

## APARTMENTS: A VITAL HOUSING AND ECONOMIC RESOURCE

The apartment industry is a robust industry that helps today's **37 million apartment renters** live in a home that's right for them, **contributing \$3.4 trillion to the economy** annually. Across the country, apartments work. They create housing choice, support **17.5 million jobs** and contribute to the fabric of communities where they are located. Apartment demand has been growing at historic levels. Producing enough new apartments to meet demand requires new development approaches, more incentives and fewer restrictions.

### Booming Rental Demand

Significant shifts in demographic trends are driving historic rental demand.

- Over 76 million people between 18 - 34 years old are entering the housing market, primarily as renters.
- Baby boomers are downsizing. Householders 55 years or older were the fastest growing age cohort of apartment renters from 2010-2020, increasing by 33%.
- Married couples with children are now only 18 percent of households. Single-person households, single parent households and roommates collectively account for 44% of all households, and these households are more likely to rent

### Growing the Economy and Creating Jobs

- Spending by the nation's 37 million apartment residents contributes \$3 trillion annually to the economy (including \$351 billion in taxes), creating 16 million jobs.
- Operating the nation's apartment homes contributes \$175 billion to the economy each year (including \$58 billion in property taxes), creating 341,000 jobs.
- Apartment construction contributes \$150.1 billion to the country's economy, creating 752,000 jobs.
- Almost 50% of U.S. apartments were built before 1980. Renovating and repairing these older

properties to preserve more affordable housing contributes \$69 billion to the economy annually and creates 340,000 jobs.

### Demand Outstrips Supply

- The U.S. needs to build 4.3 million more apartments by 2035 to meet the demand for rental housing. This includes 600,000 units (total apartments) to fill the shortage from underbuilding after the 2008 financial crisis.
- Underproduction of housing has translated to higher housing costs – resulting in a decline of 4.7 million affordable apartments (monthly rents less than \$1,000) from 2015-2020.
- Just building more is not enough, however. We need to build a wider range of housing at a various price points to meet the housing needs of Americans across all income levels.

### New Housing Policies Needed

- In a perfect market, the private sector would increase production to meet the housing demand.
- Rising land and construction and labor costs make it virtually impossible to deliver housing at price levels many working families can afford given stagnant incomes.
- Outdated land use planning, zoning and other regulations, as well as neighborhood opposition to apartments, drive those costs (and rents) higher.

**Making sure everyone has access to quality, affordable housing is a bipartisan issue. The apartment industry stands ready to work with federal, state and local governments to identify and implement the menu of options they have at their disposal to unleash the power of the private sector. Learn more about those options in Vision 2035 at [www.WeAreApartments.org](http://www.WeAreApartments.org).**

Find out how apartments are contributing to your state or metro area economy at [www.WeAreApartments.org](http://www.WeAreApartments.org), where you can also use ACE—the Apartment Community Estimator—to see the economic impact of a given number of apartments in your state.