

One Million Renters Added in 2011, Married and Higher Income Renter Populations Grow, New Report Shows

By: [Les Shaver](#)

One million. That's the number of new rental households the U.S. added in 2011, according to "The State of the Nation's Housing 2012" report, released today from the Joint Center for Housing Studies (JCHS) at Harvard University. That's the largest reported increase of renter households since the early 1980s.

Since 2005, 4.4 million new renters have emerged. While individuals under the age of 25 constituted 4.7 million of the new renters from 2006 to 2011, 25 to 34-year-olds accounted for fully 645,000 new net renter households in this time period. From 2001 to 2006, that group produced a net loss of 328,000 households. Eventually, these people plan to own, but it won't happen overnight.

"Surveys consistently find that the overwhelming majority of young adults plan to own a home in the future, but many would-be buyers have stayed on the sidelines, waiting for the job outlook to improve and house prices to stop falling," Eric S. Belsky, Managing Director of the Joint Center for Housing Studies said in a prepared statement.

"But as markets tighten, these fence-sitters may begin to take advantage of today's lower home prices and unusually low mortgage rates. With rents up, home prices sharply down, and mortgage interest rates at record lows, monthly mortgage costs relative to monthly rents haven't been this favorable since the early 1970s."

The JCHS report also painted a picture of an increasingly diverse renter population. Minorities accounted for only 30 percent of all households, but 46 percent of all renters. They were responsible for 59 percent of the new renter households between 2004 and today. The report broke these numbers down even further:

"Blacks accounted for 24 percent, Hispanics 17 percent and Asians and other groups for 18 percent of this recent growth. Although whites were responsible for less than half of renter household growth, their numbers still increased by 2.1 million over this period—a sharp departure from the large declines in the 1990s and early 2000s."

Another trend that apartment designers and architects may want to be aware of is the rising growth of married couple as renters. Although they only accounted for 36 percent of renters in 2011, they represent 50 percent growth in renter households over the past five years.

Upper and middle income households are also more likely to rent. In the early 2000s, the increase in renter households occurred in the group making less than \$30,000 per year. After 2006, that group accounted for just under half the growth in rental households. Households earnings more than \$75,000 accounted for a fifth of the increase in rental households after 2006.

The writers of the JCHS report wonder if this trend will last, though. Eventually, growth in home ownership will pull these people out of rentals. "Some of the unusual features of recent renter household growth—particularly the sharp increases in older and married-couple renters—may persist as long as foreclosure rates remain elevated," the report said. "But as household formations among the echo boomers rise and homeownership rates among middle-aged households stabilize, the shares of new renter households that are younger and minority should continue to increase."