

APARTMENTS.

THE BUILDING BLOCKS

OF A SMART ECONOMY



BUILDING
JOBS

BUILDING
COMMUNITIES



BUILDING
LIVES

Certainly, it's hard to fathom a success story coming out of the greatest housing meltdown in our history. But look closely. The foreclosure crisis has enabled us as a nation and as consumers to rethink The American Dream. The New Dream: flexibility, mobility and a wider range of housing choices.

Freed to choose the housing that best fits their lifestyles, millions of Americans are choosing apartments. Not because they have to. Because they want to.

And that's good news — meeting the demand will contribute hundreds of thousands of jobs to the economy, help create a more flexible and mobile workforce and grow healthy, vibrant communities.

To get there, we need new public policies that support the multifamily housing industry — and we need to welcome apartments into our communities.

THE **NEW** AMERICAN HOUSEHOLD

In 1955, married couples with children made up 44% of all households. **Today, they constitute just 20%.¹**

Renters could make up **1/2 of all new households** this decade — comprising upwards of **7 million** new renter households.²

The drivers?

- A combination of population growth, demographic and societal changes, and environmental concerns.
- Fewer traditional families, a greater desire for mobility — an even greater call for flexibility and convenience —

together, they're creating an unprecedented demand for apartments. The United States will need to build nearly 300,000 apartments a year to meet the anticipated demand for rental units.

The apartment industry stands ready to build. And to create the new jobs necessary to meet the demand.

The reality is, however, that in 2011 we built fewer than half the number of units we needed. Why? Impaired credit markets, outdated housing and tax policies, an uncertain regulatory environment and local barriers to apartment construction.

300,000

Additional apartments necessary to be built **per year** to meet anticipated demand

167,000

Number of apartments started in 2011³

DEMAND



SURPASSES

CONSTRUCTION

The National Multi Housing Council and the National Apartment Association join together to make rental housing a priority. And to create a more sustainable and vibrant way of life.

APARTMENTS. BUILDING JOBS

The \$2 trillion apartment industry is one of the few bright spots in today's housing sector **where jobs are actually being created.**

260,000

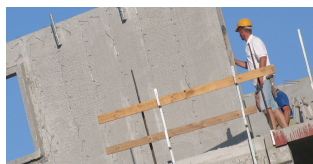
Average number of jobs provided **each year** by new apartment construction over the past five years ⁴

662,000

Employees required to manage and operate the current inventory of rental units in the U.S. ⁵

1/2

OF ALL NEW HOUSEHOLDS THIS DECADE COULD BE RENTERS ⁶



THE CONSTRUCTION OF 1,000 APARTMENT UNITS GENERATES:

1,160

Full-time jobs in construction and related industries

\$55,000,000

In wages

\$33,000,000

In combined federal, state and local tax revenue & fees ⁷

THE ONGOING IMPACT OF 100 APARTMENTS LOCALLY:

100

APARTMENTS
IN YOUR NEIGHBORHOOD

=

32

local jobs

\$2.3M

local annual revenue

\$400K

taxes and other revenues ⁸

APARTMENTS. BUILDING COMMUNITIES



VIBRANT

Apartment communities create vibrant, highly social and personally connected living.

Compared to homeowners, apartment residents are generally more socially engaged, equally involved in community groups and similarly attached to their communities and religious organizations. They are also comparably interested in national affairs and active in local politics.



CONVENIENT & WALKABLE

Apartments create walkable communities that put residents closer to work, friends, shopping and entertainment.

Today's apartments offer amenities that rival — and often surpass — single-family houses and communities. And they offer hassle-free living for increasingly busy households.

ECONOMICALLY SOUND

Compact development — like apartments — saves communities money. They use existing infrastructure and reduce the need to build new roads and water/sewer projects. With fewer children per household, apartment residents also place less of a burden on local schools than their single-family counterparts.

\$13,470

Annual municipal cost to service a detached large-lot house

\$6,405

Annual municipal cost to service an apartment⁹

ENVIRONMENTALLY SUSTAINABLE

Apartments are inherently more environmentally friendly and energy efficient than other housing types. They conserve land and reduce the negative environmental impact created by sprawl and commuter-based communities, including congestion, air and water pollution and lost productivity.



APARTMENTS. BUILDING LIVES

RENTING IS A BETTER FIT FOR MANY OF TODAY'S
HOUSEHOLDS AND FOR OUR MODERN ECONOMY.
IT'S ALSO A SMART FINANCIAL DECISION.

Our economy — and with it, society — are changing. The “ownership” society might have made sense 30 years ago when people held the same job for most of their lives. But in today's fast-paced, knowledge-driven economy, renting allows people the freedom to pursue economic opportunities wherever they present themselves.



NEW HOUSING CHOICES FOR A CHANGING POPULATION

We need housing and tax policies that let people choose the housing that best meets their financial and lifestyle needs — without penalty, financial or otherwise.

86%



20%



- **MARRIED COUPLES WITH CHILDREN MAKE UP JUST 20% OF HOUSEHOLDS, A NUMBER THAT CONTINUES TO FALL.**

In fact, 86% of household growth between 2000 and 2040 will be those without children.¹⁰

- Among the fastest growing population segments in the next decade will be **young adults in their 20s and empty nesters in their 50s** — those most likely to seek options other than single-family houses.
- Young adults are attracted to the amenities and flexibility provided by apartment living. Many of their parents — among the nation's 75 million baby boomers¹¹ — are also succumbing to the allure of a hassle-free renting lifestyle, now that their kids are out of the house.

RENTING: A SMART FINANCIAL DECISION

Over the past 30 years, households that rented, investing in stocks and bonds instead of home equity, outperformed homeowners' financial gains **nearly 75% of the time.**¹²

Among people with similar financial status, those who chose to rent in 2004 had more wealth in 2009 than those who bought a house.¹³

\$236

Value of \$100 invested in housing ownership since 1985

\$1,091

Value of \$100 invested in stocks since 1985¹⁴



A BALANCED HOUSING POLICY

We need a housing policy that's as dynamic and flexible as today's new economy. Letting go of the notion of single-family homeownership as the only path to The American Dream may be among the healthiest, most liberating steps our society can take. Creating an environment poised to build the New American Dream — and accommodating the needs of a changing society — will take smart choices and sound policies that create opportunity for jobs and healthy, thriving communities.

REAL STORIES



Alissa James

Young Professional
Houston, TX

I lead a very active life with my career, relationships, volunteering and my social life. I'm always on the go — I'd rather spend my time on something other than maintaining a house. And even though I'm a Houston native, I don't feel that I need to be tied to a house to be a good citizen or connected to my community. I think my financial future will be determined by my career, not my house.



Jim and Tammy Schoch

Empty Nesters
Phoenix, AZ

With the kids gone, we saw no advantage to buying again. In fact, we'll never own again — we want to be mobile, and we don't want the financial surprises that come with ownership.

We absolutely love apartment life. After a long, stressful day at work, we don't have to worry about taking care of the house. Instead, we can just jump on our bikes and go for a ride. Downtown is our "living room."



Scott Dworkin

Business Owner
Washington, DC

I would rather invest my money in a business than a house. Not only has renting allowed me to do that, but apartment living has really changed my approach to my business. I have access to a conference room, the ability to accept packages 24/7, can have business guests stay at the guest suite. Unless your business is turning real estate, I wouldn't recommend buying property.

INFORMATION SOURCES

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The National Multi Housing Council and the National Apartment Association represent the nation's leading firms participating in the multifamily rental housing industry. Our combined memberships are engaged in all aspects of the apartment industry, including ownership, development, management, and finance. The National Multi Housing Council represents the principal officers of the apartment industry's largest and most prominent firms. The National Apartment Association is a federation of 170 state and local affiliates comprised of more than 55,000 multifamily housing companies representing more than 6.2 million apartment homes throughout the United States and Canada. NMHC and NAA jointly operate a federal legislative program and provide a unified voice for the private apartment industry. Learn more at nmhc.org and naahq.org.



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