



AMERICA'S RENTAL HOUSING 2017

PRESS RELEASE

THURSDAY, DECEMBER 14, 2017

New Report: Surge in the Supply of Higher-Cost Rental Housing is Slowing Amidst Persistent Affordability Challenges for Working-Class Households

Harvard University's Joint Center for Housing Studies' biennial report offers comprehensive view of today's rental housing market.

CAMBRIDGE, MA and WASHINGTON, DC – A decade of unprecedented growth in the rental housing market may be coming to an end, according to the [2017 America's Rental Housing report](#), which was released today by the Joint Center for Housing Studies of Harvard University. Fewer new renter households are being formed, rental vacancy rates have risen, and rent increases have slowed. At the same time, renter demographics are changing and nearly 21 million households continue to pay more than 30 percent of their income for rent.

"This year's report paints a complicated picture of the rental market. We're finally seeing the record growth in renters slow down, but while the market has responded to rental housing needs for higher-income households, there are alarming trends that suggest a growing inability to supply housing that is affordable for middle- and working-class renters, let alone those with very low incomes," said Christopher Herbert, the Joint Center's managing director. "Addressing these challenges will require bold leadership and hard choices from both the public and private sector."

The report is accompanied by a series of [interactive tools and charts](#) that explore rental housing trends at the state and metro level, including cost burdens, affordability, and changes in rental supply and demand. Highlights of the 2017 findings include:

- **SIGNS OF A SLOWDOWN.** Overall, rents increased more slowly in most markets across the country. Starts of new multifamily units reached a plateau in 2016 and have now fallen by about 9 percent through October 2017.
- **THE CHANGING NATURE OF RENTERS.** While renters are disproportionately younger and lower-income, growing shares of renters are older and higher-income. For example, the number of renter households earning more than \$100,000 per year increased from 3.3 million in 2006 to 6.1 million in 2016.
- **THE CHANGING NATURE OF NEW RENTAL UNITS.** Additions to the rental stock are increasingly concentrated at the high end of the market. The share of new units renting for \$1,500 or more (in real terms) soared from 15 percent in 2001 to 40 percent in 2016. Additionally, the share of new units renting for less than \$850 per month fell from 42 percent of the rental stock to 18 percent. The challenges to building low- and moderate-cost units are most severe in metros like San Jose, San Francisco, Honolulu, and Washington, D.C., where more than 50 percent of all rental units rent for over \$1,500 a month.
- **AFFORDABILITY CONTINUES TO BE A MAJOR PROBLEM.** Despite rising incomes, nearly half (47 percent) of all renter households (21 million) are cost burdened—meaning they pay more than 30 percent of their income for housing, including 11 million households paying more than 50 percent of their income for housing. While these figures are down slightly from recent years, the number and share of cost-burdened renters is much higher than it was in 2001, when 41 percent (15 million) were cost burdened. Burdens are particularly high in Miami, Los Angeles, New Orleans, and

San Diego, where 55 percent or more of renters are cost burdened.

- **AVAILABILITY OF RENTAL ASSISTANCE HAS SHRUNK.** Even as low-cost housing units are disappearing, rental assistance is becoming harder to access for very-low-income households. The share of very-low-income households who receive rental assistance declined from 28 percent in 2001 to 25 percent in 2015.

Addressing these challenges—particularly expanding the availability of low- and moderate-cost housing options—will require that all levels of government ensure that the regulatory environment does not stifle innovation, and that tax policy and public spending support the efficient provision of moderately-priced housing.

You can view the [full report and interactive metro-level tools here](#).

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LIVE WEBCAST RELEASE

The release event for [America's Rental Housing 2017](#), being held **Thursday, December 14** from the Newseum in Washington, DC, will be webcast live from 1:00 – 3:00 p.m. The event will feature keynotes by **Senator Maria Cantwell** (D-WA) and **Pamela Hughes Patenaude**, Deputy Secretary, U.S. Department of Housing and Urban Development, as well as a panel discussion moderated by **Laura Kusisto**, housing reporter for the Wall Street Journal.

For the full agenda or to watch the livestream, visit www.jchs.harvard.edu.



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ABOUT JCHS:

The Harvard Joint Center for Housing Studies advances understanding of housing issues and informs policy. Through its research, education, and public outreach programs, the center helps leaders in government, business, and the civic sectors make decisions that effectively address the needs of cities and communities. Through graduate and executive courses, as well as fellowships and internship opportunities, the Joint Center also trains and inspires the next generation of housing leaders. www.jchs.harvard.edu

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The MacArthur Foundation supports creative people and effective institutions committed to building a more just, verdant, and peaceful world. In addition to selecting the MacArthur Fellows, the Foundation works to defend human rights, advance global conservation and security, make cities better places, and understand how technology is affecting children and society. The Foundation has invested more than \$300 million in grants and below market loans to preserve and expand affordable housing and to support more balanced housing policies that acknowledge the importance of rental housing affordable to a full range of incomes. More information is at www.macfound.org/housing

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