



 **Zillow**<sup>®</sup> GROUP

# MULTIFAMILY FORUM 2018

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Los Angeles, CA



# Did We Build Too Much?

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 Zillow GROUP  
**MULTIFAMILY  
FORUM 2018**



# Agenda

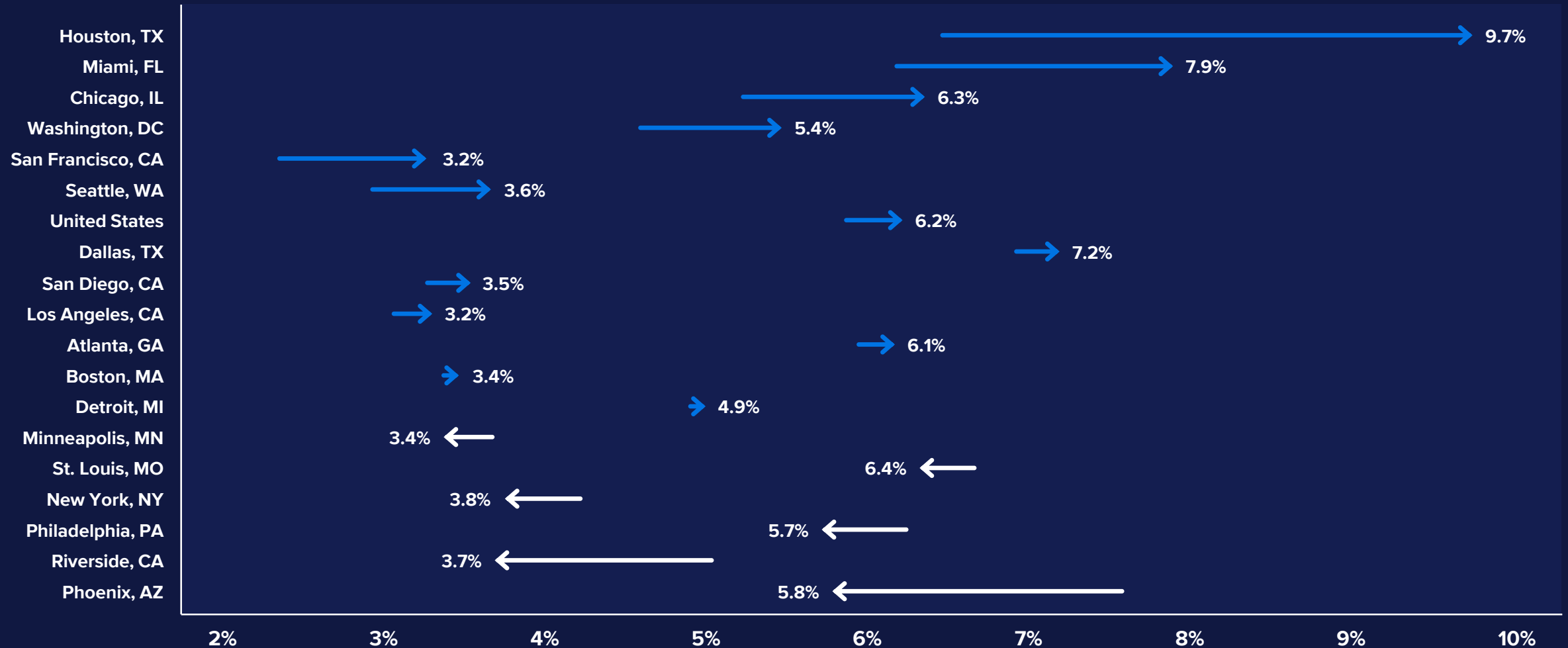
- 1 What happened to multifamily housing stock as the market has rebounded
- 2 Too much in certain segments
- 3 Why we still don't have enough units to end the affordability crisis

# We've been building... a lot of multifamily



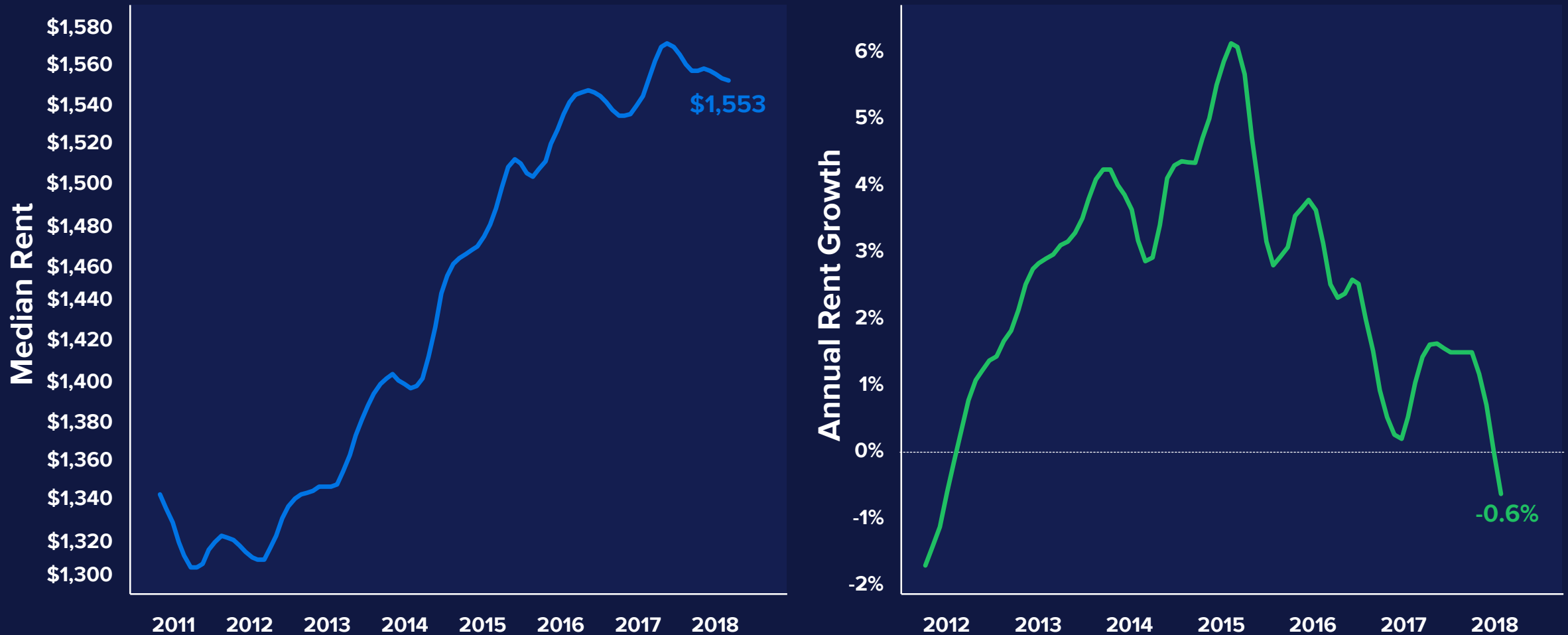
Source: U.S. Census Bureau: New Residential Construction, August 2018.

# Rental vacancy change, 2015 to 2017



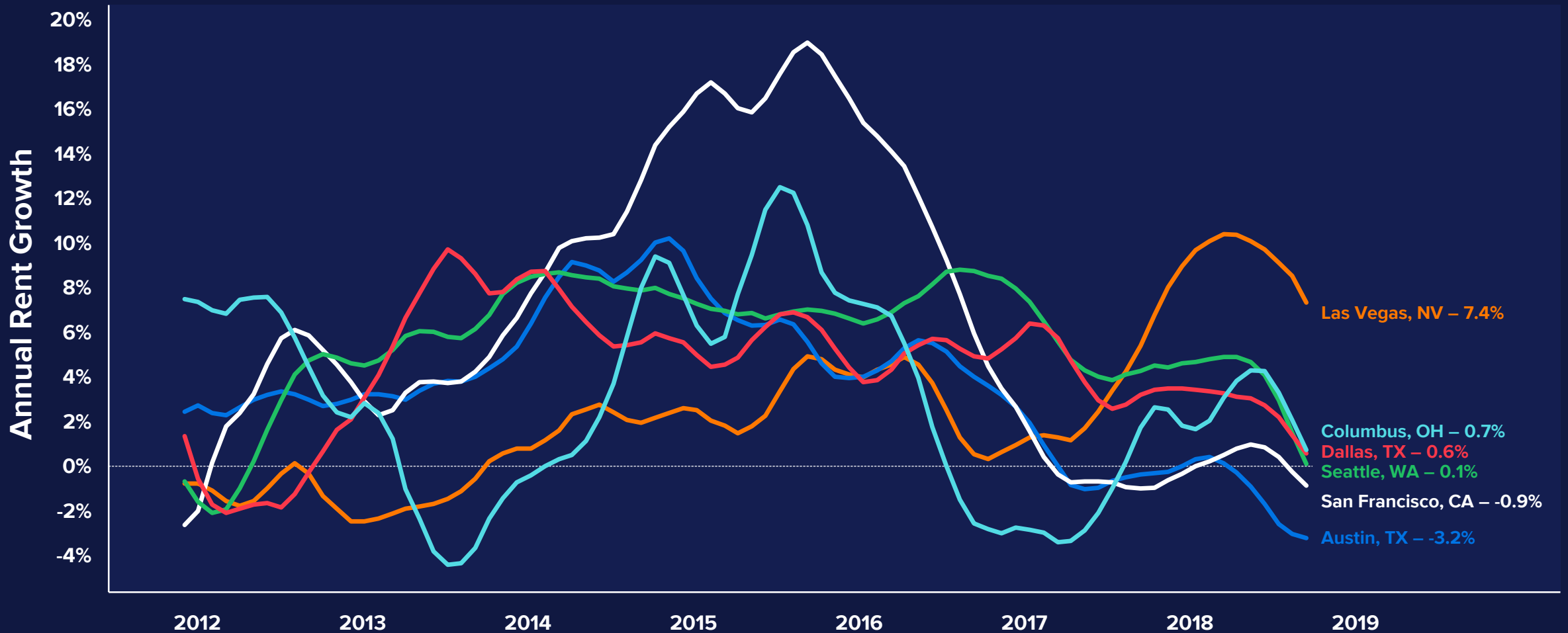
Source: Zillow analysis of U.S. Census Bureau, American Community Survey, B25003 and B25004, 2017 and 2015 1-Year Estimates.

# Rent growth picked up somewhat in the first half of 2017, but has since slowed down again



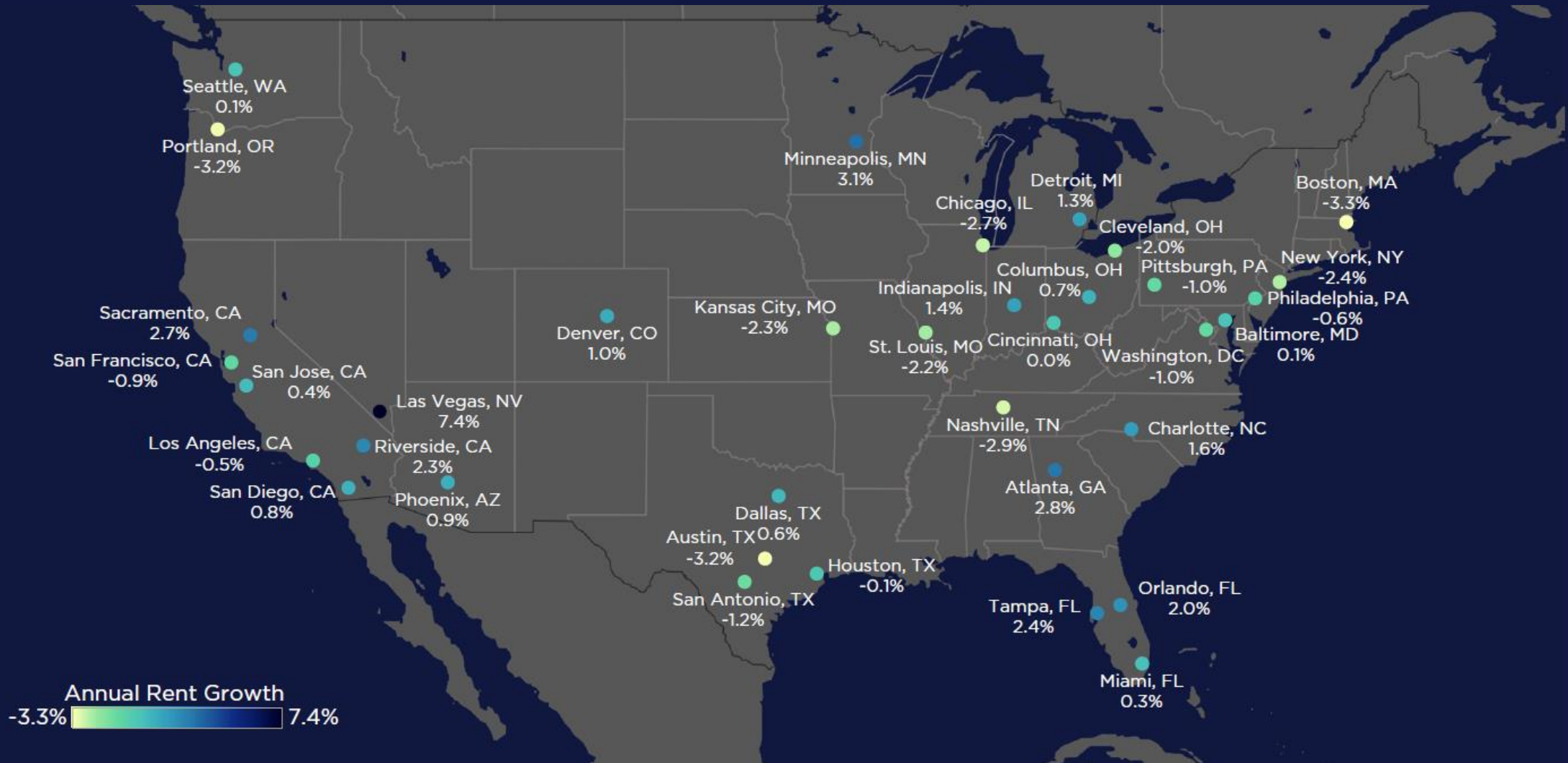
Source: Zillow Rent Index, August 2018.

# Metros have taken different paths, but with some exceptions the story is similar



Source: Zillow Rent Index, August 2018.

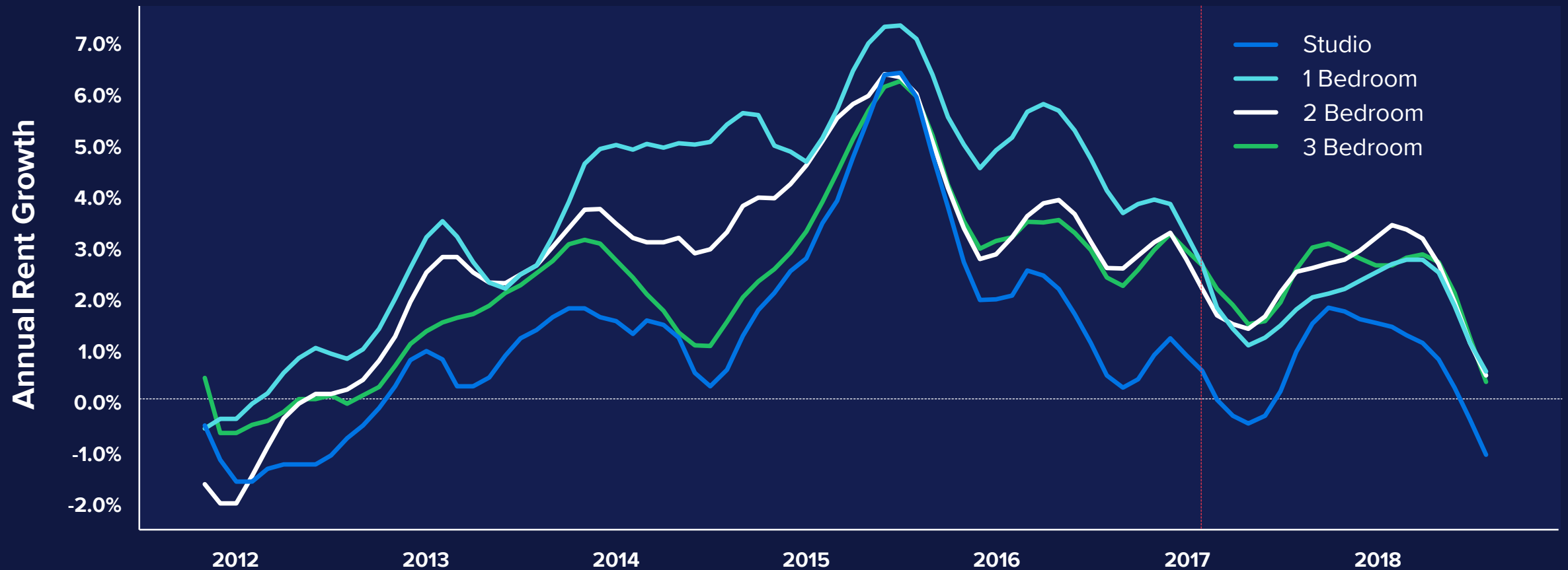
# Significant growth continues in only a few metros



Source: Zillow Rent Index, August 2018.

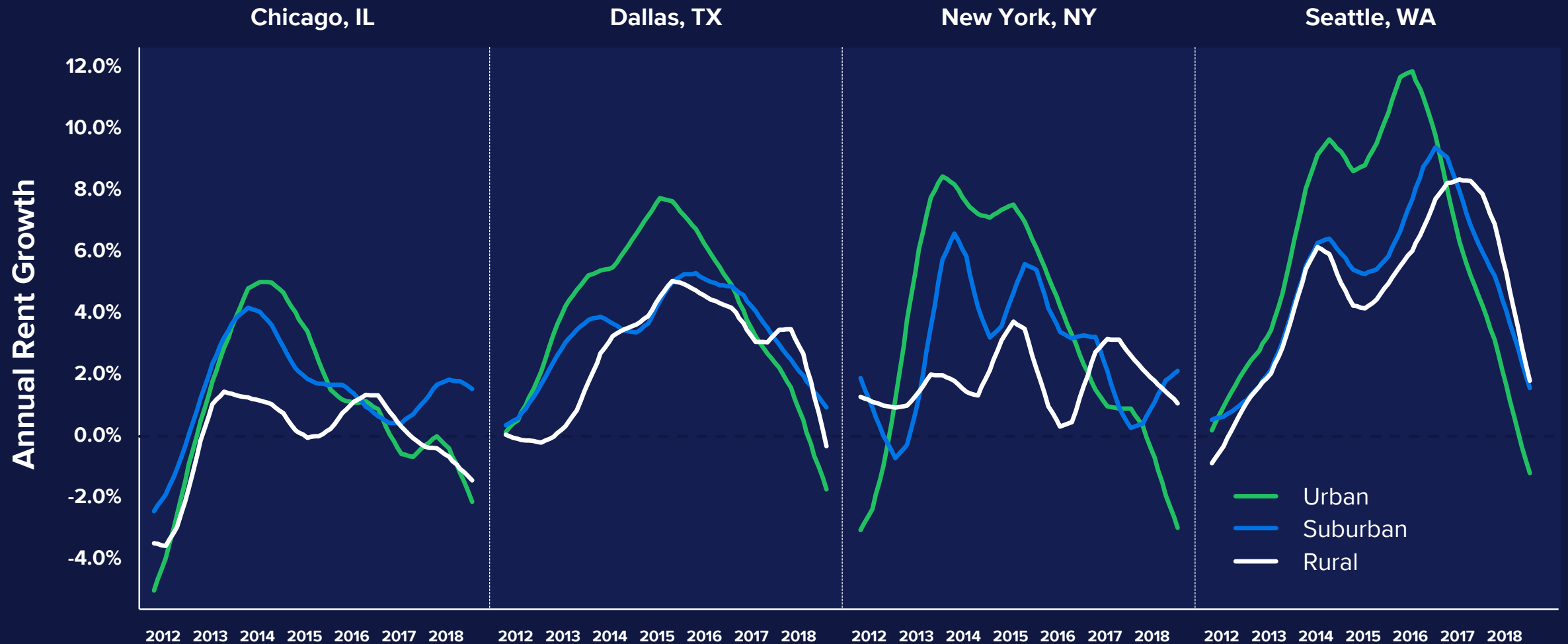


# Before building boom, 1-bedroom units rent growth dominated. Post apartment boom, 2- and 3-bedroom units set the pace



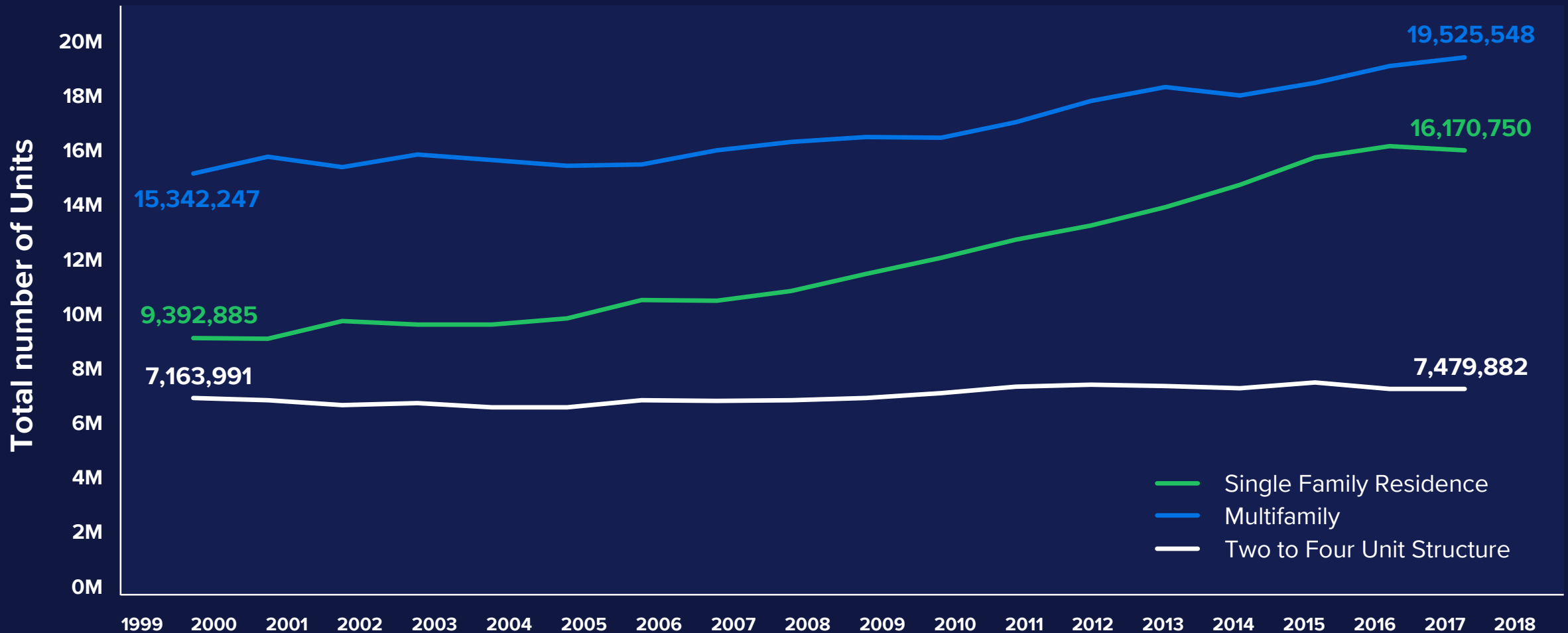
Source: Zillow Rent Index, August 2018.

# Without new supply, suburban rent growth outpaces urban



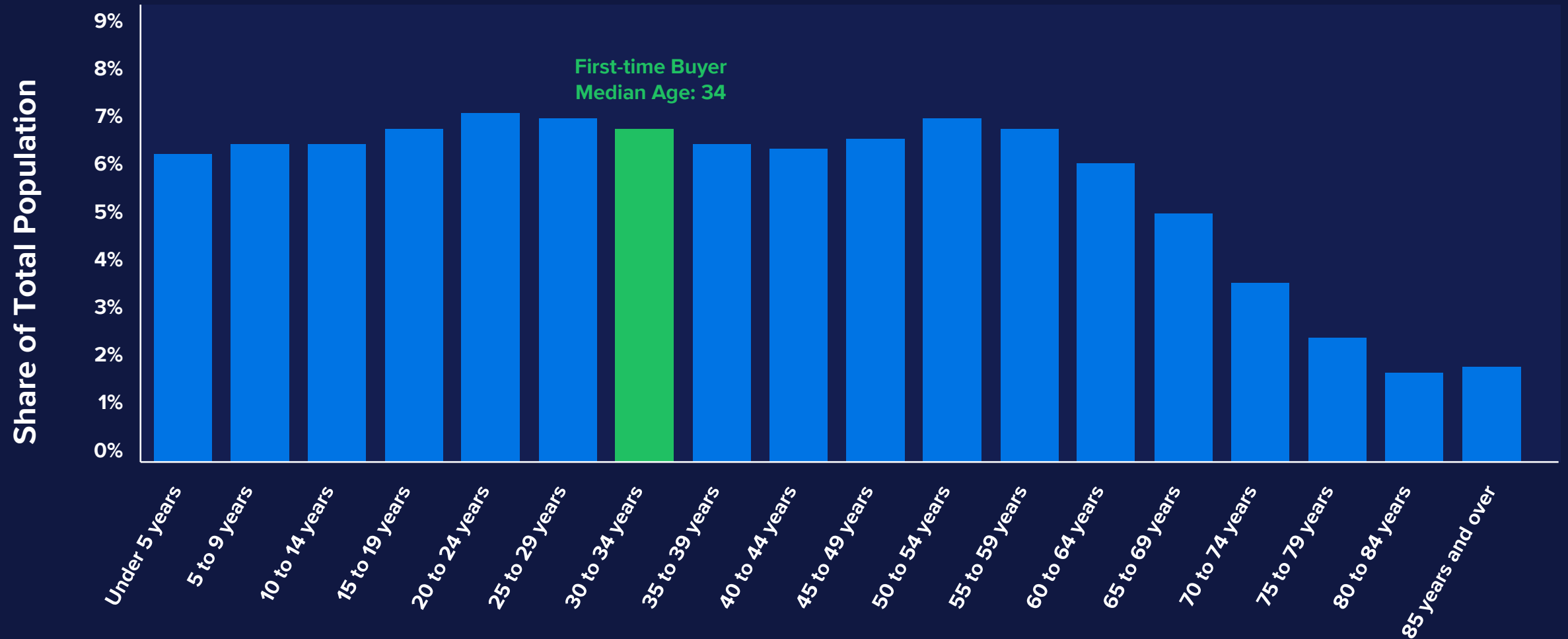
Source: Zillow Home Value Index, August, 2018

# The offerings are polarized. Can we expect household needs to be?



Source: Zillow analysis of U.S. Census Bureau, Current Population Survey, March Supplement, 2000-2017 made available by the University of Minnesota, IPUMS-USA.

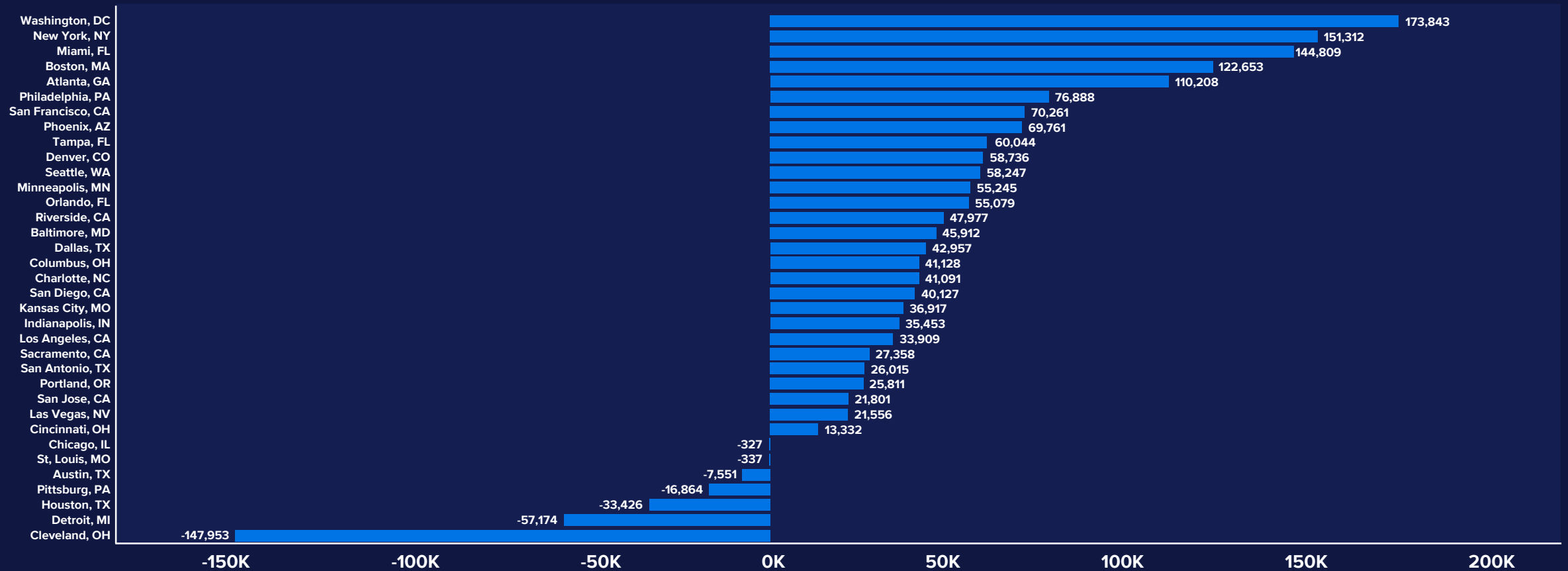
# Age distribution bar chart



Source: Zillow analysis of U.S. Census Bureau, Current Population Survey, March Supplement, 2000-2017 made available by the University of Minnesota, IPUMS-USA.

# Most metros have many fewer single family permits than they would have if trends held

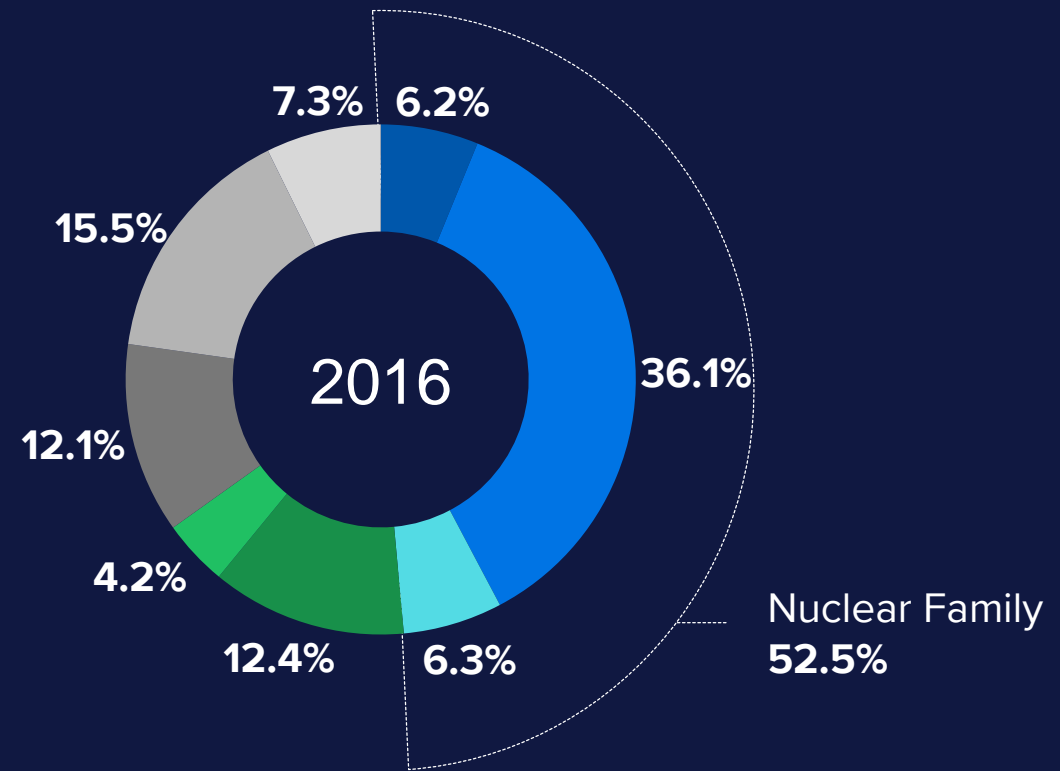
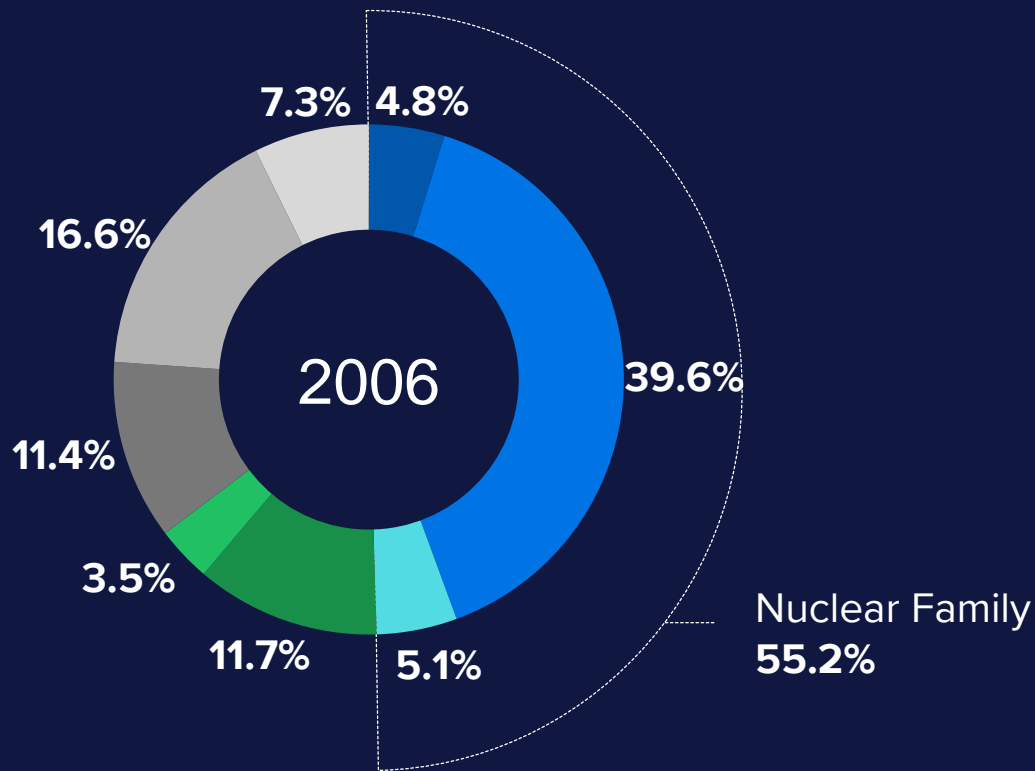
Number of additional single family permits these metros would have had in the past decade if the rate of permits matched historic norms



Source: U.S. Census Bureau: New Residential Construction, Population data.



# Household composition, nuclear families and full houses



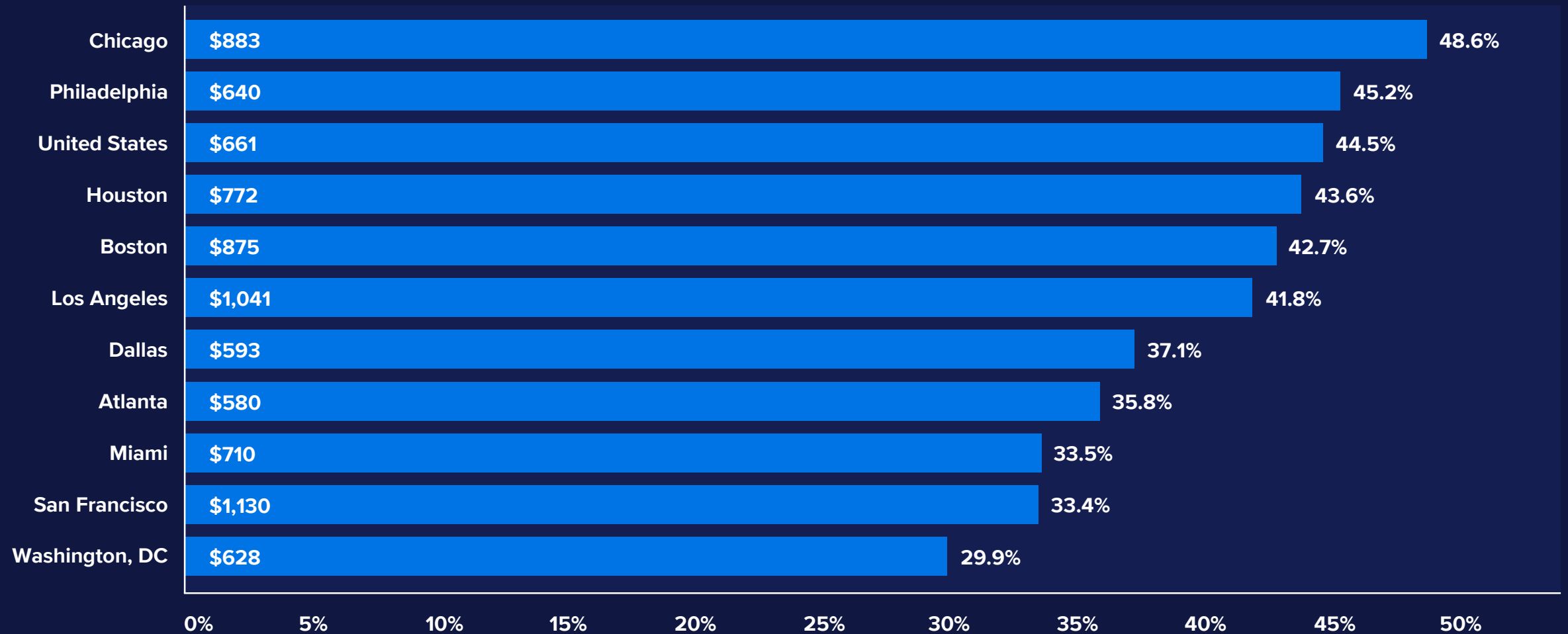
## Household Type

- Nuclear Family, only adult children present
- Nuclear Family, only children 18 and under present
- Nuclear Family, under 18 and adult children present
- Full House, 18 and under present
- Full House, only adults present
- Solo Couple
- Solo Individual
- Solo Roommates, households of similarly aged adults

Source: Zillow analysis of U.S. Census Bureau, Current Population Survey, March Supplement, 2000-2017 made available by the University of Minnesota, IPUMS-USA.

# Renters save by having a roommate

Discount for renting with a roommate



Source: HotPads, Inc.

# Zillow Rent Index by bedroom



One-bedroom

**\$1,275**



Two-bedroom

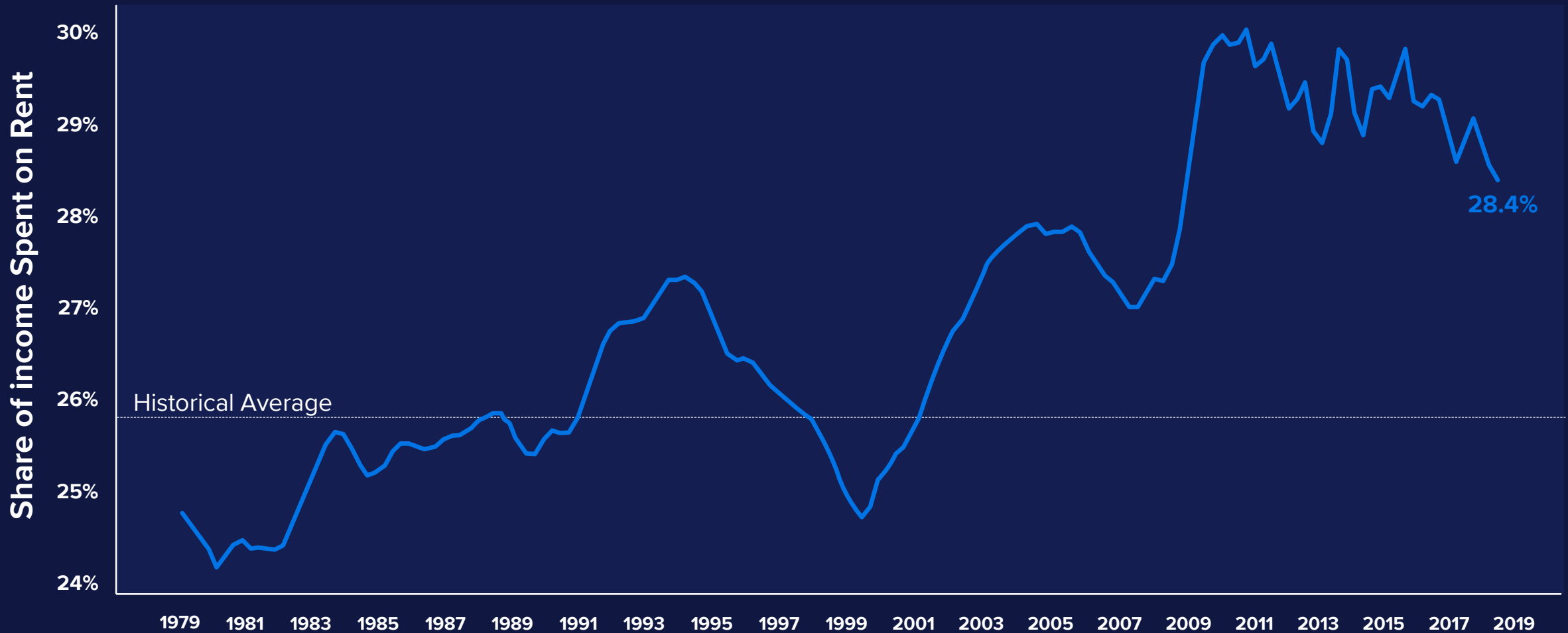
**\$1,310**



Three-bedroom

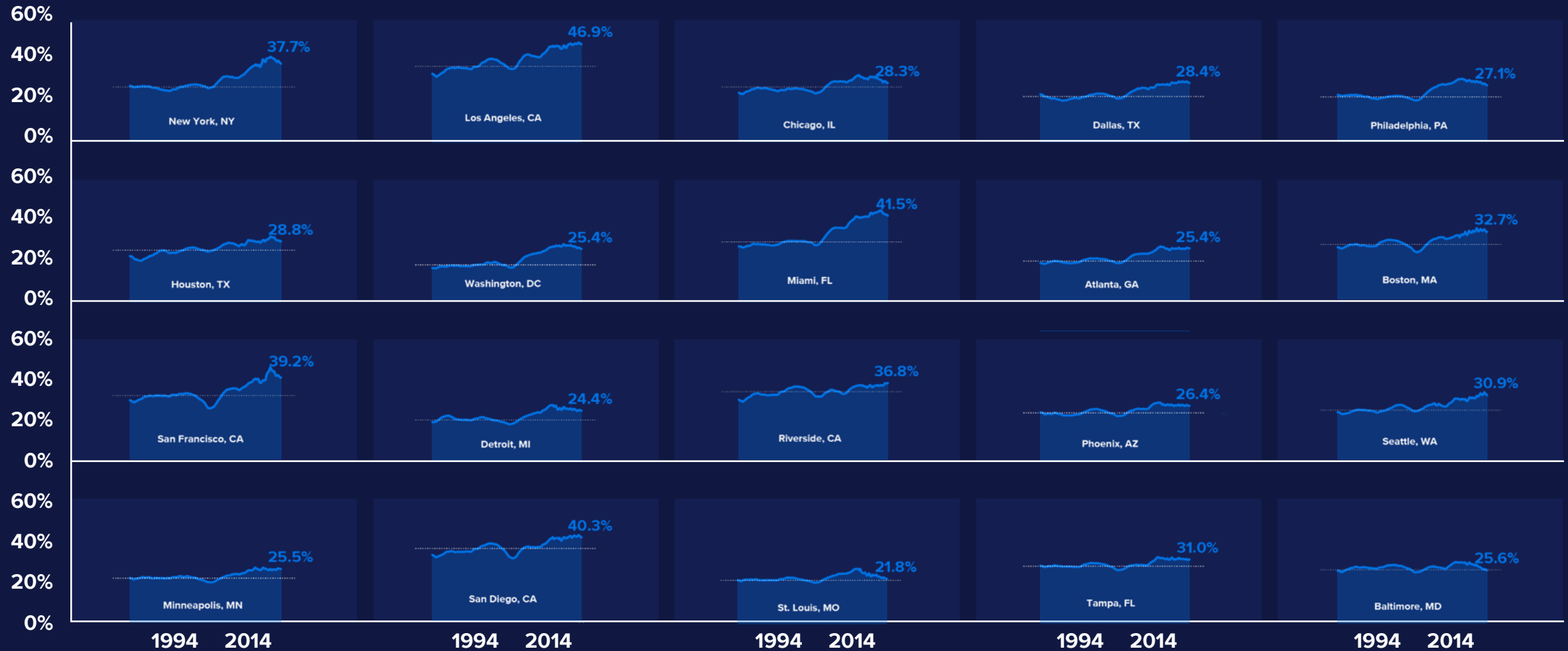
**\$1,445**

# Rent Burden, U.S.



Source: Zillow Rent Affordability, 2018 Q2.

# Rent Burden, largest 20 metros

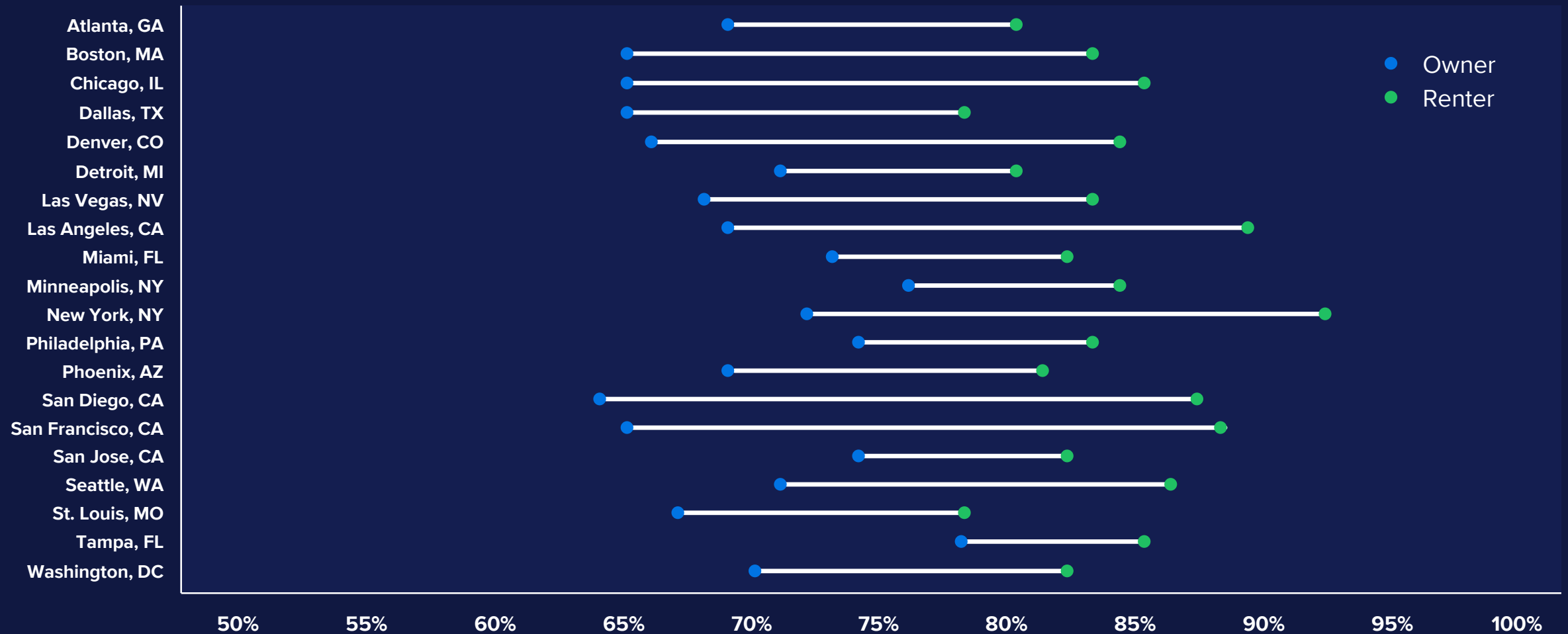


Source: Zillow Rent Affordability, 2018 Q2.



# Owners and renters support rent control

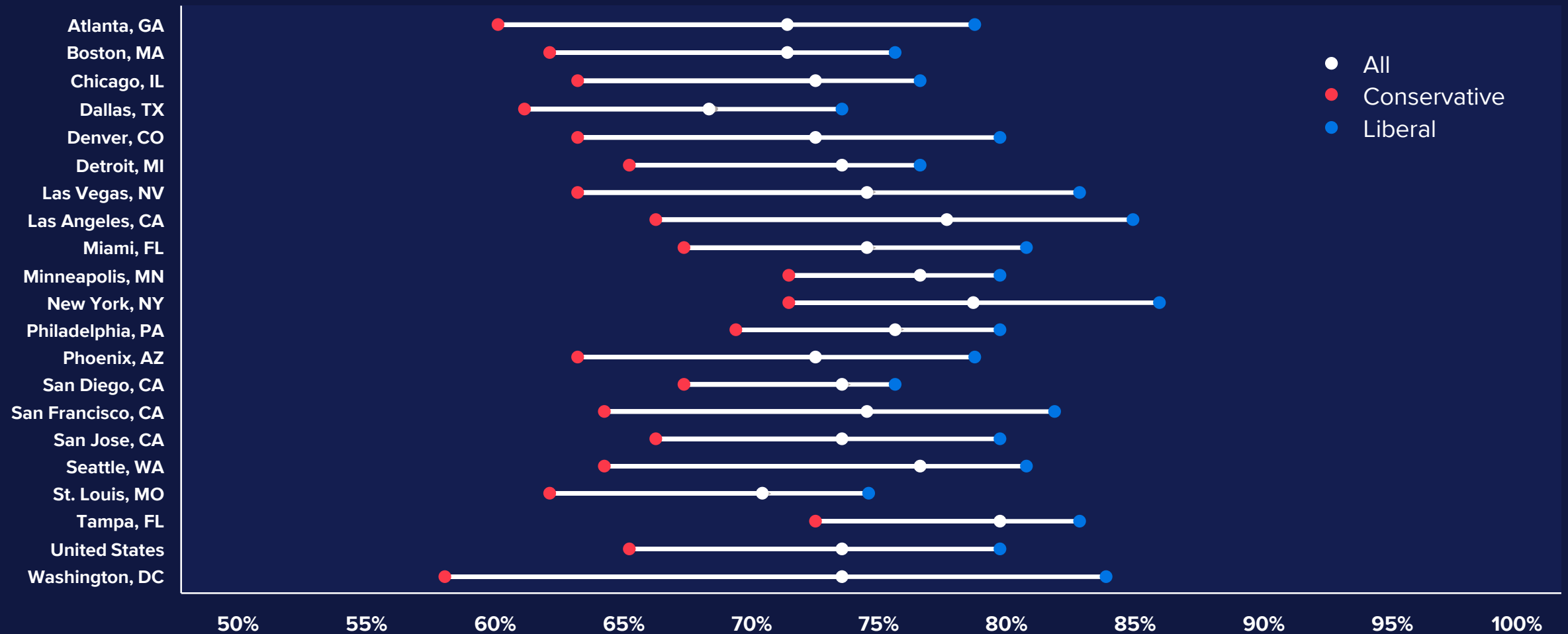
Share of adults who support rent control



Source: Zillow Housing Aspirations Report.

# Rent control is popular regardless of party affiliation

Share of adults who support rent control



Source: Zillow Housing Aspirations Report.