AMERICA’S RENTAL HOUSING 2020

Joint Center for Housing Studies of Harvard University
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Online Tables and Exhibits: www.jchs.harvard.edu

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Despite slowing demand and the continued strength of new construction, rental markets remain extremely tight. Vacancy rates are at decades-long lows, pushing up rents far faster than incomes. Both the number and share of cost-burdened renters are again on the rise, especially among middle-income households. These conditions reflect fundamental market changes since the recession, including an influx of higher-income households, constraints on new supply, and substantial losses of low-cost rentals. With only limited federal support, state and local agencies are doing what they can to expand the affordable housing supply. What is needed, however, is a comprehensive response from all levels of government to address the scale of the nation’s rental affordability crisis.

**STRONG DEMAND FROM HIGH-INCOME RENTERS**

After more than a decade-long runup, renter household growth appears to have plateaued. By the Housing Vacancy Survey’s count, the number of renters fell by a total of 222,000 between 2016 and 2018, but then more than made up for this lost ground with a gain of 350,000 through the first three quarters of 2019.

At the same time, however, the number of high-income renters continued to climb, increasing by 545,000 in 2016–2018 alone. In fact, households with real incomes of at least $75,000 accounted for over three-quarters of the growth in renters (3.2 million) from 2010 to 2018, while the number earning less than $30,000 fell by nearly 1 million (Figure 1). This represents a sharp reversal of trends in the 2000s, when low-income households drove 93 percent of renter growth and the number of high-income households declined by 160,000.

This shift has significantly altered the profile of the typical renter household. When rentership rates hit bottom in 2004 during the homeownership boom, 18 percent of renters earned $75,000 or more and 42 percent earned less than $30,000. By 2018, this disparity had narrowed considerably, with high-income households accounting for 23 percent of renters and low-income households for 38 percent.

Renting has also become much more common among the age groups and family types traditionally more likely to own their housing. According to the Housing Vacancy Survey, between the onset of the homeownership boom in 1994 and the first three quarters of 2019, rentership rates were up 4.5 percentage points among households aged 35–44 and 5.3 percentage points among households aged 45–54. Even among households aged 55–64, the renter share increased 4.2 percentage points over this period. Meanwhile, from the homeownership peak in 2004 to 2018, the number of married couples with children that owned homes fell by 2.7 million, while the number renting rose by 680,000. These changes have meant that families with children now make up a larger share of renter households (29 percent) than owner households (26 percent).

The increase in renting among high-income, older, and larger households reflects fundamental shifts in the composition of demand.
Public opinion surveys indicate that most renters are satisfied with their current housing situations, but still desire to eventually own homes. However, these same surveys also point to affordability as a major barrier to homeownership. Consistent with this finding, nearly all of the net growth in homeowners from 2010 to 2018 was among households with incomes of $150,000 or more.

**NEW CONSTRUCTION FOCUSED ON THE HIGH END**

New rental construction remains near its highest levels in three decades. Despite the slowdown in demand, multifamily starts rose 6 percent in 2018 to 374,100 units—the third-highest total since the late 1980s. Production in 2019 is set to match or even exceed that number.

Nearly all new multifamily units are built as rentals, with a growing share in larger buildings intended for the high end of the market. Indeed, the share of newly completed apartments in structures with 50 or more units increased steadily from 11 percent on average in the 1990s, to 27 percent in the 2000s, to 61 percent in 2018. The share of new apartments that include amenities such as air conditioning and an in-unit laundry has also grown to a large majority. As a result, the median asking rent for unfurnished units completed between July 2018 and June 2019 was $1,620—some 37 percent higher, in real terms, than the median for units completed in 2000. About one in five newly built apartments had an asking rent of at least $2,450, while only 12 percent had asking rents below $1,050.

The unprecedented growth in demand from higher-income renters clearly contributed to the shift in new construction toward more expensive apartments. But the rising costs of housing development are also a key factor—particularly the soaring price of commercial land, which doubled between 2012 and mid-2019. The RLB Construction Cost Index, which captures the cost of labor, materials, contractor fees, and local taxes, also jumped by 39 percent over this period, or three times the rise in overall consumer prices. With these steep increases in development costs, it is no surprise that rents for new units are so high.

**DWINDLING SUPPLY OF LOW-COST RENTALS**

Rents have been on a remarkable uptrend. Between 2012 and 2017, the number of units renting for $1,000 or more in real terms shot up by 5.0 million, while the number of low-cost units renting for under $600 fell by 3.1 million (Figure 2). Meanwhile, the supply of units with rents in the $600–999 range also declined, but by a more modest 450,000. This marks a sharp departure from the preceding five-year period, when the number of units in all three segments grew by 1.2–1.8 million.

The decline in low-cost units brought their share of the national rental stock down from 33 percent in 2012 to just 25 percent in 2017, with decreases in all 50 states and Washington, DC. In fact, the largest declines in share were in states where rent levels are typically more affordable, including Iowa, Montana, Nebraska, North Dakota.
Oklahoma, and Texas. At the same time, the largest increases in the share of units renting for at least $1,000 a month were in Colorado, Oregon, and Washington—states where household growth was particularly strong in 2012–2017. In high-cost markets such as California, Hawaii, Maryland, and New Jersey, more than 60 percent of units rented for at least $1,000 a month in 2017.

Several forces have contributed to the shrinking share of lower-cost rentals. Certainly, strong demand among high-income renters played a part, with increased competition from households of greater means driving up overall rents. The limited supply of new rental housing relative to demand also helped to keep vacancy rates for existing units low, further fueling rent growth.

CONTINUING TIGHTNESS NATIONWIDE
Even as overall rental demand ebbs and new supply comes on line, tight conditions prevail across the country. The Census Bureau reports that the national rental vacancy rate edged down again in mid-2019 to 6.8 percent—the lowest level since the mid-1980s.

According to RealPage, vacancy rates for units in professionally managed properties were down in 118 of the 150 markets tracked, with year-over-year declines averaging 0.7 percentage point in the third quarter of 2019. Increases in the other 32 markets were modest, averaging just 0.4 percentage point. As a result, rental vacancy rates in 135 metros held below 5.0 percent in the third quarter, including 45 where rates were under 3.0 percent. Only 15 markets had vacancy rates of 5.0 percent or higher (including Houston, Oklahoma City, and San Antonio).

The increasing tightness of rental markets is also evident across quality segments (Figure 3). As CoStar data show, vacancy rates fell across the board in the years after the Great Recession as rental demand soared and new supply lagged. But with the surge in high-end construction after 2012, vacancy rates at higher-quality properties hit 9.7 percent in 2018 before trending down again to 8.7 percent in the third quarter of 2019. Meanwhile, vacancy rates at moderate- and lower-quality properties hovered just above 5.0 percent from 2015 to 2018, but also inched down in 2019.

With vacancy rates so low, rent gains continue to outrun general inflation. The Consumer Price Index for rent of primary residence was up 3.7 percent year over year in the third quarter of 2019, far outpacing the 1.1 percent increase in prices for all non-housing items. This brought the number of consecutive quarters of real rent growth to 29, the second-longest streak in records dating back to the 1940s. Indeed, real rents rose 27 percent over this seven-year period—four times faster than the prices of all other goods.

RENTAL PROPERTY PRICES AT RECORD HIGHS
Strong operating performance has propelled nominal apartment prices to new heights, up 150 percent between 2010 and the third quarter of 2019. But price gains did slow from 12.6 percent in mid-2018 to 7.6 percent in mid-2019—the first time in eight years that growth dipped below 8.0 percent. Nominal prices in a few major markets, such as Houston, Minneapolis, and Seattle, actually declined year over year amid weakening demand.

Even so, high property valuations and low interest rates continue to fuel multifamily financing activity. With interest rates edging down again in 2019, the multifamily mortgage originations index rose 16 percent year over year in the third quarter. According to MBA data, multifamily mortgage debt outstanding was at a new high of $1.5 trillion at that time.

Government agencies are still the largest source of financing for multifamily loans. Fannie Mae and Freddie Mac provided capital for 42 percent of multifamily loan originations in 2018, or roughly $143
billion. Banks accounted for the next largest share of the market, backing 32 percent of originations or $108 billion. Although the numbers are not yet in, MBA predicts that healthy market conditions will make 2019 another record year for multifamily mortgage lending. However, the Federal Housing Finance Administration has tightened the caps on lending by Fannie Mae and Freddie Mac, which will put pressure on other players to step up participation.

Ownership of rental housing shifted noticeably between 2001 and 2015, with institutional owners such as LLCs, LLPs, and REITs accounting for a growing share of the stock. Meanwhile, individual ownership fell across rental properties of all sizes, but especially among buildings with 5–24 units. Indeed, the share of mid-sized apartment properties owned by individuals dropped from nearly two-thirds in 2001 to about two-fifths in 2015. Given that units in these structures are generally older and have relatively low rents, institutional investors may consider them prime candidates for purchase and upgrading. These changes in ownership have thus helped to keep rents on the climb.

### PERSISTENT AND GROWING AFFORDABILITY CHALLENGES

With the economy on sound footing and unemployment at its lowest level in decades, the number of cost-burdened renter households (paying more than 30 percent of income for rent and utilities) edged down from 2014 to 2017. But their numbers turned up again in 2018, rising by 261,000 to 20.8 million. This increase leaves the net decline in cost-burdened renters since 2014 at just over 500,000.

Thanks to strong growth in the number of high-income renters, the share of renters with cost burdens fell more noticeably from a peak of 50.7 percent in 2011 to 47.4 percent in 2017, followed by a modest 0.1 percentage point increase in 2018. Still, recent progress in limiting the spread of cost burdens came on the heels of a sharp deterioration in rental affordability over the preceding decade. In 2018, there were 6 million more cost-burdened renters than in 2001 and the cost-burdened share was nearly 7 percentage points higher.

Meanwhile, 10.9 million renters—or one in four—spent more than half their incomes on housing in 2018. After several years of modest declines, the number of severely burdened households increased in 2018, by 155,000, reducing the total improvement since the 2014 peak to just 483,000. Some 72 percent of renters earning less than $15,000 annually were severely burdened, along with 43 percent of those earning $15,000–29,999.

But even as the overall share of cost-burdened renters has receded somewhat, the share of middle-income renters paying more than 30 percent of income for housing has steadily risen (Figure 4). The largest jump has been among renters earning $30,000–44,999 annually, with their cost-burdened share up 5.4 percentage points in 2011–2018, to 55.7 percent. The increase among households earning $45,000–74,999 is nearly as large at 4.3 percentage points, to a share of 27.0 percent. While occurring across the country, the growing incidence of cost burdens among middle-income renters is most apparent in larger, high-cost metropolitan areas.

### FIGURE 4

**Despite Overall Improvement After 2011, Renter Cost-Burden Rates for Most Income Groups Have Been on the Rise**

<table>
<thead>
<tr>
<th>Share of Renter Households with Cost Burdens (Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income</td>
</tr>
<tr>
<td>Under $15,000</td>
</tr>
<tr>
<td>$15,000–29,999</td>
</tr>
<tr>
<td>$30,000–44,999</td>
</tr>
<tr>
<td>$45,000–74,999</td>
</tr>
<tr>
<td>All Renter Households</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2001</th>
<th>2006</th>
<th>2011</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>70</td>
<td>65</td>
<td>60</td>
</tr>
</tbody>
</table>

**Severely Burdened** | **Moderately Burdened**

Notes: Household incomes are adjusted for inflation using the CPI-U for All Items. Moderately (severely) cost-burdened households pay more than 30% (more than 50%) of income for housing. Households with zero or negative income are assumed to have severe burdens, while households paying no cash rent are assumed to be without burdens.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.
The spread of cost burdens up the income scale coincides with the ongoing decline in lower-cost rentals. While the improving economy has increased the share of middle-income renters, earnings growth has not caught up with the rise in rents. To meet the 30-percent-of-income affordability standard, a household earning $30,000 a year would have to pay no more than $750 a month for housing costs, while a household earning $45,000 would have to pay no more than $1,125. As the stock of units charging such low rents continues to decline, it is increasingly difficult for households with modest incomes to find housing that is within their means.

INCREASES IN HOUSING INSTABILITY
After paying rent each month, lowest-income households have little money left over for other necessities. The median renter earning less than $15,000 in 2018 had only $410 left each month for food, transportation, healthcare, and other basic needs, according to American Community Survey data. While middle-income renters are less constrained, they have lost considerable spending power over the last two decades as rents have climbed. In 2018, renters earning $30,000–44,999 had $2,010 left over each month for non-housing expenses—nearly 9 percent less per month than in 2001, or a total of $2,300 less over the course of a year.

And when households cannot afford to pay their rents, they face the risk of eviction. According to the 2017 American Housing Survey, 1.9 percent of renters reported being threatened with eviction over the previous three months. The share is especially high among renters making less than $30,000, with 2.7 percent reporting recent eviction threats.

Several local governments have instituted just cause eviction protections and universal access to legal counsel in an effort to reduce the number of actual evictions, as well as lower the costs of social services necessary to support families left homeless. Despite these tenant protections, however, homelessness is again on the rise. After falling for six straight years, the number of people experiencing homelessness nationwide turned up in 2016–2018, to 552,830. Much of this reversal reflects an 18,110 jump in the number of homeless individuals living outside or in places not intended for human habitation, with particularly large increases in the high-cost states of California, Oregon, and Washington. Amid this growing need, the federal homeless support system declined by about 2,200 beds in 2017–2018, marking the first decrease in at least 10 years.

Climate change poses yet another threat to the stability of renter households. The Joint Center estimates that 10.5 million renter households live in zip codes with at least $1 million in home and business losses in 2008–2018 due to natural disasters. Moreover, 8.1 million renter households report that they do not have the financial resources to evacuate their homes if a disaster strikes. While FEMA provided temporary housing assistance to 940,000 renters in 2013–2018, the growing risk of climate-related events demands a much greater response from government at all levels, including proactive planning that considers the vulnerabilities of low-income renter households.

RESPONSES TO THE RENTAL HOUSING CRISIS
As the nation’s rental affordability crisis evolves, efforts to address these challenges must evolve as well. However, the federal response has not kept up with need. HUD budget outlays for rental assistance programs grew from $37.4 billion in 2013 to $40.3 billion in 2018 in real terms, an average annual increase of just 1.5 percent (Figure 5). The shortfall in federal spending leaves about three out of four of the 17.6 million eligible households without rental assistance.

Making matters worse, funding delays and the need for higher subsidies per household to keep up with rising rents reduced the number of HUD program recipients from 4.8 million in 2013 to 4.6 million in 2018. In rural areas, the number of households supported under USDA’s multifamily programs also fell from 413,090 to just 390,110 over this period, and many of the remaining subsidized units are at risk of loss from the affordable stock over the next 30 years.

State and local programs have attempted to fill these gaps in assistance by targeting low-income households without access to federal

FIGURE 5
With Only Modest Growth in Federal Outlays, the Number of Assisted Households Has Been Essentially Flat

<table>
<thead>
<tr>
<th>Outlays (Billions of 2018 dollars)</th>
<th>Renter Households (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>6.0</td>
</tr>
<tr>
<td>40</td>
<td>5.5</td>
</tr>
<tr>
<td>35</td>
<td>5.0</td>
</tr>
<tr>
<td>30</td>
<td>4.5</td>
</tr>
<tr>
<td>25</td>
<td>4.0</td>
</tr>
<tr>
<td>20</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Notes: HUD rental assistance spending includes outlays for public housing capital and operating funds, Housing Choice Vouchers, project-based Section 8, Section 302, and Section 811. Outlays are adjusted for inflation using the CPI-U for All Items.
Sources: JCHS tabulations of US Department of Housing and Urban Development (HUD), Congressional Justifications and Picture of Subsidized Households.
support. Chief among their efforts has been the issuance of $4.8 billion in tax-exempt bonds for multifamily housing in 2017–2018. Local governments have also passed reforms that mandate or incentivize new construction of affordable units, and 510 jurisdictions now have inclusionary zoning.

But with limited funds available for subsidies and rents on the rise, expanding the supply of market-rate rentals affordable to low- and middle-income households is also critical. To this end, many state and local governments have eased land use regulations to encourage production of lower-cost homes. For example, the City of Minneapolis and State of Oregon recently initiated sweeping reforms to allow construction of multiple units on lots previously zoned for single-family homes. In addition, at least 15 jurisdictions, including three states, now have ordinances that make it easier to build accessory dwelling units (ADUs) on the same lots as, or attached to, single-family homes. Other local strategies for encouraging multifamily construction include reduced parking requirements and streamlined permitting. Although effective on a small scale, these types of initiatives cannot begin to meet the needs of millions of cost-burdened renters.

THE OUTLOOK
Rental market conditions have fundamentally changed since the Great Recession. With higher-income households accounting for much of the growth in demand since 2010, new supply has been concentrated at the upper end of the market. These new units typically offer amenities, including locations in the core parts of metro areas, that put their rents out of reach for even middle-income households. Meanwhile, rising demand, constricted supply, and changes in the ownership and management of existing rental properties—particularly smaller apartment buildings—have helped to reduce the stock of low- and moderate-cost units.

The fallout from these changes is substantial. In markets around the country, growing numbers of renters with incomes between $30,000 and $75,000 are now facing cost burdens. Meanwhile, nearly three-quarters of lowest-income renters spend over half of their incomes each month for housing, leaving little money for other basic needs, including food and healthcare. Not surprisingly, these conditions have also led to increases in homelessness, particularly in high-cost states.

Local governments have found themselves on the front lines of the rental affordability crisis. In response, many jurisdictions have adopted a variety of promising strategies to expand the affordable supply, including increased funding and reform of zoning and land use regulations to allow higher-density construction. Organizations ranging from hospitals and universities to tech companies have also started to address the crisis. Ultimately, though, only the federal government has the scope and resources to provide housing assistance at a scale appropriate to need.
After more than a decade of strong increases, renter household growth has moderated even as overall rentership rates remain high. In a dramatic shift, most of the recent growth in renters has been among households with high incomes rather than those with low incomes. The rising costs of homeownership have contributed to this trend, keeping many higher-income households in the rental market at ages when they might be expected to buy homes. Meanwhile, increasing numbers of young adults who cannot afford today’s high rents continue to live with their parents or double up with others.

**MODERATING GROWTH IN RENTER HOUSEHOLDS**

After a strong 12-year uptrend, the number of renter households fell in both 2017 and 2018. Growth resumed again in the first three quarters of 2019, but only at a modest annual rate of 350,000 households—far short of the 846,000 annual increases averaged during the rental boom in 2004–2016. This moderation reflects the leveling off of the national rentership rate over the past year, when renter household growth matched the pace of overall household growth. At 35.6 percent, the US rentership rate in the third quarter was unchanged from a year earlier and nearly in line with the rate in 1994 before the homeownership boom began (Figure 6).

Measured from its peak in 2016, the national rentership rate was down a full percentage point in the third quarter of 2019. Households under age 35 accounted for the largest pull-back, with a 1.9 percentage point drop in rentership rates over this period. The rate for renter households aged 35–44 fell slightly less, by 1.4 percentage points, while the rate for renter households aged 45–54 was down 0.6 percentage point.

Despite these declines, rentership rates for all age groups under 65 are still historically high. Indeed, the largest increases are among middle-aged households, with the rate for the 35–44 year-old group up 4.5 percentage points from the 1994 peak, that for the 45–54 year-old group up 5.3 percentage points, and that for the 55–64 year-old group up 4.2 percentage points. The difference in rentership rates for households under age 35, however, was just 0.9 percentage point. Only households age 65 and over had a lower rentership rate in 2019 than in 1994, down by 1.1 percentage point. Although rentership rates today are generally higher than 25 years ago, the national rate is close to its 1994 level because such a large share of households are in the older age groups when homeownership rates tend to increase.

**Evolving Profile of Renter Households**

With the aging of the overall population, the median age of renter households has been on the rise. The share of renter households age 55 and over increased from 22 percent in 2004 when homeownership rates peaked to 30 percent in 2018, lifting the median renter age...
from 39 to 42. Although the median age of homeowners also rose over this period, the median renter was still 15 years younger than the median owner. In 2018, more than one in three renter households was headed by a person under age 35, compared with just one in ten homeowner households (Figure 7).

The number of renter households with children also grew in 2004–2018, reflecting the rising age of renters and delays in homebuying. Although the total number of married couples with children dropped by 2.0 million over this period, the number that rented their housing increased by 680,000 to 5.9 million—a 13 percent jump. Similarly, even as the overall number of single-parent households dropped by 320,000, the number that rented rose by 320,000. As a result, families with children now make up a larger share of renter households (29 percent) than of owner households (26 percent). However, families with children living in owner-occupied housing still outnumber their counterparts living in rental housing.

Recent increases in “other family” and “non-family” households are largely due to delays in forming independent households. For example, the number of other family households (mostly single parents living with adult children, which are not considered single-parent households) grew by some 44 percent from 2.9 million in 2004 to 4.1 million in 2018. Although making up just 9 percent of all renter households in 2018, other families accounted for 17 percent of renter household growth over this period.

Similarly, non-family households, or unrelated individuals living as roommates, made up only 11 percent of renter households but accounted for 16 percent of growth in 2004–2018. Interestingly, the average size of renter households remained at 2.3 persons in 2018, given that individuals living alone still made up more than a third of renter households overall and remained the fastest-growing household type.

Despite the recent increases in renting among white and native-born populations, minorities and immigrants remain major sources of demand for rental housing. In fact, minorities drove 76 percent of renter household growth in 2004–2018, while foreign-born households accounted for 30 percent.

Recent immigrants have especially high rentership rates, including 83 percent of householders that had been in the country for five years or less in 2018. But even after they have lived in the US for several years, immigrants still tend to rent their housing. Some 70 percent of householders who had immigrated 5–10 years earlier were still renting in 2018, along with 57 percent of householders who had immigrated 10–20 years earlier.

**THE GROWING PRESENCE OF HIGH-INCOME RENTERS**

The most dramatic change in rental markets in recent years has been the surge in demand from high-income households. Between 2004 and 2010, households earning less than $30,000 per year in real terms accounted for just over two-thirds (68 percent) of the growth in renter households while those earning at least $75,000 made up just 19 percent. Since then, however, high-income households have become the primary source of rental demand, driving more than...
three-quarters of growth in 2010–2018. Indeed, the number of high-income renter households rose by 45 percent over this period while the number of low-income renter households actually declined by just over 5 percent (Figure 8).

With these shifts, the share of high-income renter households has hit a record high. According to Current Population Survey estimates, the share of renter households with real incomes of $75,000 or more stood at 26.5 percent in 2019—up from 18.9 percent on average from 1980 to 2010.

Some of the recent jump in high-income renters simply reflects overall growth in the number of high-income households during this long economic expansion. But at 22 percent in 2019, renter-ship rates among households earning $75,000 or more are at their highest levels on record. Even accounting for overall income growth, renter-ship rates for households in the top decile jumped from 8.0 percent in 2005 to 15.1 percent in 2018 as their numbers more than doubled.

Changes in attitudes toward homeownership may lead some households to continue to rent later in life. The latest Freddie Mac Survey of Homeowners and Renters reports that the share of genX renters (aged 39–54 in 2019) with no interest in ever owning homes rose from 10 percent in March 2017 to 17 percent in April 2019. At the same time, the median age of homeowners also rose over this period, the median renter was still 15 years younger than the median owner. In 2018, more than one in three renter households was headed by a person under age 35, compared with just one in ten homeowner households (Figure 7).

The number of renter households with children also grew in 2004–2018, reflecting the rising age of renters and delays in homebuying. Although the total number of married couples with children dropped by 2.0 million over this period, the number that rented their housing increased by 680,000 to 5.9 million—a 13 percent jump. Similarly, even as the overall number of single-parent households dropped by 320,000, the number that rented rose by 320,000. As a result, families with children now make up a larger share of renter households (29 percent) than of owner households (26 percent). However, families with children living in owner-occupied housing still outnumber their counterparts living in rental housing.

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time, though, the vast majority of millennial renters (aged 23–38 in 2019) still aspire to homeownership, with only 7 percent reporting no interest in ever buying—down from 11 percent in 2017.

Despite a stated preference for homeownership, some older and higher-income renter households may defer that transition because they are satisfied with their rental situations. Fully 75 percent of renters overall, and 72 percent of genX renters, stated that renting best fits their current lifestyle. In addition, 62 percent of renters said that they were satisfied with their overall rental experience.

**HIGH HURDLES TO HOMEOWNERSHIP**

Whether or not attitudes toward homeownership have changed, the primary explanation for the strong rental market may be relative affordability. According to the Freddie Mac Survey, 82 percent of renters thought that renting is more affordable than owning. Almost half of renter respondents stated that not having enough money for a downpayment was a major obstacle to homeownership, while 70 percent considered not having enough money to meet a monthly mortgage payment at least a minor obstacle.

In addition, rising home prices mean that would-be homeowners must have high incomes to cover their monthly housing costs without exceeding 30 percent of income. In the 127 large metros tracked by NAR that have complete data, the real household income needed to afford the typical home jumped 26 percent from $53,300 at the end of 2013 to $67,300 at the end of 2018. In 13 of those metros, a buyer had to have an income of more than $100,000. San Jose is the nation’s least affordable housing market, requiring an income of $347,000 to meet the monthly costs of a typical home.

As a result, growth in homeownership has been increasingly limited to households with the highest incomes. Indeed, the number of homeowner households with incomes under $150,000 declined in 2010–2018, and households with incomes of $150,000 and over accounted for all of the net growth in homeowners. Fully 2.2 million of the 2.8 million homeowners added over this period earned at least $200,000.

Many of the high-income renters added in recent years have the education and family structure traditionally associated with homeowners. For example, households with bachelor’s degrees accounted for 61 percent of the growth in high-income renters in 2010–2018, while married couples accounted for 44 percent (Figure 9). However, unrelated adults living in roommate situations—primarily households with multiple modest-income workers—also drove a substantial share of the growth in high-income renters.

Also striking is the fact that much of the growth was among younger households. Indeed, households headed by someone under the age

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**FIGURE 9**

*Most of the Growth in High-Income Renters Has Been Among College-Educated Households that Are Married, White, and Young*

<table>
<thead>
<tr>
<th>Share of High-Income Renter Growth, 2010–2018 (Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
</tr>
<tr>
<td>Some College Diploma or GED</td>
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<tr>
<td>No Diploma</td>
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<tr>
<td><strong>Household Type</strong></td>
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<td>Unrelated Adults</td>
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<td>55–64</td>
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<td>65 and Over</td>
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Notes: Incomes are adjusted for inflation using the CPI-U for All Items. High-income households earn at least $150,000 a year. Married families include married couple households with or without children. Other families include single parents. White, black, and Asian/other households are non-Hispanic. Hispanics may be of any race.

Source: ACS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.
of 35 drove about 35 percent of growth, while those headed by someone aged 35–44 accounted for another 24 percent. These are the age groups that typically have the highest rates of first-time homebuying. Moreover, white households accounted for just under half of all growth in high-income renters.

High-income households living in high-cost metros are more likely to rent than those in low-cost metros and rural areas, even after controlling for regional differences in incomes. For example, 24 percent of households in the top income quintile in San Francisco rent their housing, as do 23 percent of top quintile households in the New York metro area. In lower-cost Birmingham, however, just 7 percent of top quintile households are renters.

**Worsening Income Inequality Among Renters**

With such strong growth in the number of high-earning households, the median renter income jumped 25 percent in real terms between 2010 and 2019. But these gains were not shared equally, reflecting the long-term growth in income inequality among renters. The latest Current Population Survey shows that the average real income of the top fifth of renters rose by more than 40 percent over the past 30 years, while that of the bottom fifth fell by 6 percent (Figure 10). As a result, the income disparity between the highest- and lowest-income renters grew from 12 times to 18 times (Figure 11).

And despite the recent increases in high-earning households, the majority of renters have low incomes. According to the 2017 HUD Worst Case Needs report, about 64 percent of renter households had incomes of 80 percent or less of area medians, including 44 percent with incomes of 50 percent or less of area medians. The latest American Community Survey puts the median renter income at just $40,500 in 2018—a little more than half of the $78,000 median for homeowners.

The long-term stagnation of real incomes, rising rents, and growing inequality make it difficult for low-income renters to compete for housing they can afford. These conditions may also be preventing low-income individuals from forming and sustaining their own households. In fact, the number of renter households with incomes under $30,000 fell by nearly one million between 2010 and 2018. While the overall growth in renter incomes may account for some of this decline, high rents may also explain why a growing number of adults live with their parents or in roommate situations.

**Continuing Slowdown in Household Mobility**

A primary advantage of renting is that it allows a high degree of mobility. Relative to the expense of purchasing or selling a home, the
costs and effort involved in relocating for a renter are much lower than for an owner. In addition, since leases are usually for a specified period, renting is a more suitable choice for people who move frequently. Renting is also a good option for households that are relocating to a new area and want to wait to buy a home.

Young households typically start out in the housing market as renters and move more often than any other age group. However, mobility rates for renter households of all ages have been in a long-term decline for reasons that are still unclear. The downtrend among the youngest households is steepest, but has also accelerated among middle-aged and older renters (Figure 12).

According to the Current Population Survey, mobility rates for renter households aged 25–34 dropped by more than 11 percentage points between 1998 and 2018, to 28 percent. Similarly, mobility rates for renter households aged 35–44 fell by 10 percentage points, to 19 percent. In part, lower mobility rates for these age groups reflect slower transitions to homeownership, which typically require moving. But mobility rates for older renter households also fell.

One consequence of falling household mobility rates is that many renters are staying in the same rental units for longer periods. Between 2008 and 2018, the share of renters that had lived in their units for at least two years increased from 36 percent to 41 percent among those under age 35, and from 62 percent to 68 percent among those aged 35–64. Similarly, the National Apartment Association reported a turnover rate of just 46.8 percent in 2018—the lowest rate of move-outs since the survey began in 2000. For new renters, low mobility rates mean that their housing options are limited, particularly in desirable neighborhoods close to work or school.

**THE OUTLOOK**

A number of demographic trends favor solid demand for rental housing. Most notably, the large genZ population that follows on the heels of the millennials will keep the number of young adults—a key driver of rental demand—at high levels well into the next decade. The rising cost of entry into the homeowner market is also likely to price out increasing numbers of would-be buyers, thus giving another lift to overall demand and sustaining the growth in renting among households with relatively high incomes.

But there are also several potential headwinds for the rental market. For young adults with low incomes, rising rents are an obstacle to living on their own. This may encourage even more young adults to opt out of renting altogether and live with their parents until they save up enough to buy homes. An economic downturn would restrict their housing options even more, further inhibiting household formations and rental demand.

It is clear that shifts in rentership rates and aging of the population are changing the types of units that households seek to rent. Renters today have higher incomes and are more likely to be families with children than in the past, implying increased demand for higher-end apartments as well as for single-family homes. Over the coming decade, the aging of the baby-boom generation into their late 70s and 80s will also spur greater need for rental housing with accessibility features and proximity to services and supports.
Over the past decade, additions to the nation’s rental stock consisted primarily of large multifamily properties and single-family homes—units that are typically more expensive than those in small and mid-sized buildings. This shift has effectively shrunk the middle of the rental market. And despite the recent strength of multifamily construction, much of the rental stock is aging and in need of maintenance and updating. At the same time, rental deserts—providing only limited housing options for renter households—exist in a variety of communities from urban to rural, and the barriers to multifamily development in these locations remain formidable.

**CHANGING COMPOSITION OF THE STOCK**

In 2018, about a third of the nation’s 47.2 million rental units were single-family homes. Another 17 percent of units were in small apartment buildings with 2–4 units, 23 percent in buildings with 5–19 units, and 23 percent in buildings with 20 or more units. The other 4 percent of the stock consisted of manufactured homes, with a small fraction in other housing types such as boats, RVs, and automobiles.

Over the preceding decade, the composition of the rental stock underwent a profound shift toward two structure types—large multifamily buildings and single-family homes. While the overall supply increased by 13 percent in 2008–2018, the number of units in buildings with 20 or more apartments alone jumped 31 percent (to 10.6 million) and the number of single-family rentals rose 18 percent (to 15.5 million) (Figure 13). Together, these types of rentals accounted for 87 percent of the growth in the nation’s rental stock over the period.

Meanwhile, the supply of rentals in small- and mid-sized multifamily structures increased only marginally. The number of units in structures with 5–19 units grew just 7 percent in 2008–2018 (to 10.8 million), while the number in small multifamily buildings was essentially flat, up by just 3,000 units. As a result, the share of rental units in these two types of structures declined from 44 percent to 40 percent. Given that apartments in small and mid-sized buildings typically have lower rents and are therefore more affordable to modest-income households, their shrinking share of the rental stock indicates that the middle of the market continued to erode over the decade.

**RECENT RENTAL STOCK DYNAMICS**

After 10 straight years of growth averaging 692,000 units annually, the nation’s rental stock declined sharply in 2017 with a decrease of 338,000 units. Net additions then rebounded to 414,000 units in 2018. These changes reflect two divergent trends—continued growth in large apartment buildings and conversion of single-family rentals back to owner occupancy.
From 2013 to 2018, the number of rentals in multifamily structures with 20 or more units increased by at least 200,000 annually (Figure 14). In 2018 alone, the number of apartments in larger buildings was up 5 percent, or some 507,000 units. The increases were widespread, occurring in all four regions and 40 states. The number of rentals in buildings with 5–19 units also jumped by 236,000 units.

At the same time, the number of single-family rentals fell by 291,000 units in 2018—a nearly 2 percent drop for the second straight year and the third net decrease in four years. The decline in single-family rentals was more geographically concentrated, with nearly two-thirds of the net losses occurring in Florida (84,000 units), California (71,000 units), and Georgia (38,000 units). However, 21 states posted increases in single-family rentals in 2018, led by Texas (29,000), Alabama (14,000), and South Carolina (10,000).

The outflow of single-family homes from the rental stock coincides with a rebound in homebuying. Joint Center analysis of the
American Housing Survey indicates that most single-family homes lost from the rental stock were converted to owner occupancy. Indeed, some 15 percent of single-family homes occupied by renters in 2015 were then occupied by owners in 2017—five times the share of owner-occupied homes converted to rentals over that period. Just 1 percent of single-family rentals were permanently lost to demolition or conversion to nonresidential uses in 2015–2017.

Meanwhile, the supply of rentals in multifamily buildings with 2–4 apartments fell by 7,000 units in 2018, marking the fourth straight year of declines. The number of all other rentals, including manufactured homes, was also down by 31,000 units.

**GEOGRAPHIC DIFFERENCES IN SUPPLY**

The rental stock ranges widely across regions, reflecting differences in the timing and history of urbanization. According to the American Community Survey, single-family rentals made up only 20 percent of rentals in the Northeast in 2018—significantly less than the 34–37 percent share in other regions (Figure 15). Instead, a majority of the stock in the Northeast consisted of units in buildings with 2–4 apartments (28 percent) and buildings with at least 20 apartments (31 percent). Indeed, 29 percent of all rental units in small multifamily buildings were located in this region, along with 26 percent of all units in large multifamily buildings.

Rental housing in the Northeast is also older on average than in the rest of the country. Three-quarters of units were built before 1980, including 40 percent built before 1950. By comparison, the share of the stock that is at least 40 years old is considerably lower in the Midwest (63 percent), the West (53 percent), and the South (44 percent).

In addition to having a relatively new rental supply, the South has the largest share of manufactured housing (7 percent) in the country—more than twice the shares in the West (3 percent), Midwest (3 percent), and Northeast (1 percent). The share of manufactured units is especially high in non-metro areas of the South (19 percent). Nearly two-thirds of the nation’s manufactured home rentals are located in the region.

With single-family and manufactured homes making up much of the stock, rental housing in the South is comparatively large. Just over 35 percent of rentals have at least three bedrooms—10 percentage points higher than in the Northeast, 6 percentage points higher than in the Midwest, and 5 percentage points higher than in the West. Even so, rents in the South are relatively low, with half of all units renting for under $800 a month in 2018. The low-rent share of the stock in the Midwest, however, is even higher at nearly 63 percent (Figure 16). Meanwhile, just 35 percent of the stock in the Northeast and 26 percent of the stock in the West rented for less than $800 a month. Instead, 31 percent of units in the Northeast and 39 percent of those in the West had rents of at least $1,400.

Given the older average age of the stock in the Northeast and the prevalence of manufactured housing in the South, average rental quality is slightly lower in these regions. According to the 2017

![Figure 15](image)

**The Types of Units Available to Renters Vary Widely from Region to Region...**

<table>
<thead>
<tr>
<th>Share of Rental Stock (Percent)</th>
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<tbody>
<tr>
<td>Northeast</td>
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**Structure Type**
- Single-Family
- Manufactured
- 2–4 Units
- 5–19 Units
- 20 or More Units

Notes: Rental units may be occupied, vacant for rent, or rented but unoccupied. Manufactured housing includes other structures, such as boats, RVs, and automobiles. Source: ACS tabulations of US Census Bureau, 2018 American Community Survey 1-Year Estimates.

![Figure 16](image)

**...with Low-Cost Units Concentrated Primarily in the Midwest and South**

<table>
<thead>
<tr>
<th>Share of Rental Stock (Percent)</th>
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<td>Northeast</td>
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**Contract Rent**
- Under $600
- $600–$799
- $800–$999
- $1,000–1,399
- $1,400 and Over

Notes: Rental units may be occupied, vacant for rent, or rented but unoccupied. Contract rents exclude utility costs paid separately. Source: ACS tabulations of US Census Bureau, 2018 American Community Survey 1-Year Estimates.
American Housing Survey, the share of rental units considered moderately or severely inadequate was 10 percent in the Northeast and 9 percent in the South, compared with 8 percent in the Midwest and 7 percent in the West.

Non-metro areas across the country have a unique mix of rental housing, with 47 percent of the stock consisting of single-family homes and 18 percent of units in small apartment buildings. Manufactured housing makes up a larger share of the stock in non-metro areas (14 percent) than mid-sized (13 percent) and large (8 percent) multifamily structures. And although 41 percent of non-metro rental housing had three or more bedrooms, some 84 percent of units rented for under $800 a month in 2018.

**NEIGHBORHOOD DISTRIBUTION OF RENTALS**

Between 2010 and 2017, the rental supply increased in nearly two-thirds of the nation’s roughly 72,000 census tracts. Dividing metro area tracts into three equal groups based on housing density, the strongest growth in percentage terms was in the lowest-density third of tracts (19 percent), followed by gains in the medium-density third (16 percent) and the highest-density third (9 percent). The weakest growth (7 percent) was in non-metro tracts. In absolute terms, however, the largest increases in metro area rentals were in medium-density (1.7 million) and high-density (1.5 million) neighborhoods rather than in low-density neighborhoods (1.3 million).

Despite the recent growth in less dense areas, rental housing is still much more available in urban centers. In 2017, fully 41 percent of occupied rentals were located in the densest portions of the nation’s metros while only 19 percent were located in the least-dense portions. The distribution of the owner-occupied stock is nearly the opposite, with 19 percent of units located in high-density urban areas and 36 percent in low-density metro neighborhoods.

The concentration of large apartment buildings in urban centers contributes to their density. Indeed, 61 percent of rental structures with 20 or more units are located in the highest-density third of metro neighborhoods. Single-family rentals were more evenly distributed, comprising 26–30 percent of the stock in metro neighborhoods of all densities.

Meanwhile, many areas across the country remain rental deserts. In nearly a third of the nation’s census tracts, less than 20 percent of all housing units were either renter-occupied or available for rent in 2017. In 10 percent of all census tracts, the rental share was less than 10 percent. These rental deserts are typically in the low-density portions of metro areas (53 percent of census tracts) and in non-metro areas (43 percent), but they exist in medium-density (26 percent) and high-density neighborhoods (8 percent) as well.

Since renters are more likely to have low incomes than homeowners, the lack of rental housing in some communities helps to fuel income and racial/ethnic segregation. In 2017, the median household income in the census tracts considered to be rental deserts was $71,400, significantly higher than the $49,100 median in all other tracts. In addition, 78 percent of the population in communi-
ties with only limited rental housing options was white, compared with 54 percent in all other tracts.

**WIDE VARIATION IN RENTS**

In 2018, the median gross rent (including all utility costs paid separately) for occupied units was $1,050, while the median contract rent (excluding utilities) for all units was $900. Not surprisingly, contract rents were generally higher for larger units, rising from $820 for efficiency and one-bedroom rentals to $890 for two-bedroom rentals, to $1,000 for units with three or more bedrooms.

Contract rents were highest for units in large apartment buildings ($1,100), followed by single-family homes ($900), units in mid-sized buildings ($900), and units in small buildings ($800). Contract rents for manufactured housing units were even lower at just $500 per month. Small buildings with 2–4 apartments were even lower, with the median contract rent for units in small multifamily buildings varying only from $800 for apartments built before 1990 to $880 for those built since 2010—a difference of just 10 percent (Figure 17). By comparison, the rent differences between older and newer units increase to 29 percent for apartments in mid-sized buildings, 47 percent for apartments in large multifamily buildings, and 65 percent for single-family rentals.

Rents of course depend on location as well as the type, size, and age of the structure. Units near job centers or in neighborhoods offering special amenities command higher average rents. In 2017, the median gross rent was $1,110 in high-density metro area neighborhoods, $1,040 in medium-density neighborhoods, $920 in low-density neighborhoods, and just $670 in non-metro areas overall. The fact that large multifamily structures tend to be located in urban cores explains in part why their rents are relatively high.

**CHANGING OWNERSHIP OF THE RENTAL STOCK**

According to the latest Rental Housing Finance Survey, individual investors owned about three-quarters of rental properties and about half of all rental units in 2015. Individuals were more likely to own single-family rentals (76 percent) and small apartment buildings with 2–4 units (77 percent) than multifamily structures with 25 or more units (14 percent). Owners of large apartment buildings, in contrast, were much more likely to be pass-through entities such as limited liability partnerships, limited partnerships, and limited
liability companies (59 percent), with smaller shares held by general partnerships, real estate corporations, and nonprofits.

During the housing bust, investors bought up millions of formerly owner-occupied single-family homes and converted them to rentals. Of the single-family rentals without substantial rehabilitation needs in 2015, some 27 percent were acquired in the downturn years from 2005 to 2009, compared with 17 percent in 2000–2005 and 23 percent in 2010–2015. In contrast, a significant share of units in large multifamily buildings were acquired once the recovery took hold, including 33 percent in 2010–2015.

Individual ownership of rental properties has been on the decline since 2001, with potentially important implications for the stock. Institutional and individual owners generally have different incentives to invest in their rentals, as well as different capacities and resources. In 2014, two-thirds of pass-through owners reported making capital improvements to their rental holdings, compared with just half of individual owners. Even so, individual investors spent more per unit because they typically own single-family rentals, which are generally larger and cost more to maintain than multifamily units. Indeed, 31 percent of individual owners that made improvements to their rental properties in 2014 invested at least $3,000 per unit, compared with just 14 percent of pass-through property owners.

**GROWING BACKLOG OF MAINTENANCE SPENDING**

The rental housing stock is getting older. In 1987, the median age of renter-occupied housing units was just 25 years. In 2017, the median age had reached 43 years. Considerable investment is needed to maintain and update this stock, with more than half of all rental units built before 1980 and nearly a fifth built before 1950.

According to Joint Center estimates, spending on the existing rental stock totaled $128 billion in 2018, including about $87 billion in capital improvements and $41 billion in maintenance expenses (Figure 18). Adjusted for inflation, improvement spending was up 198 percent in 2010–2018, and per unit outlays nearly tripled from $660 to $1,840. In contrast, maintenance spending increased only 31 percent, with per unit expenditures rising just 22 percent, from $710 to $870.

The aging of the stock and the modest growth in maintenance outlays have left a substantial backlog of needed repairs. A recent study by the Federal Reserve Bank of Philadelphia found that nearly 17.4 million renter-occupied units—almost 40 percent of all rentals—required an average of $2,600 in maintenance, or a total of $45 billion. Not surprisingly, repair needs are higher for older units and single-family rentals. And these estimates are conservative in that they do not account for repair needs that are largely unobservable to occupants or inadequacies in multifamily properties that affect multiple units.

The estimates also do not include the cost of accessibility improvements, which will become increasingly important as the older adult population continues to grow. According to the American Housing Survey, only 48 percent of rental units in 2017 provided a no-step entry—a basic but important accessibility feature. The share of units with this feature is especially low in small multifamily buildings (40 percent), but somewhat higher in single-family rentals (52 percent) and large multifamily structures (58 percent).

**BARRIERS TO RENTAL DEVELOPMENT**

The rising costs of construction, land, and labor, along with restrictive land use regulations, impede production of both subsidized and market-rate rental housing. According to the Rider Levett Bucknall Construction Cost Index, the nominal costs of commercial construction projects doubled between 2001 and the third quarter of 2019, including a 39 percent jump in 2012–2019 alone (Figure 19). Costs were up 5.5 percent year over year in the third quarter, even faster than the 4.7 percent growth a year earlier. Construction costs rose in all 12 markets covered by the index, with increases ranging from 2.4 percent in Los Angeles to 7.7 percent in San Francisco.

The cost and availability of land for multifamily construction is also an obstacle. The price of vacant commercial land nearly doubled from 2012 to 2018, before declining for two consecutive quarters. Commercial land prices then rebounded and were up 5.1 percent...
in the third quarter of 2019. Meanwhile, the shortage of construction workers continued to worsen even as employee compensation outpaced overall inflation in the first three quarters of 2019. On a 12-month rolling basis, job openings exceeded the 300,000 mark for the first time in early 2019, a 76 percent increase over the previous two years.

According to the NMHC Quarterly Survey of Apartment Conditions conducted in July 2018, the tightness of the construction labor market overall is evident in the multifamily sector. About half of the 98 survey respondents reported that, relative to a year earlier, labor was less available even with higher compensation. Another quarter of respondents said that the availability of labor was the same, but at higher compensation levels.

The labor shortage, along with increases in amenities and the concentration of construction in core counties, has led to longer build times for multifamily projects. In 2018, the average interval from start to completion was more than 14 months—the longest build time since at least the early 1970s. While the general shift in new construction toward larger, higher-rise structures contributed to this increase, the build time for multifamily buildings with 5–19 units was also at a record high in 2018.

Local regulations present yet another challenge to rental housing development. High fees, minimum setback and parking requirements, and other restrictions add to the cost of new construction. For example, a recent Terner Center for Housing Innovation report found that the median impact fee for a 100-unit multifamily infill project in 10 California cities was $12,200 per unit and reached as high as $24,000 per unit in Oakland. Lengthy permitting processes also add to costs. According to a 2019 Fannie Mae study based on RSMeans data, permitting took an average of 3–6 months in Dallas; 6–8 months in Chicago; 8–12 months in Atlanta, New York, and Seattle; and more than 12 months in San Francisco.

THE OUTLOOK

The focus of new construction on large apartment buildings and the widespread conversion of single-family homes to rentals after the housing bust reduced the share of rental units in small and mid-sized multifamily buildings in the nation’s rental stock. Apartments in these types of structures tend to be older and lower cost, and their shrinking share of the stock has contributed to the rental affordability crisis. Given their age and relative affordability, preserving these units is critical to prevent further losses of the already limited supply of low-cost rentals.

Adequate investment in the entire stock is just as vital. Although spending on capital improvements has soared in recent years, these investments likely served to upgrade units to higher rent levels. Spending on basic maintenance, in contrast, has not kept pace with need, leaving millions of units at risk of deterioration. And with much of the rental stock unsuited to the needs of an aging population, spending on accessibility improvements must also be a priority. Promoting universal design standards for new rental housing and providing incentives for rental property owners to make retrofits would help to meet this escalating demand.

Several obstacles—including regulatory barriers, labor shortages, and local resistance to high-density development—restrict the construction of rental housing that even middle-income households can afford. Although there is no immediate panacea for these challenges, allowing by-right development of multifamily housing would expand the supply of rentals in a wider array of neighborhoods. This could, in turn, help to curb income segregation.
Rental markets remain tight, with low vacancy rates pushing up rents across most of the country. While new multifamily construction has soared to its highest levels in decades, most newly built units are high-end apartments in urban locations with asking rents that are well out of reach for middle- and lower-income households. Solid returns have kept investors in the apartment market, but strong demand for high-quality buildings has also served to drive up both property prices and rents.

**TIGHT MARKET CONDITIONS NATIONWIDE**

Despite a slowdown in renter household growth, the nationwide rental vacancy rate remains low. According to the Census Bureau’s Housing Vacancy Survey, the US rate has hovered near 7.0 percent since 2015 and shows little sign of easing. In fact, the 6.8 percent rate averaged from the fourth quarter of 2018 to the third quarter of 2019 is the lowest reading on record since 1986.

According to CoStar data, the overall vacancy rate for professionally managed apartments edged down 0.3 percentage point between the third quarter of 2018 and the third quarter of 2019, to 5.7 percent. Declines occurred in all market segments, with the largest drop (0.7 percentage point) in higher-quality units with four- and five-star ratings. Even so, the vacancy rate in this tier remained relatively high at 8.2 percent.

Conditions in the lower-quality tier of one- and two-star apartments continued to tighten, with vacancy rates slipping from 4.9 percent to 4.7 percent. The rate for moderate-quality units with three-star ratings also dipped from 5.4 percent to 5.3 percent year over year in the third quarter. RealPage data indicate that vacancies in low-, mid-, and high-rise apartment buildings also fell by roughly half a percentage point over this period.

Rental market conditions tightened in all regions except the South, where they were unchanged from the previous year. According to the Housing Vacancy Survey, vacancy rates stood at 4.8 percent in the West and 5.4 percent in the Northeast in the third quarter of 2019. By comparison, vacancy rates in the Midwest (7.0 percent) and South (8.7 percent) were relatively high. Conditions in the Northeast and West have diverged sharply from those in the Midwest and South since the mid-1990s, when rental vacancy rates in all four regions averaged 7.0–8.0 percent.

At the metro level, RealPage reports that vacancy rates for units in professionally managed apartment properties declined in three-quarters of the 150 metros covered, including most major markets across the country (Figure 20). Between the third quarter of 2018 and
the third quarter of 2019, vacancy rates dropped by more than a percentage point in 31 markets (including Cincinnati, St. Louis, and Tucson) and rose by more than a percentage point in only four (College Station, Midland [TX], Myrtle Beach, and Naples). As a result, rental vacancy rates held below 5.0 percent in 135 metros and below 3.0 percent in 45 metros. Only 15 markets had vacancy rates of 5.0 percent or higher in the third quarter of 2019. All but one of these markets were located in the South and included Houston, Oklahoma City, and San Antonio.

PERSISTENT RISE IN RENTS

With vacancy rates so low, rents continued to climb. The CPI for rent of primary residence was up 3.7 percent year over year in the third quarter of 2019, marking 21 consecutive quarters of nominal increases above 3.0 percent (Figure 21). Factoring in inflation, real rent growth picked up to more than 2.6 percent in the third quarter of 2019. This brought the number of consecutive quarters of real rent growth to 29, one quarter shy of the longest streak in records dating back to World War II. Over this seven-year period, the CPI for rent
of primary residence rose 28 percent—more than four times faster than the 6 percent rise in the CPI for all items less shelter.

CoStar data indicate that rents for professionally managed apartments were up less than in the CPI and that the pace of growth slowed through 2019. By this measure, rents rose 2.9 percent year over year in the third quarter of 2019, slightly below the 3.1 percent increase a year earlier. Rents for moderate-quality apartments rose the fastest, increasing 3.2 percent year over year in the third quarter, but still not matching the 3.6 percent increase in 2018. Rent growth in the lower-quality segment also decelerated to 2.5 percent over this period, down from 3.1 percent rate a year earlier. Meanwhile, rents for higher-quality apartments climbed 2.7 percent in both 2018 and 2019.

In the five years from the third quarter of 2014 to the third quarter of 2019, overall apartment rents rose by some 18 percent. The largest increase was in the moderate-quality segment, where rents were up 21 percent over this period. Rent growth for units in the lower-quality tier was nearly as strong at 19 percent, while increases in the higher-quality tier totaled 14 percent.

Rents for multifamily apartments rose in all four regions of the country, with year-over-year increases in the third quarter ranging from 2.9 percent to 3.1 percent, according to RealPage. These data also show that apartment rents rose in 142 of the 150 metropolitan area markets tracked. Leading the list of metros with the largest increases were Phoenix (up 8.2 percent), Wilmington (NC) (up 7.9 percent), and Las Vegas (up 7.5 percent). Midland (TX) posted the largest decline, with rents down 3.6 percent. In the other seven markets with declines, rents fell by less than 1.5 percent.

Rents for single-family homes also continued to climb. CoreLogic reports a 3 percent year-over-year increase as of September 2019, in line with the 3 percent annual gain recorded a year earlier. The consistent pace of single-family rent growth is noteworthy given the large fluctuations in the single-family rental stock over this period. As in the multifamily market, the fastest growth in single-family rents was in Phoenix (6.7 percent) and Las Vegas (5.8 percent). CoreLogic data also indicate that single-family rents were up in all 20 metros tracked, with Miami posting the slowest growth of just 1.0 percent.

**RENTAL CONSTRUCTION GOING STRONG**

Low vacancy rates and strong rent growth have kept multifamily construction on the rise. After a 6 percent increase in 2018, multifamily starts in the first three quarters of 2019 were running at an annual rate of just under 380,000 units, matching the pace a year earlier. This is just shy of the 30-year high of 397,000 units in 2015.

More than 600,000 multifamily units are currently under construction, the highest level of activity since 1973. Since the majority of these units are in large buildings and in urban areas, their build times are relatively long, suggesting that the pipeline of new units is likely to remain full through 2020. Completions are on pace to exceed 350,000 units in 2019, in line with the recent high in 2017 and surpassing every other year back to 1989. Permitting for multifamily units through November 2019 also hit a 500,000 unit annual rate, the fastest pace since 1987.

But even at these record levels, additions to the rental stock have failed to keep up with absorptions both in the nation as a whole.

---

**Figure 22**

**Multifamily Construction Remains Near Decades-Long Highs, with Almost All Units Intended as Rentals**

![Graph showing multifamily construction starts from 1980 to 2019.](image)
In the West. Although the West had the highest share of markets where new supply outpaced demand, the average difference between completions and absorptions in several of the region’s large metros—including Denver, Los Angeles, and San Francisco—was less than 300 units.

While multifamily units are typically equated with rental housing, the current share of apartments being built for the rental market is at a near-record high (Figure 22). In the first three quarters of 2019, 93 percent of all multifamily units started were intended as rentals, well above the 78 percent average share posted in records back to 1974. Assuming this trend continues, 2019 will be the ninth year in a row when more than 90 percent of new multifamily units are meant for rental housing.

Just as multifamily units are often equated with rentals, single-family homes are usually thought of as owner occupied. Although the vast majority are in fact built for sale, the number of new single-family homes built for rent has also risen. In 2018, some 46,000 single-family homes were started for the rental market, considerably more than the 26,000 units added each year on average since 1974.

**CONCENTRATION OF NEW CONSTRUCTION**

The location, building type, and quality of new rental construction have pushed up asking rents for new units. In 2018, more than half (54 percent) of new multifamily permits were for buildings in the central counties of the nation’s largest metros. In fact, the rebound in rental construction in core urban areas has been dramatic, with multifamily permits rising from a low of just 51,000 units in 2009 to 256,000 units in 2018 (Figure 23).

Multifamily permitting in the non-core counties of large metros and in smaller metros more than doubled from post-recession lows, although remained much more in line with averages in the 2000s. In contrast, multifamily permitting in non-metro areas rose by just 34 percent between its post-recession low and 2018, holding below annual levels averaged in the 2000s.

Of the multifamily units completed in 2018, 61 percent (211,000) were in buildings with 50 or more units—a far larger share than the 27 percent averaged in the 2000s (Figure 24). Completions of rentals in buildings with at least four floors also increased from an average of 21 percent annually in the 2000s to 62 percent in 2018. New units are amenity-rich, with 96 percent having air conditioning and 87 percent having in-unit laundry facilities.

Given their central locations and features, new multifamily units have high asking rents. According to the Survey of Market Absorption, the median asking rent for new unfurnished apartments completed...
in 2018 was $1,620. This is well above the $900 median contract rent for all units reported in the 2018 American Community Survey.

Although newly built apartments are typically more expensive than existing apartments, the recent jump in their asking rents is especially large. In 2011, the median asking rent for new rentals was 48 percent ($350 per month) higher than the median contract rent. In 2018, however, the median asking rent for new rental units was 78 percent ($700 per month) higher.

Median asking rents for units completed over the past year vary across regions, and are highest in the Northeast ($2,300) and West ($2,100). By comparison, asking rents are considerably lower in the South ($1,400) and Midwest ($1,300).

CONTINUED GROWTH IN RENTAL PROPERTY INCOME

In addition to spurring new multifamily construction, low vacancy rates and consistent rent growth have boosted returns from rental properties. According to NCREIF, growth in net operating incomes rebounded to a 6.8 percent annual rate in the third quarter of 2019, up from just 4.3 percent a year earlier but still short of the 10.7 percent pace recorded in the fourth quarter of 2015.

At the same time, however, apartment property price appreciation slowed slightly. Although still rising at a solid rate of 8.2 percent year over year in the third quarter of 2019, nominal prices had been rising at an 11.5 percent pace a year earlier (Figure 25). Since 2010, property prices nationwide have more than doubled and are still climbing rapidly in several markets, with growth exceeding 20 percent in Las Vegas and 15 percent in Charlotte, Chicago, and Tampa. However, nominal prices declined in the third quarter of 2019 in a few major markets, including Houston and Minneapolis, where growth of new supply outstripped demand.

With property price appreciation slowing, growth of returns on apartment investments also cooled from a 6.4 percent annual rate in the third quarter of 2018 to 5.4 percent in the third quarter of 2019—the lowest rate since 2010. But capitalization rates (the ratio of net operating income to price) for apartment properties only inched up from the record low of 4.1 percent to 4.2 percent over this period. This is still well below the 6.4 percent averaged since 1982, indicating that rental properties remain an attractive investment opportunity.

INVESTORS AND LENDERS STILL STEPPING UP

Investor appetite for multifamily property purchases remained strong in 2019, particularly for higher-quality buildings. According to CoStar, the dollar volume of multifamily transactions was up 9 percent year over year, to $94 billion, through the first three quarters. Acquisitions of higher-quality apartment properties accounted for 46 percent of transactions volumes, moderate-quality properties for 34 percent, and lower-quality properties for 20 percent.

Real Capital Analytics data indicate that private investors were behind 63 percent of all large apartment property acquisitions (priced at $2.5 million or more) in the first three quarters of 2019—

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**FIGURE 25**

After Nine Years of Strong Growth, Apartment Property Prices Have More than Doubled Since 2010

Source: JCHS tabulations of Real Capital Analytics, Commercial Property Price Indexes.
somewhat higher than the 56 percent share averaged over the previous 18 years. At the same time, the share of acquisitions by institutional and equity fund investors was at 20 percent and that of real estate investment trusts (REITs) at 5 percent, both below historical averages. Over this period, international investors increased their share of large apartment property acquisitions to 7 percent, exceeding the historical average of 6 percent.

Investors in multifamily properties have access to record levels of capital. According to the Commercial/Multifamily Mortgage Bankers Originations Index, the volume of multifamily loan originations rose 16 percent year over year in the third quarter of 2019. As of 2018, government agencies were by far the largest source of capital. MBA data show that Fannie Mae and Freddie Mac (the GSEs), together with the Federal Housing Administration (FHA), nearly tripled their lending volumes in 2013–2018 to roughly $156.3 billion, raising their share of multifamily originations from 35 percent to 46 percent (Figure 26). The next-largest segment, bank lenders, backed just 32 percent of originations, or $107.9 billion.

MBA data also indicate that multifamily mortgage debt outstanding was at a 20-year high of $1.5 trillion in the third quarter of 2019. GSE and FHA portfolios, as well as mortgage-backed securities, accounted for nearly half (48 percent) of multifamily loans outstanding, or $728 billion.

Record-low delinquency rates may be encouraging lenders to maintain the strong flow of capital. The rate of multifamily loan delinquencies stood at 0.12 percent in the third quarter of 2019, the lowest rate since recordkeeping began in 1991.

The outlook

The ongoing tightness in rental markets is likely to keep upward pressure on both rents and new construction for some time to come. Permitting for new multifamily buildings remains strong, the number of units in the pipeline is at a record high, and completions are barely keeping up with absorptions. But even with all this construction activity, the overall stock has expanded only marginally because of the shift of many single-family rentals back to the for-sale market.

In the current environment of low interest rates, multifamily properties remain attractive to investors, while strong property performance and low delinquency rates help to keep financing plentiful. At the same time, though, renter household growth has cooled, which will eventually reduce demand. A runup in interest rates, a slowdown in household income growth, or a large upswing in homeownership rates could also put a damper on apartment rents and property prices. Still, the tightness of rental markets means that any moderation in rent growth will take some time to filter down to the lower end of the market.
With income gains still lagging behind rent growth, both the number and share of cost-burdened renters rose in 2018. Housing cost burdens remain widespread among low-income renters but are increasingly common among households higher up the income scale, especially in large metropolitan areas. With so much of their incomes dedicated to rent, many cost-burdened households struggle to pay for other essentials like food, healthcare, and energy use. Meanwhile, large declines in the stock of low-cost units across the country continue to restrict the supply of affordable market-rate housing.

INCREASING PREVALENCE OF COST BURDENS

After three years of modest declines, the number of renters paying at least 30 percent of income for housing and utilities edged up in 2018. According to American Community Survey data, the number of cost-burdened renter households increased by 261,000, bringing the total to 20.8 million (Figure 27). More than half—some 10.9 million—of these households were severely burdened, paying more than 50 percent of their incomes for housing.

Much of this increase is due to the growth of middle-income renters with cost burdens. The number of cost-burdened renters earning between $30,000 and $75,000 rose by 320,700 in 2017–2018, or nearly double the average annual increase in 2014–2017. The number of cost-burdened renters making more than $75,000 also rose by 51,300 in 2017–2018.

Although growing numbers of higher-income renters helped to lift median incomes, the share of renters with cost burdens edged up to 47.5 percent in 2018. Included in this share are the 25 percent of renter households facing severe burdens. Despite improvements since the peak in 2011, the overall share of cost-burdened renters was 6.9 percentage points higher in 2018 than in 2001, while the share of severely cost-burdened renters was 4.6 percentage points higher. These longer-term increases reflect the fact that renter incomes grew just 1.4 percent from 2001 to 2018, while rents were up by 13.9 percent.

GROWING PRESSURE ON MIDDLE-INCOME RENTERS

A consistently large share of lowest-income households are cost burdened. Indeed, the share of renters earning less than $15,000 with cost burdens inched down just 0.9 percentage point from 2011 to 2018, to 83 percent, while the share with severe burdens fell marginally more, from 73.0 percent to 72.0 percent. Over this same period, however, the share of cost-burdened renters earning $15,000–29,999 rose by 1.5 percentage points, to 79 percent.

The increases among middle-income renters are even larger. The cost-burdened share of renters making between $30,000 and $44,999
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The increases among middle-income renters are even larger. The cost-burdened share of renters making between $30,000 and $44,999 stood at 55.7 percent in 2018, up 5.4 percentage points from 2011. The severely burdened share of this group also rose 3.1 percentage points, to 14.2 percent. Similarly, 27.0 percent of renters earning between $45,000 and $74,999 had cost burdens in 2018, an increase of 4.3 percentage points from 2011. Even among renters with incomes of at least $75,000, the cost-burdened share rose from 5.8 percent to 6.4 percent over this period.

Middle-income renters living in the nation’s 25 most expensive housing markets are especially likely to have cost burdens. In 2018, fully 70 percent of households with incomes between $30,000 and $44,999 were cost burdened in these highest-cost metros. Although lower, the shares of middle-income renters with housing cost burdens were also substantial in middle-cost metros (50 percent) and low-cost metros (33 percent).
The cost-burdened shares of middle-income renters have risen fastest in large metropolitan areas. In metros with populations above 5 million, the share of cost-burdened renters earning $30,000–44,999 jumped by 7.7 percentage points between 2011 and 2018, to 67.4 percent (Figure 28). The increase in share of cost-burdened renters earning $45,000–74,999 was also significant, up 6.3 percentage points to 34.8 percent. Increases in cost-burdened shares among middle-income renter households are also evident in smaller metro areas. From 2011 to 2018, the cost-burdened rates for renters earning $30,000–44,999 rose by 4 percentage points in medium-size metros and 3 percentage points in small metros. The cost-burdened shares for renters earning $45,000–74,999 in these markets also rose by 3 percentage points and 0.3 percentage point, respectively. The only decline in share was among middle-income renters earning $30,000–44,999 and living in rural areas, but even there, the improvement was a modest 0.9 percentage point.

**GEOGRAPHIC VARIATION IN AFFORDABILITY**

Cost burdens are a fact of life for renters across the country. In 2018, the cost-burdened share of renters in 46 states exceeded 40 percent, including seven with rates above 50 percent. The states with the highest rates are Florida (55 percent) and California (53 percent). Of the four states with cost-burdened shares under 40 percent, North Dakota posted the lowest rate of 36 percent.

Fully one-quarter of metro areas had cost burden rates of at least 50 percent, and only 15 percent had rates below 40 percent in 2018 (Figure 29). Of the top 100 metros, Miami had the highest share of cost-burdened renters (61 percent), while Scranton had the lowest share (36 percent).

Since cost-burdened rates depend on household incomes as well as on housing costs, they can be high even in metros where rents are relatively low. For example, the average rent in Los Angeles in 2018 was $1,560, the median renter income was $52,000, and the cost-burdened share was nearly 56 percent. In New Orleans, rents averaged only $960 but the median renter income was $30,000. As a result, the cost-burdened share was just as high as in Los Angeles, at 56 percent.

Even outside major metropolitan areas, many renters still pay disproportionate shares of their incomes for housing. Overall, 39 percent of renters living in rural areas were cost burdened in 2018. Rural burden rates were slightly higher in the Northeast (41 percent) and slightly lower in the Midwest (37 percent). Shares of cost-burdened rural renters were especially high in Massachusetts (61 percent) and New Hampshire (50 percent).
**PROFILE OF COST-BURDENED RENTERS**

Although cost burdens affect households of all races and ethnicities, minority renters are much more likely to be burdened than white renters. Black renters had the highest burden rate in 2018, at 55 percent, followed closely by Hispanic renters at 53 percent, and then by Asian/other renters at 45 percent. In contrast, the cost-burdened share of white renter households was 43 percent.

Moreover, the cost-burdened shares of minority renters climbed sharply from 2001 to 2018. Indeed, the share of Hispanic renters facing cost burdens jumped by 7.2 percentage points over this period, while the share of black renters with cost burdens went up by 7.1 percentage points. The increase among white renters was nearly as large at 6.1 percentage points, while that among Asian/other renters was just 3.0 percentage points.

Even controlling for income, minority renter households have higher cost-burdened rates than white renters. The average income of white renters was $43,000 in 2018, compared with an average of $39,667 for all minority renters. But among households with incomes under $15,000, some 85 percent of Hispanic renters were cost burdened in 2018, along with 84 percent of black renters and 83 percent of Asian/other renters. The cost-burdened share for white renters was 81 percent.

The youngest and oldest renter households have the highest cost-burdened shares. Some 59 percent of renter households under age 25 had housing cost burdens in 2018, as well as 55 percent of renter households age 65 and over. However, the cost-burdened share of youngest renters did decline from a high of 64 percent between 2011 and 2018, while that of oldest renters was essentially unchanged over that period.

Cost-burdened rates differ widely across household types, depending in part on the number of workers and the presence of children. Rates range from highs of 60 percent for single-parent families and 56 percent for single-person households to a low of 31 percent for married couples without children. Among families with children, cost-burdened shares increase with size of the household, rising from 46 percent for families with one child, to 50 percent for those with two children, to 57 percent of those with three or more children.

Having full-time employment does not necessarily ease affordability pressures. Over half of renters working in food preparation and service were cost burdened in 2018, along with over half of those employed in building and grounds cleaning and maintenance jobs. Half of renters in healthcare support positions were also cost burdened. Indeed, renters in few occupations had cost-burdened rates below 20 percent. These exceptions include workers in higher-wage fields such as computing and architecture.

**THE ADDED BURDEN OF ENERGY AND TRANSPORTATION COSTS**

For lower-income households paying separately for utilities, energy costs represent a disproportionately large share of income. According to American Housing Survey data, the median renter household making less than $30,000 a year paid $100 for monthly energy use in 2017, or 7.8 percent of income. By comparison, the median renter household making at least $75,000 paid $130 a month for energy costs, or just 1.4 percent of income.

This additional strain on their finances puts many renters at risk of energy insecurity, or having limited or uncertain access to adequate heating and cooling of their homes. Indeed, the latest Residential Energy Consumption Survey (RECS) data indicate that 43 percent of renter households reported some form of energy insecurity in 2015. Under these circumstances, households might reduce food or medical expenses to pay their utility bills, keep their homes at an unhealthy temperature, or otherwise find themselves unable to use their heating or cooling equipment. These measures can undermine the basic health and well-being of household members, particularly children and older adults.

The RECS data also show that energy consumption and costs differ by type of housing. Overall, renter households typically consume 4.4 million Btus of energy per month, at a cost of $113. Renters living in single-family houses, however, consume about twice as much energy.
Like energy costs, commuting costs disproportionately burden lower-income renters. American Housing Survey data indicate that renters earning less than $30,000 paid $70 per month for transportation in 2017, while those earning $75,000 or more paid $116. But as a share of monthly income, lower-income renters spent 4.4 percent on commuting—significantly more than the 1.1 percent share paid by higher-income renters.

In combination, the costs of housing, energy, and transportation consume most of the incomes of renters earning less than $30,000. In 2017, these lower-income renter households spent an average of 42 percent on rent, 8 percent on energy, and 11 percent on commuting costs—a total of nearly 62 percent (Figure 30). This is more than 20 percentage points higher than the average share of income dedicated to these expenses among renters earning $30,000–44,999, twice the average share among renters earning $45,000–74,999, and three times the average share among renters earning $75,000 or more.

**SPENDING TRADEOFFS OF SEVERELY BURDENED HOUSEHOLDS**

After paying more than half their incomes for housing, severely cost-burdened families must make difficult decisions about how to spend their remaining funds. According to the latest Consumer Expenditure Survey, severely cost-burdened renter households in the bottom expenditure quartile (a proxy for lowest income) spent 38 percent less on food and 40 percent less on healthcare in 2018 than otherwise similar renters with housing they could afford.

Conditions for two particularly vulnerable groups—families with children and households headed by older adults—are especially dire (Figure 31). For severely burdened renter households with children under age 18, food is the largest expense after housing. Given children’s critical need for adequate nutrition, it is disturbing that spending on food by families in the lowest expenditure quartile was 38 percent less than their unburdened counterparts. All renters in this group—whether or not they had affordable housing—also spent very little on healthcare, with unburdened households spending an average of $51 per month and severely burdened households spending less than $20 per month.

By comparison, renter households age 65 and over in the bottom expenditure quartile spent more on healthcare than families with children. Even so, older adults with severe burdens spent about $100 less on these costs than older adults without burdens. The difference in spending on food between these two groups exceeded $100, with severely burdened older adults paying less than $200 each month while unburdened older adults paid more than $300.

These cutbacks in spending on basic needs are hardly surprising given how little money lowest-income households have left after paying rent. According to American Community Survey data, severely cost-burdened renter households making less than $15,000 in 2018...
typically had just $225 each month for all other expenses—about a third of the $660 for similar-income households without cost burdens. Severely cost-burdened renters making $15,000–29,999 were not much better off, with a median residual income of $590 compared with $1,500 among those living in housing they could afford.

**ONGOING DECLINE IN LOW-COST UNITS**

The shrinking supply of low-cost rental units continues to fuel the rental affordability crisis. A recent Joint Center working paper found that the number of units renting for less than $600 a month fell by 2.4 million between 2000 and 2017, reducing the low-cost share of the national rental stock from 37 percent to 25 percent (Figure 32). The latest American Community Survey data show additional losses of about 410,000 low-cost units in 2018.

Over the span from 1990 to 2017, the absolute number of low-cost units fell in 47 states and the District of Columbia, and their share of the stock declined in all 50 states as well as DC. In high-cost states with few units renting for under $600 per month in 1990, the number of units renting for less than $1,000 also declined sharply. The losses of low-cost rental units—whether through upgrading, removals, or rent increases—are strongly correlated with rising shares of cost-burdened renters in each state.

The decline in the low-cost supply leaves the nation’s lowest-income households with few affordable housing options. For the nation’s 11.0 million extremely low-income renters (making less than 30 percent of area median), the shortage is exacerbated by the fact that many of the units they could afford to rent are occupied by higher-income households. The National Low Income Housing Coalition reports that only 3.6 million of the 7.4 million rental units affordable to extremely low-income households were available in 2017, leaving just 37 affordable and available units for every 100 households in this income group. The worst mismatches between demand and supply are in Nevada (with 19 affordable and available units for every 100 extremely low-income renter households), California (22 units), and Arizona (25).

**THE OUTLOOK**

The number and share of cost-burdened renter households remain near record highs, with no meaningful relief in sight. Indeed, the share of lower-income renter households paying a disproportionately large share of income for housing has held above 80 percent for more than a decade. Cost-burdened rates are now rising rapidly among moderate-income renters, with increases posted in markets ranging from large urban centers to small rural communities.

The lack of progress in reducing the spread of cost burdens even at a time when renter incomes are rising is in large part because rental construction has not kept up with the demand for even moderate-cost housing. The shortfall in supply has led to higher rents and erosion of the low-cost stock. These conditions underscore the urgent need to preserve whatever low-cost rental housing still exists and, at minimum, replace what has been lost. If the tightness in rental markets persists, the number of cost-burdened renters will likely remain in the tens of millions.
Shortages of affordable rental housing are apparent in every region of the country and every location from urban to rural. The stock of low-cost units continues to shrink even as the number of cost-burdened households climbs. With only limited federal assistance, state and local agencies have developed a variety of strategies to expand supply, but their efforts are necessarily narrow in scope. Housing instability and homelessness are again on the rise, and impacts of climate change are an increasing threat to both renters and the housing they occupy. All of these trends underscore the urgent need for large-scale investment in good-quality, affordable housing that policymakers can no longer ignore.

**SHORTFALL IN FEDERAL FUNDING**

The nation’s 17.6 million very low-income renter households (earning up to 50 percent of area median) compete for an extremely limited supply of units with rents they can afford. According to HUD’s latest count in 2015, the mismatch between supply and demand left 8.3 million very low-income renters with severe cost burdens and/or living in housing with serious deficiencies.

Although HUD rental assistance programs generally target this income group, they only serve about one out of every four (4.6 million) eligible households. The average assisted household lives on just $14,000 a year. The majority of recipients are older adults (35 percent) and families with children (36 percent), or households that include a member with a disability (17 percent). Nearly half of HUD-subsidized households (2.2 million) receive tenant-based assistance through the Housing Choice Voucher program, while most of the rest live in public housing or project-based Section 8 properties. About 390,000 renter households live in USDA-assisted multifamily properties.

Despite the persistent shortfall, federal programs have added few assisted units (Figure 33). Although outlays for rental assistance programs did increase modestly in real terms from $37.8 billion in 2014 to $40.3 billion in 2018, the per household cost of assistance also rose along with the increase in fair market rents. As a result, despite the 7 percent growth in real federal outlays, the number of subsidized households dropped by 0.4 percent over this period.

Funding has also not kept up with public housing capital needs. The National Association of Housing and Redevelopment Officials estimates that the current backlog has reached $70 billion and puts capital needs accrual at $3.4 billion per year—significantly higher than the annual appropriations of about $2 billion averaged from 2014 to 2018. For the first time in 45 years, the number of occupied public housing units dipped below 1 million in 2017, and then declined by another 34,000 units in 2018, to 955,000.

Some of these losses, however, are due to conversion of public housing units to project-based Section 8 contracts through the Rental Assistance Demonstration (RAD). This program provides housing
The Supply of Federally Subsidized Units Has Remained Essentially Flat Since 2010

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<th>Occupied Units (Millions)</th>
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Notes: LIHTC occupied units are based on the 96% average occupancy rate reported in HUD, Understanding Whom the LIHTC Program Serves, 2017. LIHTC units are affordable to households making 50–60 percent of area median income, USDA multifamily units are in USDA Section 515 and Section 516 properties. Source: JCHS tabulations of HUD, Picture of Subsidized Households and Low-Income Housing Tax Credit Database; USDA, Multi-Family Housing Annual Fair Housing Occupancy Reports.

agnostic authorities a longer-term funding stream and allows owners to secure private financing for capital investments. From RAD’s inception in 2014 to 2018, some 110,000 public housing units (1,007 properties) were converted to project-based Section 8 contracts, raising the number of occupied units assisted under that program to 1.2 million.

On the production side, the Low-Income Housing Tax Credit (LIHTC) program is the primary federal mechanism for adding and preserving affordable rental housing. Since 1986, LIHTC has supported the construction, redevelopment, or preservation of over 2.5 million units affordable to households making up to 50–60 percent of area median income.

But despite adding lower-rent, good-quality housing to the stock, LIHTC units can still be unaffordable to the extremely low-income households (earning up to 30 percent of area median) that make up about half of their occupants. As a result, more than 70 percent of these lowest-income residents receive some other form of rental assistance, such as a Housing Choice Voucher, to make these units affordable.

Meanwhile, Joint Center tabulations of the National Housing Preservation Database indicate that the affordability restrictions on 935,000 subsidized rentals are set to expire by 2030. This total includes 529,000 LIHTC and 266,000 project-based Section 8 units. In five states—Montana, North Dakota, Oregon, South Dakota, and Wisconsin—contracts could expire on more than a quarter of subsidized units with end dates. Although many of these rentals are likely to remain affordable, nearly 50,000 subsidized units nationwide were converted to market rate between 2014 and 2018.

**CONSTRAINTS ON STATE AND LOCAL ASSISTANCE**

State and local housing programs attempt to fill the affordability gap for the roughly 13 million very low-income households that qualify for but do not receive federal assistance, plus the 9 million low-income households (earning 50–80 percent of area median) that are typically ineligible for federal programs. The scale of state and local initiatives is inevitably modest, however, and falls far short of need.

States and localities deploy a variety of funding and regulatory tools to expand the affordable rental supply. According to a 2016 estimate from the Center for Community Change, state and local housing trust funds generated over $1 billion. One approach is thus to use these funds to complement federal resources. Utah, for example, paired over $15 million from its state housing trust fund with HOME and National Housing Trust Fund dollars to finance nearly 1,300 affordable multifamily units in 2019. By mid-year, however, its cash reserves were low and the state fund often receives more project proposals than it can finance.

Bond issuances are another approach to supporting construction and rehabilitation of affordable units, preservation of project-based Section 8 properties, and the financing of LIHTC projects. Tax-exempt bond issuances for affordable multifamily housing have risen dramatically, averaging $2.4 billion annually in 2017 and 2018 (Figure 34). State agencies, including community development and housing finance agencies, accounted for about half of total issuances in 2018.

Using trust funds, bond proceeds, and general revenues, some state and local governments also support their own rental assistance
programs. At last count in 2015, the National Low Income Housing Coalition identified 117 such programs nationwide. The vast majority (92) are funded by states alone, and most are targeted to low-income households. Nearly two-thirds of these programs subsidize individual households rather than properties.

In the last few years, states and localities have increasingly turned to rent control as a means to protect households from large rent hikes. By the end of 2018, local governments in California, Maryland, New Jersey, New York, and the District of Columbia had instituted rent control measures. In 2019, New York expanded its rent control laws to include municipalities beyond New York City; Oregon lawmakers passed statewide restrictions that limited rent increases to 7 percent plus inflation; and California imposed statewide restrictions capping rent increases at 5 percent plus inflation for buildings more than 15 years old.

Local governments also use regulatory measures to expand the affordable rental supply. In a recent survey, the Grounded Solutions Network identified 666 inclusionary rental housing ordinances in 510 jurisdictions. These ordinances require or incentivize developers to make a certain percentage of units affordable for lower-income households. Inclusionary zoning has gained traction over the last 15 years, with nearly two-thirds of these ordinances adopted since 2005.

Other zoning changes are intended to incentivize affordable housing development. For example, the planning commission in Lawrence, Kansas, approved a land use proposal in 2019 allowing construction of two detached, permanently affordable homes on lots zoned for single-family units. For its part, Austin reduced setback requirements and minimum lot sizes for developments where at least half of the units are affordable to households earning up to 60 percent of area median income. The city council in Ann Arbor also approved an ordinance in 2019 that reduced parking requirements and allowed higher densities for development projects that include units affordable to this group.

Given the widespread shortage of affordable housing, regional collaborations are essential to achieve the needed scale. Among the cross-jurisdictional planning efforts under way, the Metropolitan Washington Council of Governments approved a resolution setting targets for affordable housing for low-income households in the region. Not uncommon for comprehensive planning initiatives, however, not all jurisdictions agreed to the affordability targets.

PROMOTING MARKET-RATE DEVELOPMENT

Expanding the overall supply is another way to make rental housing generally more affordable. With high volumes of new construction, some older and less desirable units may filter down to lower rent levels. To this end, state and local governments are working to spur market-rate rental production by reducing zoning and other regulatory barriers to development. Again, though, the scale of these initiatives is too modest to alleviate the affordability challenges of most renter households.

For example, the Minneapolis City Council voted in 2018 for a comprehensive plan that allows construction of duplexes and triplexes on lots that are zoned for single-family housing. Since these lots account for about half of the 130,000 parcels in the city, allowing construction of small multifamily properties in these locations has the potential to greatly expand the rental supply. Following suit, Oregon passed a law in 2019 allowing construction of duplexes on lots zoned for detached single-family homes in cities with populations over 10,000, and construction of multifamily structures with up to four units in cities with populations over 25,000.

Some jurisdictions are also promoting development of accessory dwelling units (ADUs) on single-family lots. A 2019 National Association of Home Builders study cited 15 ordinances adopted specifically to increase ADUs, including three statewide (in California, New Hampshire, and Rhode Island) and in Washington, DC. In a recent move, Montgomery County, Maryland, also amended its zoning to make it easier to build ADUs.

Other local governments have attempted to encourage rental housing production by speeding up the development process. San Diego offers expedited permitting for in-fill and mixed-use properties

![Figure 34: State and Local Agencies Have Stepped Up Bond Issuances to Help Expand the Affordable Supply](image-url)

**Figure 34:**

State and Local Agencies Have Stepped Up Bond Issuances to Help Expand the Affordable Supply

<table>
<thead>
<tr>
<th>Bond Issuances (Billions of 2018 dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0</td>
</tr>
<tr>
<td>2.5</td>
</tr>
<tr>
<td>2.0</td>
</tr>
<tr>
<td>1.5</td>
</tr>
<tr>
<td>1.0</td>
</tr>
<tr>
<td>0.5</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

**Notes:**
- Totals include tax-exempt bonds issued by a state, county, or municipal agency that closed between January 1, 2008 and December 31, 2018.
- Bond amounts are adjusted for inflation using the CPI-U for All Items.
affordable to moderate-income households, as well as for projects that meet sustainability standards. Another approach is to amend land use plans to allow the siting of modular and prefabricated housing factories. For example, Oakland recently benefited from its proximity to a modular housing factory in Vallejo, enabling construction of a 110-unit apartment building in just ten days.

**UNMET RURAL RENTAL NEEDS**

Nearly 2 million renters live in rural communities. While median rents are generally lower in rural areas ($700) than in metro areas ($1,070), median renter incomes are also lower ($29,000 vs. $40,000). As a result, almost 40 percent of rural renters are cost burdened, including 20 percent that have severe burdens.

The rental stock is limited in many rural communities. A recent Urban Institute report found that 1,288 rural counties (defined as eligible for USDA housing assistance) had at least moderately severe rental housing needs in the face of growing populations, high poverty rates and cost-burdened shares, and low shares of subsidized housing. The same report noted that just under a third of all rural counties had rental vacancy rates at or below 5 percent in 2014.

With so few options available, a substantial number of rural renters live in substandard and/or overcrowded conditions. According to 2018 American Community Survey data, 44,550 rural renters (2.3 percent) had housing that lacked complete kitchen facilities or plumbing. Native American renters in rural communities face especially high rates of housing inadequacy (6.6 percent). Overcrowding is also a common condition for Native American renters (13.9 percent) and Hispanic (12.5 percent) renters in rural areas (Figure 35).

The USDA’s multifamily programs provide support for affordable rental housing in rural areas. Between 2016 and 2018, the number of households living in USDA-subsidized properties fell from 398,450 to 390,110. Given that the Section 515 Rural Rental Housing program imposes an affordability requirement only for the term of the mortgage, more units are at risk of loss as loans mature. Indeed, the Housing Assistance Council estimates that over 21,000 Section 515 units could leave the rural subsidized stock by 2027.

Native American governments and housing entities use Indian Housing Block Grant allocations to support a wide range of activities including housing rehabilitation, land acquisition, and new construction. In 2019, the federal government allocated $654 million to Native American tribes and nations to support housing initiatives. However, this allocation represents a 7 percent real cut in funding from 2014, when HUD reported that the level of housing assistance was already inadequate.

**INCREASE IN HOUSING INSTABILITY**

Eviction, and even the threat of eviction, is extremely disruptive for households. Involuntary relocation can contribute to poor mental health, job loss, and added financial stress for adults, as well as poor performance at school for children. According to the 2017 American Housing Survey, 1.9 percent of all renter households—including 1.4 million adults and 810,500 children—reported being threatened with
eviction within the previous three months. The share is highest among renters with incomes under $30,000, and particularly among black households (Figure 36).

Cities have responded to the recent spate of evictions by instituting renter protections such as guaranteed access to legal representation and extension of eviction timelines. In 2018, New York City enacted universal counsel for income-eligible tenants, preventing the evictions of some 22,000 households. In 2019, Washington State lengthened the minimum allowable time between a missed rent payment and an eviction notice filing from 3 to 14 days.

Beyond the toll on households, evictions impose significant costs on local governments. A recent study commissioned by the Philadelphia Bar Association found that providing access to counsel for low-income renters could save the city $45.2 million annually in related costs for social services, welfare, law enforcement, and incarceration. Such a program also saves renters from having a record of eviction, which can make finding future housing difficult.

Eviction can ultimately end in homelessness, and the nation’s unsheltered population is again growing (Figure 37). By HUD’s annual point-in-time count, the number of people sleeping outside or in spaces not intended for human habitation increased from 173,270 in 2015 to 194,470 in 2018. After falling steadily for eight years, the number of chronically homeless—people with disabilities that have been unsheltered for at least one year—also rose from 77,490 to 88,640 in 2016–2018. These increases cut into gains against overall homelessness made in 2010–2016, pushing up the total number of people experiencing homelessness to 552,830 in 2018.

According to HUD’s 2018 count, people of color made up a slight majority of the homeless, while whites made up just under half—a disproportionately low share given that they account for 72 percent of the US population. A fifth of all people experiencing homelessness were children, with 9 out of 10 living in emergency shelters or transitional housing.
Per capita homelessness rates are highest in California, Hawaii, New York, and Oregon, where more than 300 out of every 100,000 residents were homeless in 2018. States with the highest rates of unsheltered homelessness are in the West and South. Indeed, more than half of the population experiencing homelessness in California, Hawaii, Nevada, and Oregon were unsheltered.

Unsheltered homelessness is a highly visible problem, and many municipalities have attempted to clear homeless camps. While done in the name of safety and sanitation, these sweeps typically displace the homeless rather than provide assistance. Under a federal ruling against the City of Boise, however, municipalities cannot criminalize public homelessness if they don’t have enough space to accommodate the unsheltered population.

From 2008 to 2018, the federal homeless support system continued to shift from emergency shelter and transitional housing to permanent supportive housing. But even as the homeless population increased, the total number of beds fell for the first time in at least 10 years, declining by about 2,200 in January 2018 to 896,900.

VULNERABILITY TO CLIMATE CHANGE

Natural disasters are increasing in both frequency and intensity. National Oceanic and Atmospheric Administration data indicate that the average number of billion-dollar disasters per year in the United States more than doubled from 6 in the 2000s to 13 in 2014–2018. The annual cost of major disasters averaged $101 billion.

Both renters and rental properties are particularly vulnerable when disasters strike. According to Joint Center estimates, 10.5 million renter households live in neighborhoods that suffered at least $1 million in disaster-related home and business losses in 2008–2018 (Figure 38). In 2015–2017 alone, American Housing Survey data indicate that 324,000 renters were displaced by natural disasters and more than 500,000 rental units required extensive disaster-related repairs. And in the aftermath of an event, rents may rise. For example, a CoreLogic analysis found that rent growth in Houston and Cape Coral accelerated following Hurricanes Harvey and Irma.

The federal response to natural disasters largely favors homeowners over renters and rental property owners. Following the Gulf Coast hurricanes, a 2010 Government Accountability Office report found that a disproportionate amount of Community Development Block Grant Disaster Recovery program assistance went to homeowners. In a followup analysis, the GAO noted that there had been no significant changes in how funds were distributed after the 2017 hurricanes, with only a small share of the $35 billion CDBG-DR allocations going to renters. FEMA did, however, provide $1.1 billion in temporary housing assistance for renters that year.
In addition to natural disasters, renters are vulnerable to the impacts of climate change more broadly. Data from the Furman Center indicate that 2.4 million rental units are located in the 100-year floodplain. And because FEMA maps do not account for sea-level rise, the number of apartment buildings at risk will no doubt increase. Although renters can buy coverage through the National Flood Insurance Program, only 264,000 of the 5.1 million policies in effect in August 2019 were owned by people living in multifamily buildings.

As weather patterns change, average summer temperatures have risen. The Joint Center estimates that 22.9 million renter households (53 percent) live in urban heat islands where temperatures are at least 3 degrees warmer than in surrounding areas. This includes 4.6 million renters making less than $15,000 who may have difficulty paying for air conditioning.

At the same time, winters have become more severe. According to the 2015 Residential Energy Consumption Survey, 800,000 renters lacked heating equipment, and 2.2 million experienced indoor temperatures below 63 degrees during the day. Indeed, the 2017 American Housing Survey indicates that 3.3 million rental units were uncomfortably cold, whether because of poor insulation or heating system failures.

Extreme heat and cold are especially detrimental to older adults and young children. The Low-Income Home Energy Assistance Program (LIHEAP) offsets energy costs for low-income households to help them keep their homes at safe temperatures. The National Energy Assistance Directors’ Association reports that 54 percent of the estimated 5.4 million LIHEAP recipients in 2017 were renters and 92 percent of assisted households had at least one member who was vulnerable to temperature extremes.

THE OUTLOOK
Since the Great Recession, rental housing markets have undergone profound changes resulting in the disappearance of low-cost units, record-low vacancy rates, and steadily rising rents. Although a longstanding condition for lowest-income households, cost burdens are now a growing concern among middle-income households as well. The shortages of affordable housing are especially severe in high-cost metro areas but exist in communities across the country.

Meanwhile, federal rental assistance programs lag far behind need, and state and local governments are hard-pressed to make up for the shortfall despite notable efforts to expand the affordable supply. The private sector has also begun to take on greater responsibility for solving the crisis, with hospitals, universities, and some major companies launching public-private partnerships to fund and develop affordable rental housing. Again, although these ventures are laudable, they cannot operate at a scale commensurate with the problem.

Beyond affordability, the rental housing crisis poses other serious challenges that require an immediate response from both the public and private sectors. Among the most pressing concerns are that much of the existing stock neither suited to an aging population nor able to withstand the impacts of climate change. Retrofitting these units with accessibility and resiliency features will require public mandates and incentives to ensure that property owners can make the needed changes while also maintaining affordability. The construction industry has its own part to play by finding cost-effective ways to both modify existing units and to build new rental housing that is accessible, resilient, and affordable.
Table AR-1............. Characteristics of Growth in Renter Households: 2004–2018

The following interactive exhibits, along with an extensive list of Excel tables, are available for download at www.jchs.harvard.edu.

**INTERACTIVE EXHIBITS**

  - Growth in High-Income Renters for Metro Areas: 2010–2018
  - Changes in the Rental Stock for States and Metro Areas: 2003–2018
  - Shares of Cost-Burdened Renters for Metro Areas: 2018
  - Changes in Cost-Burdened Rates by Income for Metro Areas: 2006–2018

**DATA TABLES**

  - Characteristics of Renter Households for Metro Areas: 2018
  - Rental Units by Structure Type for States: 2018
  - Rental Units by Monthly Rent for Metros: 2008–2018
  - Cost-Burdened Renter Households for States and Metro Areas: 2008–2018
  - Cost-Burdened Renter Households by Demographic Characteristics: 2001–2018
### TABLE AR-1

**Characteristics of Growth in Renter Households: 2004–2018**

Renter Households (Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2010</th>
<th>2018</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2004–2010</td>
</tr>
<tr>
<td><strong>All Renter Households</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>36,152</td>
<td>39,620</td>
<td>43,725</td>
<td>9.6</td>
</tr>
<tr>
<td><strong>Age of Householder</strong></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Under 35</td>
<td>14,806</td>
<td>14,591</td>
<td>15,049</td>
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<tr>
<td>35–44</td>
<td>7,665</td>
<td>8,098</td>
<td>8,811</td>
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<tr>
<td>45–54</td>
<td>5,738</td>
<td>6,965</td>
<td>6,957</td>
<td>21.4</td>
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<tr>
<td>55–64</td>
<td>3,324</td>
<td>4,630</td>
<td>5,993</td>
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<tr>
<td>65 and Over</td>
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<td>5,336</td>
<td>6,916</td>
<td>15.5</td>
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<tr>
<td><strong>Household Income</strong></td>
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<tr>
<td>Less than $15,000</td>
<td>7,527</td>
<td>8,692</td>
<td>8,173</td>
<td>15.5</td>
</tr>
<tr>
<td>$15,000–29,999</td>
<td>7,759</td>
<td>8,935</td>
<td>8,485</td>
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<td>$30,000–44,999</td>
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<td>6,583</td>
<td>7,300</td>
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</tr>
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<td>$45,000–74,999</td>
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<td>8,344</td>
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<td>$75,000 and Over</td>
<td>6,402</td>
<td>7,065</td>
<td>10,251</td>
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<td><strong>Housing Cost Burdens</strong></td>
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<td>Not Burdened</td>
<td>19,902</td>
<td>19,736</td>
<td>22,965</td>
<td>-0.8</td>
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<tr>
<td>Moderately Burdened</td>
<td>7,742</td>
<td>9,075</td>
<td>9,826</td>
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<tr>
<td>Severely Burdened</td>
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<td>10,809</td>
<td>10,935</td>
<td>27.0</td>
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<tr>
<td><strong>Educational Attainment</strong></td>
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<tr>
<td>No High School Diploma</td>
<td>7,463</td>
<td>6,978</td>
<td>6,145</td>
<td>-6.5</td>
</tr>
<tr>
<td>High School Diploma or GED</td>
<td>10,953</td>
<td>10,834</td>
<td>11,613</td>
<td>2.7</td>
</tr>
<tr>
<td>Some College</td>
<td>10,640</td>
<td>12,952</td>
<td>13,925</td>
<td>21.7</td>
</tr>
<tr>
<td>Bachelor’s Degree or Higher</td>
<td>7,496</td>
<td>8,855</td>
<td>12,042</td>
<td>18.1</td>
</tr>
<tr>
<td><strong>Race/Ethnicity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>20,845</td>
<td>22,128</td>
<td>22,646</td>
<td>6.2</td>
</tr>
<tr>
<td>Black</td>
<td>6,843</td>
<td>7,493</td>
<td>8,604</td>
<td>9.5</td>
</tr>
<tr>
<td>Hispanic</td>
<td>5,885</td>
<td>6,991</td>
<td>8,589</td>
<td>18.8</td>
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<tr>
<td>Asian/Other</td>
<td>2,579</td>
<td>3,008</td>
<td>3,885</td>
<td>16.6</td>
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<tr>
<td><strong>Household Type</strong></td>
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<tr>
<td>Married, Without Children</td>
<td>4,366</td>
<td>4,935</td>
<td>5,784</td>
<td>13.0</td>
</tr>
<tr>
<td>Married, With Children</td>
<td>5,198</td>
<td>5,420</td>
<td>5,882</td>
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<tr>
<td>Single Parent</td>
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<td>6,925</td>
<td>6,658</td>
<td>9.3</td>
</tr>
<tr>
<td>Other Family</td>
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<td>3,520</td>
<td>4,117</td>
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<tr>
<td>Single Person</td>
<td>13,667</td>
<td>14,682</td>
<td>16,372</td>
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<tr>
<td>Other Non-Family</td>
<td>3,720</td>
<td>4,138</td>
<td>4,932</td>
<td>11.2</td>
</tr>
</tbody>
</table>

Notes: Moderate (severe) cost burdens are defined as housing costs of more than 30% (more than 50%) of household income. Households with zero or negative income are assumed to be severely burdened, while renters paying no cash rent are assumed to be unburdened. Incomes are adjusted for inflation using the CPI–U for All Items. White, black and Asian/other are non-Hispanic. Hispanic householders may be of any race.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.
America’s Rental Housing 2020 was prepared by the Harvard Joint Center for Housing Studies. The Center 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 Center also trains and inspires the next generation of housing leaders.

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