

# Today's Young American Renter

The extremely supply-strapped housing market, combined with today's economic challenges, make renting significantly more difficult for young Americans.

## Change in Behavior

Cutting back on extras, like eating out, attending events, and leisure travel as well as taking money from savings, are some of the trade-offs renters have made.



## Change of Scenery

Many are considering or have already moved to less expensive locations, smaller living spaces, and even less expensive cities to capture rent relief.



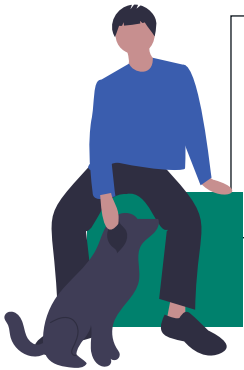
## Sustainability Matters

Even as rents rise, environmentally friendly buildings and proximity to public transportation still rank high on renters' list of priorities.



## Pets are Priority

No matter how much rent increases, considering a pet-free building is not a priority.



## Propensity to Vote

Inflation and rising rents are among the top financial concerns driving young Americans to the polls.



## A very real rental housing shortage

Young American renters, already facing a historic shortage of rental housing, encountered inflation in the form of higher rents and higher prices on everyday necessities in 2022. These headwinds are difficult at any age, but for those just starting their families and establishing their careers, these can be particularly painful.

Administered by Wakefield Research, Grubb Properties' *State of the Young American Renter Survey* polled 1,000 American renters aged between 22-35 to gauge their responses on the challenging economic environment and to capture data on this unprecedented generational burden.

The extremely supply-strapped housing market, combined with these economic challenges, have made it significantly more difficult for these renters to find accessible apartments in desirable locations. The survey results show that these young renters are taking actions and making trade-offs as necessary to address this economic reality.

This validates Grubb Properties' commitment to deliver more essential housing – units that serve those making 60-140% of the local area median income – in gateway and high-growth markets nationwide. By creating new product that serves the “missing middle”, we can help alleviate this significant housing gap.

“Grubb Properties is laser-focused on addressing this housing shortage,” says Todd Williams, Chief Investment Officer at Grubb Properties.

*“We believe that quality urban housing should be accessible to all, and we are committed to delivering essential housing through our Link Apartments communities.”*

Beyond delivering this essential new product, Grubb Properties also helps renters through programs such as our Long-Term Renter Program, which caps rent increases for residents who live with us for five years.


The survey results also revealed some key priorities for renters, including location and green living. We share these priorities, ensuring that our communities are located in vibrant neighborhoods easily accessible by public transportation, cycling, or walking. Our Link Apartments<sup>SM</sup> are National Green Building Standard certified with EnergyStar appliances and efficient heating and cooling systems – all of which help keep utility costs in check for renters.

### Young American renters already making trade-offs and planning for the future

A rental housing shortage added to an inflationary environment that has not been experienced in decades is taking a toll, with more than half (51%)

of young renters reporting they experienced a rent hike in the past year, with an average increase of 30%.

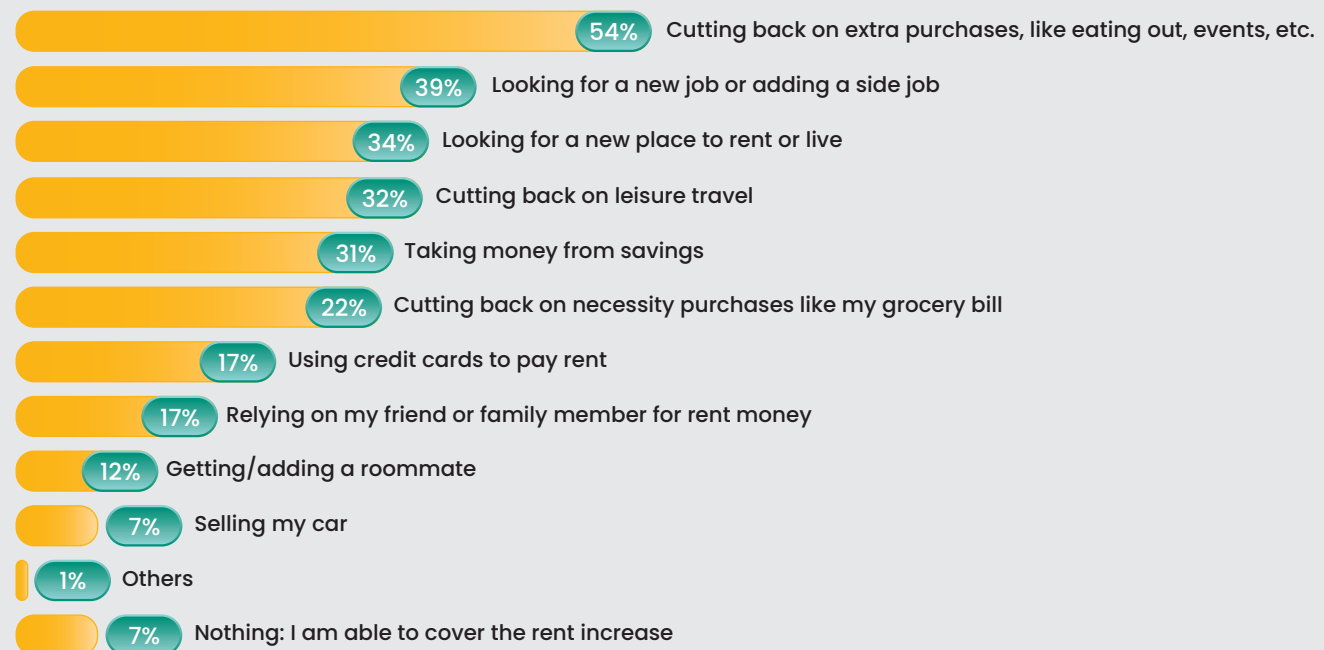
### How much has your rent increased over the past year?

	Total
My rent has not increased	<b>49%</b>
1%-19%	<b>17%</b>
20%-50%	<b>16%</b>
More than 50%	<b>17%</b>
 QuickFacts	
EXPERIENCED A RENT INCREASE (NET)	<b>51%</b>
AVERAGE (AMONG THOSE WHO EXPERIENCED A RENT INCREASE)	<b>30%</b>

Of these renters, less than one in ten (7%) said they had the resources to cover the increase without changing their lifestyle.

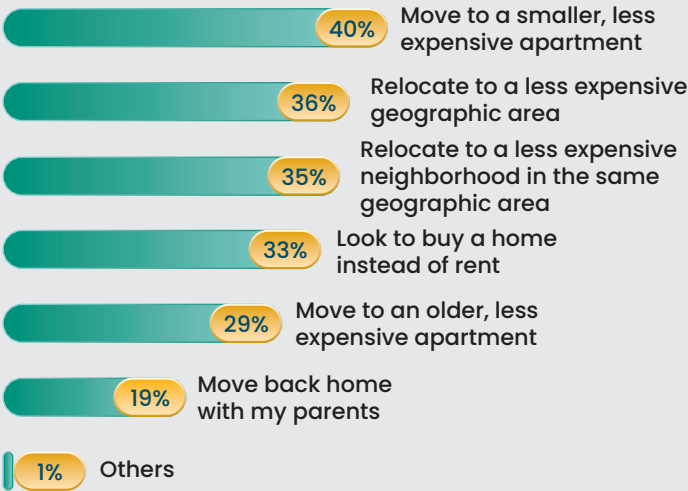
The remaining 93% planned to take or have already taken action to address higher rents, with most taking multiple steps in response to rent increases, as respondents could select more than one answer.

### Which of the following are you doing or planning to do in response to the rent increase?



NOTE: Answers of respondents who reported a rent hike. Respondents could select more than one answer.

If rent continues to rise to a point where you need to move, which of the following are you most likely to do?



NOTE: Respondents could select more than one answer

### Green, Urban Living – and Pets – Still Appeal

Young renters are not willing to compromise on their environmental priorities. More than four out of five (82%) agreed that energy-efficient and environment-friendly buildings are at least somewhat influential in their decisions on where to rent, with 40% stating that they are very or extremely influential.



How influential are energy efficient and environment-friendly buildings in your decision on where to rent?

	Total
Extremely influential / the most influential factor	15%
Very influential	25%
Somewhat influential	42%
Not very influential	13%
Not at all influential	6%
QuickFacts	
EXTREMELY/VERY INFLUENTIAL (NET)	40%
AT LEAST SOMEWHAT INFLUENTIAL (NET)	82%

Similarly, 64% at least somewhat agreed that proximity to public transportation is important in the rental decision process. Three out of four (75%) at least somewhat agreed that living in an environment near shops, restaurants, and entertainment is important.

When deciding on a place to rent, it is important to me to live near public transportation.

	Total
Completely agree	20%
Strongly agree	19%
Somewhat agree	26%
Somewhat disagree	17%
Strongly disagree	9%
Completely disagree	10%
QuickFacts	
COMPLETELY/STRONGLY AGREE (NET)	38%
AGREE (NET)	64%
DISAGREE (NET)	36%

When deciding on a place to rent, it is important to me to live in a vibrant community with shops, entertainment, and restaurants close by.

	Total
Completely agree	20%
Strongly agree	24%
Somewhat agree	31%
Somewhat disagree	12%
Strongly disagree	7%
Completely disagree	6%
<b>QuickFacts</b>	
COMPLETELY/STRONGLY AGREE (NET)	44%
AGREE (NET)	75%
DISAGREE (NET)	25%

One compromise that young renters are not willing to make is giving up their pets. Of the 74% of respondents who own a pet, most (58%) agreed that no matter how much rent increases, they would never consider a pet-free building.

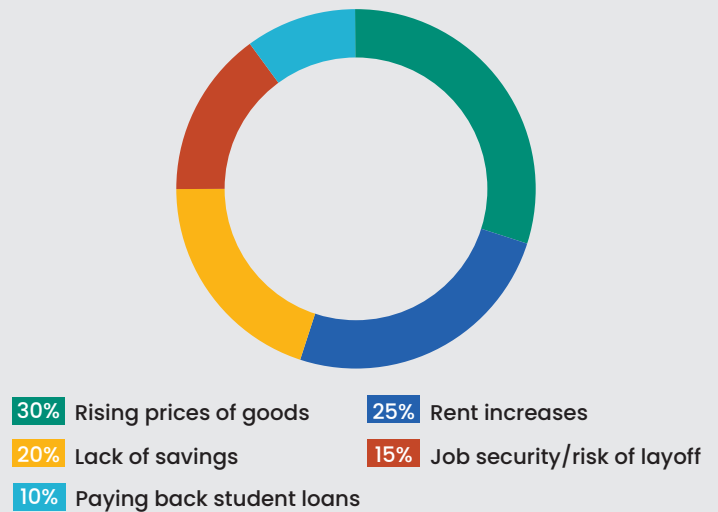
No matter how much rent increases, I would never consider a pet-free building.

	Total
Completely agree	39%
Strongly agree	19%
Somewhat agree	20%
Somewhat disagree	11%
Strongly disagree	4%
Completely disagree	7%
<b>QuickFacts</b>	
COMPLETELY/STRONGLY AGREE (NET)	58%
AGREE (NET)	78%
DISAGREE (NET)	22%

NOTE: Answers of 742 respondents who reported owning a pet

### Inflation tops list of young renters' concerns – and drives young renters to the polls

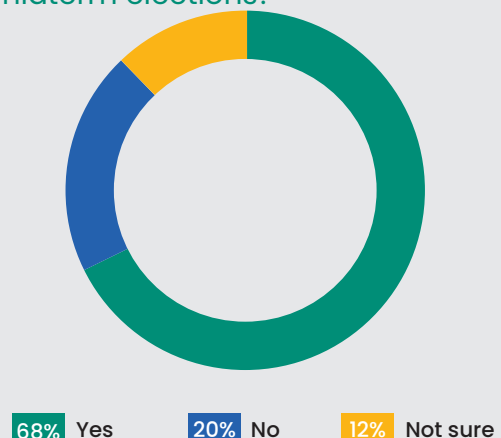
Inflation continues to be top of mind for young renters. When asked to rank their financial concerns, the rising prices of goods were cited by 30% of respondents as their number-one financial worry, followed by rent increases (25%), lack of savings (20%), job security (15%), and paying back student loans (10%).



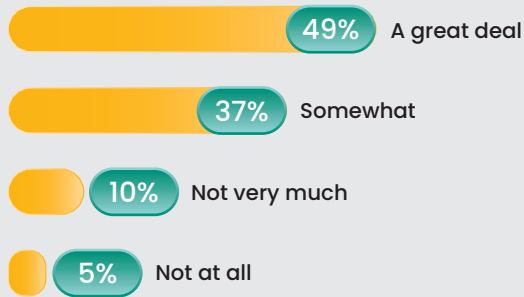
NOTE: Respondents asked to rank all five concerns. Top choice is listed above.

These financial concerns are driving renters to the polls. Of the 68% who stated that they planned to vote in the upcoming midterm elections, 86% stated that their financial situations are at least somewhat influential in their voting decisions, with almost half (49%) stating it plays a large role in their decision to vote.

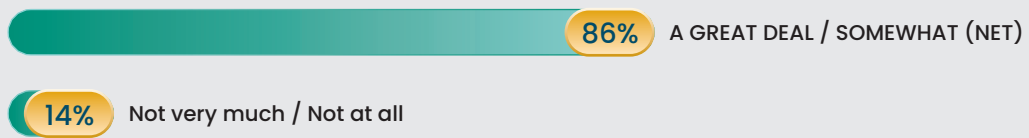
Do you plan to vote, or have you already voted, in the midterm elections?



### How much does your financial situation factor into your decision to vote in the 2022 midterm elections?



**QuickFacts**



NOTE: Answers of 681 respondents who have voted or plan to vote in the November 2022 elections.

And renters do not expect the rent increase to stop anytime soon. More than half (53%) anticipated a rent hike of an average of 31% in the next year..

### How much, if at all, do you anticipate your rent will increase over the next 12 months?

	Total
I do not anticipate my rent to increase at all	47%
1%-19%	18%
20%-50%	12%
More than 50%	23%
<b>QuickFacts</b>	
ANTICIPATES A RENT INCREASE (NET)	53%
AVERAGE (AMONG THOSE WHO ANTICIPATE A RENT INCREASE)	31%

Higher rents also make finding a new apartment more difficult. When asked how easy or hard it would be to find an apartment in their price range, 64% said it would be at least somewhat hard.

### If you needed to find a new apartment today, how easy or hard would it be to find one in your price range?

	Total
Extremely easy	9%
Very easy	7%
Somewhat easy	20%
Somewhat hard	28%
Very hard	20%
Extremely hard	16%
<b>QuickFacts</b>	
EASY (NET)	36%
HARD (NET)	64%
EXTREMELY/VERY HARD (NET)	35%



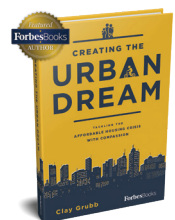
## Survey Background

The Grubb Properties State of the Young American Renter Survey was conducted by Wakefield Research ([www.wakefieldresearch.com](http://www.wakefieldresearch.com)) among 1,000 young apartment renters (defined as renters ages 22-35), between September 16th and September 29th, 2022, using an email invitation and an online survey. The data was weighted to ensure an accurate representation of young apartment renters ages 22-35. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## About Grubb Properties

Grubb Properties, founded in 1963, is a vertically integrated real estate fund manager focused on the Essential Housing space through its Link Apartments<sup>SM</sup> brand. The company targets residents earning between 60% and 140% of local area median income (AMI), directly addressing a growing crisis for essential housing, while providing residents with exceptional living spaces. Grubb Properties maintains a long-term perspective and its careful and measured approach to real estate investment has delivered resilient and impressive returns. Grubb Properties has received numerous sustainability designations and recognitions, and undergoes annual ESG assessments through GRESB. For more information, visit [www.grubbproperties.com](http://www.grubbproperties.com).

Grubb Properties' CEO Clay Grubb is the author of the book "Creating the Urban Dream: Tackling the Affordable Housing Crisis with Compassion."



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