



Pet-Inclusive Housing Initiative

2021 Pet-Inclusive Housing Report

Research and resources for
pet-inclusive rental housing

Michelson Found Animals


habri
human animal bond
research institute



STEVEN FELDMAN
President
Human Animal Bond
Research Institute

To our friends in the rental housing industry:

If there has been a silver lining to the pandemic, it's the human-animal bond—the mutually-beneficial relationship between people and pets. Pet adoption increased during the pandemic as many individuals found themselves staying at home. Previously overcrowded animal shelters were close to empty throughout the last year.

For a rental housing industry seeking to attract residents and mitigate losses amid unprecedented circumstances, this is great news. Rental housing communities can boost their appeal to potential residents and drive increased demand by implementing pet-friendly policies. This report offers an in-depth analysis of research commissioned by Michelson Found Animals Foundation

We will discuss compelling data that demonstrates how the rental housing industry will benefit from forward-thinking pet policies. The building blocks are already in place: While a near-unanimous 93% of rental housing operators agree that pets are an important part of the family, 72% of rental housing residents say pet-friendly housing is hard to find.

Making positive changes to pet policies creates a unique opportunity for apartment owners and operators who will become attractive to a wider pool of potential residents. Those looking for housing prioritize pet friendliness over other amenities and those already in pet-friendly housing stay an average of 21% longer. Pets help make better



BRETT YATES
CEO
Michelson Found
Animals Foundation

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and the Human Animal Bond Research Institute (HABRI) on the state of pet-friendly rental housing in the United States.

As nonprofit organizations that advocate for initiatives that bring humans and pets together, Michelson Found Animals and HABRI joined the multifamily ecosphere to provide both data and new partnerships to support the benefits of pet inclusivity in rental housing. Already, some rental housing companies that eased or removed pet weight and breed restrictions while reducing limits on the number of pets per household have seen increased demand and stronger renewal rates.

communities by fostering connections for pet owners and non-pet owners alike, with 66% of pet owners saying their pet has brought them closer to their neighbors.

Given that the pandemic has shown how essential the human-animal bond is to so many people, this is the time to redouble our efforts to make sure they can all find good homes. The rental housing industry plays a vital role in this cause by making rental housing communities even more pet-inclusive. Now, we have strong data to show how doing so can offer rental housing operators a marketplace advantage.

Thank you.



2021 Pet-Inclusive Housing Report

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Executive Summary

A comprehensive survey of residents and owner/operators reaffirms the economic benefits of pet-inclusive housing



72%
of residents
report that pet-
friendly housing
is hard to find.

The scarcity of pet-inclusive rental housing continues to be a barrier for pet owners throughout the United States. More than two-thirds of U.S. households own at least one pet. Among residents, however, **72% report that pet-friendly housing is hard to find.** Despite the high volume of residents seeking homes that accept pets, many rental properties are not fully pet-inclusive, and prevent or significantly restrict residents from keeping pets in their rental properties. This scarcity is particularly acute for lower-income pet owners.

Owner/operators often cite the following reasons why they choose to restrict or even ban pets from their rental properties:

- The need to reasonably protect against physical property damages that are assumed to be caused by pets
- The perceived risk of larger animals and certain pet breeds harming people, pets, or property
- The desire to uphold a positive reputation of their residential communities
- The responsibility to sustain the health and safety of the entire rental housing community

While these are legitimate concerns, each can be addressed in such a way that pets could be included in these properties and communities. Research shows that a strong case can be made that this will benefit both residents and property owner/operators.

An overwhelming majority of Americans consider their pets to be family.

The bond between humans and their pets is undeniable, and scientific evidence demonstrates that companion animals contribute to the physical, mental, and emotional well-being of their owners.

This love of pets, and their benefits for people, form the common ground upon which we can hold a productive conversation and attain pet-inclusive solutions that are beneficial for all involved.

The disconnect between supply and demand for truly pet-inclusive housing provides a great opportunity for both residents and owner/operators, all of whom believe that pets help bring people and communities together.

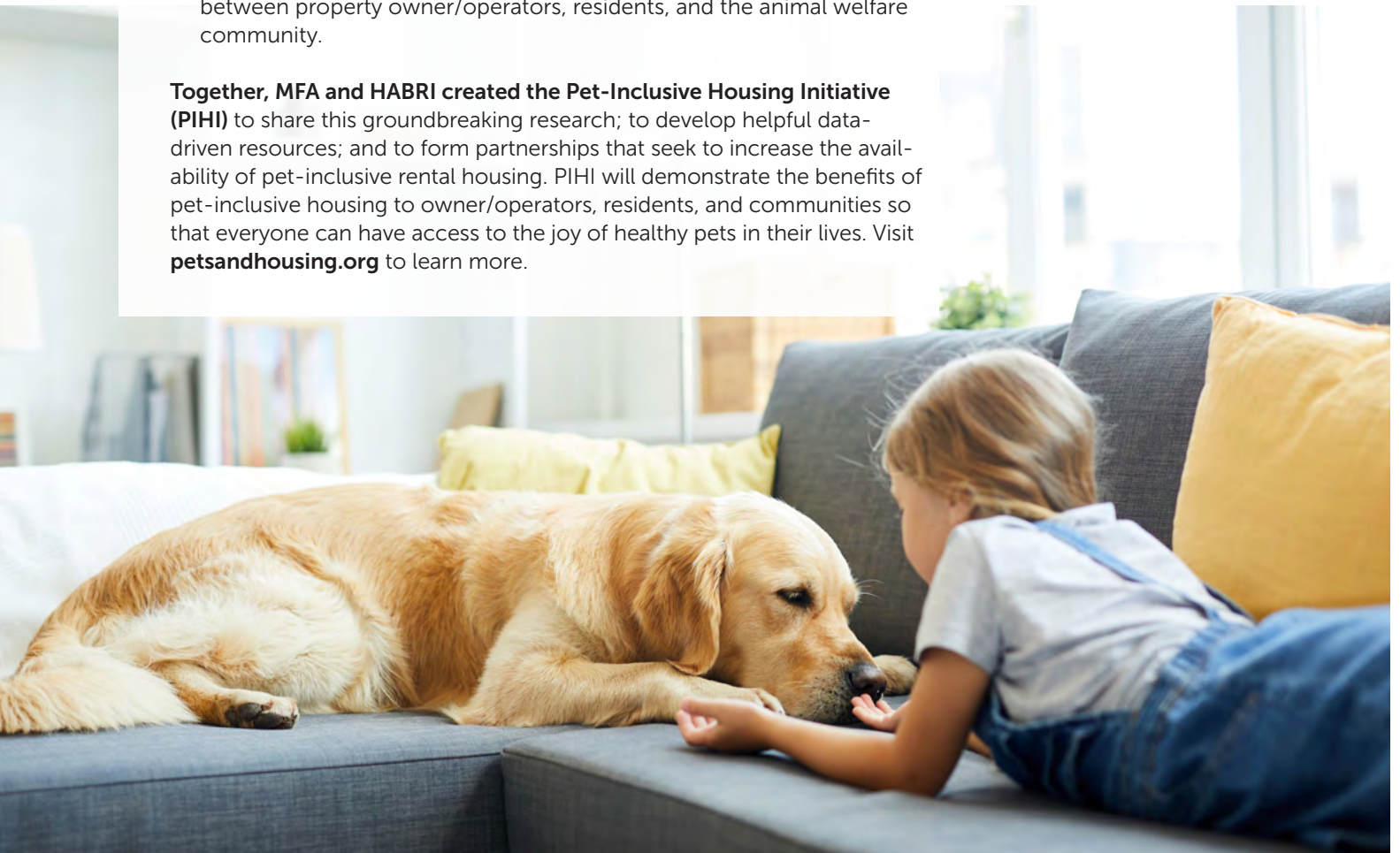
In 2019, Michelson Found Animals Foundation (MFA) and the Human Animal Bond Research Institute (HABRI) engaged consulting firm LRW to research and survey owner/operators and residents about pet-friendly housing—the first comprehensive survey on this subject in more than 15 years. The research had the following goals:

- Understand the current housing circumstances of residents with and without pets, and their attitudes and priorities for pet-friendly housing;
- Understand the perceptions of property owner/operators toward pet-friendly housing and residents with pets;
- Document the policies that govern pets in rental housing;
- Uncover the economics surrounding pet-friendly rental housing; and
- Bring forward data that could contribute to a new, productive dialogue between property owner/operators, residents, and the animal welfare community.

Together, MFA and HABRI created the Pet-Inclusive Housing Initiative (PIHI) to share this groundbreaking research; to develop helpful data-driven resources; and to form partnerships that seek to increase the availability of pet-inclusive rental housing. PIHI will demonstrate the benefits of pet-inclusive housing to owner/operators, residents, and communities so that everyone can have access to the joy of healthy pets in their lives. Visit petsandhousing.org to learn more.

COVID-19 and the Rental Housing Community

The COVID-19 pandemic has already had a significant impact on the rental housing community. While Americans are spending more time at home, they are also experiencing increased flexibility about where they can work and live, often moving away from the big cities to more affordable and less dense areas. These trends are likely here to stay, and many owner/operators are facing challenges to keep and attract residents. Embracing pet-inclusive policies can significantly aid owner/operators in maximizing their full level of profitability and sustainability.



Research Methodology

Understanding owner/operator and resident perceptions of pet-inclusive housing

The market research, conducted by data and analytics consultancy LRW on behalf of Michelson Found Animals Foundation (MFA) and the Human Animal Bond Research Institute (HABRI), was administered to explore the current housing circumstances and perceptions of U.S. residents in rental housing with and without pets in non-rural settings, and the perceptions and policies of property owner/operators about pets, pet-friendly housing, and pet owners.

The research was conducted online in 2019 among a nationally representative sample of 1,299 residents and by phone with 551 property owner/operators.



About the PIHI Survey

RENTAL RESIDENTS SURVEY

1,299 rental residents were surveyed, including a Los Angeles augment of 287 renters (some of whom completed the survey as part of the national sample and are counted as such). All residents currently rent their home or living space in a non-rural setting. The nationwide survey was completed by 749 pet owners and 300 non-pet owners. The Los Angeles augment included 232 pet owners and 55 non-pet owners.

OWNER/OPERATORS SURVEY

551 owner/operators were surveyed, including a Los Angeles augment of 67 participants (comparisons will be made against national data). This augment includes owner/operators who completed the survey as part of the national sample. All owner/operators surveyed were currently responsible for residential (non-vacation) property in a non-rural setting.

Data was weighted to be representative of the non-rural U.S. renter population (based on age, gender, income, and ethnicity). Household types were weighted to align with renters' data.



Report Terminology

Defining the distinctions between pet-friendly housing and pet-inclusive housing, and more

Pets

Pets provide people with love, companionship, and joy. Eighty-five million U.S. households are home to at least one pet, and 98% of pet owners consider pets to be important members of the family.¹ While they do provide scientifically documented benefits to our health and wellness, pets are not afforded special access to public facilities or businesses. The benefits of pet ownership come with responsibilities, including a commitment to the care and welfare of the pet.

The human-animal bond

The human-animal bond is the mutually beneficial and dynamic relationship between people and animals that is influenced by behaviors that are essential to the health and well-being of both.² Scientific research demonstrates that the human-animal bond is associated with improvements in human health, including reduced blood pressure, decreased stress, and higher levels of physical activity.

NEW TERMINOLOGY TO BETTER DEFINE AND MEET MARKET NEEDS

Pet-friendly housing

The survey identified two broad categories of rental housing: 1) pet-friendly and 2) non-pet-friendly. Pet-friendly housing includes any housing that allows residents to have at least one pet, regardless of other restrictions. Non-pet friendly housing includes any rental housing that does not allow any pets. Throughout this report, when we are citing data from the market research, we are referring to pet-friendly housing unless stated otherwise.

Pet-inclusive housing

The term "pet-inclusive" represents housing with policies that allow residents additional flexibility on the number, type, size, and breed of pets. Pet-inclusive housing is not only devoid of unnecessary restrictions on pets, it represents a welcoming environment in which pets and pet-owning households are seen as an asset to the communities where they live.



98%

of pet owners consider pets to be important members of the family.

Key Findings

PIHI's market research provides a better understanding of owner/operator and resident perceptions of pet-inclusive housing



EVERYONE LOVES PETS

Pets are widely considered important members of the family and represent a basis for common ground.

- 98% of residents with pets and 92% of all residents surveyed consider pets to be important members of the family.
- 93% of property owner/operators agree pets are important members of the family.



RESIDENTS PREFER PET-OWNING NEIGHBORS

Pet owners are perceived to be nice, friendly, caring, and good people by their neighbors. In comparison to others, including neighbors with children, pet owners are preferred by both pet-owning and non-pet-owning residents.

Love of pets is common ground.



"We've experienced an uptick in revenue since easing breed restrictions. And we've discovered that pet-owning residents have become more transparent about their pets with no need to try to work around these restrictions to live with their companions."

CRYSTAL MARTIN

Director of Multifamily Operations
Leon Capital Group, Dallas, Texas

RELATIONSHIPS BETWEEN OWNER/OPERATORS AND PETS IS STRONG

- 95% of residents with pets said that their property owner/operator has a positive relationship with their pet.
- 86% of owner/operators believe they have a positive relationship with most tenants who have pets.
- 95% of residents with pets noted that their owner/operator is aware of their pet.
- 73% of residents said that their owner/operator has met their pet.
- 86% of owner/operators said they would work with their residents if they discovered they had an unapproved pet.

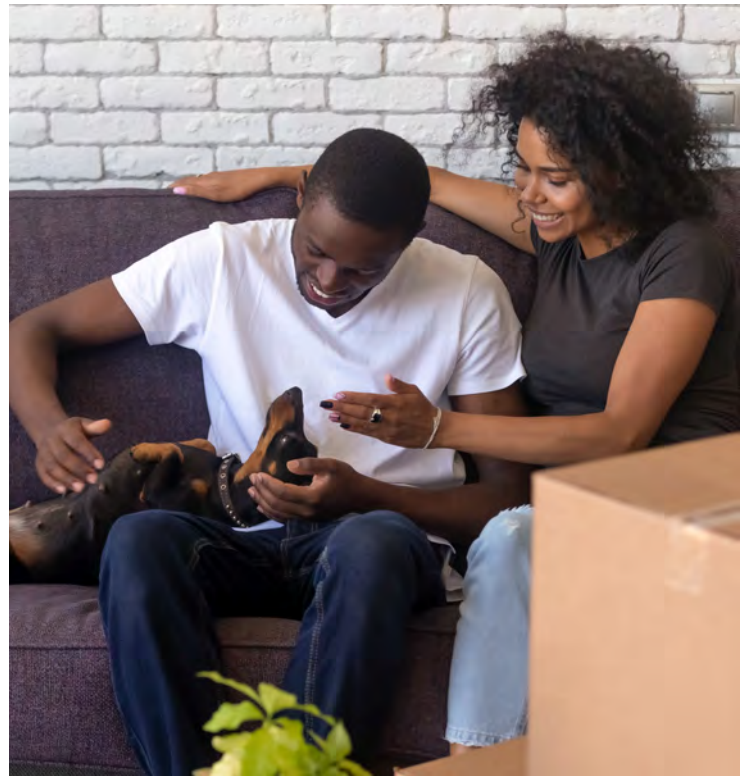
OWNER/OPERATORS ARE MOVING IN THE RIGHT DIRECTION

Research shows that **76% of property owner/operators identify their properties as allowing some pets, which reflects a willingness to accommodate pets by a large majority of property owner/operators.**

However, residents' experiences and attitudes show the need for further progress.

Among residents:

- 72% say pet-friendly housing is hard to find.
- 59% say pet-friendly housing is too expensive.
- 24% say their pet has been a reason for needing to move.
- 14% have surrendered their pet as a result of their housing situation.



RESIDENTS WITH PETS STAY LONGER

On average, residents in pet-friendly housing stay 21% longer than those in non-pet-friendly housing.

This translates to residents staying about 10 additional months.

- 83% of owner/operators say pet-friendly vacancies are filled faster.
- 79% of owner/operators say pet-friendly units are easier to fill.

RESTRICTIONS LIMIT PET-FRIENDLINESS

76% of property owner/operators say their properties are pet-friendly, but only 8% are free of all restrictions.

While certain restrictions are appropriate for some rental properties, such as a limitation on the total number of animals permitted, the vast majority have restrictions that could be relaxed without detriment to the community.

On average, residents in pet-friendly housing stay 21% longer than those in non-pet-friendly housing.



AN OPPORTUNITY FOR ALL

Easing restrictions on pet-friendly housing saves lives. Restrictions on pets in rental housing is suppressing the number of homes available for pets.

- 33% of pet-owning residents say they would get another pet if restrictions on their rental housing were lifted.
- 35% of residents without pets would get a pet if restrictions were lifted.

With a common-sense easing of restrictions over time, up to 8.2 million more animals could find homes in pet-inclusive rental housing. This will not only save the lives of these animals and improve the lives of their owners but also represents a revenue opportunity for property owner/operators.

Easing restrictions on pet-friendly housing makes economic sense. Pet-friendly housing offers property owner/operators more secure revenue, as residents who live in these residences are staying longer than those in non-pet-friendly housing.

The average pet deposits and fees more than cover any damages pets might cause. Pet-owning residents are paying an average of \$864 in deposits (security, pet and one-time fees) as well as an average of \$600 over the course of a year in monthly pet fees.

- Fewer than 10% of all pets cause damages of any kind.
- The average dollar amount for repair of damages caused by pets is \$210, and many residents choose to pay for these damages out of their own pockets rather than rely on deposits paid to property owner/operators.

With common-sense easing of restrictions over time, up to 8.2 million more animals could find homes in pet-inclusive rental housing.





How the Coronavirus Pandemic Underscores the Importance of Pets

Pets have played an important role for people during the coronavirus pandemic. Recent surveys have found that pets are helping their owners reduce feelings of depression, anxiety and loneliness, and that people have spent more time with their pets overall during the pandemic.³ In addition, millions of Americans acquired new pets during the pandemic,⁴ along with a significant increase in those who are fostering pets for animal shelter and rescue organizations. This infusion of new pets, and the important role they have played during the pandemic, make it even more important for owner/operators to consider how they can better accommodate residents with pets.

The need to walk or run with a dog provides an important reason to get outside and maintain fitness levels as well. While social distancing may still be necessary, walking our pets remains on the list of approved activities even when stay-at-home orders are put in place. Even spending just a few minutes outdoors and seeing a happy pet can brighten spirits during difficult times.

Alleviating resident stress has been a high priority for many property owner/operators during the pandemic. Pressures continue to mount for residents.⁵ Among them are health concerns, the strain of working from home with children out of school or in virtual school, the

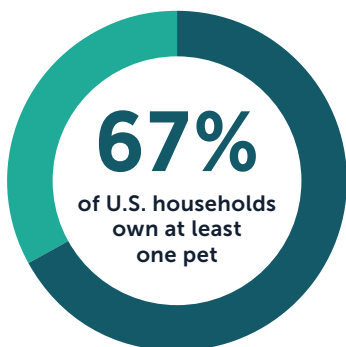
cancellation of travel plans, the uncertainty of a resolution, and the need to pay rent even if they are unemployed or underemployed. By August 2020, more than 57 million Americans had filed for unemployment.⁶

The powerful ability that companion animals have to reduce stress can be very important to owner/operators in the current environment and going forward. While many residents have experienced the social isolation of the pandemic, and/or are encumbered with playing the role of both parent and teacher, pets are there to provide support. Now more than ever, pets should be welcomed at rental housing communities with open arms.



An Opportunity for All

Pet-inclusive housing creates more connected communities
—and makes for a happier, healthier bottom line



A MAJORITY OF HOUSEHOLDS OWN PETS

According to the National Multifamily Housing Council, there are about 43 million renter-occupied housing units in the United States, and a combined 88% of rental housing is located in urban or suburban neighborhoods (46% urban + 42% suburban).⁷ Given that 67% of U.S. households have at least one pet,⁸ an estimated 25 million urban and suburban renter households own at least one pet.⁹

Pet owners are healthier and happier

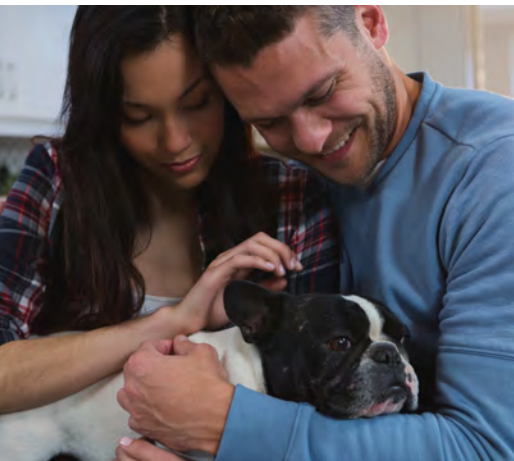
Scientific research has long demonstrated the health benefits of pet ownership and the human-animal bond, the mutually beneficial relationship between people and companion animals.

Studies have shown that positive interactions with pets lower heart rates and increase hormones correlated to well-being, including oxytocin and cortisol.¹⁰ The simple act of petting a cat or dog has been shown to reduce blood pressure, lower cholesterol, and improve heart health.¹¹

Research also supports pets for physical and mental health and wellness. Dog owners are more likely to achieve the recommended levels of physical activity through regular dog walking,¹² and the responsibilities associated with pet caretaking can instill a sense of purpose and routine, particularly for older adults¹³ and people with a long-term mental illness.¹⁴

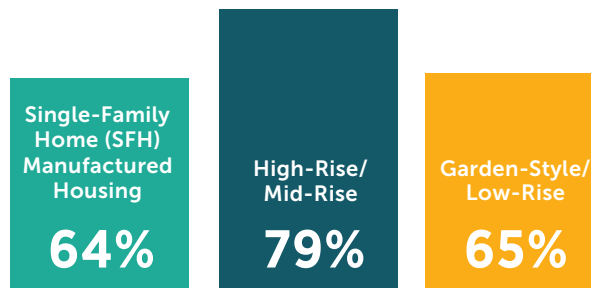
Pets make communities better

Pets build community, encouraging residents to connect with one another on a regular basis. Among both pet and non-pet owners, 71% of residents surveyed said that pets can help bring people together within a whole community. This contributes to resident satisfaction and retention.



RESIDENTS' PERSPECTIVE

"My pet has brought me closer to my neighbors."



Building community protects the owner/operators' property investment and makes financial sense. When people care about their community, they also care about their environment. For example, increased "sense of community" is associated with decreased crime.¹⁵

Pets bring neighbors together

Pet ownership encourages neighbors to engage with one another. The Pew Research Center found that 57% of Americans said they only knew some of their neighbors.¹⁶ PIHI research shows that 73% of dog owners agreed that their pet brought them closer to their neighbors and 49% of cat owners said the same. Pet ownership becomes even more important for residents in mid-rise and high-rise rental housing. Only 24% of residents living in urban areas say they know all or most of their neighbors.¹⁶ Compared to the residents in single-family homes or garden-style apartments, 14% more residents in mid-rise and high-rise rental housing said their pet brought them closer to their neighbors.

SCARCITY OF PET-INCLUSIVE HOUSING

The disconnect between owner/operator and resident perceptions of supply

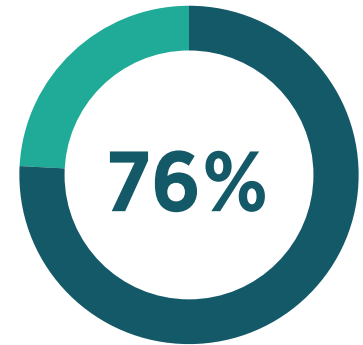
One of the most significant findings of our report was the disconnect in perceptions of pet-friendly housing availability in the market. While 76% of owner/operators considered themselves to be pet-friendly, 72% of residents in our study said pet-friendly housing is hard to find.

This disconnect hinges on the definition of "pet-friendly." Common restrictions can be significant hurdles for pet owners. For example, while 77% of pet-friendly rentals allow dogs, half of them have weight limits averaging 45 pounds, a restriction that may be unnecessary given that almost half of rentals are single-family homes.



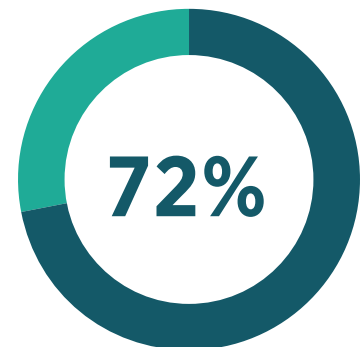
OWNERS' PERSPECTIVE

Owner/operator perceptions of supply differ from the resident's perception.



of owner/operators consider themselves pet-friendly

...YET



of residents say pet-friendly housing is hard to find

Only 8% of rental housing is free of all pet restrictions.

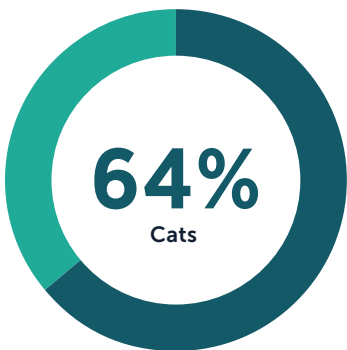
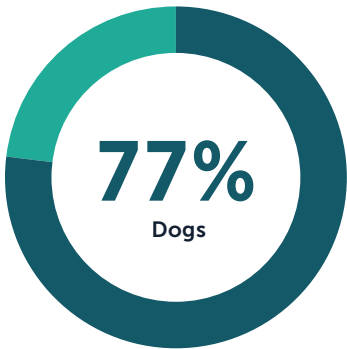


Low-income pet owners have an even harder time finding pet-friendly housing.

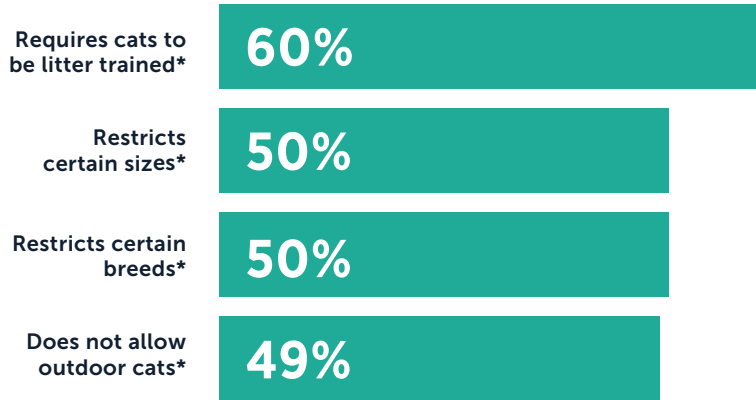
The reality for pet-owning residents: Restrictions bring a significant burden
 24% of pet-owning residents said they had to move because of their pet and 14% of said they have surrendered their pet as a result of their housing situation. Among those, 22% said they surrendered their pet because they were afraid of being evicted.

Low-income pet owners hit hardest
 76% of lower-income families (with a household income of less than \$35,000 annually) have an even harder time finding pet-friendly housing compared to 71% of middle-income (up to \$75,000 annually) residents and 65% of higher-income residents. In addition, 26% of lower-income households took more than two months to find housing compared to 16% of middle-income residents and 15% of high-income residents.

TYPES OF PETS ALLOWED AT PROPERTY



72%
of owner/operators restrict the number of pets per household—but many pet policies add further restrictions on both dogs and cats.



*Sub-based to those whose residences allow dogs vs. cats.

Pet Restrictions Cause Significant Disruption

A Gap in Perceptions

While residents struggle to find housing, owner/operators think there are more than enough available pet-friendly units. There are two main reasons for this gap.

- 1. Owner/operators and residents have different perceptions of the pet-friendly housing market supply and demand.** The vast majority of owner/operators think that current levels of pet-friendly housing meets or exceeds demands, while residents find the supply limited.
- 2. The housing market has not created a standard for pet-friendly housing.** The term “pet-friendly housing” is ambiguous for potential residents and requires further research to find the specific pet policies. For example, pet-friendly units include those that:
 - Restrict residents to one pet
 - Exclude dogs of certain breeds or sizes
 - Charge either or both refundable/nonrefundable pet deposits and fees
 - Require monthly pet rent

There are opportunities to increase pet inclusivity. Owner/operators should consider evaluating their pet policy to see if they can target a new part of the pet-owning market by moving toward pet inclusivity. There is room for owner/operators to grow their pet policies and tailor them to their rental units, as well as to their local housing market.

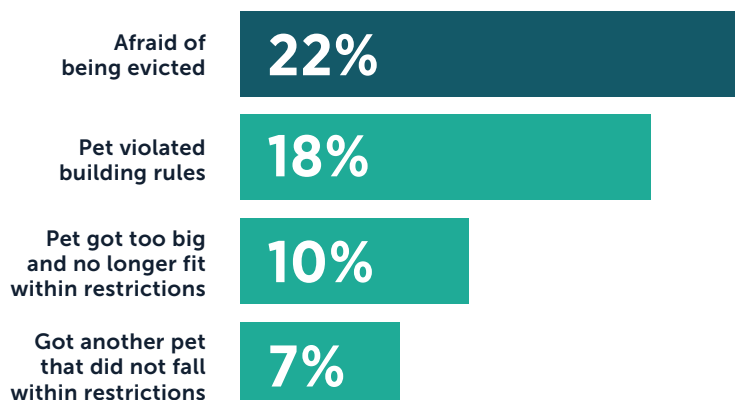


The imbalance between supply and demand

Misperceptions of the term “pet-friendly” in the housing market have created a false sense of supply-and-demand equilibrium for owner/operators. While they describe 76% of the housing market as being pet-friendly, restrictions on the type, breed, or size of the pet means the available market is much smaller for pet owners, especially those in the low-income category.

14%

of pet owners have surrendered their pet as a result of their housing situation. Here are some of the reasons that rental residents cited for giving up a pet:



24%

of pet owners surveyed said their pet has been a reason for moving.

- ▶ **25%** wanted to move somewhere better suited for their pet
- ▶ **11%** got additional pet(s) that did not fall within building pet restrictions

PET-FRIENDLINESS IS A RESIDENT PRIORITY

Pet owners are not compromising on the benefits needed for their pets; however, as a result of this loyalty they are compromising on budget, outdoor space, neighborhood, distance from work, etc., potentially renting a space that is less than ideal in order to accommodate their pet.

	RENTER'S WISH LIST	COMPROMISED ON...
Budget	72%	21%
Pet-friendliness	63%	9%
Number of bedrooms	63%	13%
In my desired neighborhood	45%	16%
Distance from work or school	39%	15%
Outdoor space or yard	37%	21%
In-unit amenities	36%	12%
Number of bathrooms	36%	10%
Building amenities	12%	13%
Pet amenities	11%	6%
Distance from pet services	9%	7%



“Since easing breed restrictions, our resident satisfaction levels have significantly increased and 80% of pet owners have renewed their leases. Meanwhile, many of our competitors continue to turn away pets based on pre-existing characteristics.”

JAMIN HARKNESS

Executive Vice President
The Management Group, Atlanta, Georgia

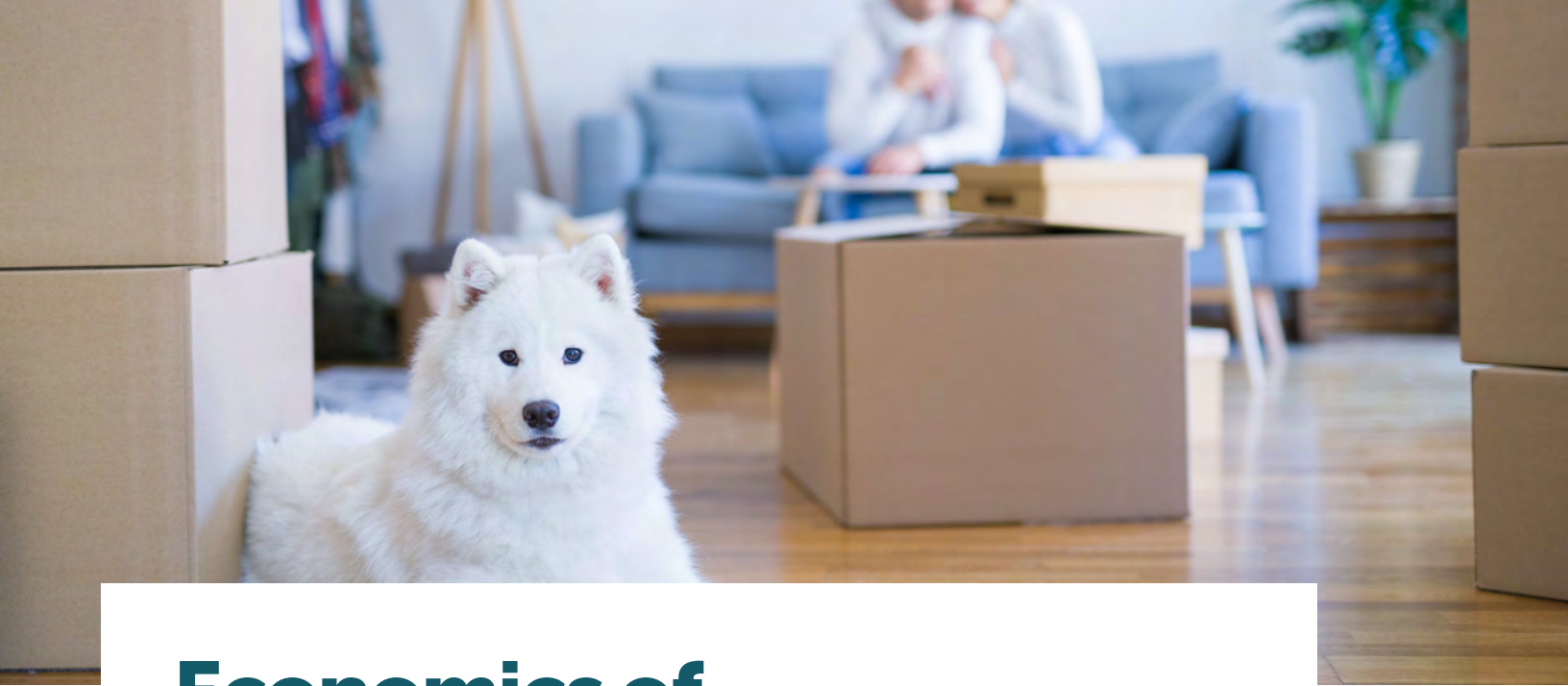
PET-FRIENDLINESS IS A TOP-RATED AMENITY

Pet owners say that pet-friendliness is one of the most important amenities when looking for housing, second to budget. They were unlikely to compromise on pet-friendliness and related pet amenities when they made their selection.

PET-INCLUSIVE HOUSING: AN OPPORTUNITY FOR ALL

Based on the data, we know that pet-inclusive housing will benefit owner/operators, residents, and pets, too. “Pet-inclusive” represents housing with policies that allow residents additional flexibility on the number, type, size and breed of pets. Pet-inclusive housing is not only devoid of unnecessary restrictions on pets, it represents a welcoming environment in which pets and pet-owning households are seen as an asset to the communities where they live.

A community’s pet policy is already a high priority for many residents. The research shows that among pet owners, pet-friendliness is an important consideration. Pet owners will compromise on many other amenities in order to accommodate their pet—but not on amenities that are important for their pets.



Economics of Pet-Inclusive Housing

Pet-friendly vacancies are good for the bottom line

Owner/operators who are considering adding a pet-inclusive policy or evaluating their current one should know how their policy positively impacts their bottom line. Ultimately, owner/operators can come out ahead financially by enacting pet-inclusive policies.

Residents pay pet deposits and fees that are in excess of pet damages.

- Average security deposit: \$625
- Average pet deposit: \$232 (in addition to security deposit)
- Average one-time pet fee: \$244
- Average monthly pet rent: \$49
- Average pet damages: \$210 (9% of pets)

According to the data, the average pet deposit is more than the average damage amounts caused by pets. Only 9% of pets are reported to cause any damage whatsoever, and the average damages are only \$210. Furthermore, only 2% of pets caused damage requiring a security deposit deduction, with the majority of pet owners paying out of pocket to fix any damages.

The research showed that pet-owning residents are paying an average of \$857 in combined security and pet deposits, an average of \$244 one-time pet fees, and an average of \$600 annually in monthly pet fees.

Pet-friendly units are faster and easier to fill.

83% of owner/operators say pet-friendly vacancies are filled faster. 79% say that they are easier to fill. Both of these contribute to the owner/operator's bottom line.

83%
of owner/
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pet-friendly
vacancies are
filled faster.

79%
of owner/
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pet-friendly
vacancies are
easier to fill.

11%

of all renters have a pet even though their building doesn't allow them.

2.5 million

rental properties house unapproved pets. At an average annual pet rent of \$600, that adds up to an additional

1.5 billion

in pet fees and deposits that owner/operators could be collecting.

Residents with pets stay longer.

Our survey found that residents in pet-friendly housing stayed 21% longer than their non-pet-friendly housing counterparts. This translates to residents staying about 10 additional months..

People will move for their pets.

35% of residents said their pet was a reason for previously having to move. 41% of Gen Z and Millennials have moved because of a pet.

UNAPPROVED PETS TRANSLATE TO LOST REVENUE

Owner/operators are missing out on the financial benefit of pet-inclusive policies.

11% of renters say they have an unapproved pet, avoiding pet deposits and fees in the process. When owner/operators embrace pet-inclusive policies, residents are more likely to pay pet deposits and fees.

By offering a pet-inclusive environment and setting reasonable, welcoming standards, owner/operators protect their property, discourage people from circumventing pet regulations, and have the potential to generate significantly more revenue. If 2.5 million renters with unapproved pets paid the average annual pet rent of \$600, owner/operators would collect an additional \$1.5 billion in revenue.



FUTURE RESIDENTS ARE LOOKING FOR PET-INCLUSIVE HOUSING

Rental housing needs to evolve to meet the needs of Millennials and Gen Z.

The No. 1 step owner/operators can take to attract Millennial and Gen Z residents is to adopt a pet-inclusive policy. Millennials and Gen Z are more likely to continue renting instead of buying a home, unlike their predecessors. They also are more likely to own or want to have pets. Millennials now comprise the majority of residents in the housing market.

With older members of Gen Z now entering the rental market, smart owner/operators will be reevaluating their property's policies given the evolving priorities and needs of younger generations.

Younger generations are more likely to have or want pets.

42% of pet owners were from Gen Z and Millennial generations, followed by Gen X, representing 37%.

While those figures may not seem far apart, younger generations are more likely to adopt animals in the near future. 48% of Gen Z and Millennials said they were likely to adopt a pet in the next year. This is in comparison to 26% of Gen X and less than 20% of Boomers.

Gen Z and Millennials are willing to do the hard work for their pets.

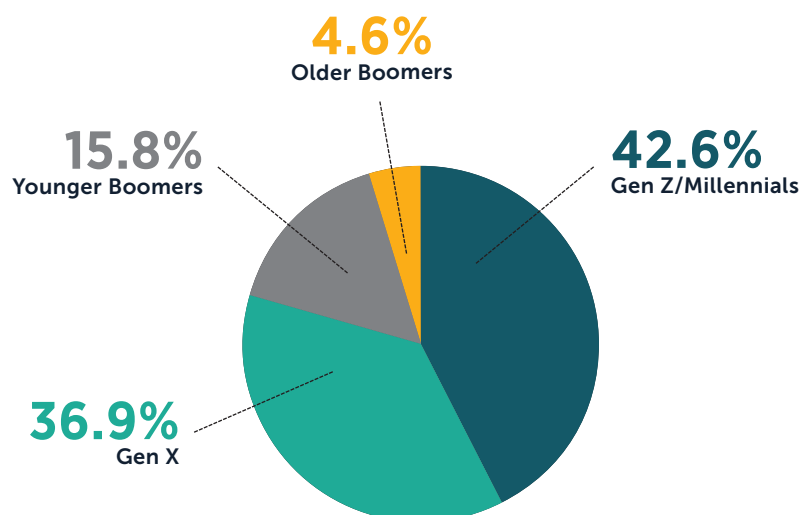
Younger residents want to keep their pets and are willing to take extra steps to show that their pet is well-behaved and a good fit for the property. They are ready to provide owner/operators additional materials more frequently than previous generations.



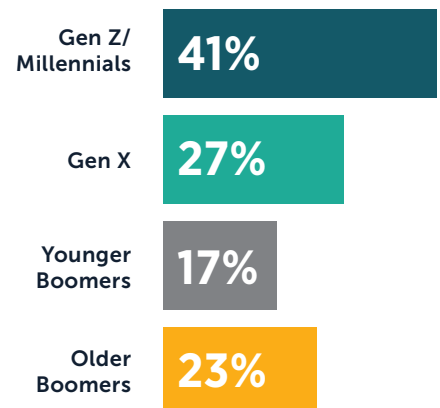
42%
of pet-owning
residents are Gen Z
or Millennials, and

48%
surveyed said they
were likely to adopt a
pet in the next year.

PET OWNERS BY GENERATION



Gen Z and Millennials are most willing to provide additional materials about their pet to be a more appealing applicant.





DATA SHOWS THAT PET-INCLUSIVE HOUSING **MAKES FINANCIAL SENSE**

1

COST-EFFECTIVE

- Owner/operators create opportunities to collect additional revenue in pet fees, which more than cover potential damages

2

MEETS MARKET NEEDS

- Owner/operators receive 10 more months of rent from each unit and fill pet housing units easier and quicker than non-pet units, decreasing turnover and vacancy rates
- Owner/operators who embrace pet-inclusive housing address market shortages and command a growing share of the housing market

3

ADDRESSES CHANGING DEMOGRAPHICS

- By embracing pet-inclusive policies, owner/operators can respond to changing resident demographics by better attracting younger residents who are more committed to their pets

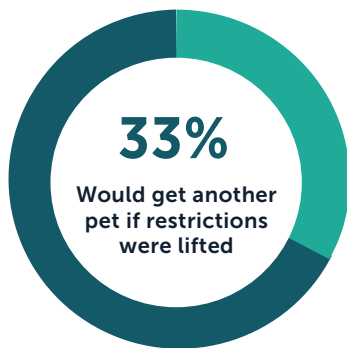
EASING RESTRICTIONS CAN SAVE MILLIONS OF PET LIVES

Easing restrictions will close the market gap and create opportunities for owner/operators and residents to prevent pet relinquishments and create new, loving homes for millions of pets.

Restrictions on pet-friendly housing suppress the market for future pet ownership. Approximately one third of residents who are currently hindered by restrictions would get a pet (or another pet) if they were lifted. Up to 8.2 million animals could find new homes if restrictions were lifted over time.

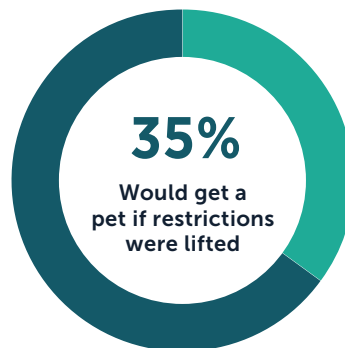
Not all residents are able to move in order to keep their pets; residents' fear of eviction has resulted in as many as 700,000 pets being surrendered, more than have been surrendered as a result of specific housing restrictions or budget limitations.

Policy changes that minimize the number of pets that must be surrendered as well as make pet ownership more attainable through more pet-inclusive rental housing have the potential to save up to 10.5 million pets nationwide.



Pet owners with housing restrictions

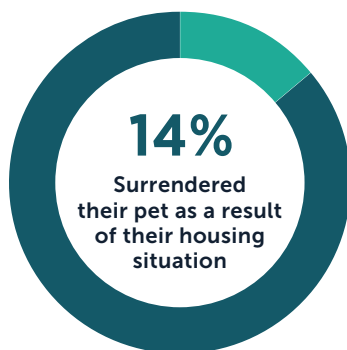
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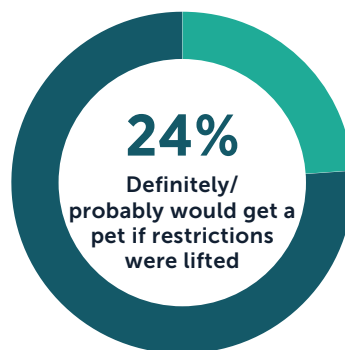
Non-pet owners with housing restrictions

=

Up to 8.2 million animals could find new homes if restrictions were lifted.



+



=

Policy changes have the potential to save up to 10.5 million animals nationwide.

Note: This accounts for all people who surrendered their pet or would be likely to get a pet if restrictions were lifted (some residents qualify under both). Based on a survey of 1,049 residents nationwide.



Property Insurance

Insurance Liability and Pricing

Pricing on rental property insurance purchased by housing owner/operators is influenced by a number of factors. Similar to other insurance types, the premium amount correlates with the deductible per claim and the coverage amounts for different types of claims. The impact of pet restrictions vs. no restrictions on pets on the price of this insurance is a minor factor compared to these major factors, especially because pet-owning residents bear primary responsibility for damage or injury caused by their pets. Only in rare cases may owner/operators be held liable.¹⁷

Renters insurance purchased by residents is required for most rental communities. Under these policies residents are generally responsible for animal-related liability. Therefore, residents' insurance covers any related costs.

More than two-thirds of owner/operators (68%) are aware of property insurance products that do not restrict the type of pets allowed.

However, insurance restrictions are often cited as a reason for restricting pet ownership and contribute to the shortage of pet-inclusive housing, with breed and weight of dog being the most common restrictions.

The research shows a clear knowledge gap about insurance that contributes to this misperception. While only 10% of owner/operators of pet-friendly housing say that property insurance with no pet restrictions is "too expensive," fully 30% of owner/operators of non-pet-friendly housing say this type of insurance is too costly. In addition, 9% of owner/operators of pet-friendly housing are unsure if their property insurance restricts the type of pets allowed, while 19% of owner/operators of non-pet-friendly housing are unsure.

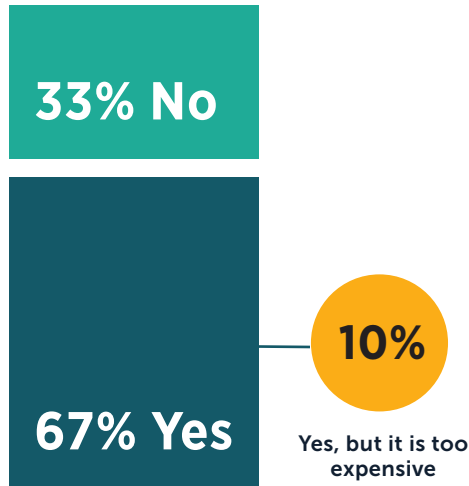
With one-third of owner/operators still unaware of insurance options without pet restrictions, and significant misperceptions on pricing, there is a clear opportunity for increased education to help remove this unnecessary barrier to the expansion of pet-inclusive housing.

Pet inclusivity is a minor factor on rental property insurance pricing, as pet-owning residents bear primary responsibility for damage or injury caused by pets.

WHAT OWNER/OPERATORS KNOW ABOUT INSURANCE OPTIONS

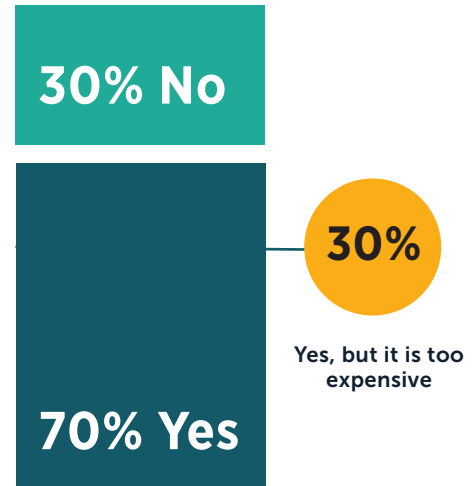
Close to two-thirds of owner/operators whose insurance restricts pets (or do not know otherwise) are aware of insurance without restrictions. Among those with non-pet friendly housing, there is significantly more concern that this insurance is too expensive.

PET-FRIENDLY RENTAL HOUSING



Aware of property insurance without restrictions

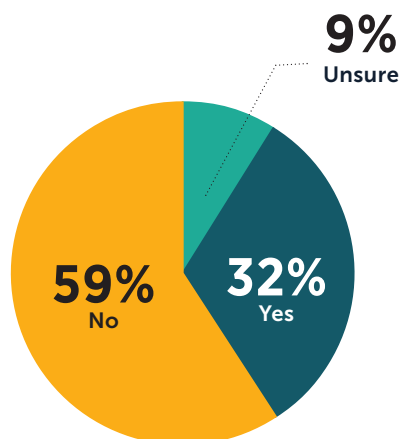
NON-PET-FRIENDLY RENTAL HOUSING



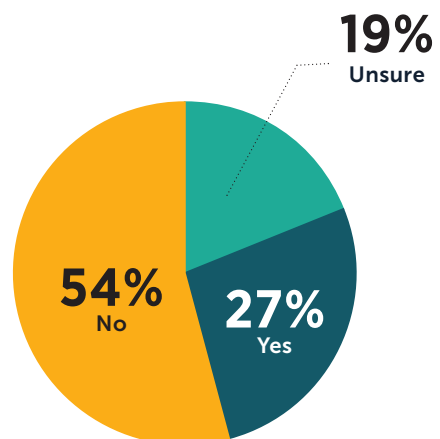
Aware of property insurance without restrictions

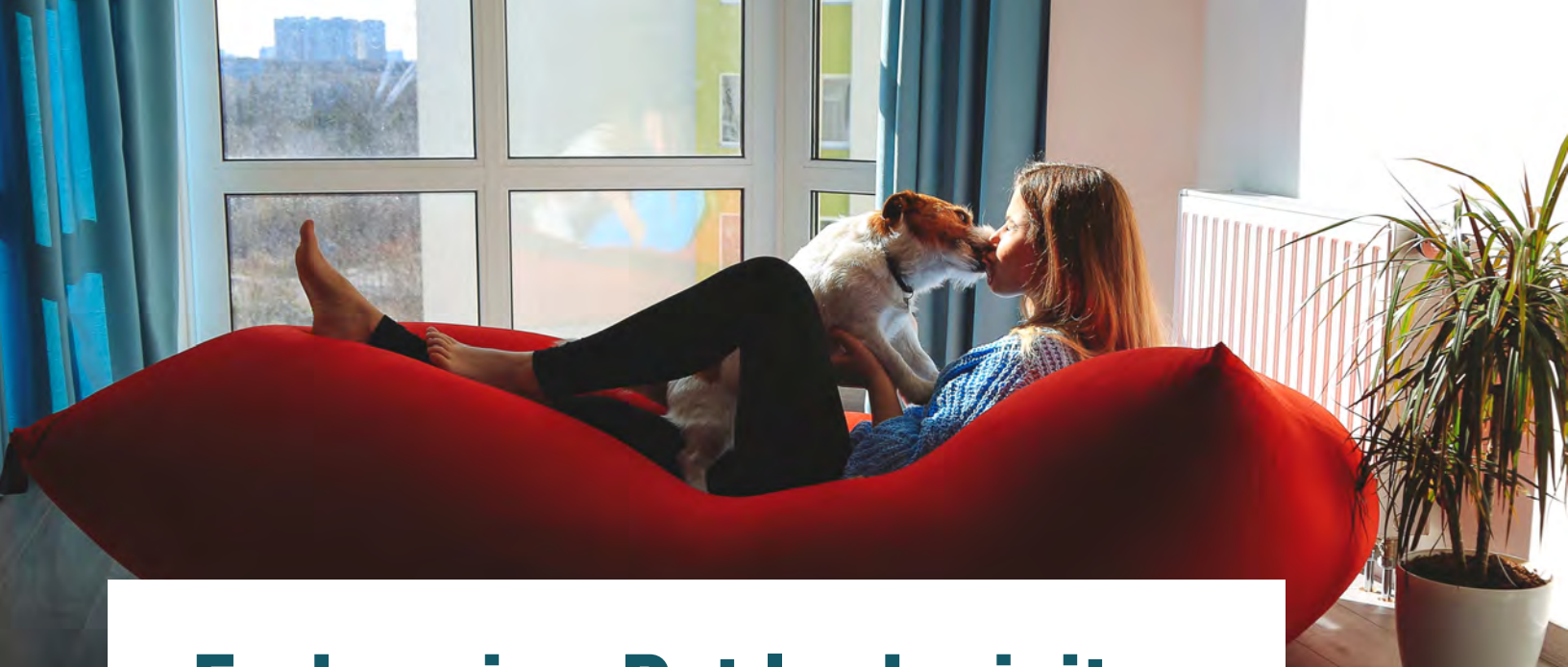
Does insurance at your property restrict the types of pets allowed?

PET-FRIENDLY RENTAL HOUSING



NON-PET-FRIENDLY RENTAL HOUSING





Embracing Pet Inclusivity

Helping owner/operators become pet-inclusive



There are steps owner/operators can take to embrace pet inclusivity safely and effectively.

Owner/operators looking for reliable resources on how to become pet-friendly or more pet-inclusive can turn to the Pet-Inclusive Housing Initiative for toolkits, materials, and information. Below are materials and resources geared toward owner/operators on how best foster a more pet-inclusive environment for their residents and communities.

SOLUTIONS FOR OWNER/OPERATORS TO CONSIDER

- 1 Consider eliminating pet deposits and fees**, and instead rely on regular security deposits to cover the minimal damage that pets may cause. If this is not possible, consider incentivizing pet owners to apply by offering a free month of pet rent or waiving pet deposits for new residents.
- 2 Create an easy-to-follow screening process** and pet agreement that focuses on well-behaved pets and well-behaved owners.
- 3 Formalize the number and types of pets allowed** in the community with a forward-thinking, positive pet policy. If you allow one pet per unit, consider allowing two. Consider removing dog weight and breed restrictions, instead focusing on good behavior.
- 4 Coordinate with shelters and pet adoption agencies** to organize virtual meetings with pets. Consider allowing residents to temporarily foster animals without charging pet fees.
- 5 Check with your insurance company** and secure a policy without pet-related restrictions. Consider switching to providers that are more pet-inclusive without adding additional cost.
- 6 Reduce liability/risk by requiring proof of renters insurance**, which covers animal-related claims in addition to covering the resident's belongings.
- 7 Create a welcoming environment with pet-friendly amenities**—pet washing stations, designated pet exercise areas, and pet waste bags. These will support your marketing efforts, and contribute to the satisfaction of all residents.



Promoting Your Pet-Inclusive Advantage

Communicating and marketing pet-inclusive policies

Owner/operators can take specific measures to support and promote pet-inclusive policies, attracting and keeping pet-owning residents.

To encourage renewals, owner/operators can consider highlighting the terms of the lease that include pets when they send out renewal letters. Waiving pet rent for a period of time for renewals may entice residents to stay long term and be more lucrative for the operator in the long run. In addition, operators could consider providing pet rent relief for those impacted by the COVID-19 pandemic.

In addition, communicating pet policies fosters a safe and responsible environment for pets and their owners. By posting signs about noise, reminding owners of their responsibility to pick up after their pet and the community leash policy, all residents will feel more comfortable living at a pet-inclusive community. Remember, pet owners and non-pet owners alike told us that pets help create a friendlier community.

To attract new residents with pets, owner/operators should share their properties' pet-inclusive status with the world. Consider advertising on pet-housing-only websites and updating your pet-inclusive policy on housing search websites. Post housing opportunities and details of pet-friendly amenities in pet-housing social media groups, and consider using pet photos in your marketing materials. With most pet owners saying that pet-friendly housing is hard to find, pet-inclusive housing has a real advantage in the marketplace.

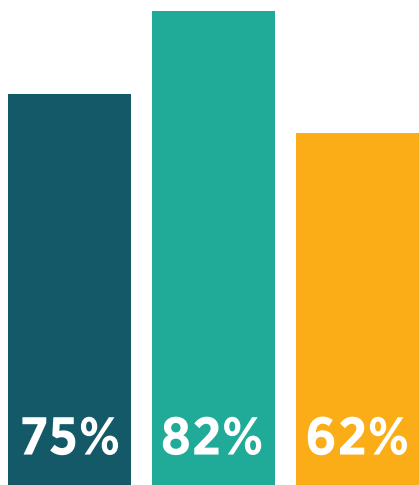


The Pet-Inclusive Housing Initiative has created a downloadable toolkit for owner/operators who are interested in developing a pet-inclusive policy.

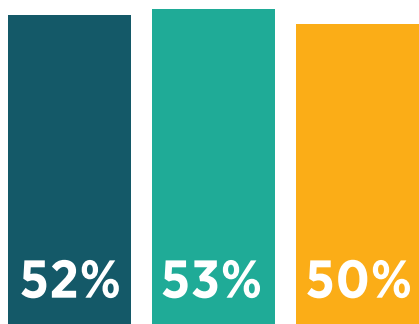


The Importance of Public Policy to Support Pet Inclusivity

RESIDENTS ARE LOOKING FOR HELP



I believe the government should make pet-friendly housing easier to find



I believe the government should limit restrictions on pet-friendly housing



While market forces are the clear drivers of the increase in pet-friendly housing, it is important to note that the majority of residents (both pet owners and non-pet owners) believe that the government should help make pet-friendly housing easier to find and less restrictive.

There are both well-established and more recent precedents where policymakers have enacted laws and regulations to incentivize or even require pet-friendly housing. Examples include:

- The requirement that federally funded public housing be pet-friendly has been on the books for many years (24 CFR Ch. IX, Subpart G, sections 960.701-960.707).¹⁸
- The California Legislature in 2017 passed a bill (AB 1137) requiring all publicly financed multifamily housing developments in the state to be pet-friendly.¹⁹
- New Jersey requires all multi-unit senior citizen housing to be pet-friendly (N.J.S.A. 2A:42-103, et seq).²⁰
- The Ohio Housing Finance Agency's Housing Tax Credit Program includes pet-friendly housing as a competitive scoring criterion in its review of affordable housing grant applications (Ohio Housing Finance Agency 2020-2021 Qualified Allocation Plan).²¹

As many as 40 million Americans may be at risk of eviction after the economic damage resulting from the pandemic.²² This economic hardship and dislocation has the potential to affect millions of pets. Data on pet relinquishment from animal shelters indicates that housing is one of the top reasons for having to give up a pet.²³ Pets are often not welcome in emergency or temporary housing. With this eviction crisis looming, both property owners/operators and the government should consider the implications for animal welfare and work to keep families and their pets together.

Along with the body of science that shows the mental, physical and social benefits of pet ownership, Michelson Found Animals and HABRI will use this data to spur market-based change and to support common-sense policies that increase the availability of pet-inclusive housing.

Emotional Support Animals and Service Animals

The federal Fair Housing Act provides protections for people with disabilities, requiring reasonable accommodations to “rules, policies, practices, or services, when the accommodation is necessary to afford” a person with a disability “equal opportunity to use and enjoy a dwelling unit.”²⁴

PIHI’s research shows that 7% of residents had a service animal and 1 in 5 residents (20%) had an emotional support animal (ESA). Among millennials and Gen Z residents, 25% said they had ESAs—a growing trend. The majority of those making such requests were able to provide verification from a medical professional. For context, about 20% of Americans will experience a mental health challenge in their lifetime; science has documented the ability of pets to provide relief for many mental health conditions.

According to guidance from the U.S. Department of Housing and Urban Development Office of Fair Housing

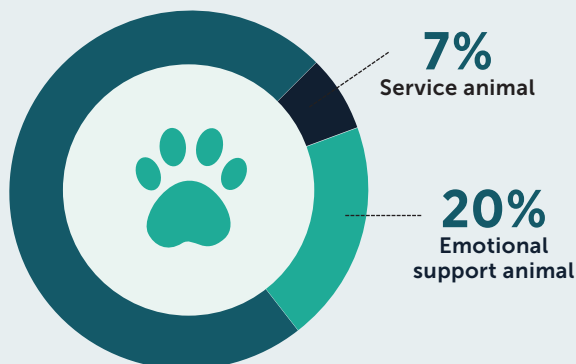


and Equal Opportunity, reasonable accommodation of residents with service animals and ESAs may include “exceptions to no-animal policies, deposits, or fees that are ordinarily charged for animals.” Establishing pet-inclusive policies will discourage residents who might be inclined to use such rules to circumvent no-pets policies. In addition to a growing number of ESAs, research shows that

11% of residents have a pet even though their building doesn’t allow them. Research also shows that only 2% of pets caused damage that required a security deposit deduction. Knowing this, owner/operators might reconsider the need for separate pet deposits or fees, eliminating any potential motivation to circumvent such charges.

RESIDENTS WITH SERVICE AND EMOTIONAL SUPPORT ANIMALS

A majority of residents who have emotional support animals have taken some steps to have them prescribed/recommended; the majority have done so via in-person medical visits.



Emotional support animal registered after an in-person visit with a medical professional

51%

Emotional support animal registered after an online medical questionnaire

29%

Emotional support animal not prescribed

20%



Pet-Inclusive Housing: A Winning Solution for All

The time is now to increase pet-inclusive rental housing

The data in this report highlights the perceptions of pet owners and rental housing owner/operators, tackles misconceptions, addresses solutions, and identifies the economic opportunity and community benefits of pet-inclusive rental housing for all. Michelson Found Animals Foundation and HABRI are offering this data to provide an opportunity for owner/operators to evaluate their pet-friendly policies using an evidence-based approach. We have shown that they can effectively maximize the utility of their rental home by embracing pet-inclusive policies.

COVID-19 may have altered the housing landscape as we know it, but it also has shown how pets are even more important in people's lives. 20% of U.S. adults have moved due to the pandemic or know someone who did.²⁵ The animal rescue community has seen major increases in pet fostering and adoption. With an increase in remote work, some residents have more

flexibility in where they live and will not need to pay the higher prices of urban rentals closer to their workplace. Owner/operators need to be prepared for a changing housing market, marked by higher turnover and a demand for more flexibility. Working to attract and retain residents who own pets is a safe, financially beneficial strategy in this changing marketplace.

The time is now to increase the pet-inclusiveness of rental housing. Keeping pets and people together can make a difference in the health, well-being, and quality of life of individuals, families, and their pets. By providing residents with a clear path to welcome pets into their homes and to feel supported by their rental communities, owner/operators can not only benefit financially, they can help residents cope and thrive in uncertain times.



Resources From PIHI

The Pet-Inclusive Housing Initiative has a dynamic website to share content and resources geared toward creating and supporting more pet-inclusive rental communities.

Sample Pet Policy Documents for Owner/Operators

- **Pet-Inclusive Pet Agreement:** Ready for your logo, this customizable pet agreement makes it easy to establish an understanding of the requirements all residents with pets must abide by to ensure safety, responsibility, and a supportive environment for all.
- **Owner/Operator Checklist:** This document serves as a great starting place for owner/operators interested in creating a pet-inclusive community.
- **Owner/Operator Policies and Procedures:** Wondering what a pet-inclusive policy should entail? Look no further. This document features a list of policy considerations for owner/operators as they work to create pet policies for their properties, including designating spaces that allow pets and requiring certain documentation of pet-owning residents.

Visit petsandhousing.org for downloadable resources and more.

Assistance Animals

For those interested in learning more about rules and regulations regarding service animals or emotional support animals, the Americans with Disabilities Act (ADA)²⁶ and the U.S. Department of Housing and Urban Development (HUD)²⁷ provide guidance regarding these animal designations.

For information about service animals, please see the ADA Guidelines:

- **ADA Service Animal Guidelines**
- **ADA Service Animal Guidelines 2**

For information about assistance animals, please see the HUD Guidelines:

- **HUD Guidelines on Assistance Animals**
- **HUD Guidelines on Assistance Animals 2**

For information about emotional support animals, please see the **HUD Fair Housing Act (FHA)**, which allows individuals with disabilities to access housing accompanied by an ESA. Recent guidance from HUD provides a set of best practices regarding the type and amount of documentation a housing provider may ask an individual with a disability to provide in support for an accommodation request for an ESA.

Please visit petsandhousing.org frequently as we add resources and information. If you would like to learn more about how Michelson Found Animals is working to prevent pet homelessness, please visit foundanimals.org. To learn more about research on the benefits of the human-animal bond, please visit habri.org.

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About HABRI

The Human Animal Bond Research Institute (HABRI) is a nonprofit organization that maintains the world's largest online library of human-animal bond research and information; funds innovative research projects to scientifically document the health benefits of companion animals; and informs the public about human-animal bond research and the beneficial role of companion animals in society. HABRI's mission is to advance, through science, education and advocacy, the vital role of the human-animal bond in the health and well-being of people, pets, and the communities where they live. To learn more, visit habri.org.

About Michelson Found Animals Foundation

Michelson Found Animals Foundation, a division of Michelson Philanthropies, is a leading animal welfare nonprofit that believes people and pets are better together. Generously funded by Dr. Gary Michelson and Alya Michelson, Found Animals operates a range of catalytic grants, impact investments, operating programs, and education and advocacy initiatives that share a common goal: to champion pets at every point they intersect with our society. Found Animals has helped more than 7 million pets since it was founded in 2005. Learn more at foundanimals.org and michelsonphilanthropies.org.

Contact Us

This report was prepared by Michelson Found Animals Foundation and HABRI as part of the Pet-Inclusive Housing Initiative. For more information, visit PetsandHousing.org online or email us at info@petsandhousing.org.

Michelson Found Animals



Pet-Inclusive Housing Initiative

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