“Single-family Living in a Multi-family World”

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Meet Your Speakers

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Background: The Concord Group

- The Concord Group ("TCG") is a leading national real estate consulting firm, providing a range of market analysis, land use programming, and asset and portfolio valuation services.

- Investors, developers, and public agencies rely on The Concord Group for guidance through all phases of real estate planning, financing, development, and operations.

- TCG analyses cover all real estate product types: office, retail, industrial, hospitality and residential segments.

- TCG recommendations maximize the financial potential of real estate assets and limit financial risk associated with future investment.

We lead our industry by going beyond traditional studies and analysis to provide recommendations that maximize the value of real estate opportunities.
Richard M. Gollis

Richard M. Gollis is a Co-Founder and Principal of The Concord Group based in the Newport Beach office. As a founding partner, Richard has crafted and cultivated the firm’s unique approach to advisory services, integrating deep market knowledge with creative analytics to provide best-in-class solutions to a diverse range of clients.

Richard’s expertise in strategic market analysis, development programming, transaction due diligence and valuation extends across all real estate asset classes. With a career in real estate spanning New England, Atlanta and Southern California, Richard offers an exceptional breadth of experience that makes him a trusted advisor to private- and public-sector clients alike. He works frequently with cities on solving complex redevelopment challenges in partnership with world-class developers and financial institutions.

Respected as a thought leader in real estate, Richard is often quoted in major publications and frequently sought after as a speaker at key industry events.

Richard was elected a Trustee to the Urban Land Institute in 2012 and has been a Governor of the ULI Foundation since 2006. He is also a Past Chair of the Community Development Council, Juror for the Awards for Excellence and Chair/Past Chair of the Orange County District Council. In addition, he is currently Co-Chair of the Advisory Board of The Department of Policy, Planning and Design at the University of California, Irvine.

A native of Boston, Richard is a graduate of Brown University with a degree in international relations.
The crossover of MF and SFD is nothing new...

“Buy a cozy cottage in our steel constructed choice lots, less than a mile above Broadway. Only ten minutes by elevator. All the comforts of the country with none of its disadvantages.”

Source: Life Magazine’s “Real Estate Number” of March, 1909; cartoon by A.B. Walker
Foundational Shifts

Economy: suppressed middle class incomes

Costs: more expensive development and housing

Lifestyle: new demand for different housing, retail, and workspace

Technology: disrupting the traditional playing field
Innovative Data Analysis

Source: TCG Metrics
Renters vs. Owners

1940
35 million total families

- 57%
- 43%

2017
119 million total households

- 36%
- 64%

Source: ACS

1Census data categorizes information in terms of families in 1940 vs household units in 2017
Trends in Owner Product Mix

1940
15 million total families

- SFD: 85%
- MF: 14%
- Other: 1%

2017
76 million total households

- SFD: 83%
- MF: 11%
- Other: 6%

Source: ACS

1 Multi-family definition includes all attached product types
2 “Other” includes ACS surveyed population living in mobile homes, boats, RVs, vans etc.
### Trends in Renter Product Mix

#### 1940
20 million total families

- SFD: 47%
- MF: 49%
- Other: 4%

#### 2017
43 million total families

- SFD: 28%
- MF: 67%
- Other: 5%

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Source: ACS

1^Multi-family definition includes all attached product types

2^Other includes ACS surveyed population living in mobile homes, boats, RVs, vans etc.
Rent vs. Own Choice by Life Segment

Median Ages late 20s to mid 30s

24% Young, diverse hard-working families, includes multi-generational households.

24% Single millennials who are mobile and work in blue-collar, service jobs.

46% College-educated 30-somethings who go out on the weekend, are highly active on social media.

73% Young, highly-educated singles who enjoy city living and who earn high incomes.

Source: ESRI
Rent vs. Own Choice by Life Segment

**Median Age 40+**

- **Upscale Avenues**: 70%
  - Prosperous, stable married couples with strong work ethics, may have older children.

- **GenXurban**: 75%
  - Families that have invested wisely and whose children have moved out.

- **Affluent Estates**: 89%
  - Wealthy, well-educated, well-traveled and social couples with children of various ages.

- **30%**

Source: ESRI
## In-demand Multi-family For-Sale Product Types

<table>
<thead>
<tr>
<th>Product Description</th>
<th>Program</th>
<th>Target Segment(s)</th>
<th>Concluded Share of Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Starting Somewhere</strong></td>
<td>600-1,200 SF</td>
<td>Middle Ground</td>
<td>30%</td>
</tr>
<tr>
<td>Smaller, value-oriented entry level units geared towards first-time buyers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Movin’ on Up</strong></td>
<td>900-1,500 SF</td>
<td>Next Wave</td>
<td>20%</td>
</tr>
<tr>
<td>Move-up, aspirational product</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Skybox</strong></td>
<td>1,200-1,800 SF</td>
<td>Uptown Individuals</td>
<td>20%</td>
</tr>
<tr>
<td>Luxury units with top-of-market spec levels and larger floorplans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Urban Family</strong></td>
<td>1,200-2,000 SF</td>
<td>GenXurban</td>
<td>20%</td>
</tr>
<tr>
<td>Smaller townhome-style product, floorplans with bedrooms/ layouts for starter families</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Established Urban Lifestyle</strong></td>
<td>2,000-3,000 SF</td>
<td>Affluent Estates</td>
<td>10%</td>
</tr>
<tr>
<td>Larger townhome-style luxury product with large floorplans</td>
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</table>

Source: TCG data-driven analysis, ESRI
# In-demand Rental Product Types

<table>
<thead>
<tr>
<th>Product Description</th>
<th>Program</th>
<th>Target Segment(s)</th>
<th>Concluded Share of Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Crash Pads</strong></td>
<td>350-600 SF</td>
<td>Next Wave</td>
<td>20%</td>
</tr>
<tr>
<td>Smaller, value-oriented units geared towards singles and younger renters who are less concerned with space</td>
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<tr>
<td><strong>Professional Product</strong></td>
<td>500-1,000 SF</td>
<td>Uptown Individuals</td>
<td>45%</td>
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<tr>
<td>Core product with focus on market-specs and amenities</td>
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<td></td>
<td></td>
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<tr>
<td><strong>Renters by Choice</strong></td>
<td>900-1,400 SF</td>
<td>Upscale Avenues</td>
<td>15%</td>
</tr>
<tr>
<td>Luxury units with top-of-market spec levels and larger floorplans</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Purpose-Built Single Family Rental</strong></td>
<td>1,400-2,000 SF</td>
<td>Middle Ground</td>
<td>15%</td>
</tr>
<tr>
<td>Detached homes with efficient layouts that offer renters owner amenities, i.e. yard</td>
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<tr>
<td><strong>Social Network (co-living)</strong></td>
<td>500-1,000 SF</td>
<td>Midtown Singles</td>
<td>5%</td>
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<tr>
<td>Co-living concept with shared living/kitchen area, private rooms and bathrooms</td>
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</tr>
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</table>

Source: TCG data-driven analysis, ESRI
Leading us to emerging solutions...

Mixed-use Neighborhoods
Loss of community, growing need for connectivity and rising housing costs drive demand for single-family product in mixed-use environment.

Small-Scale Projects
Using growing infill demand, create smaller tight-knit communities, and reduce overhead.

Detached Rental
Rising housing costs, shifting family dynamics, and life transitions create demand for detached rental product.

Micro Units
Fewer possessions, movement away from materialism, lower incomes, and increased mobility equal demand for less space.
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