

The Honorable Elizabeth Warren

United States Senator

309 Hart Senate Office Building

Washington, D.C. 20510-2105

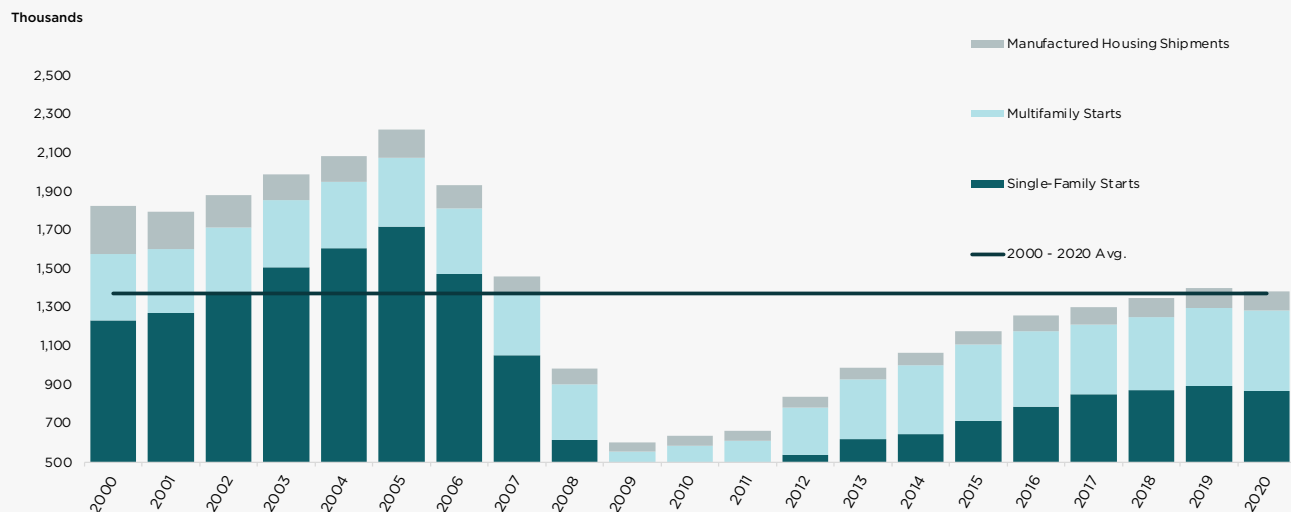
Dear Senator Warren:

Thank you for your January 13, 2022 letter about housing in America. We share your commitment to addressing our nation's housing needs and appreciate the opportunity to describe the work we are doing to make housing accessible at a time when homes are in increasingly short supply.

AMERICA'S HOUSING SHORTAGE

Since 2010, the number of American households has grown by 12%, while the nation's housing stock has increased by only 8%, a disparity which has yielded a deficit of roughly seven million homes.¹ When demand grows and supply is restricted, prices rise, and that is exactly what is happening across the United States as homeownership approaches a ten-year high.

10+ Years of Underbuilding Has Created a Shortage of Homes²



These issues are exacerbated by restrictive zoning laws and pandemic-related market disruptions like supply chain constraints, labor shortages, and increased prices for construction materials. The pandemic has also shifted demand, with at-home work environments and increased mobility leading to a 35% increase in interstate migrations, placing a strain on existing housing stock in suburbs.³

As a result, many families today spend over 30% of their income covering their mortgage or rent. The only sustainable way to bring these costs down is to expand the supply of housing by building more places for people to live, whether for rent or for purchase. Progress supports changes to make it easier to build more housing, and we stand ready to partner with policymakers where we can be in service of that goal.

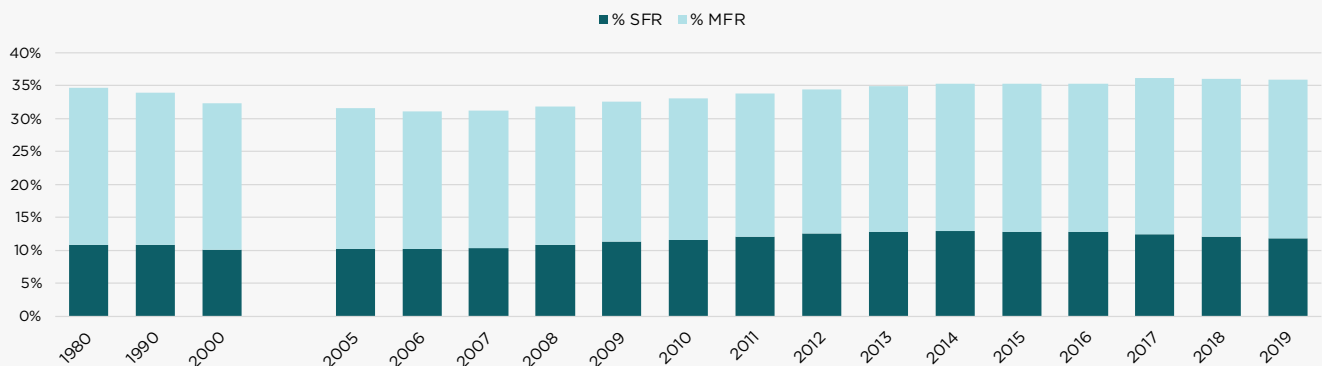
SINGLE-FAMILY RENTALS ARE A SMALL PART OF THE HOUSING MARKET

While owning a home has often been described as the “American Dream,” renting has always been an important part of the overall housing market, with approximately one-third of households choosing to lease a home. The overwhelming majority of these rental options are in multifamily units. Consequently, many American families have been unable to access neighborhoods and school districts they want because there are too few single-family rental options.

Single-family rentals represent only 10-13% of occupied housing since at least the 1980s. Though a smaller part of the overall housing market, these rentals provide families with increased space, yards, and access to a more diverse range of neighborhoods with better schools. Since the pandemic began, demand for SFR has risen as housing has taken on an expanded role—combining home, office, and classroom and providing better value for many renters.

Single-Family & Multifamily Rentals as % of Total Occupied Housing⁴

The rental market has historically been dominated by MFR and still is



Institutional SFR has not changed this dynamic. Rather, it has brought professionalization and high standards to a scattered and underserved industry.



126mm
Occupied Homes¹

65% Owners

35% Renters

Single-Family Rentals⁶

~1,827

Avg. Sq. Ft.



~25%

Avg. Turnover



\$1.19

Avg. Rent/Sq. Ft.



65%

Homes with 3+ bedrooms



Multifamily Rentals⁶

~1,100

Avg. Sq. Ft.

~50%

Avg. Turnover

\$1.81

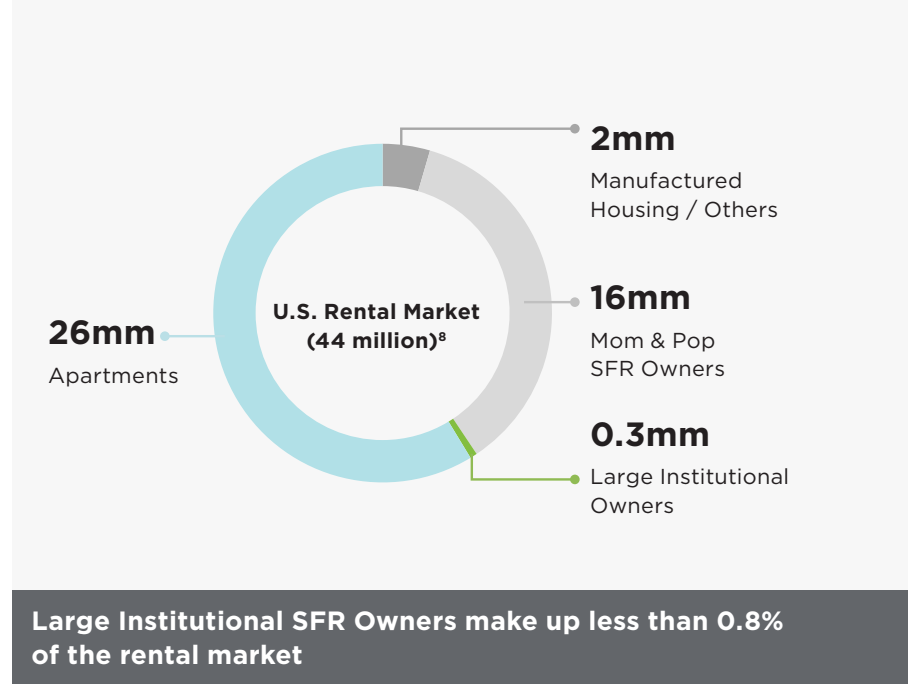
Avg. Rent/Sq. Ft.

11%

Homes with 3+ bedrooms

The SFR market has traditionally been dominated by small investors, and that remains true today. Large institutional ownership of SFR makes up a very small portion of the marketplace.

Large institutional owners can leverage their scale and resources to provide a consistent, reliable living experience, while providing numerous benefits to consumers including a streamlined and transparent application process, improved customer service, access to financial resources like rental and utility assistance, well-maintained and well-located homes, and emergency response services.



PROGRESS PROVIDES AMERICANS WITH WELL-LOCATED, WELL-MAINTAINED, ACCESSIBLE HOMES

Founded in 2012, Progress has steadily expanded its workforce and today has 2,300 employees proudly serving thousands of families in 30 of our nation's growing metro areas. Progress does not operate in the multifamily residential market. The single-family homes we service represent less than 0.5% of all single-family rental homes in the United States—a tiny fraction compared to leading operators in the multifamily rental industry.

We have acquired less than 0.09% of the single-family homes sold since 2012. Many of our purchases have been from other rental investors, and approximately 90% of our properties are affordable for working-class families making less than 120% of area median family income. Progress provides families an opportunity to live in homes and neighborhoods they historically would not have been able to access without homeownership.

Progress is committed to ensuring that our renters live in well-maintained homes. We have invested more than \$2 billion repairing and renovating our homes, improving neighborhoods, and supporting local economies, and continue to do more each day. We invest, on average, over \$50,000 to improve a home after purchase—something most American families cannot afford to do on their own.⁹ We integrate environmentally friendly policies throughout our SFR operations and have invested over \$450 million since 2017 in proactive measures to reduce the environmental footprint of our homes.

Progress has and continues to partner with developers to provide capital to build more than 5,000 homes within the next five years, thereby increasing the housing stock and creating new, affordable housing that our country needs. The quality of Progress homes and service, coupled with our affordable rents, are reasons why our residents typically renew their leases multiple times.

PRIORITIZING OUR CUSTOMERS DURING THE COVID-19 PANDEMIC AND BEYOND

Our customers are our top priority. The coronavirus pandemic has caused enormous upheaval for our country and continues to impact American families. Progress has been committed to assisting our residents throughout this challenging time above and beyond federal and local requirements.

1. Our policy is, and always has been, not to evict for non-payment of rent any resident who is covered by a Centers for Disease Control and Prevention (CDC) declaration. That policy fully complied with the CDC moratorium, which prohibited evictions for non-payment of rent. Progress has **NEVER completed an eviction for any resident due to nonpayment of rent who was covered by a CDC declaration**, nor do we evict residents who are engaged with us to become current on their rent, even if they do not have a CDC declaration. Furthermore, Progress **voluntarily maintained the CDC's eviction moratorium (and continued to accept declarations) through the end of 2021**, long after the moratorium and any legal obligation to do so had expired.
2. Beyond the requirements of the CDC moratorium, Progress has made, and will continue to make, meaningful assistance available to our residents. As of December 31, 2021, we have **facilitated rental assistance for more than 5,200 residents totaling roughly \$46 million**, with more coming each day. We have provided residents with over **\$33 million in additional rent forgiveness, help with utility bills, and other financial assistance**.
3. We have worked to find new ways to engage with and assist our residents. In situations where the pandemic has created financial distress for our residents, our preferred path is always to keep residents in their homes. To that end, Progress has communicated with our residents by email, phone, and mail to offer assistance, and we have **hired nearly two dozen additional employees to notify, engage with, and assist residents** who may have a financial need. Our extensive resources are easily and readily accessible on our website to encourage residents to learn about and utilize rental assistance programs. Additionally, we vastly expanded our outreach to residents in both English and Spanish and increased by fourfold the number of resident outreach calls. We halted third-party collections efforts during the pandemic and do not report adverse information regarding our residents to credit bureaus.
4. We have continued to support residents long after the expiration of the CDC's moratorium. We know that, as the effects of this pandemic linger, people will need help getting back on their feet. We continue to take a variety of steps to support our residents, including **debt forgiveness, rental assistance, relocation support, positive credit reporting, and dismissing filings**.

Thank you again for your interest in these important issues. We remain committed to not only providing quality accessible homes to our residents but also helping to address America's housing needs.

Sincerely,

Progress Residential

1. Rosen Consulting Group, "Housing is a Critical Infrastructure: Social and Economic Benefits of Building More Housing," June 2021, available at: <https://www.nar.realtor/advocacy/housing-is-critical-infrastructure>.

2. Updated Household Growth Projections: 2018-2028 and 2028-2038. Manufactured Housing Institute. December 2021.

3. US Census, 2021 Vintage Population Estimates, December 21, 2021.

4. US Census, Decennial Census 1980, 1990 & 2000; US Census, American Community Survey 1-Year Estimates 2005-19.

5. Ibid.

6. U.S. Census Bureau; Green Street 2022 U.S. Single-family Rental Outlook; National Rental Home Council Single Family Rental Industry Overview.

7. MFR average FY 2020 turnover rate including Essex Property Trust, Equity Residential and AvalonBay; Statista, Median size of multifamily housing units in the U.S. 2000-2019. FY 2019 data.

8. Green Street 2022 U.S. Single-family Rental Outlook.

9. Importantly, institutional investors generally are not competing for the same types of properties as traditional homeowners. Institutional investors' best investments are typically homes that require extensive repairs. This works for large firms because they can achieve economies of scale by hiring in-house construction and repair workers or by bidding down the price by offering stable work to contractors for multiple homes.