The Evolving Image of Multifamily Housing

An Honors Thesis (HONR 499)

by

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Abstract
Housing is an essential part of human life, as it provides us with shelter, safety, and a place of belonging. Even though most Americans see the ideal form of housing as a single-family home, multifamily housing is becoming more prevalent and desirable as a place to call home. Through this thesis, I combat the misconceptions about multifamily housing with facts about the industry, and I attempt to give a clearer picture of what multifamily housing is by comparing its features and benefits to those of single-family housing. With a look into the city of Cincinnati, Ohio, and its housing market, I am able to give specific examples of what multifamily housing has to offer.

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The apartment industry is growing rapidly in the United States, but many Americans are still misinformed about multifamily housing and the benefits it can provide its residents. For this reason, many people prefer single-family housing, but there is still a great number of people gravitating toward multifamily housing. Multifamily housing can provide its residents with convenience, security, accessibility, and extra features and amenities that will impress those even with the highest of standards. In order to understand the value of multifamily housing, however, one should look at the other half of the picture first, which is why people choose single-family housing over multifamily housing.

First, a single-family home is defined as a freestanding residential structure, as opposed to a multifamily home which consists of two or more separate homes contained within one building or structure. People are drawn to single-family homes for a variety of reasons. In America, real estate is often used as a way to “display wealth and power within a community” (Kelley 10). This “pride of ownership” is one of the main reasons why Americans choose to buy a home. In addition, the homeownership rate in the United States is at almost sixty-nine percent, indicating that right now, most Americans believe owning a home means meeting the status quo (Owning). Many see homeownership as a major part of the “American Dream”, and it is often a large factor in whether or not Americans see themselves as successful.

1 Though it is well known that single-family homes can be rented, and apartments and other types of multi-family housing can be owned, for the purpose of this paper I will focus specifically on owning single-family homes versus renting multi-family housing.
More practical advantages to owning a home are that it can to build equity, and ideally increase wealth, and it can provide extra tax advantages, as mortgage interest is tax deductible (Owning). Many Americans would also prefer owning a home because of the space, comfort, and privacy it can provide. It seems as though, as Americans, we have become so used to the availability of space that we feel entitled to it, and accepting less would feel like settling.

On the other hand, there are also negative aspects of homeownership. First of all, buying a home is a big investment that includes a substantial amount of risk. Buying a home ties up the owner’s cash, making it more difficult to be flexible when it comes to moving or relocating for a job, because it is not always possible to sell a home right away (Owning). Also, much to the surprise of many homeowners, there is no guarantee that a home will increase in value. It can increase or decrease in value, depending on the housing market at any given time, as well as other circumstances. In addition to the risk associated with the investment of buying a home, homeownership also comes along with many additional maintenance costs and requires much of one’s time and money in order to keep the house in good condition.

Even though owning a home is not necessarily the best choice for everyone, many still feel the need to purchase a home because of the negative stereotypes associated with renting an apartment home in a multifamily housing community. A few of the most widespread of the negative stereotypes are that those who rent apartment homes would prefer to own a home, that there are higher crime rates in apartment communities, and that renters are not as good of citizens as homeowners.
The truth is that apartment living is gaining in popularity, especially among higher-income households. In fact, households earning $50,000 a year or more have been the fastest-growing part of the apartment industry. This is because higher-income households are becoming aware of the freedoms that renting can allow them, such as mobility, little to no maintenance, and extra amenities. The stereotype that apartment communities have higher crime rates than single-family home communities is mostly based on faulty logic. The National Multifamily Housing Council (NMHC) conducted research that found that when police officers record visits they tend to equate apartment communities with a single "house", but if an apartment community has one hundred apartment homes, it should then be considered as one hundred different "homes" (Frye). This practice, in turn, distorts the crime rates for certain communities. When the crime rates are calculated correctly, there is not much difference in the rates between the different housing types. Actually, many apartment residents say they "chose apartment living specifically because they feel more secure there; they feel safer there because there are so many people coming and going that it [would be] more difficult for criminals to act without being discovered" (Frye). Lastly, there is no "statistically significant" evidence to that show homeowners are better citizens than renters. In fact, the University of Chicago's General Social Survey between 1987 and 1996, showed that apartment residents are "more socially engaged, equally involved in community groups...similarly attached to their communities and religious institutions...[and] are also comparably interested in national affairs and active in local politics" (Frye).
All of these facts about renters as compared with homeowners prove the negative stereotypes incorrect.

Multifamily housing has changed in recent years, and so has the appropriate terminology used to address it. Traditionally, the most common type of multifamily housing has been referred to as an apartment “complex”, but now it should be referred to as an apartment community. While the person who lived in the community used to be called a “tenant”, he should now be called a resident, and the “landlord” should be called the community or property manager. Also, the actual space in which the resident lives should be called an apartment home, rather than a unit, and “work order” put in for maintenance on the apartment home should be referred to as a service request (Earhart). Using the contemporary terminology to refer to multifamily housing combats the negative stereotypes and portrays it in a light that gives it respect as a form of housing.

Multi-family housing is becoming more and more desirable as a form of housing, because it can offer many benefits to its residents. Residents of multi-family housing come in two types: renters by choice and renters by circumstance (Kelley, 182). Renters by choice are often empty nesters, career professionals, or retired people, because renting often provides these types of people with extra freedom, especially for those who feel they don’t need a lot of extra space. Actually, over forty percent of households living in an apartment are renters by choice, which is up from twenty-eight percent in 1999 (Frye). Many also choose to rent because it can be more economical for their particular lifestyle. The other type of renters, renters by circumstance, is usually college students, young couples or families, or
single people (184). Other groups that may be renters by circumstance are immigrants or divorced or divorcing couples (186). These types of people might rent because of the place they are in their lives; they probably view renting as a more temporary form of housing for economical or situational reasons (184).

Regardless of the reason for choosing multi-family housing, there is no doubt that it can offer its residents many benefits and advantages. In the recent years, multi-family housing has changed substantially. Rental housing can now be "attractive, be structurally substantial, and offer home-like floor plans and appointments – all at achievable prices" (Kelley, 23). Apartment designers are continually looking for ways to achieve the new look of modern-day housing that its residents want, along with all of the extra features and amenities that are now common in multifamily housing. For example, the popular garden style apartment community emulates a suburban, landscaped neighborhood setting, with green space, plenty of parking, multiple-story floor plans and individual patios and balconies (24). Multi-family housing communities are also usually convenient for renters, as they are typically located closer to the resident's work place, public transportation, and places of entertainment (23). Again, this means more freedom for the residents. Some people also choose apartment communities for the security they can provide. Most apartment communities now have surveillance cameras and emergency call stations, and some even have security systems and electronic locks for individual apartment homes (Kelley, 37). Residents are drawn to the fact that they can feel completely secure in their homes, especially when their apartment
homes include security features that they may not be able to afford to have in a single-family home.

It is now standard for many apartment communities to offer extra amenities, as well, which would be considered luxuries for homeowners. These amenities might include a recreation center, clubhouse, common kitchen and entertaining space, exercise room, business center, wireless lounge, library, or media center (33). They could also include a swimming pool, sundeck, tennis court, basketball court, grilling area, dog park, bike room, walking trails, or extra storage facilities (34-6). These types of communities can really appeal to those individuals, couples, groups, or families who have high standards when it comes to housing. Apartment living can make having all of the housing luxuries feasible for a household, without breaking the bank.

Another benefit of living in an apartment community is the availability of accessible options and universal design. The Fair Housing Accessibility Guidelines apply to buildings with four or more units, which covers most apartment communities (Kelley, 25). These guidelines cover parking, access into the building, and clearance for doors, bathroom fixtures, and kitchen appliances. Grab bars and reachable controls, outlets, and switches would also be included in an "accessible" apartment home. Universal design, similarly to accessible design, makes things safer, easier, and more convenient for all people, regardless of physical or mental abilities. Universal design is intended to help people to be able to "enjoy their housing and independence longer" (25). This means it can be a draw for all people, not just those with disabilities.
In order to give a glimpse into real examples of multifamily housing, I explored three similar apartment communities within different neighborhoods in Cincinnati, Ohio, which is a city with trends that are very indicative of the rest of the country. Before explaining each of these communities I will first give some background information on the city. With a population of 297,517 residents, Cincinnati, Ohio, is the third largest community in Ohio. Consisting of 166 neighborhoods, it is an older, more historic city, with a combination of modern and pre-World War II architecture. Cincinnati is neither dominated by blue-collar nor white-collar occupations, but rather is a city of professionals, sales and office workers, and service providers. About fourteen percent of the population work in office and administrative support, about ten and a half percent work in sales, and just over eight percent work in management (Cincinnati, OH).

Cincinnati is a young city with many single people in their twenties and thirties who hold undergraduate or graduate degrees and are beginning their professional careers. In fact, about thirty-one percent of the adult population holds a college degree, which makes Cincinnati better educated than the typical community in the United States. The average per capita income in 2010 was $24,538, which is on the high-middle end relative to Ohio and the United States in general. The city is extremely ethnically diverse, but the highest number of residents reported being white, followed by African American, German, and Irish.

There are 133,420 total housing units in Cincinnati, and the housing appreciation rates have been consistently rising, especially within the past year. The median house value is $120,908, which is near the national average for all cities and
towns (Cincinnati, OH). Forbes actually ranked Cincinnati as number five in the list of the most affordable cities in the United States in 2015, as determined by the median prices for homes compared with median income levels (Carlyle). This is telling of the fact that Cincinnati is still a homebuyer's market, but renting is also a driving force in the city's housing market. In his article about the Cincinnati apartment sector, Jay Parsons states that "Cincinnati's apartment market won't rank among the national leaders by most measures...but it has become one of the nation's most steady, stable markets" (Parsons).

Cincinnati is a city of neighborhoods – each of which is unique in its own way. Residents of Cincinnati know there are two parts to the city, the East and the West, and there is a sense of rivalry between the two. The East is the more modern side, with young, successful, and up-and-coming families, whereas the West is the older, more conservative part of the city. The West is home to those who "built the city," working at Proctor and Gamble or General Electric. The city center is also older and some parts are run down, but it still has charm, and many older buildings are being renovated to suite a new, younger crowd (Cincinnati: Neighborhoods).

Located near the city's center are the neighborhoods Mt. Adams and Clifton, along with Xavier University, a Catholic college. Mt. Adams is a hip area with the housing perched on a hill and overlooking downtown. It has narrow streets, which makes for difficult parking, but has a diverse array of restaurants, galleries, and clubs. It is also the home of the Cincinnati Art Museum. Clifton, on the other hand, is the home to the University of Cincinnati, which brings along with it thousands of young students (Cincinnati: Neighborhoods).
The East side of Cincinnati is home to neighborhoods such as Hyde Park, Mt. Lookout, Montgomery, Blue Ash, Loveland, and Lebanon. Hyde Park and Mt. Lookout are areas with many cute boutiques and restaurants, and they also include town squares. Montgomery and Blue Ash are more suburban areas that include downtown areas with shopping and dining options. Loveland lies along the Little Miami River and is home to the Loveland Bike Trail, which is a seventy-mile flat, paved trail, which runs along an old railroad track. Lastly, Lebanon is an older neighborhood that lies further out and is filled with antique shops (Cincinnati: Neighborhoods).

In the West the neighborhoods are a little more diverse. Closer in towards the city, Price Hill and Fairmount are neighborhoods that are pretty run down and not considered safe, but they have a lot of history. St. Bernard, however, is further out and is home to many who work or have worked in the P&G plant. Reading, which is more north of the city, is an old German town, which has been transformed into a destination for those planning a wedding. It is filled with all kinds of wedding boutiques, from dress shops to bakeries to flower shops. Glendale is a very upscale area with a small downtown filled with shops and boutiques. West Chester is a very new suburb located far out from the city. Fifteen years ago, the area consisted only of farmland, but is now filled with upscale communities and great restaurants (Cincinnati: Neighborhoods).

The last section of the city of Cincinnati would be the area south of the Ohio River, which includes neighborhoods such as Covington and Newport. These neighborhoods are located directly across the river, where Cincinnati’s residents go
to enjoy themselves at some of the nice restaurants and bars located on the river. Covington also hosts an old German community with a beautiful church called Main Strasse Village, and Newport has its own retail and entertainment center called Newport on the Levee (Cincinnati: Neighborhoods).

Now that I have explained a little bit about the demographics of Cincinnati and its neighborhoods, I will detail my findings at three apartment communities in different areas of Cincinnati: Lake of the Woods Apartments in the west, Deercross Apartments in the east, and City West Apartments downtown. These three communities are similar in amenities and price range, so comparing their features will emulate what it would be like for a potential resident to be apartment shopping. According to Trulia.com, the most important things one should look for when choosing an apartment are the neighborhood, amenities, and price (5 Most). I will use these categories to analyze each apartment community.

To start, Lake of the Woods Apartments is located on the west side of Cincinnati in the neighborhood Mt. Healthy. It is located right off of Ronald Reagan, which is a main highway in Cincinnati, but "boasts a clean and quiet community" (Lake). The property includes a community swimming pool, picnic area, fishing lake, clubhouse, and clothes care center. There is assigned parking for each apartment home, and there is guest parking available for visitors. Lake of the Woods has one, two, and three bedroom properties available, ranging from 631 square feet to 1323 square feet. Rent prices for the apartment homes range from $590 to $875 per month and include heat. A maximum of two pets are allowed to live in each home with an additional deposit of $250 and $25 per month per pet. Each individual
apartment home includes window coverings, a gas stove, carpeting, a garbage disposal, double sinks, large closets, and a private patio or balcony. Select homes are equipped with ceiling fans, a dishwasher, a fireplace, a breakfast bar, and lake and wooded views. When visiting the property, it seemed a little dated, but was well kept, clean, and quiet.

Moving to the northeast side of Cincinnati in the peaceful neighborhood of Blue Ash is Deercross Apartments. Deercross is located on wooded acreage and offers close access two major interstates, I-71 and I-75, as well as Ronald Reagan highway (Deercross). This apartment community includes a twenty-four hour fitness center with an indoor spa, swimming pool, business center, clubhouse, dog park, playground, fishing lake, picnic pavilion, tennis courts, and clothes care facilities for its residents. Parking is open for all, and residents may also choose to rent a carport or single car garage. Deercross has one and two bedroom apartment homes ranging between 752 and 972 square feet and $800 to $920 monthly rent, with a $200 deposit. Up to two pets are also allowed here with an extra $200 deposit and $25 in rent per month. Each apartment home is provided with an air conditioner, carpeting, dishwashers, window coverings, oversized closets, washer and dryer connections, and a patio or balcony. Potential residents also have the option to choose one of the select homes with a wood-burning fireplace. In person, Deercross felt very peaceful with a lot of green space. The clubhouse and pool area were modern and inviting, and the model apartment home was also up-to-date in its features.
Lastly, City West Apartments is a modern apartment community set in a residential pocket centrally located near downtown Cincinnati. The apartment community offers easy access to major interstates and highways, public transportation, and shopping (City West). It also provides its residents with copy and fax services, an elevator, and assigned parking spaces. City West offers one, two, and three bedroom apartments ranging from 723 to 1564 square feet, and rent ranges between $629 and $950 per month with a deposit of $199. One pet per household is allowed upon approval, but extra pet rent or deposits were not specified. The community is accessible for those with disabilities, and offers some accessible apartment homes, as well. Each apartment home has an all electric kitchen, pantry, ceiling fans, mini blinds, a dishwasher, central air and heating, carpeted floors, and a private balcony or patio. City West has an urban feel, while still providing a retreat from the hustle and bustle of the city.

Each of the three communities described, though similar, has its own unique qualities that can attract different kinds of residents. Lake of the Woods probably has the most tranquil and laid back location, which would probably attract families, older residents, or those who like to stay away from the busy city. Deercross has the most community amenities and updated apartment homes, which could be a draw for young families and couples. City West is located in the most urban setting, providing its residents with convenience and proximity to everything that downtown Cincinnati has to offer, but the tradeoff is that the community does not have as many extra amenities and facilities. City West also had the most modern apartment homes, and would probably be most attractive to young singles and
couples, or those who like to be in on the action of city life. Regardless, these communities are just a few examples of all that the apartment industry has to offer. Through the exploration of these Cincinnati communities, it as hopefully become apparent that multifamily housing is not just one thing; there is something out there for everyone, regardless of one's stage in life or lifestyle preferences.

According to Maslow's Hierarchy of Human Needs, housing is big part of fulfilling human needs (Merrill, 27). Housing fills a human's most basic needs of shelter, security, and safety, but it also fills one's need for community, a sense of belonging, and self-actualization (28). Single-family housing, if it ever was, is no longer the only way, or the best way, for people to fulfill these needs. Multifamily housing offers countless options to meet all kinds of needs and wants, and it is continuing to evolve and grow in order to appeal to an ever-widening array of people. Many times, residents will be able to find ways to fulfill their needs through multifamily housing that they are not able to fill through single-family housing. This means that though the idea of homeownership as the "American Dream" is still prevalent in our society today, multifamily housing is on the brink of becoming the new dream.
Works Cited


