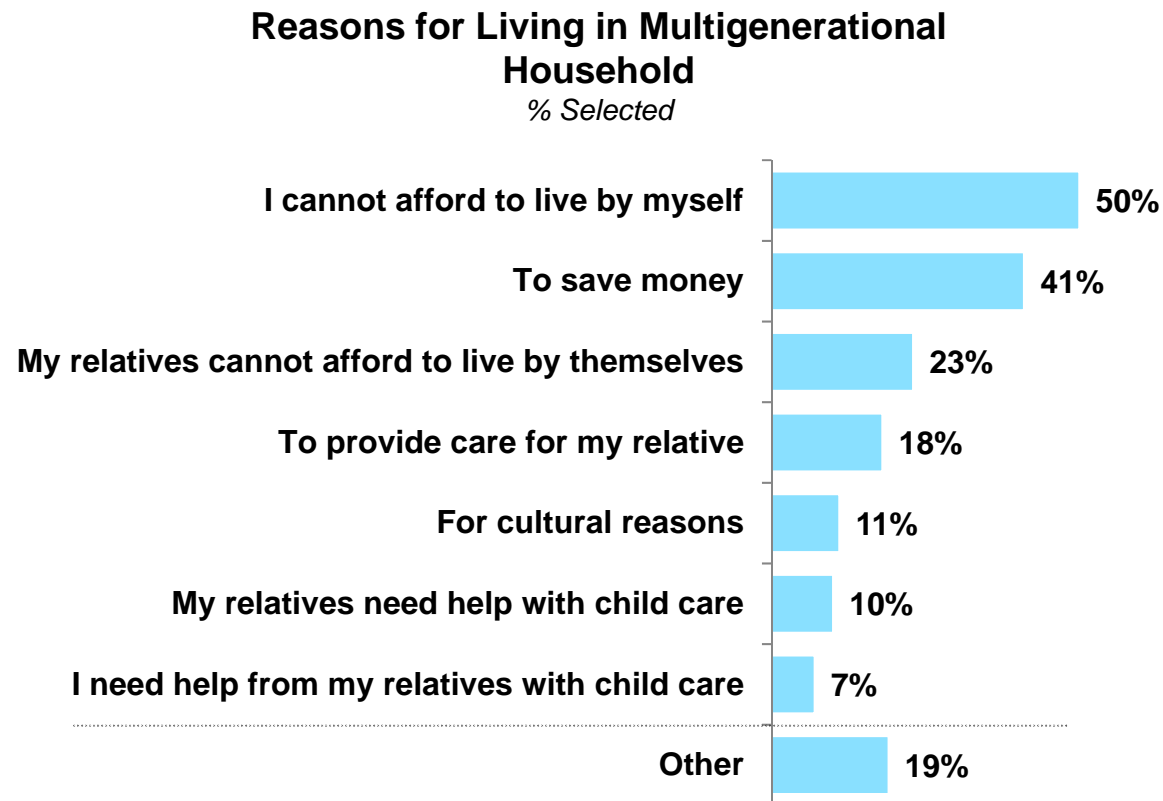
Please refer to table Appendix C for detailed sample size information.

(Base = Total Renters)

Renters Are Primarily Living in Multigenerational Households Due to Affordability



Q: Why are you living in a household with your parents/in-laws/grandparents/great-grandparents/adult children over 25? Please select all that apply.



(Base = 173 Total Renters living in multigenerational household)

Appendix B

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.

Methodology



- Harris Poll on behalf of Freddie Mac conducted an online survey within the United States via its QuickQuery product six different times between August 2014 and March 2017. Below are the last four waves ordered by date:
 - » 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



| | October 2015 | January 2016 | September 2016 | March 2017 |
|---------------|--------------|--------------|----------------|------------|
| Total Renters | 703 | 1,527 | 1,362 | 1,282 |

| | October 2015 | January 2016 | September 2016 | March 2017 |
|-------------|--------------|--------------|----------------|------------|
| Millennials | 307 | 644 | 587 | 388 |
| Gen X | 188 | 408 | 405 | 383 |
| Boomers | 170 | 395 | 371 | 395 |

| | October 2015 | January 2016 | September 2016 | March 2017 |
|----------|--------------|--------------|----------------|------------|
| Urban | N/A | N/A | 500 | 463 |
| Suburban | N/A | N/A | 625 | 586 |
| Rural | N/A | N/A | 237 | 233 |