

Apartment Resources is a monthly publication designed for apartment developers, lenders, and builders involved in all forms of multifamily housing.

A Real Estate Research Periodical
Volume 3, Number 5 May 1989

Exciting new additions to REAL/LINE!

We've added even more markets to our 24-hour on-line database. We've listed the latest additions in this issue!

Section:

1

The Danter Survey—The apartment ages.

*In the April issue of **Apartment Resources**, we introduced the Danter Survey. This month we've analyzed our survey responses by age group, to find out what older (and younger) tenants expect from you.*

2

"In general, younger apartment shoppers are certain they want to move soon—but they're not as certain about the type of housing they desire. Beyond the age of 45, shoppers are more cautious about when they intend to move, but they are more certain about the type of housing they desire."

The Danter Survey—Deeper into the tenant pool.

*This month's issue of **Apartment Resources** delves deeper into the results of the tenant shopper survey introduced in the April issue.*

This month, the first of a two-part series on attitudes and market patterns of apartment shoppers in different demographic strata.

Our special report in this issue focuses on tenants by age group, and uncovers what nearly 1000 tenants revealed about their preferences and mobility patterns. Next month, we'll conclude with a similar analysis by income.

What is REAL/LINESM, and what can it do for me? REAL/LINE is the fastest way to evaluate a market area's multi-family development potential. Users can access information on rents, vacancies, and market absorption—and a comprehensive analysis of the comparable market rents for projects based on their “amenity index.”

If you subscribe to this publication, you've already paid your system access fees. See the access summary below to learn how to sample REAL/LINE *today!*

Also, be sure to check each month's REAL/LINE Connection for the latest updates on system features and additions.

Latest Markets On-Line! We've added new neighborhoods in *Columbus, Ohio* and *Houston, Texas* to our growing database of REAL/LINE markets.

Sample neighborhood reports from both these markets offer encouraging news. One report from the southeast portion of Houston registered an overall vacancy rate of less than 3%—out of over 8000 units surveyed in more than 45 projects.

A sample report from the northwest portion of Columbus revealed similar results. Nearly 10,000 units in over 60 projects in this area registered an overall vacancy rate of 2.6%. Reports such as this indicate that pockets of opportunity can exist in nearly any market.

We place new reports on the REAL/LINE database continually. Remember to download our list of current reports (it's called REALLINE.LST on Area 1) to ensure that the

apartment market information you need is right where it should be—under your fingertips. Also, remember that you are never billed for access time on REAL/LINE, nor are you billed for any reports you download from Area 1. REAL/LINE charges are based solely on the apartment reports you download to your computer.

REAL/LINE access summary

REAL/LINE is available 24 hours a day, seven days a week. Anyone is welcome to access REAL/LINE at any time, as our guest.	system prompts as follows: First Name: NEW Last Name: USER Password: DANTER
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To access the system, you need (1) a computer with modem attachment, (2) a terminal program for your computer (popular ones include Crosstalk, Smartmodem, and ProComm), and (3) the REAL/LINE phone number and password.	You'll be given access to nearly every system feature, except the ability to download market reports. Of course, if you're an <i>Apartment Resources</i> subscriber, you are entitled to a free subscription with full access to the system. For more information, call 1-(614)-221-9096 and ask for the REAL/LINE coordinator.
The REAL/LINE phone number is 461-8980. To enter the system, respond to the opening	

REAL/LINE system defaults

To access REAL/LINE, you'll need to make sure your terminal program is set up properly. You don't really need to know what the following terms mean—just make sure they are set as listed:	Parity: N Stop Bits: 1 Duplex: Full (Or Echo: Off —depending on the terminal program) Also, most programs offer a <i>Filter</i> or <i>Strip 8th Bit</i> function. This should be turned OFF, although it is not critical.
Baud: 300 or 1200 Data Bits: 8	

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The Danter Survey—Deeper into the tenant pool.

Special Report Executive Summary.

We recently interviewed nearly 1000 apartment shoppers who visited upscale, market-rate rental offices.

In a previous issue of *Apartment Resources*, we presented a preliminary analysis of our findings. With this issue and following issues, we will look at specific components of today's apartment market.

The following article contains details of these apartment shoppers by age range. Leading responses to some of the more significant questions are encapsulated below.

- 41% are between the ages of 25 and 34; 30% are between 18 and 24.
- The majority of shoppers under the age of 44 currently live in apartments; the majority of shoppers over the age of 45 live in single-family homes.
- The age group with the highest percentage of shoppers coming from apartments is 18 to 24 (67% currently occupy apartments).
- The age group with the highest percentage of shoppers coming from single-family homes is 65 and over (72% currently occupy single-family homes).
- 22% of the shoppers between the ages of 18 and 24 indicated they currently “live with family or friends.” Respondents in this category are most likely to be new household formations.
- Younger respondents more often indicated they are “very” or “somewhat” likely to move in the next 12 months—60% of shoppers between the ages of 18 and 24 were in this category.
- The most likely shoppers to have children are between the ages of 35 and 44—41% of these shoppers have no child; 33% have one child; and 24% have two children.
- In any age category, 1% or less of the shoppers had more than two children.

The next issue of *Apartment Resources* will contain a similar analysis of our shopper survey, but concentrate on apartment shoppers by income.

The apartment ages— what do older (and younger) tenants want?

In the April issue of *Apartment Resources*, we began analyzing the results of a recently completed survey of apartment shoppers. These shoppers, who have recently visited rental offices of upscale market-rate apartments, were surveyed by telephone to determine the demographic and lifestyle trends of renters you'll be seeing in the months ahead.

Nearly 1000 respondents were included in the survey. Respondents were asked about age, income, household size, mobility, and rental preferences.

In the April issue, we took a first look at responses to significant questions included in the survey. In this and next month's issues, we'll analyze two key demographic components included in our survey—age and income—which will enable you to determine how well you may be targeting your project's market.

Remember, our survey respondents include people who have visited a rental office. One can assume that a majority of these persons are actively seeking another residence, but a certain percentage of the respondents do not intend to move soon, and others may simply be “seeing what's out there.” As this series continues, we'll single out certain components of this response base—including a special look at “serious” shoppers (those who will definitely be moving in the next 12 months).

As we noted last time, the leading age group for apartment shoppers is 25 to 34—41% percent of our respondents were in that category. The second leading category is the

18-to-24 group—30% of our shoppers were in that category.

Tenants and type of residence. When we examine the responses to the question “In what type of residence do you currently live?” by age group, a distinct pattern emerges. In the youngest age groups, the majority of apartment shoppers are currently apartment residents. The share of apartment shoppers who are apartment tenants decreases as the age of shopper increases. This pattern happens in reverse for shoppers who are coming from single-family homes. As the accompanying chart indicates, by the age of 45, the majority of apartment shoppers come from single-family homes.

The impact of shoppers coming from condominiums is lesser. A small number of shoppers in the 18-24 age group come from condominiums (1%), and that percentage gradually increases through the 45-54 age group (4%). Beyond the age of 55, almost no apartment shoppers are condominium residents.

Although shoppers may currently live in a specific type of residence, they may not necessarily be the householder—especially so for shoppers in younger age groups. Therefore, although a pattern similar to the one described above emerged in response to the question “Do you own or rent your current residence?”, a number of tenants responded “Neither (live with parents or friends),” indicating the potential formation of new households.

Shoppers and attitudes—how fast and where? As with the above questions regarding household origin, we asked two related questions regarding the shopper’s “seriousness” in obtaining a new residence. The two questions we asked our response base were “How likely are you to move in the next 12 months?”, and “Into what type of home are you planning to move?”

Also, as with the household origin questions, an interesting pattern emerges when analyzing the responses of each age group. In general, younger

apartment shoppers are certain they want to move soon—but they’re not as certain about the type of housing they desire. Beyond the age of 45, shoppers are more cautious about when they intend to move, but they are more certain about the type of housing they desire.

In other words, an apartment shopper beyond the age of 45 is most likely to be shopping your project because he or she wants an apartment—but that shopper also needs to be convinced of the advantages of moving in general. A younger shopper is most likely to be shopping your apartment because he or she wants to move—but needs to be convinced of the advantages of your units in particular.

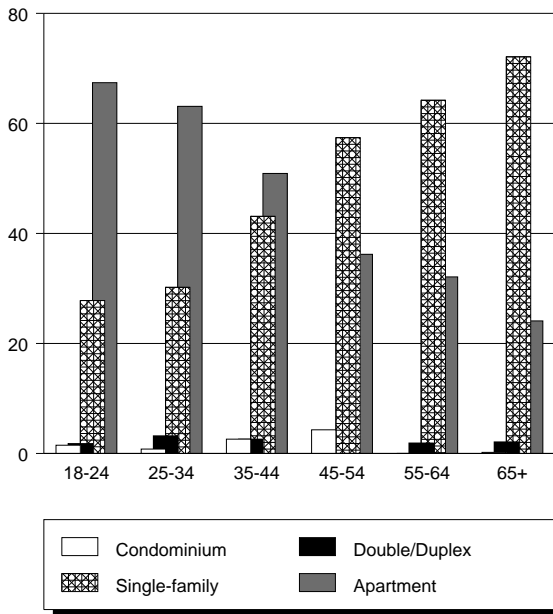
Note that the percentage of respondents who are “very likely” to move soon declines as the age of the respondent increases. At the same time, the percentage of shoppers who intend to move into an apartment increases with the age of the shoppers.

Age and household size. Overall, 24% of our respondents live in one-person households, 44% live in two-person households, 19% live in three-person households, and 12% live in four-or-more-person households.

The most likely shoppers to have children are those between the ages of 35 and 44. Even so, 41% of the shoppers in that age range have no children. Another 33% have only one child. Also, shoppers with more than one child tend to be concentrated in the 35-to-44 age range. Nearly a fourth (24%) of these shoppers have two children—the next highest incidence of shoppers with two children occurs in the 25-to-34 age range, of which 10% have two children.

Next month—Apartment shoppers and money. As our analysis of the Danter survey continues, we’ll take a look at apartment shoppers by income, and analyze how tenants in various economic strata responded to our survey.

What type of residence do you currently occupy?

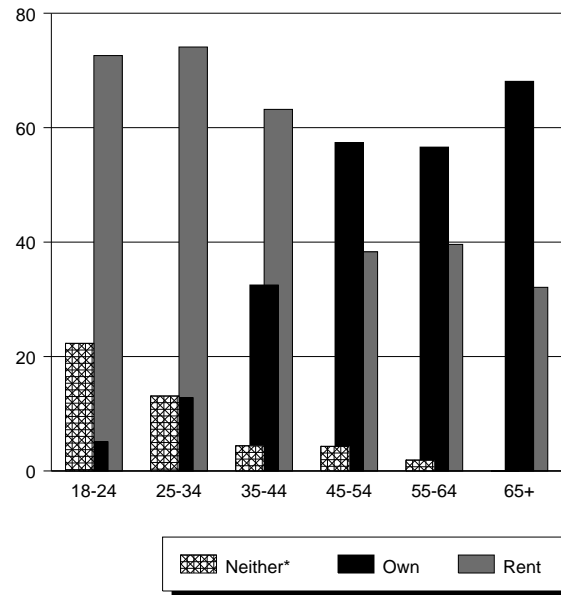


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Current Residence

- 67% of the shoppers between the ages of 18 and 24 come from apartments; 27% come from single-family homes.
- 63% between the ages of 25 and 34 come from apartments; 30% from single-family homes.
- 51% between the ages of 35 and 44 come from apartments; 43% from single-family homes.
- 36% between the ages of 45 and 54 come from apartments; 57% from single-family homes.
- 32% between the ages of 55 and 64 come from apartments; 64% from single-family homes.
- 24% over the age of 64 come from apartments; 72% from single-family homes.

Do you own or rent your current residence?

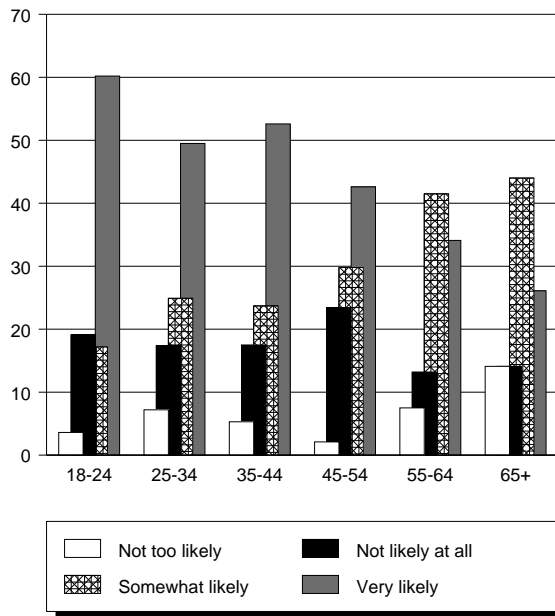


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*Live with parents or friends

Owner or Renter

- 72% of the shoppers between the ages of 18 and 24 rent their current residence; 5% own their current residence; and 22% live with parents or friends.
- 74% between the ages of 25 and 34 rent; 13% own; and 13% live with parents or friends.
- 63% between the ages of 35 and 44 rent; 32% own; and 4% live with parents or friends.
- 38% between the ages of 45 and 54 rent; 57% own; and 4% live with parents or friends. Beyond this point, less than 2% of the respondents indicated they lived with parents or friends.
- 40% between the ages of 55 and 64 rent; 57% own.
- 32% over the age of 64 rent; 68% own.

How likely are you to move in the next 12 months?

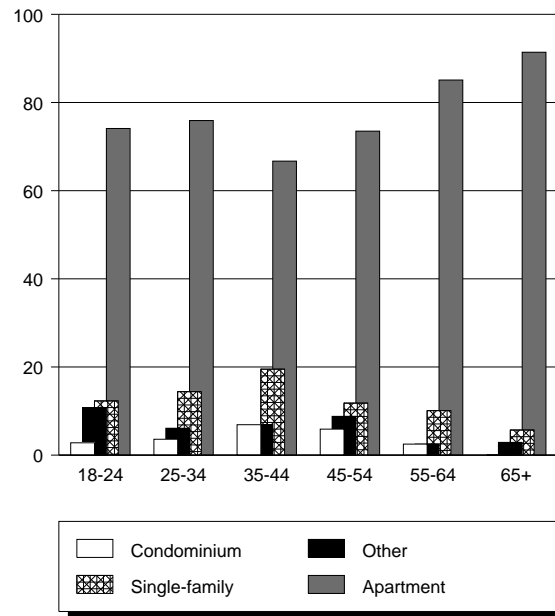


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Likelihood of moving

- 60% of the shoppers between the ages of 18 and 24 are very likely to move; 17% are somewhat likely; 4% are not too likely; and 19% are not likely at all.
- 50% between the ages of 25 and 34 are very likely; 25% are somewhat likely; 7% are not too likely; and 17% are not likely at all.
- 53% between the ages of 35 and 44 are very likely; 24% are somewhat likely; 5% are not too likely; and 17% are not likely at all.
- 43% between the ages of 45 and 54 are very likely; 30% are somewhat likely; 2% are not too likely; and 23% are not likely at all.
- 34% between the ages of 55 and 64 are very likely; 41% are somewhat likely; 7% are not too likely; and 13% are not likely at all.
- 26% over the age of 64 are very likely; 44% are somewhat likely; 14% are not too likely; and 14% are not likely at all.

Into what type of home are you planning to move?

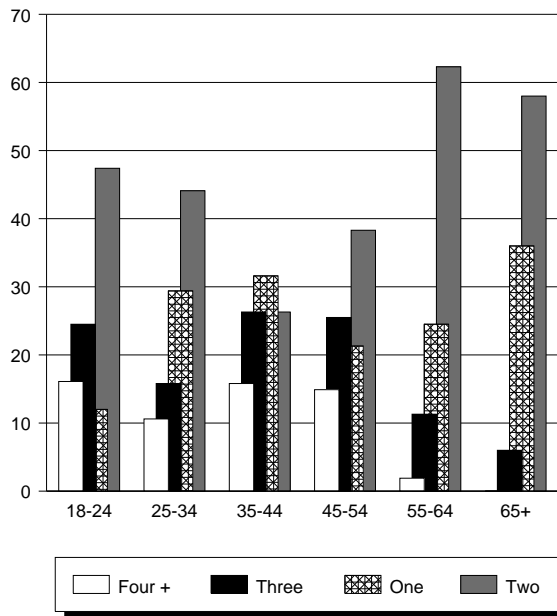


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Type of residence desired

- 74% of the shoppers between the ages of 18 and 24 indicated apartments; 12% single-family homes; 3% condominiums; and 8% some other type of housing.
- 76% between the ages of 25 and 34 indicated apartments; 14% single-family homes; 4% condominiums; and 6% some other type of housing.
- 67% between the ages of 35 and 44 indicated apartments; 20% single-family homes; 7% condominiums; and 7% some other type of housing.
- 73% between the ages of 45 and 54 indicated apartments; 12% single-family homes; 6% condominiums; and 9% some other type of housing.
- 85% between the ages of 55 and 64 indicated apartments; 10% single-family homes; 2% condominiums; and 2% some other type of housing.
- 91% over the age of 64 indicated apartments; 6% single-family homes; and 3% some other type of housing. (None indicated condominiums.)

How many people live in your household?

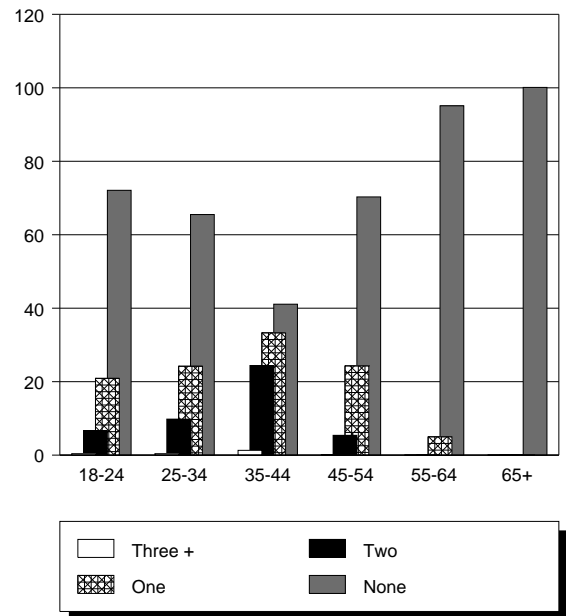


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Persons per household

- 12% of apartment shoppers between the ages of 18 and 24 live in one-person households; 29% between the ages of 25 and 34; 32% between the ages of 35 and 44; 21% between the ages of 45 and 54; 24% between the ages of 55 and 64; and 36% over the age of 64.
- 47% between the ages of 18 and 24 live in two-person households; 44% between the ages of 25 and 34; 26% between the ages of 35 and 44; 21% between the ages of 45 and 54; 24% between the ages of 55 and 64; and 36% over the age of 64.
- 24% between the ages of 18 and 24 live in three-person households; 16% between the ages of 25 and 34; 26% between the ages of 35 and 44; 25% between the ages of 45 and 54; 11% between the ages of 55 and 64; and 6% over the age of 64.
- 16% between the ages of 18 and 24 live in four-or-more-person households; 11% between the ages of 25 and 34; 16% between the ages of 35 and 44; 15% between the ages of 45 and 54; 2% between the ages of 55 and 64; and less than 1% over the age of 64.

How many children under the age of 18 live in your household?



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Number of children

- 72% of shoppers between the ages of 18 and 24 have no children; 65% between the ages of 25 and 34; 41% between the ages of 35 and 44; 70% between the ages of 45 and 54; 95% between the ages of 55 and 64, and 97% over the age of 64.
- 21% of shoppers between the ages of 18 and 24 have one child; 24% between the ages of 25 and 34; 33% between the ages of 35 and 44; 24% between the ages of 45 and 54; 5% between the ages of 55 and 64; and 3% over the age of 64.
- 7% of shoppers between the ages of 18 and 24 have two children; 10% between the ages of 25 and 34; 24% between the ages of 35 and 44; 5% between the ages of 45 and 54.
- 1% of shoppers between the ages of 35 and 44 have more than two children—in all other categories, less than 1% of the respondents have more than two children.