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New Survey Finds 69 Percent of Apartment Residents Plan to Continue Renting For As Long As Five More Years

***Renters Not Eager to Take a Chance on Homeownership Anytime Soon;
Apartment Occupancy Rate Highest Since 1965***

Arlington, VA, May 28, 2008 – A new survey commissioned by the National Apartment Association finds 69 percent of current renters will not make the move to buy their own home in the next year. The survey also found consumer confidence in the existing state of the U.S. housing market at a low point, with 80 percent of U.S. adults believing the situation will not improve over the next six months. Meanwhile, apartment occupancy is at an all-time high.

"The country is deep into the discussion of the economic fallout of sub-prime mortgage lending. However, little attention has been paid to how the crisis is impacting people's choices to stay in rental homes and wait out the storm," said National Apartment Association (NAA) President Douglas Culkin. "The results of this survey reflect what our membership is experiencing across the country. Renters are not eager to take a chance on homeownership this year. If the economy improves, that trend may abate, but, for now, people are generally staying put."

The independent survey of more than 2,000 U.S. adults, conducted by leading market research firm Harris Interactive[®], also finds an increase from last year's survey with respect to the financial benefits of renting vs. owning, 48 percent in 2008 compared to 43 percent in 2007.

NAA also reports that occupancy rates in rental housing have seen the largest annual increase (1.5M units) in history dating back to 1965, based on the Commerce Department Data Series¹. This increase has produced an all-time record high of the number of rental housing units in the country, now totaling 34.7 million units or about 83 million persons.

"Just last week, the Commerce Department cited that the main reason for an upswing in U.S. homebuilding is the construction of rental properties -- not single-family homes -- further supporting our findings of what the average U.S. adult is experiencing," added Culkin.

Among the key findings in the National Apartment Association survey:

- **Consumer confidence is low - it's going to get worse before it gets better:** 80 percent of U.S. adults believe that the current housing market situation will worsen or stay the same over the next six months.
- **Renters not eager to take a chance on home ownership anytime soon:** 69 percent of renters said they plan to stay renters for up to five more years.
- **Renters are staying put:** 50 percent of renters who responded plan to continue renting their current residence for the next year and an additional 46 percent of non homeowners have no plans to buy a residence within the next year.
- **Homeowners shy of making any quick changes:** 72 percent of homeowners plan to remain in their current home over the next year.

1. Rose by 1.545 million units over the year period ending Q4 2007

- **Renting seen as favorable to owning:** 71 percent of adults feel that there are advantages to renting vs. owning in the current real estate market, 48 percent citing financial reasons (e.g. not being impacted by unpredictable housing values and mortgage rates) over more traditional reasons such as amenities packages (18 percent) or the flexibility of a short term lease (32 percent).
- **Economic fallout from the mortgage crisis beginning to affect even non-homeowners:** 39 percent of adults feel that the financial security of renters and homeowners is equally affected by the current stage of the housing market – illustrating that an economic impact of the mortgage crisis is also being felt by non-homeowners.

"With Congress in the process of deliberating over the next steps to take to fix this problem - our government has an opportunity to rethink our current "homeownership at any cost" housing policy - and should act deliberately and cautiously to avoid unintended consequences - primarily a full blown credit crisis," NAA's Culkin said.

About the survey

This survey was conducted online within the United States by Harris Interactive on behalf of the National Apartment Association between May 7 and May 9, 2008 among 2,041 adults (aged 18 and over), of whom, 1,258 own their primary residence and 563 rent their primary residence. The data have been weighted to reflect the composition of the U.S. adult population.

Results were weighted as needed on the basis of region, age within gender, education, household income, and race/ethnicity. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. Because the sample is based on those who agreed to be invited to participate in the Harris Interactive online research panel, no estimates of theoretical sampling error can be calculated.

About Harris Interactive

Harris Interactive is a global leader in custom market research. With a long and rich history in multimodal research, powered by our science and technology, we assist clients in achieving business results. Harris Interactive serves clients globally through our North American, European and Asian offices and a network of independent market research firms. For more information, please visit www.harrisinteractive.com.

About the National Apartment Association

One-third of the homes in America are apartment homes and many of these homes are represented by the National Apartment Association, America's leading advocate for quality rental housing which represents more than 6.1 million apartment homes throughout the United States and Canada. The organization's mission is to serve the interests of multifamily housing owners, managers, developers and suppliers and maintain a high level of professionalism in the multifamily housing industry. For additional information please visit www.naahq.org.

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