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New Survey Finds 76 Percent of Consumers Now Believe Renting to be a Better Option over Homeownership

Advantages Cited Include Flexibility to Move to a Different Location with New Job Opportunities

Arlington, Va., May 24, 2010 – A new online survey commissioned by the National Apartment Association conducted in May finds 76 percent of consumers deem renting to be the more favorable option to owning a home in the current real estate market, a 5 percent increase from 2008.

The survey also found that both renters and homeowners are not eager to make any changes in their housing status within the next year, demonstrating low consumer confidence and continued uncertainty in the housing market.

"While some may want to declare the housing crisis over, consumer patterns of behavior are showing otherwise," said National Apartment Association (NAA) President Douglas Culkin. "The findings in this survey mirror what our members are seeing throughout the country, especially in areas of the country that are experiencing the first signs of economic recovery."

The independent survey of more than 2,000 U.S. adults, conducted by leading market research firm Harris Interactive[®], also finds an increase from a 2008 survey in the number of adults noting the additional burden of major home repairs or maintenance as a primary benefit of renting a home vs. owning, 64 percent in 2010 compared to 57 percent in 2008.

"The simple fact remains that in a bad economy, people must make whatever changes necessary to improve their situation, especially if they have lost their job," Culkin said. "Sometimes this might mean moving to another city where there is more opportunity, and if you're tied to a mortgage, you don't have the same ease of mobility as you do if you lease your home."

Among the key findings in the National Apartment Association survey:

- **Leasing rental property perceived as more favorable to holding a mortgage:** 76 percent of adults feel that there are advantages to renting vs. owning in the current real estate market, an increase of 5 percent from 2008. 64 percent cited having no responsibility for major repairs or maintenance as the primary reason, followed by 50 percent who cited financial reasons such as not being impacted by an unpredictable real estate market (33 percent – an increase of 1 percent from 2008), and not being susceptible to foreclosure (tied at 33 percent).
- **Renters are not eager to make a change this year:** 60 percent of renters plan to continue renting their current residence or rent new residences within the next year. 12 percent of renters said they have plans to buy a new home this year and only 14 percent believe that buying a house is preferable to renting given the current state of the market.

- **Homeowners tied down and staying put:** 71 percent of homeowners will stay in their current home over the next year, mirroring almost exactly the response from 2008 (72 percent).
- **Adults continue to experience economic backlash from the foreclosure crisis:** 93 percent of adults feel that the financial security of homeowners is more or equally affected by the current state of the housing market – no change from 2008 – illustrating that the economic impact of the foreclosure crisis has not shifted or improved.

“The results are yet to be seen if the tax-credit incentives worked, but the larger issue remains that pushing the idea of homeownership as the only way to achieve the American Dream is not a viable strategy for the future,” 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 3, 2010, and May 5, 2010, among 2,140 adults (aged 18 and over), of whom, 1,443 own their primary residence and 617 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 non-response, 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, non-weighted, random samples with 100 percent 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 one of the world’s leading custom market research firms, leveraging research, technology, and business acumen to transform relevant insight into actionable foresight. Known widely for the Harris Poll and for pioneering innovative research methodologies, Harris offers expertise in a wide range of industries including healthcare, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant, and consumer package goods. Serving clients in over 215 countries and territories through our North American, European, and Asian offices and a network of independent market research firms, Harris specializes in delivering research solutions that help us – and our clients – stay ahead of what’s next. 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 that 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. Visit www.naahq.org.