



Housing Markets in Transition

ULI HOUSING OPPORTUNITY CONFERENCE 2020

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Housing Market Recap

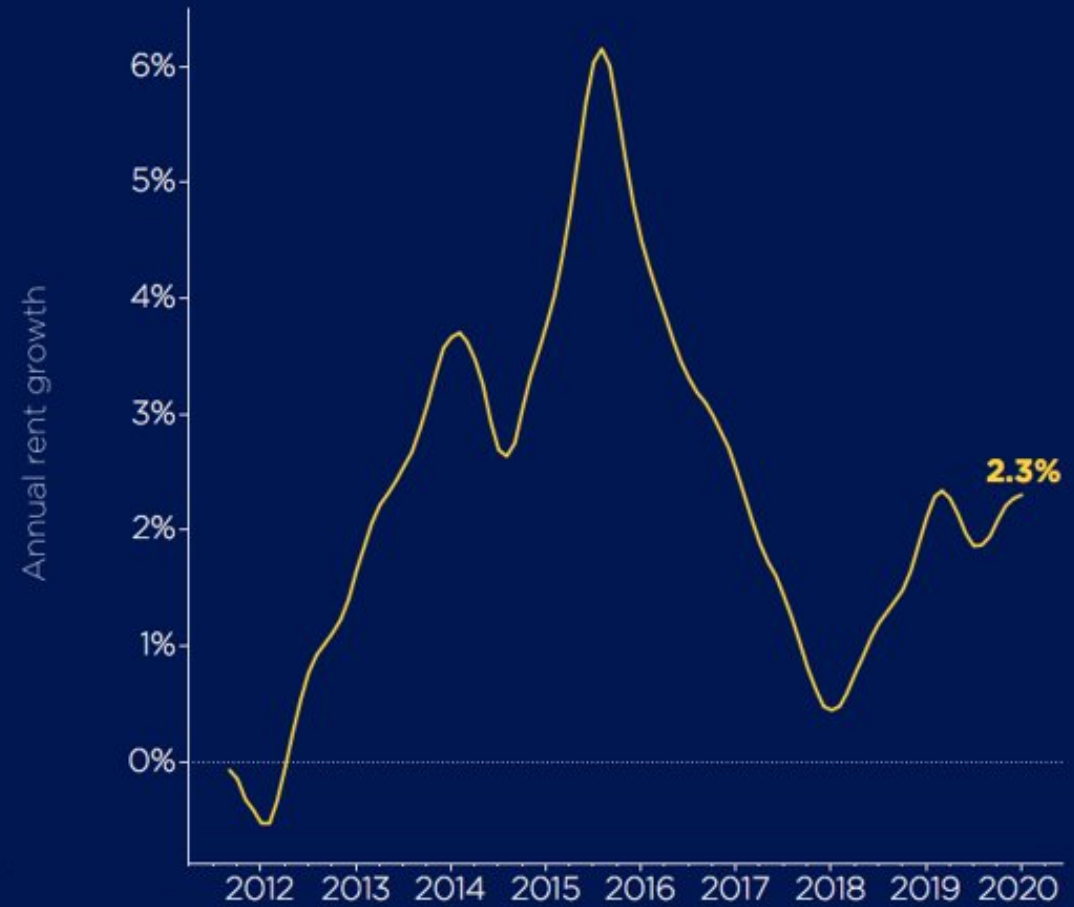
Market recap: Supply remains anemic



Market recap: Wage growth still below home value growth

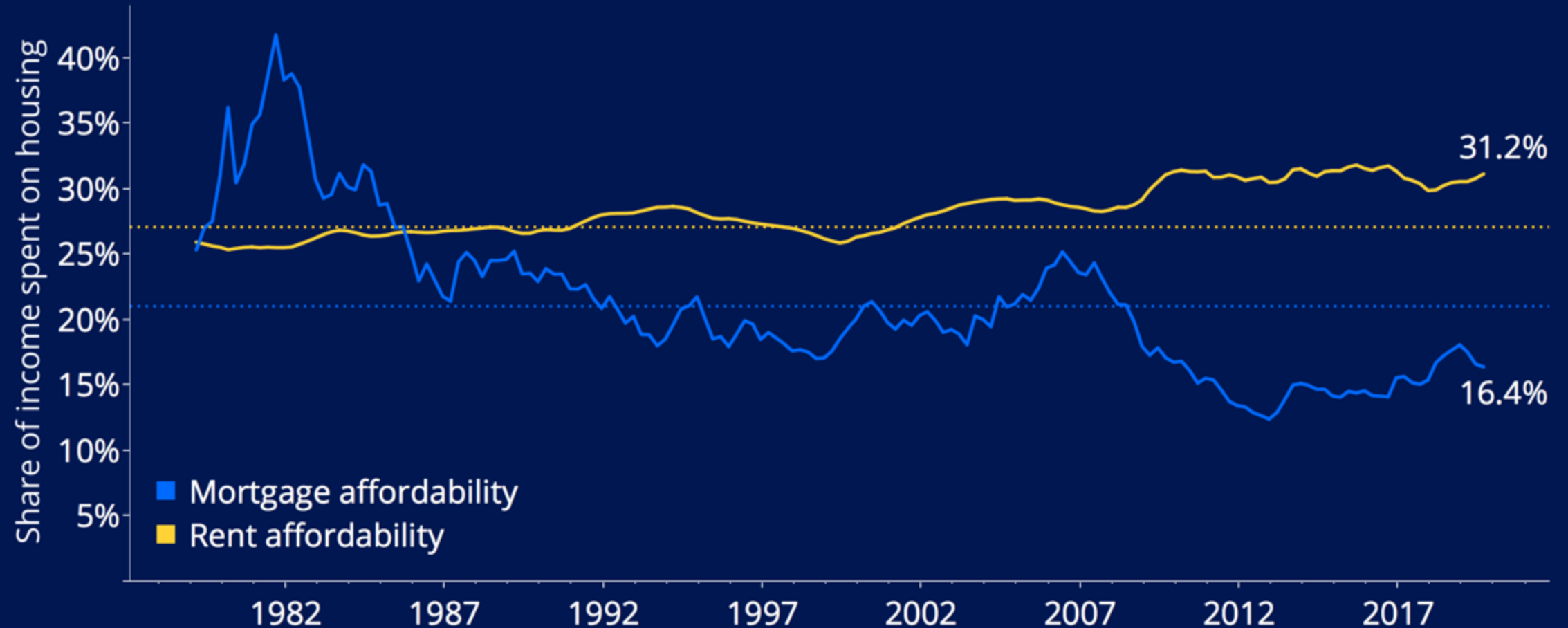


Market recap: Rent appreciation is back on!



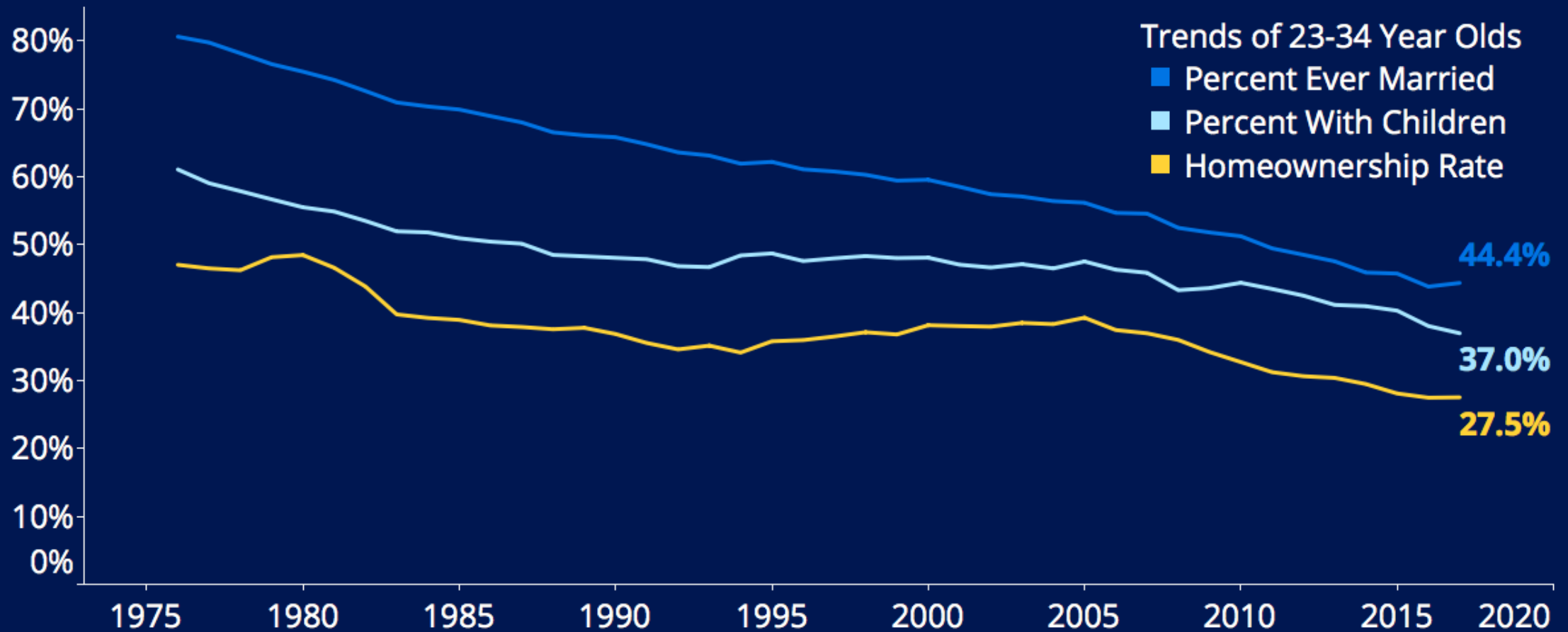
Source: Zillow Rent Index, January 2020.

Affordability remains a challenge, especially for home buyers

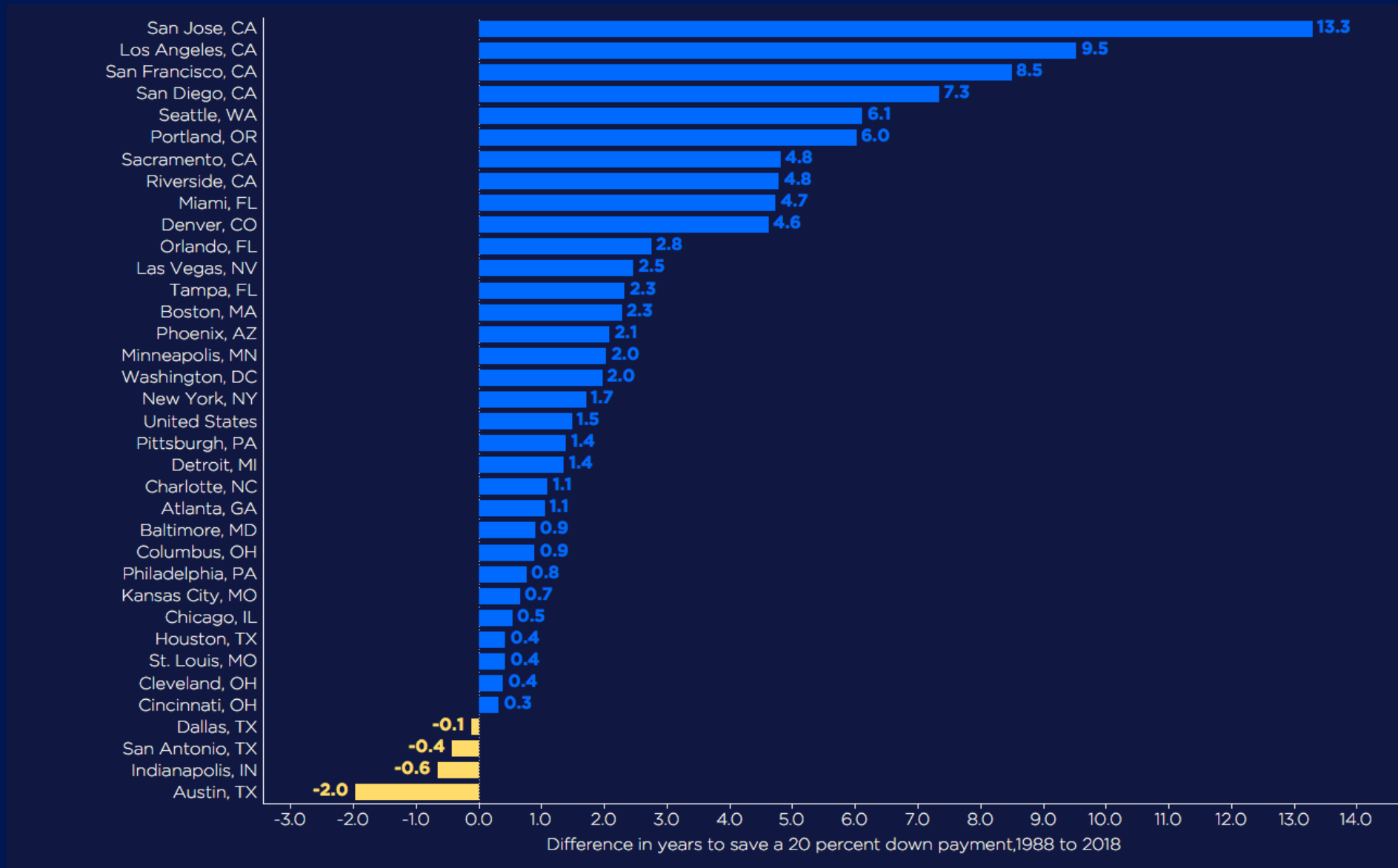


Demographic Shifts Reshaping the Housing Market

Delayed adulthood impacts housing

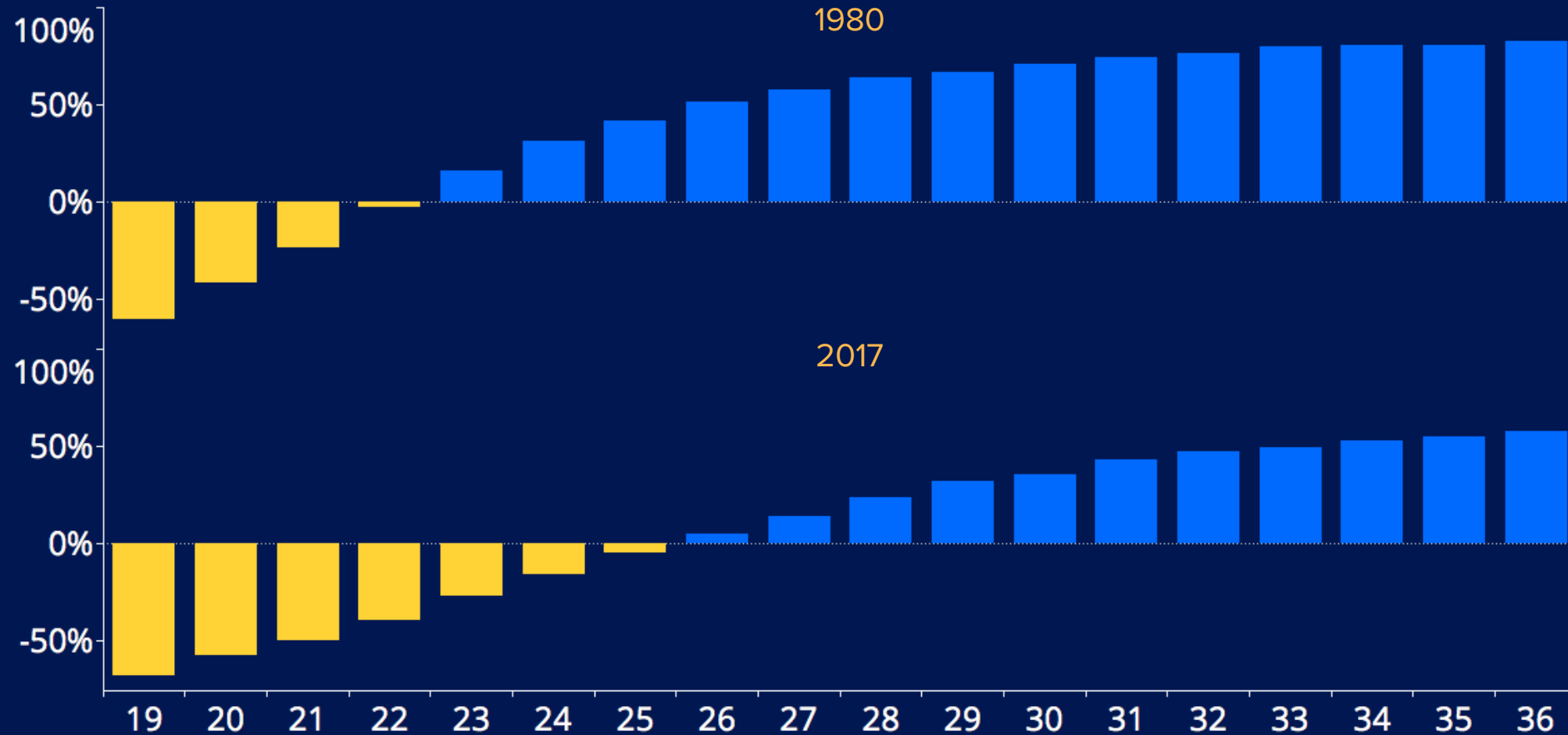


Saving for a down payment is more difficult than ever

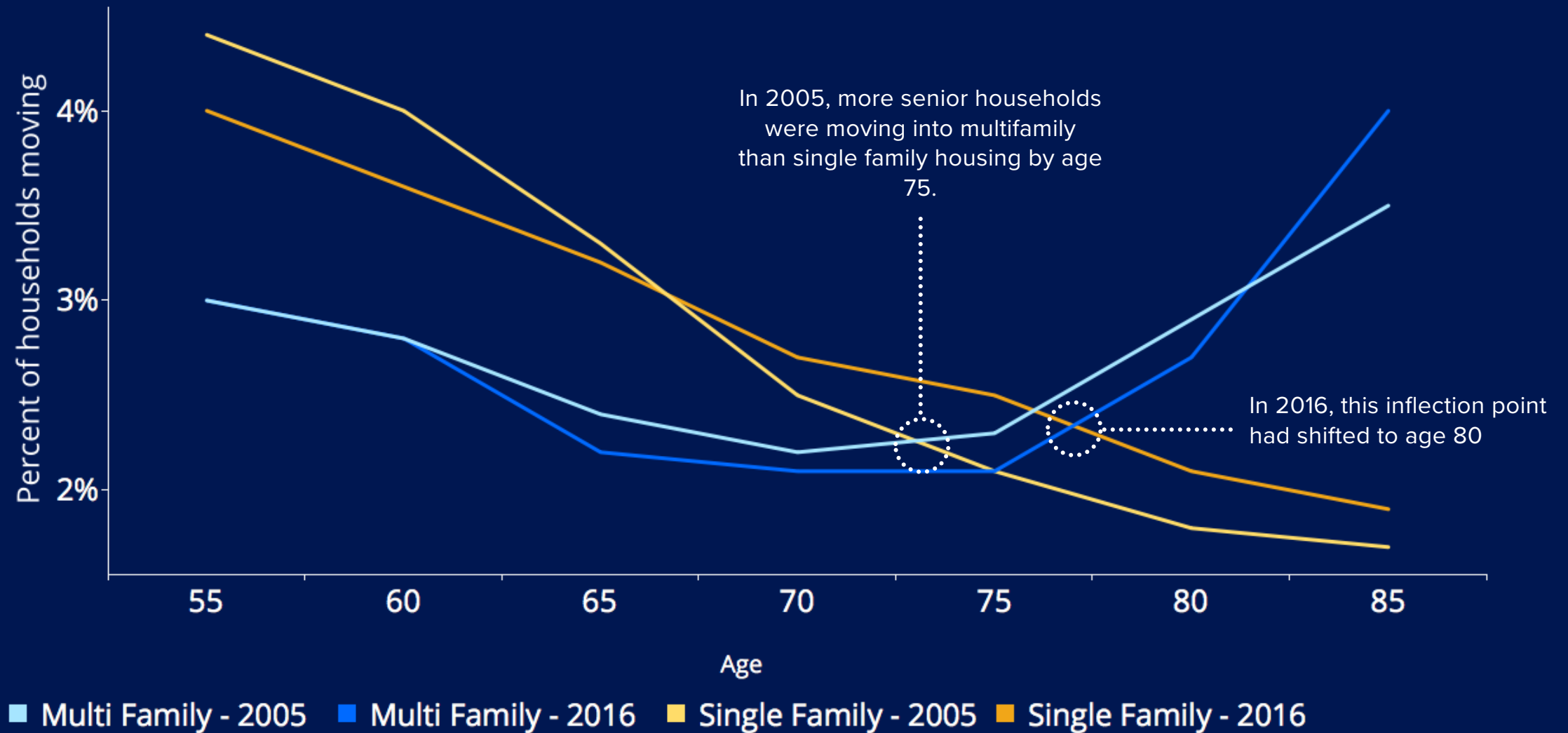


Young people striking out on their own later

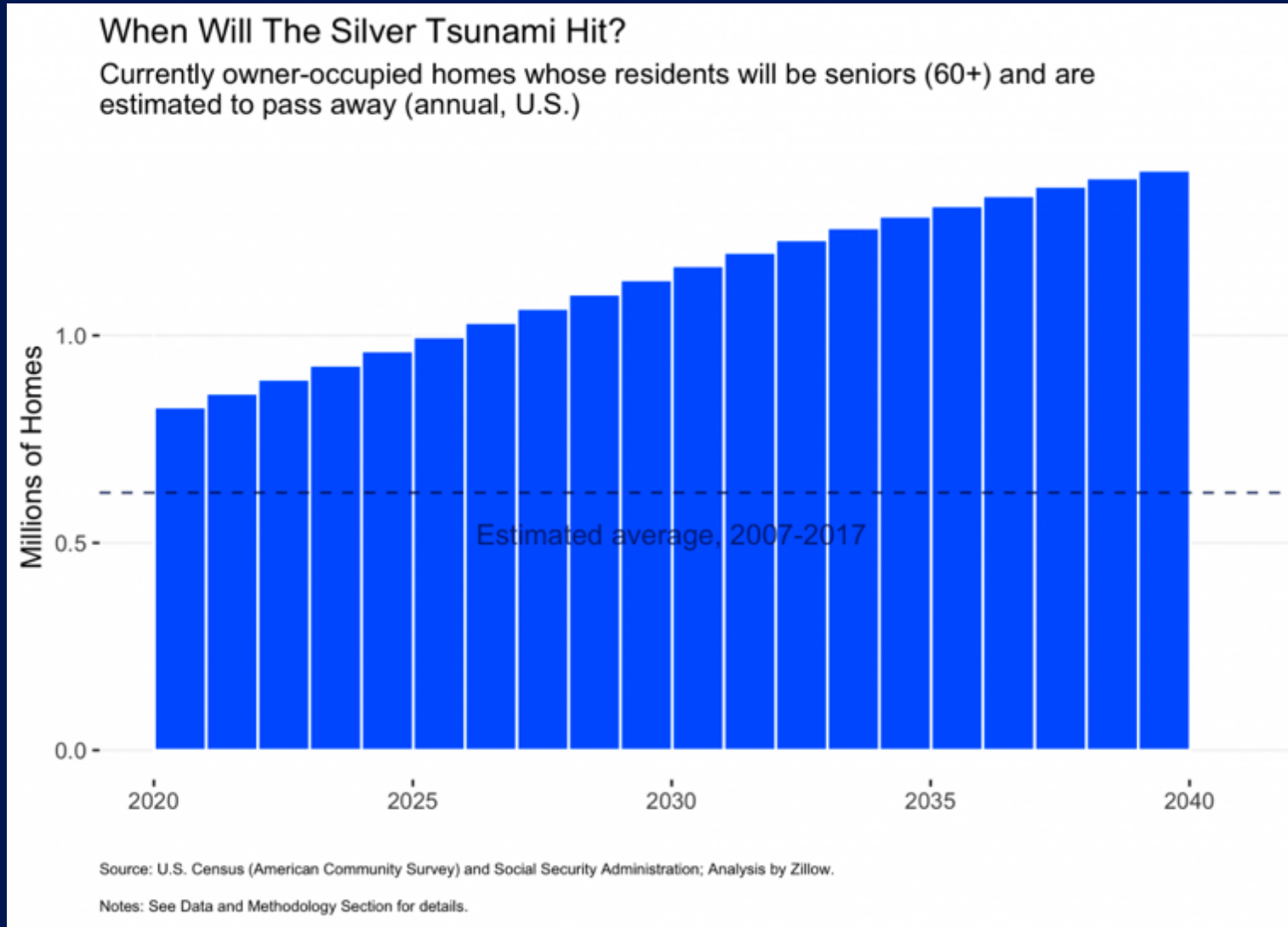
Percentage point difference in share of people living independently versus with parents or roommates, by age



Seniors are downsizing later, aging in place

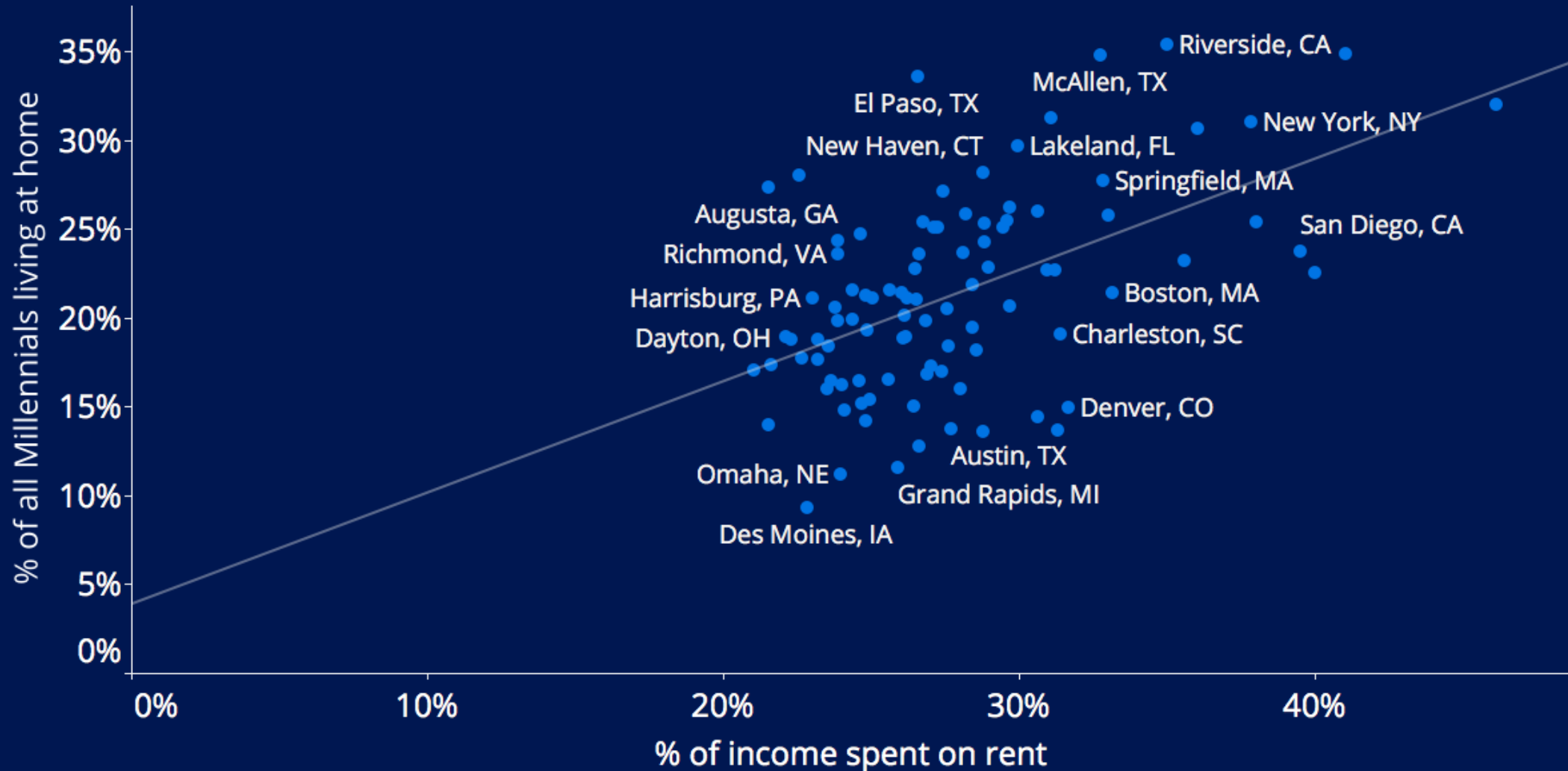


Wave of Boomer-occupied inventory set to hit housing markets

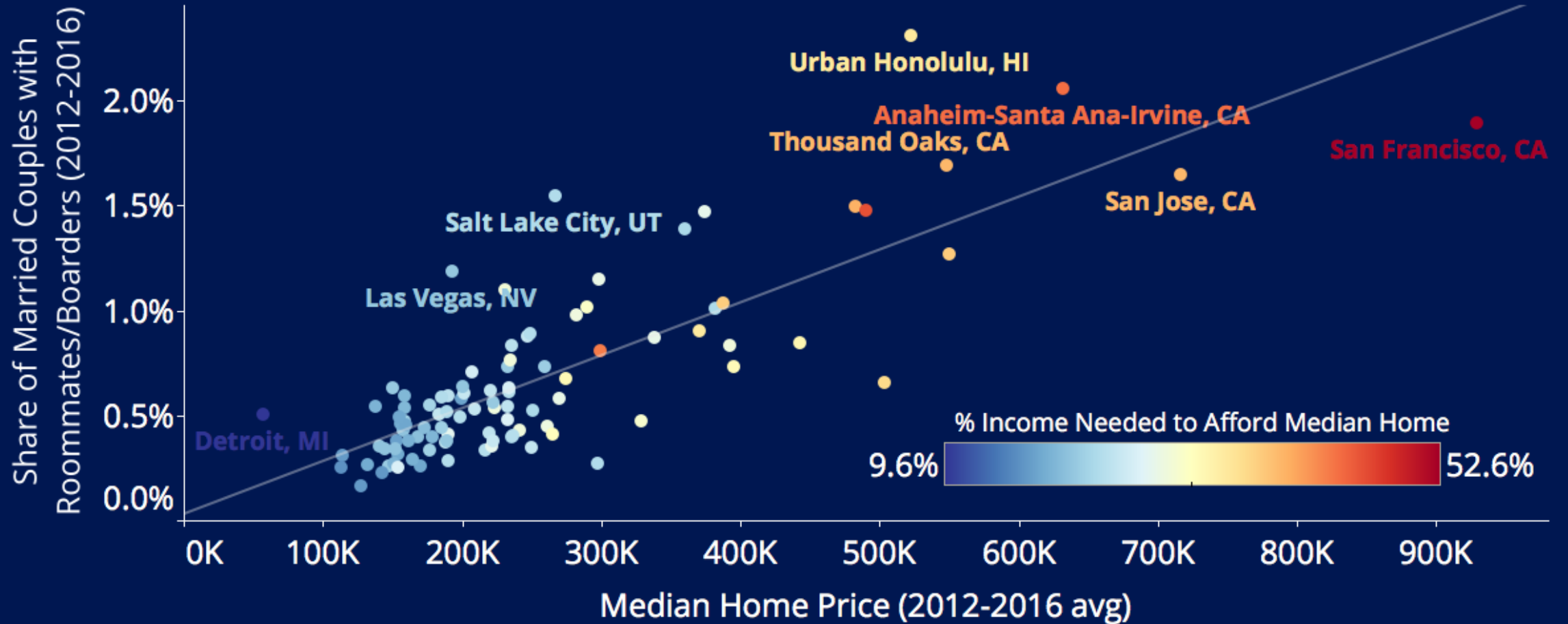


Coping Mechanisms and Implications in the Age of Housing Unaffordability

More millennials live at home in places where rent consumes a larger share of income

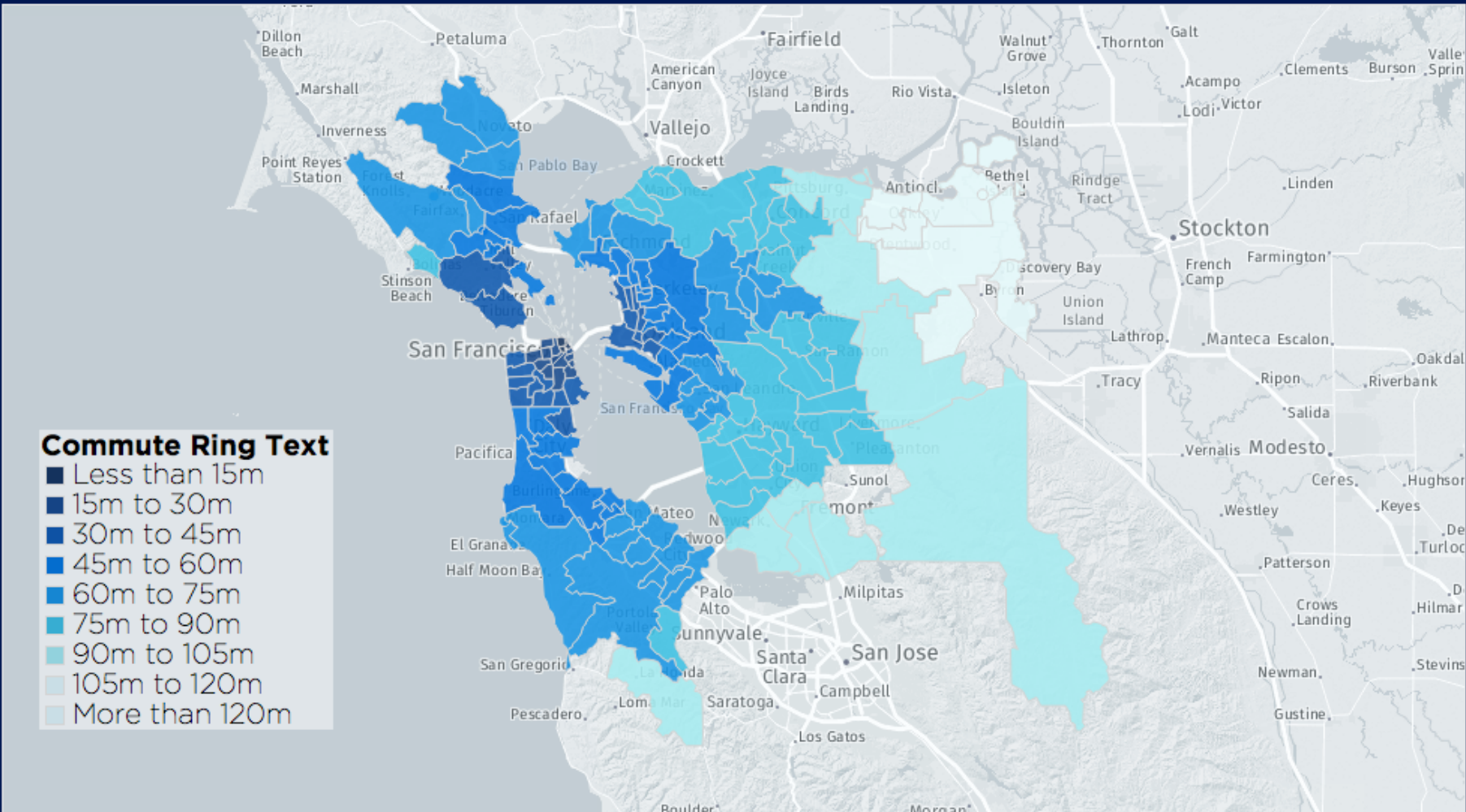


Married couples with roommates more common



Price growth spilling over to wider geographies

Commute Times (to Downtown Core) and Home Values and Rents for San Francisco

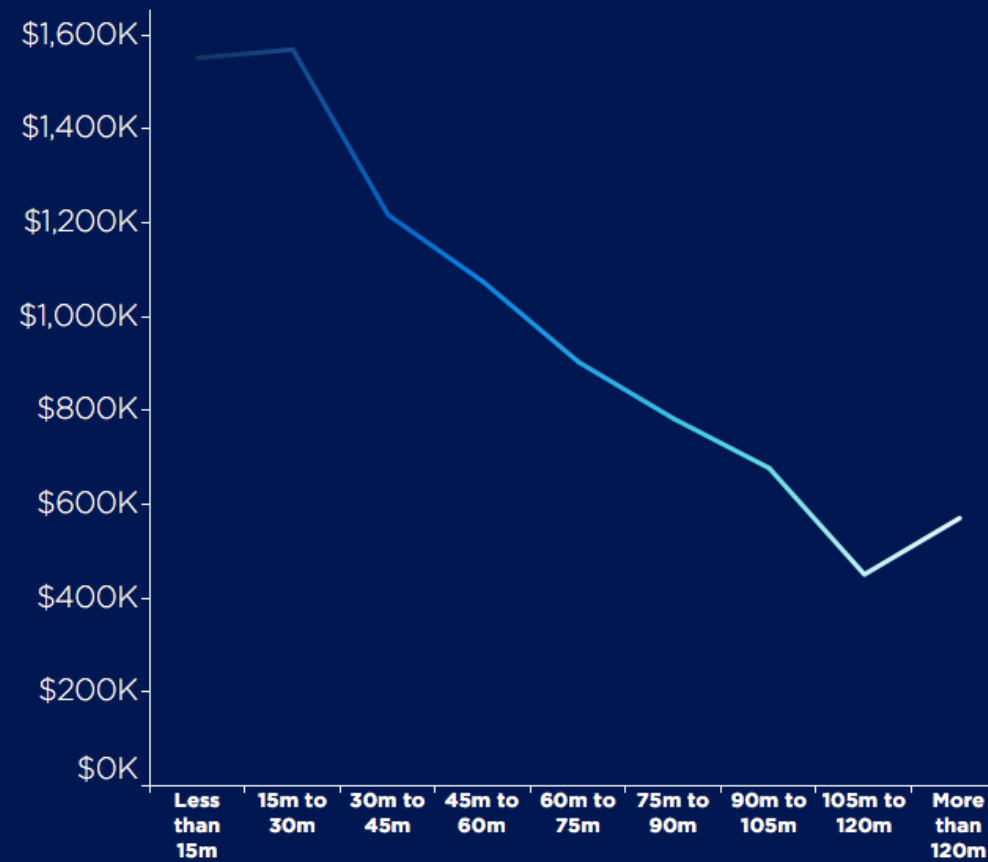


Commute 'til you qualify

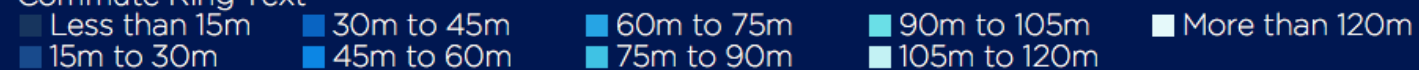
Median Rent by Commute Time



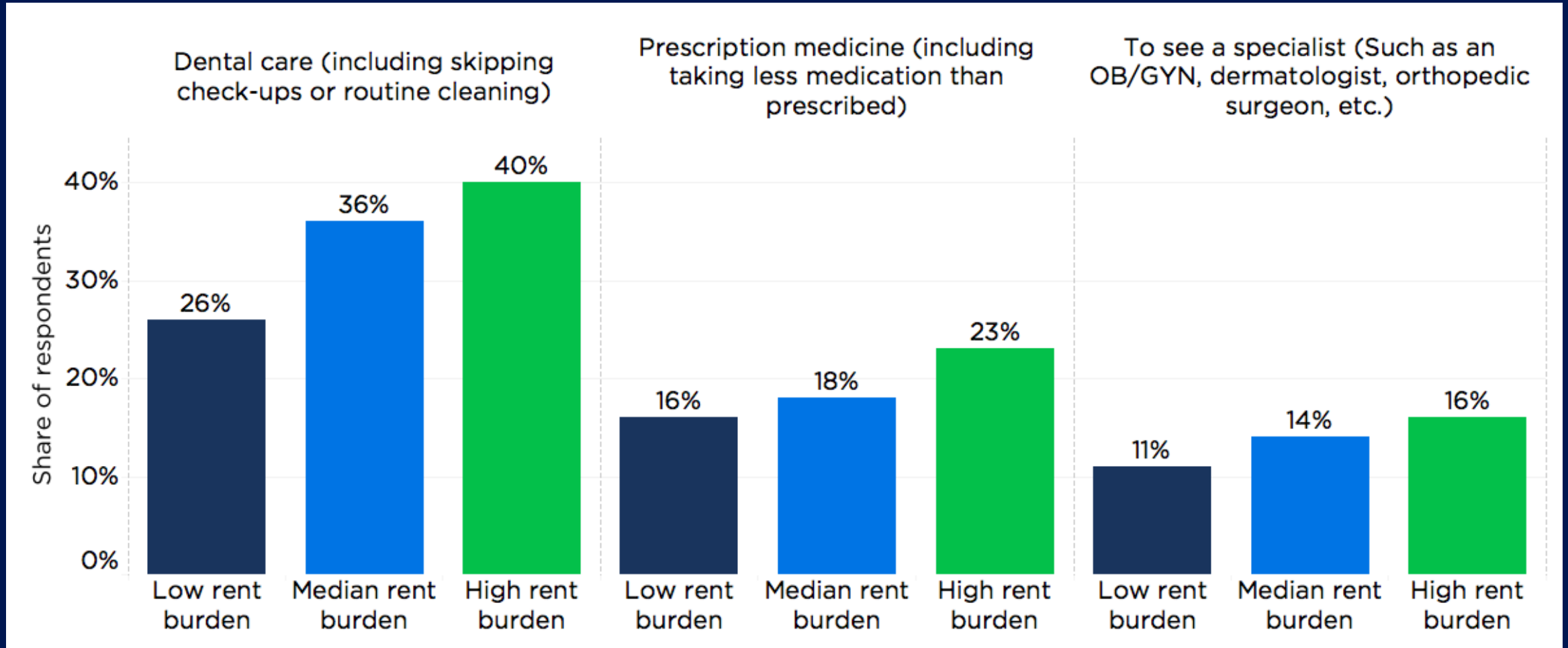
Median Home Value by Commute Time



Commute Ring Text

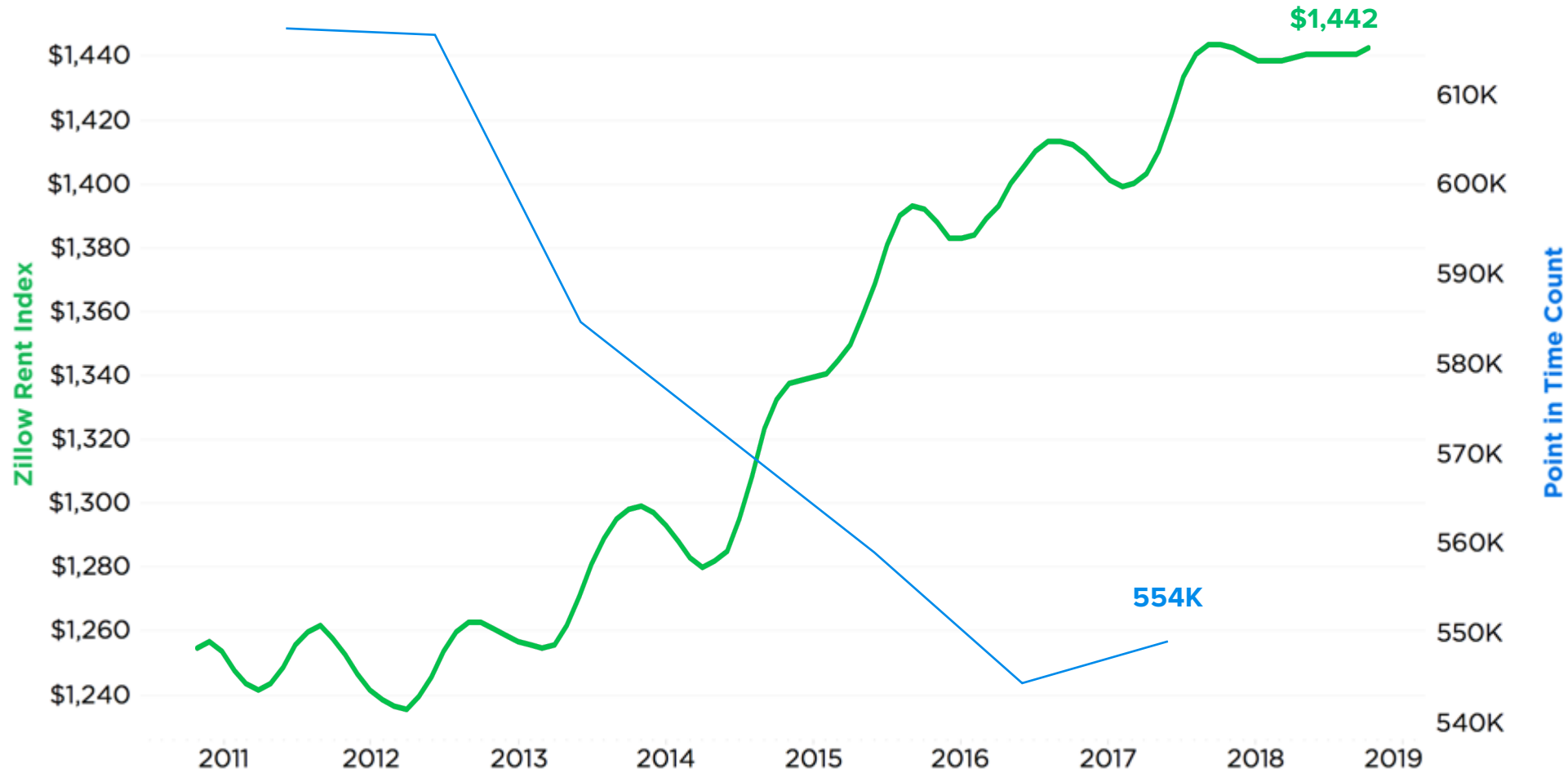


People with higher rent burdens more likely to forego health expenses

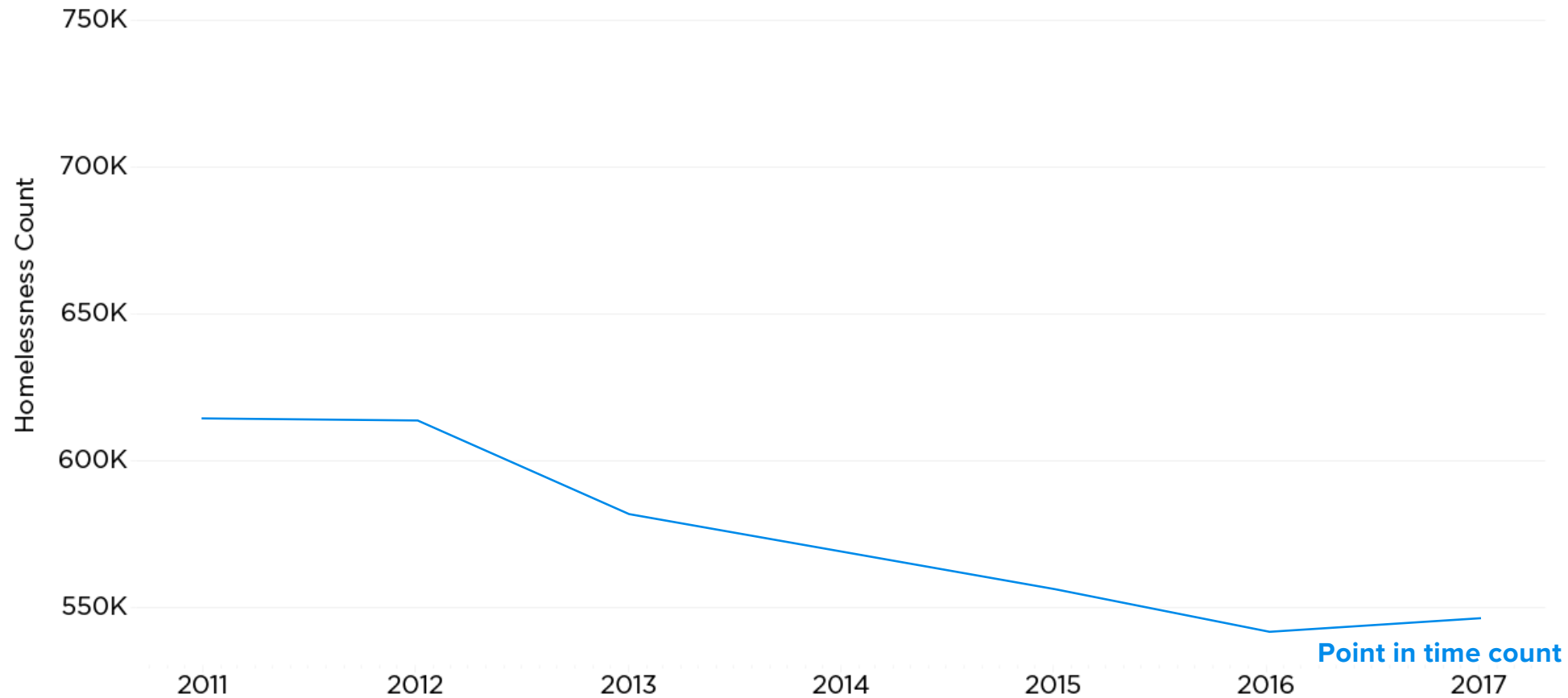


Source: Zillow Consumer Housing Trends Report, 2019

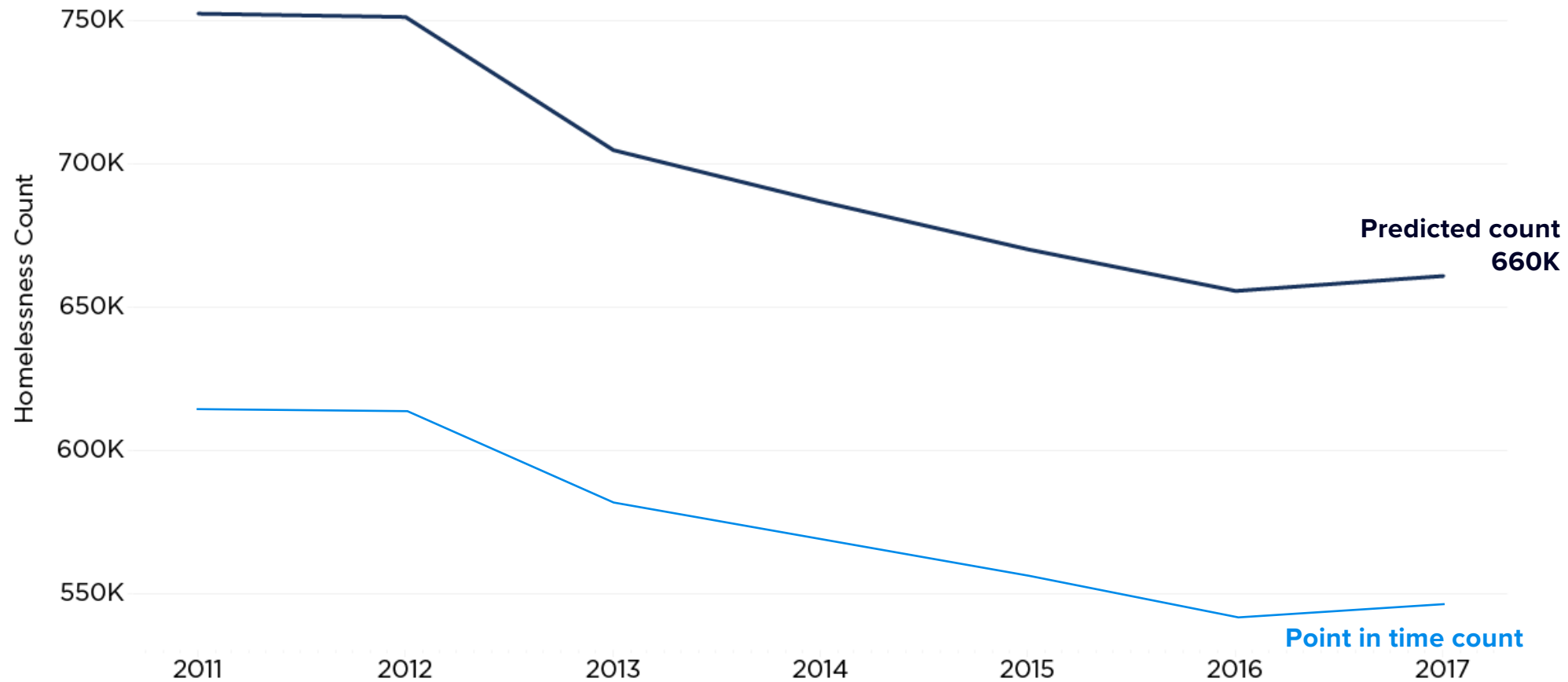
Nationally rents are up, yet homelessness counts have fallen



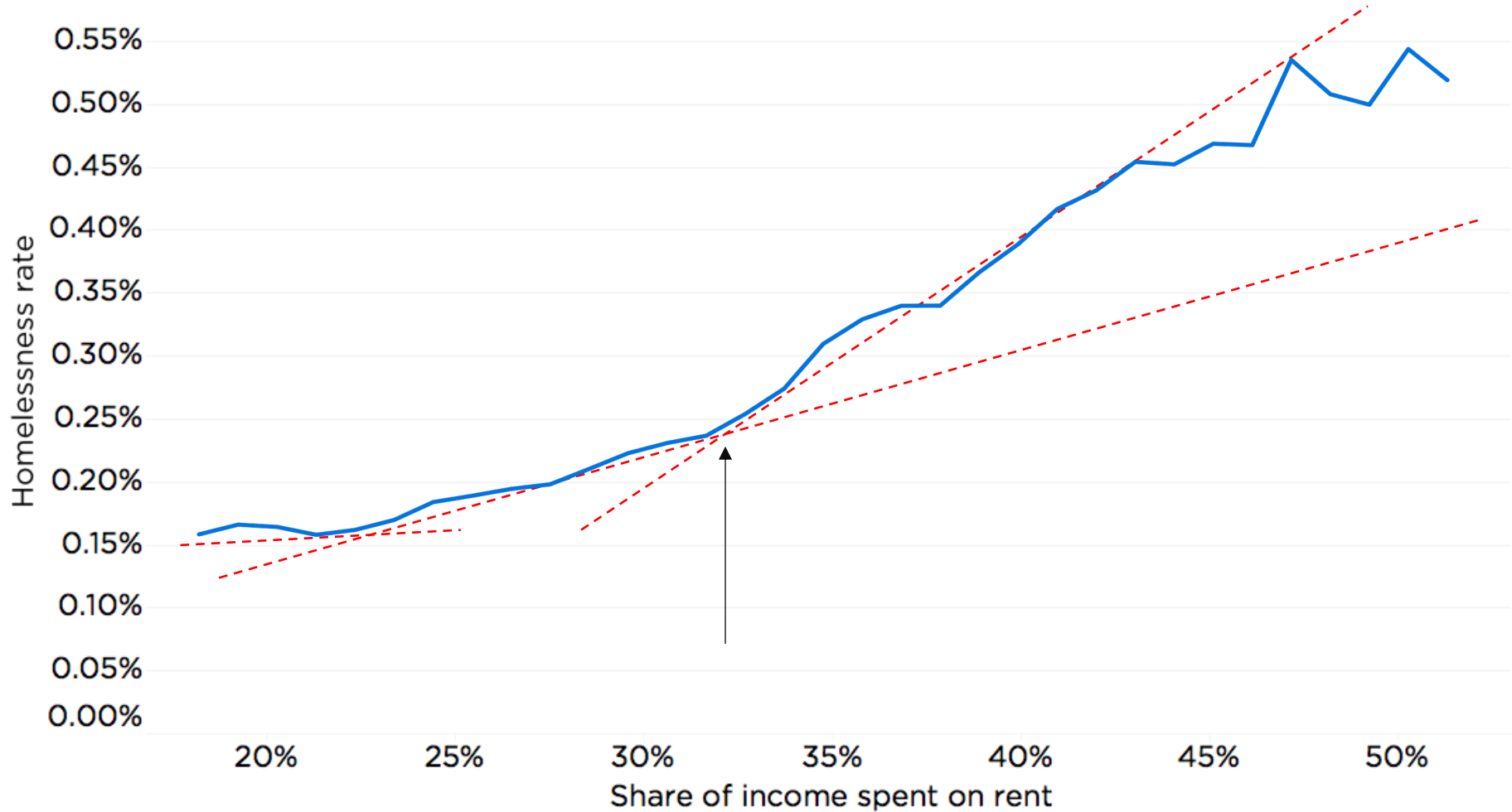
Modeling for the systemic undercount from PIT estimates



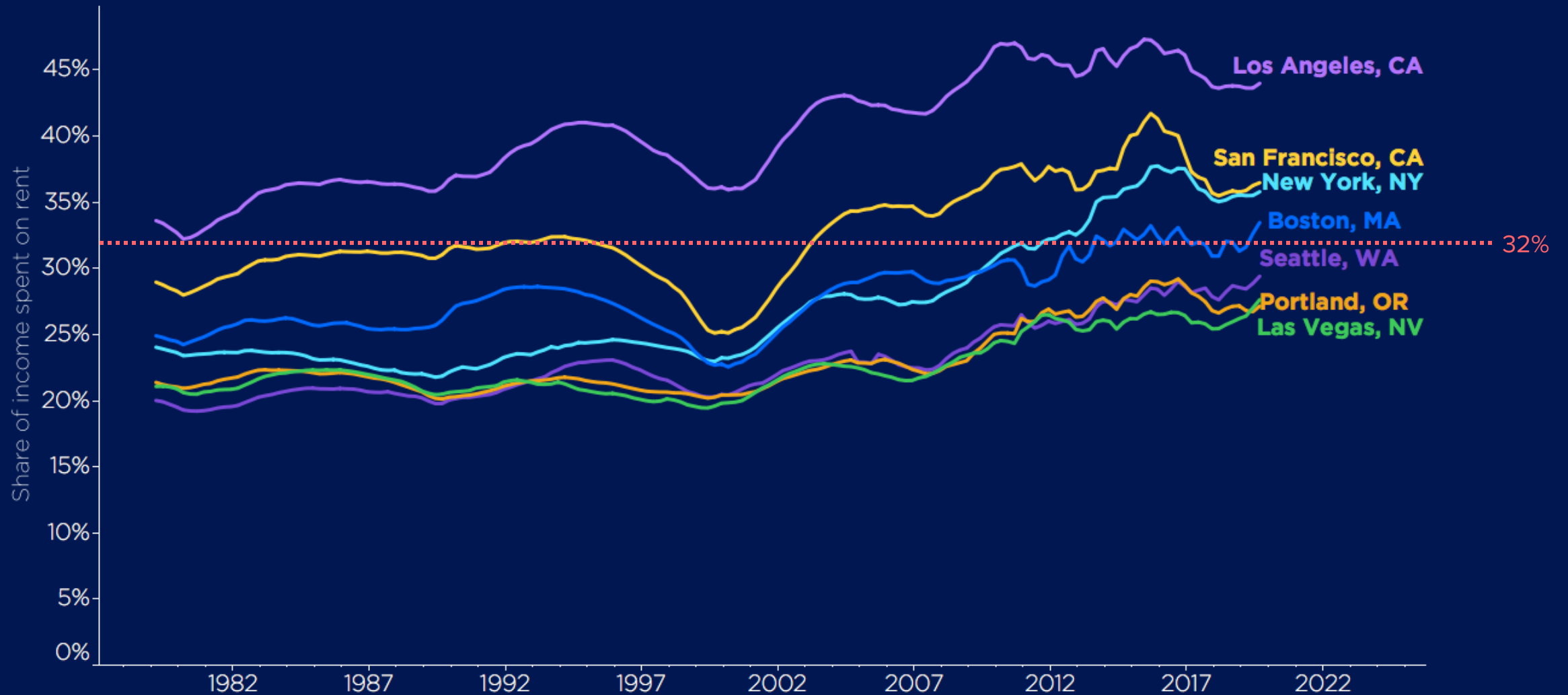
Modeling for the systemic undercount from PIT estimates



When a community reaches an affordability tipping point, the link between rent burdens and homeless rates grows stronger



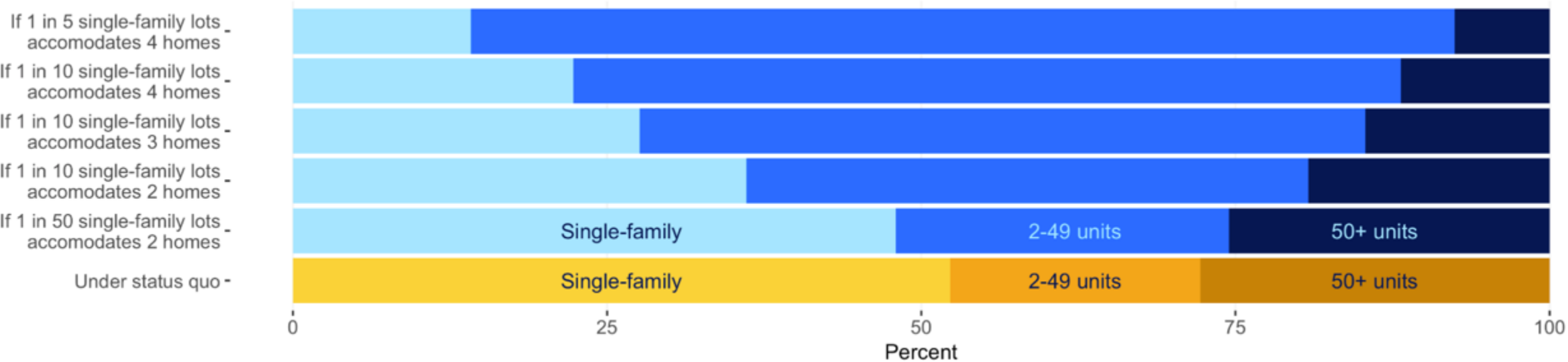
In some places, a median-income renter already pays more than 32% of income to rent the typical home



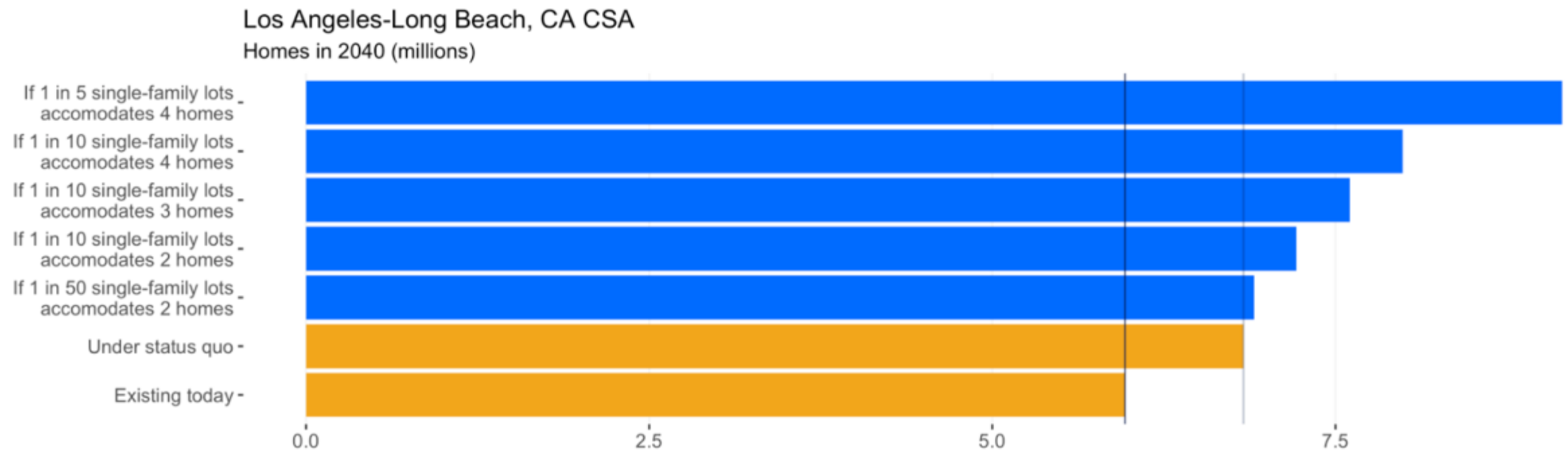
Some Solutions to Increase Housing Supply

How increased density can add to the mix of housing units

Los Angeles, CA CSA
Share of new homes built by 2040, by structure type



How much housing could upzoning add?



Source: U.S. Census; analysis and estimation by Zillow.
Notes: See Data and Methodology section for details.

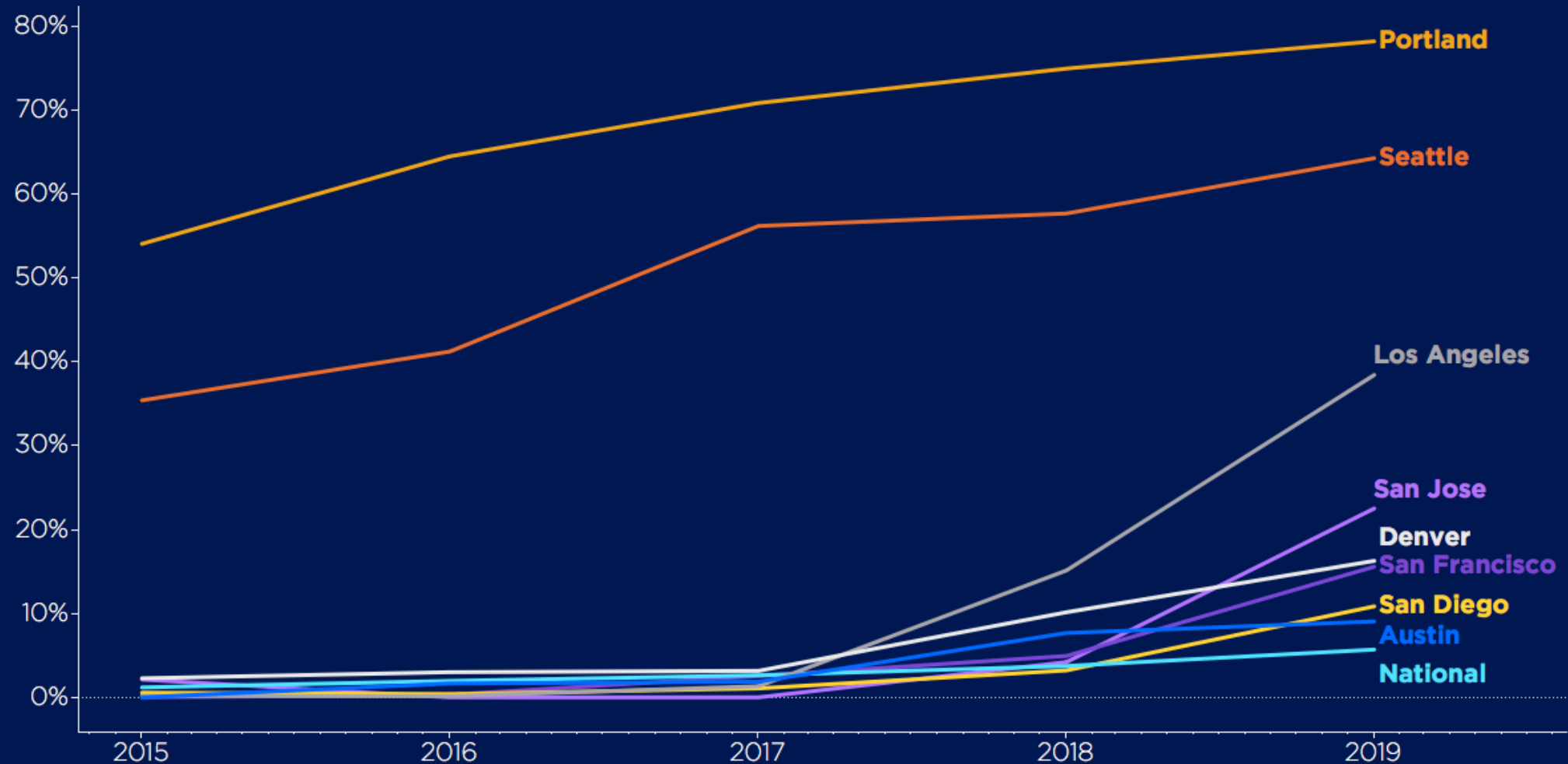
Increasing mix of housing offers more opportunities for renters

Poverty rate among renters: by structure size and age

	1940s and before	1950s	1960s	1970s	1980s	1990s	2000s	2010s
Single family residence	37.5%	33.7%	32.6%	29.2%	27.3%	23.7%	23.1%	23.6%
Duplex/Triplex/Quad	35.1%	36.5%	39.4%	38.0%	36.9%	36.2%	36.5%	37.0%
5-49 units	35.4%	40.8%	38.9%	37.2%	32.9%	34.6%	31.2%	29.3%
50+ units	32.6%	35.5%	33.7%	34.5%	31.4%	32.4%	23.9%	29.2%

ADUs are on the rise in markets that have relaxed regulations

Share of secondary housing unit mentioned in listings that are ADUs





Thank you

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