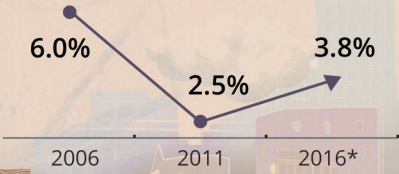


**WHILE THE US HOUSING MARKET IS RECOVERING . . .**

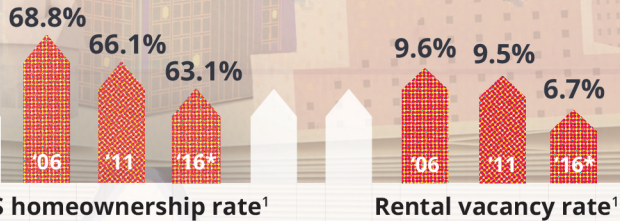
Residential fixed investment as a percentage of nominal GDP<sup>1</sup>



Homes foreclosed per 10,000 homes (NSA)<sup>2</sup>

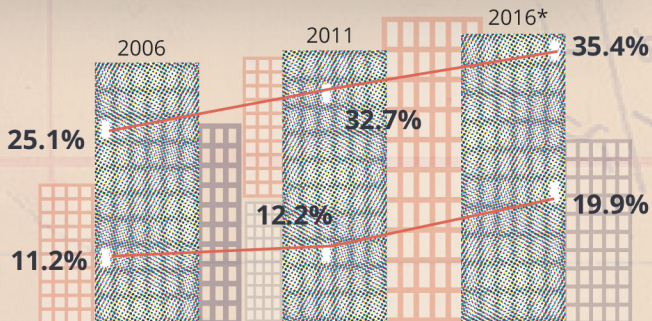


**. . . HOMEOWNERSHIP IS DECLINING AND RENTING IS ON THE RISE . . .**

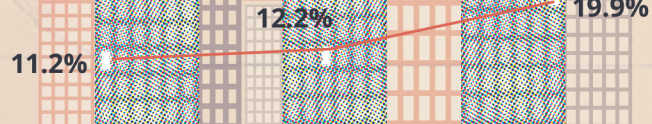


**. . . AND DEMAND FOR MULTI-FAMILY HOMES IS GROWING.**

Percentage of multi-family building permits issued out of total residential building permits issued<sup>1</sup>



Value of multi-family home construction out of total value of private construction of new housing units<sup>1</sup>



**IMPLICATIONS**



**TAXATION**

As fewer people choose or are able to purchase a home, the mortgage interest deduction might come under increased scrutiny in tax reform discussion.



**URBAN PLANNING AND SERVICES**

Certain fast-growing cities such as Seattle and San Diego will need to consider how to serve the increased population density that comes with large increases in multi-family homes.



**INDUSTRIES TIED TO THE HOUSING MARKET**

With the shift to more multi-family and more renters, producers of goods and services relating to housing will also be impacted—this covers everything from insurance to appliances and lawn equipment.

<sup>1</sup>Data from Q2 2016.  
<sup>2</sup>Source: US Census Bureau.  
<sup>3</sup>Source: Zillow.