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NATIONAL MULTIFAMILY HOUSING COUNCIL CONNECTIVITY TOWN HALL

Part 2

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JULIANNE GOODFELLOW,
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FCC Update with Matt Ames

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MATT AMES,
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The State of the Multifamily Market

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CHRIS BRUEN,
Senior Director, National Multifamily Housing Council (NMHC)
U.S. apartment market – at a glance

- **20.3 million** households live in apartments (15.9% of all households)
- **38.9 million** people – 12.0% of all Americans – live in apartment homes
- **22.0 million** total apartment units

Vacancy rates tick up, remain near record lows

Source: RealPage; U.S. Census Bureau.
Historic rent growth begins to moderate

Source: RealPage.

Annual Apartment Rent Growth
(Effective Asking Rents)
Housing cost burdens increasing over time

Source: NMHC tabulations of American Housing Survey microdata.
Buy-to-rent premium nearing all-time highs

Premium to Buy
(2022 prices)

Supply obstacles - regulation

Regulation imposed by all levels of government accounts for an average of 40.6% of multifamily development costs.

- **Inclusionary zoning**
  - Nearly half (47.9%) of developers said they avoid building in a jurisdiction with inclusionary zoning requirements.
  - Those developers subject to IZ must charge 7.6% higher rents, on average.

- **Rent control**: 87.5% of developers avoid working in jurisdictions with rent control.

Source: NMHC-NAHB Cost of Regulations Report (2022)
Supply obstacles - NIMBYism

Three quarters (74.5%) of respondents said they encountered NIMBY opposition to proposed development.

- Confronting that opposition adds an average of **5.6% to total development costs**.
- Delays the completions of those properties by an average of **7.4 months**.

Source: NMHC-NAHB Cost of Regulations Report (2022)
Broadband Internet Access for Apartment Households by Age, Household Income

Source: NMHC tabulations of 2021 American Community Survey microdata.
# Measuring efficacy of Mandatory Access Laws

<table>
<thead>
<tr>
<th>Broadband Internet Service in Household - San Francisco City</th>
<th>Coefficient</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 (relative to 2016)</td>
<td>0.022</td>
<td>0.131</td>
</tr>
<tr>
<td>2021*MTE</td>
<td>-0.067</td>
<td>0.188</td>
</tr>
<tr>
<td>MTE</td>
<td>-0.261</td>
<td>0.141**</td>
</tr>
<tr>
<td>log(Household Income)</td>
<td>0.311</td>
<td>0.037***</td>
</tr>
<tr>
<td>Age</td>
<td>-0.018</td>
<td>0.003***</td>
</tr>
<tr>
<td>Completed High School</td>
<td>0.157</td>
<td>0.157</td>
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<tr>
<td>Completed College</td>
<td>0.462</td>
<td>0.109***</td>
</tr>
<tr>
<td>Asian</td>
<td>-0.249</td>
<td>0.111**</td>
</tr>
<tr>
<td>Black</td>
<td>-0.480</td>
<td>0.197**</td>
</tr>
<tr>
<td>Hispanic</td>
<td>-0.584</td>
<td>0.149***</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.505</td>
<td>0.501</td>
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<tr>
<td>Number of Observations</td>
<td>5,279</td>
<td></td>
</tr>
<tr>
<td>Pseudo R</td>
<td>0.0823</td>
<td></td>
</tr>
</tbody>
</table>

Notes: Logit model. The dependent variable is equal to 1 if the household reported to have broadband internet access. *significant at 10%; **significant at 5%; ***significant at 1%.

Source: NMHC tabulations of 2016 & 2021 American Community Survey microdata.
Questions?

Chris Bruen
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National Multifamily Housing Council
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Getting Infrastructure Right to Fuel Smart Apartments

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