

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<https://blogs.wsj.com/economics/2015/09/17/years-after-real-estate-crash-renters-still-on-the-rise/>

REAL TIME ECONOMICS

Years After the Real Estate Crash, Renters Are Still on the Rise



By

Laura Kusisto

Sep 17, 2015 11:26 am ET



A home for rent in April in San Francisco, Calif. JUSTIN SULLIVAN/GETTY IMAGES

Nearly a decade after the housing crash, homeownership is still waning and renting is on the rise, according to U.S. Census data released Thursday.

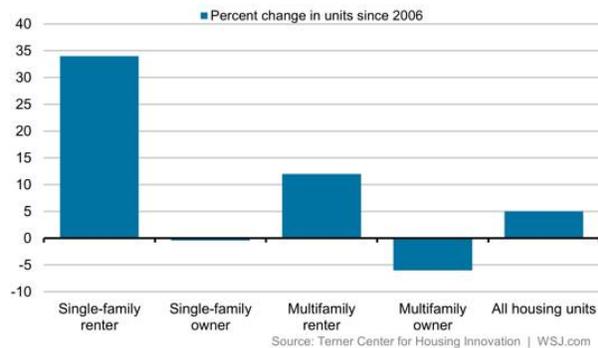
The homeownership rate fell to 63.1% in 2014, down from 63.5% in 2013, according to an analysis of the **American Community Survey** data prepared by **Jed Kolko**, a senior fellow at the **Turner Center for Housing Innovation** at the **University of California, Berkeley**. The homeownership rate peaked at 67.3% in 2006 and has fallen steadily since then.

“It shows us ways in which the housing market is recovering very slowly,” Mr. Kolko said of the Census data.

Perhaps most surprising, single-family renting—initially perceived by many as a temporary solution for families who lost their homes due to foreclosure—continued to rise in popularity. The number of single-family rental households grew by 2.1% from 2013 to 2014, compared with 1.8% growth for households occupying multifamily rentals and virtually no growth in single-family ownership households.

Rental Surge

Single-family rentals grew sharply following the housing crash.



Many families fled to single-family rentals after losing their homes to foreclosure during the crash because they could remain in a more traditional house in their own neighborhood. But the data show that many are choosing or being forced to linger there years after they lost their homes.

That likely reflects the long wait time of up to seven years before people who go through foreclosure can buy again. Stagnant wage growth and rising rents have also made it difficult for many people to save for down payments.

The number of occupied single-family rental units grew 34% from 2006 to 2014, compared to a slight decline in the number of single-family owned units. Even the hot multifamily rental market lagged in comparison to single-family rentals, with just a 12% growth in the number of units.

“The rise of single-family rentals looked like a recession response to lots of people losing their homes....It turns out that this trend continues,” Mr. Kolko said.

Despite fears about rising housing costs, for homeowners low interest rates have made it very affordable to own a home. Just 31.2% of homeowners with a mortgage are cost-burdened—meaning they spend more than a third of their incomes on housing costs—compared with 50% of renters.

Related Reading:

U.S. Homeownership Rate Hits 48-Year Low

Signs of Overheating in Single-Family Rental Market

Renters Not Looking to Buy Any Time Soon, Zillow Says

Where Rents Are Eating Up a Bigger Share of Incomes

Share this:

AMERICAN COMMUNITY SURVEY CENSUS FORECLOSURE HOMEOWNERSHIP
HOUSING RENTING SINGLE-FAMILY RENTALS

Copyright ©2017 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

