

National Association of Home Builders

Understanding the 55+ Housing Market

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Multifamily and 50+ Housing

Housing Washington 2014
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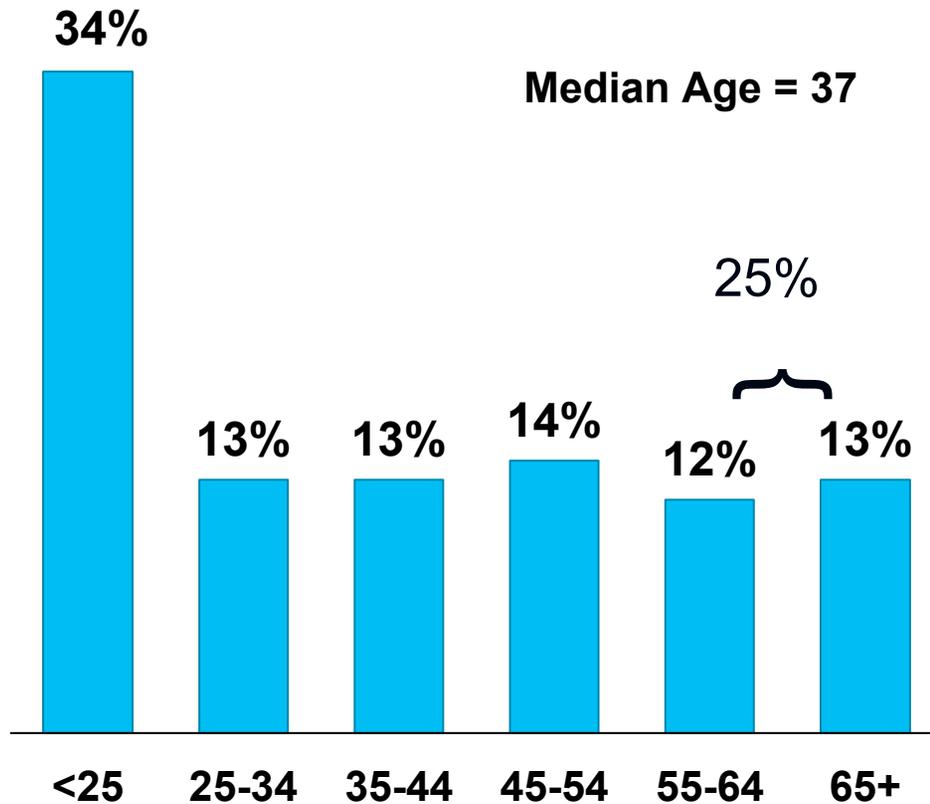
Agenda

- 55+ Population and Households
- 55+ Housing Preferences
- Market Indices for Multifamily and 55+ Housing
- NAHB's Forecasts for Multifamily and 55+ Housing
- NAHB's Local Economic Impact Model

55+ Population and Households

US Population by Age

(% of US Population)



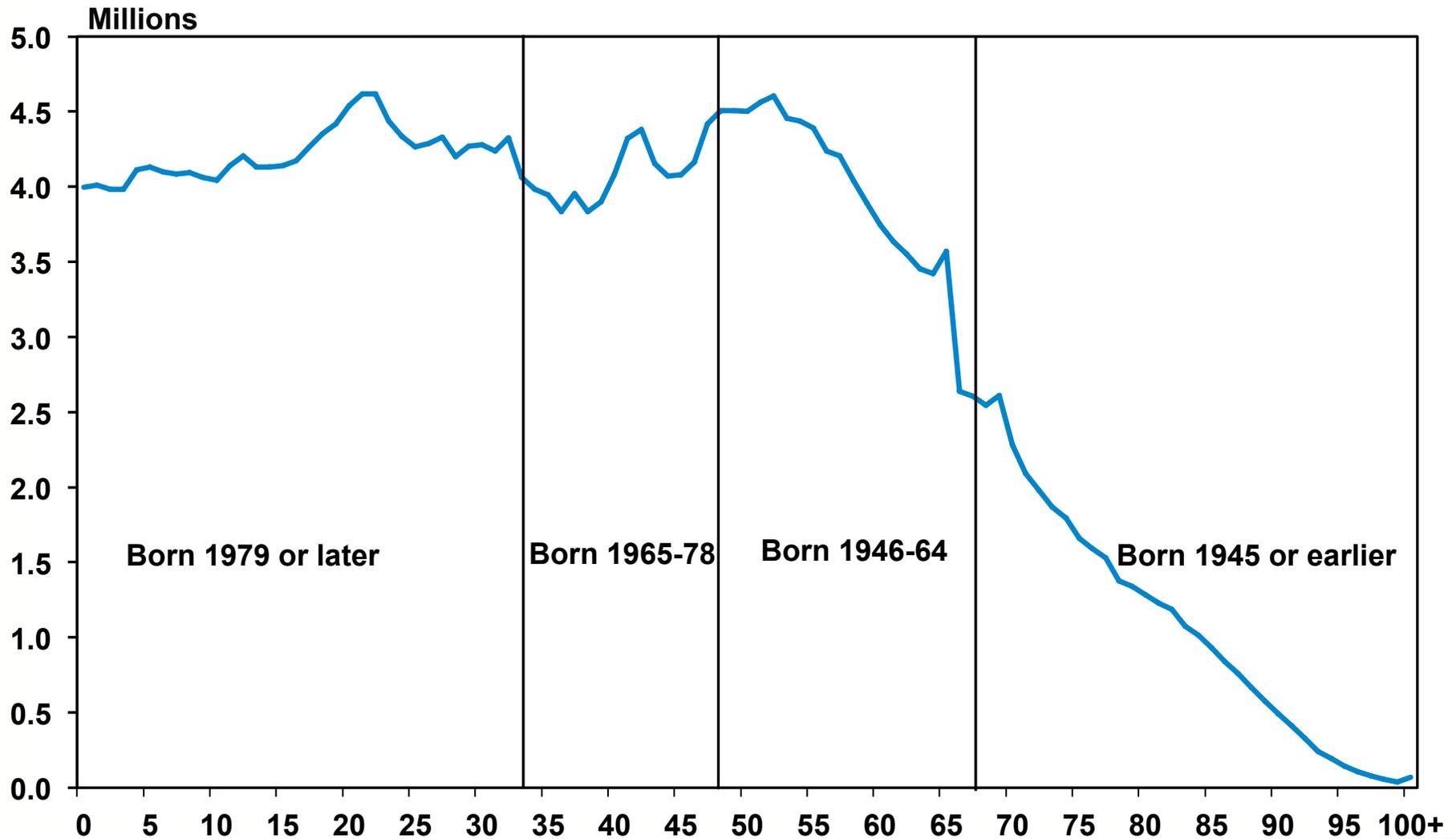
- 38.1 million people, 12% of the US population, are 55-64 years old.
- 41.4 million people, 13% of the US population, are 65 years old or older.
- 79.5 million people, 25% of the US population, are at least 55 years old.

Source: U.S. Census Bureau, 2011 Population Estimates

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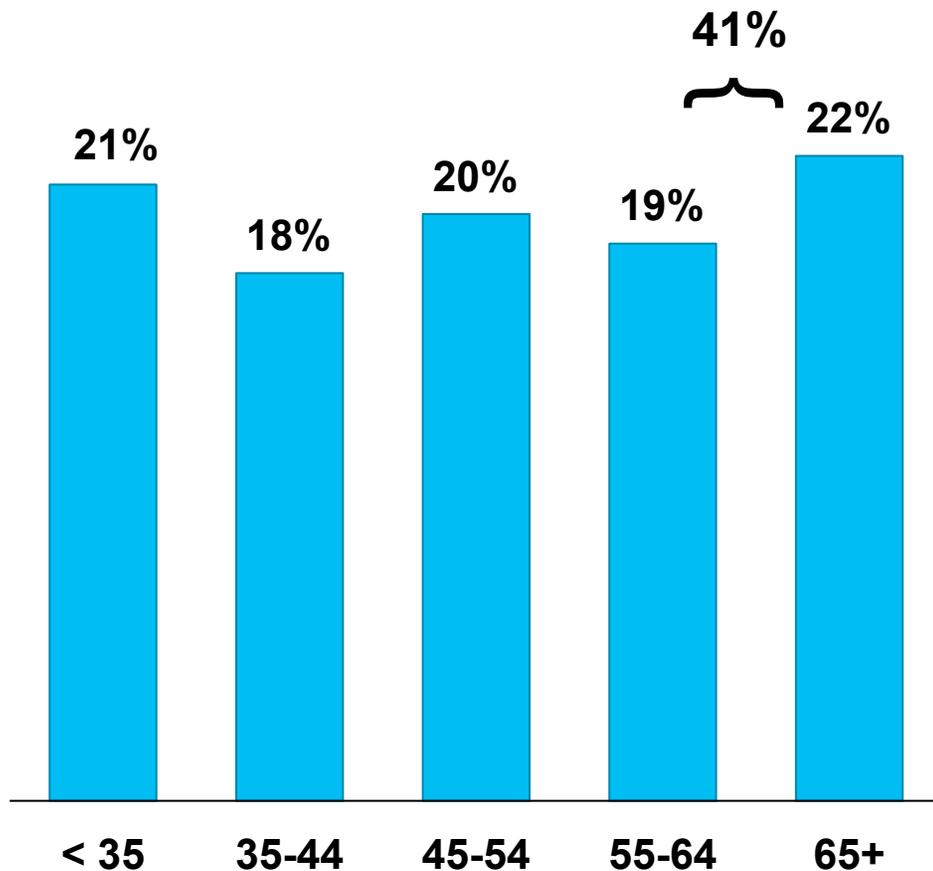


Population by Single-Year of Age



Households (occupied housing units) by Age of Householder

(% of US Households)



- 19% are headed by 55-64 year old (22.8 million).
- 22% are headed by 65+ year old (26.8 million).
- 41% of all households headed by someone 55+ (49.6 million households)

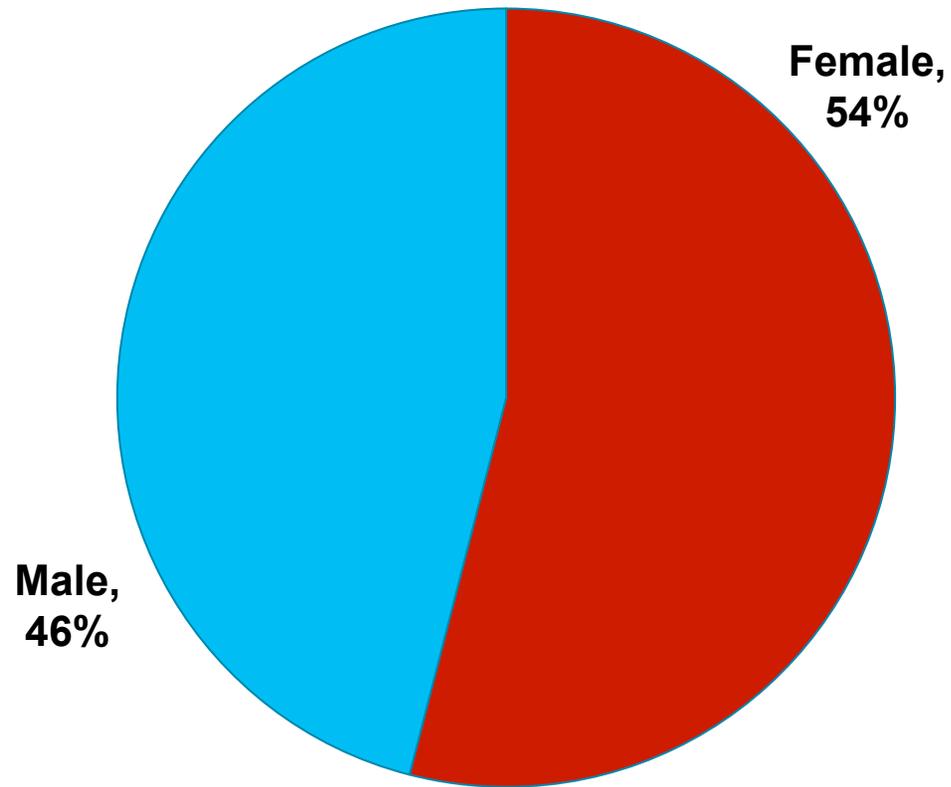
Source: U.S. Census Bureau, 2012 Current Population Survey

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55+ Population by Gender

(% of 55+ Population)



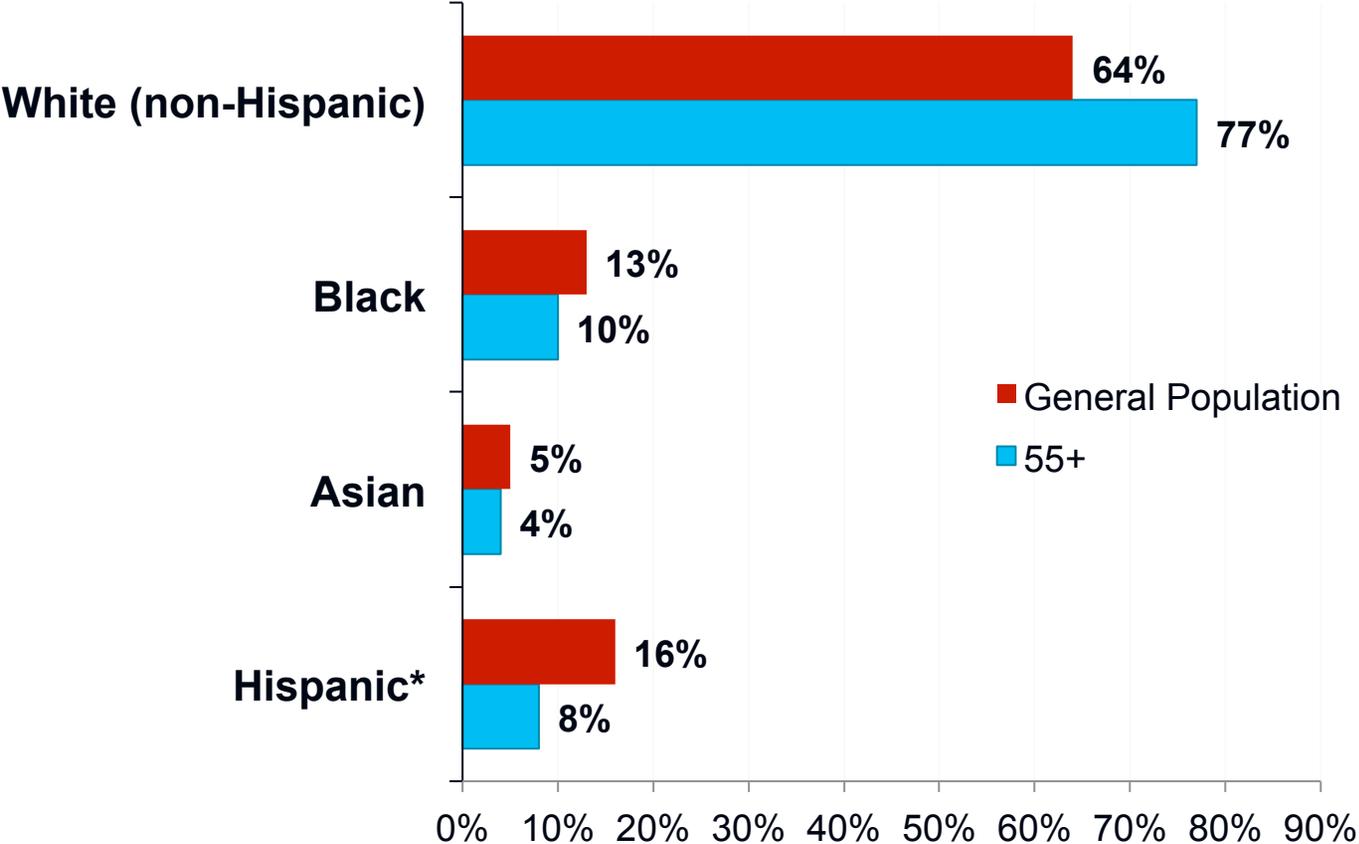
Source: U.S. Census Bureau, 2011 Population Estimates

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55+ Population by Race

(% of Population)

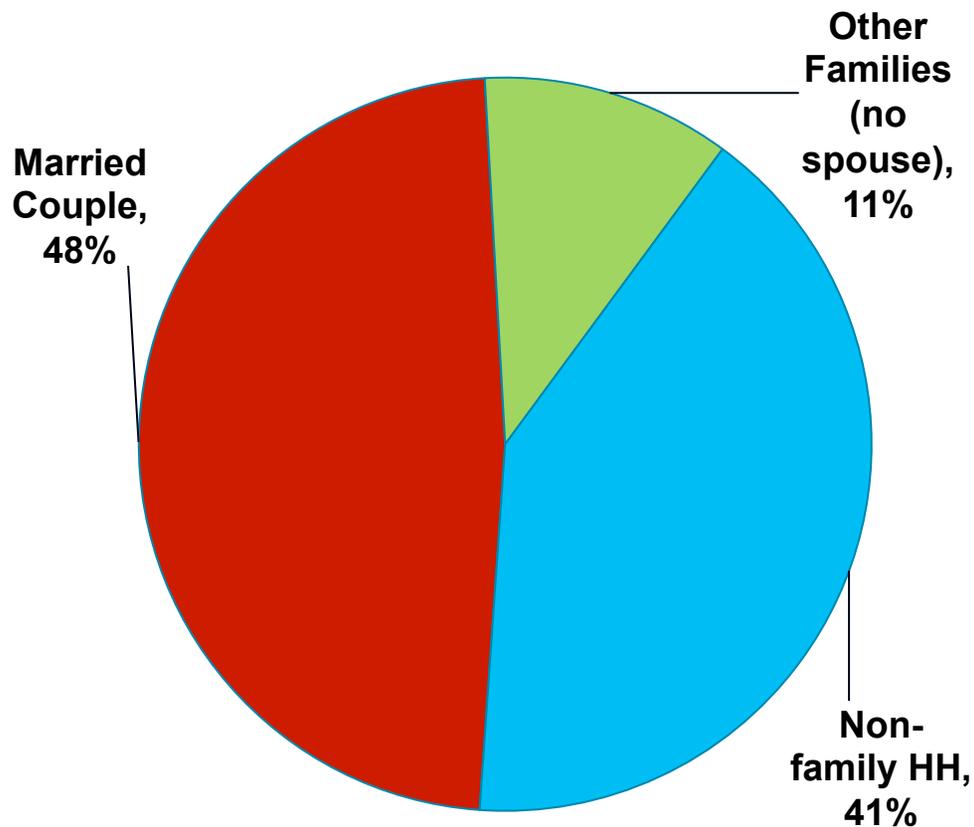


Source: U.S. Census Bureau, 2011 Population Estimates.

* Hispanics can be of any race.

55+ Households by Type

(% of US Households)



- Of 49.6 million 55+ households:
- 48% are married couples.
- 41% are non-family households (living alone or with unrelated adults).
- 11% are families, headed by single/divorced/widowed adult.

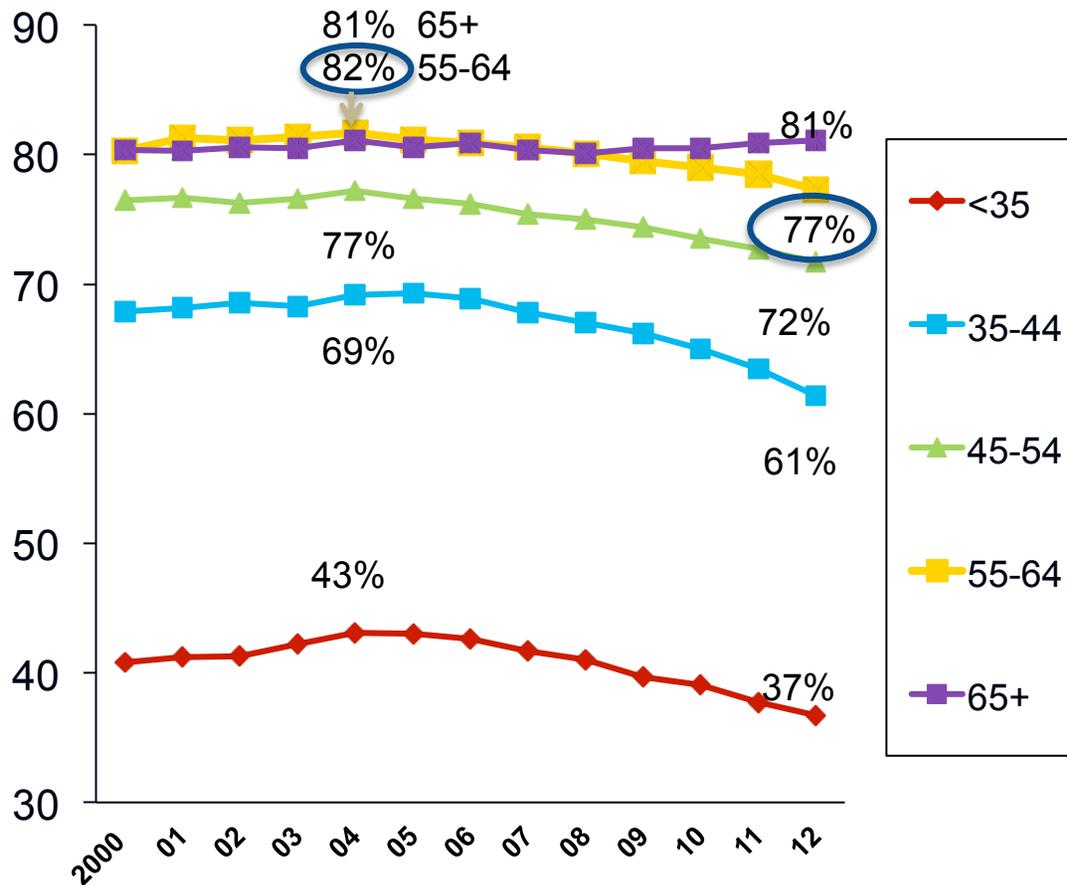
Source: U.S. Census Bureau, 2012 Current Population Survey

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Homeownership Rate by Age of Householder

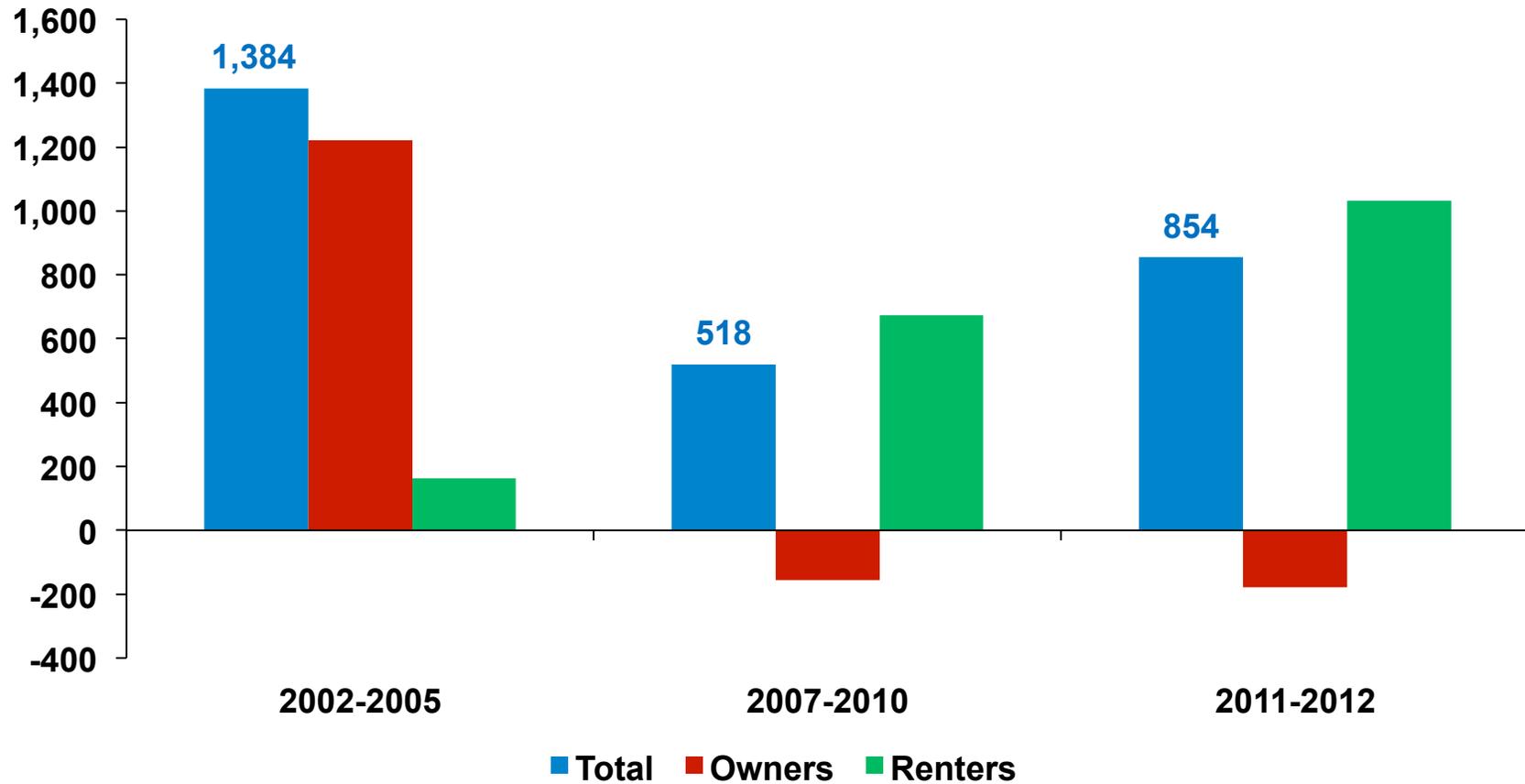
(Percent)



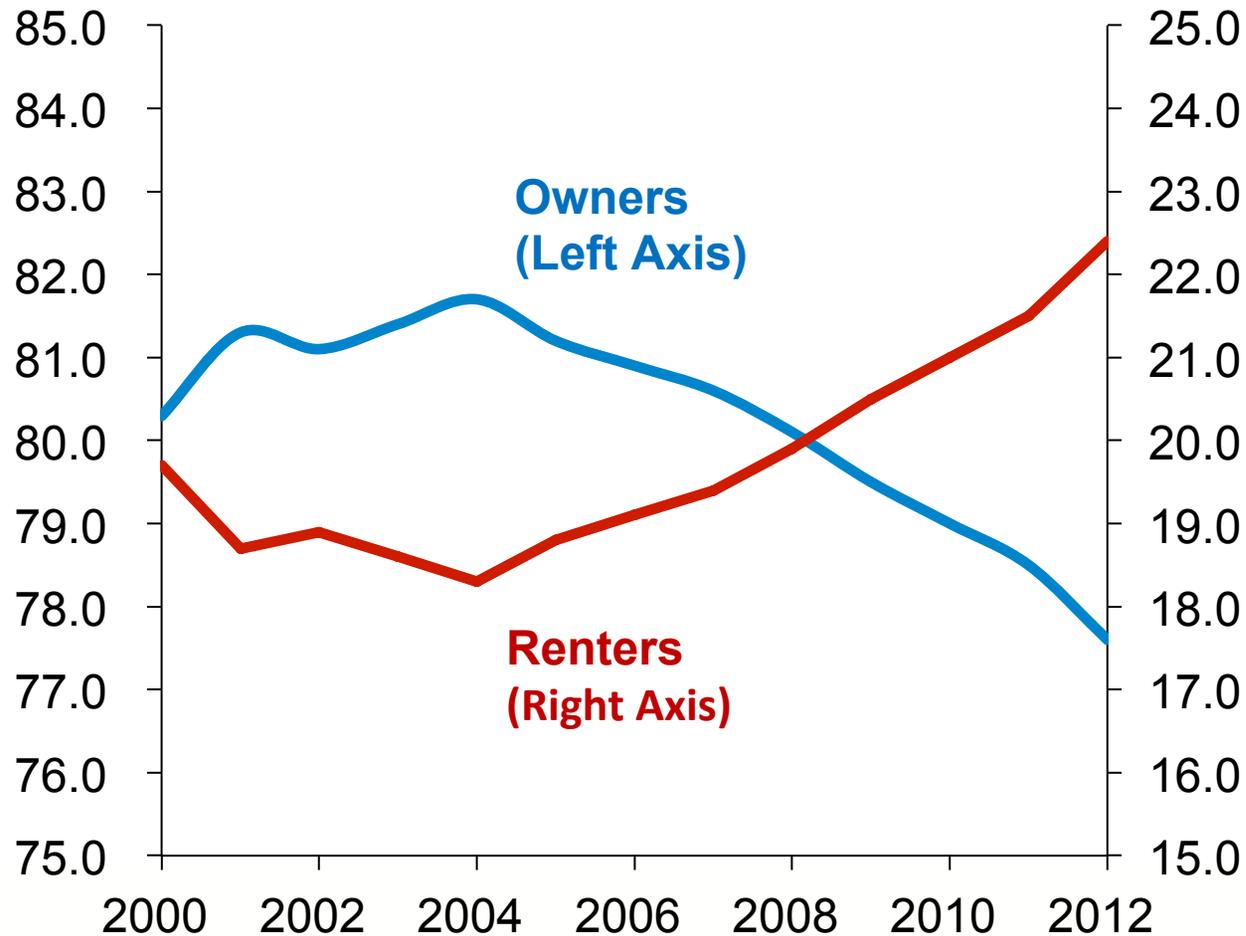
- Homeownership Rate increases with age.
- From 2004-2012, the homeownership rate among those aged 65+ remained at 81% while it fell significantly for everyone else.
- 19% of all households aged 65+ are renters.

Source: U.S. Census Bureau, Current Population Survey, Housing Vacancy Survey

Annual Average Household Changes — Switch to Renting



Households by Tenure Ages 55 to 64 (As Percentage of Households)

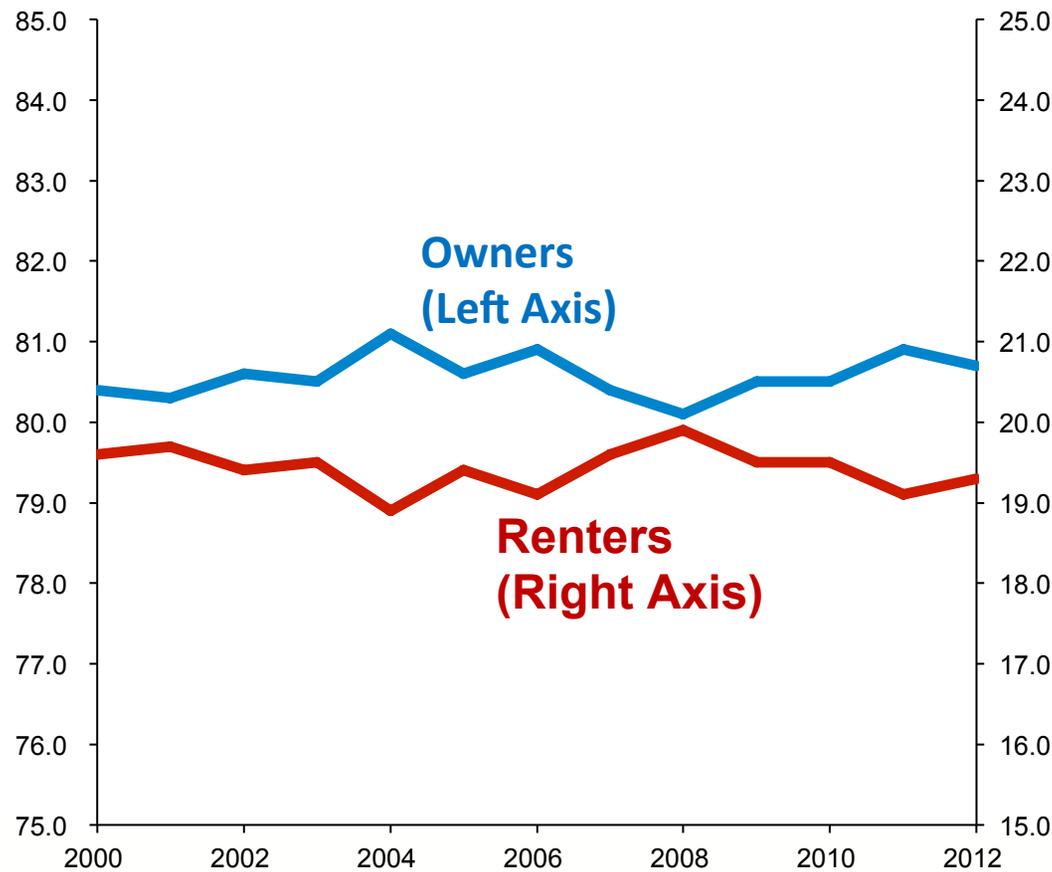


All Households

Homeowners:
2005 – 69%
2012 – 65%

Renters:
2005 – 31%
2012 – 35%

Households by Tenure Ages 65+ (As Percentage of Households)



All Households

Homeowners:

2005 – 69%

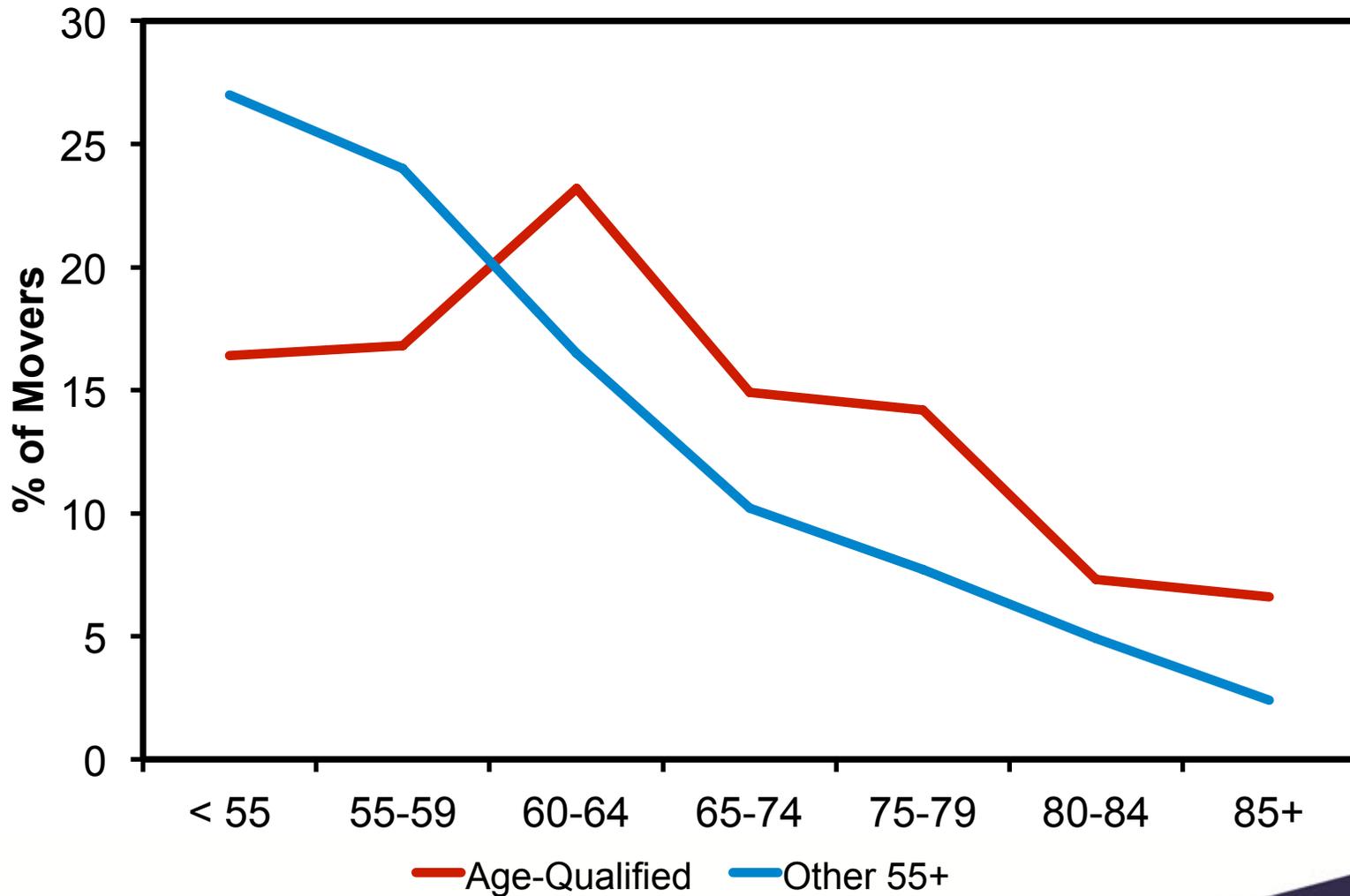
2012 – 65%

Renters:

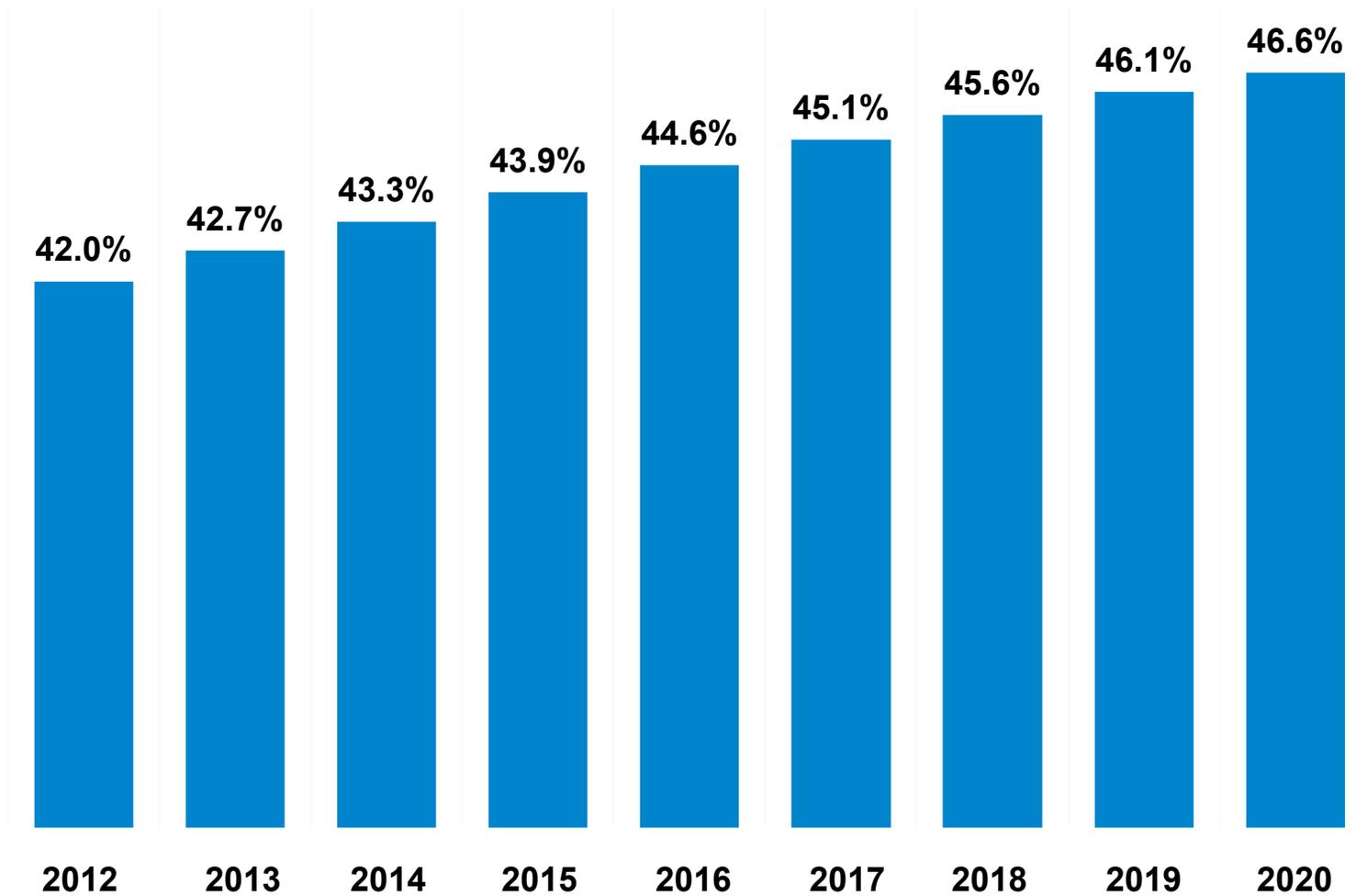
2005 – 31%

2012 – 35%

Average Age of Households Moving into Age-Qualified and Other 55+ Communities



Share of U.S. Households Age 55+ 2012 - 2020

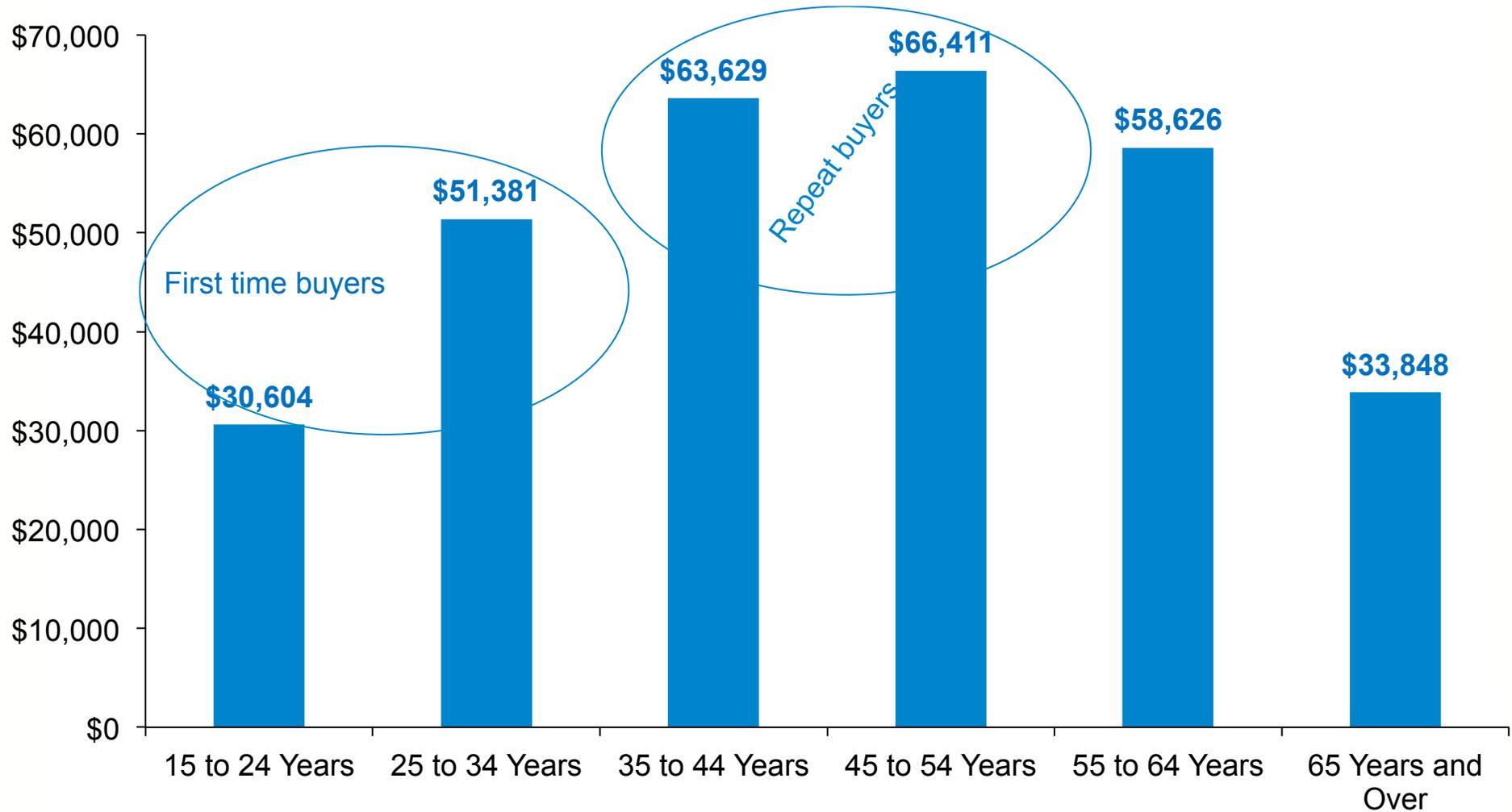


Source: NAHB Long Term Forecast

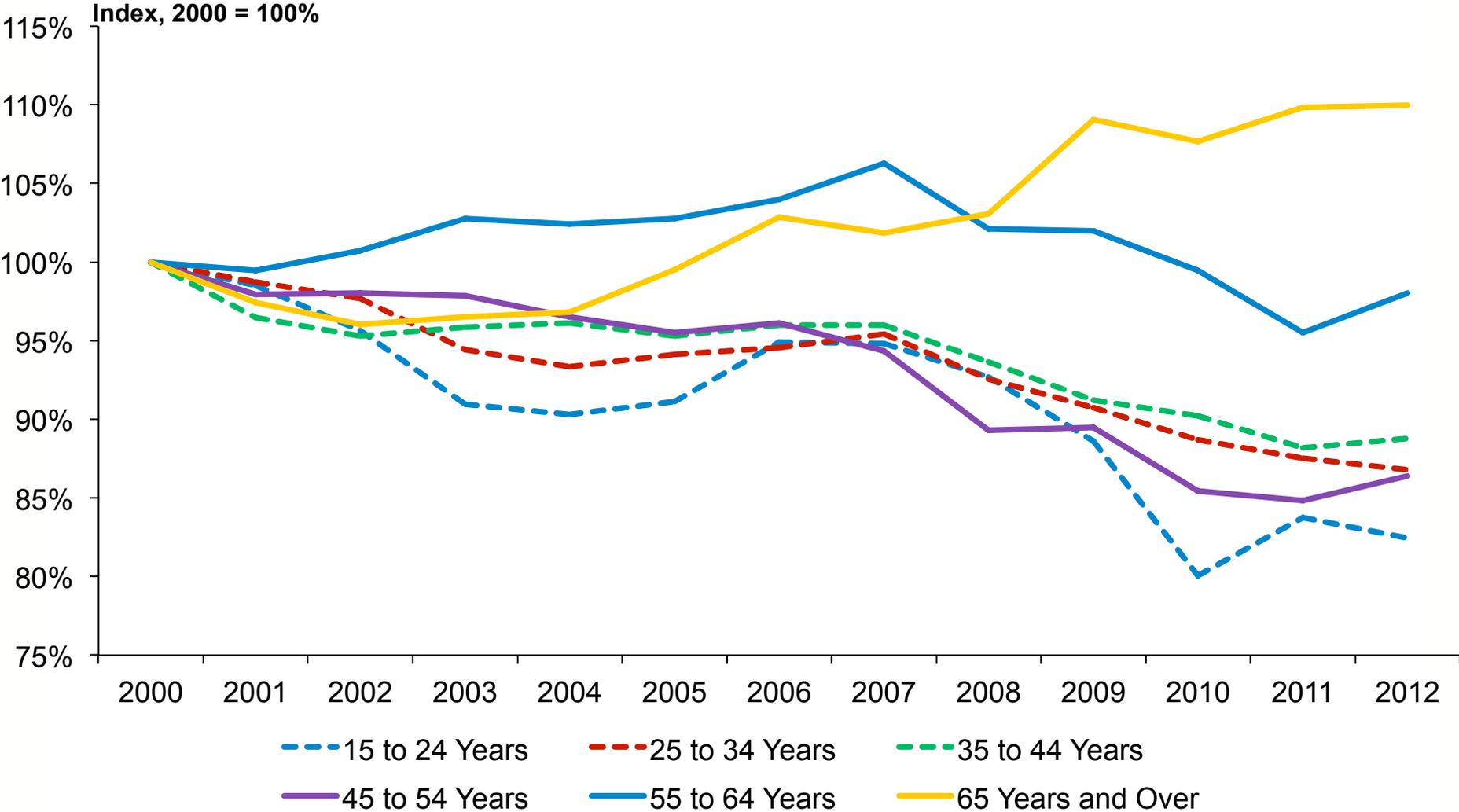
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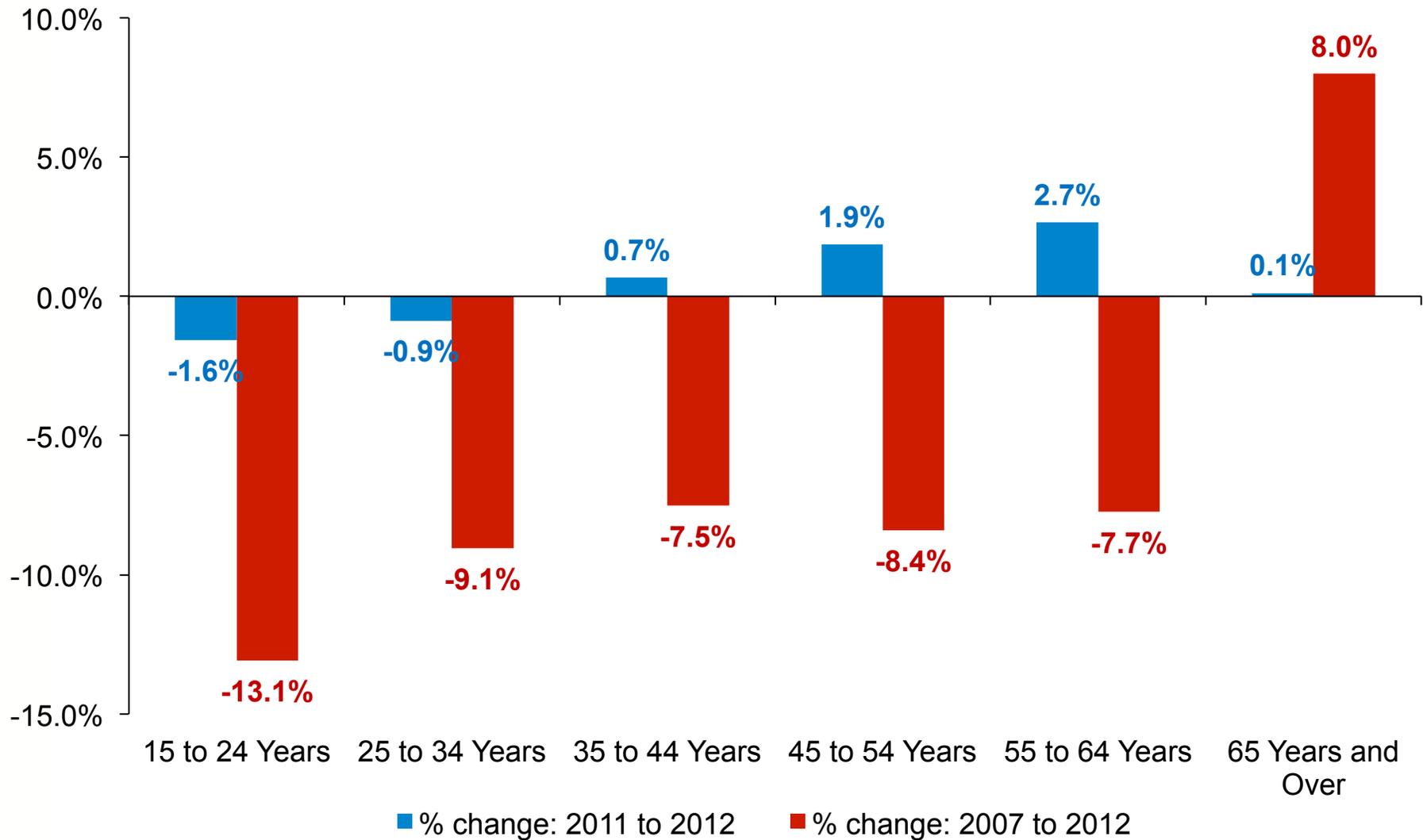
Median Income By Age Group



Growth of Median Income By Age Group



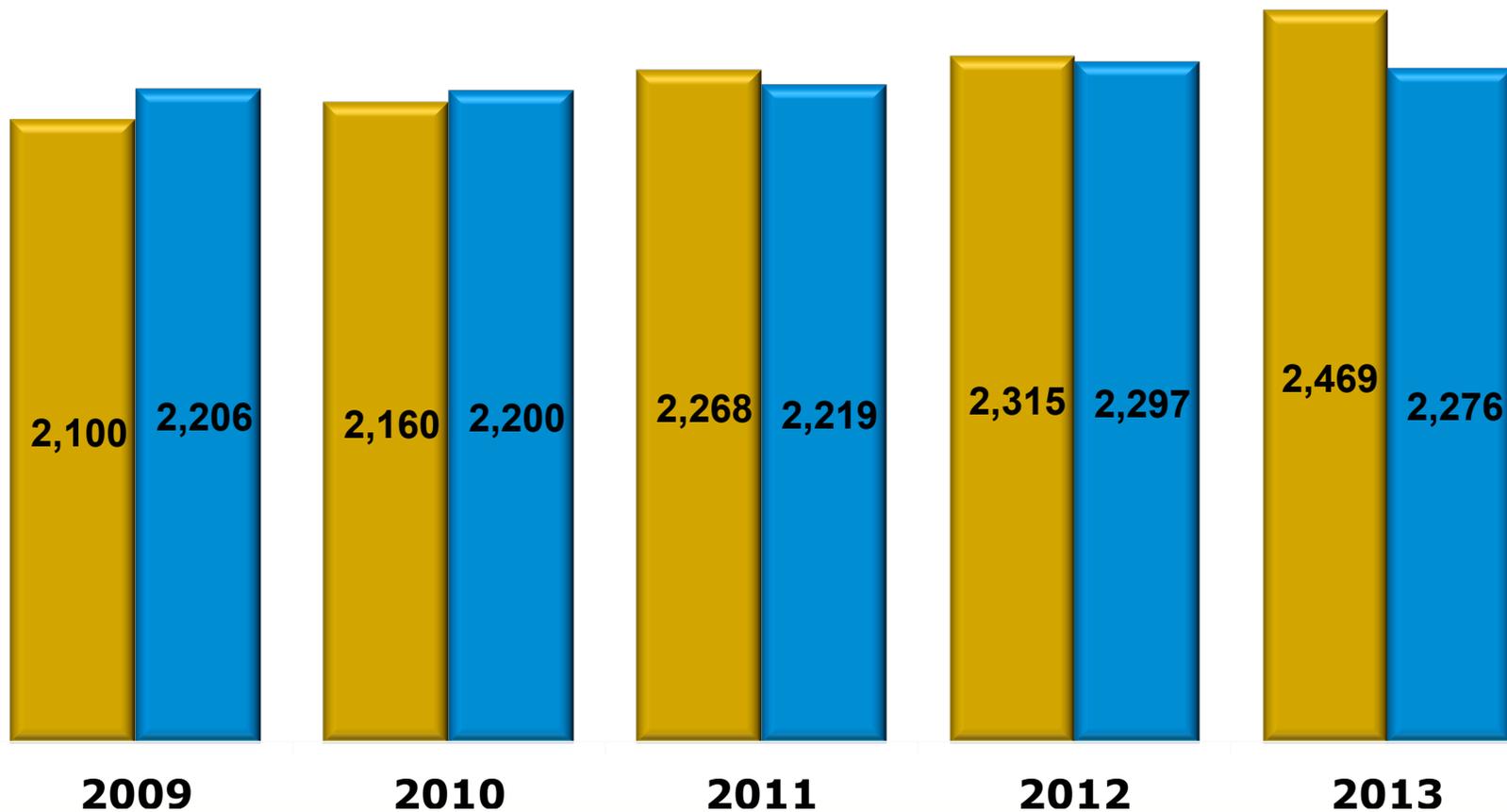
Real Income Growth By Age Group



55+ Housing Preferences

Median Size of Single-Family Homes Started (square feet)

■ All ■ Age Restricted



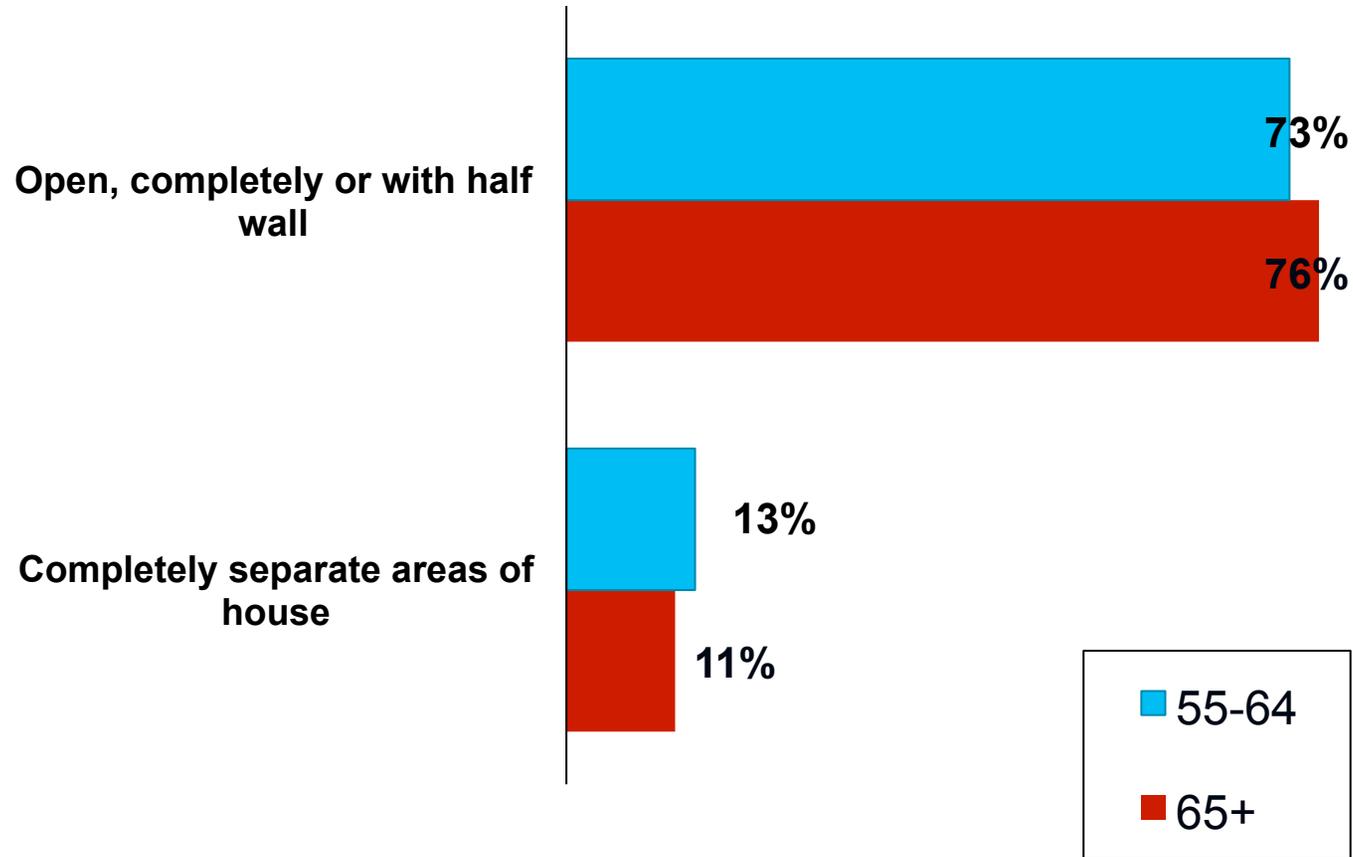
NAHB tabulation of data from the Survey of Construction, U.S. Census Bureau.

What Home Buyers *Really* Want

- Survey of 3,682 home buyers
- Conducted in Summer 2012
- Representative of all home buyers

Most 55+ Buyers Want Kitchen Open to the Family Room

(% of Respondents)



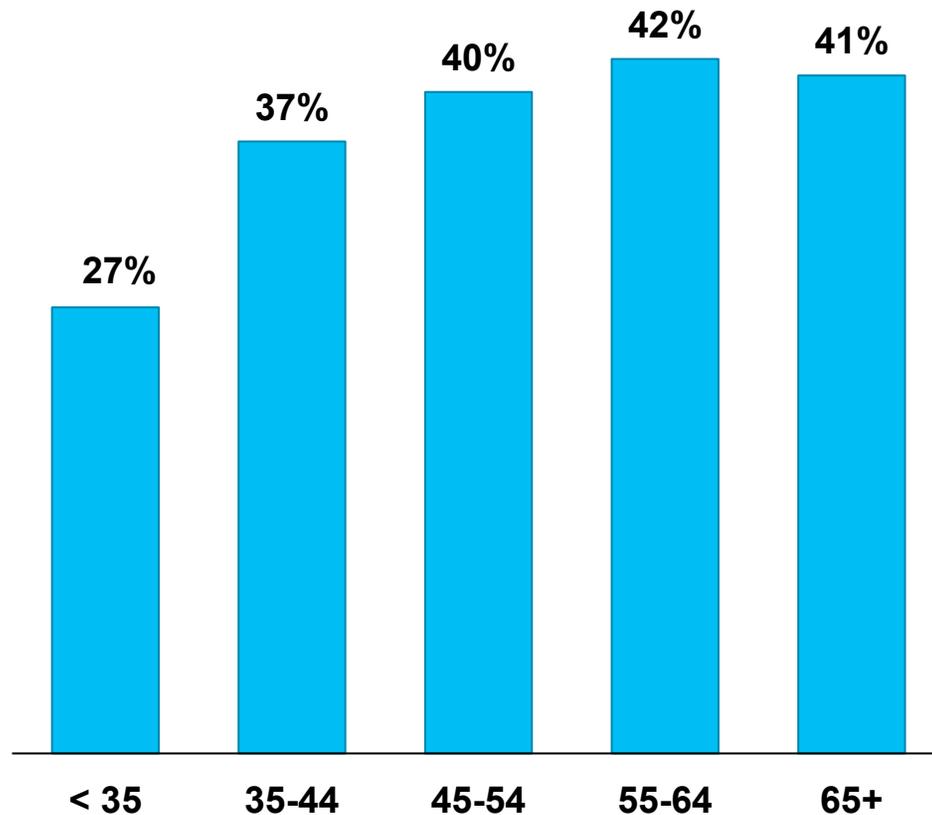
Source: NAHB, 2012 What Home Buyers Really Want.

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Share of Buyers who Rate Energy Efficient Features a Top Priority When Choosing a Home by Age

(% of Respondents)



- Older buyers are more likely to rate energy efficiency one of their top 3 priorities.

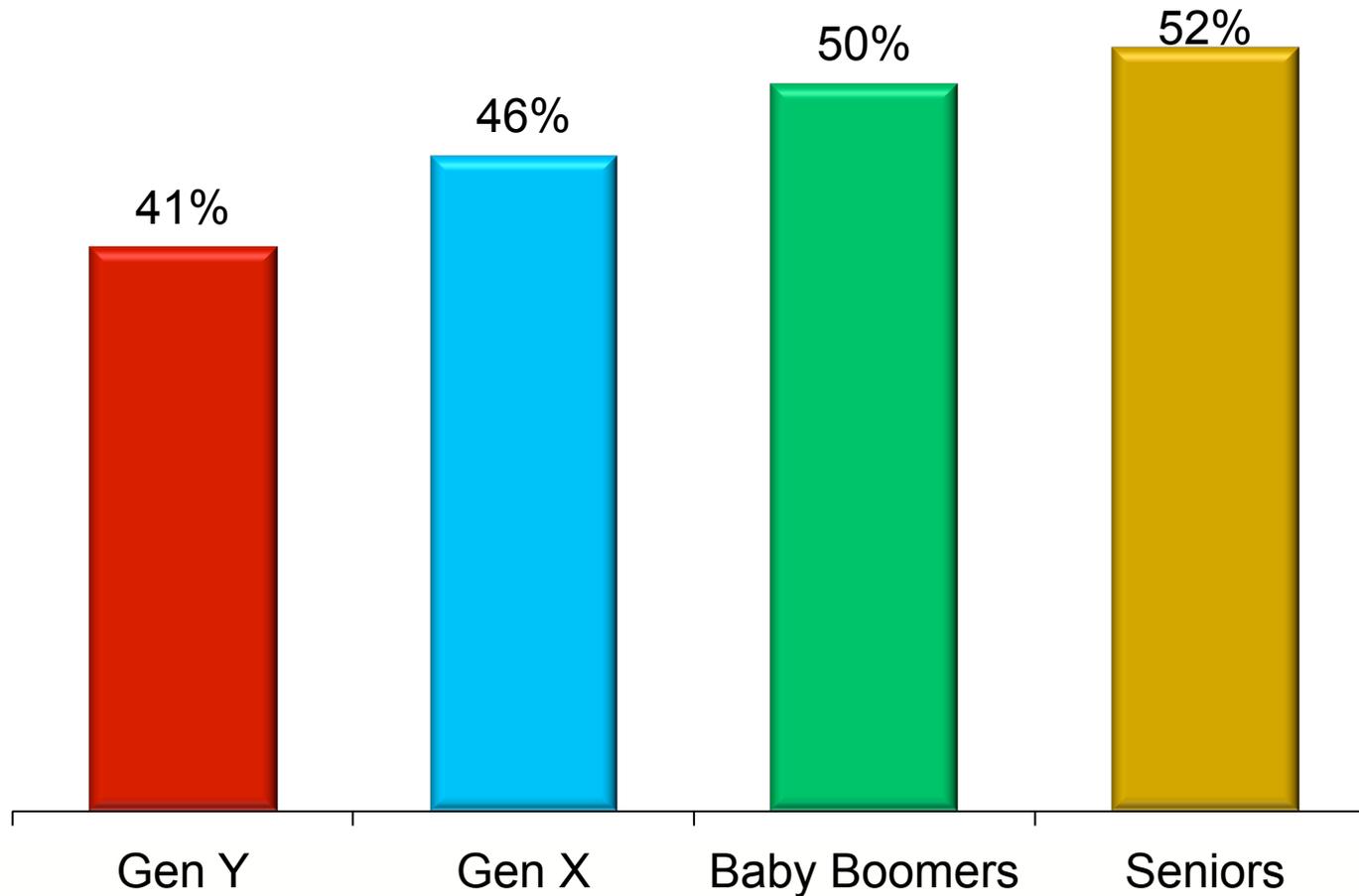
Source: NAHB, 2012 *What Home Buyers Really Want*.

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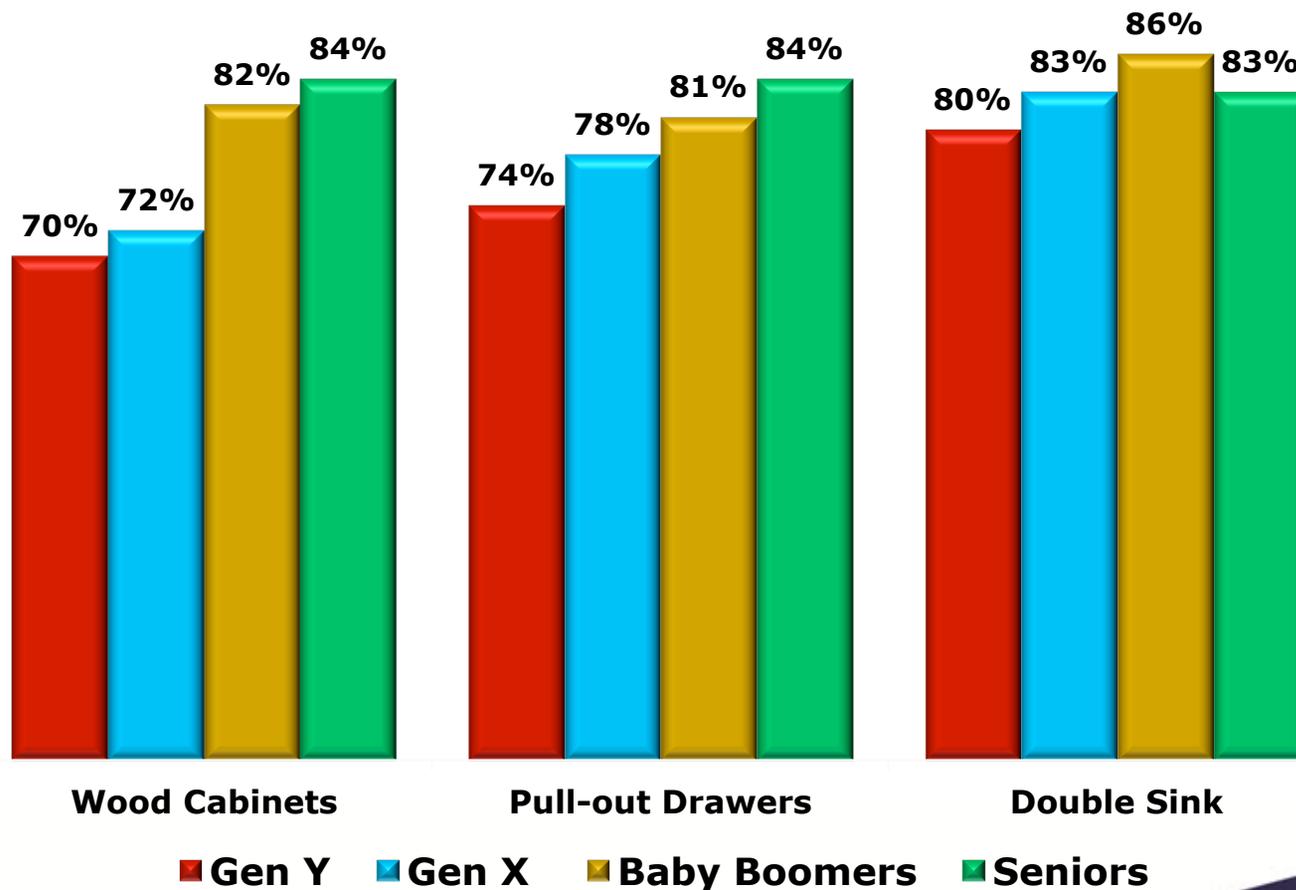
Older Buyers Unlikely to Buy Homes Without a Ceiling Fan

Share Rating Ceiling Fans Essential



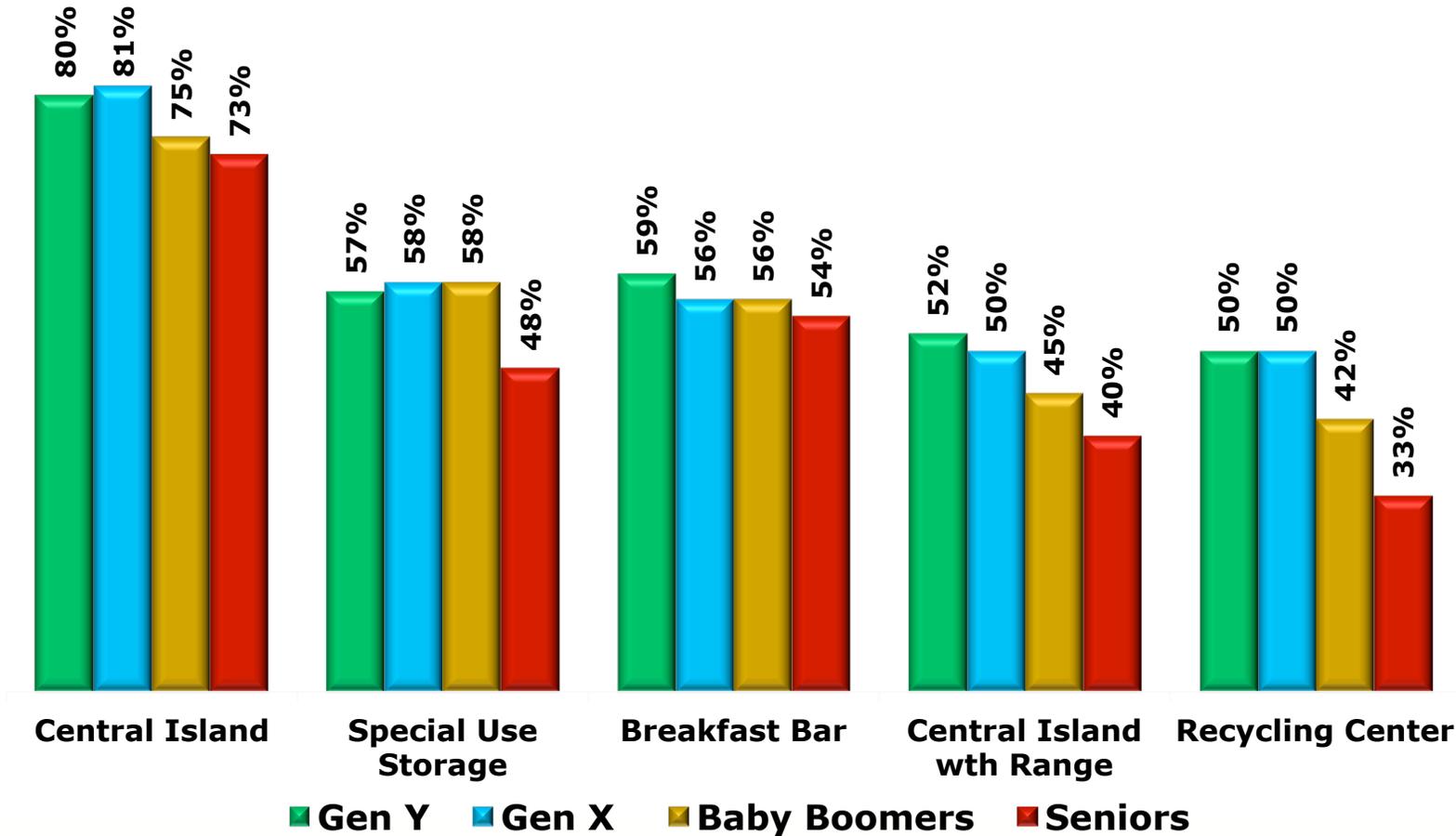
Older Buyers Show Increased Preference for Some Kitchen Features

Share Rating Kitchen Feature Essential or Desirable



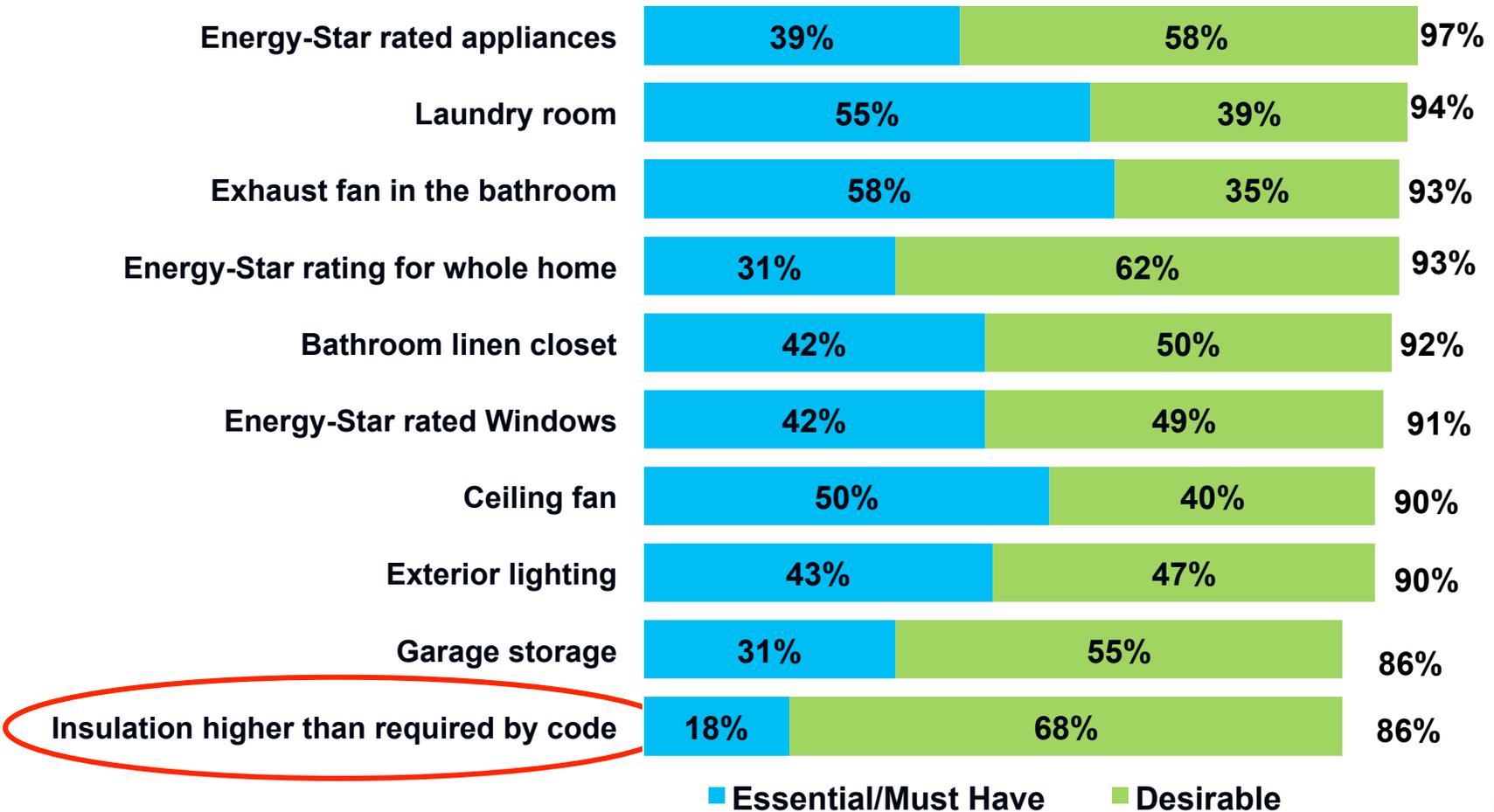
But For Many Others, Preference Declines With Age

Share Rating Kitchen Feature Essential or Desirable



The Most Wanted List: 55 to 64

(% of Respondents)



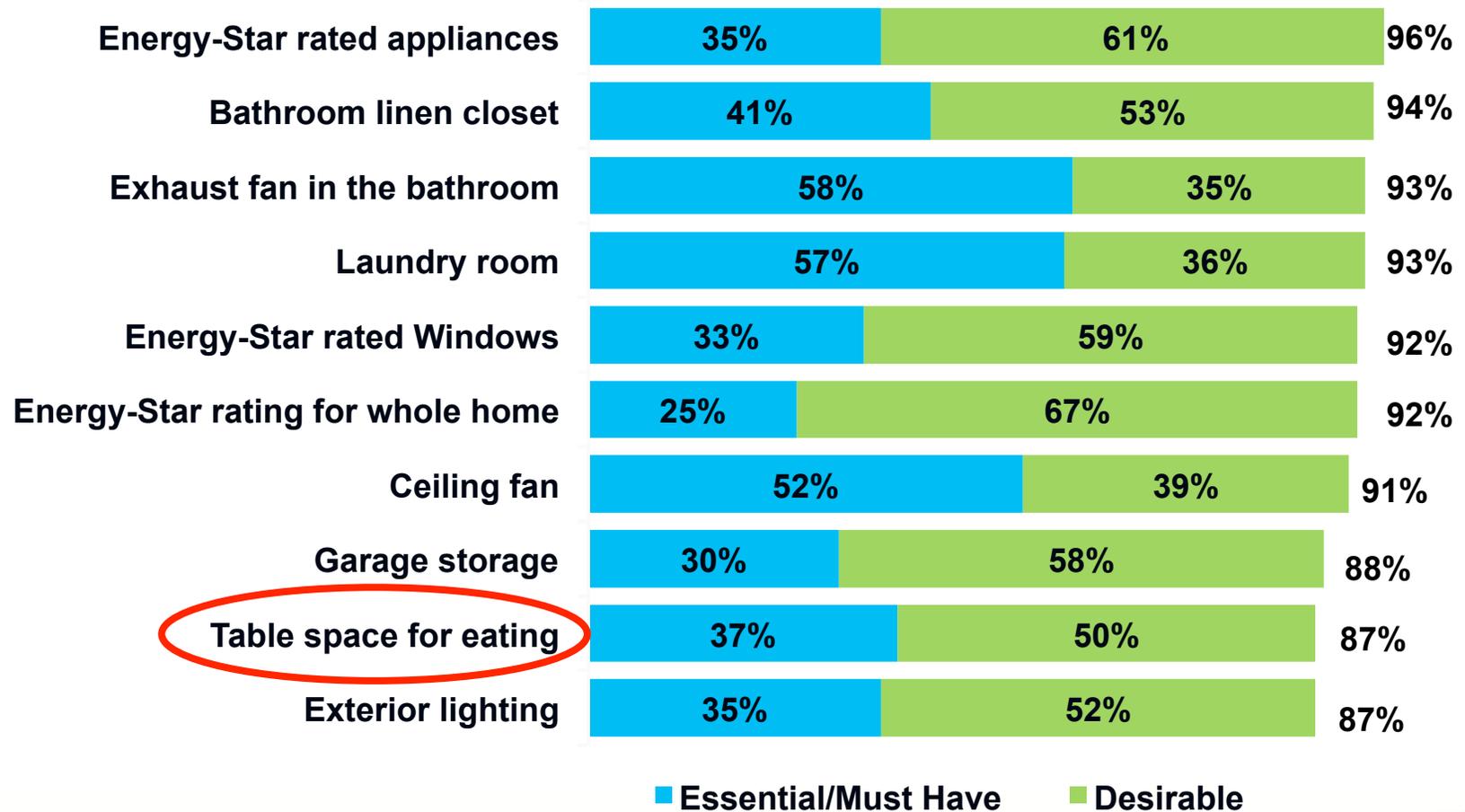
Source: NAHB, 2012 What Home Buyers Really Want.

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The Most Wanted List: 65+

(% of Respondents)



Source: NAHB, 2012 What Home Buyers Really Want.

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Top 5 Amenities that Seriously Influence Home Buyers to Choose a Community

	55-64	65+	All Buyers
1	Walking/jogging trails	Walking/jogging trails	Walking/jogging trails
2	Park area	Park area	Park area
3	Lake	Outdoor maintenance service	Outdoor swimming pool
4	Outdoor swimming pool	Outdoor swimming pool	Lake
5	Outdoor maintenance service	Lake	Exercise room

Media Room



Heritage Senior Residences At Columbia Parc, New Orleans
Best of 50+ Housing Awards, Silver Winner, 2014

New Community Amenity – The Man Cave!



Heritage Oaks, Best of 50+ Housing Awards, Silver Winner, 2013

Courtyard Fireplace



Long Beach Senior Arts Colony, Long Beach, CA
Best of 50+ Housing Awards, Gold Winner, 2014

Art Studio



Long Beach Senior Arts Colony, Long Beach, CA
Best of 50+ Housing Awards, Gold Winner, 2014

Market Indices for Multifamily and 55+ Housing

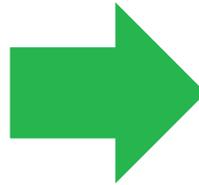
What is the Housing Market Index Survey?

Quarterly survey:

- Of builder and developer members
- About a segment of the market.

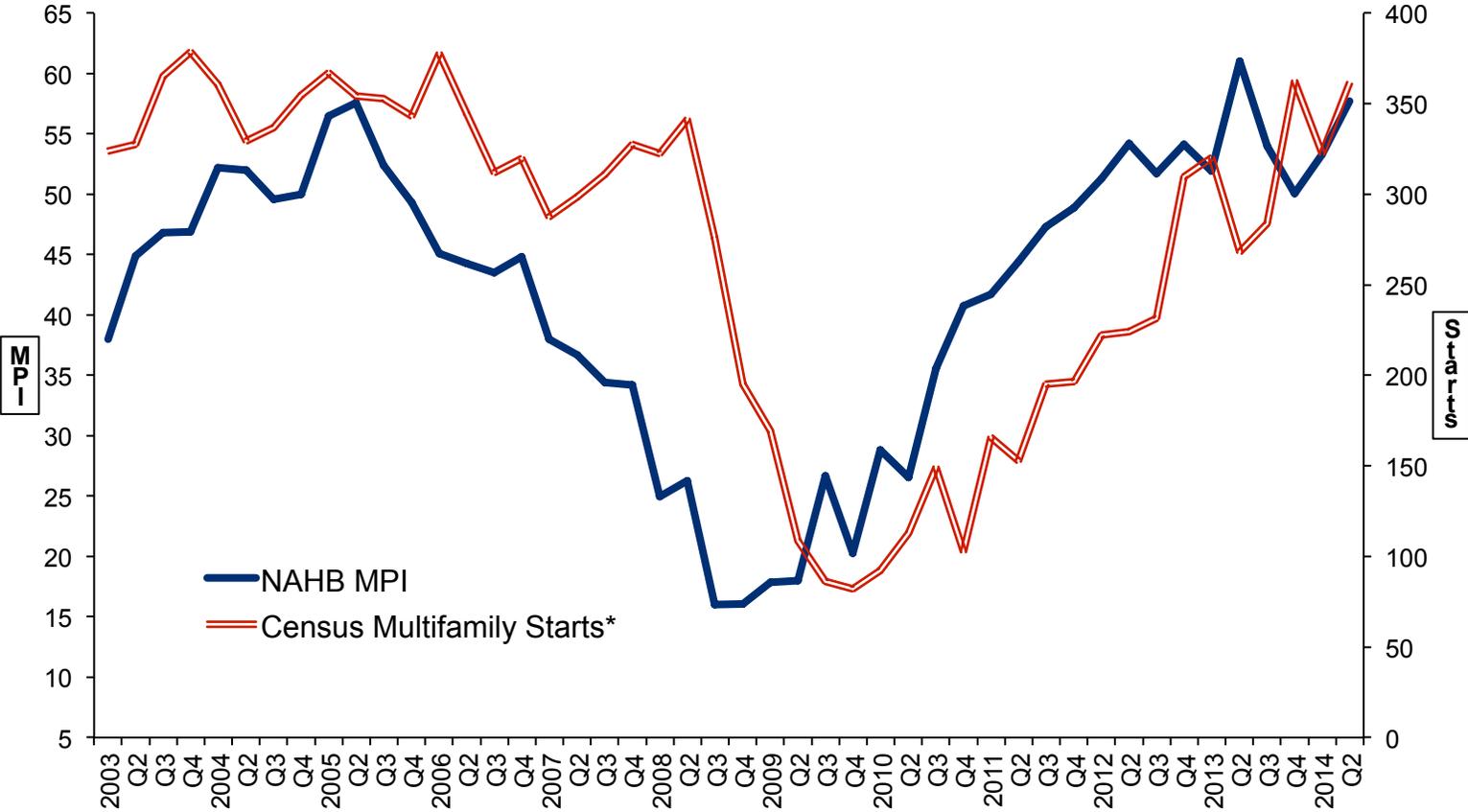
Questions about:

- Sales, leasing and traffic conditions
- For different product types
- At present time and six months ahead
- Demand for, and production of, product.

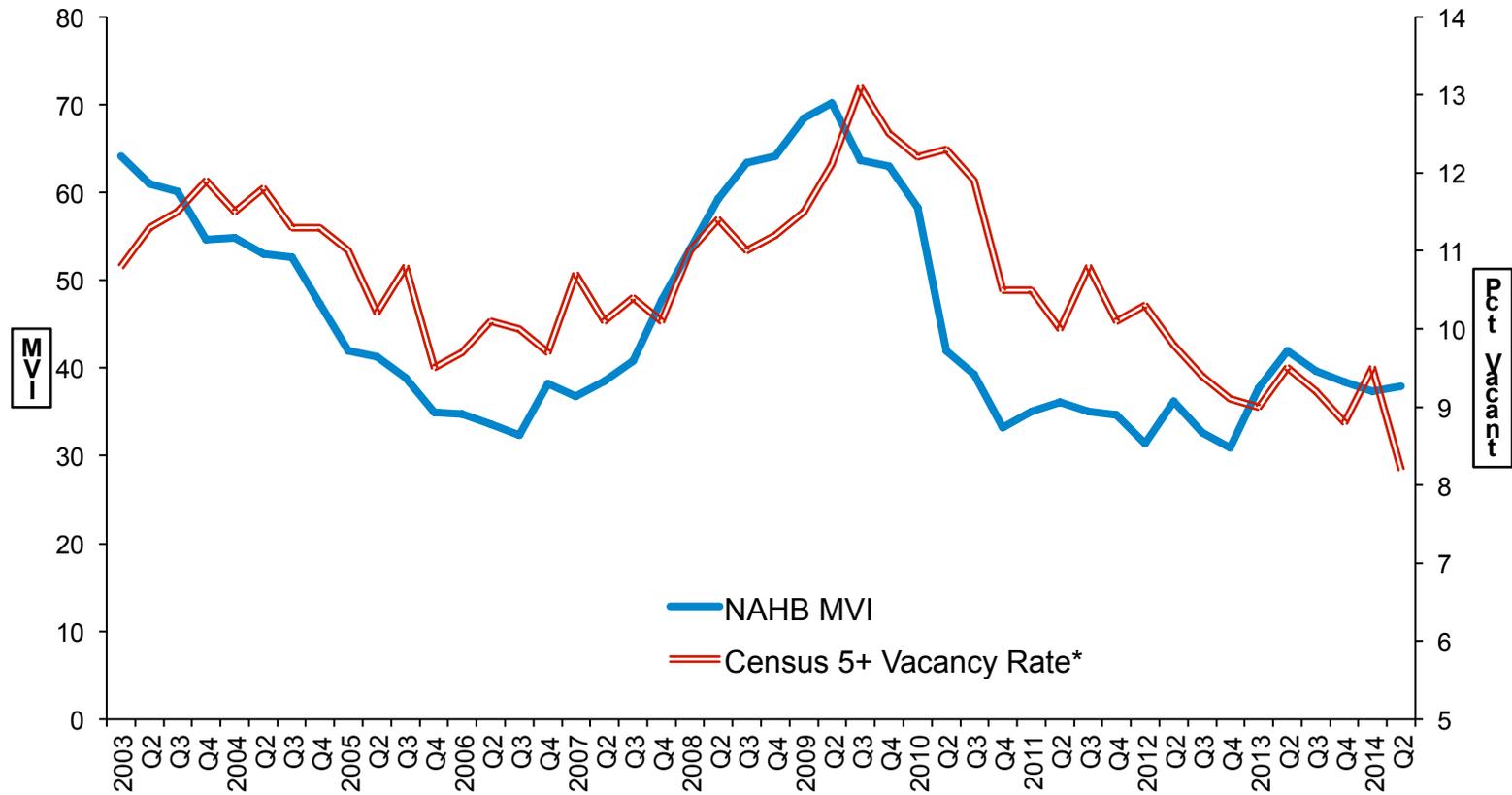


- Responses are used to calculate indices that vary from 0 to 100.
- Any number over 50 indicates more builders report positive conditions than negative.

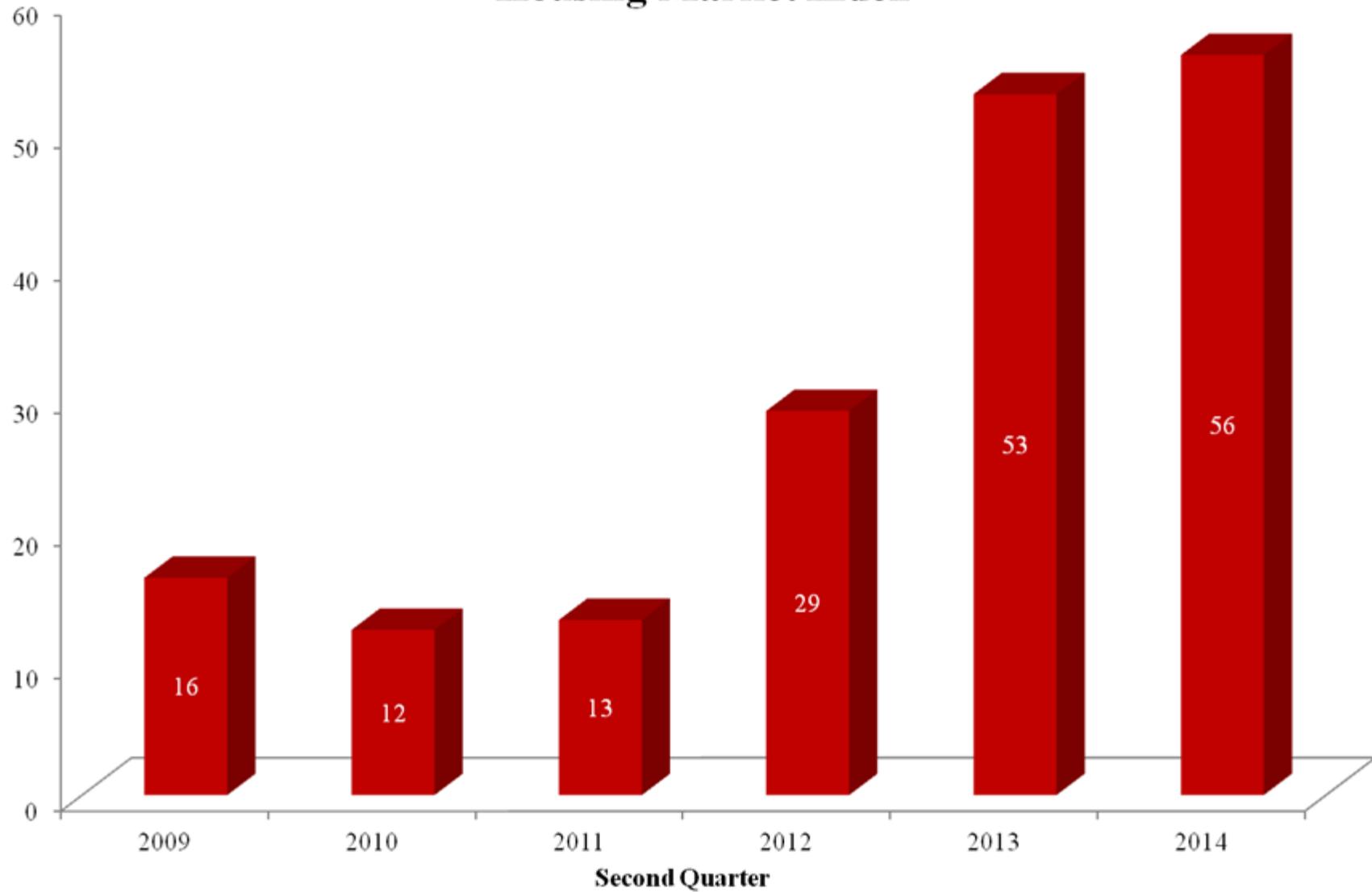
NAHB Multifamily Production Index (MPI) and Multifamily Starts (in thousands)



NAHB Multifamily Vacancy Index (MVI) and 5+ Rental Vacancy Rate



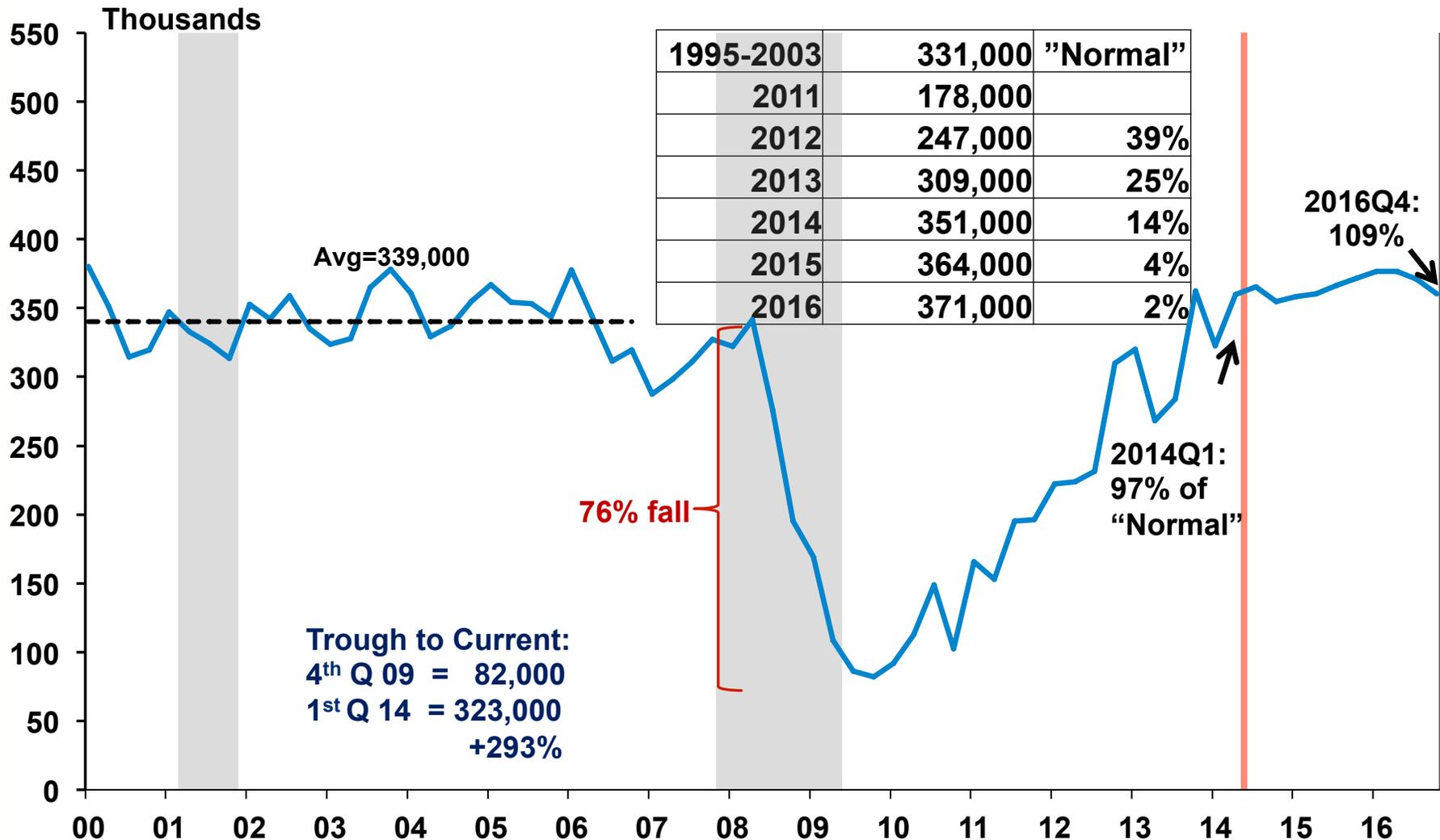
55+ Single-family Housing Market Index



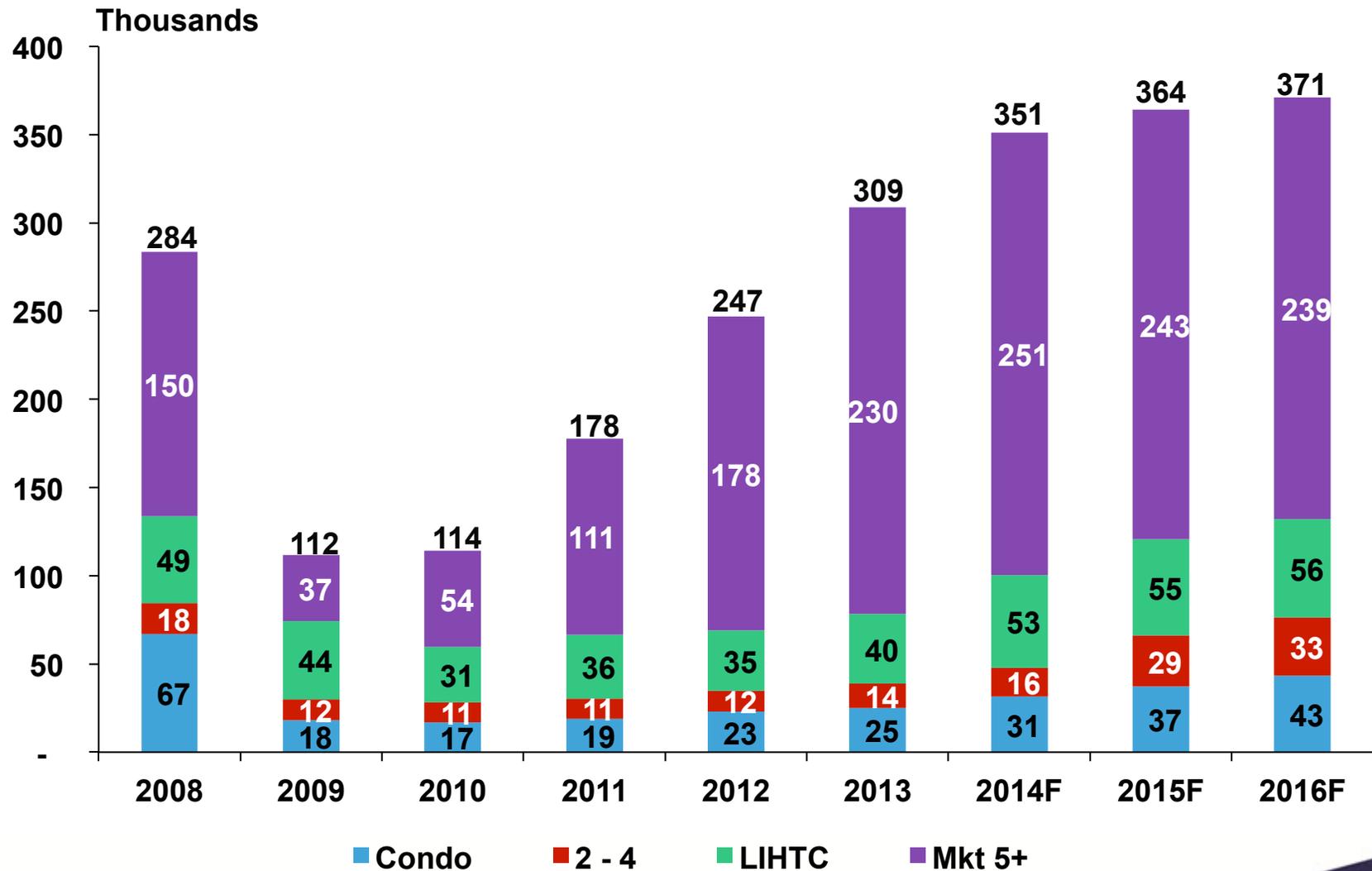
NAHB's Forecasts for Multifamily and 55+ Housing

Multifamily Housing Starts

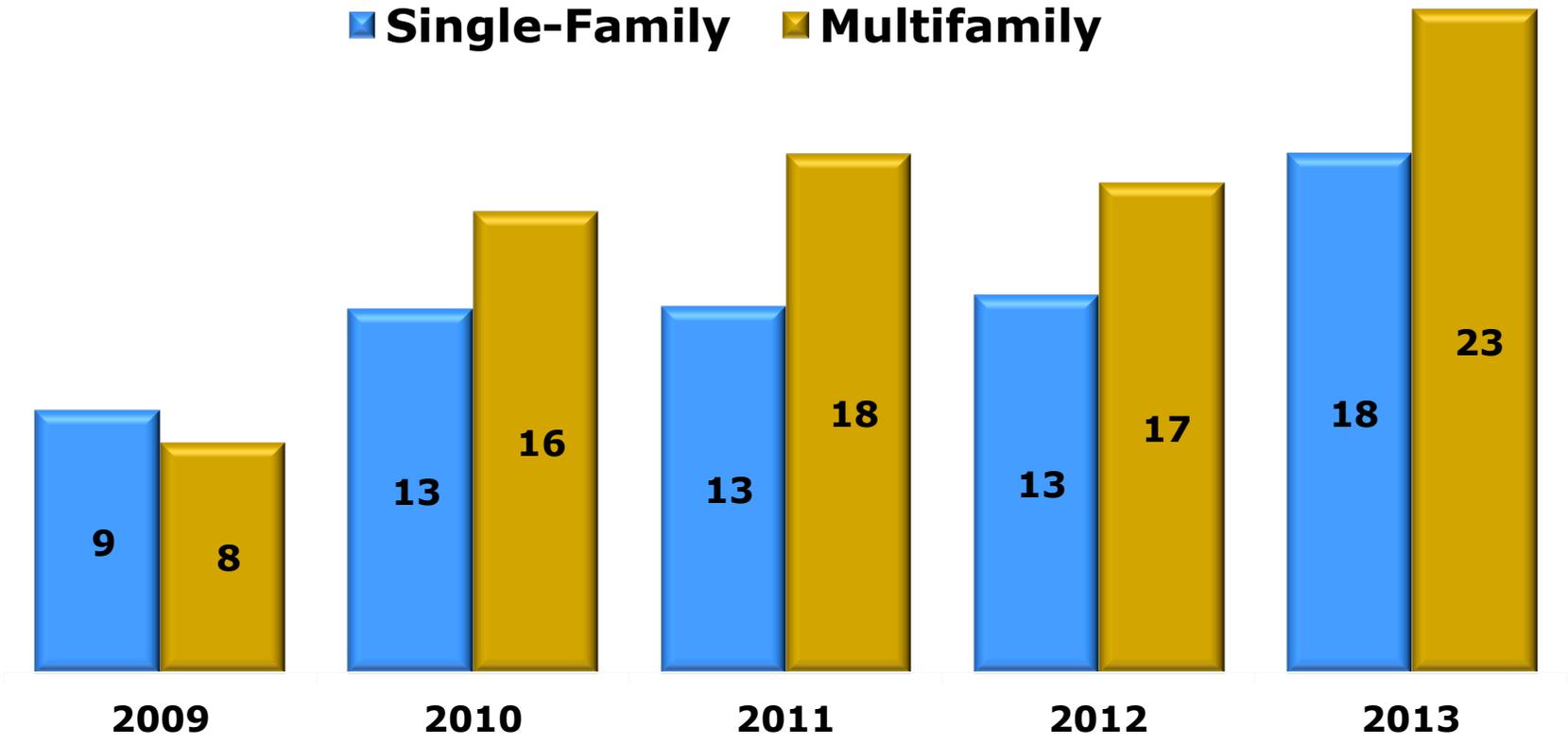
Healthy Response from Growth in Renters



Distribution of Multifamily Starts by Type



Age-Restricted Housing Starts (in Thousands)



Source: Survey of Construction, U.S. Census Bureau and the Department of Housing and Urban Development

NAHB's Local Economic Impact Model

NAHB's Local Economic Impact Model

Estimate the local economic benefits of housing developments:

- Single-family housing
- Market-rate rental apartments
- LIHTC family apartments
- LIHTC elderly apartments

Can be customized to specific project

Direct Impact:

- Money spent on development, construction and lease-up
- Jobs generated in sale of building components
- Transportation of building components to site
- Professional services rendered
- Taxes and fees paid

Ripple Effect:

- Wages and profits earned by local workers and businesses during construction are spent on other locally produced goods and services

Ongoing Annual Effect:

- Apartment residents purchase local goods and services
- Apartment residents pay local taxes
- Businesses and local governments use that revenue to buy other goods and services

Economic Impact of Typical 100 Unit Elderly LIHTC Community

One year impact during construction:

- \$7.3 million in local income
- \$768,000 in tax revenue
- 113 jobs

Annually recurring impact from occupancy:

- \$2.3 million in local income
- \$395,000 in tax revenue
- 32 jobs

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Thank you!

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