



## HOUSING

# 2017 Housing Survey

In January of 2017, Lancaster Pollard sent an online survey to approximately 2,400 leaders in affordable and multifamily housing throughout the U.S. Over the course of two weeks, 243 respondents completed the online survey. The survey has a 95% confidence level and a confidence interval of 6.26, meaning that the differences in responses of 7 percentage points or more are meaningful.

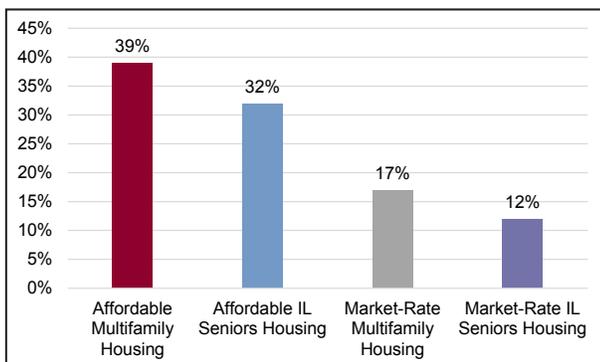
Out of the 243 respondents, a total of 73% were either for-profit or nonprofit developers/owners, an increase from the 67% that were either for-profit or nonprofit developers/owners in our 2016 survey. Job titles were evenly distributed with no meaningful difference between the top four descriptors. Forty-five percent of respondents own, manage or lease 500 or more affordable housing units.

Overall, our survey findings depict an active environment where a variety of capital projects are being pursued, particularly affordable multifamily housing new construction and substantial renovation projects. A majority of respondents (76%) own, develop or manage affordable multifamily or seniors apartments so the results are more representative of affordable housing than market-rate housing. Some of the more notable findings are discussed below.

### Expectations for 2017

**Which elements of housing do you think will experience the most growth in demand during the next 12 months in your market area(s)?**

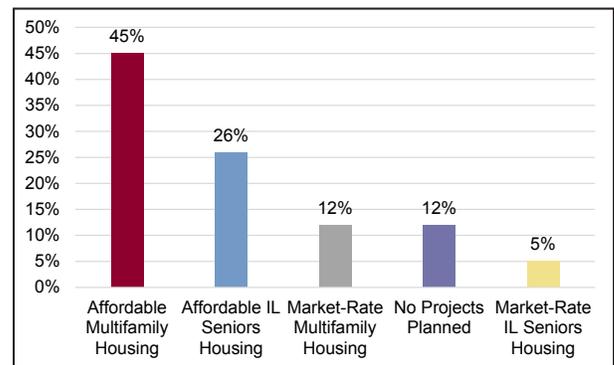
A meaningful plurality (39%) of respondents predict that affordable multifamily will experience the most growth in 2017, similar to 2016's results (41%). The second most



selected answer was affordable IL seniors housing at 32%. In 2016, only 23% selected affordable IL seniors housing.

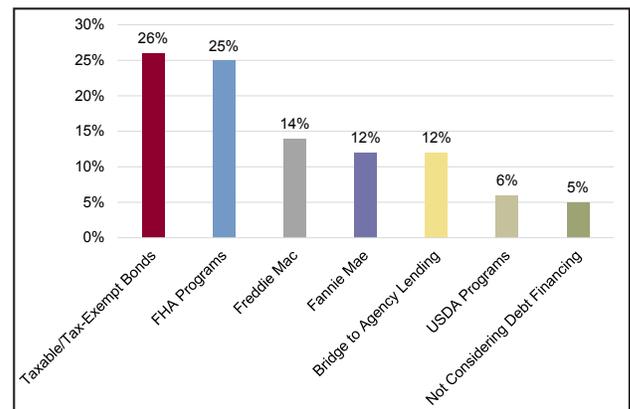
**For which of the following elements of housing do you have construction projects planned in the next 12 months?**

A meaningful plurality (45%) of respondents indicated they have affordable multifamily housing construction projects planned in 2017, up five percentage points from 2016. The only other directional difference from 2016 was for market-rate multifamily housing, which dropped in 2017 to 12% from 17%.

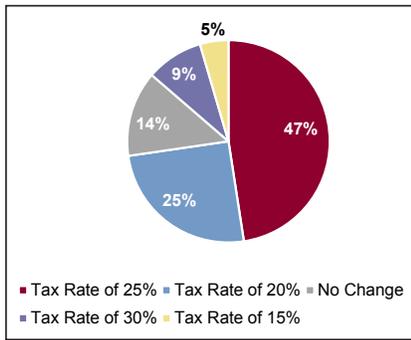


**What type(s) of debt financing are you considering for your construction projects or refinance projects or both in the next 12 months?**

The top two selected answers were taxable/tax-exempt bonds at 26% and FHA programs at 25%. All the figures are similar to the results from 2016.



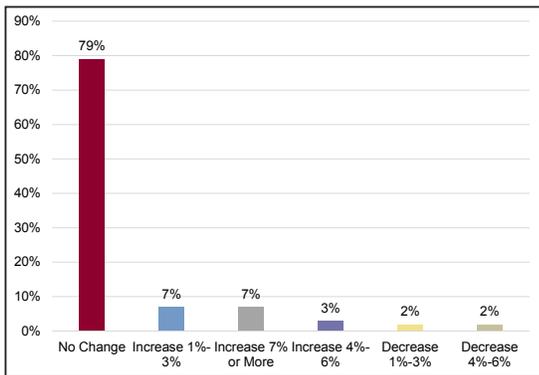
**Currently, the top tax rate for C corporations is 35%. If tax reform is passed in 2017, what do you think the new top tax rate will be?**



A meaningful plurality of respondents (47%) predicted that if tax reform is passed, the new top rate will be 25%. Twenty-five percent of respondents predict it will be 20%.

**How much do you expect the occupancy level of your housing properties to change over the next six months?**

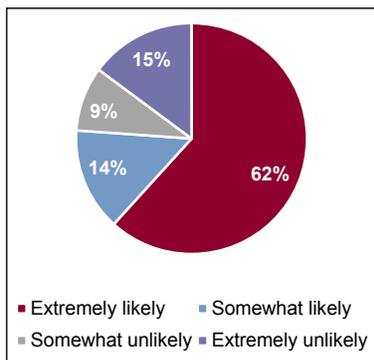
A majority of respondents (79%) indicated they expect no change in the occupancy level of their housing properties over the next six months. This is an increase of 11 percentage points as compared to the 68% of respondents that expected no change in 2016.



## Respondent's Likelihood for 2017 Projects

**Likelihood you will pursue a new construction project in the next 12 months.**

The majority of respondents will likely pursue a new construction project in 2017, as 62% are extremely likely and 14% are somewhat likely, a total of 76%. In 2016, 69% were extremely likely and 11% were somewhat likely.



**Likelihood you will pursue a substantial renovation project in the next 12 months.**

Similar to the new construction question, a strong majority of respondents (74%) indicated they are either extremely likely or somewhat likely to pursue a substantial renovation project

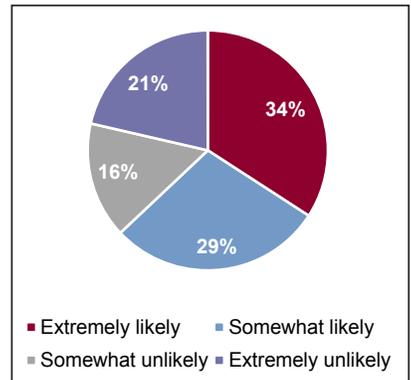
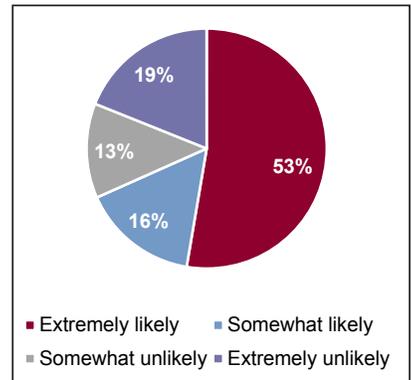
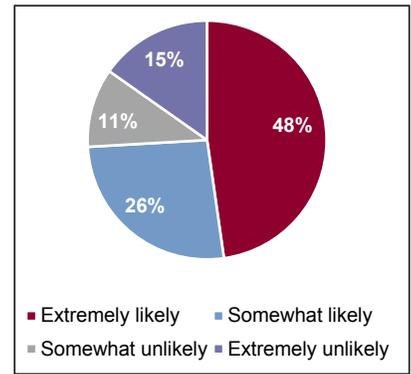
in the next 12 months. That combined total is down five percentage points from our 2016 results.

**Likelihood you will pursue a 9% LIHTC project in the next 12 months.**

A majority of respondents (53%) indicated they are extremely likely to pursue a 9% LIHTC project in 2017. When combined with somewhat likely, a total of 69% indicated they plan to pursue a 9% LIHTC project. However, there is no statistical differences in the percent of respondents who answered "somewhat likely," "somewhat unlikely," and "extremely unlikely."

**Likelihood you will pursue a 4% LIHTC project in the next 12 months.**

Thirty-four percent of respondents indicated they are extremely likely to pursue a 4% LIHTC project in 2017, down from 44% in 2016. The 29% that are somewhat likely is up from 20% in 2016 however, making the 2017 combined total of 63% nearly identical to the 2016 combined total of 64%.



The full report can be downloaded at: <http://www.lancasterpollard.com/uploads/documents/housing-survey-results-2017.pdf>



Jeff Banker is a vice president with Lancaster Pollard in Columbus. He may be reached at [jbanker@lancasterpollard.com](mailto:jbanker@lancasterpollard.com).



Padam Singh is a vice president with Lancaster Pollard in Columbus. He may be reached at [psingh@lancasterpollard.com](mailto:psingh@lancasterpollard.com).