



(Steve Brown)

THE GRAND OPENING

With more young renters than buyers, apartment boom continues

By [Steve Brown](#) | Real Estate Editor

With more younger Americans renting than buying homes, apartment builders expect their current construction wave to continue.

Last year, builders started more than 381,000 multifamily homes across the country.

And construction of apartments is expected to increase in both 2020 and 2021, according to the National Association of Home Builders.

"2019 may have been best year of apartment construction," Robert Dietz, chief economist with the builders association, said at this week's industry meeting in Las Vegas. " Our

forecast is that apartment construction should continue to remain in the 380,000 to 400,000 annual range."

Dallas-Fort Worth is the country's top apartment building market, with more than 40,000 new rental units under construction.

Almost 26,000 new apartments are set to open in North Texas this year — 14% more than in 2019, according to a new report from Richardson-based RealPage.

Builders are rushing to add apartments in markets across the country to meet demand from young residents.

Before the Great Recession, more than 75% of newly formed U.S. households were buying homes.

Now, more than 75% of new, younger households are renting, said Danushka Nanayakkara-Skillington, an analyst with the homebuilders association.

"Student loans and auto loans continue to increase," Nanayakkara-Skillington said. "These two types of loans crowd out home purchases for the younger households."

Nationwide homeownership rates have never recovered to where they were before the recession, when more than 69% of Americans owned a home.

"We don't anticipate the homeownership rate to go up to the 69% or 70% level," Nanayakkara-Skillington said. "We think the new equilibrium is around 64% or 65%."