Resetting the Demand for Multifamily Housing:

Demographic & Economic Drivers to 2020

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Households are Changing

Household Type	1970	2000	2030
HH with Children	45%	33%	27%
HH without Children	55%	67%	73%
Single/Other HH	*14%*	*31%*	*34%*

Source: **Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research, University of Utah.**

Share of Change by Age 2010-2020

Age Group	Share of Change
<25	21%
25-44	21%
45-64	11%
65+	47%

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah

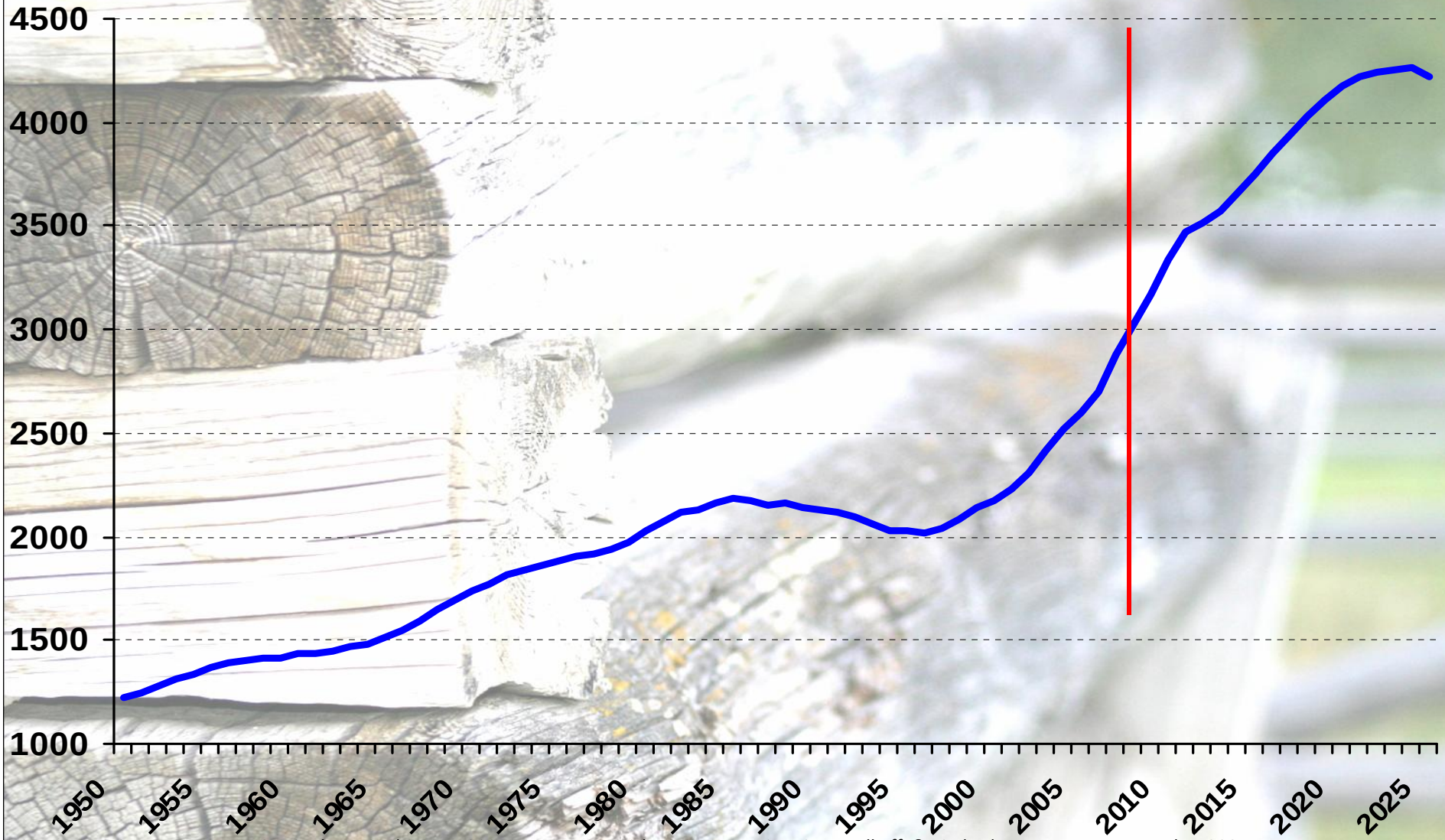
Share of Household Growth by HH Type, 2010-2020

HH Type	All
With Children	10%
Without Children	90%
Single Person	36%

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah

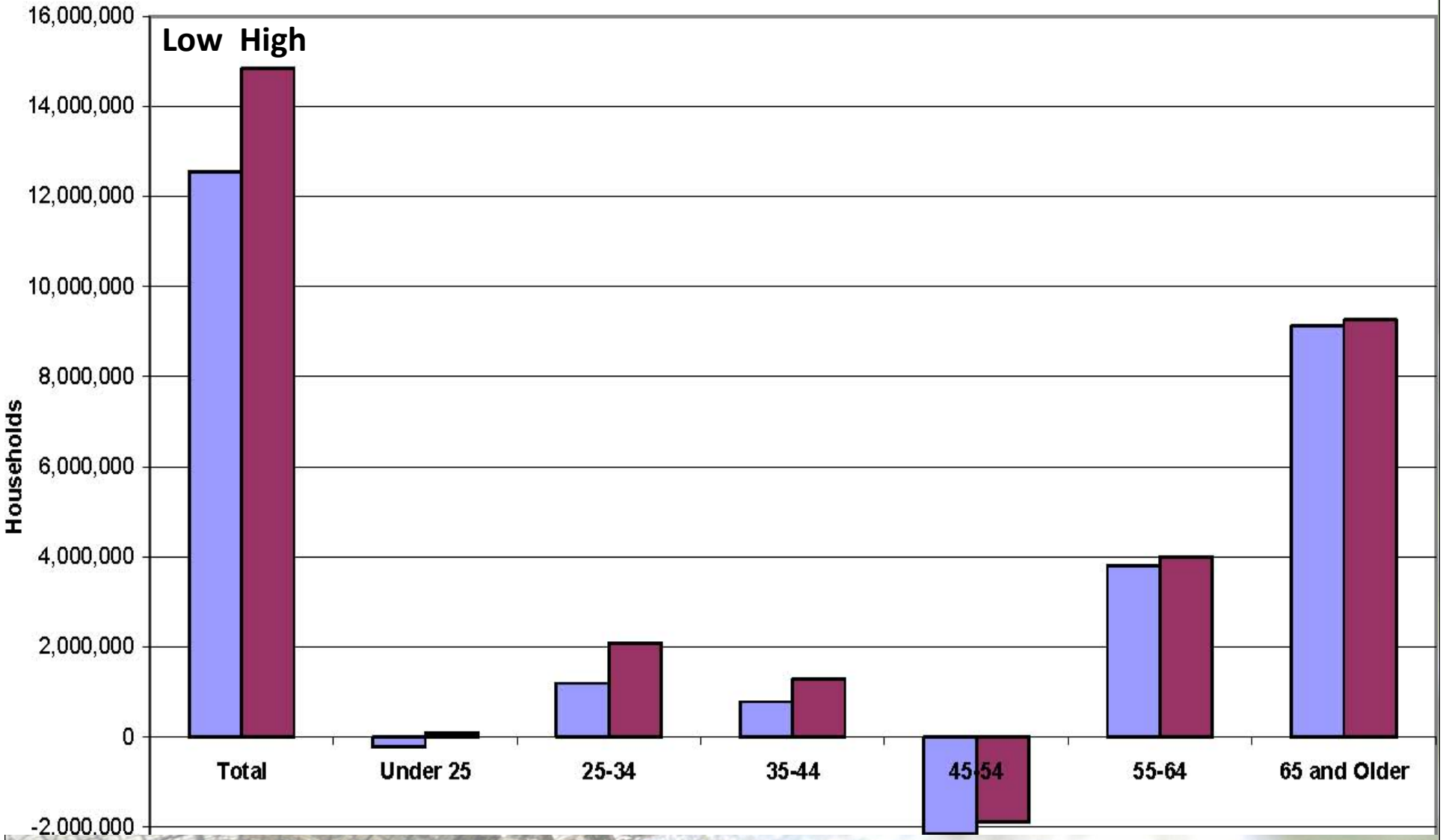
People Turning 65 *Each* Year

[Figures in 000s]



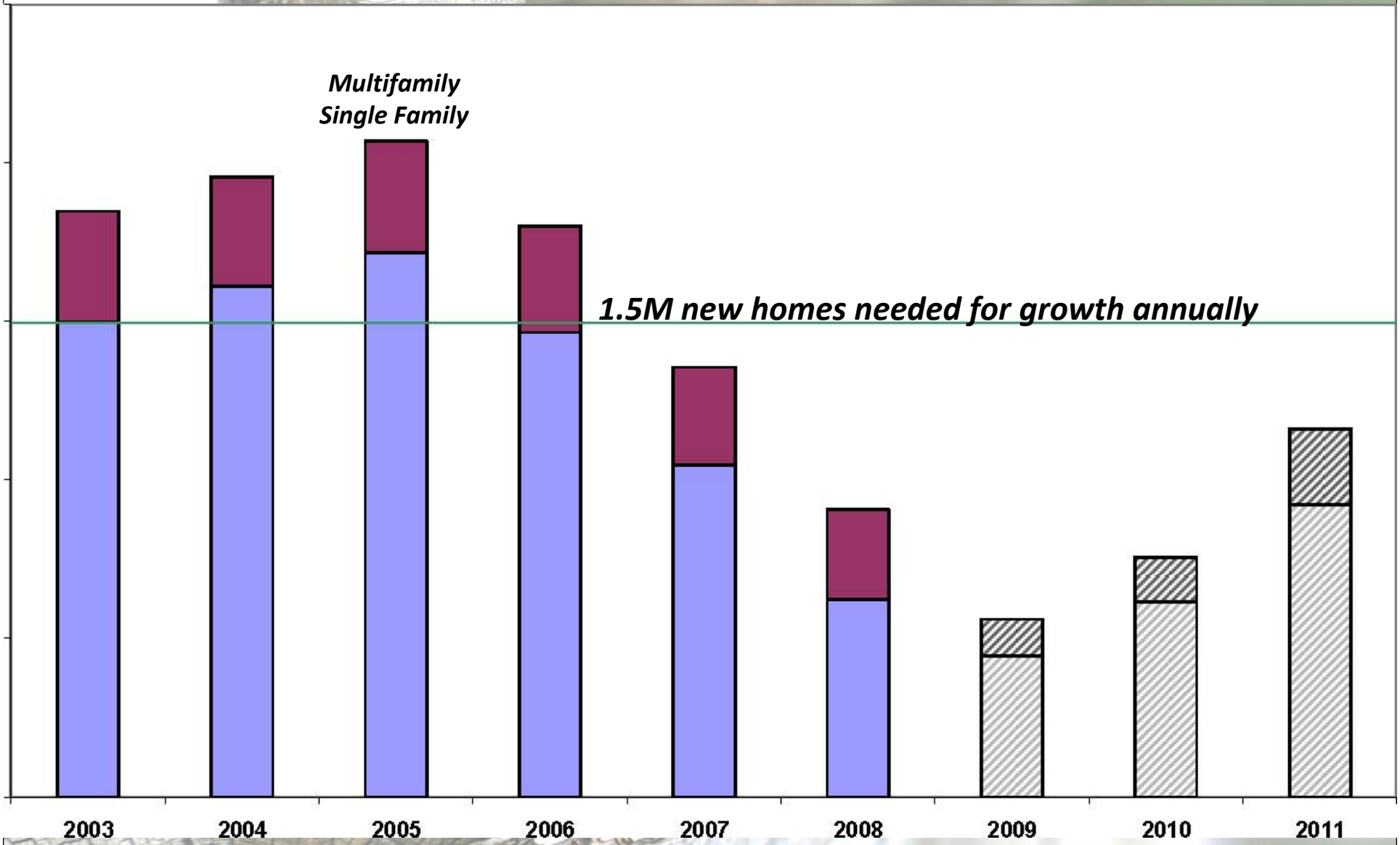
Source: US Census Bureau – *65+ in the United States: 2005;* Wan He, Manisha Sengupta, Victoria A. Velkoff, & Kimberly A DeBarros. December 2005.

Change in HHs 2010-2020



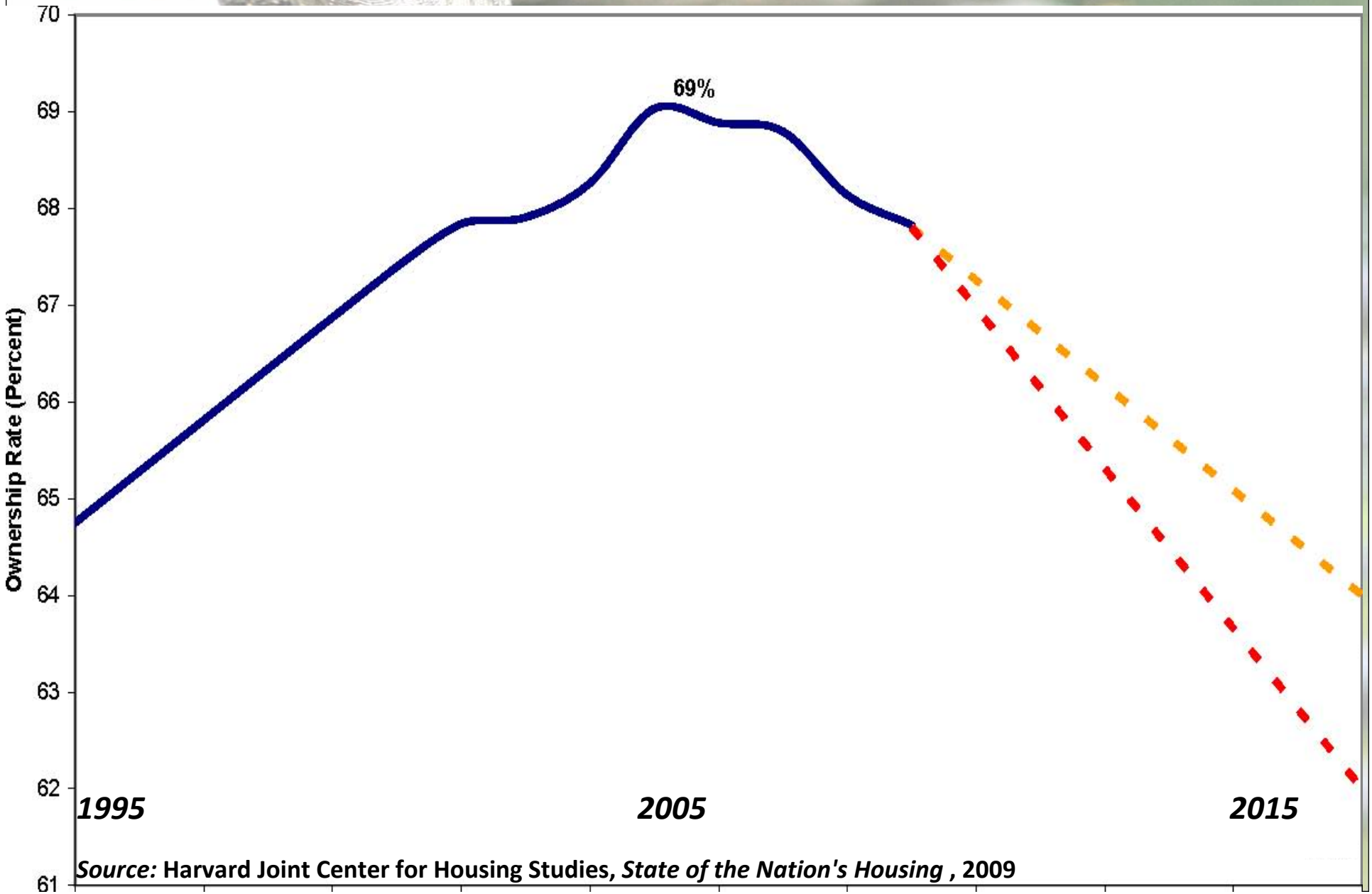
Source: John McIlwain, ULI, 2010

Homes Built 2003-2011



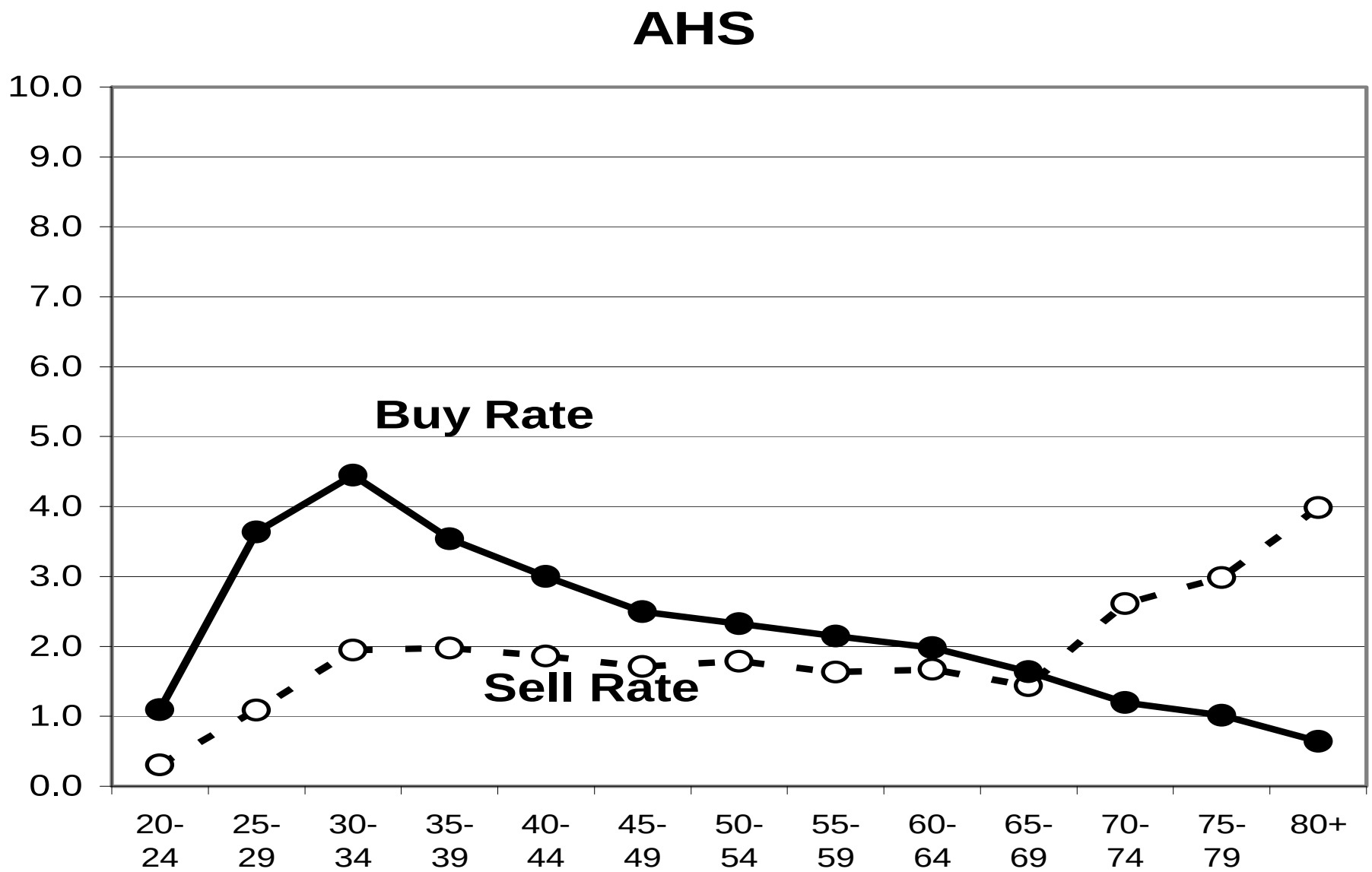
Source: **From John McIlwain based on Census, Fannie Mae**

Declining Home Ownership



Source: Harvard Joint Center for Housing Studies, *State of the Nation's Housing* , 2009

Buy-Sell Rates by Age Cohort



Source: Dowell Myers & SungHo Ryu, "Aging Baby Boomers and the Generational Housing Bubble: Foresight and Mitigation of an Epic Transition", *Journal of the American Planning Association* 74(1): 1-17 (2007).

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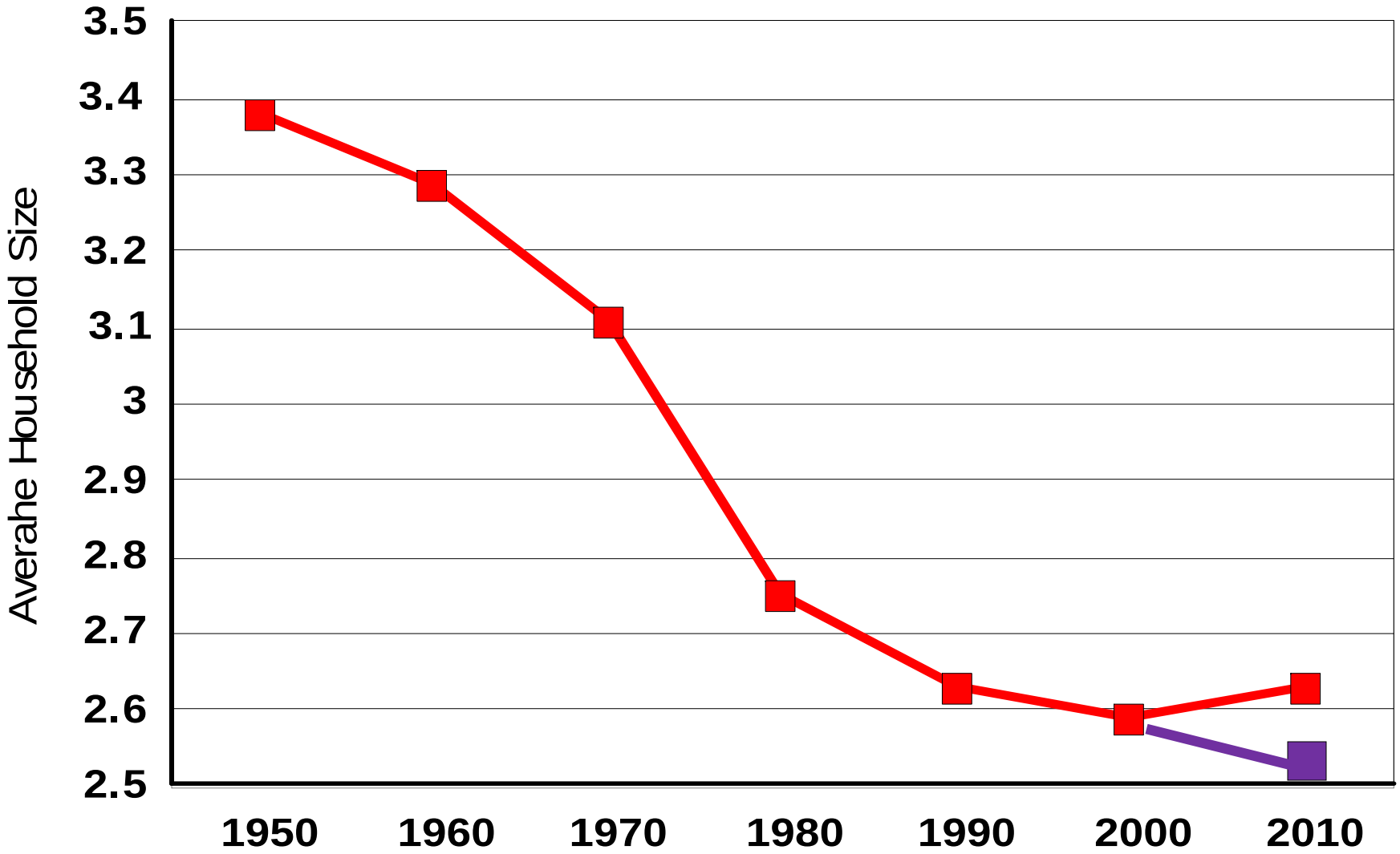
Relocation Choices of Seniors

Housing Type	Before Move		After Move
Attached	24%	→	54%
Renter	20%	→	59%

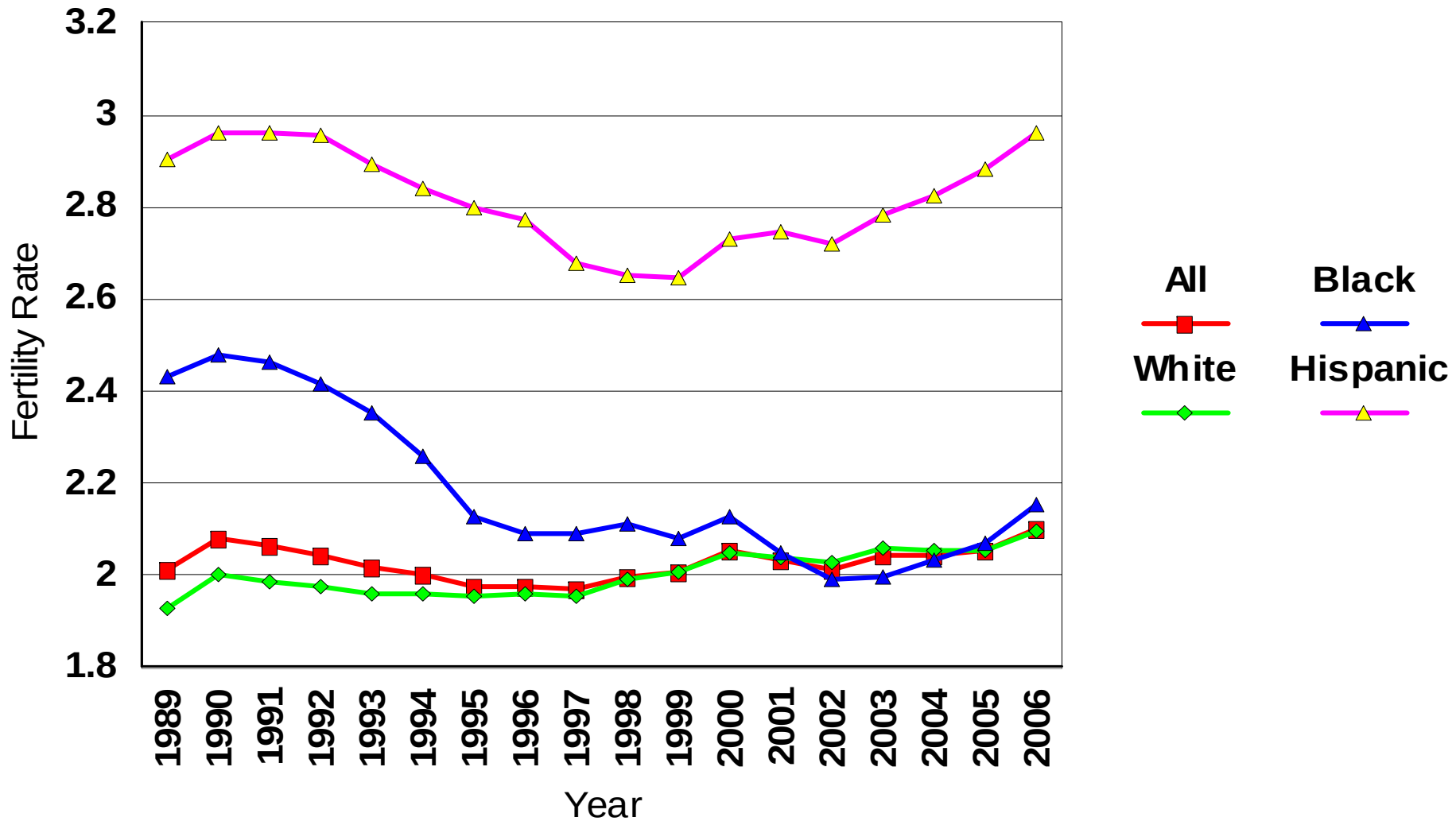
Source: American Housing Survey 2003. New movers means moved in past year. Annual senior movers are about 5% of all senior households; 75%+ of all seniors will change housing type between ages 65 and 80.

The Ringer: Increasing HH Size



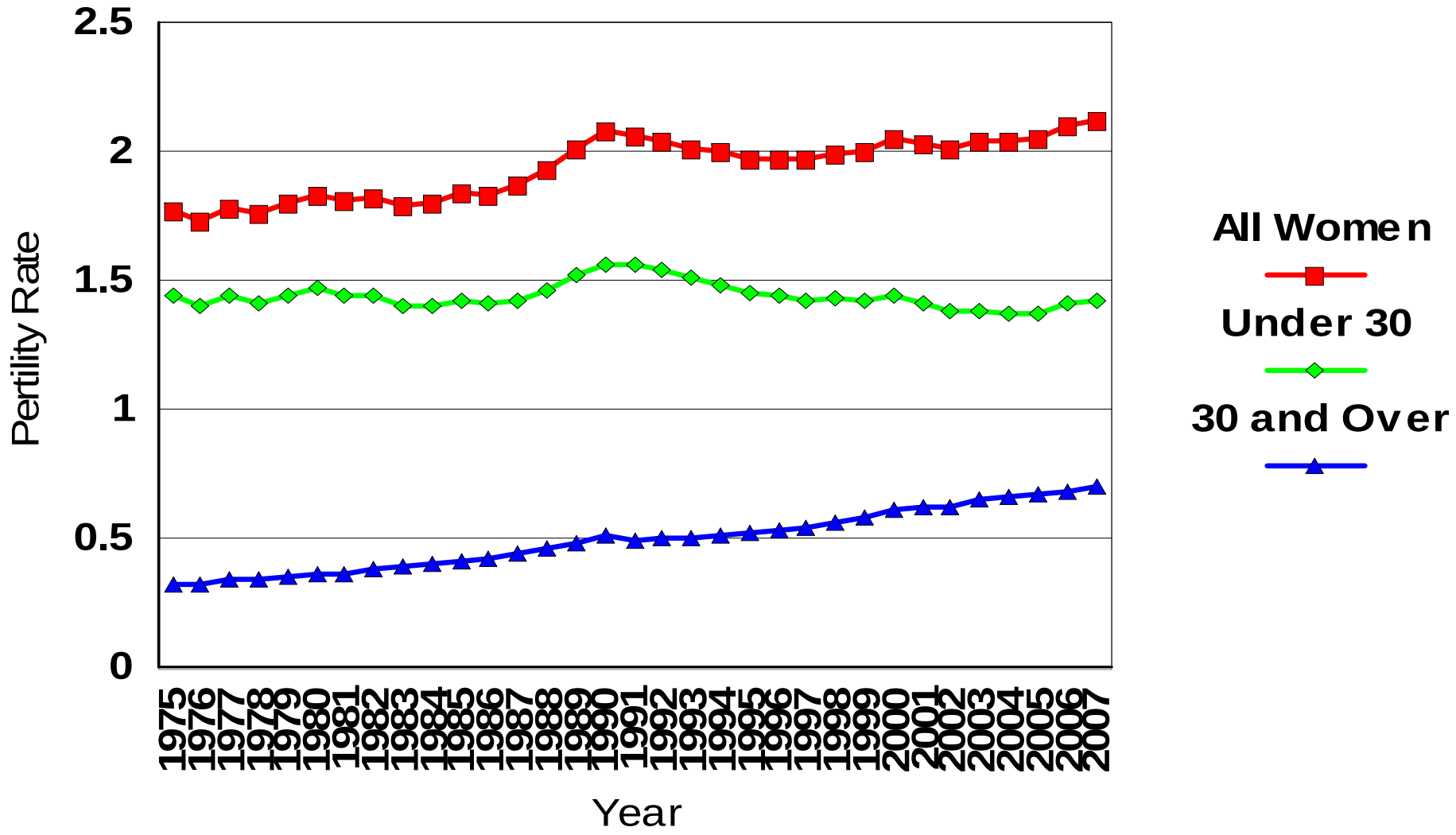
***Source*: Based on American Community Survey; Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research, University of Utah.**

Fertility Rates by Ethnicity



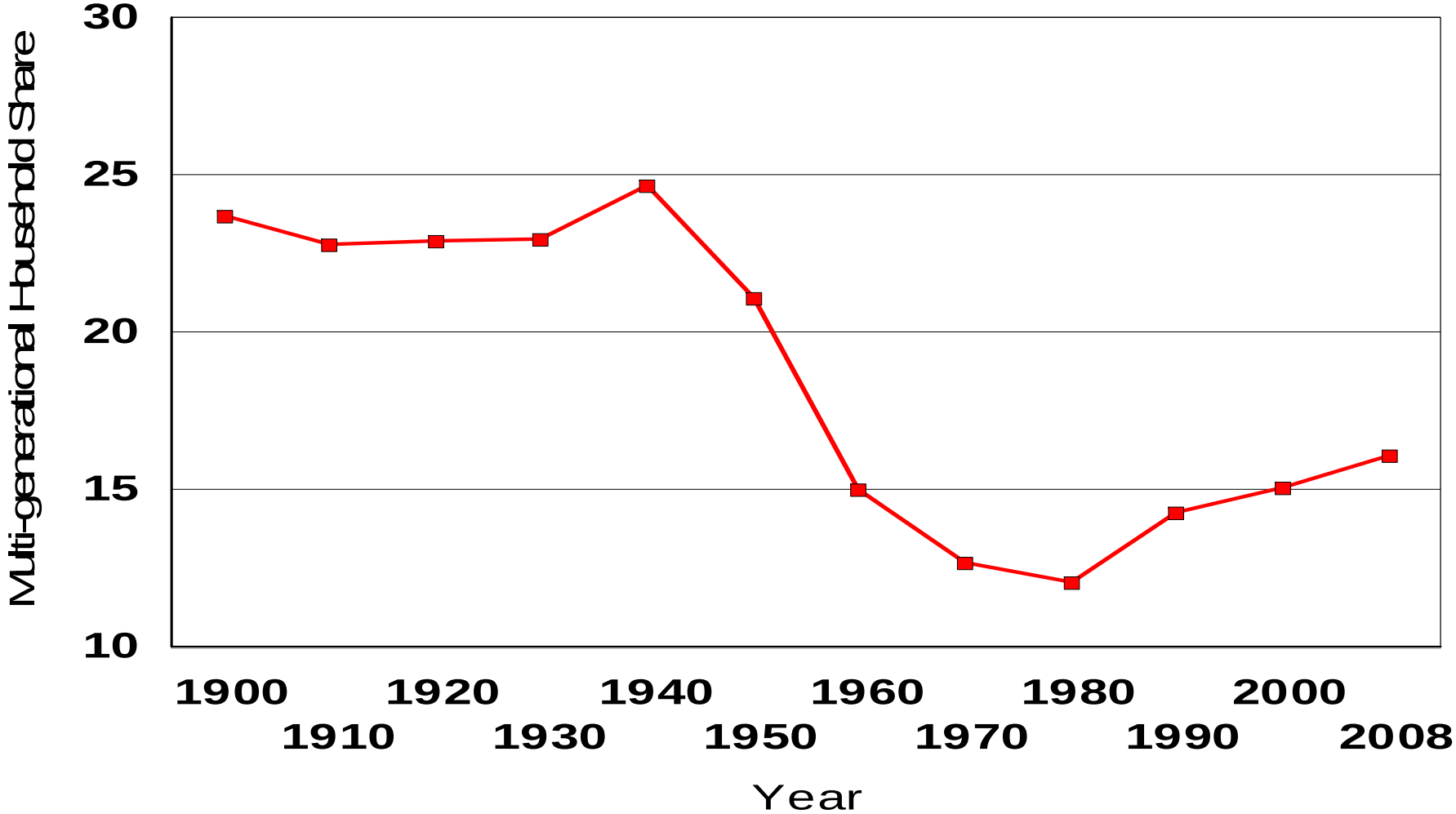
***Source*: Adapted from *Final data for 2006: National vital statistics reports* (CDC) by Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research, University of Utah.**

Fertility Rates by <30 & 30+



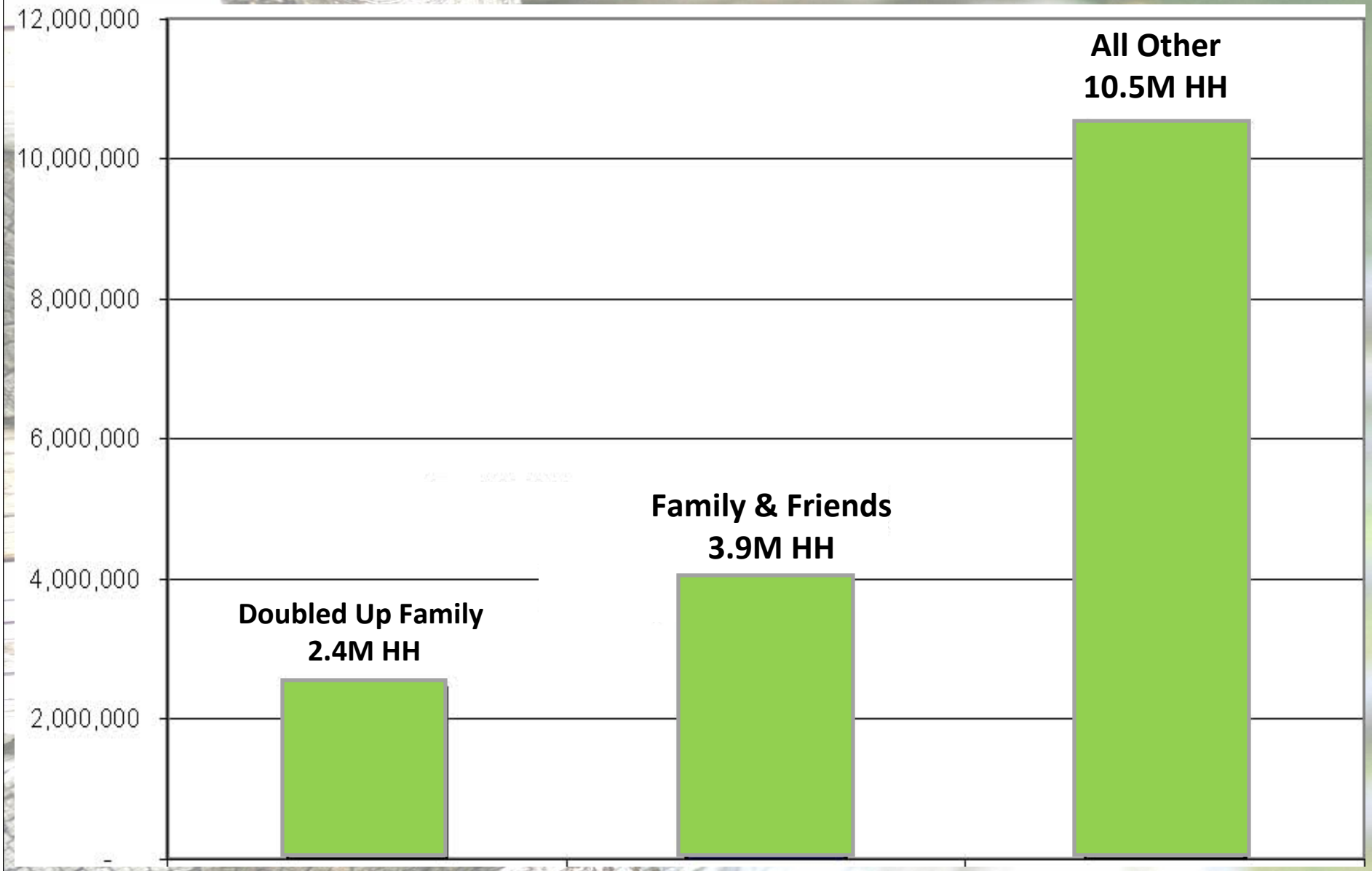
***Source*: Adapted from *Final data for 2006: National vital statistics reports* (CDC) by Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research, University of Utah.**

Multi-Generational Households



***Source*: Adapted from *The Return of the Multi-Generational Family Household* (Pew) by Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research, University of Utah.**

Doubling-Up: 14% and Rising



Source: Adapted from Data Snapshot: Doubled Up in the United States, 2008 Update. www.endhomelessness.org

Higher HH-Size = Excess Supply

Scenario	Figure
Population 2010 (April 1)	309.0M
Units Needed @ 2.52 HH Size, 2010[a]	127.3M
Units Needed @ 2.63 HH Size, 2010[a]	122.0M
Difference Between HH Sizes	(5.3M)

a **This figure is based on total units needed excluding seasonal and migrant farmworker units and assuming the 2000 Census vacancy rate based on vacant rental and for sale units (3.7%).**
Source**: Census for 2000; Arthur C. Nelson for 2010.**

New Housing Market Realities

- Sub-prime mortgages are history
- Alt-A mortgages problematic
- FHA-like conventional mortgages king
- "Jumbo" loans expensive
- Demand for $1million+ homes has tanked
- Meaning
  - *Smaller homes → but more people per unit*
  - *Smaller lots → more attached units*
  - *More renters → including doubled-up renters*

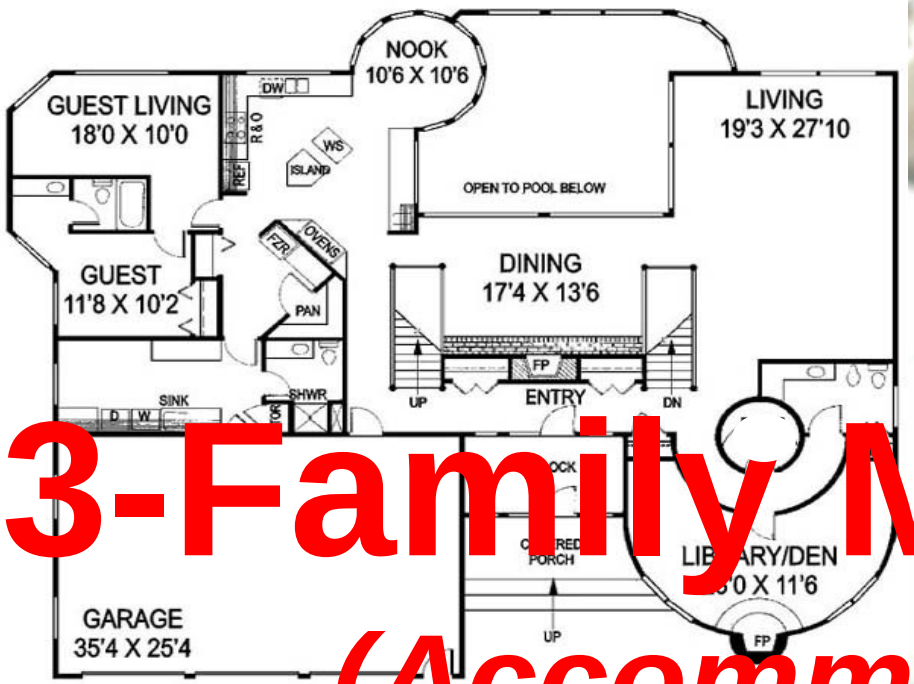
Tenure & Unit Change 2010-2020

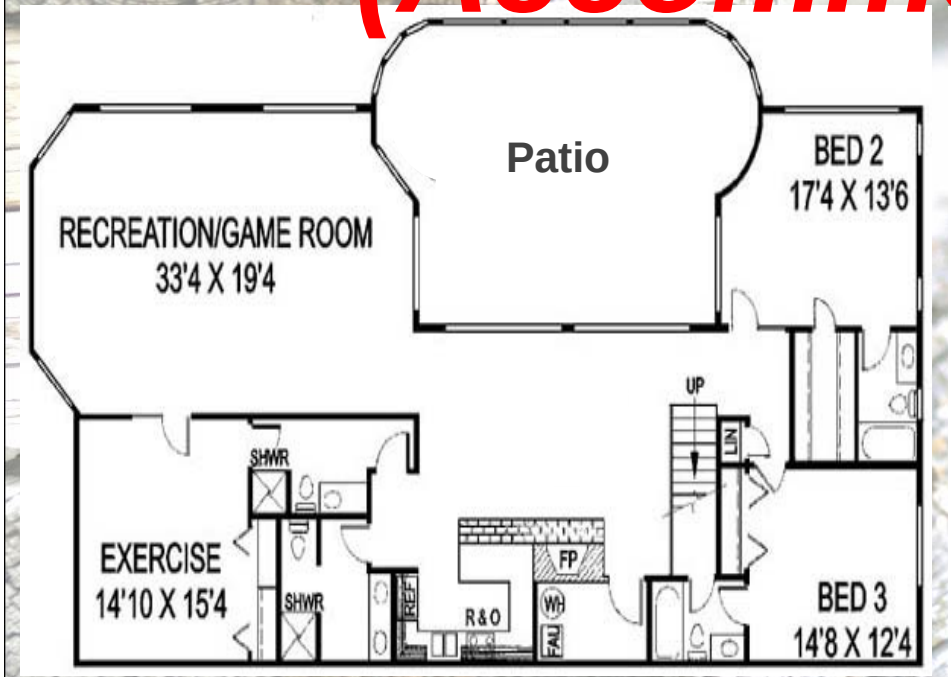
Multifamily Share 2010	**30%**
Multifamily Share 2020	**36%**
MF Share of New Unit demand 2010-20	***50%***

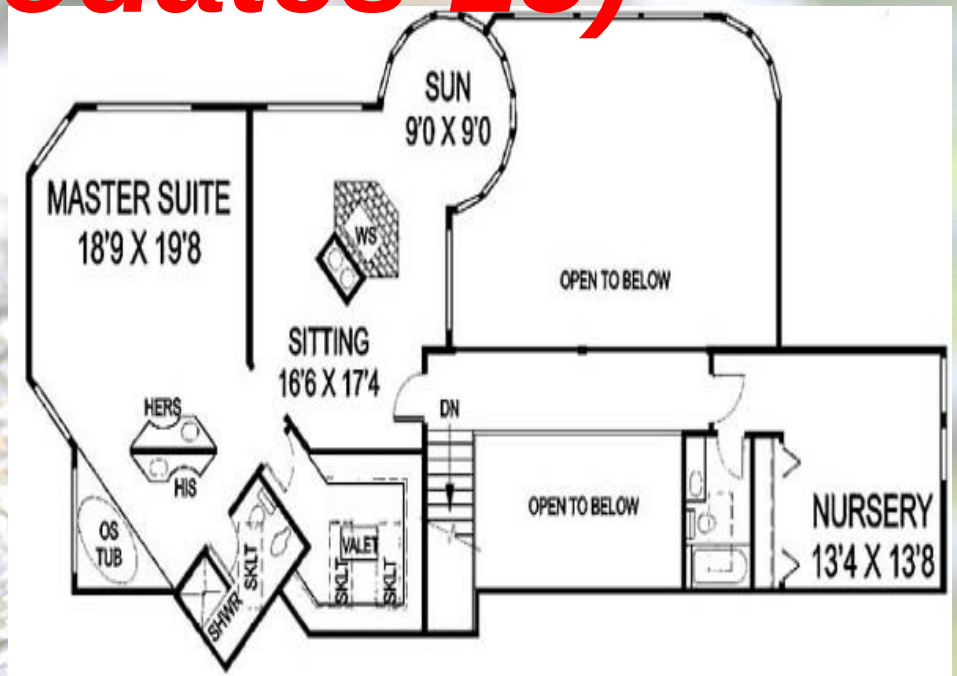
***Source*: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah**

3-Family McMansion

(Accommodates 15)







Crystal Ball

	Supply	Demand	Change	Scenario	Change
House Type	**2010**	**2020**	**2010-20**	**2020**	**2010-20**
Attached	41M	56M	15M	50M	9M
Small Lot	28M	54M	26M	37M	9M
Large Lot	65M	37M	-28M	60M	0

***Source*: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah**

Housing 2020

- A decade of resetting housing.
- Household size steady at 2.62 or increasing.
- Seniors unable to sell:
  - Rent their homes; double-up; abandon?
- Multi-generational households.
- Conversion of McMansions into informal multi-family affordable housing.
- Non-related families may double-up illegally.
- We don't really understand where we're headed.

THANK YOU

(I think)