



# NRHC *Fact Book* on the Georgia Single-Family Rental Home Market

Prepared by the National Rental Home Council  
[www.rentalhomecouncil.org](http://www.rentalhomecouncil.org)

# Rental housing is in higher demand than ever before

According to the Harvard Joint Center for Housing Studies report, *America's Rental Housing 2022*, **the number of new renter households increased by more than 870,000** since the beginning of the COVID health pandemic. The report identifies five causes for the surge in demand for rental housing:

1. Large number of millennials moving through their 20s and 30s: *ages where renting is most common*
2. Rapid growth of older renters: *baby boomers aging into their 60s and 70s*
3. Sharp rise in rentership between 2009 and 2019 for younger and middle-aged households: *signaling delayed transitions to homeownership*
4. The growing popularity of renting among older households: *contributing to increases in both the number and share of higher-income renters*
5. The increasing diversity of U.S. households: *lifting demand for rental housing*

Single-family rental homes account for **half of all rental housing in the United States** and play a critical role in meeting the housing needs of millions of Americans.

Institutional owners, though a small part of the overall SFR market, bring much-needed capital, liquidity, and property management expertise to the rental housing market. In the process, they provide Americans with more options for stable, quality, and affordable housing in neighborhoods that might otherwise not be accessible to them.

# What's driving the *single-family* rental housing market?

- Supply is the main issue. Even though more homes were purchased in 2021 than during any of the previous 15 years, **the supply of homes has not kept pace with demand**.
- According to the Bipartisan Policy Center, **65,000** entry-level homes were built in 2020. In the 1970s, the building of entry-level homes routinely surpassed 420,000 per year.
- An extended period of **historically low interest rates** accelerated homeownership for many Americans — especially millennials, who are entering prime family formation years.
- Supply pressures have been particularly acute in the rental housing market. Over the past five years, while the amount of owner-occupied housing has increased more than 10%, **the amount of rental housing has increased just over 1%**. (Census Bureau)
- The Great Migration saw **1 in 10 Americans moving to a new market** during 2020. Population migration leads to greater demand for rental housing.

# According to Freddie Mac, the factors driving home price appreciation include:

1. **Record low mortgage rates** in 2020 and 2021, and the race to beat future rate increases;
2. **Limited supply** from underbuilding and below average distressed sales;
3. An **increase in first-time homebuyers** due to favorable age demographics; and
4. **Increased migration** from high-cost cities to areas that already had a housing shortage.

# Regarding investor purchases, Freddie Mac found...

- “Investor purchases are **only modestly elevated** and are of secondary importance to first-time homebuyers.”
- “...large corporate investors—iBuyers and institutional investors— **have only been about 4% of the market since 2021**. Even that overstates their impact since iBuyers put homes back on the market—and therefore are not decreasing the supply of homes available.”
- “...institutional and small investors both **heavily target under-market-value homes that need more repair** than what most first-time homebuyers are willing to invest. Half of institutional investor purchases in 2020 were priced below the lower quartile price paid by first-time homebuyers.”

# Freddie Mac data has shown the share of purchases by first-time homebuyers has been *increasing* since 2006

EXHIBIT 5

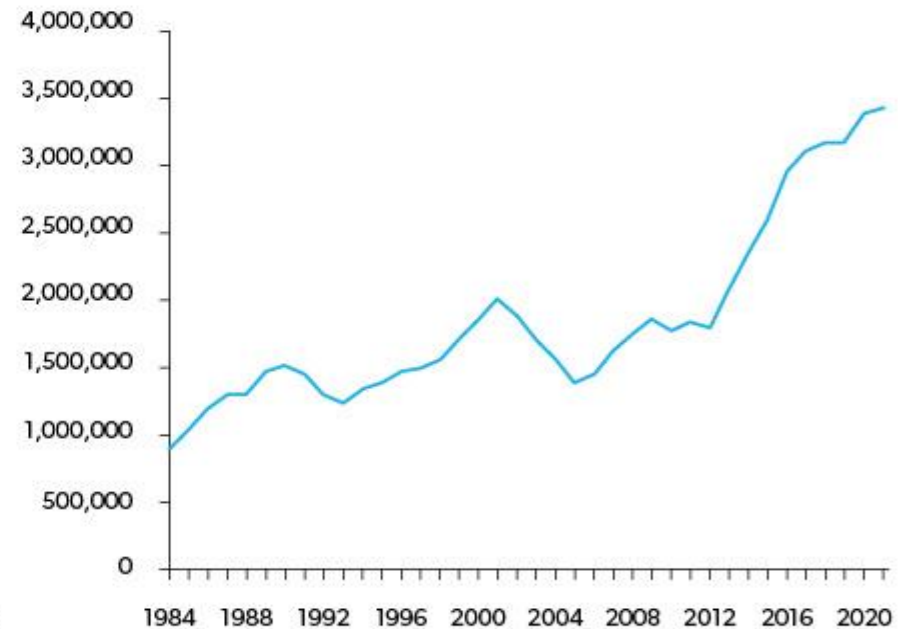
Freddie Mac first-time home buyer share



Sources: Freddie Mac/ Census CES.

EXHIBIT 6

Number of renters households between 25 and 44 years old earning > \$75k



Source: Freddie Mac, What's Drove Home Price Growth and Can it Continue

# Single-Family Rental Homes *in Georgia*

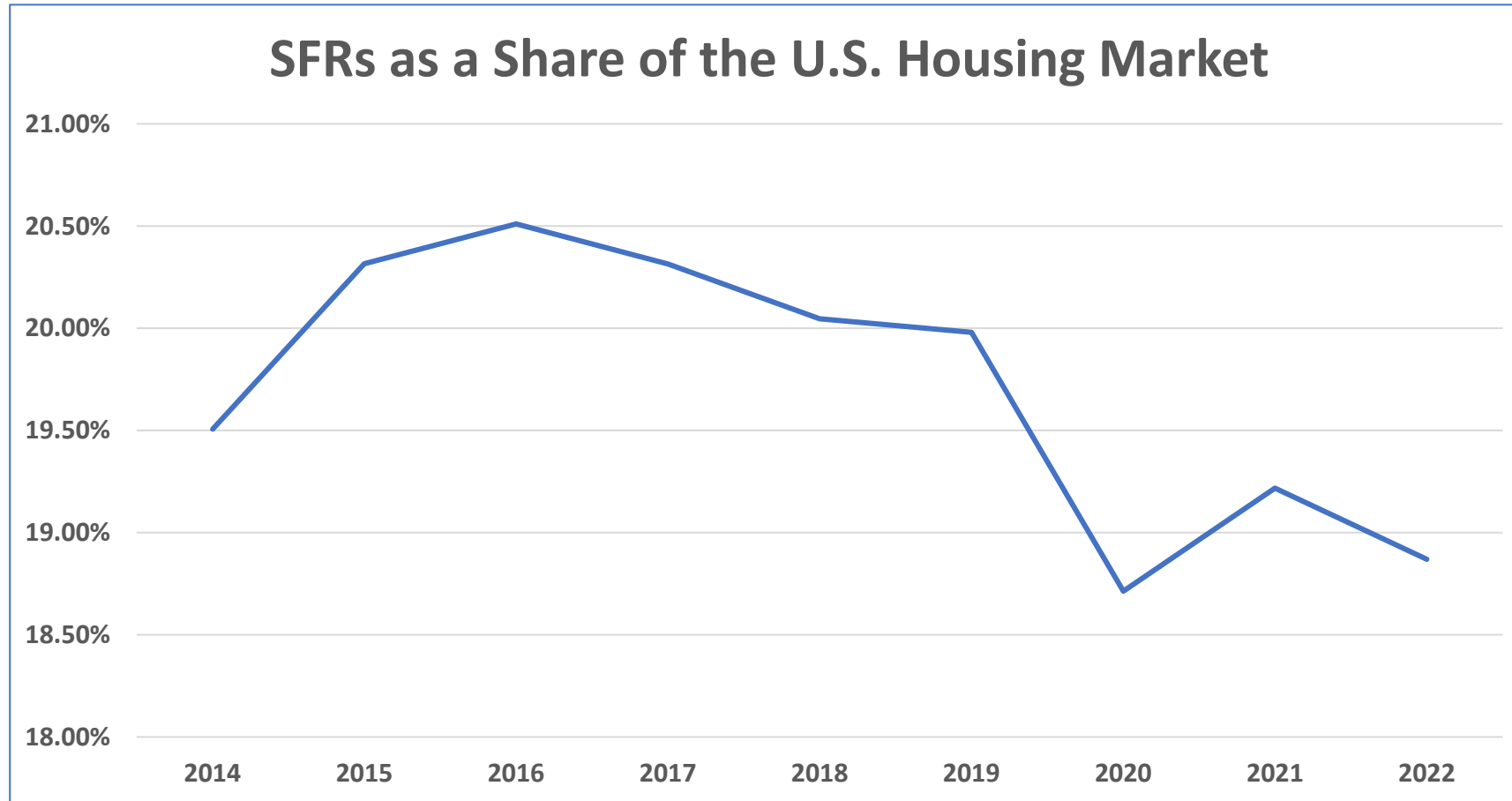
Number of homes owned by NRHC member companies statewide	37,362
Total single-family rental homes in Georgia	726,368
% of single-family rental homes owned by NRHC member companies	5.14%
Total housing units in Georgia	4,378,391
% of total housing owned by NRHC member companies	0.85%



Fact: if all single-family rental homes in Georgia owned by NRHC member companies (37,362) were located in the Atlanta metro area, then NRHC member companies would own just **1.58%** of the housing in the market (*based on 2,364,761 homes in metro Atlanta*).

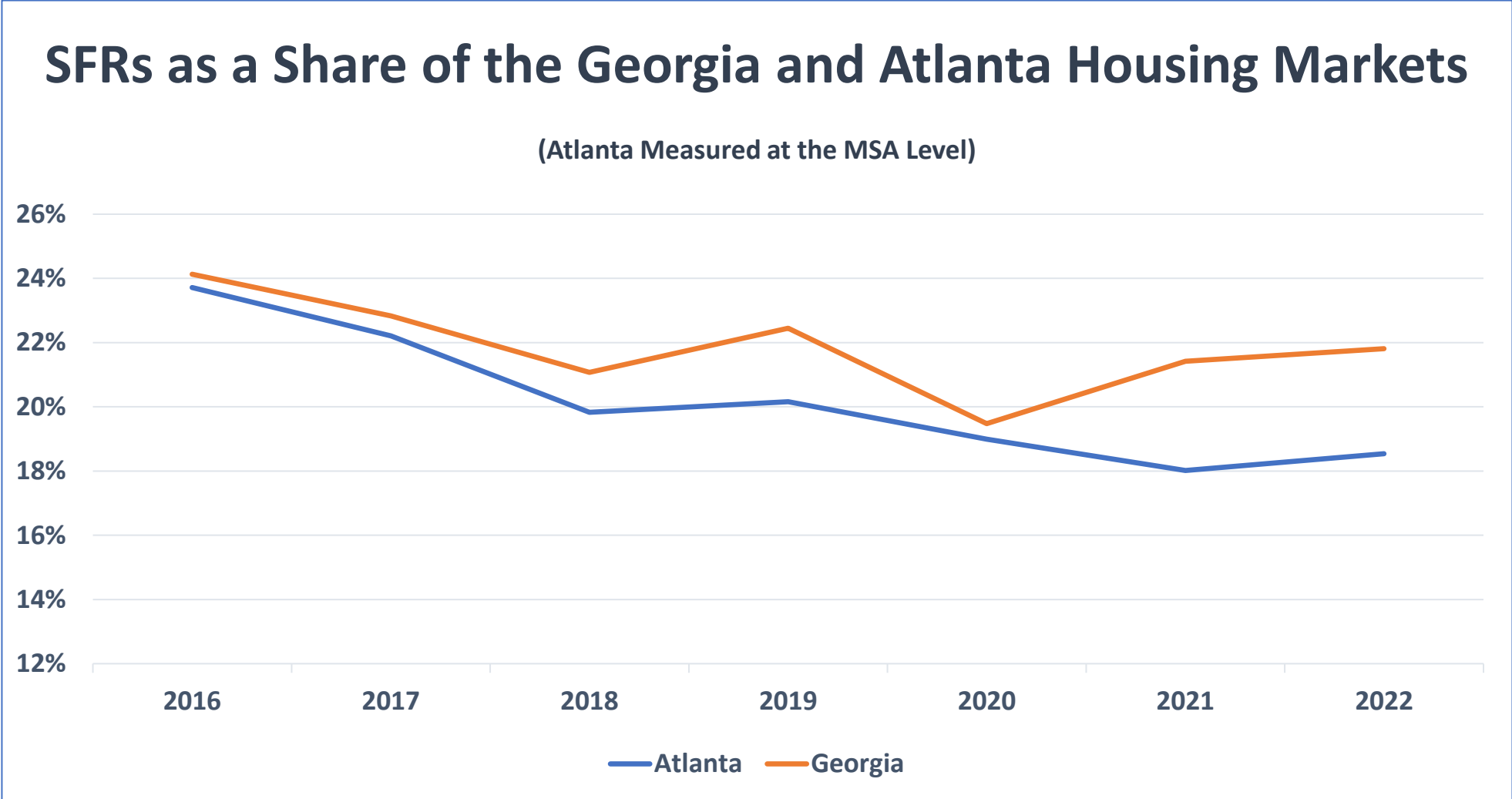


# As a share of the overall housing market, there is **less** single-family rental housing than there was in 2016



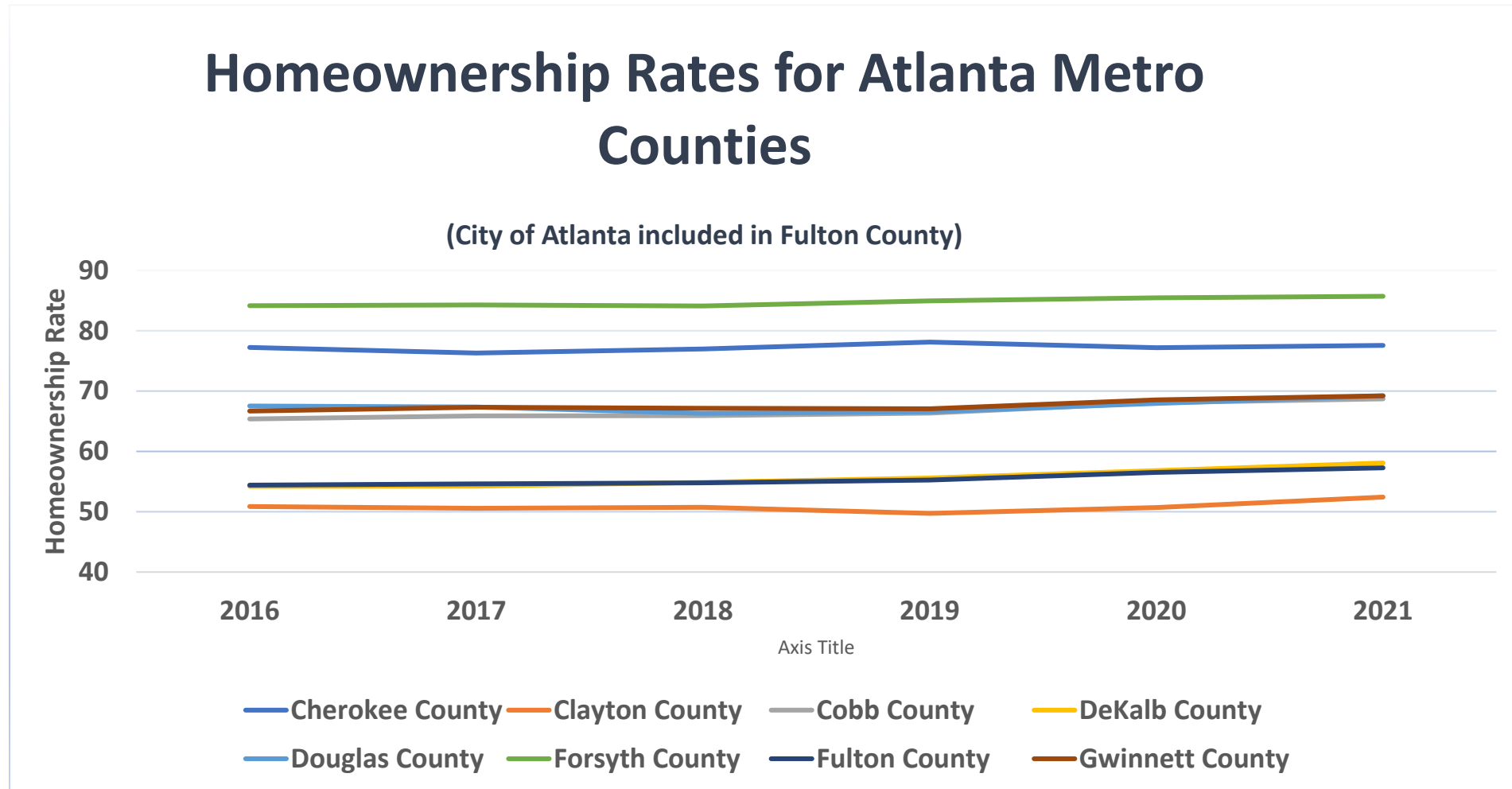
*Sources: Annual Social and Economic Supplement of the Current Population Survey, US Census Bureau, IPUMS, National Rental Home Council; Data are Through 2022*

# As a share of the overall housing markets in Georgia and Atlanta, there is **less** single-family rental housing than there was in 2016



Sources: Annual Social and Economic Supplement of the Current Population Survey, US Census Bureau, IPUMS, National Rental Home Council; Data are Through 2022

# Homeownership rates are **higher** in all eight counties in the Atlanta region than they were in 2016

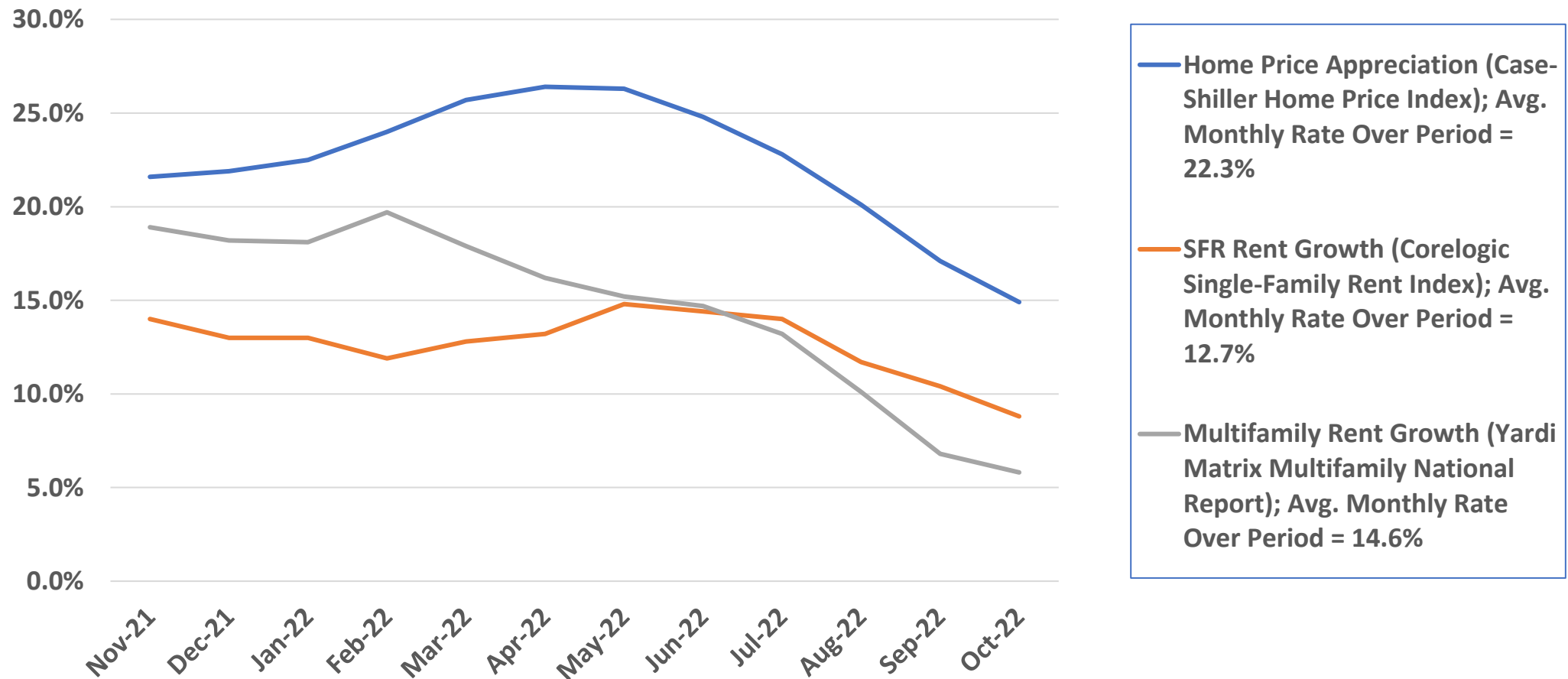


Source: Federal Reserve Bank of St. Louis; FRED Economic Data

# Price appreciation for single-family rentals **trailed** both home price appreciation and apartment price appreciation through 2022

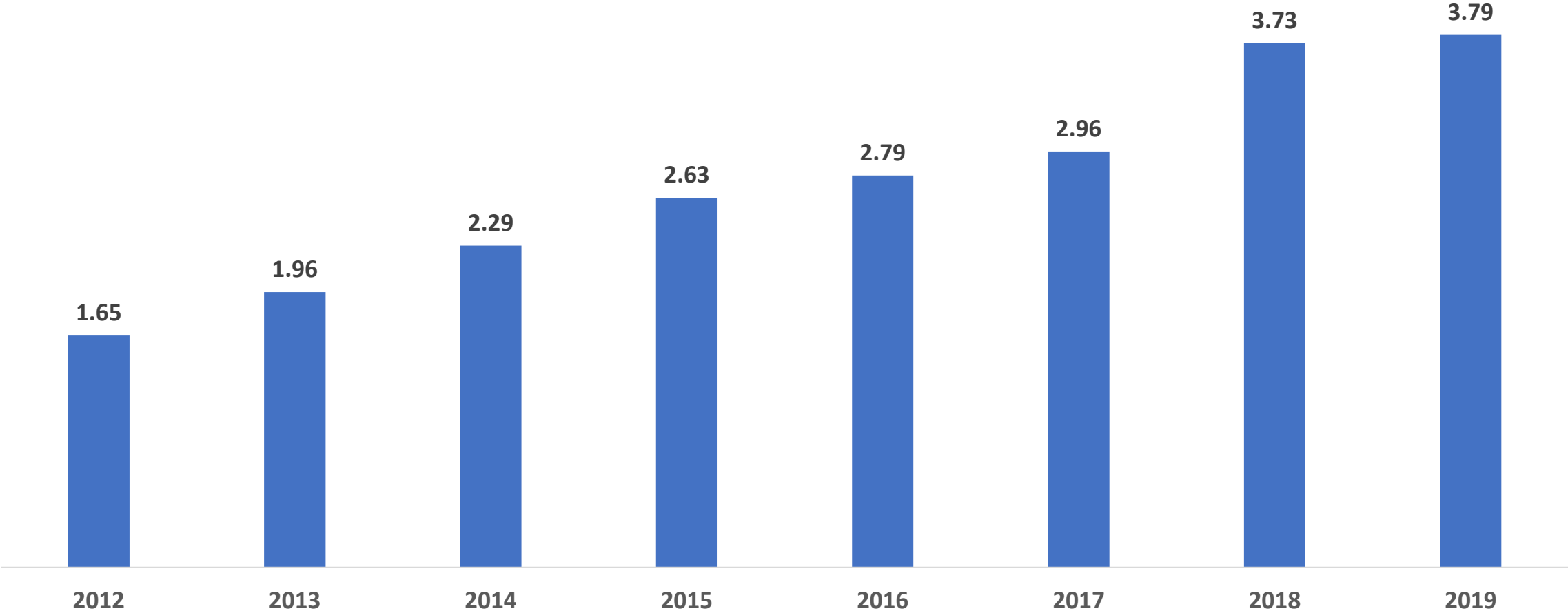
## Monthly Change in the Price of Housing in Atlanta

Home Prices, SFR Rents, Multifamily Rents



# Housing markets across the US continue to be impacted by a growing **undersupply** of homes

## U.S. Housing Underproduction (millions)



Source: Up For Growth, 2022 Housing Underproduction in the U.S.

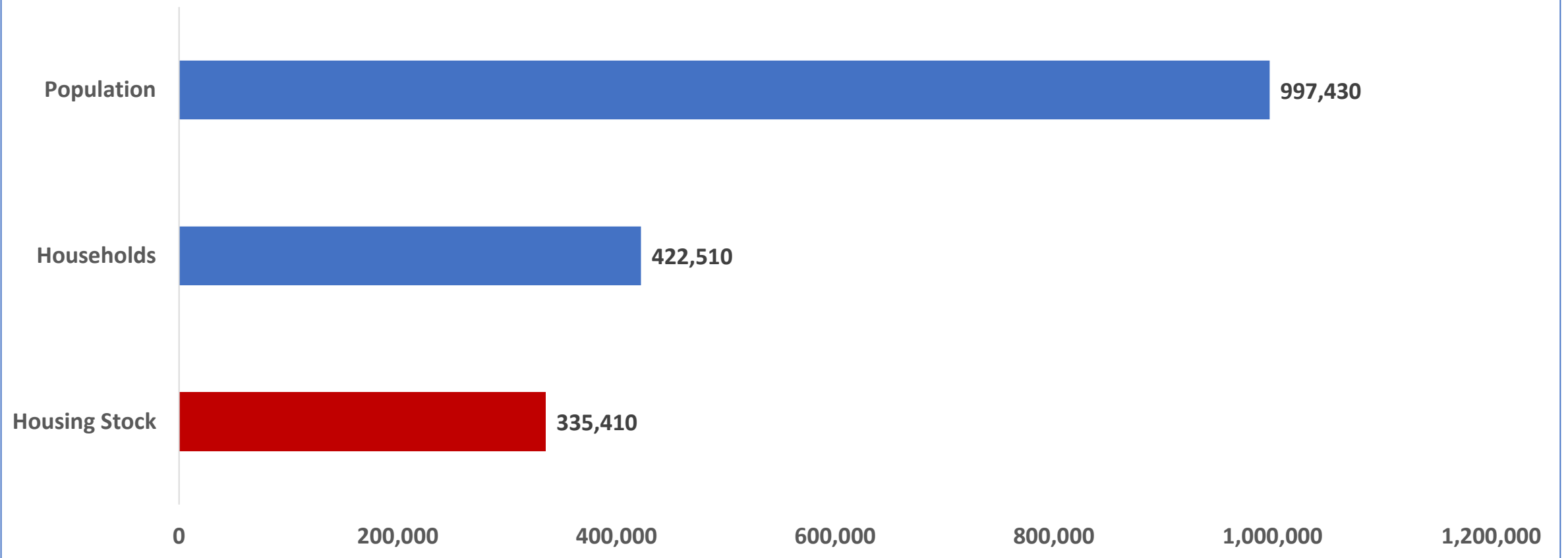
# Of 309 metro areas, Atlanta is the 9<sup>th</sup> most undersupplied housing market in the United States

Rank	MSA	Amount of Housing Underproduction
1	Los Angeles-Long Beach-Anaheim, CA	388,874
2	New York-Newark-Jersey City, NY-NJ-PA	342,144
3	Miam-Fort Lauderdale-Pompano Beach, FL	189,301
4	Washington-Arlington-Alexandria, DC-VA-MD-WV	156,597
5	Riverside-San Bernardino-Ontario, CA	153,372
6	Chicago-Naperville-Elgin, IL-IN-WI	129,218
7	San Francisco-Oakland-Berkeley, CA	114,000
8	Phoenix-Mesa-Chandler, AZ	108,564
9	<b>Atlanta-Sandy Springs-Alpharetta, GA</b>	<b>97,538</b>
10	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	89,949

Source: Up For Growth, 2022 Housing Underproduction in the U.S.

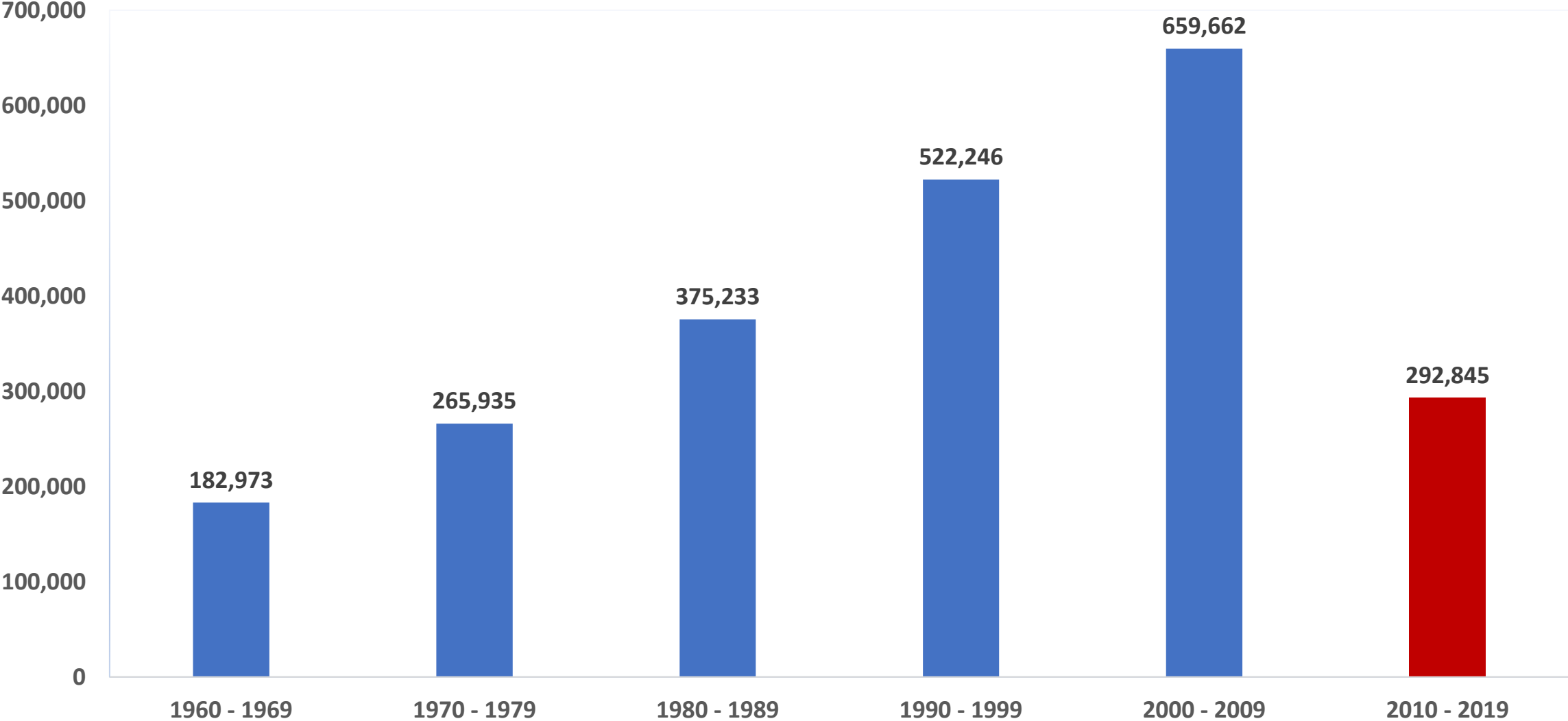
# The growth in Georgia's housing stock has not kept pace with population growth or household formation

## Georgia Statewide Increases in Population, Households, Housing Stock, 2010 - 2020



Source: Bipartisan Policy Center: J. Ronald Terwilliger Center for Housing Policy

# Single-Family Housing Permits by Decade: Georgia



Source: Bipartisan Policy Center: J. Ronald Terwilliger Center for Housing Policy

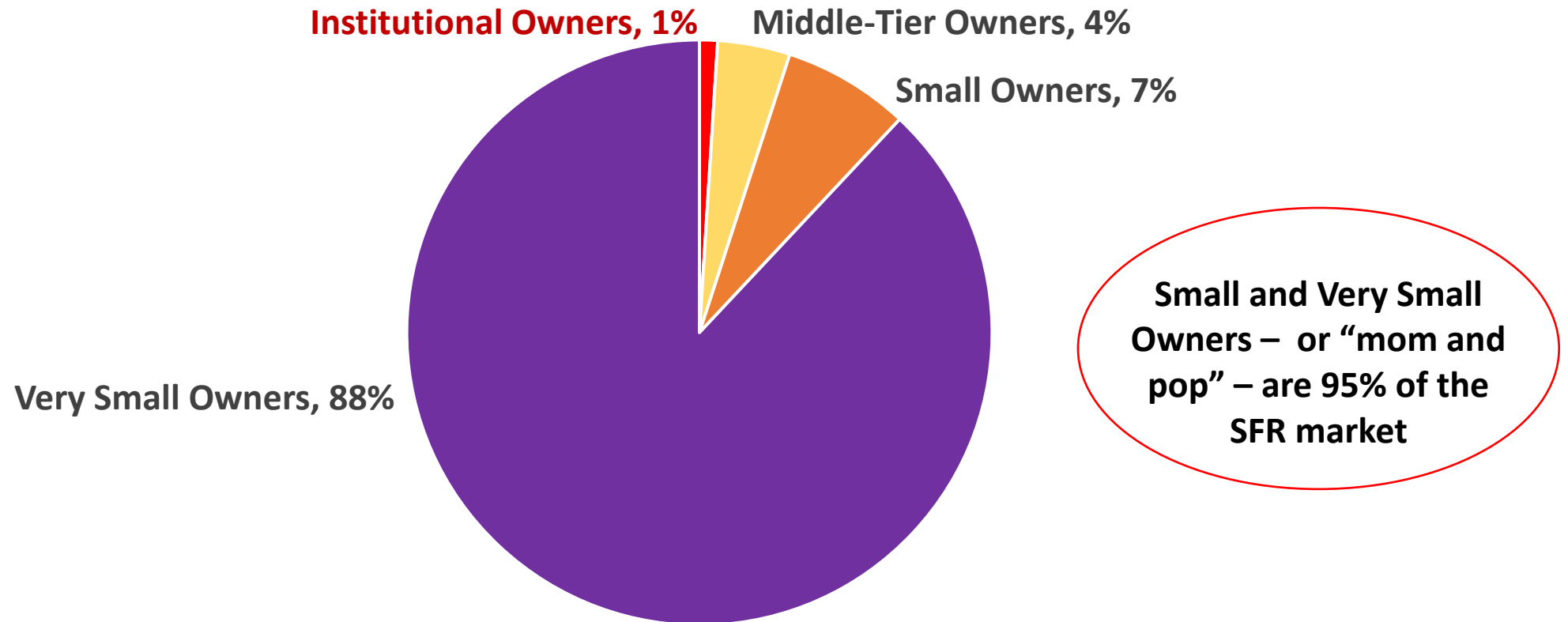


**Nearly 6,000 units of new single-family rental homes are under construction or in development across the state of Georgia**

	<b>Units</b>
<b>Planned</b>	<b>2,265</b>
<b>Prospective</b>	<b>1,878</b>
<b>Under Construction</b>	<b>1,834</b>
<b>Total</b>	<b>5,977</b>

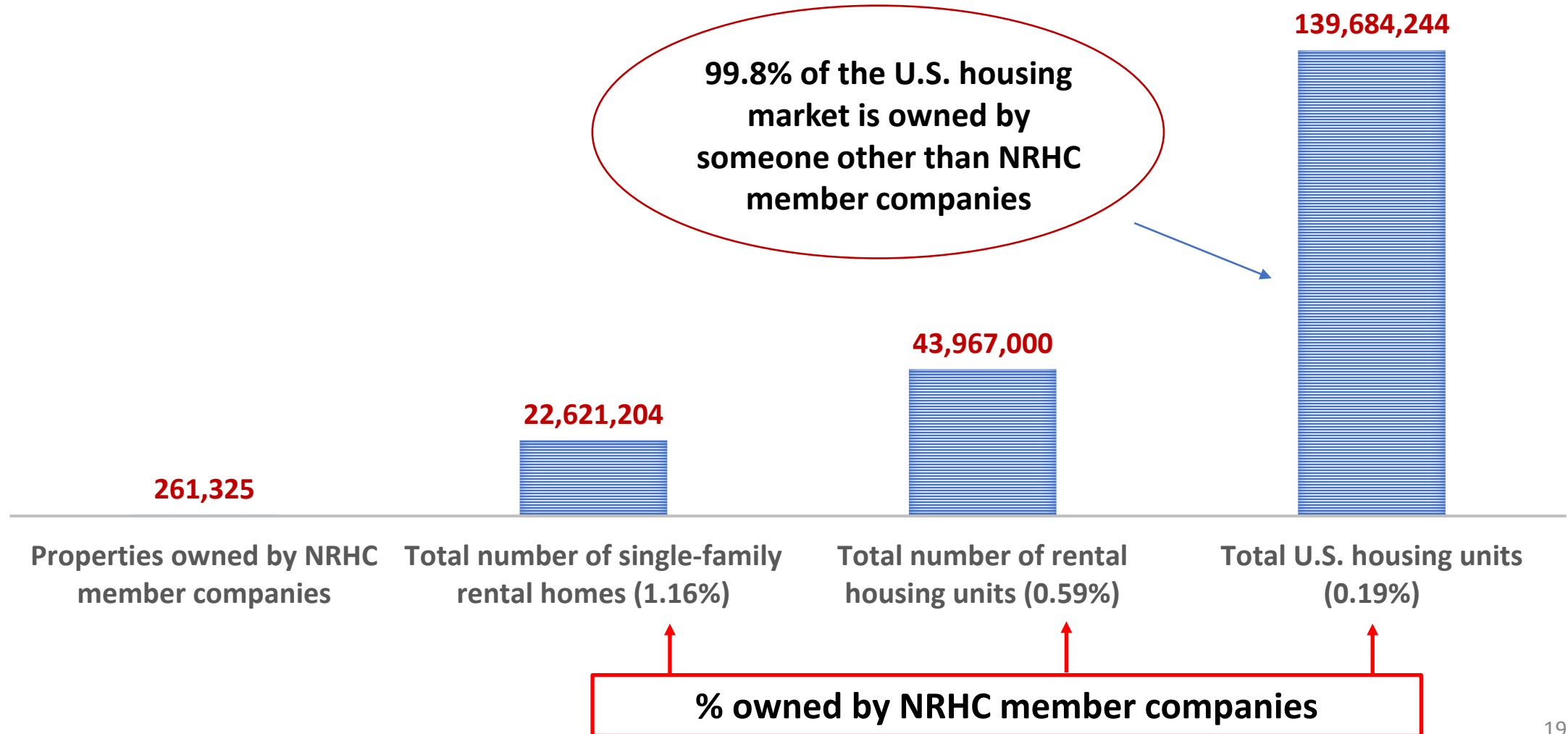
*Source: Yardi Matrix*

# Who owns America's single-family rental homes?

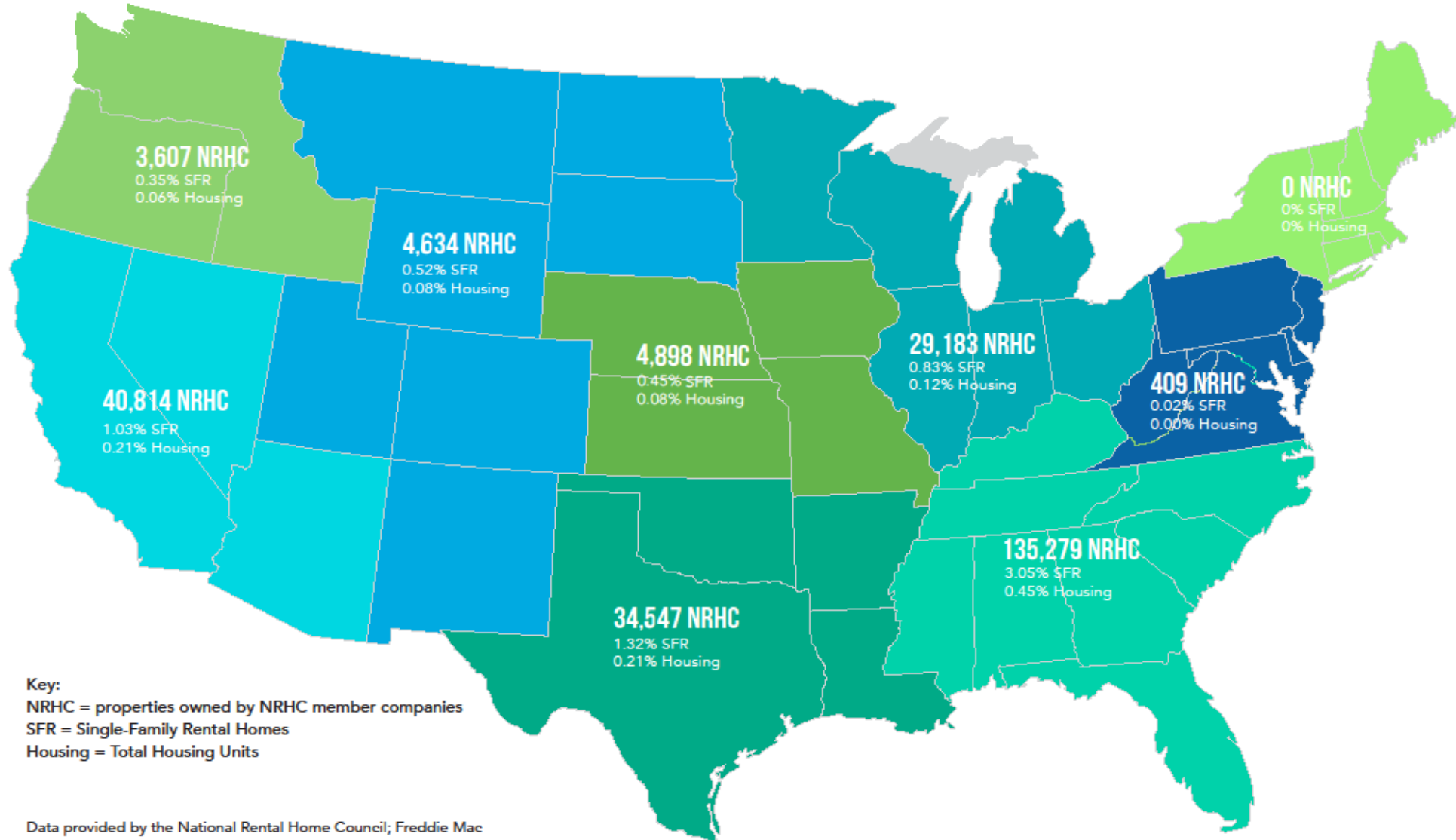


*Single-Family Rental: An Evolving Market,*  
Freddie Mac, December 2018.

# Institutional SFR owners account for just **0.2%** of America's housing market



# 'INSTITUTIONALLY-OWNED' SINGLE-FAMILY RENTAL HOMES BY US REGION



Key:  
NRHC = properties owned by NRHC member companies  
SFR = Single-Family Rental Homes  
Housing = Total Housing Units

Data provided by the National Rental Home Council; Freddie Mac

# Institutions play a **much smaller role** in the single-family rental home market than the multifamily market

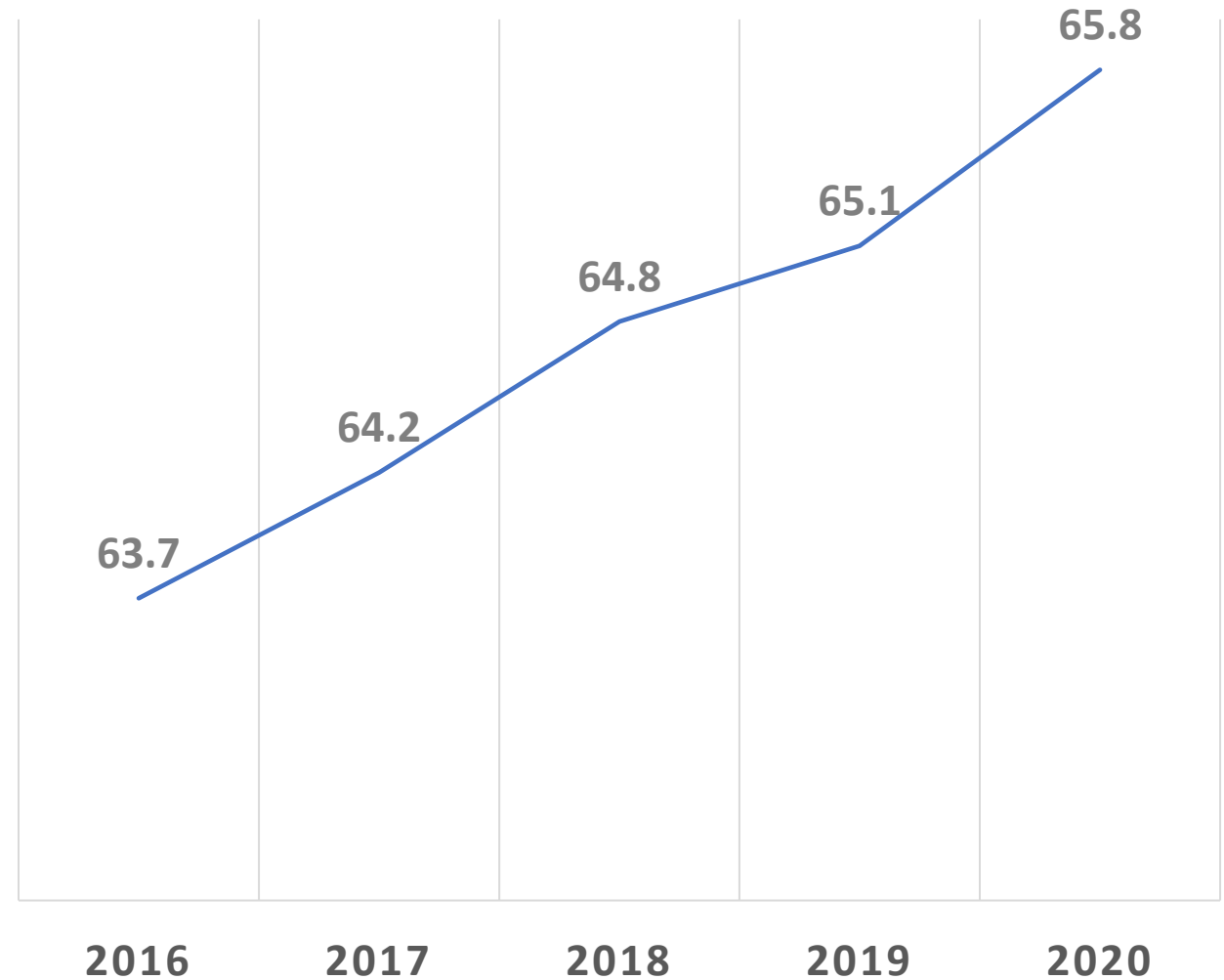


	Single-Family Rental Housing	Multifamily Rental Housing
Est. % owned by institutions	< 2%	> 50%
Institutions owning 50,000 or more housing units	3	21
Institutions owning 20,000 or more housing units	6	50
Housing units owned by <i>all</i> SFR institutions vs. housing units owned by 50 largest MF institutions	350,000	2,211,000
Housing units started 4Q2020 – 3Q2021	47,000	424,000

# The largest companies play a tiny role within the SFR industry

<b>Industry</b>	<b>Largest Institutions</b>	<b>Combined Market Share</b>
<b>Smart phones</b>	<b>Apple, Samsung, Lenovo</b>	<b>90%</b>
<b>Air travel</b>	<b>American, Southwest, Delta</b>	<b>52%</b>
<b>Food purchases</b>	<b>Walmart, Amazon, Kroger</b>	<b>50%</b>
<b>Banking (deposits)</b>	<b>Bank of America, JPMorgan Chase, Wells Fargo</b>	<b>31%</b>
<b>Single-family rental homes</b>	<b>Invitation Homes, Progress Residential, American Homes 4 Rent</b>	<b>&lt; 1%</b>

Since 2016, a period when institutional owners have presumably been most active in the U.S. housing market, **the national homeownership rate increased each year.**



## Caring for Residents

NRHC's five largest member companies each have an **A+ rating** by the Better Business Bureau (*American Homes 4 Rent, FirstKey Homes, Invitation Homes, Progress Residential, Tricon Residential*)

The adept use of customer care technology has enabled companies to respond quickly and efficiently to resident needs. Many companies have offered **24-7 customer service** for residents, a continuing standard of care made possible during the COVID crisis through the effective use of remote-work technology employed by call center personnel.