

Nashville Business Journal - May 29, 2008

<http://nashville.bizjournals.com/nashville/stories/2008/05/26/daily25.html>

NASHVILLE BUSINESS JOURNAL

Thursday, May 29, 2008 - 8:34 AM CDT

Most renters don't plan to buy homes in next year

Nashville Business Journal

More than half of current renters won't buy their homes in the next year, according to a survey released by the **National Apartment Association**.

In addition to the 67 percent of renters who won't buy, 69 percent said they plan to stay renters for up to five more years.

A majority (80 percent) of the 2,000 adults surveyed by the Arlington, Va.-based group said the U.S. housing market will not improve over the next six months. Half of renters plan to keep renting their current residence for the next year.

"The results of this survey reflect what our membership is experiencing across the country. Renters are not eager to take a chance on homeownership this year," said Douglas Culkin, president of the National Apartment Association, which represents more than 6.1 million apartment homes throughout the U.S. and Canada. "If the economy improves, that trend may abate, but, for now, people are generally staying put."

As for homeowners, 72 percent plan to remain in their current home over the next year.

There are advantages with renting over owning in the current real estate market, according to 71 percent of the respondents. This year, 48 percent cite financial reasons, which include the perks of not being affected by unpredictable housing values and mortgage rates, for renting over owning. That reason increased by five percent over the 2007 survey.

Other renting-over-owning advantages included amenities packages (18 percent) and the flexibility of a short-term lease (32 percent).

There is some consensus between the two: Thirty-nine percent of adults think the financial security of renters and homeowners is equally affected by the current stage of the housing market.

The survey also noted occupancy rates in rental housing jumped by 1.5 million units last year, which is the largest annual increase since 1965, according to the Commerce Department Data Series.

The record number of rental housing units in the U.S. now totals 34.7 million units, or about 83 million people.

All contents of this site © American City Business Journals Inc. All rights reserved.