

# LIVING THE HIGH LIFE IN A RENTAL HOME

by Pape-Dawson Engineers, LLC NOVEMBER 2023

## Is home ownership still part of the American dream?

Although aspirations of owning a home won't disappear from American minds anytime soon, some analysts [have predicted the percentage of people who own homes will dip](#) in the coming decades. Planners at Pape-Dawson Engineers have noticed a corresponding rise in the popularity of the build-to-rent option: a low-density, multi-family structure that delivers the benefits of a single-family home, but on a common lot.

Types of build-to-rent offerings inhabit a wide range, but they are (as the name indicates) designed with a future long-term renter in mind. Build-to-rent options such as multiplexes and town homes share walls, but are less densely populated than apartments. Build-to-rent offerings may also include single-family residences on smaller lots, or they may be virtually indistinguishable from standard build-to-own models.

Pape-Dawson Senior Planner Aaron Hunsaker, says he has seen a variety of build-to-rent options. "Some are entry-level, for someone upgrading from a garden-style apartment to something that's a separate building. Others are high-end products that rent for \$3,000+ a month and have valet trash service." As a whole, build-to-rent homes typically combine smaller footprints with amenities packages that include maintenance and landscaping.

According to Senior Land Planner Nathan Parrott, a gradually aging populace is driving some of the demand. "The over-55 population is growing. We're

seeing that they want to spend less time keeping up with a house or mowing their lawn and want to spend more time *living.*" At this stage in life, many find a more urban lifestyle appealing. "They may not want to be isolated in single-family suburbs where they have to drive an hour to reach city amenities," he adds. "Instead, they want to live where they can walk to the grocery store and the theater and spend more time enjoying life."

As people retire, many want to downsize, move closer to their children, or seek better weather. Few of them have an appetite for a standard 30-year mortgage. Taking on a new home can seem like a hassle—not just for them, but also for their families who will someday inherit it.

"In the past, senior-focused housing has been pretty segregated," says Nathan, "but an exciting new trend is joining these areas with multi-family housing." He sees combinations of adjacent housing and business options, such as for-sale townhomes and build-to-rent homes, alongside a desirable mix of food, beverage, and entertainment choices. In fact, many seniors want a more vibrant environment that includes not just dining and recreation choices but also younger neighbors, some of whom might be family members, too. "I think you'll see that these build-to-rent products will be integrated into other communities so that a young family who moves into a new master-planned community can have their parents move into the build-to-rent development just adjacent to it," says Colin Helffrich, Vice President.

Seniors are by no means the only driver of the build-to-rent trend. For many millennials, the option merges several advantages: freedom from a mortgage, flexibility to move, and the elimination of home and yard maintenance. As interest rates rise, millennials see build-to-rent as a way to live comfortably without breaking the bank.

According to Aaron, people of any age could have a reason to like build-to-rent. “We see single parents, perhaps newly separated or divorced, with kids and pets, enjoy a home with a small yard, but without the upkeep. It can also appeal to people who travel

often but still want a nice home to come back to.” And for many, build-to-rent signifies an opportunity to simplify while still enjoying certain luxuries.

“But Americans like to own stuff,” admits Nathan. That cultural impulse may work against the rise of build-to-rent, but its influence seems to be steadily receding with [an ongoing change in attitude](#) that has been documented for years. “It may take a little time for Americans to get out of the ‘owner’ mindset, but it’s happening,” says Colin. And build-to-rent homes will meet the demand.