



# Let's Get Local

**NAA AND ZILLOW DEEP DIVE INTO LOCAL MARKETS**



# Speakers



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**CHIEF OPERATION OFFICER, NAA**



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**ECONOMIST, HOTPADS**

# NAA Research Overview



The NAA aims to serve as **a trusted, preeminent resource for all stakeholders in the rental housing industry through advocacy, education and collaboration**. Our internal research team is a big part of this and conducts key initiatives across the country, including:

- Researching barriers to construction
- Asking public and private sector respondents to rate apartment development approval processes
- Identifying most significant issues impacting multifamily development
- Identifying markets that are most and least restrictive
- Conducting demand research
- Highlighting need to deliver 4.6 million apartment units by 2030. In 2018 we delivered 375,000

# Zillow Group Research Overview



Zillow Research aims to be **the most open, authoritative source for timely and accurate housing data and unbiased insight**. Our goal is to empower consumers, industry professionals, policymakers and researchers to better understand the housing market. We use all kinds of data for our research, including:

- Repeat Rent Index (measure of inflation over time)
- Gen Z population as an indicator of future demand
- Role of millennials in the current rental market and economy going forward.
- The large number of people (Boomers) at or close to retirement age
- Educational attainment and the rental market

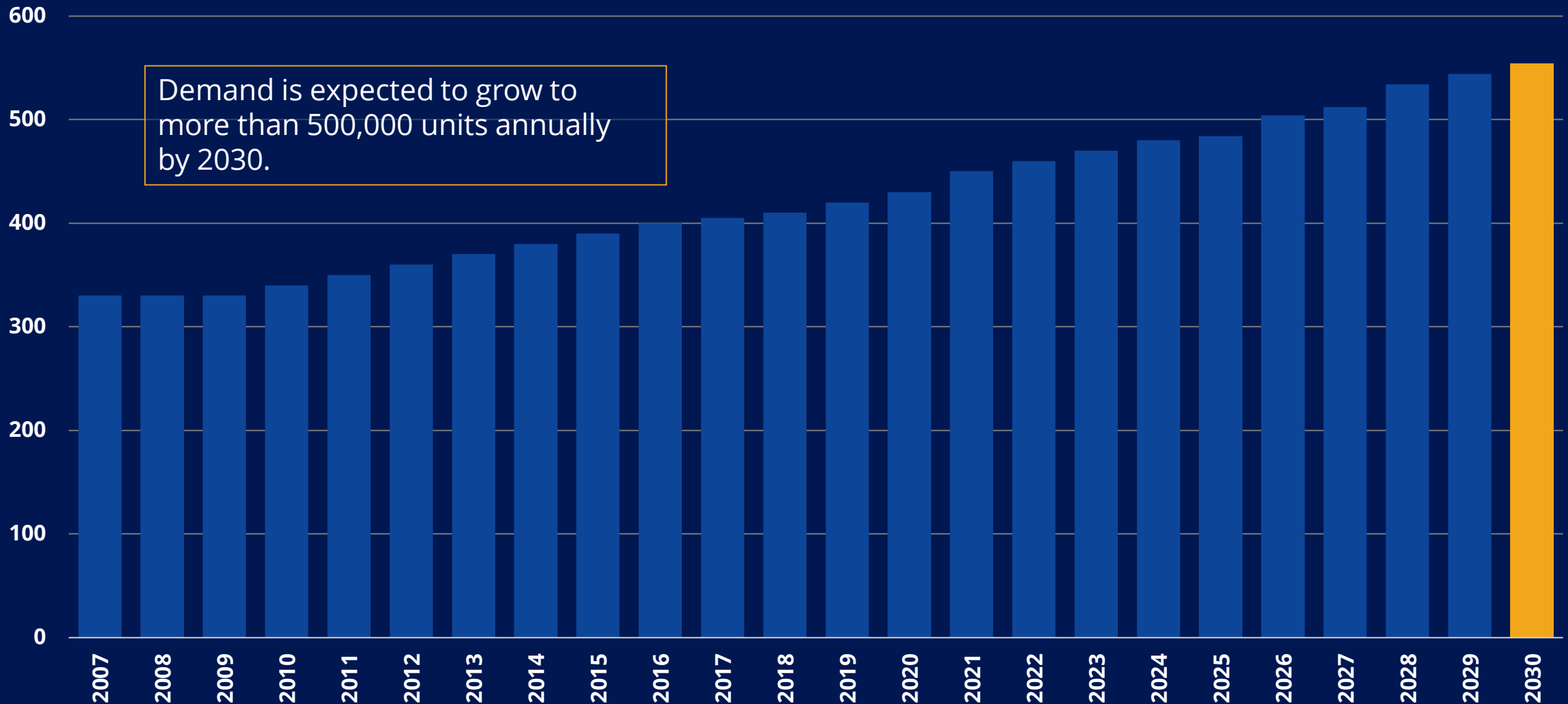




Let's Get Local: **Phoenix**

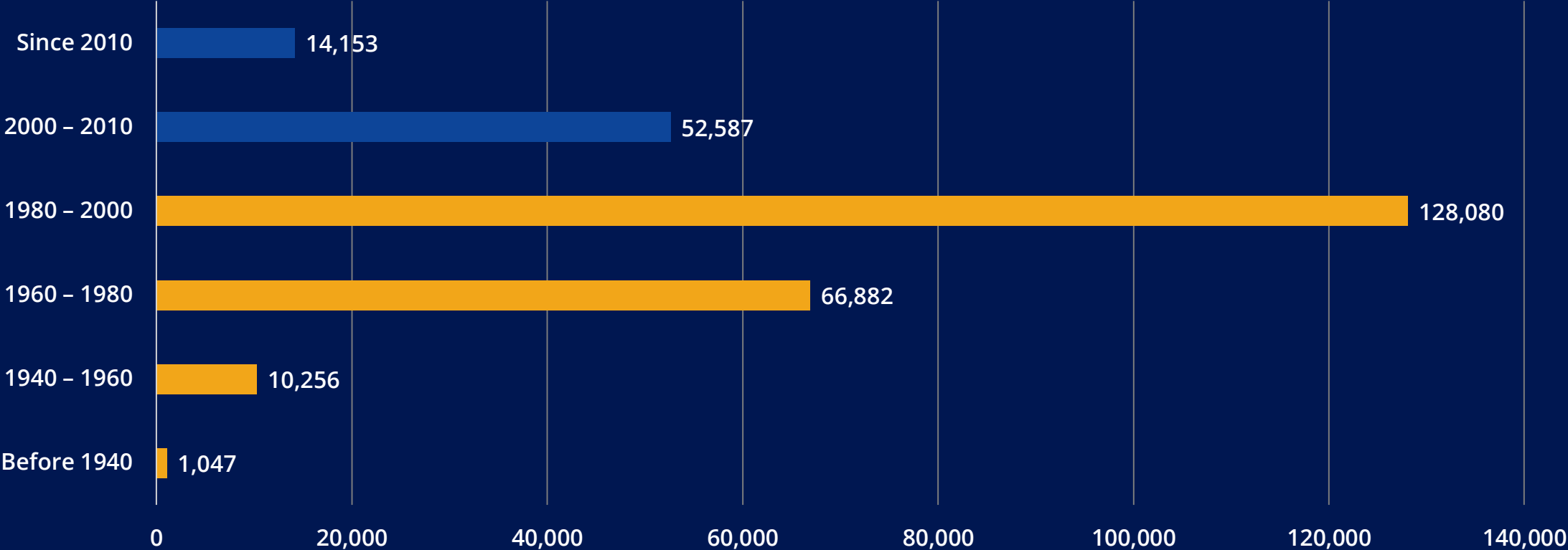
# Strong migrations to Phoenix greatly exceed natural population growth.

## NAA's 5+ Unit Apartment Demand Forecast



# More than 75% of the current multifamily housing stock was built before the year 2000

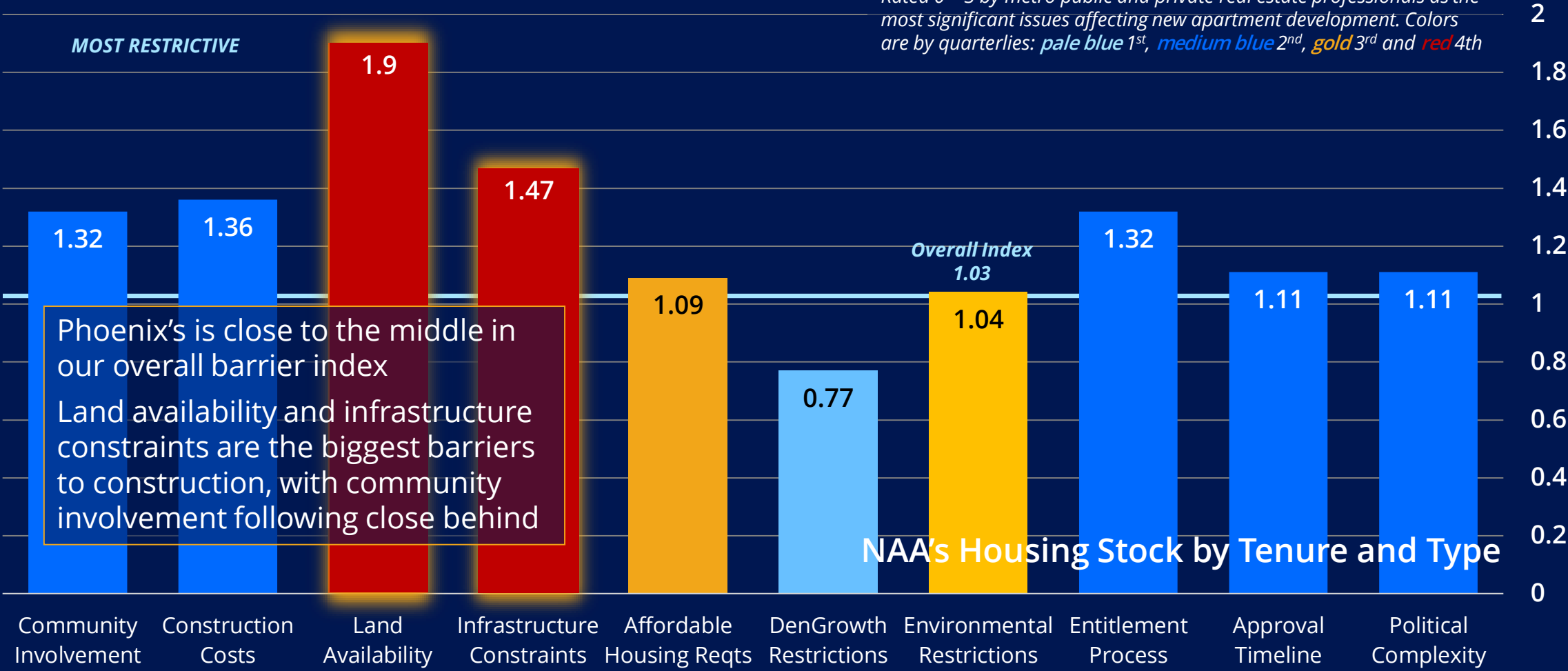
NAA's 5+ Unit Rental Stock by Year Built



# Will restrictions hamper new supply?

## Barriers to Apartment Construction Subindices

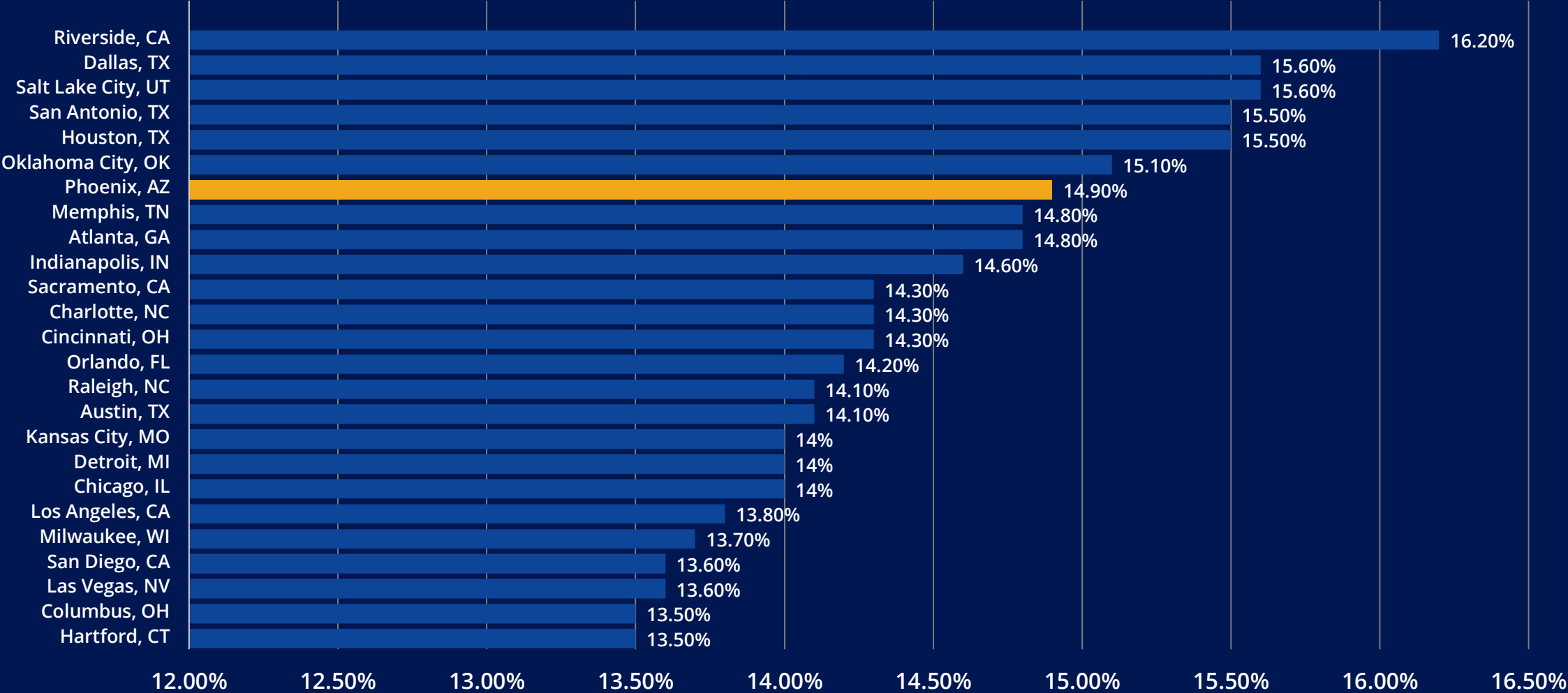
Rated 0 – 3 by metro public and private real estate professionals as the most significant issues affecting new apartment development. Colors are by quarterlies: *pale blue 1<sup>st</sup>, medium blue 2<sup>nd</sup>, gold 3<sup>rd</sup> and red 4<sup>th</sup>*



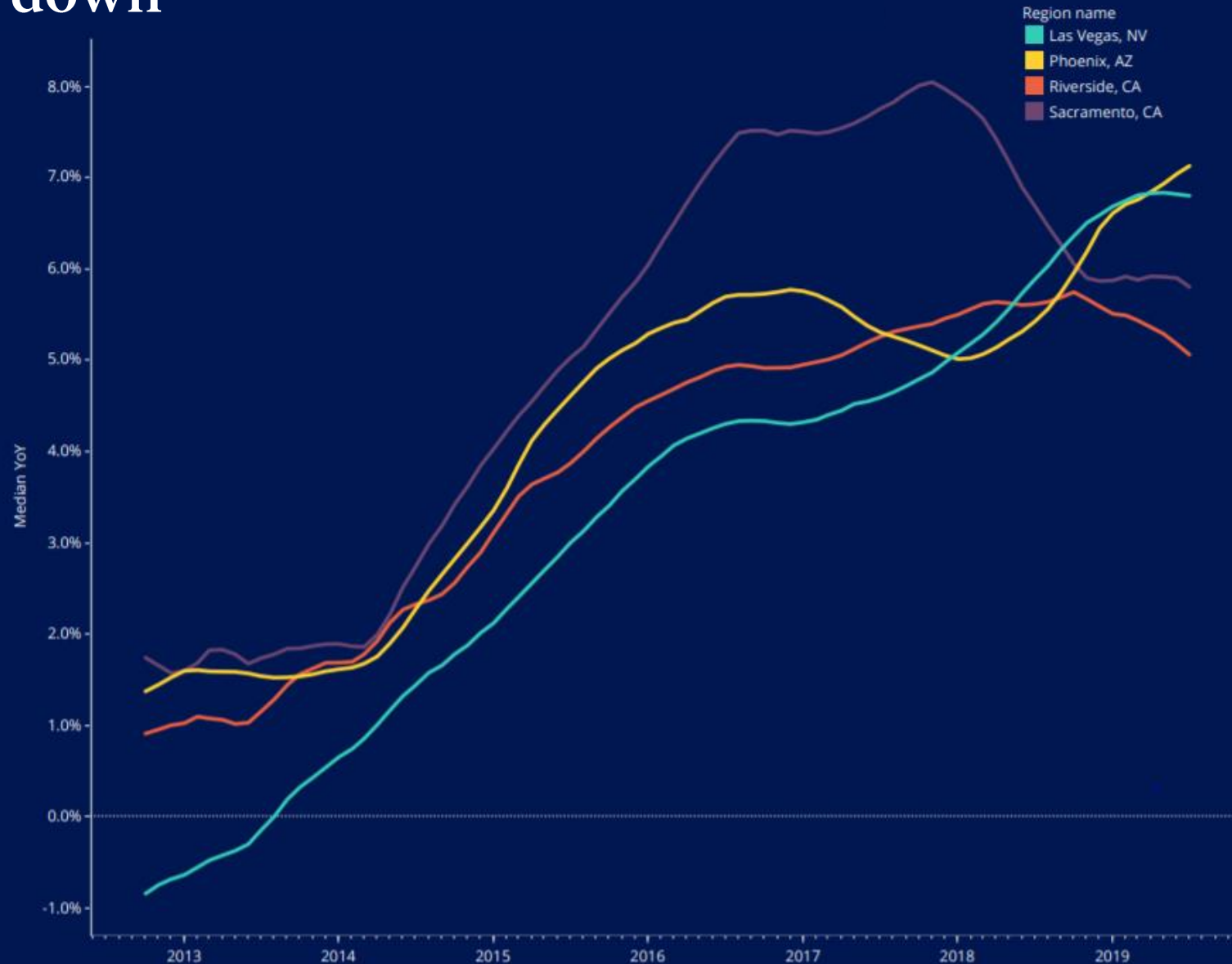


# Phoenix's significant Gen Z population will keep demand up as they age into renting

Share of Population: Gen Z



# Phoenix is increasing in appreciation while other regional markets are slowing down



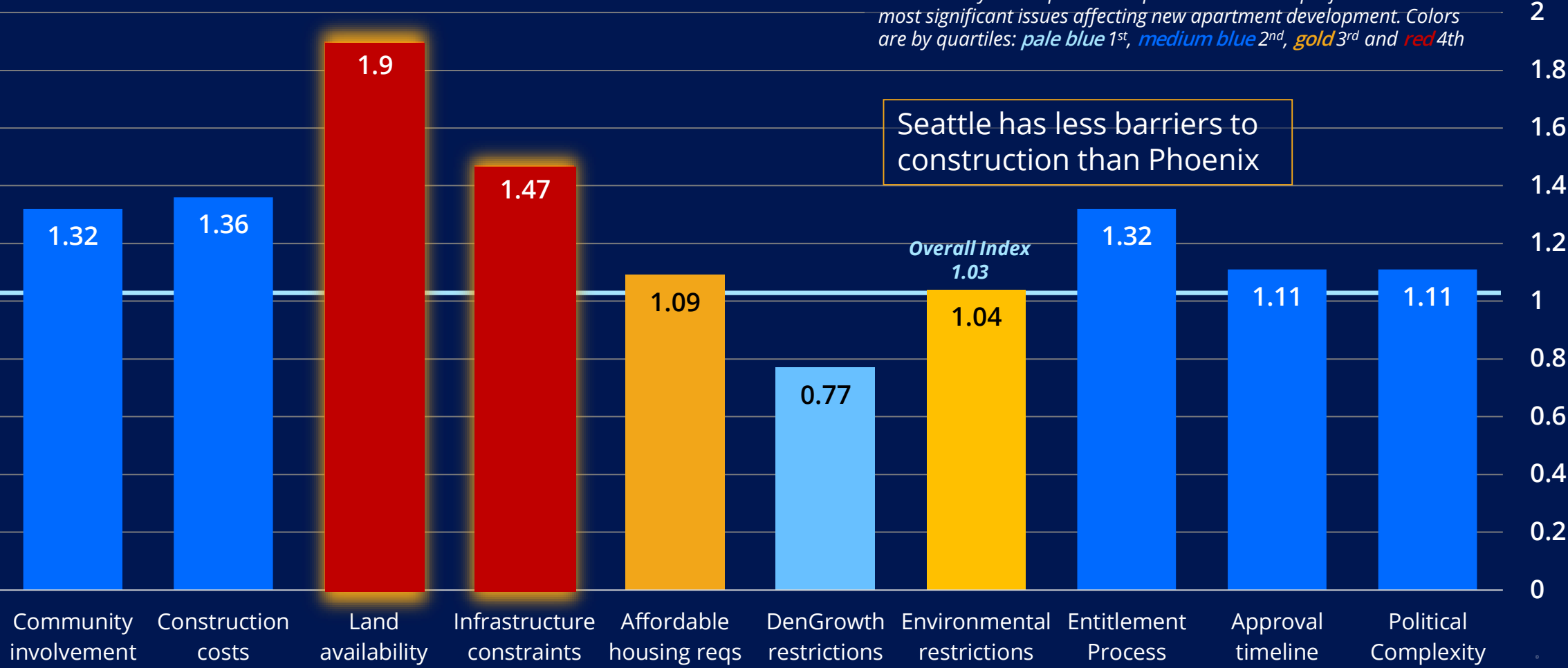


Let's Get Local: **Seattle**

# Is Seattle a favorable market for new construction?

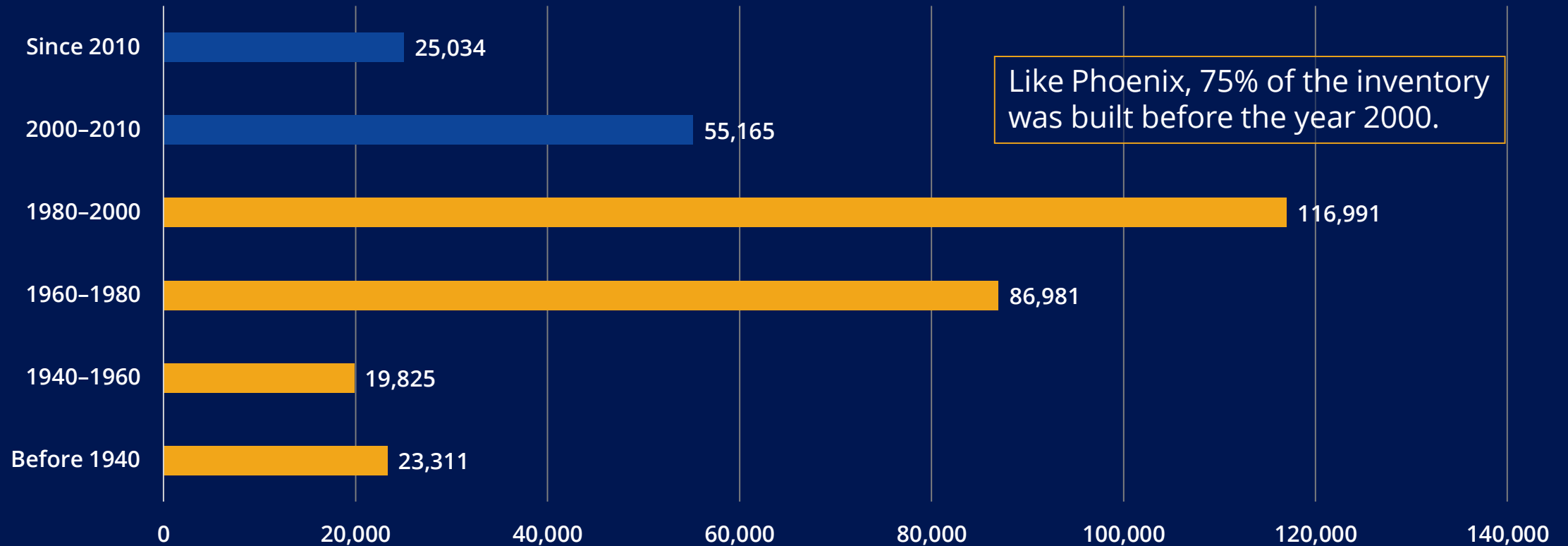
## NAA's Barriers to Apartment Construction Subindices

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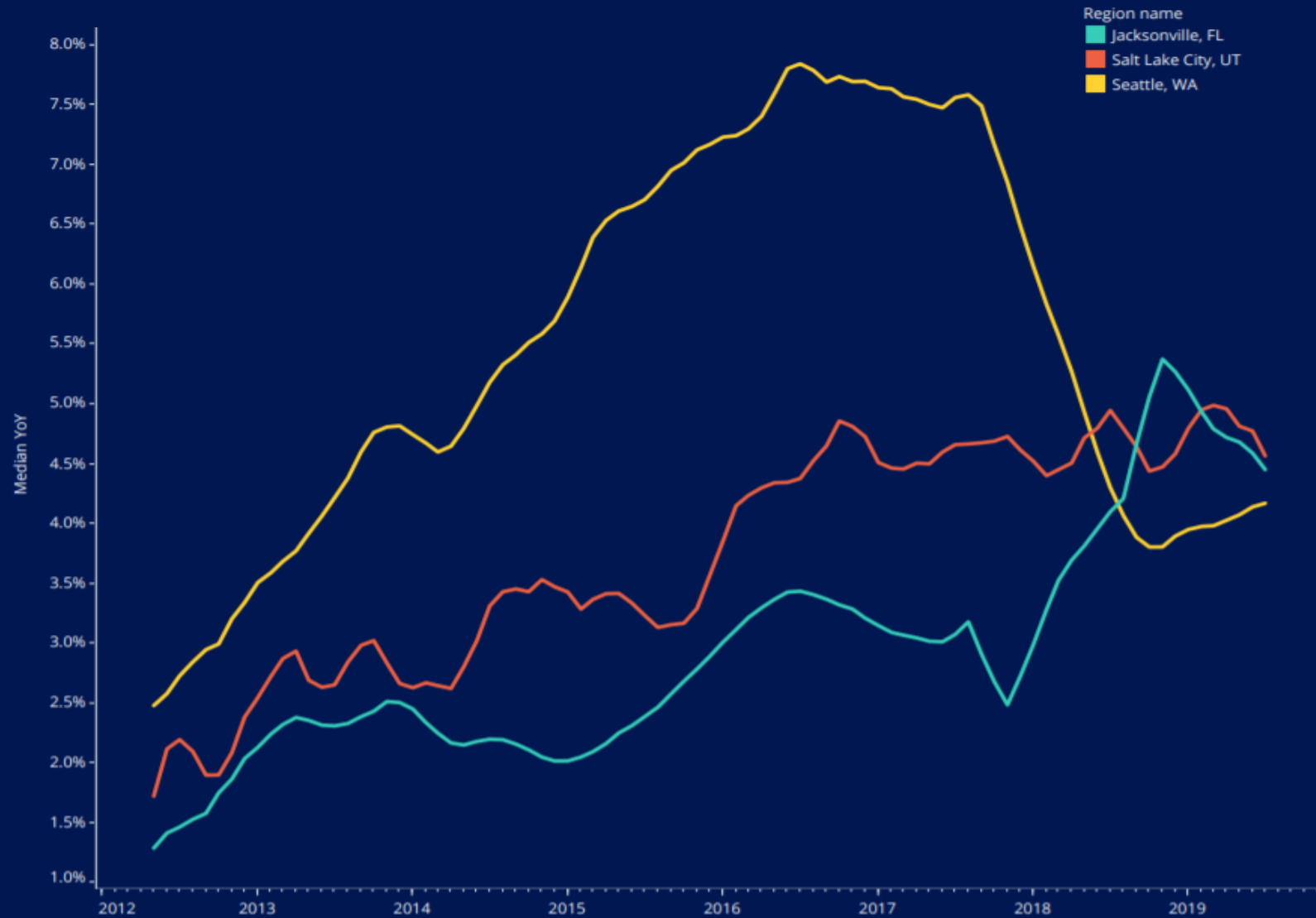


# Is Seattle a favorable market for new construction?

NAA's 5+ Unit Rental Stock by Year Built



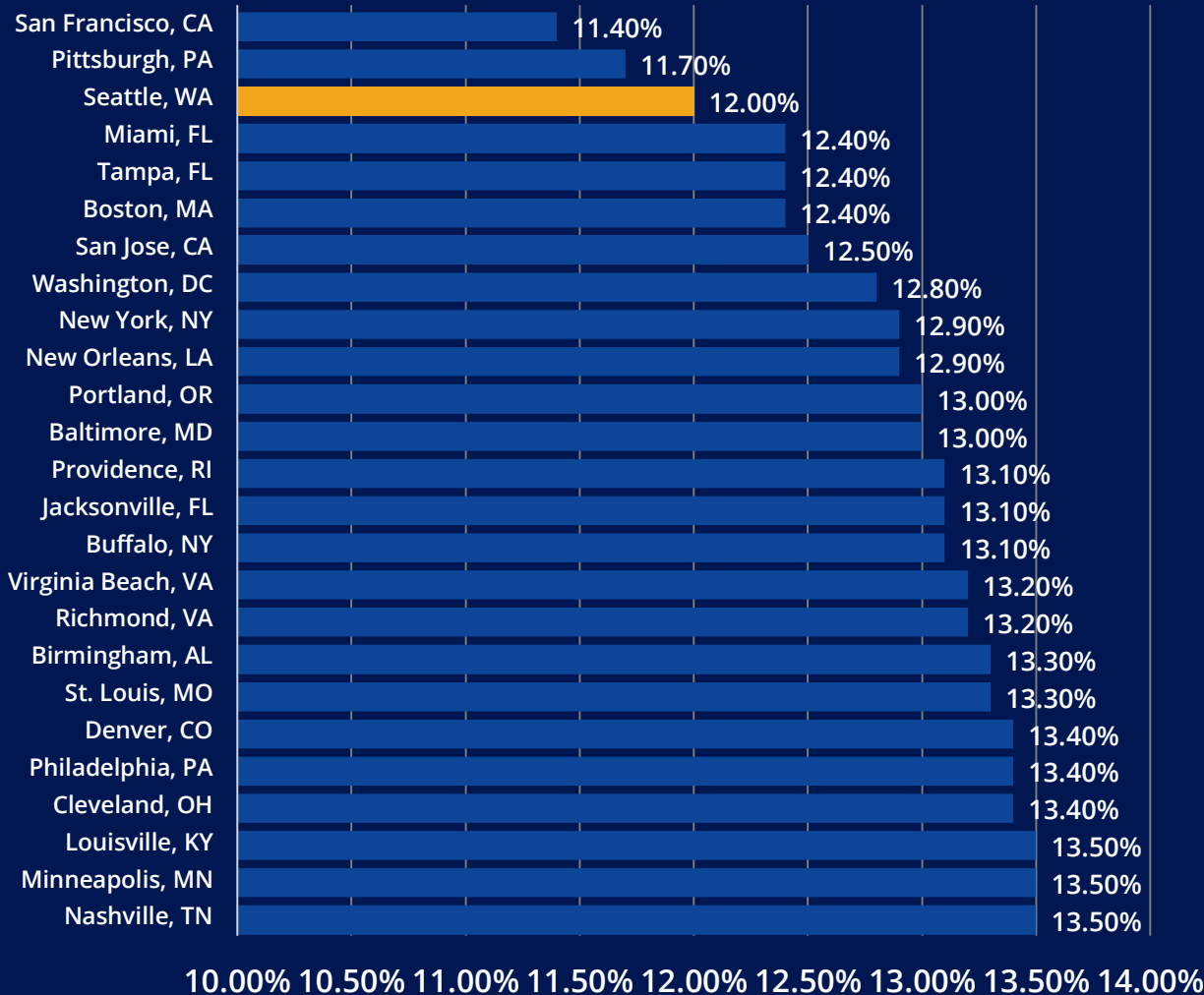
# Seattle poised to enter the top 10



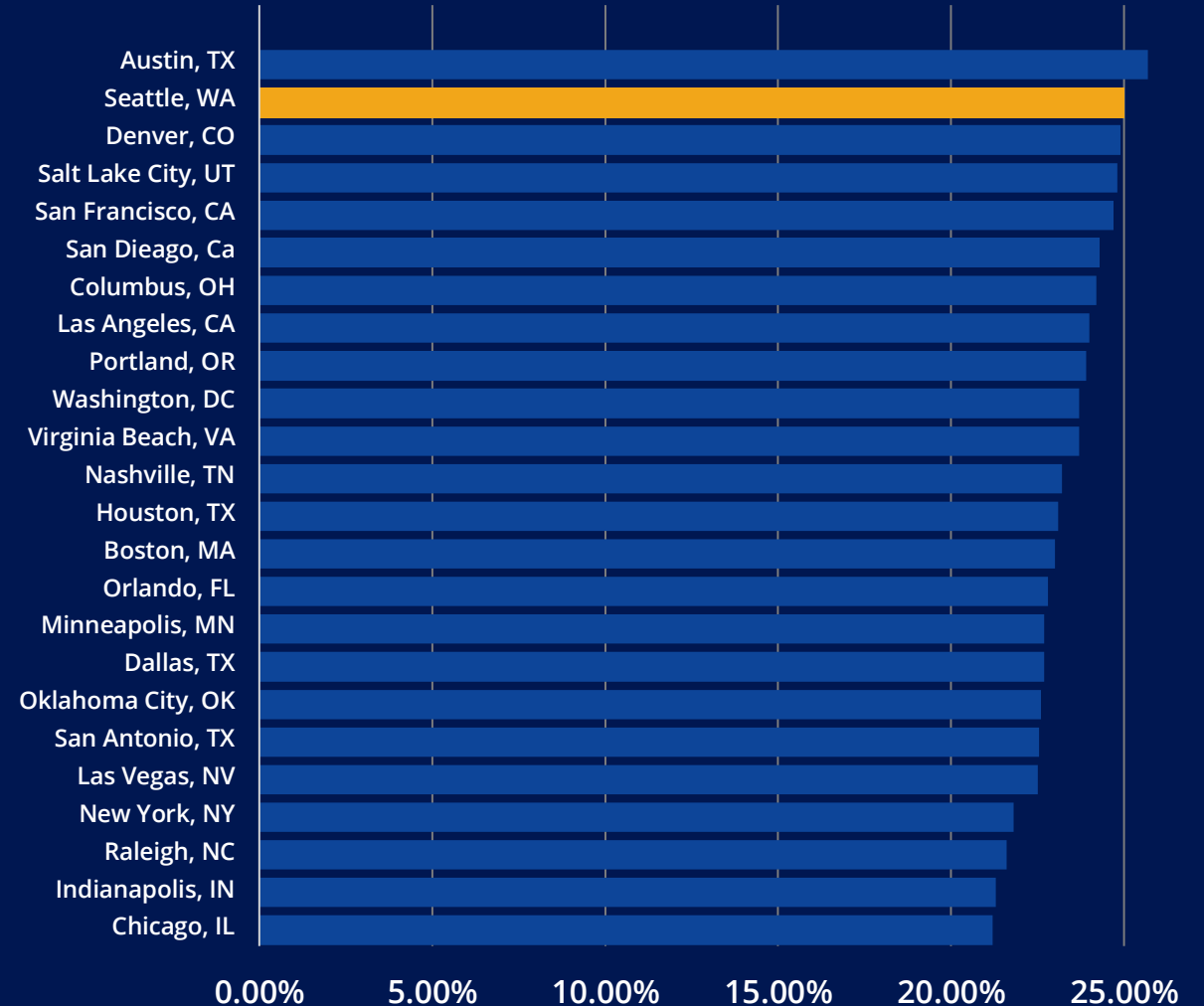


# Is Seattle a millennial or Gen Z Market?

## Share of Population: Gen Z

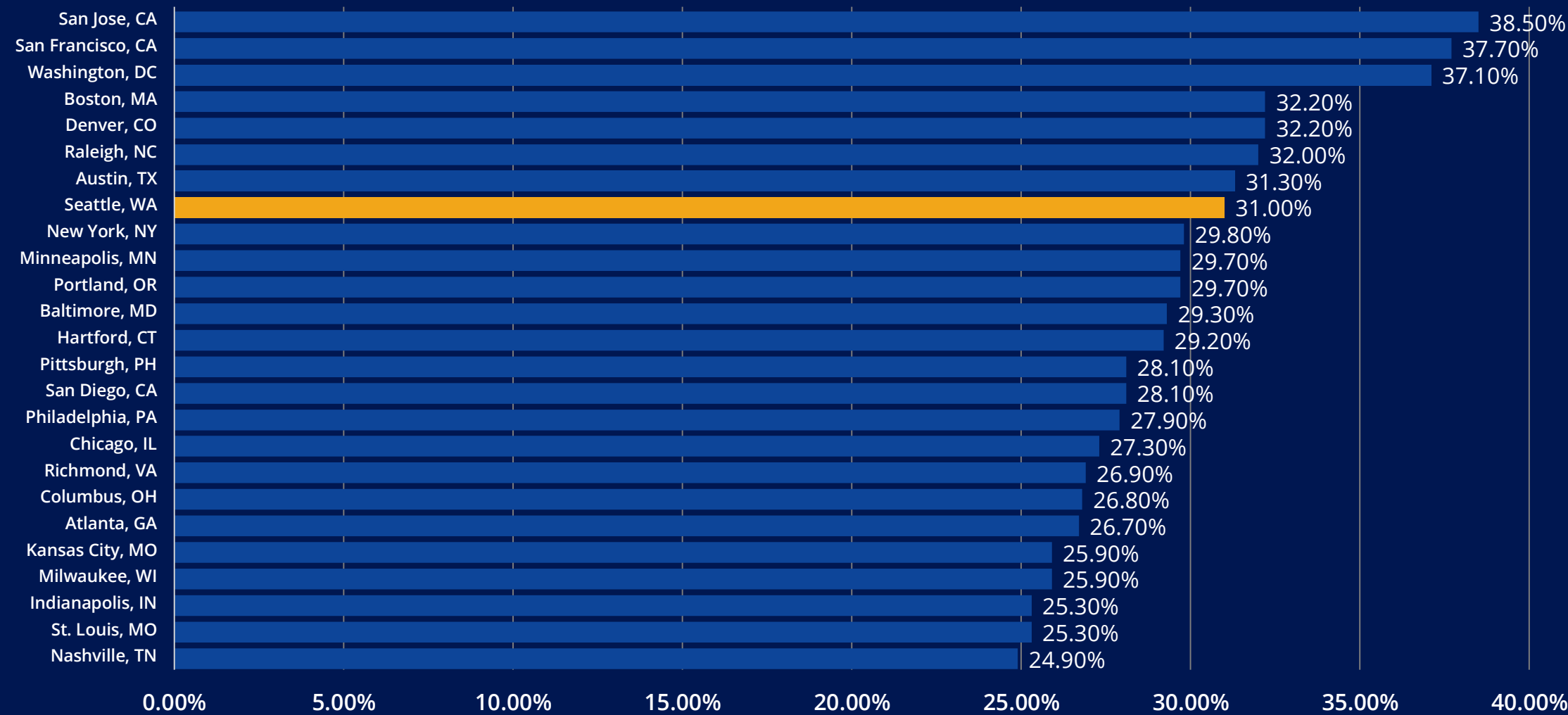


## Share of Population: Millennials



# High degree of education

Ranking of Metros by Education

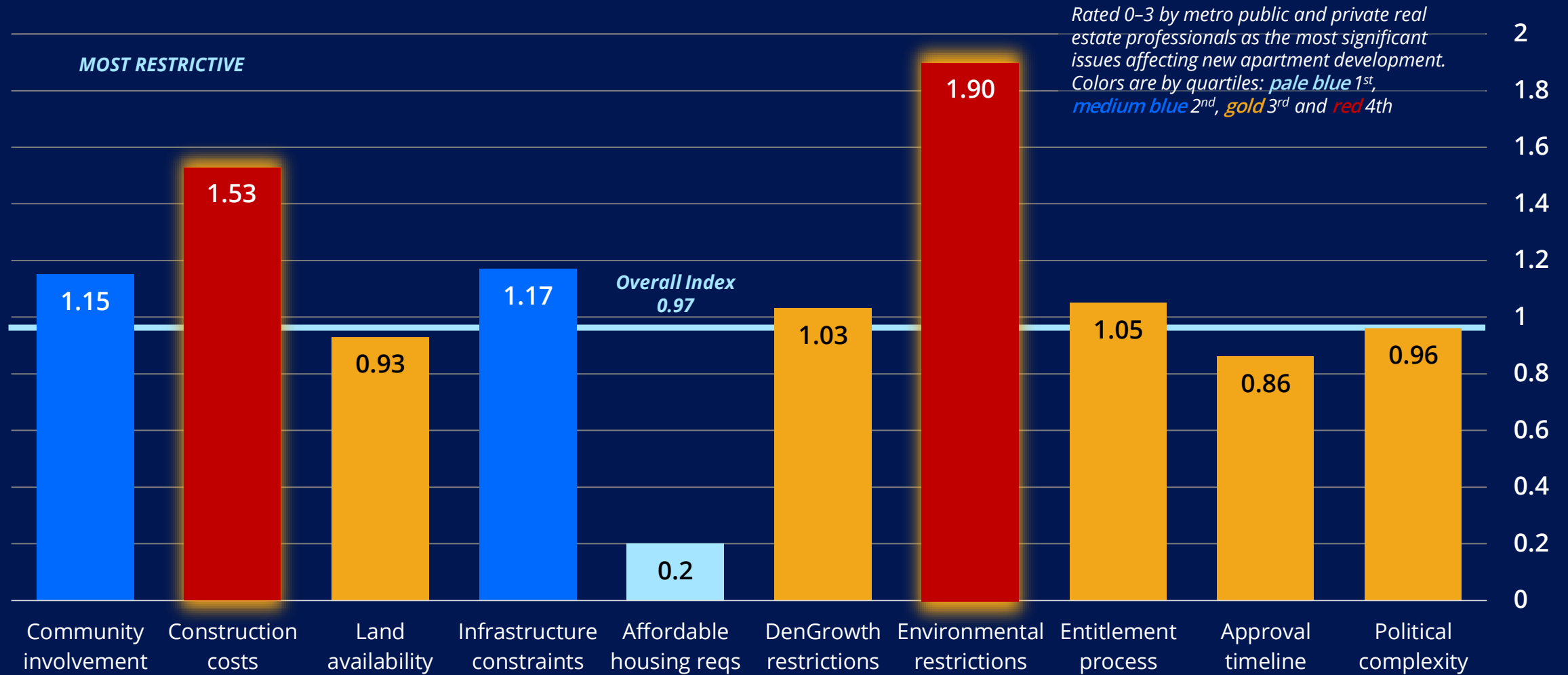




Let's Get Local: **Austin**

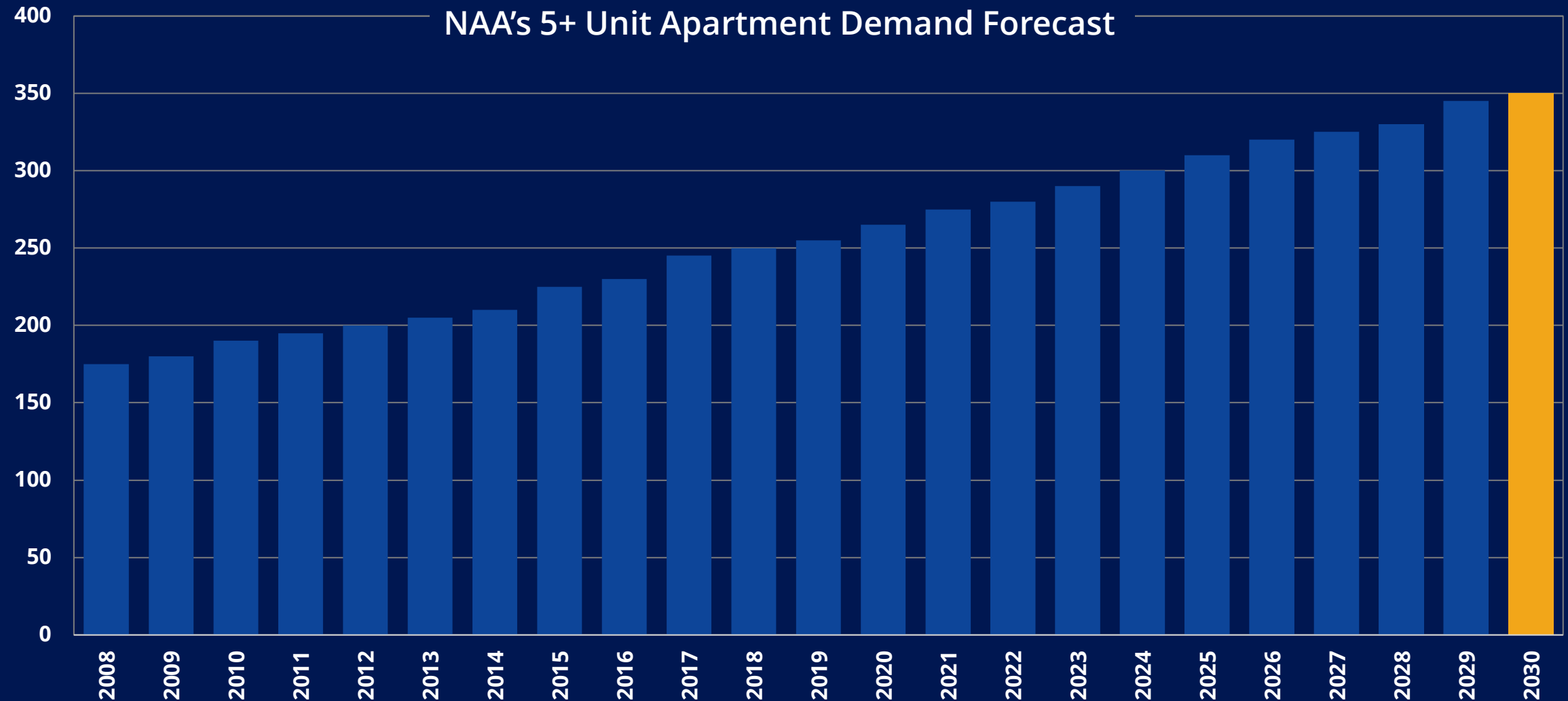
# Austin's metro is in the top third least restrictive major markets

## NAA's Barriers to Apartment Construction Subindices



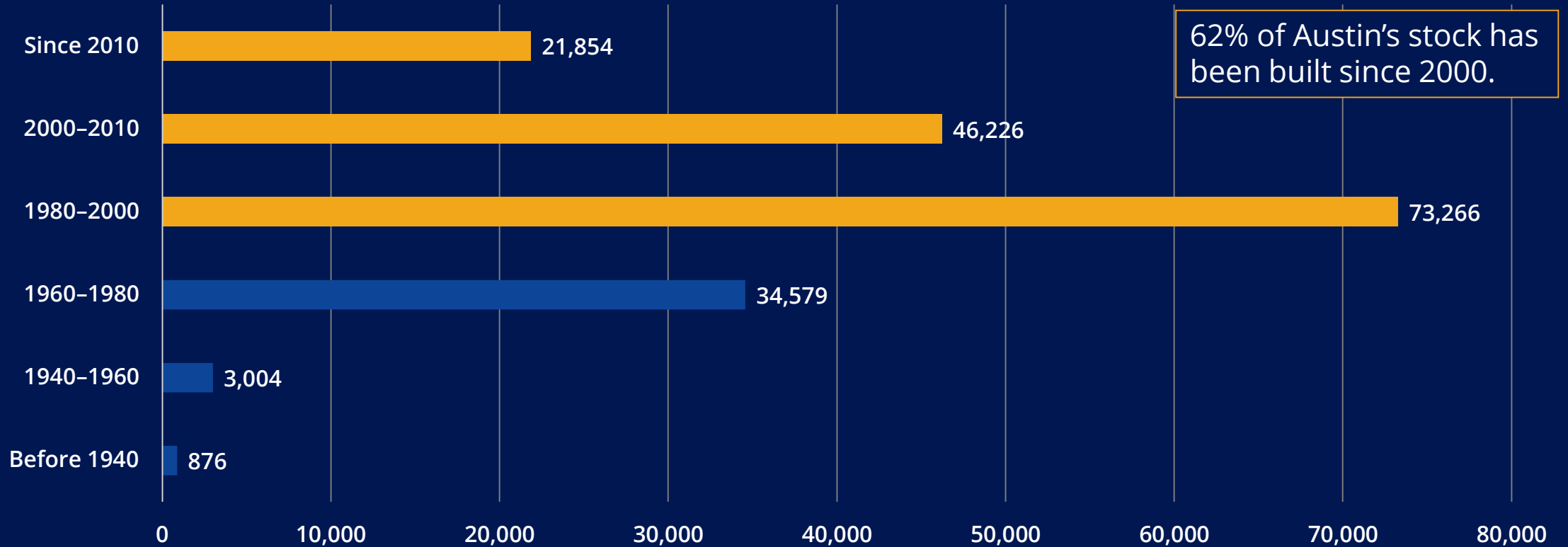
# Austin is another market where demand is very strong

DEMAND RANKS 6TH IN NAA'S SURVEY



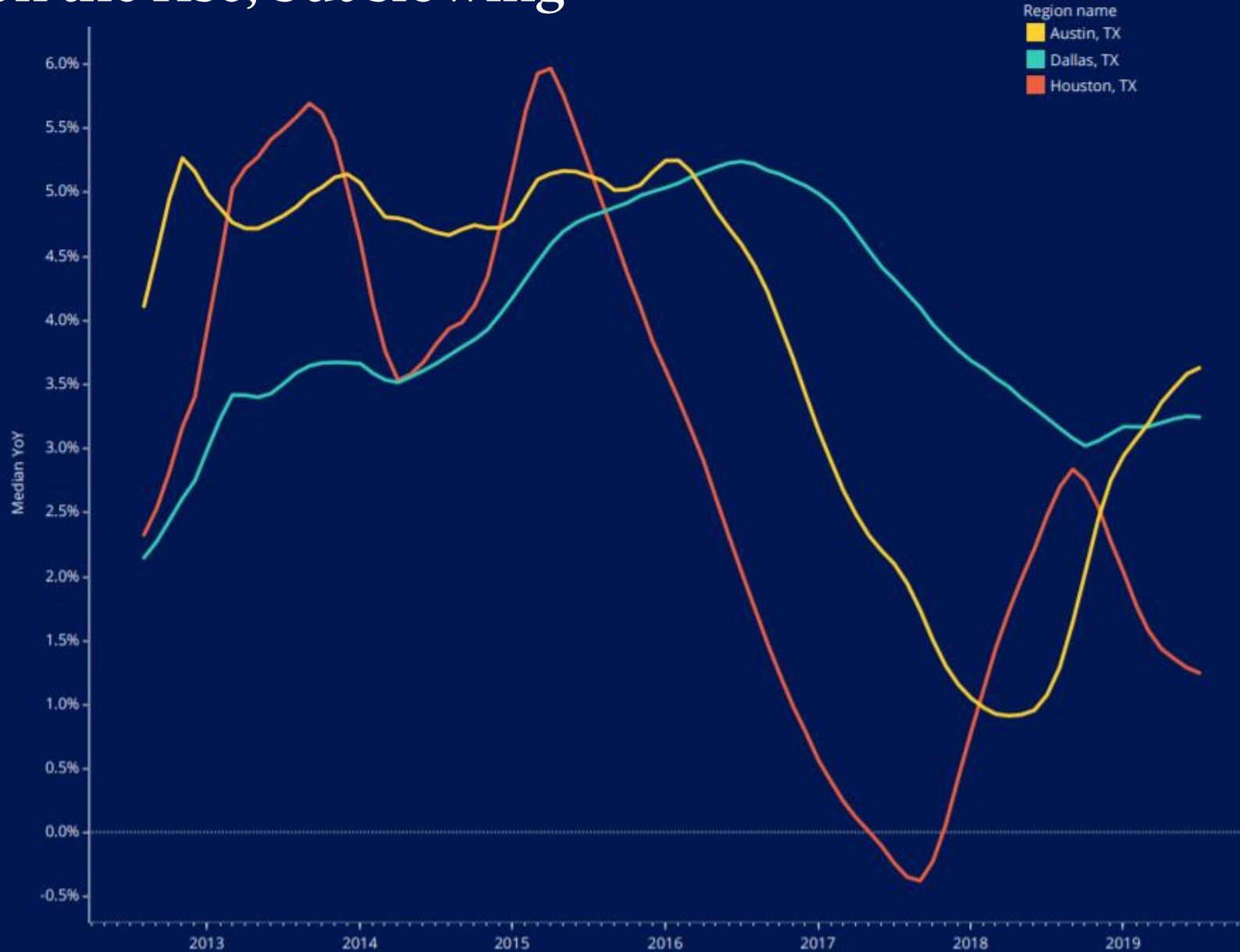
# Austin's housing stock is young

NAA's 5+ Unit Rental Stock by Year Built



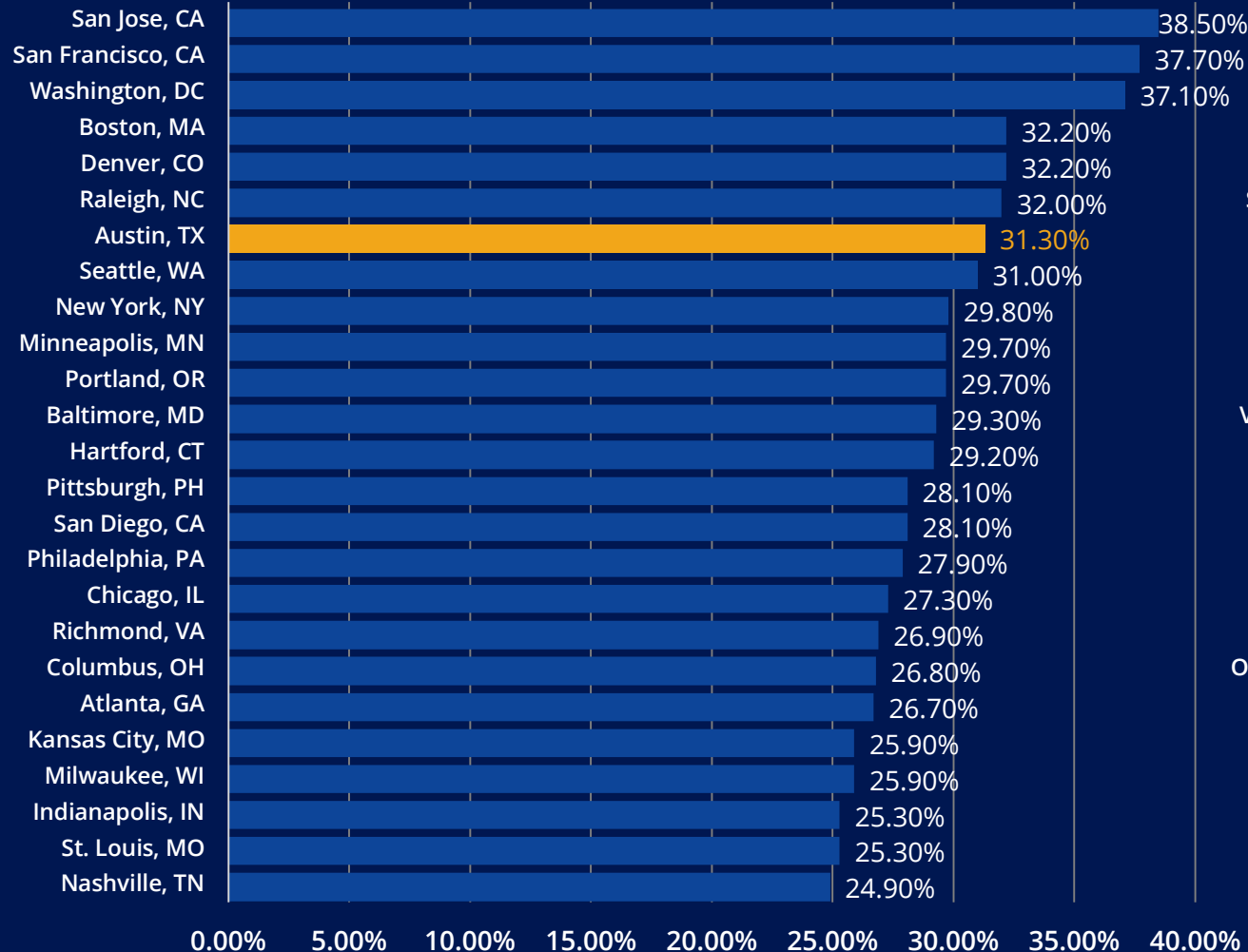


# Austin is on the rise, but slowing

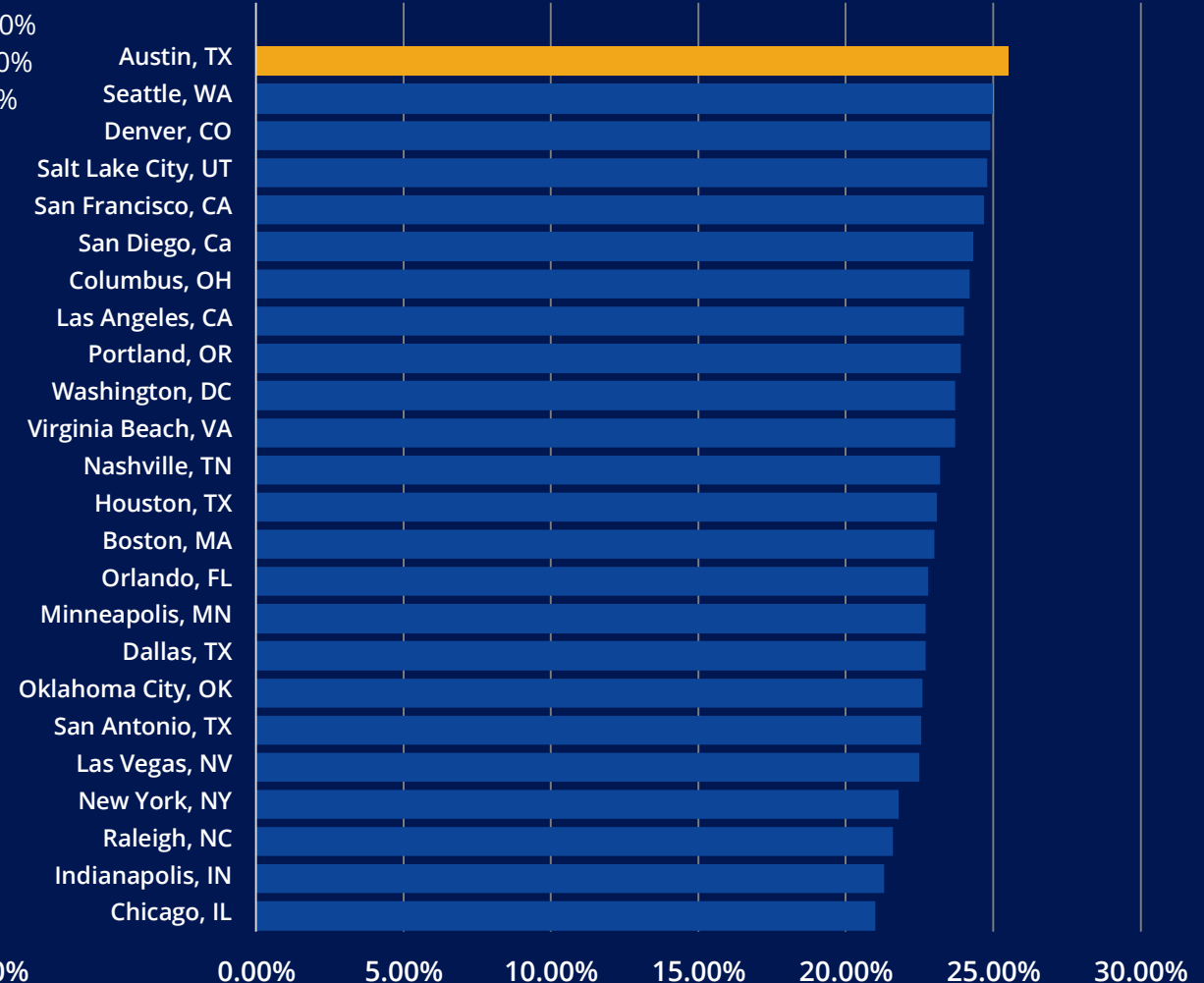


# Like Seattle, Austin is highly educated with a large millennial population

## Ranking of Metros by Education

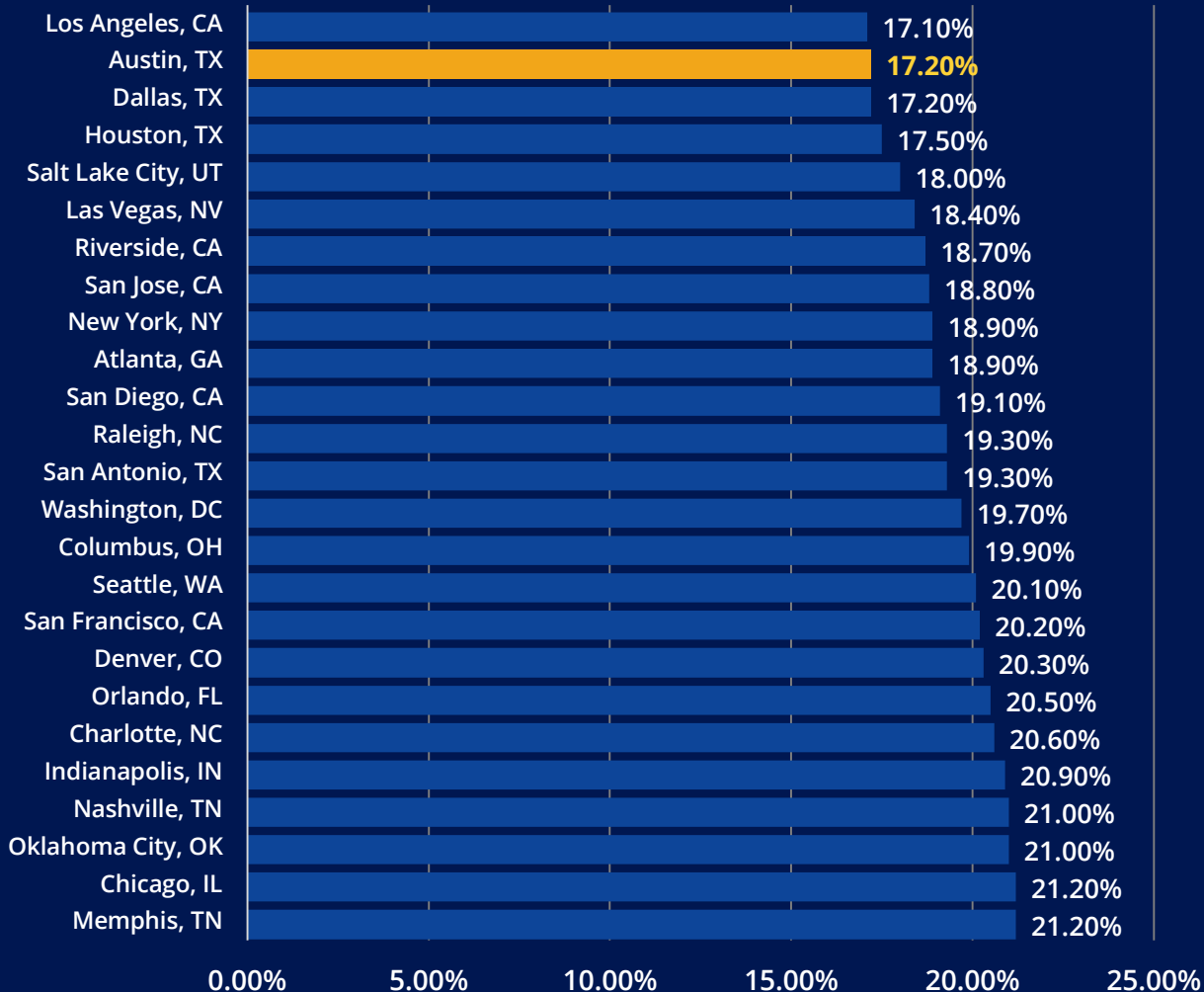


## Share of Population: Millennials

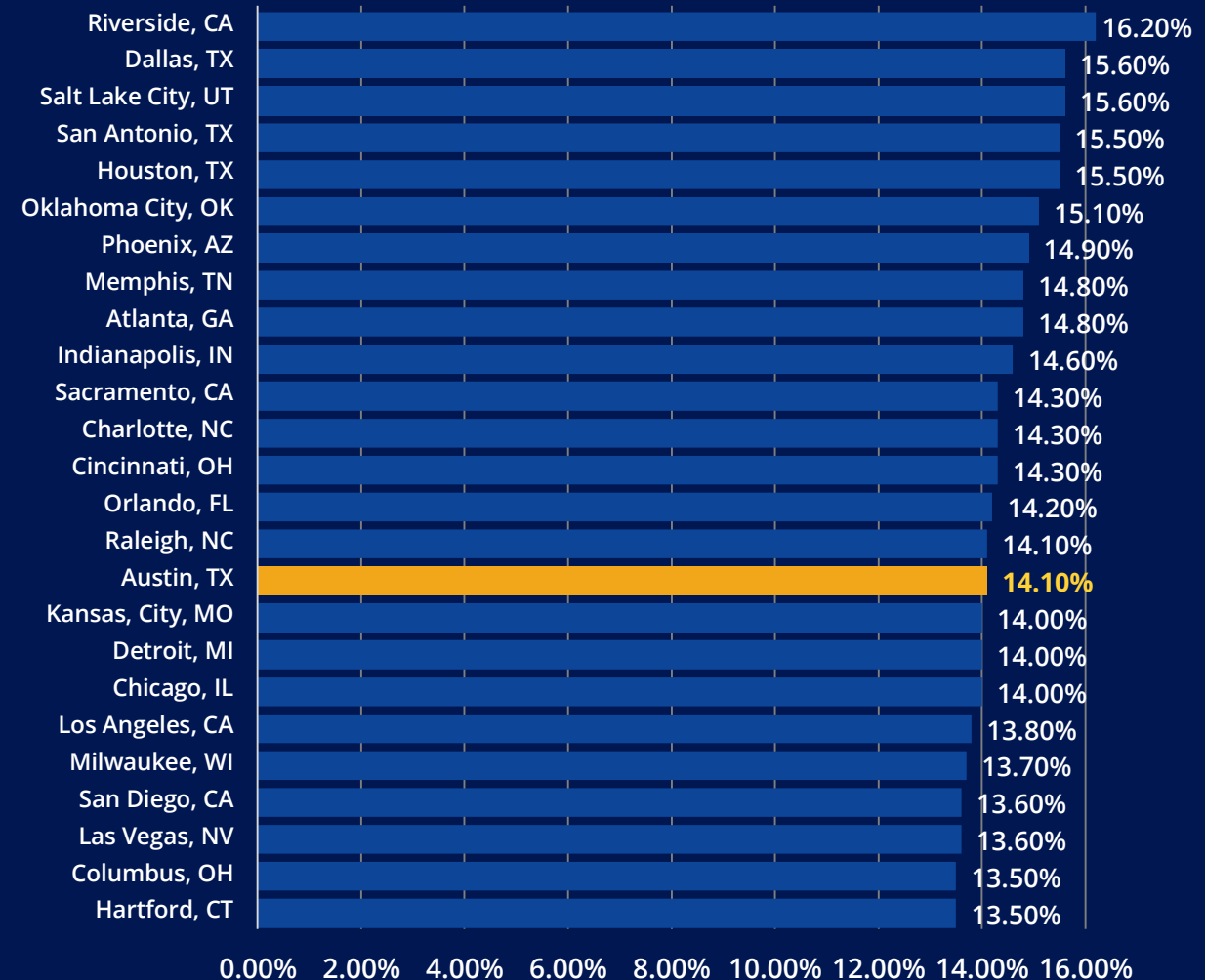


# Unlike Seattle, Austin has a large Gen Z population

## Soon to Retire



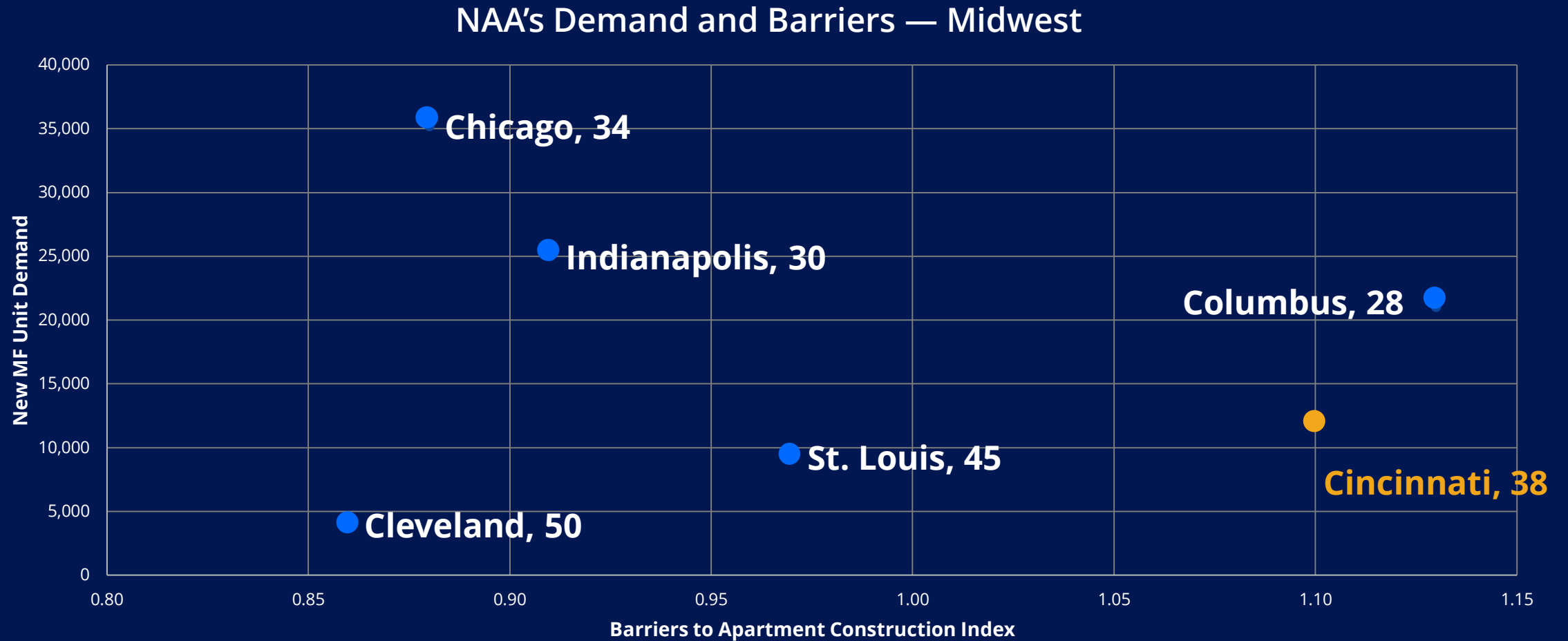
## Share of Population: Gen Z



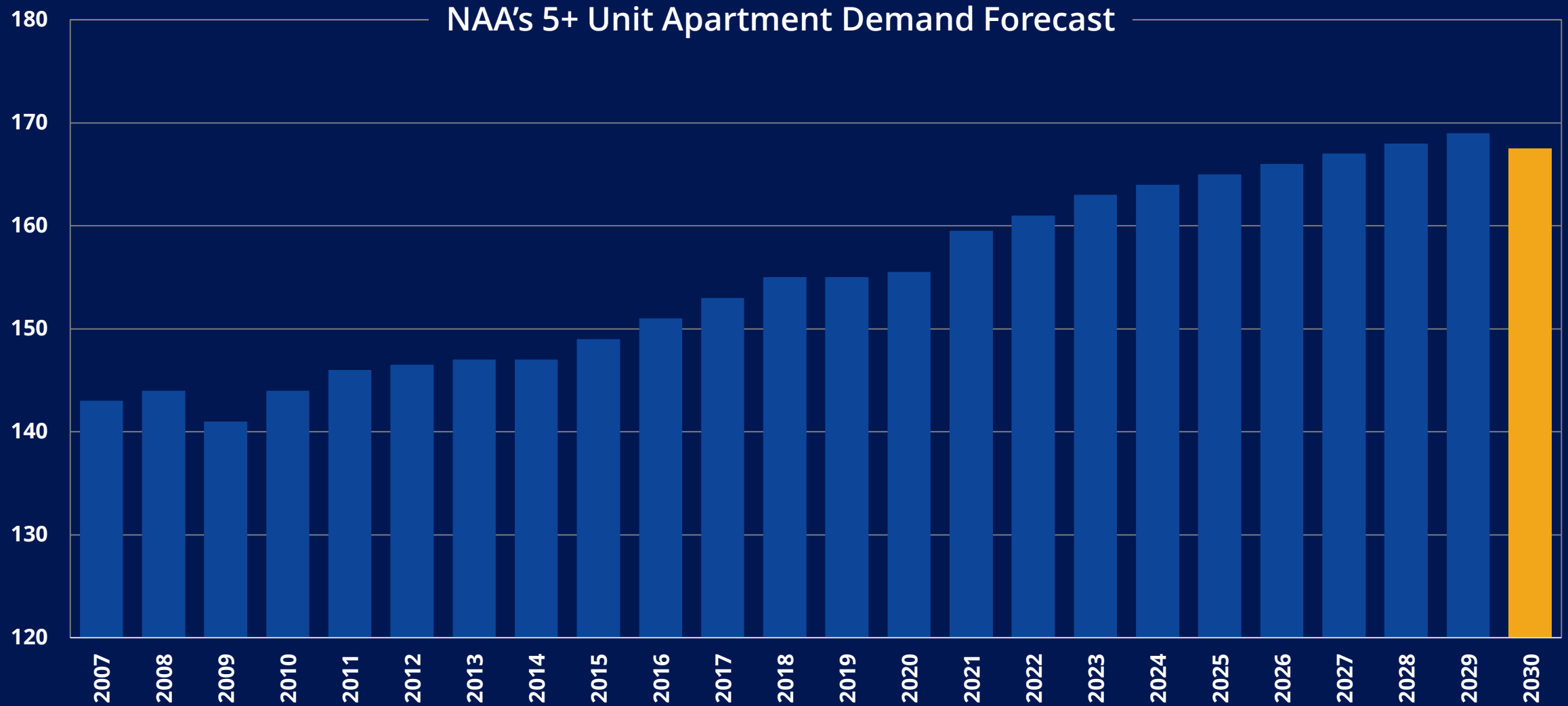


# Let's Get Local: Cincinnati vs. The Midwest

# Stable economy with low demand



# Yet total demand is expected to grow

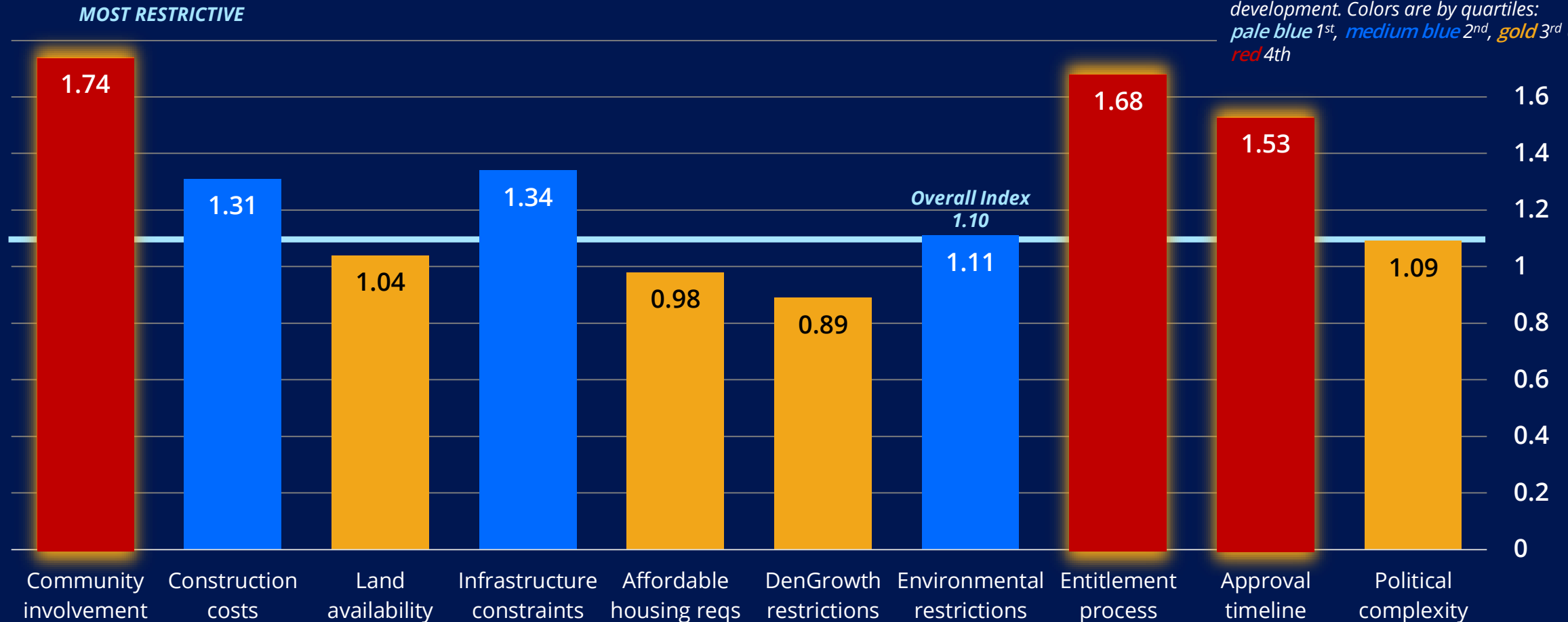




# Cincinnati ranks as one of the most restrictive construction markets

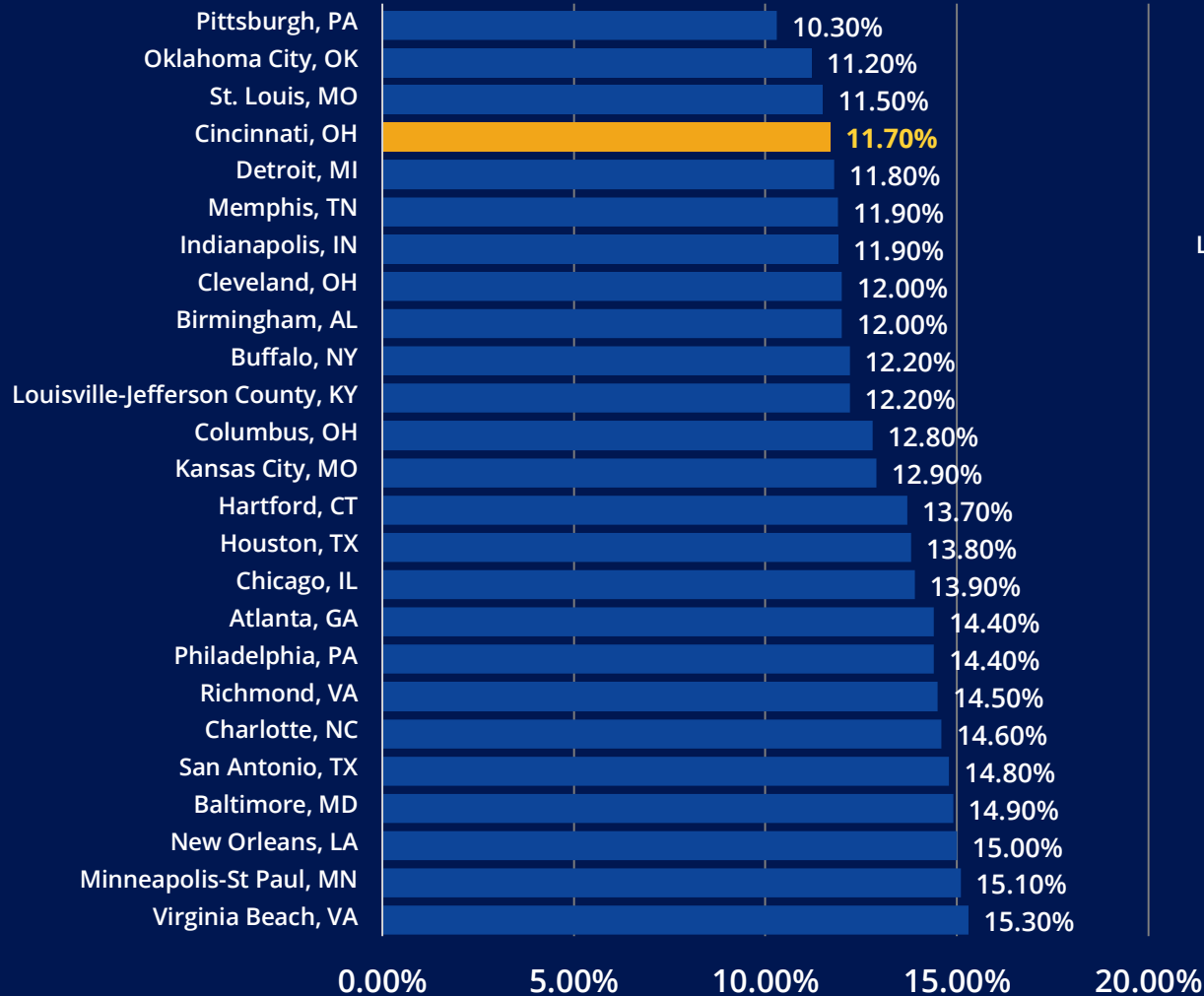
## NAA's Barriers to Apartment Construction Subindices

Rated 0–3 by metro public and private real estate professionals as the most significant issues affecting new apartment development. Colors are by quartiles: *pale blue* 1<sup>st</sup>, *medium blue* 2<sup>nd</sup>, *gold* 3<sup>rd</sup> and *red* 4<sup>th</sup>

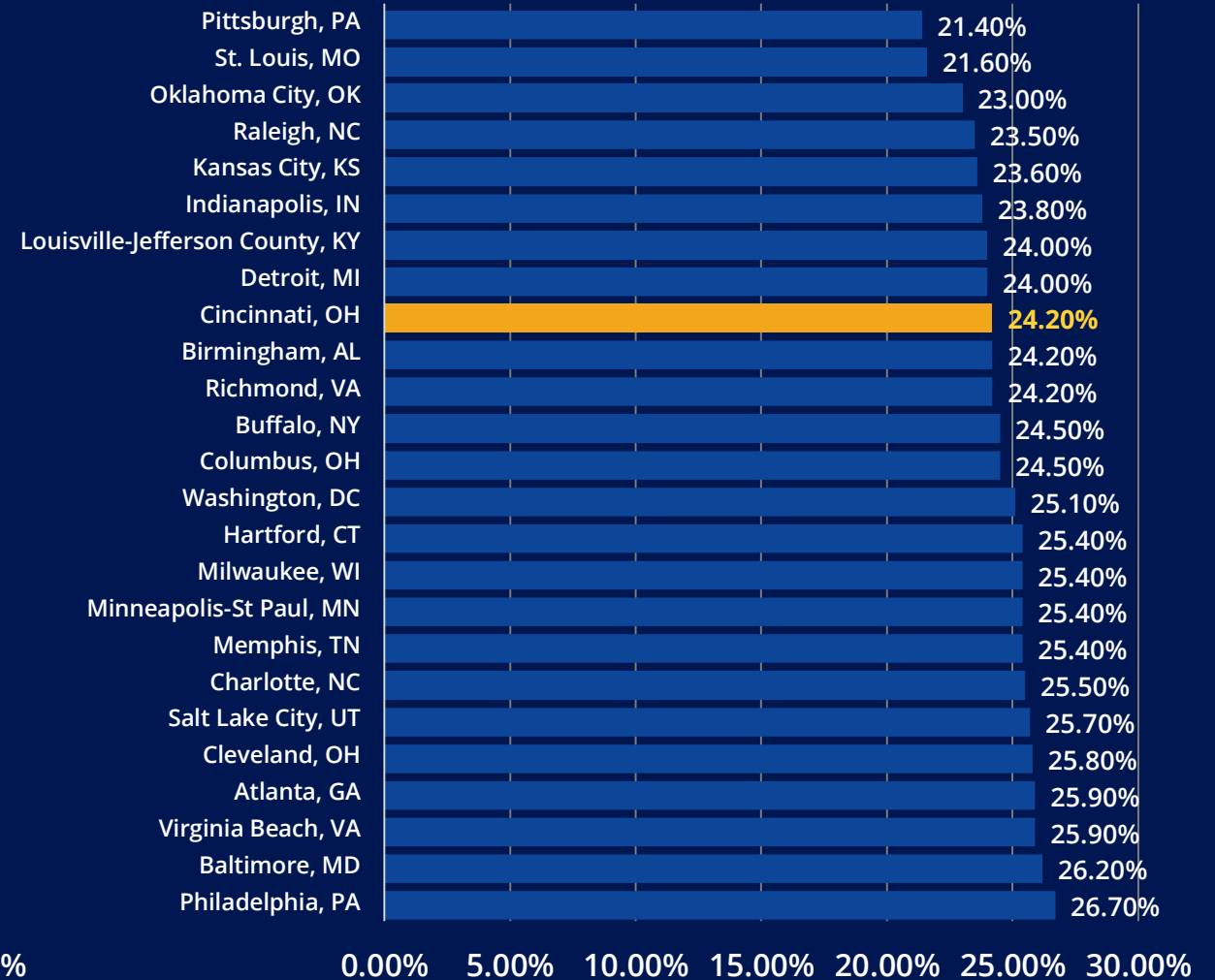


# Most affordable of the markets we are talking about

## Mortgage Affordability

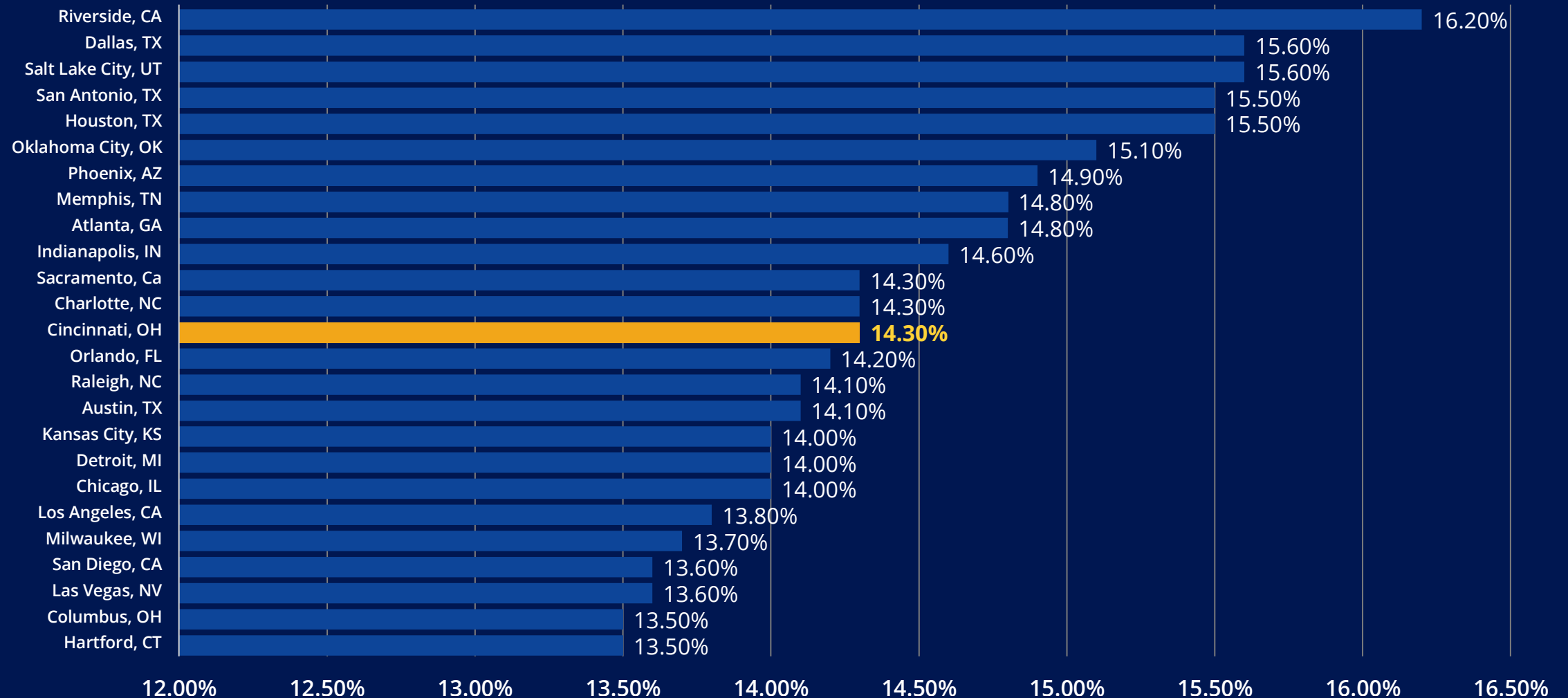


## Rental Affordability

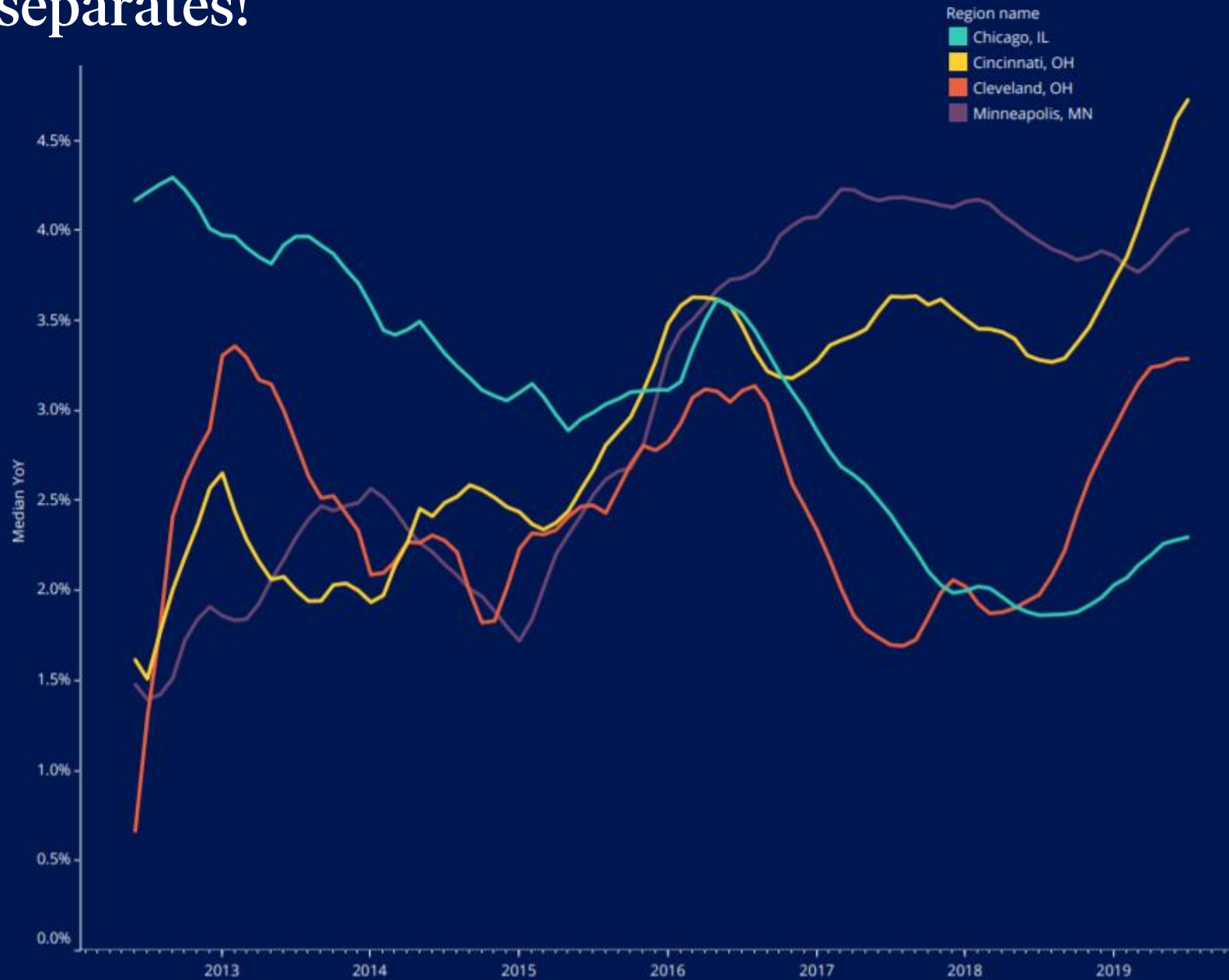


# Strong Gen Z population

## Share of Population: Gen Z



# Cincinnati separates!

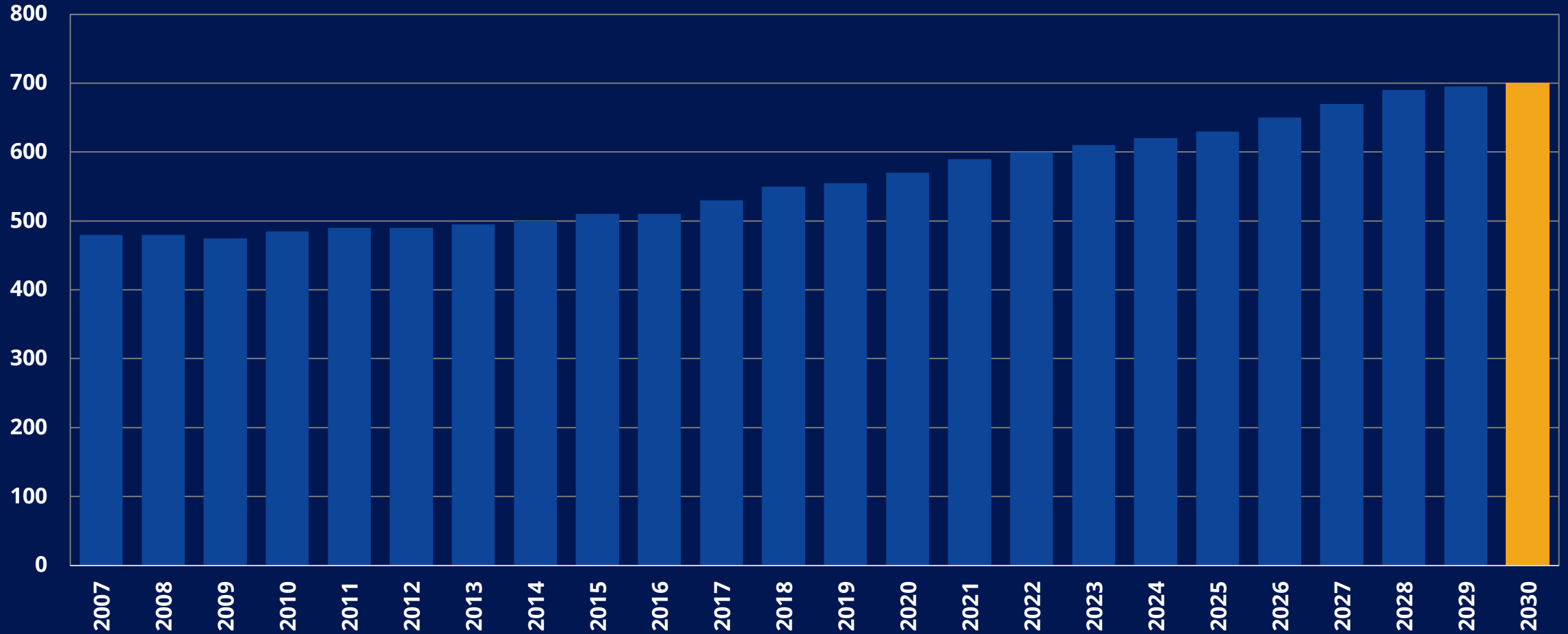




# Let's Get Local: **Miami vs. The Southeast**

# Miami ranks third in demand with natural population growth

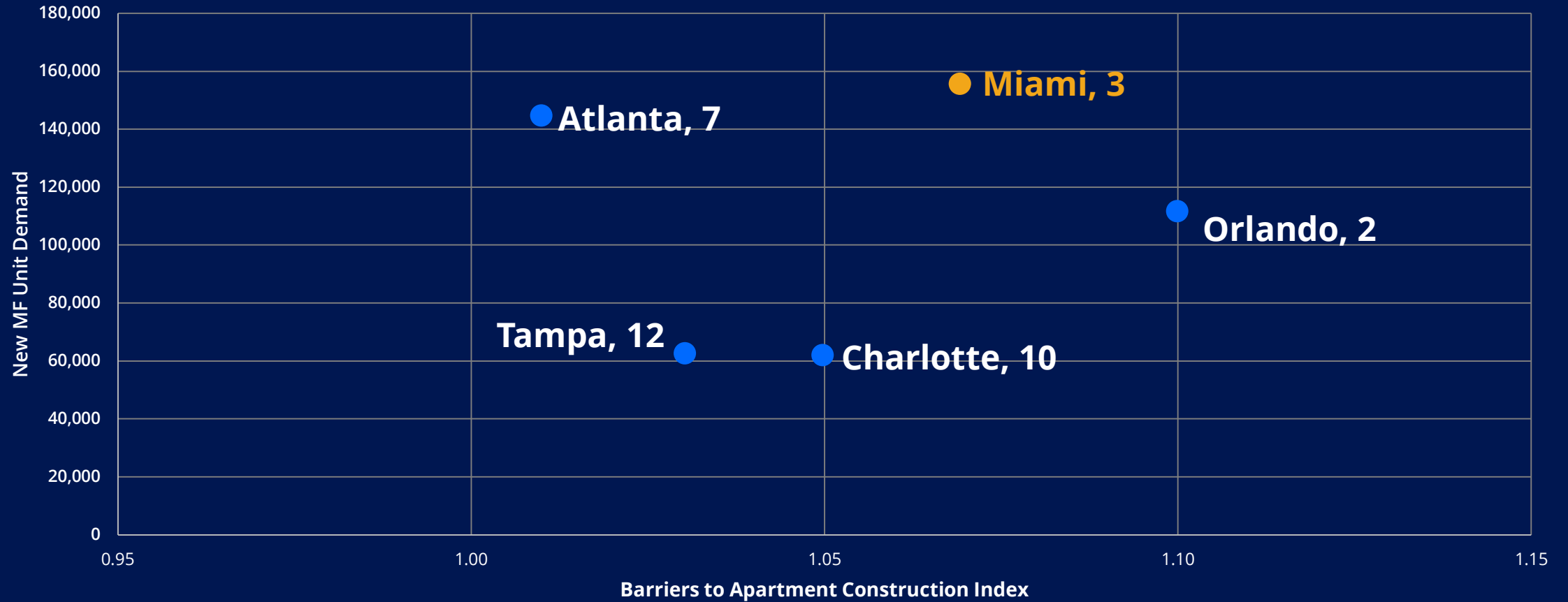
NAA's 5+ Unit Apartment Demand Forecast





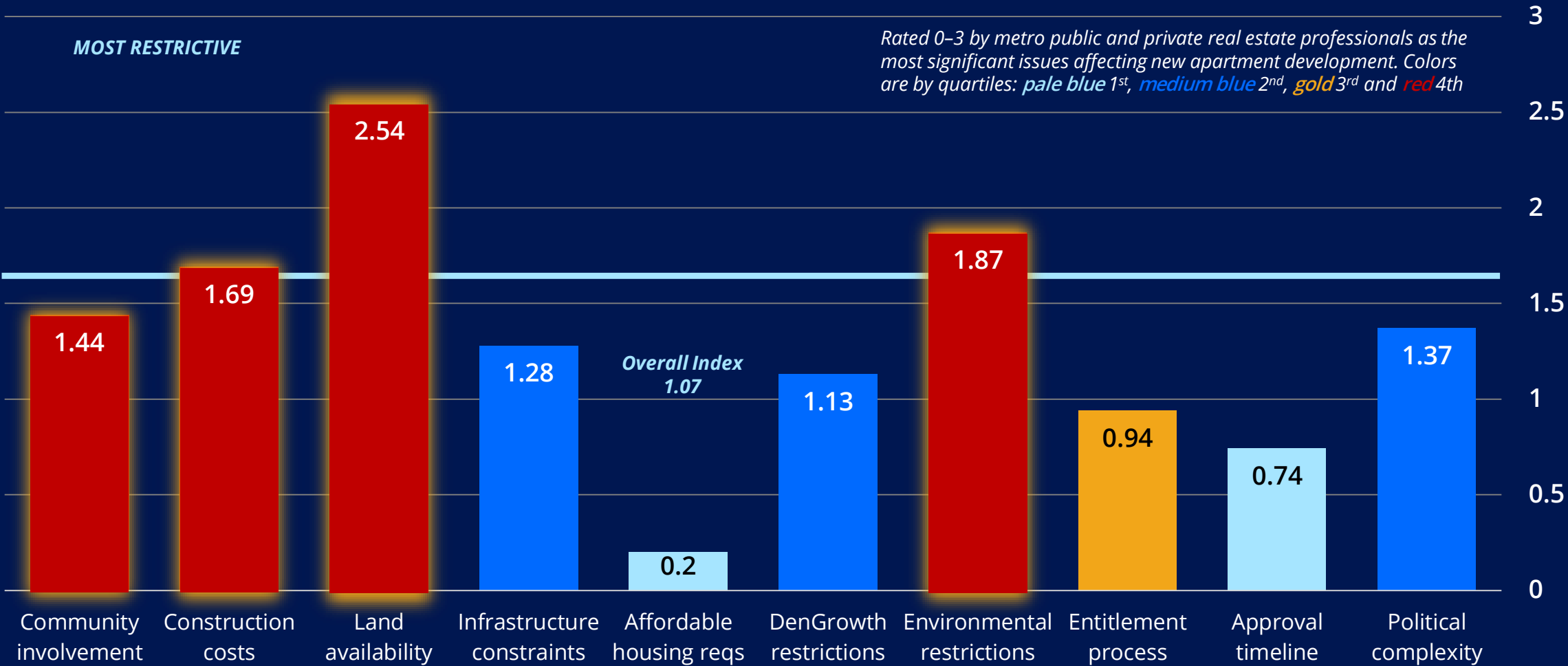
# Demand is comparable to other Southeastern cities

NAA's Demand and Barriers — Southeast

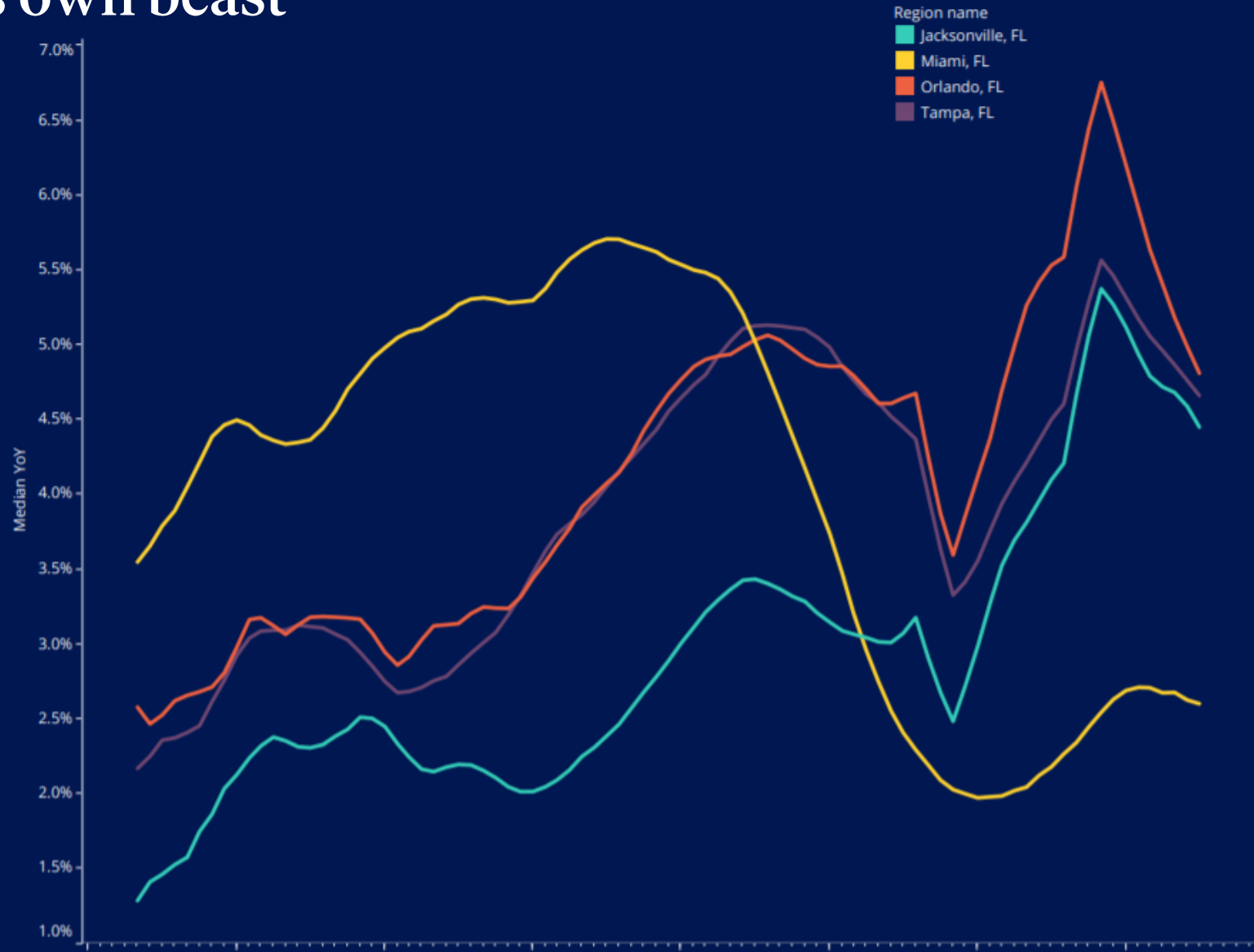


# Land availability is a large barrier

## NAA's Barriers to Apartment Construction Subindices

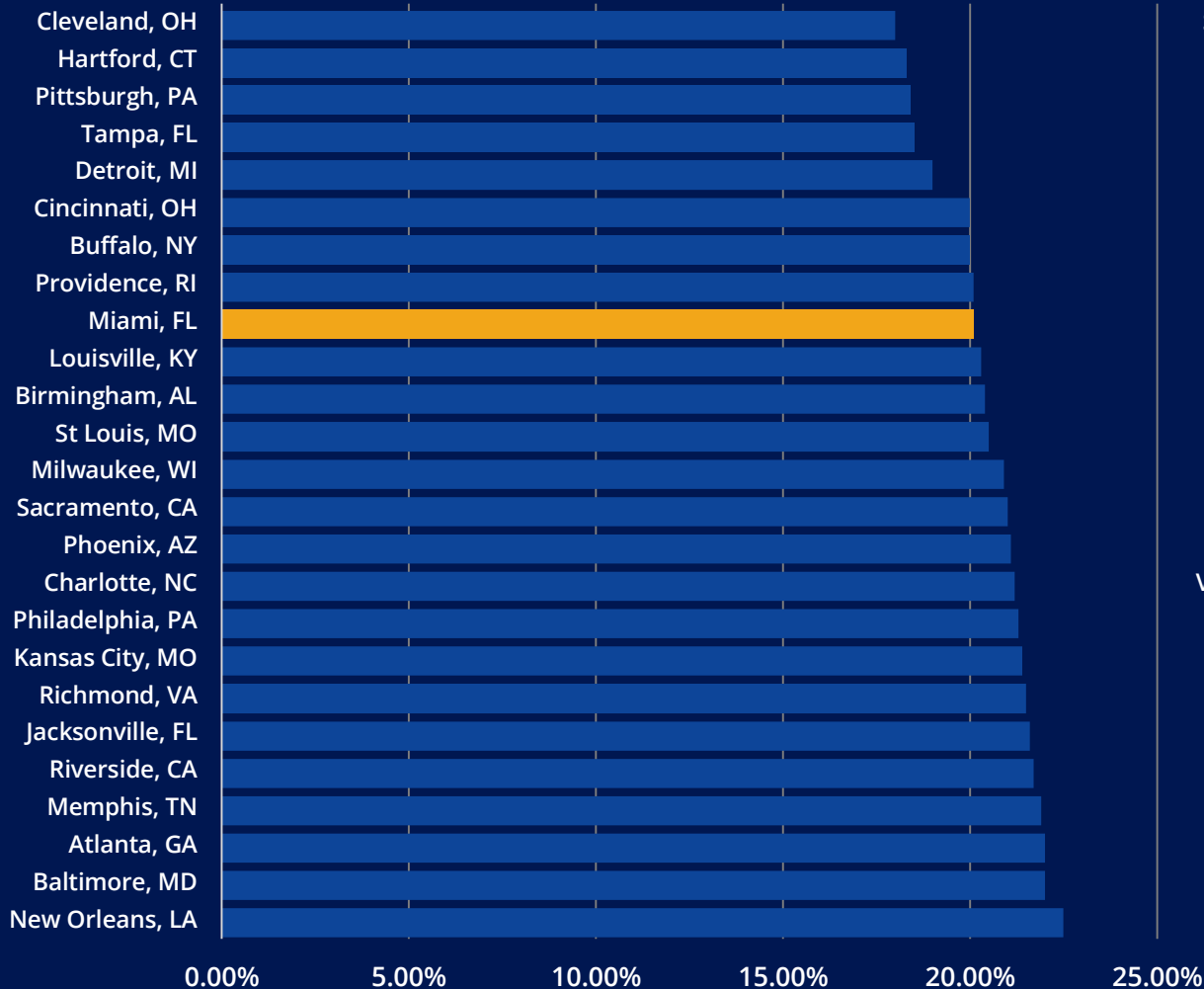


# Miami is its own beast

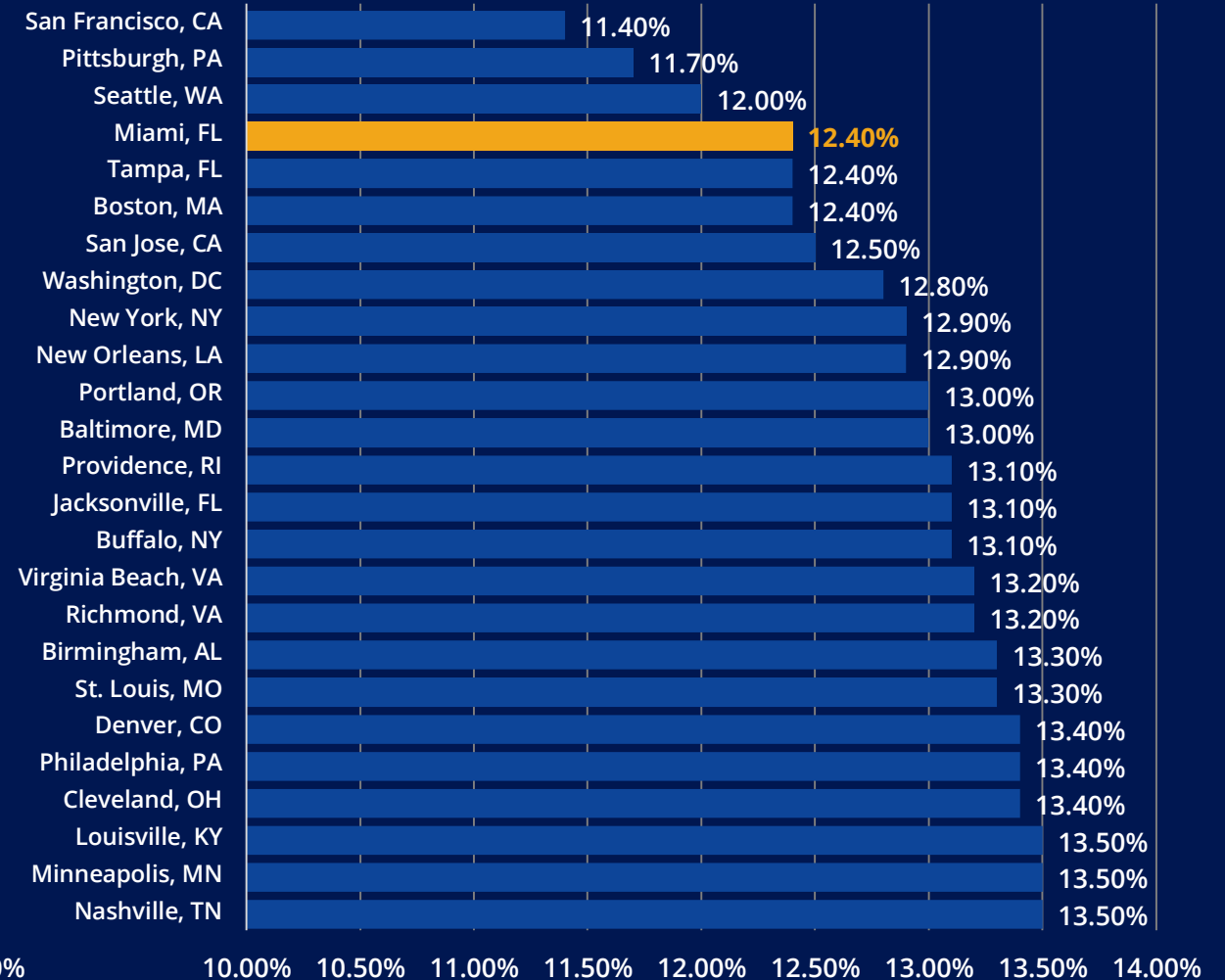


# At first glance, Miami's demographic indicators aren't great

## Share of population: Millennials

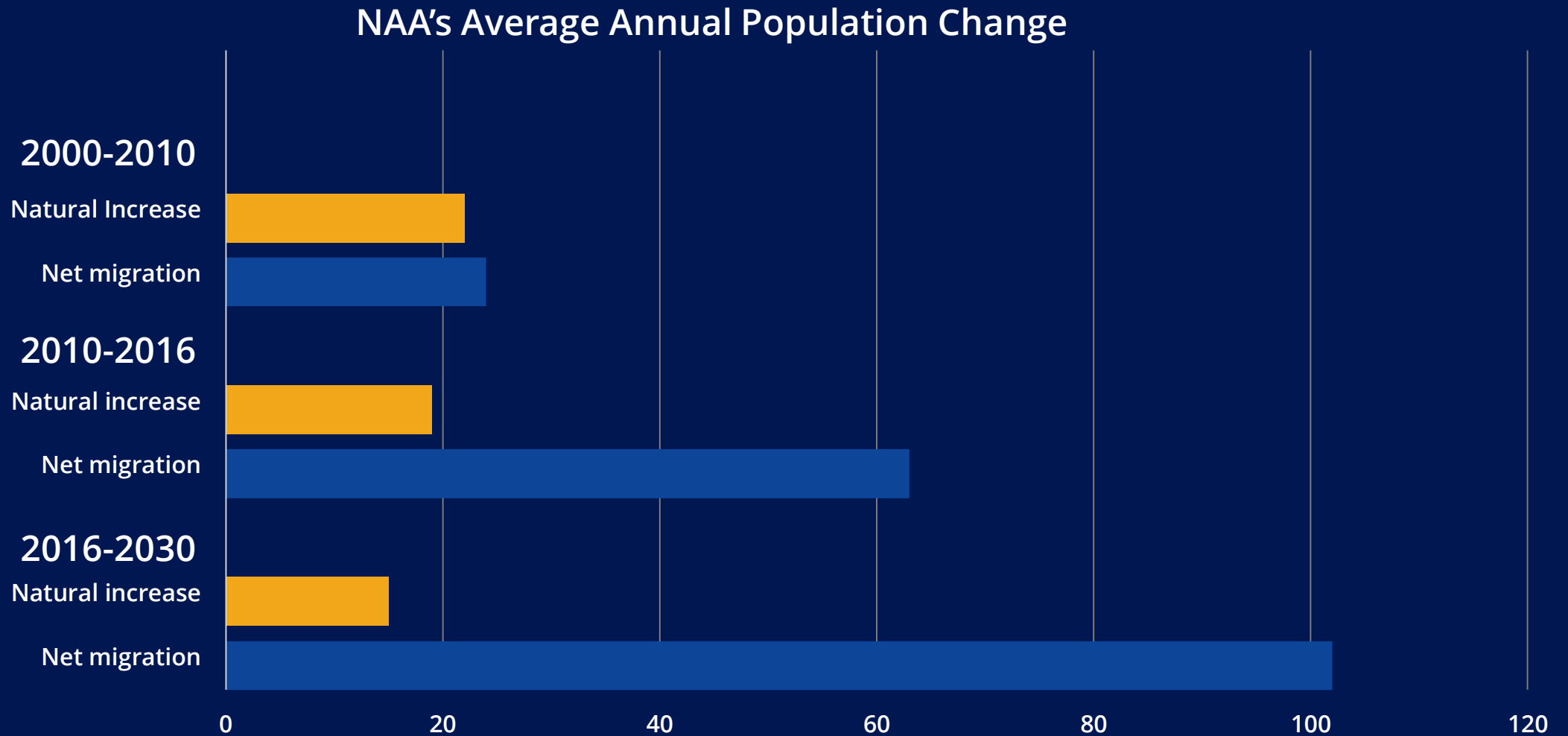


## Share of Population: Gen Z



# The differentiator is immigration

## IMMIGRANT SHARE OF POPULATION



# Questions

# What's next?

- > Didn't hear about your market? Check out the local data station to get a deep dive from one of our expters
- > Download the one-pager from the Zillow Unlock app
- > Provide feedback through our post-event survey





# Thank you!



