



*National homeownership rates
remain near all-time lows*

Residential vacancies and homeownership

Q1 2016

The U.S. homeownership rate fell to its lowest rate since the fourth quarter of 1967

1.

Homeownership slides down to 63.5 percent in the first quarter

- This figure is 30 bps lower quarter-on-quarter; 20 bps lower year-on-year
- Homeownership rates rose in the Midwest 30 basis points year-on-year, while falling in all other regions, led by a 70 basis point decline in the Northeast

2.

Homeownership rates moderate compared to house value increases

- Existing home sales rebound to 2007 levels; still pale previous cycle
- Consistent homeownership decline has paralleled appreciation of home prices, up in excess of 5.0 percent for eight consecutive quarters

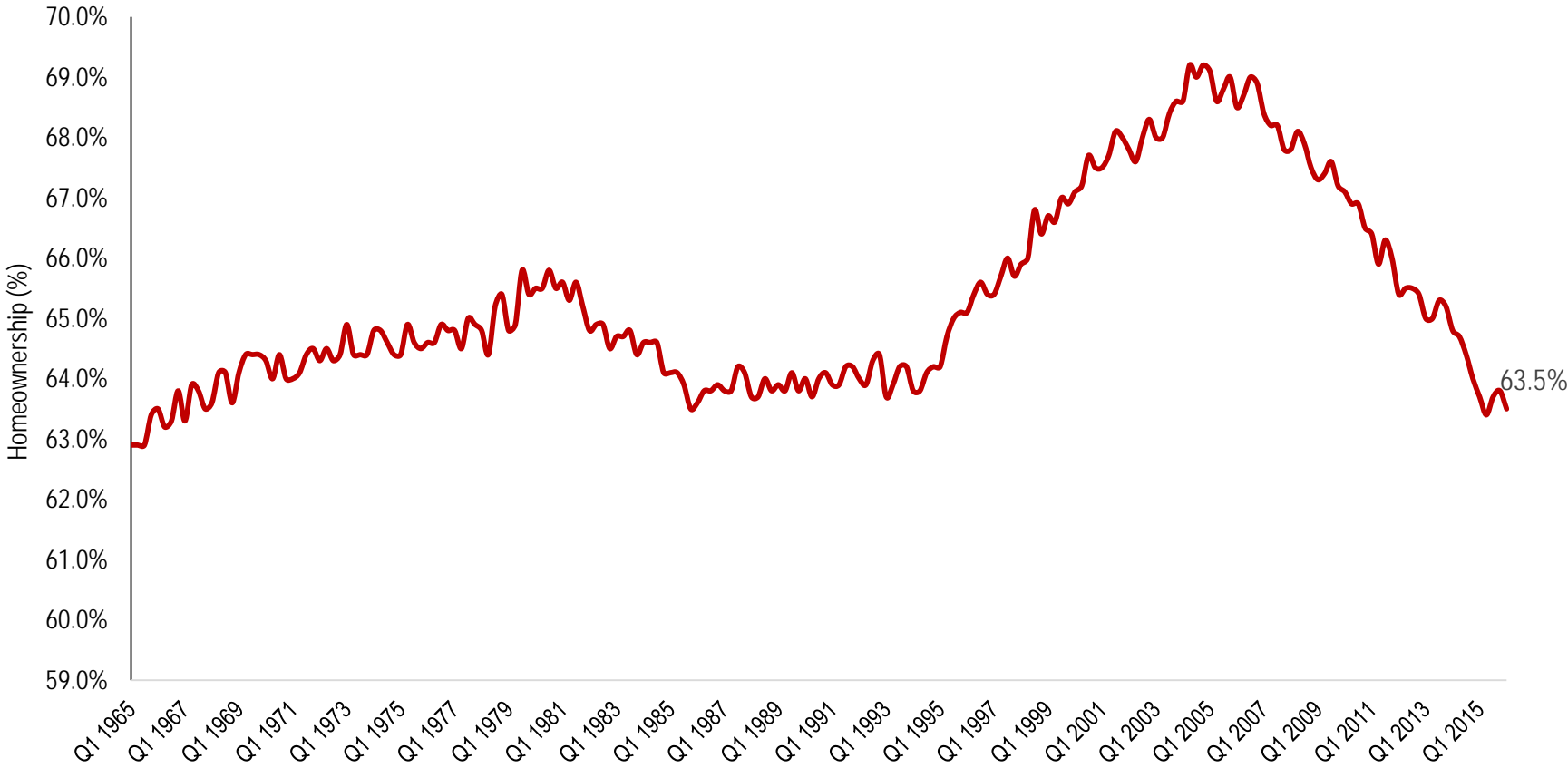
3.

Recent homeownership gains by generation X a drop in the bucket

- Generation X homeownership increases 50 basis points since the beginning of 2015; the second straight quarter of yearly gains
- In spite of modest recent gains, the generation X homeownership rate is down 14.5 percent over the course of a decade

Source: JLL Research, U.S. Census Bureau, U.S. Bureau of Labor Statistics

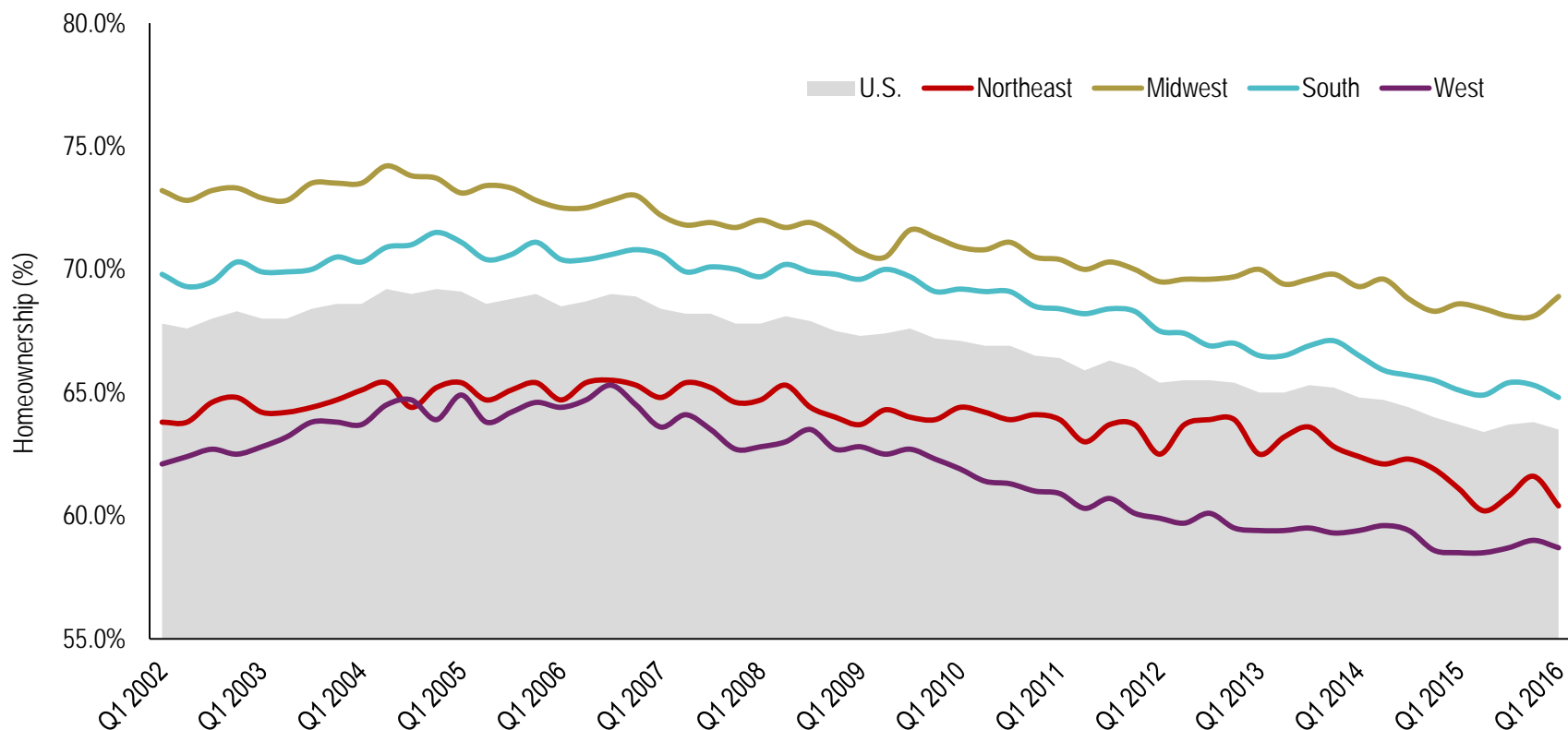
The homeownership rate was recorded at 63.5 percent in the first quarter, declining 20 basis points from first quarter 2015



Source: JLL Research, U.S. Census Bureau

Homeownership rates inch higher, gaining 30 basis points, in the Midwest year-over-year

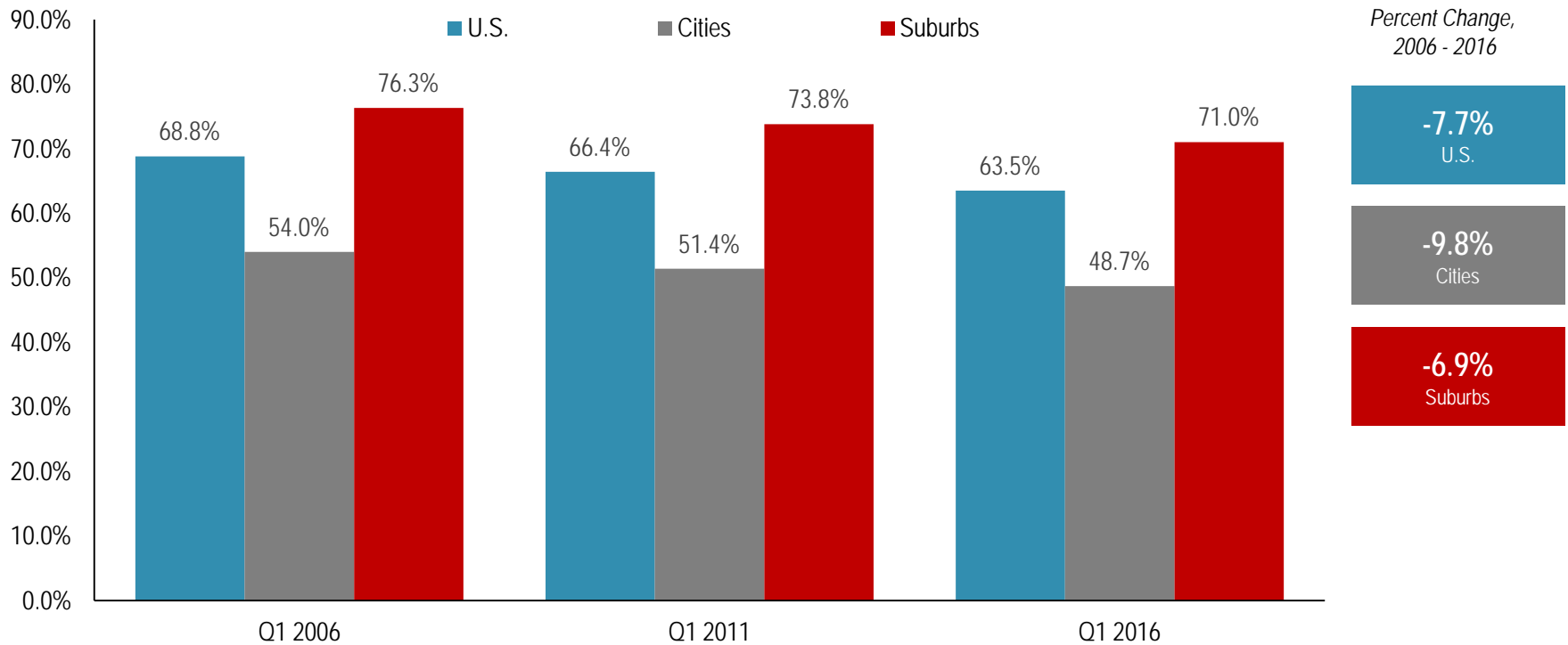
... yet the national rate hinged on annual declines of 70 basis points in the Northeast, 30 basis points in the South



Source: JLL Research, U.S. Census Bureau

Homeownership rates decline 5.3 percent respectively throughout cities and suburbs over a decade

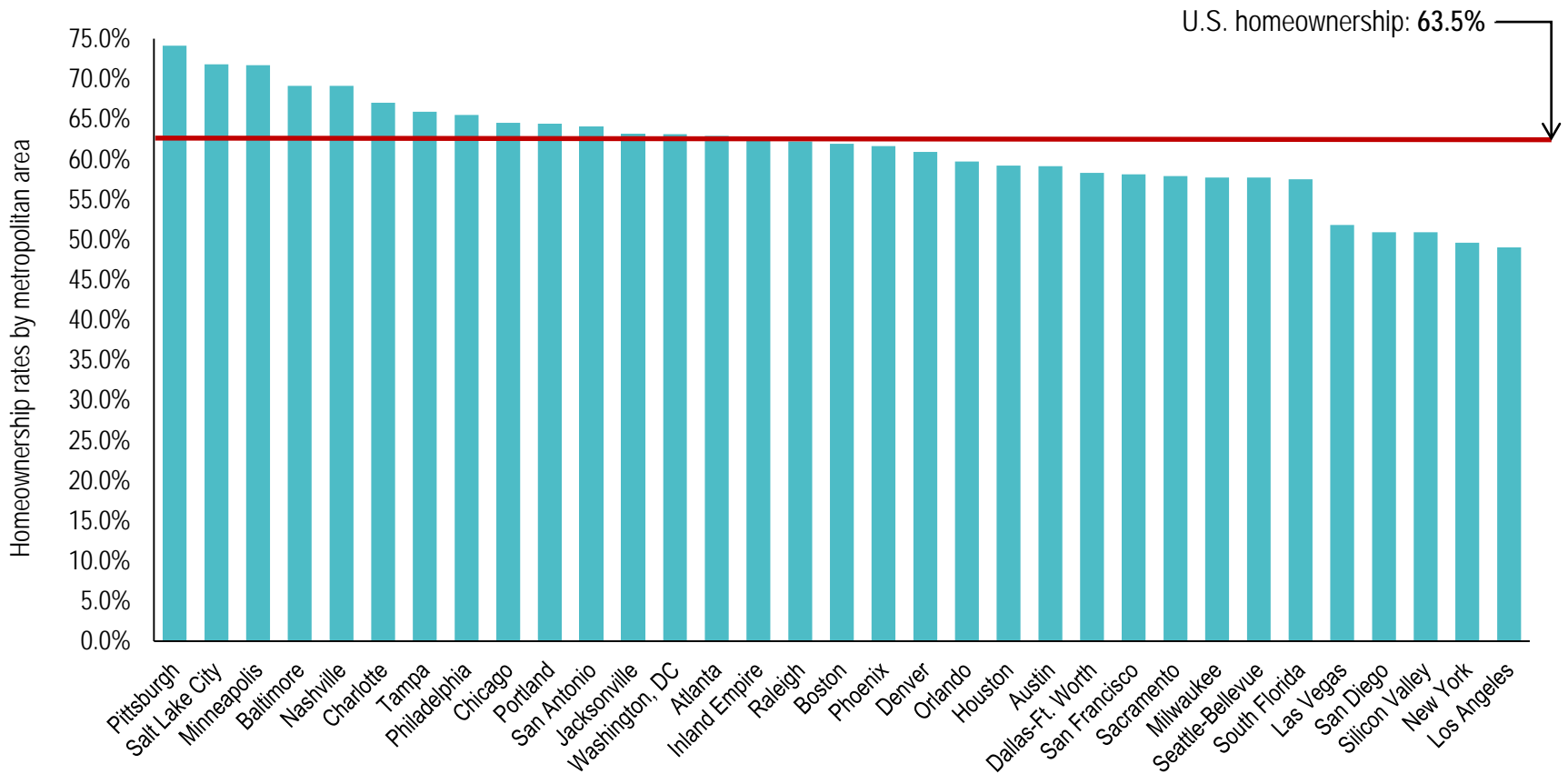
Homeownership in cities has spent eight consecutive quarters below 50.0 percent



Source: JLL Research, U.S. Census Bureau

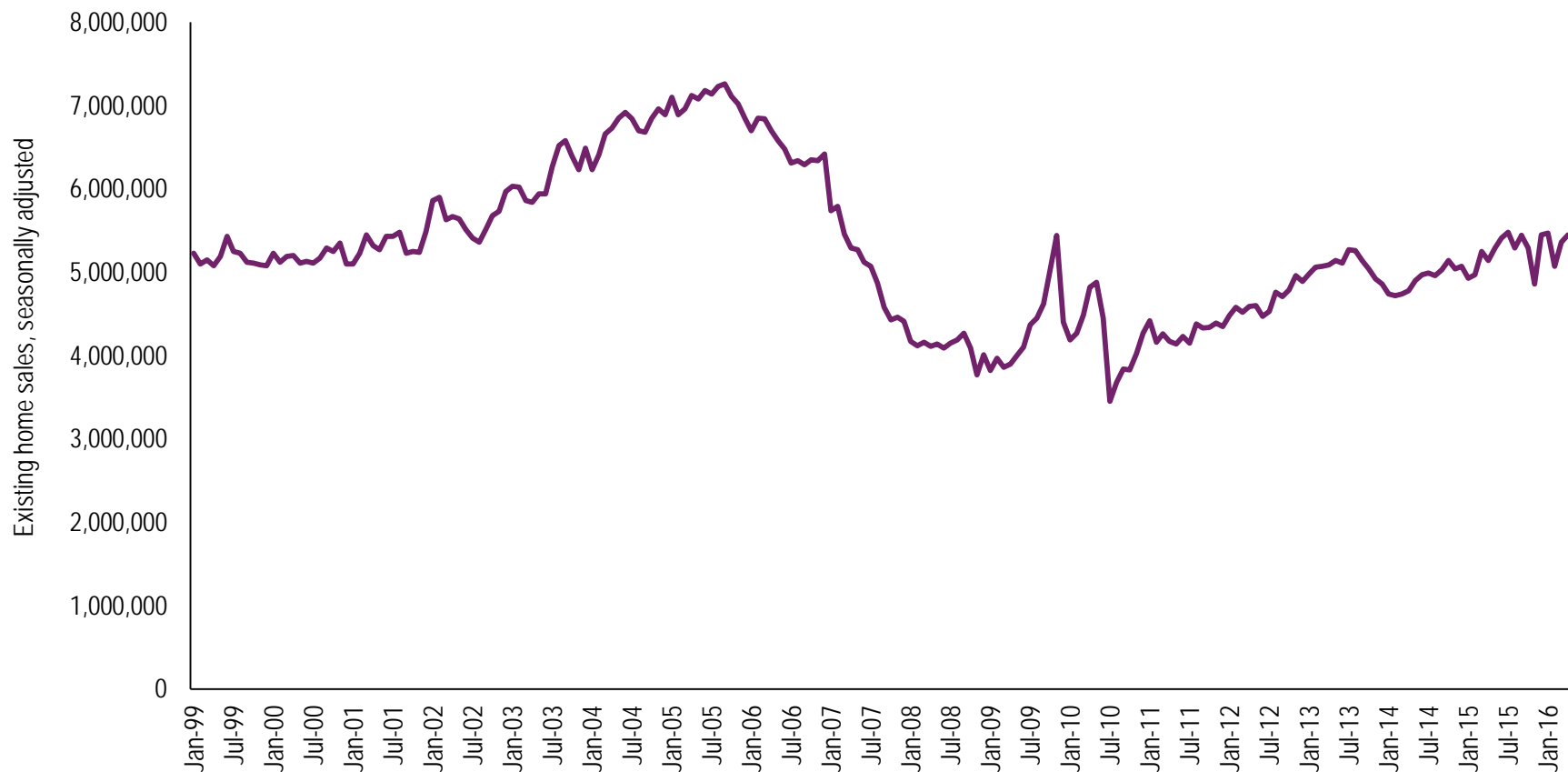
Homeownership lags in the major metros of the Western region

Western markets have seven of the lowest ten rates, each trailing the national average by over 5.0 percent



Source: JLL Research, U.S. Census Bureau

Existing home sales in April were 5.45 million units, gaining 6.0 percent year-over-year; 1.7 percent from March



Source: JLL Research, National Association of Realtors

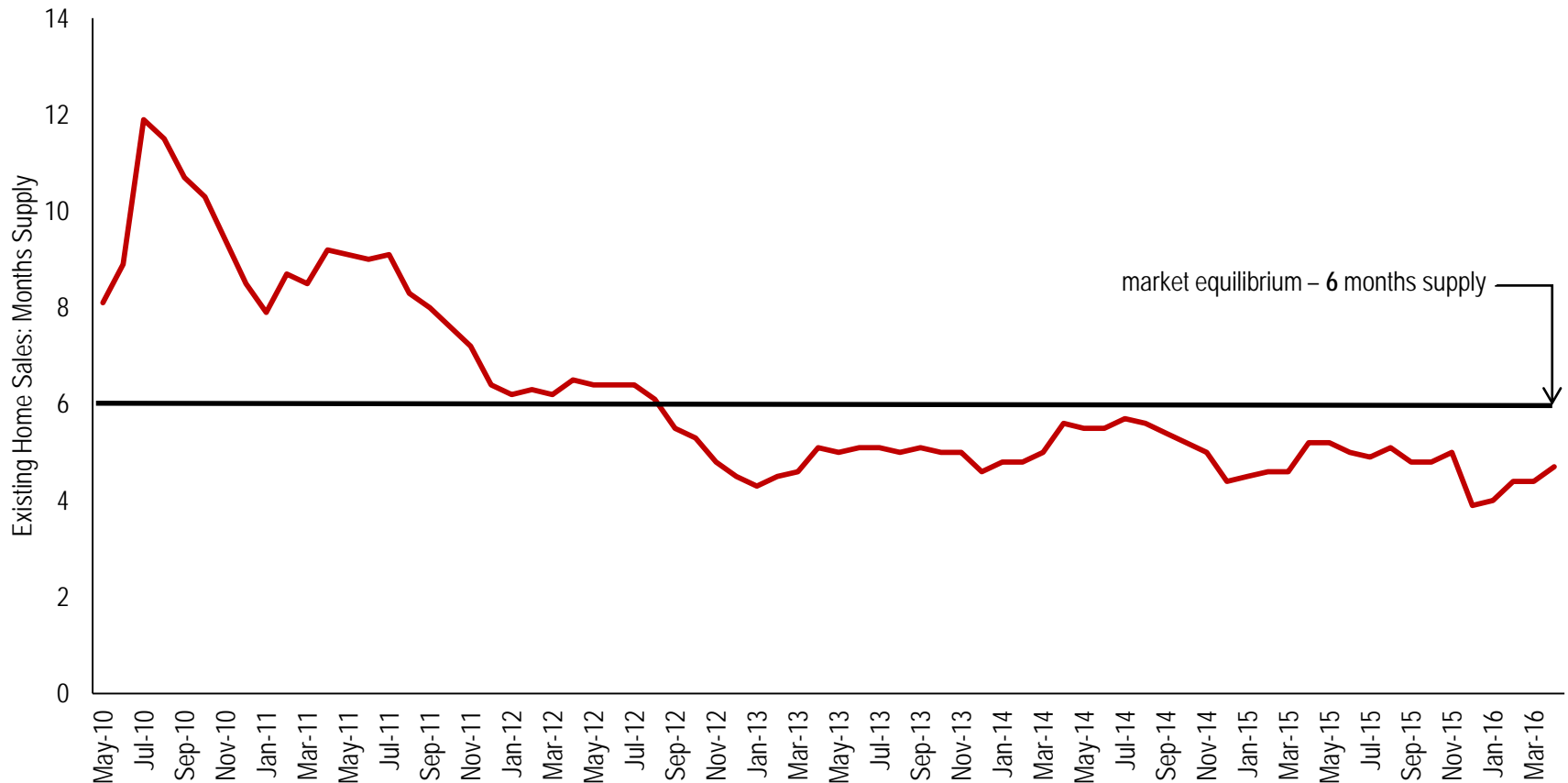
The inventory of unsold houses rose 9.2 percent in April

The supply has declined 3.6 percent from year-over-year, down 64.5 percent from August 2010



Source: JLL Research, National Association of Realtors

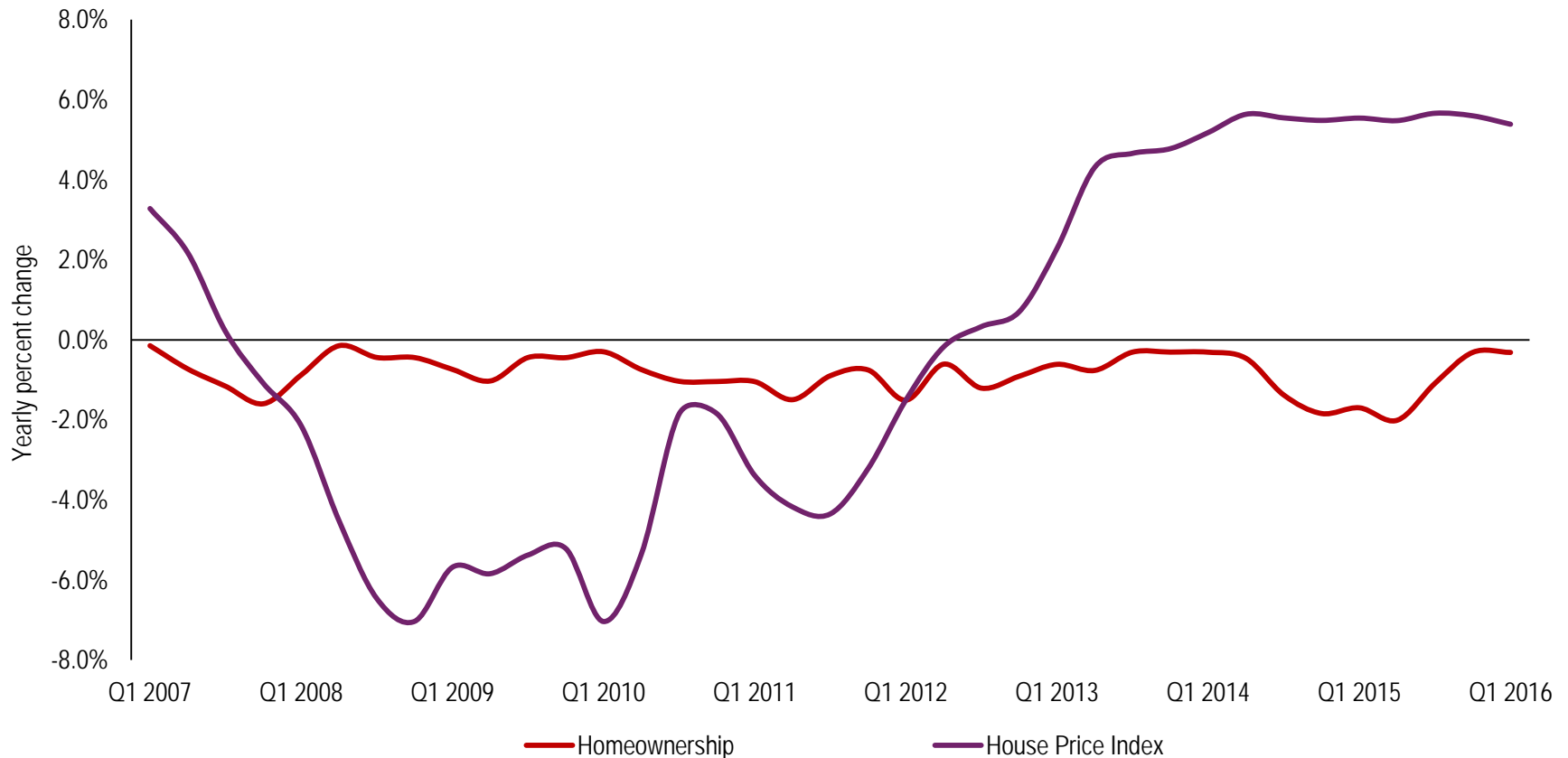
It would take 4.7 months to sell current home stock at April's pace, tightening 9.6 percent from April 2015's pace



Source: JLL Research, National Association of Realtors

Home price gains exhibiting strong, consistent momentum

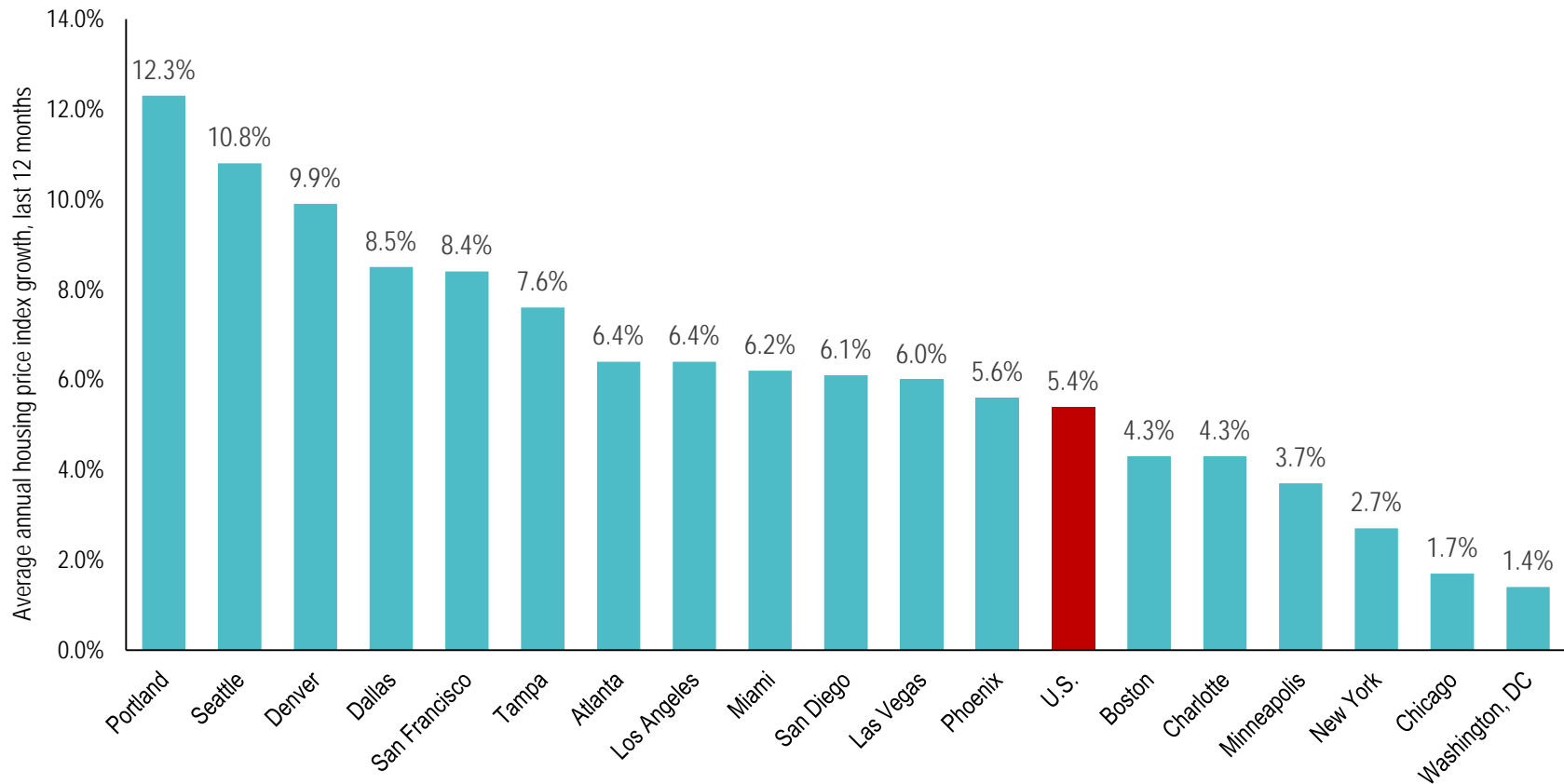
Consistent homeownership decline has paralleled appreciation of home prices, up in excess of 5.0 percent for nine consecutive quarters



Source: JLL Research, U.S. Census Bureau, Federal Housing Finance Agency

Pricing growth maintains a brisk pace nationally—5.4 percent, led by Portland, Seattle and Denver

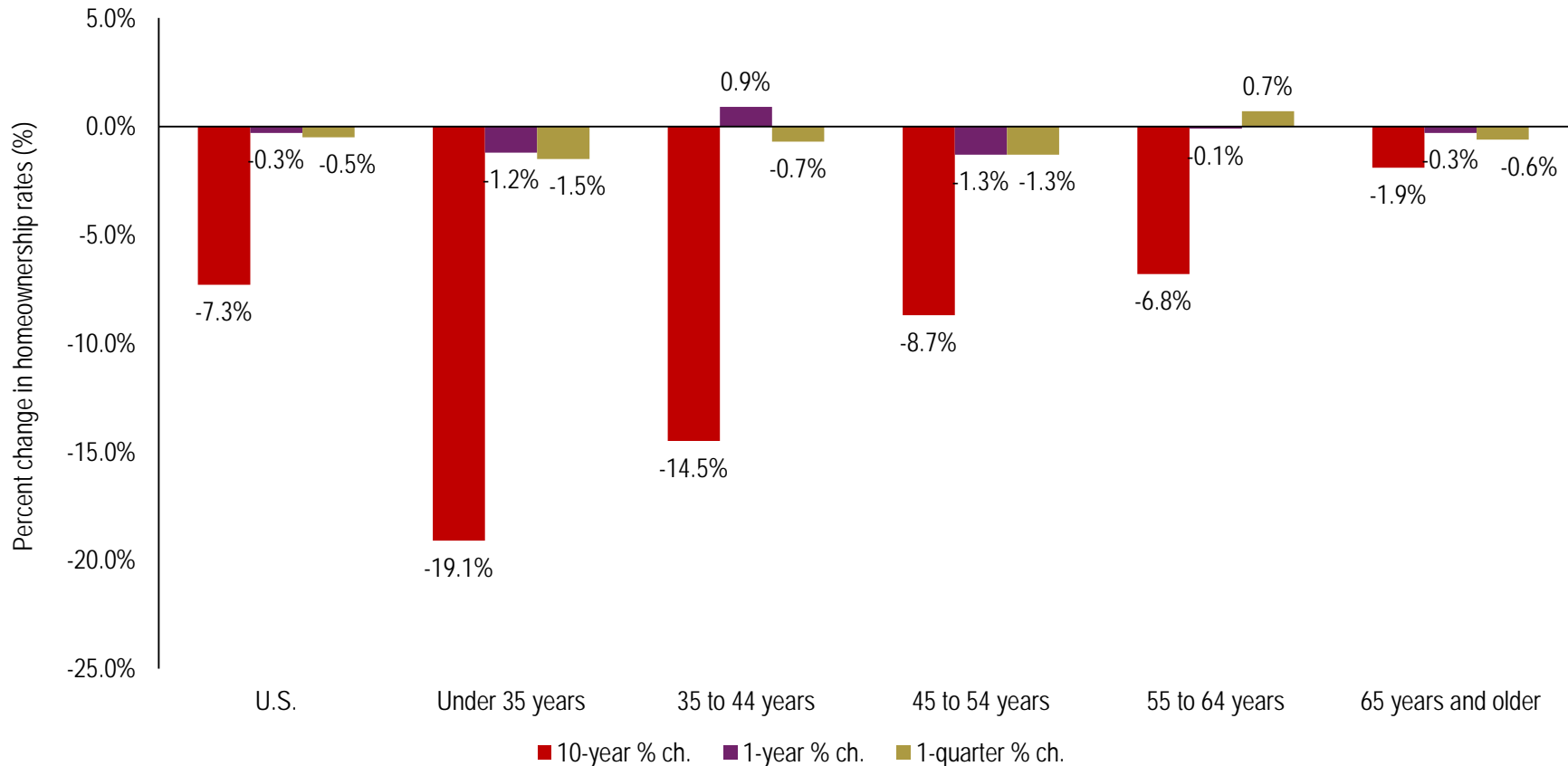
A strengthening housing market has the potential to make homes less affordable for renters



Source: JLL Research, McGraw Hill Financial

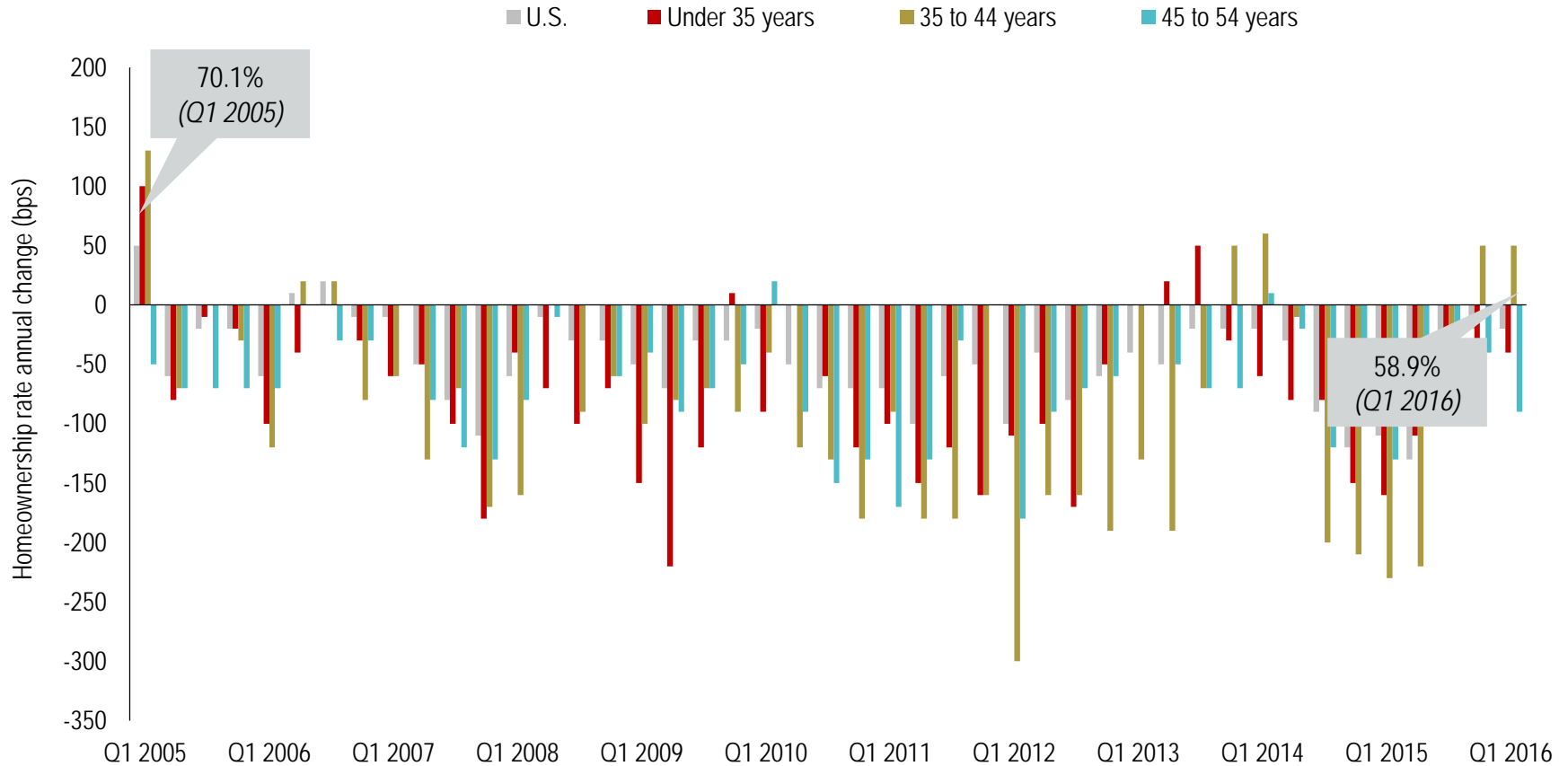
Homeownership continues long-term decline across age cohorts

Pronounced declines of 7.3 percent nationally over a decade, as well as throughout age cohorts – notably from the millennial and gen x segments



Source: JLL Research, U.S. Census Bureau

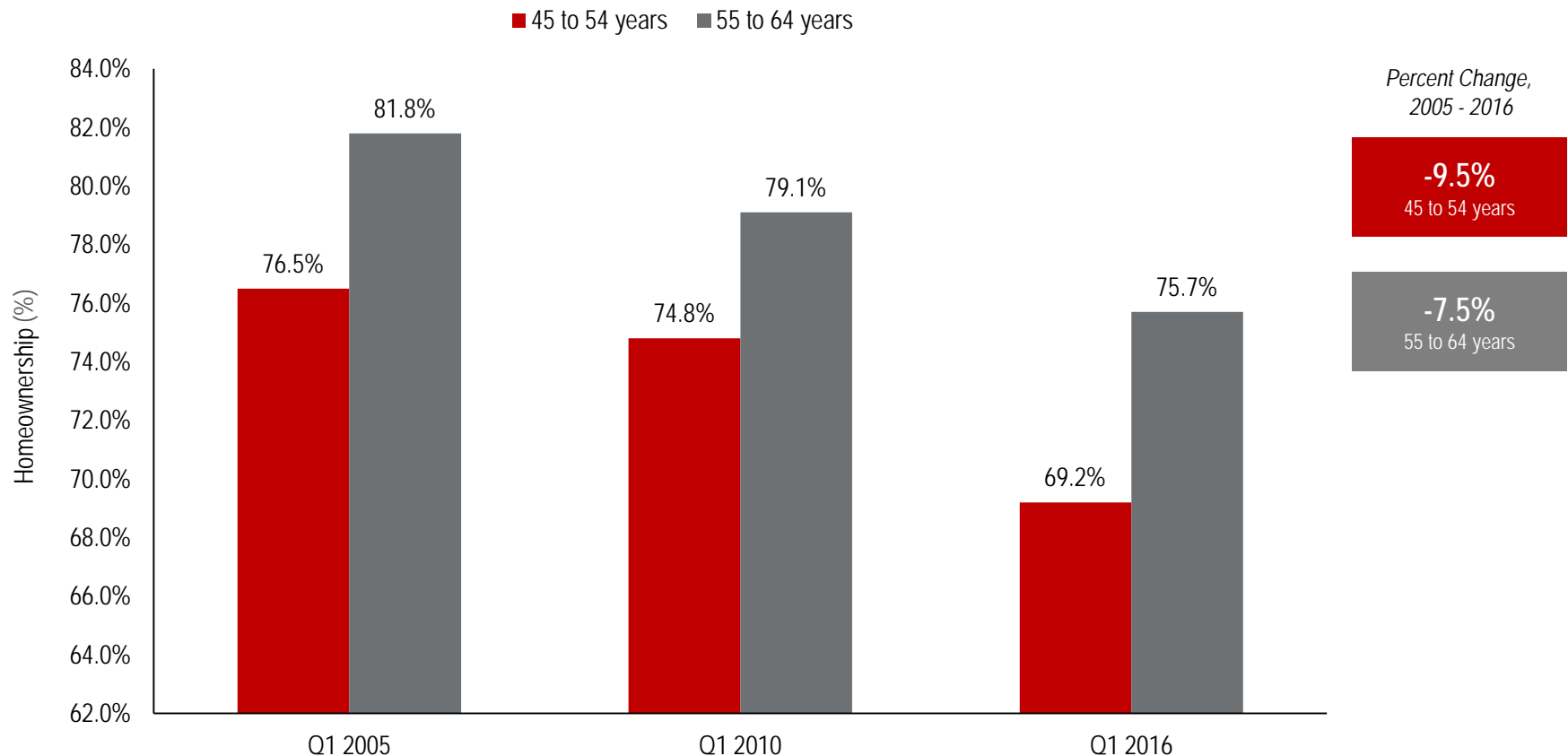
Gen X has seen consecutive quarters of year-on-year gains in homeownership rate, the only age cohort to see positive returns



Source: JLL Research, U.S. Census Bureau

Only 69.2 percent of those aged 45 to 54 currently own a home

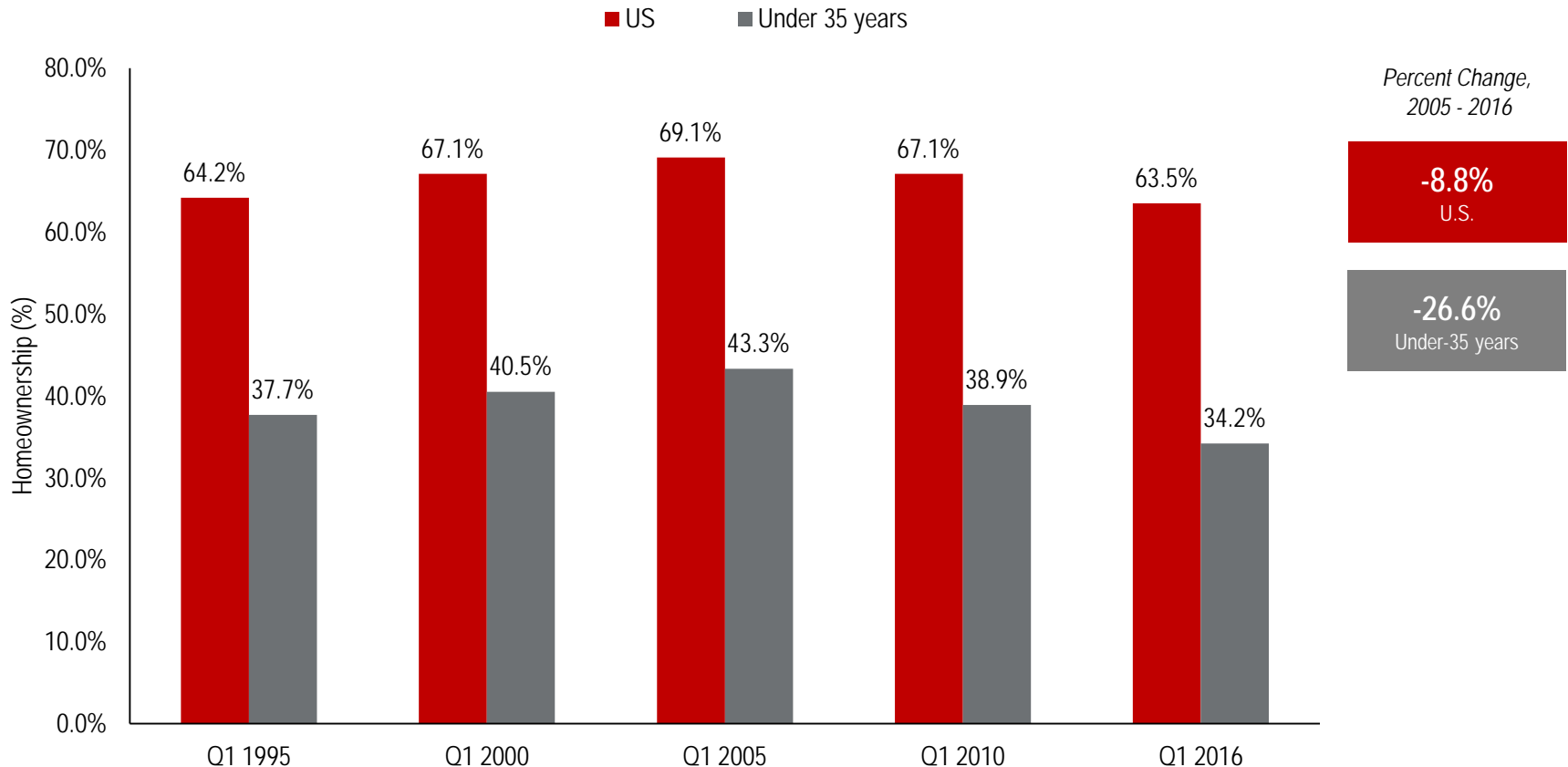
This figure has declined from a high of 77.4 percent in the second half of 2004; those aged 55 to 64 have experienced similar decline over the same time frame



Source: JLL Research, U.S. Census Bureau

... while millennials maintain a lagging rate of 34.2 percent

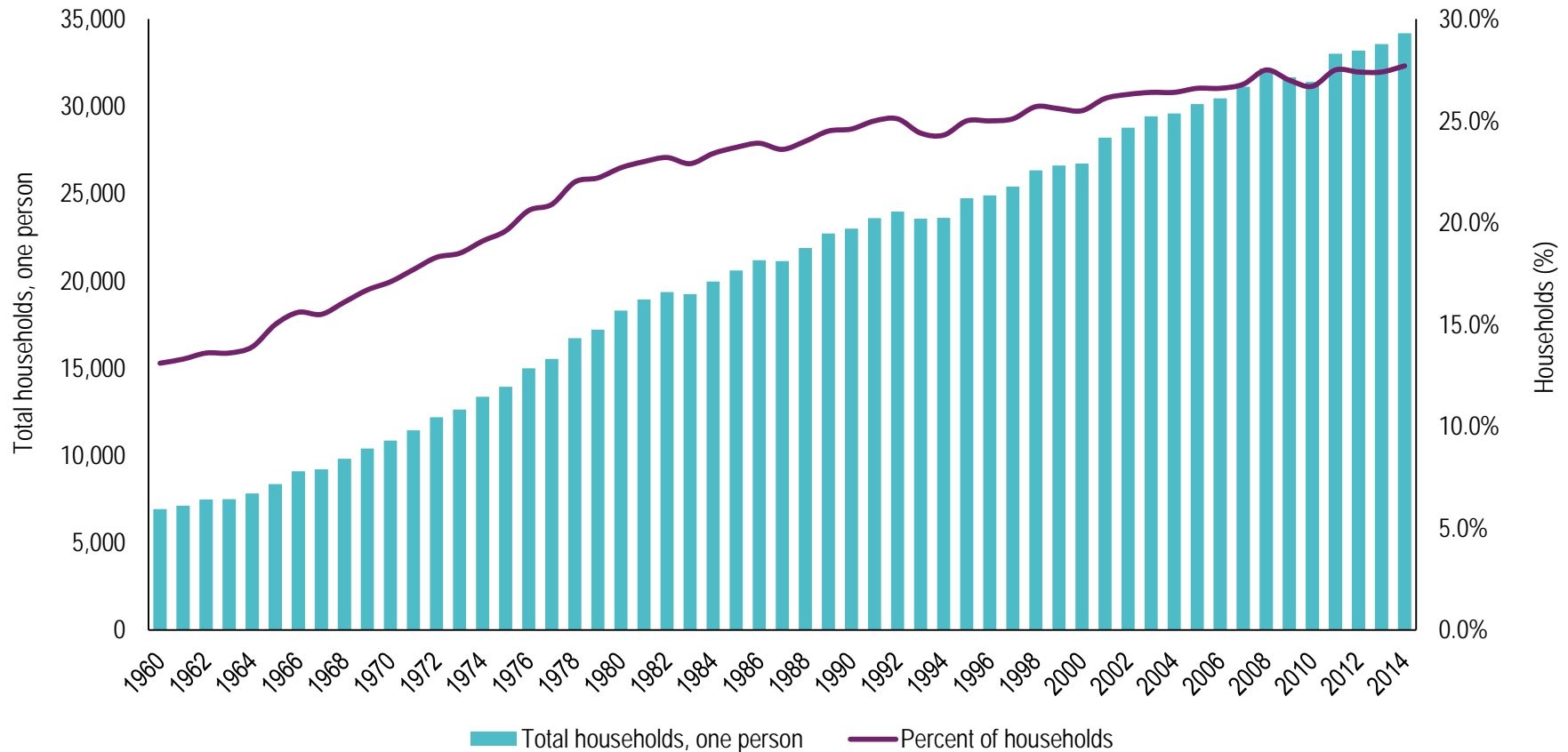
Endemic debt and lagging wages are two reasons keeping millennials out of homeownership, driving a 26.6 percent decline since 2005



Source: JLL Research, U.S. Census Bureau

One person households continue their steady rise

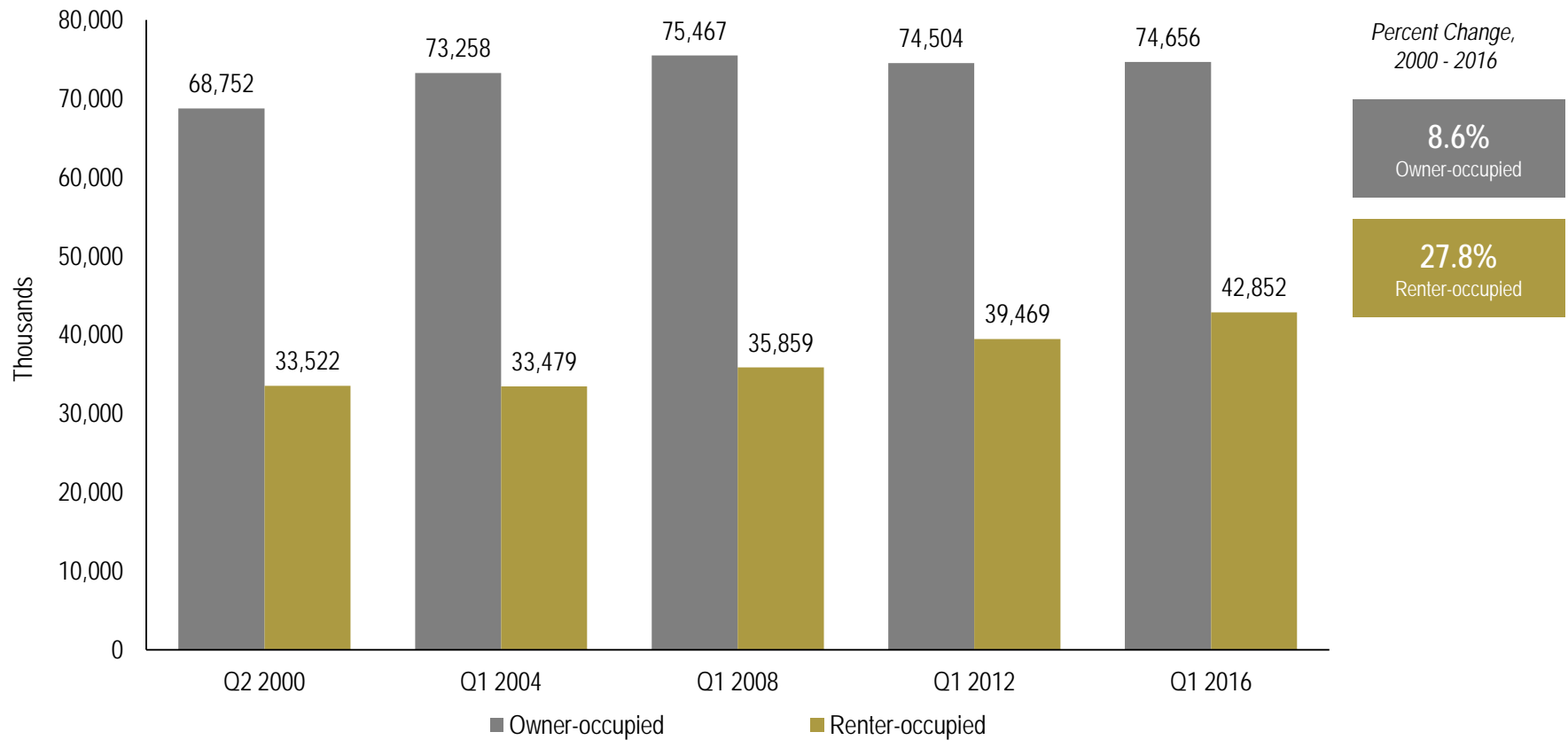
27.7 percent of households were one person in 2014, an all time high



Source: JLL Research, U.S. Census Bureau

Renter-occupied units have increased 27.8 percent since 2000

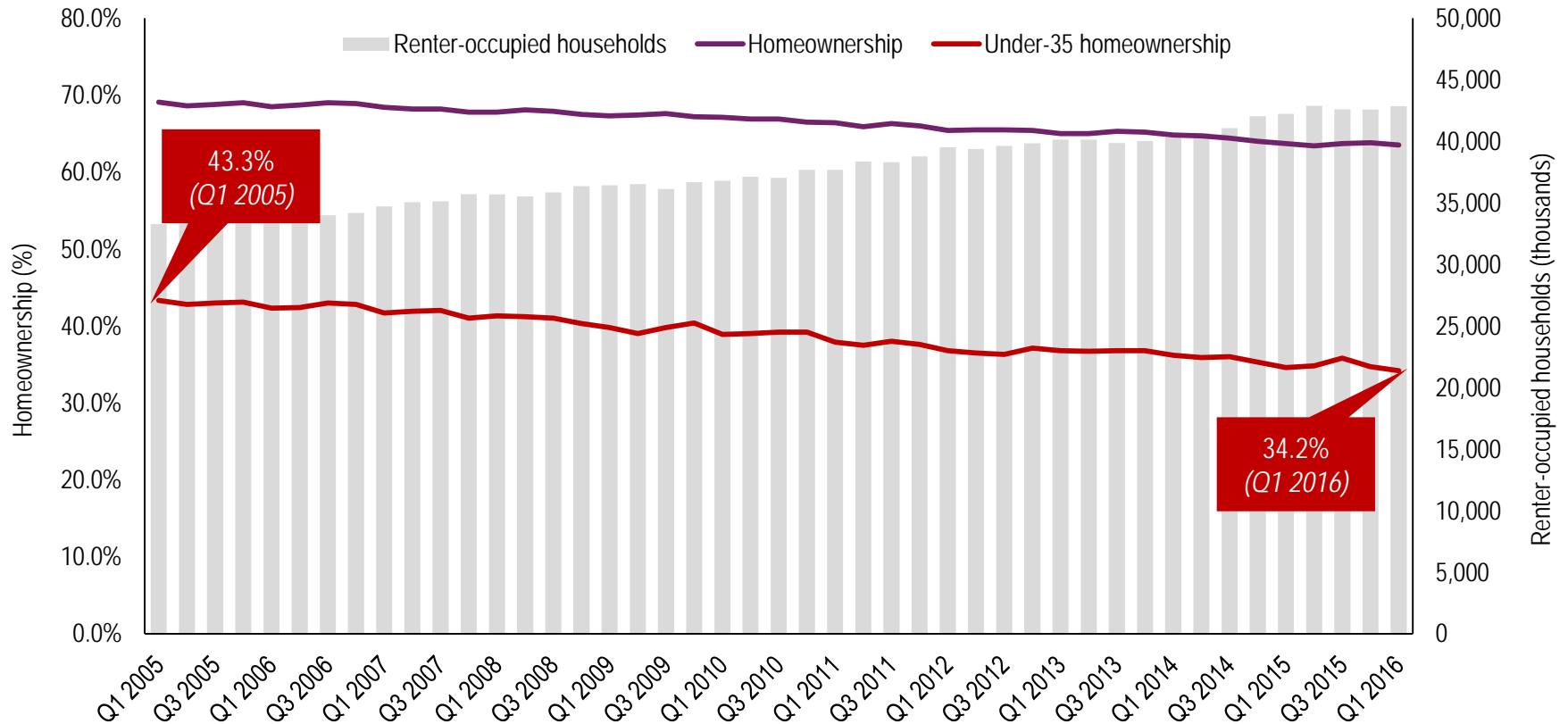
Demand for rentals continues to demonstrate outsized growth in comparison to modest economic growth and sustained increases in home price values



Source: JLL Research, U.S. Census Bureau

Renter-occupied households increased 28.8 percent since 2005

This increase parallels the decrease in under-35 homeownership in the same time period



Source: JLL Research, U.S. Census Bureau



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