



NRHC Comments on *60 Minutes*' Coverage of Rental Housing Market

Washington, D.C. (March 21, 2022) – The National Rental Home Council (NRHC), representing America's leading providers of single-family rental homes, released the following statement regarding recent coverage of the rental housing market by the CBS news program, *60 Minutes*:

The *60 Minutes* segment, "Through the Roof," correctly identifies the fundamental challenge impacting today's rental housing market: there simply is not enough supply to meet the demand.

Several factors, including an extended period of artificially low interest rates, a decades-long period of underbuilding, widespread COVID-induced migration and relocation, and shifting demographic and generational lifestyle preferences, have all combined to accentuate an historical imbalance within the U.S. housing market where the supply of available homes has fallen considerably – and consistently – short of the demand for those homes. As with any market subject to an imbalance of this magnitude, housing affordability and accessibility have been affected in dramatic ways, most notably in the form of higher housing costs.

For perspective on today's housing supply-demand dynamic, consider:

- There are **870,000 more renter households** today than there were at the beginning of the COVID health pandemic. (Harvard's Joint Center for Housing Studies)
- In 2020, there were **65,000 entry-level homes built** in the United States. During the 1970s the number of entry-level homes built in the United States routinely surpassed 420,000 annually. (Bipartisan Policy Center)
- Over the last five years, the amount of owner-occupied housing in the United States has increased more than 10% while the amount of **rental housing has increased just over 2%**. (U.S. Census Bureau)
- Between 2018 and 2020 **the housing stock deficit increased by 52%** as the undersupply of homes in the U.S. soared from 2.5 million units to 3.8 million units. (Freddie Mac)

The single-family rental home market, in particular, has seen a surge in demand during the years of the COVID crisis. According to the NRHC/John Burns Real Estate Consulting Single-Family Rental Market Index (SFRMI) report from the third quarter of 2020, nearly 60% of new single-family rental home residents relocated from urban multifamily properties. With a greater share of the American workforce spending more time working from home, either permanently or part-time, the desire for extra space has also contributed to the demand for single-family rental homes, 65% of which contain three or more bedrooms (compared to just 11% of multifamily units). Finally, the great migration: in 2020 one in ten Americans moved to a new market; and



according to a February 2022 report by Redfin, one third of Americans are looking to relocate. Migration patterns are highly correlated to rental housing demand.

“There is a greater need for quality, affordably-priced housing in the United States today than there has been in decades,” said David Howard, executive director of NRHC. “The fact is the American housing market is critically undersupplied, both in the amount of homes available for sale and for rent. By making long-term commitments to the communities in which they invest and build, single-family rental home companies – large and small – are providing families with more options for stable, quality, and affordably-priced housing in neighborhoods that might otherwise not be accessible to them.”

Though the *60 Minutes* segment attempted to suggest a connection between the role of “Wall Street firms” and the general level of rising costs in the housing market, the notion that large companies somehow have any impact on home price appreciation, rising rental rates, or housing market competitiveness is not supported by the data in any way, shape, or form. Single-family rental home companies, including those large companies owning tens of thousands of homes, account for an extremely small share of the country’s overall housing market. According to NRHC data, **large member companies own just 0.2% of the residential real estate in the United States**, and do not own more than 1% of the homes in any individual state. Further, in 23 states and the District of Columbia, large single-family rental home companies do not own a single property (for a state-by-state listing visit www.rentalhomecouncil.org).

The facts show large single-family rental home companies are not adversely impacting today’s housing market. What they are doing is bringing needed capital, liquidity, and property management expertise to the rental housing market, in the process providing Americans with more options for stabilized, quality, and affordably-priced housing in neighborhoods that should be accessible to everyone.

###

About NRHC

The National Rental Home Council (NRHC) is the nonprofit trade association representing the single-family rental home industry. NRHC members provide families and individuals with access to high-quality, single-family rental homes that contribute to the vitality and vibrancy of neighborhoods and communities. For more information on NRHC or the single-family rental home industry visit www.rentalhomecouncil.org

Contact: David Howard, dhoward@rentalhomecouncil.org

Keeping Family Housing Affordable and Great Neighborhoods Accessible