



## Washington Post, Where We Live, Real Estate Blog

### Washington DC area is becoming a region of renters

By Dr. Lisa A. Sturtevant

After the housing boom and bust, there has been a national dialogue about whether we are becoming a nation of renters. Despite historically low mortgage interest rates and stabilizing housing markets, the U.S. homeownership rate does not appear to be rebounding, according to a U.S. Census Bureau report. Is the nation — and is the Washington area — re-thinking homeownership?

Notwithstanding steady recovery in the region's homeownership market, much of the recent population growth and a sizeable portion of the residential construction activity in the Washington area have been associated with growth in the renter population.

The homeownership rate in the 22-jurisdiction Washington metropolitan area has fallen faster than the national rate. In 2010, the region's homeownership rate was 64.3 percent, down from 67.9 percent in 2006. The shift to rentals during the housing bust was partially a result of fallout from the foreclosure crisis. In addition, potential homebuyers saw that the financial benefits of homeownership were no longer assured. More recently, the uptick in renting has been linked to the difficulty some would-be buyers have had in getting a mortgage.

The number of renter households increased faster than the overall population between 2005 and 2010. In 2010, the region had about 730,000 renter households, up nearly 13 percent from 2005. (The number of owner households increased by less than 2 percent over the same period.) The surge in renters includes many in the typical renter demographic — young, single, childless, urban.

However, the idea of a "typical" renter is now more varied. In 2005, about 25 percent of family households were renters. (Family households are defined as households containing two or more people related by blood, marriage or adoption.) In 2010, nearly 28 percent of family households were renters. Among married couples, the renter share increased from 13 percent to 19 percent over five years.

Rental units are not always in large, multi-family buildings, even in an urban area like the Washington region. And the share of rental housing that is single-family has increased as the rental population has diversified. In 2005, less than 24 percent of rental homes were single-family detached homes or townhomes. In 2010, the single-family/townhome share had increased to 29 percent. Some of the single-family rental housing has resulted from foreclosure activity where owner-occupied units have been converted to rental. It also indicates that there are many for whom single-family is a preferred style of housing.

Despite the current shift towards renting and a diversification of the rental population, it is likely that homeownership will remain an integral part of the American Dream. In fact, recent research by the Harvard University Joint Center on Housing Studies concludes that the uptick in renting is a temporary phenomenon and that the nation will re-embrace homeownership as the recovery continues and the housing bust recedes into our memories. Some will face credit issues that will put off homeownership for a few years, but in recent surveys of housing preferences by Fannie Mae, homeownership remains paramount. In the Washington area, where wages are relatively high and the threshold for long commutes seems to grow by the year, homeownership will continue to be an integral part of the American Dream.

***Original blog post here:***

***[wapo.st/ODFzlu](http://wapo.st/ODFzlu)***

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