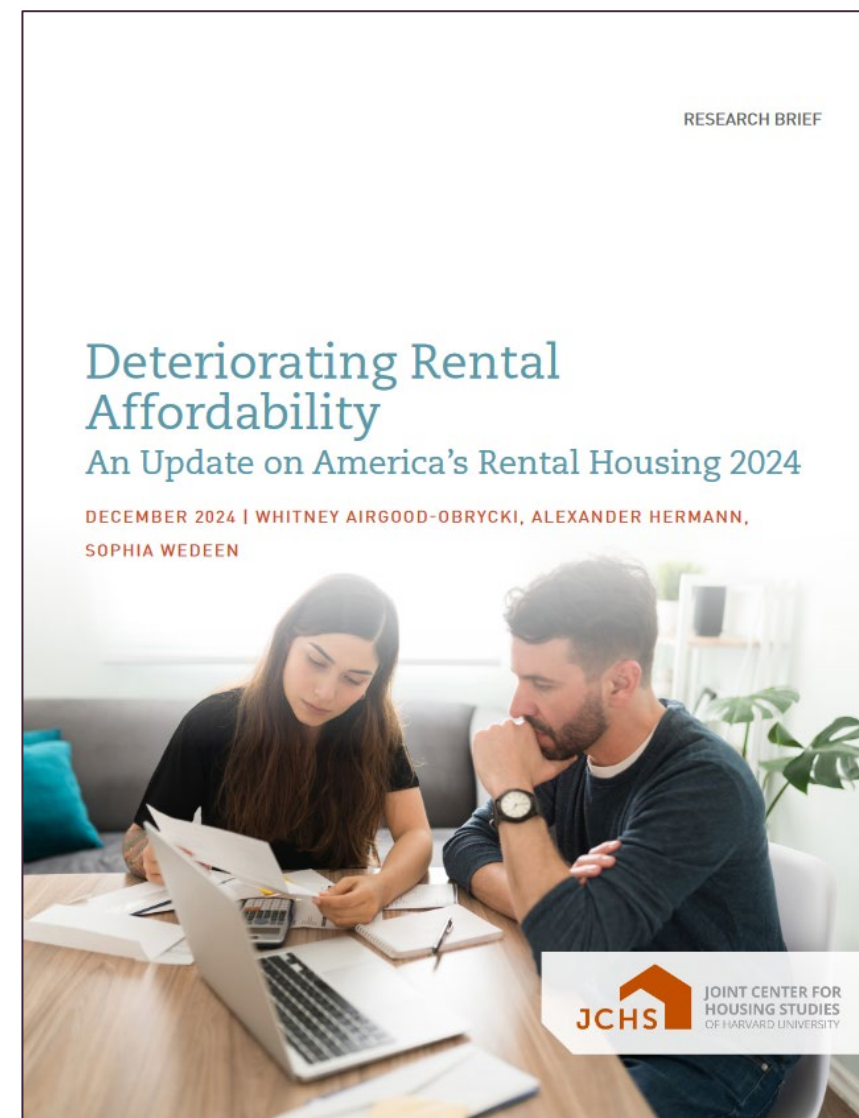


Deteriorating rental affordability: An update on *America's Rental Housing 2024*

Whitney Airgood-Obrycki, PhD
Senior Research Associate

- A new high for renter unaffordability
- Affordability challenges rise up the income scale
- Cost burden disparities persist
- Renters everywhere face affordability challenges
- Lower-income households' residual incomes fall to record low as the rent distribution has shifted higher
- Rising rents threaten household health and security
- Where is the market headed?

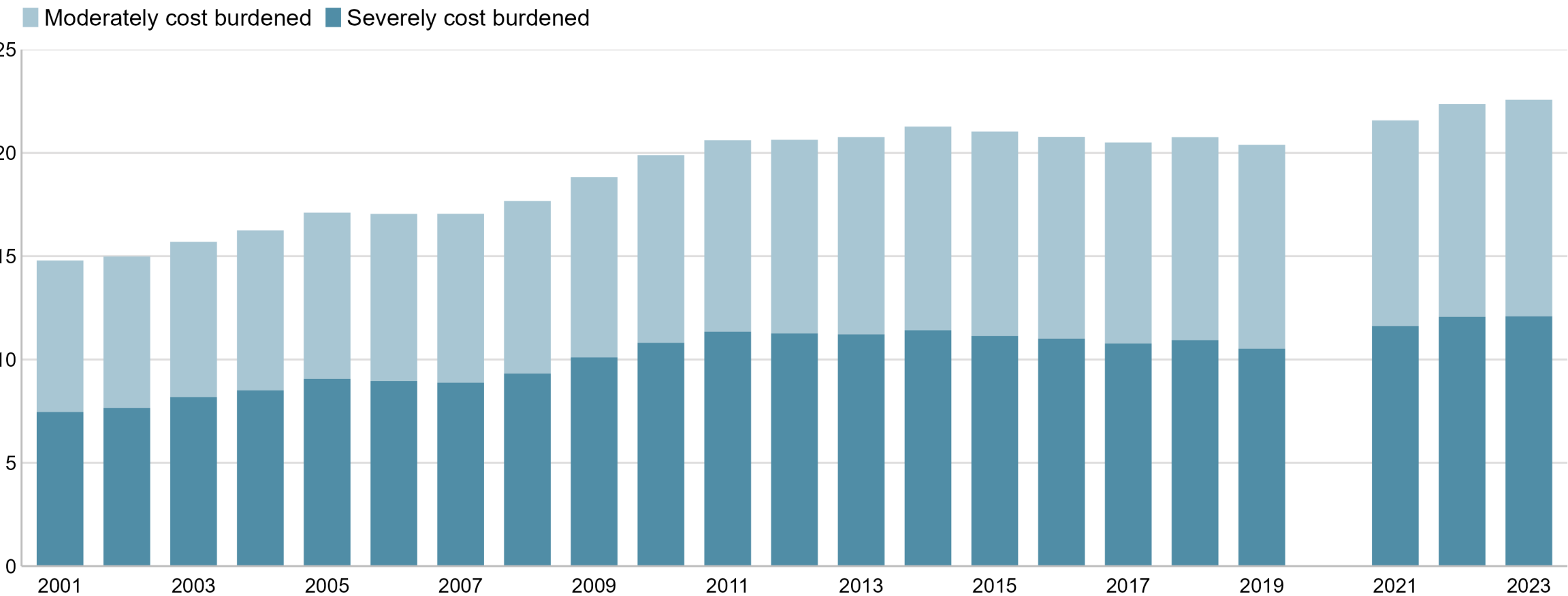




A new high for renter unaffordability

A record-high number of renter households are cost burdened

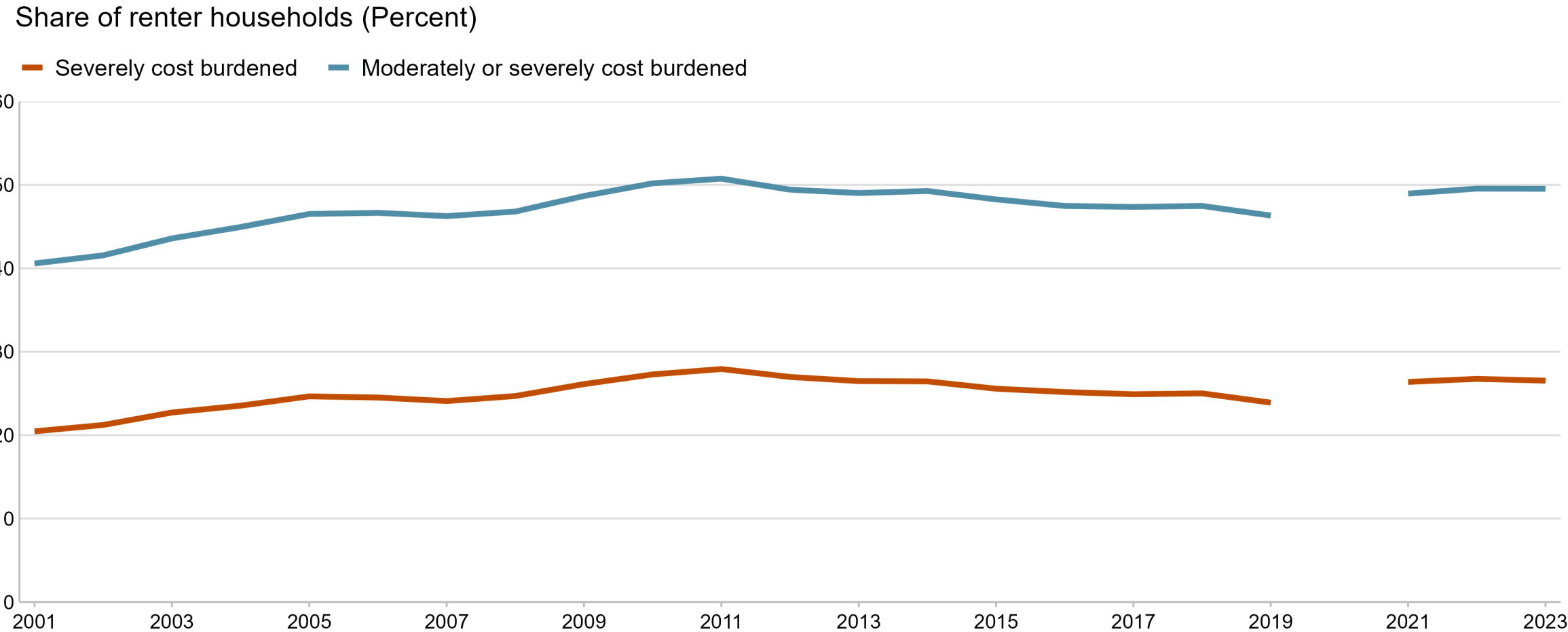
Renter households (Millions)



Notes: Moderately (severely) cost-burdened households spend 30–50% (more than 50%) of income on rent and utilities. Households with zero or negative income are assumed to have burdens, and households that are not required to pay rent are assumed to be unburdened. Estimates for 2020 are omitted because of data collection issues experienced during the pandemic.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Cost burden rates are just below record highs



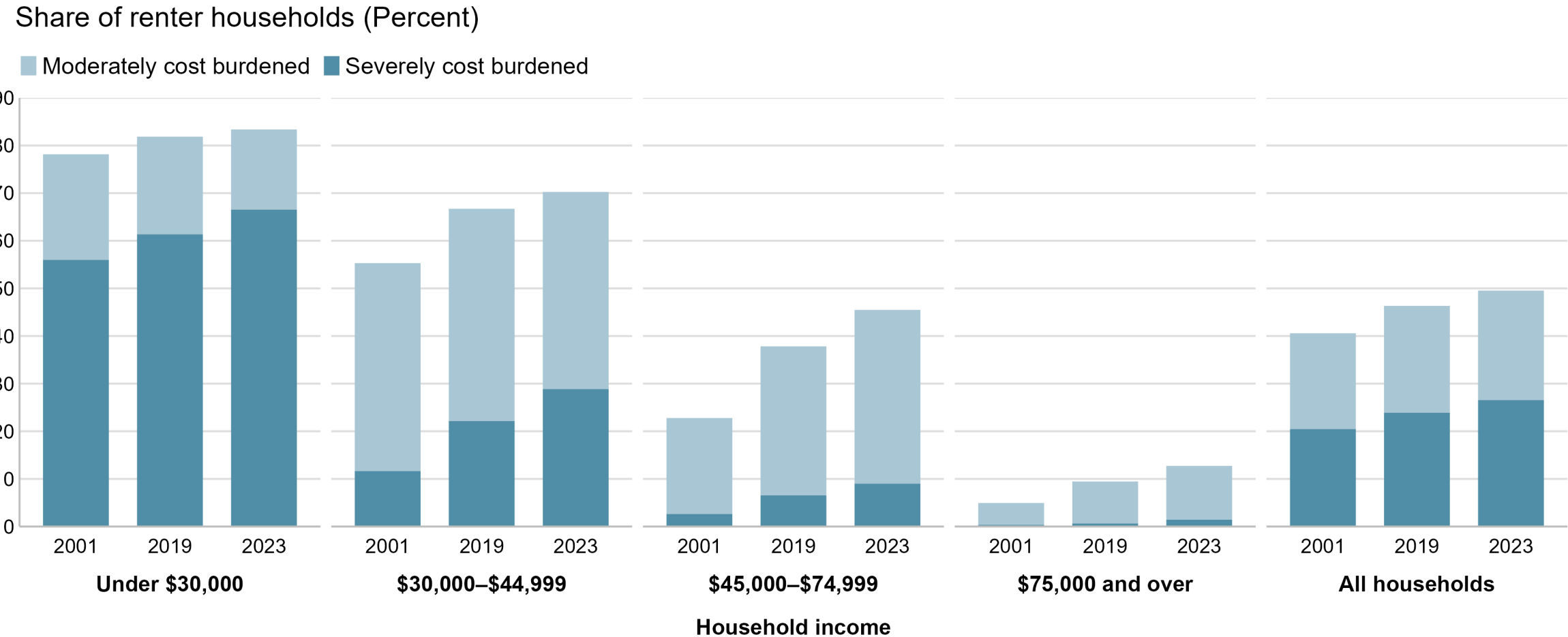
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Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

A row of modern, two-story houses with light-colored siding and dark roofs, set against a blue-tinted background. The houses are arranged in a row, with a street lamp visible on the right side. The text "Affordability challenges rise up the income scale" is overlaid on the left side of the image.

Affordability challenges rise up the
income scale

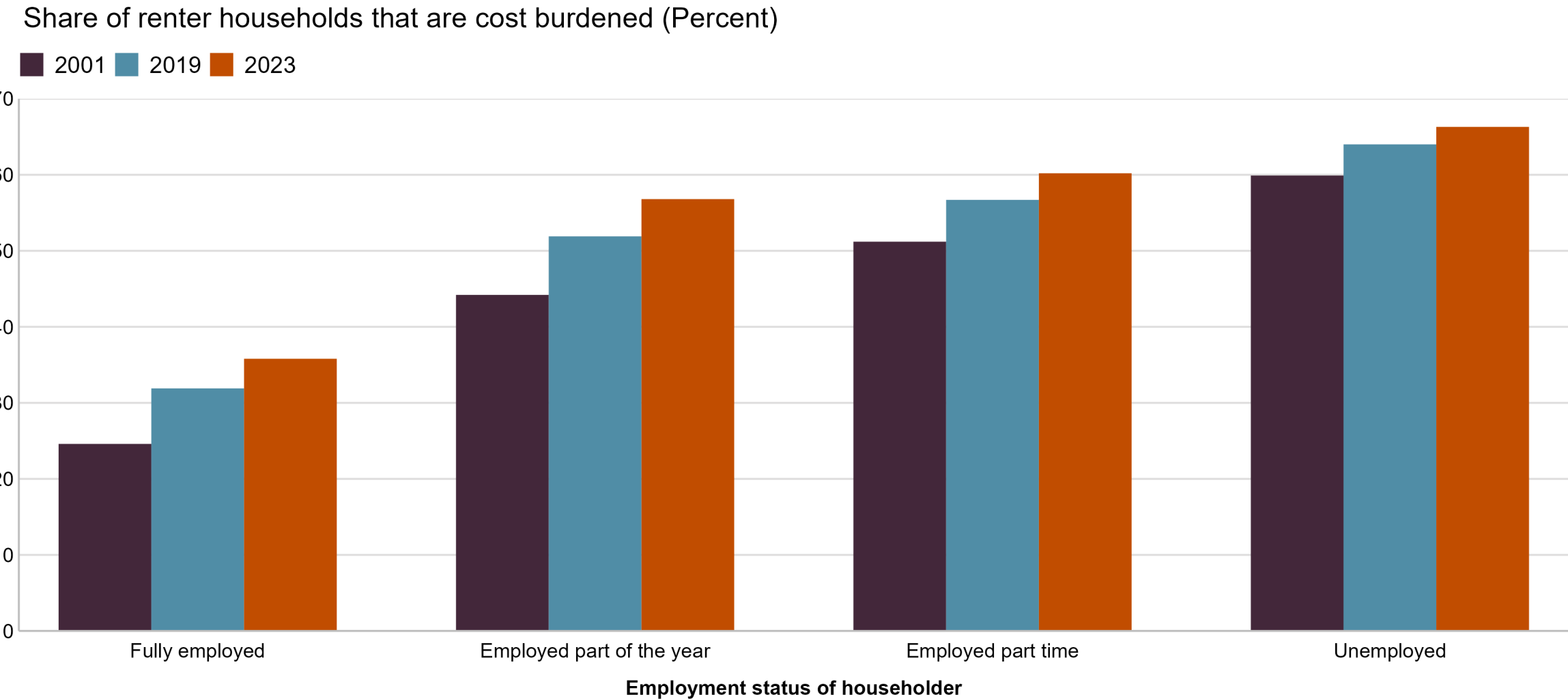
Middle-income renters are increasingly cost burdened



Notes: Moderately (severely) cost-burdened households spend 30–50% (more than 50%) of income on rent and utilities. Households with zero or negative income are assumed to have burdens, and households that are not required to pay rent are assumed to be unburdened. Income categories are inflated to 2023 dollars using the CPI-U for All Items.

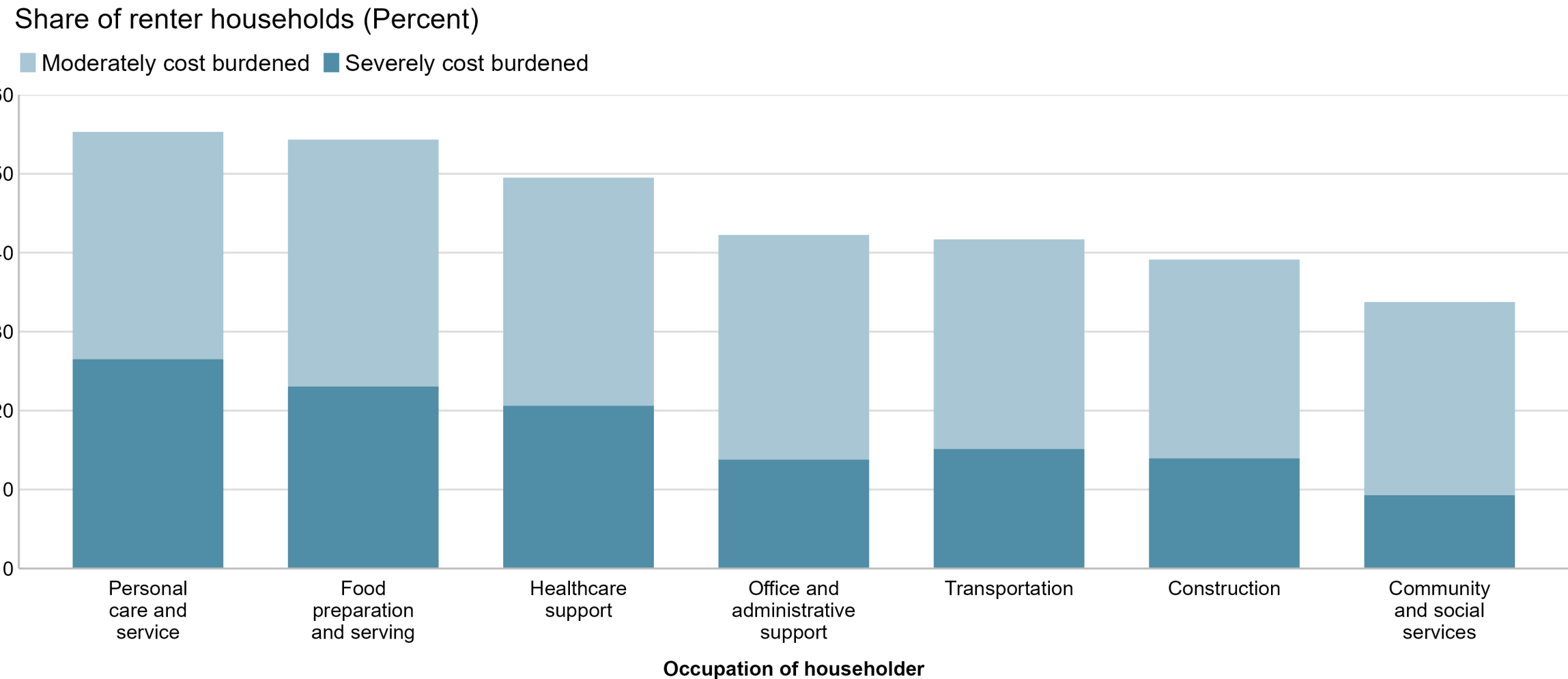
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Fully employed renters are increasingly cost burdened



Note: Fully employed householders work at least 35 hours per week and at least 50 weeks of the year.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Fully employed workers are especially cost burdened in certain occupations



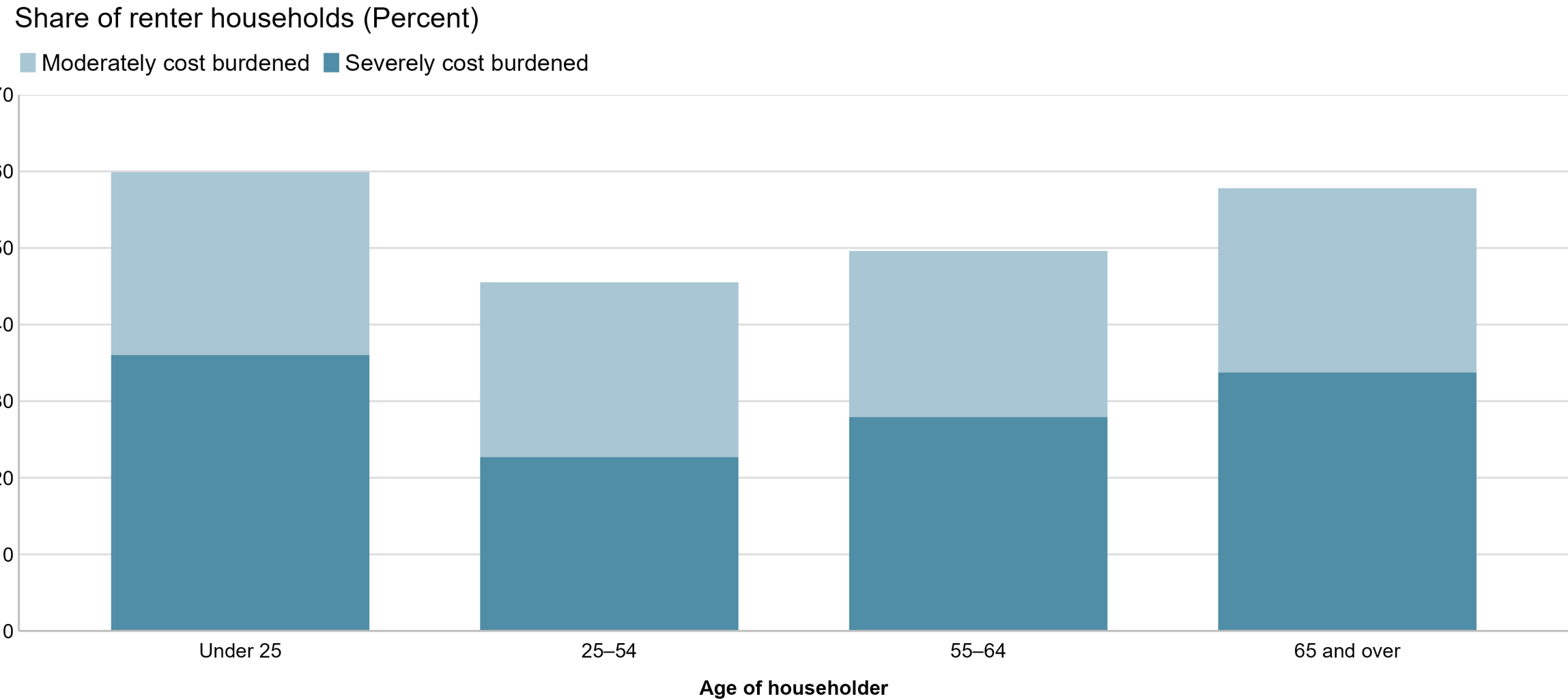
Notes: Moderately (severely) cost-burdened households spend 30–50% (more than 50%) of income on rent and utilities. Fully employed householders work at least 35 hours per week and at least 50 weeks of the year.

Source: JCHS tabulations of US Census Bureau, 2023 American Community Survey 1-Year Estimates.



Cost burden disparities persist

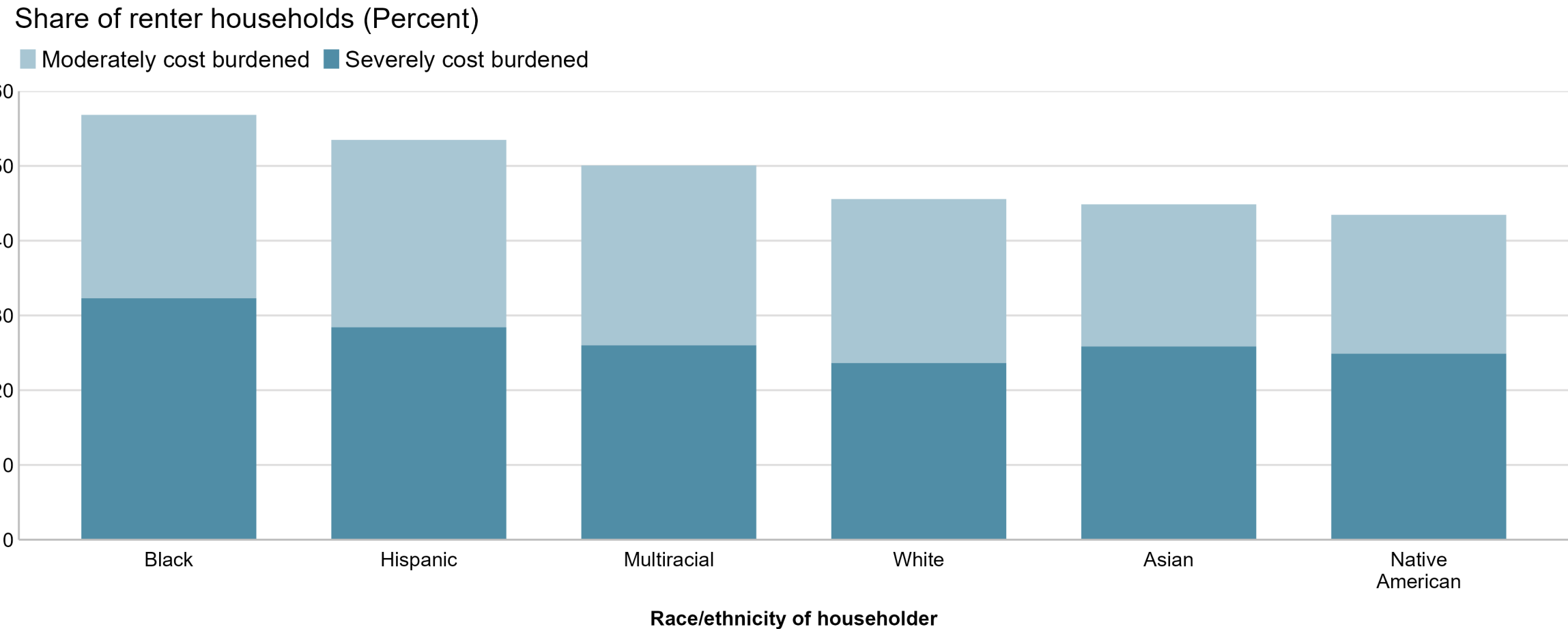
Cost burdens are highest for the youngest and oldest renters



Note: Moderately (severely) cost-burdened households spend 30–50% (more than 50%) of income on rent and utilities.

Source: JCHS tabulations of US Census Bureau, 2023 American Community Survey 1-Year Estimates.

Persistent discrimination has left more than half of Black and Hispanic renters cost burdened

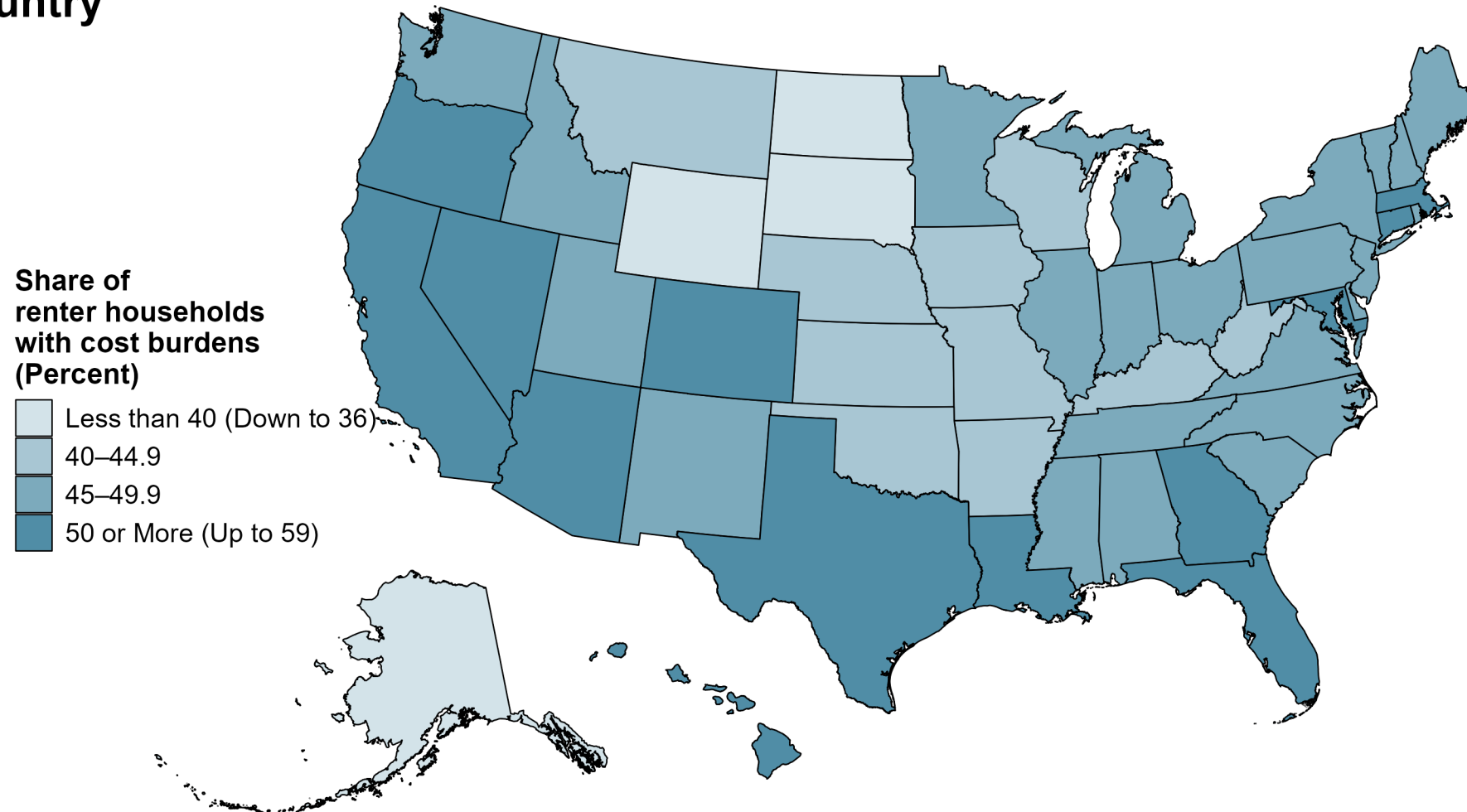


Notes: Moderately (severely) cost-burdened households spend 30–50% (more than 50%) of income on rent and utilities. Black, multiracial, white, Asian, and Native American householders are non-Hispanic. Hispanic householders may be of any race.
Source: JCHS tabulations of US Census Bureau, 2023 American Community Survey 1-Year Estimates.



Renters in all geographies face
affordability challenges

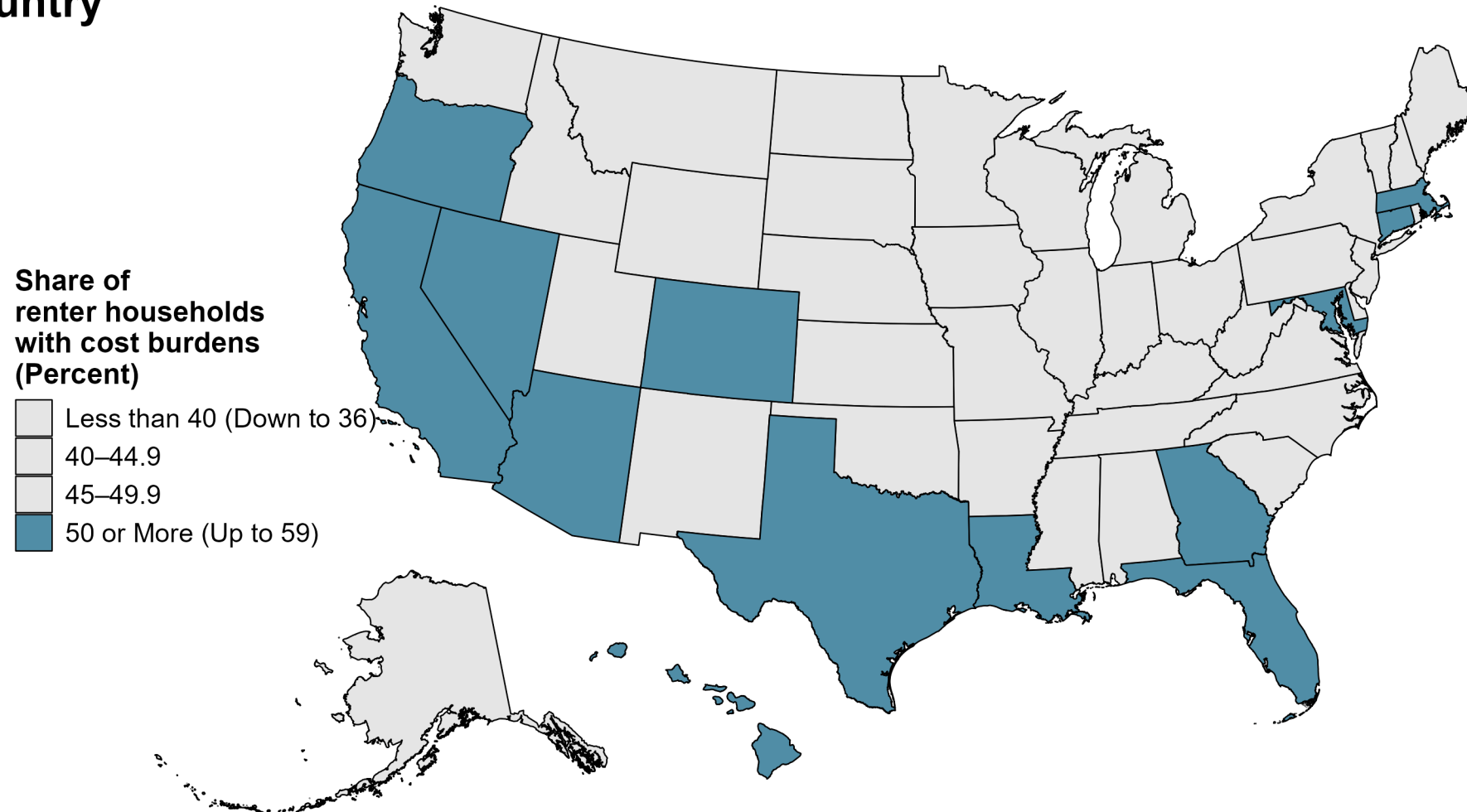
Renters face substantial affordability challenges in nearly every state of the country



Note: Cost-burdened households spend more than 30% of income on rent and utilities.

Source: JCHS tabulations of US Census Bureau, 2023 American Community Survey 1-Year Estimates.

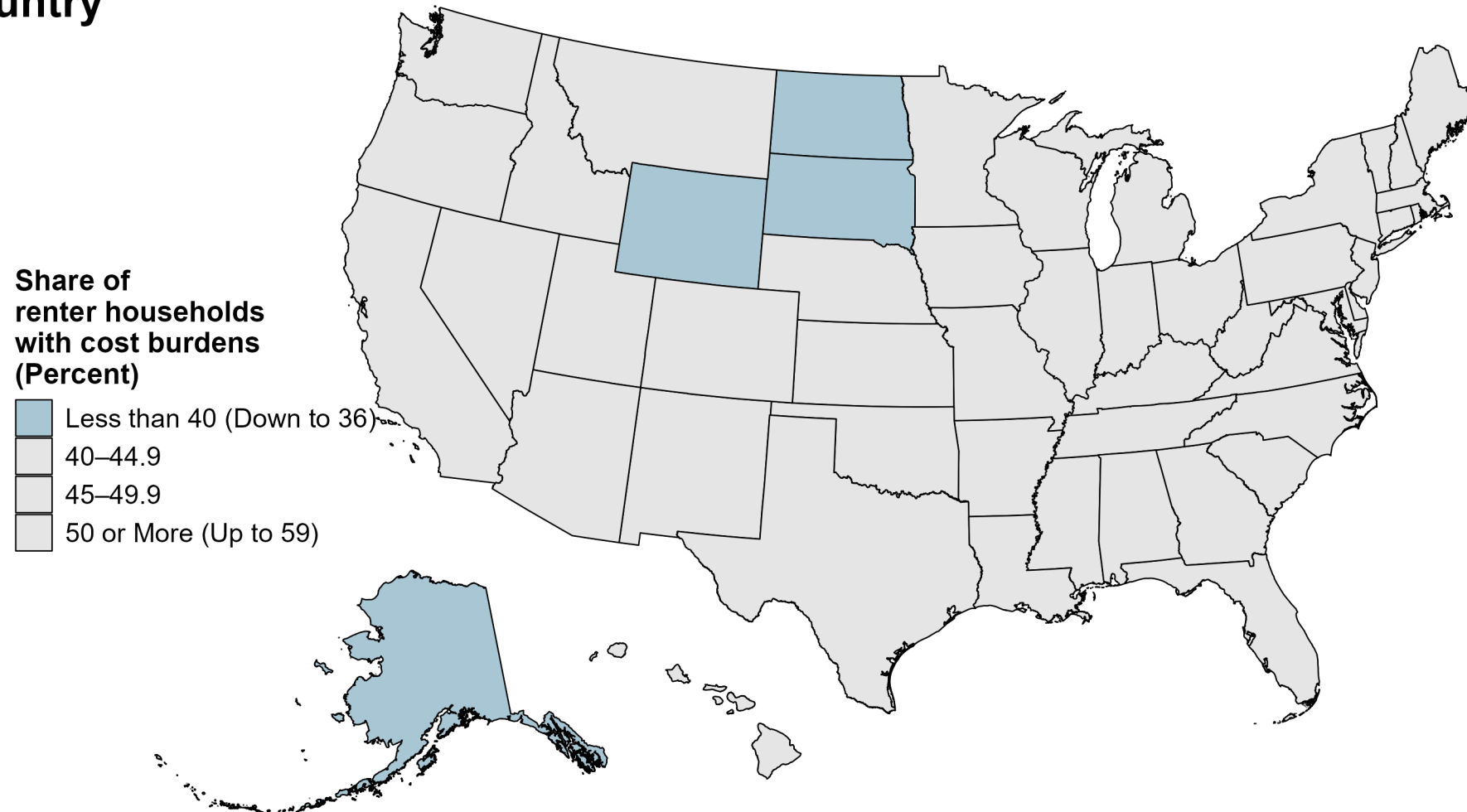
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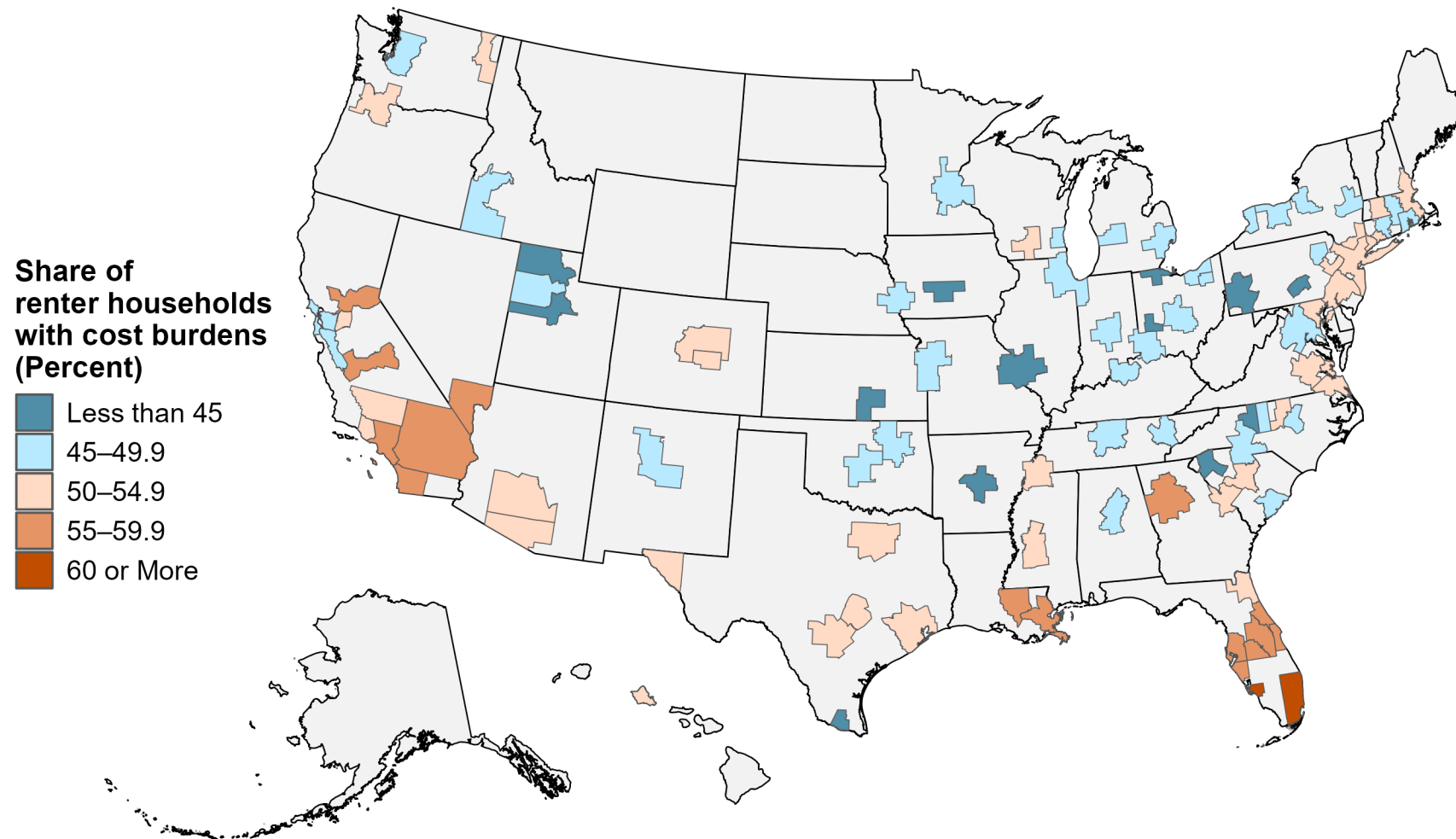
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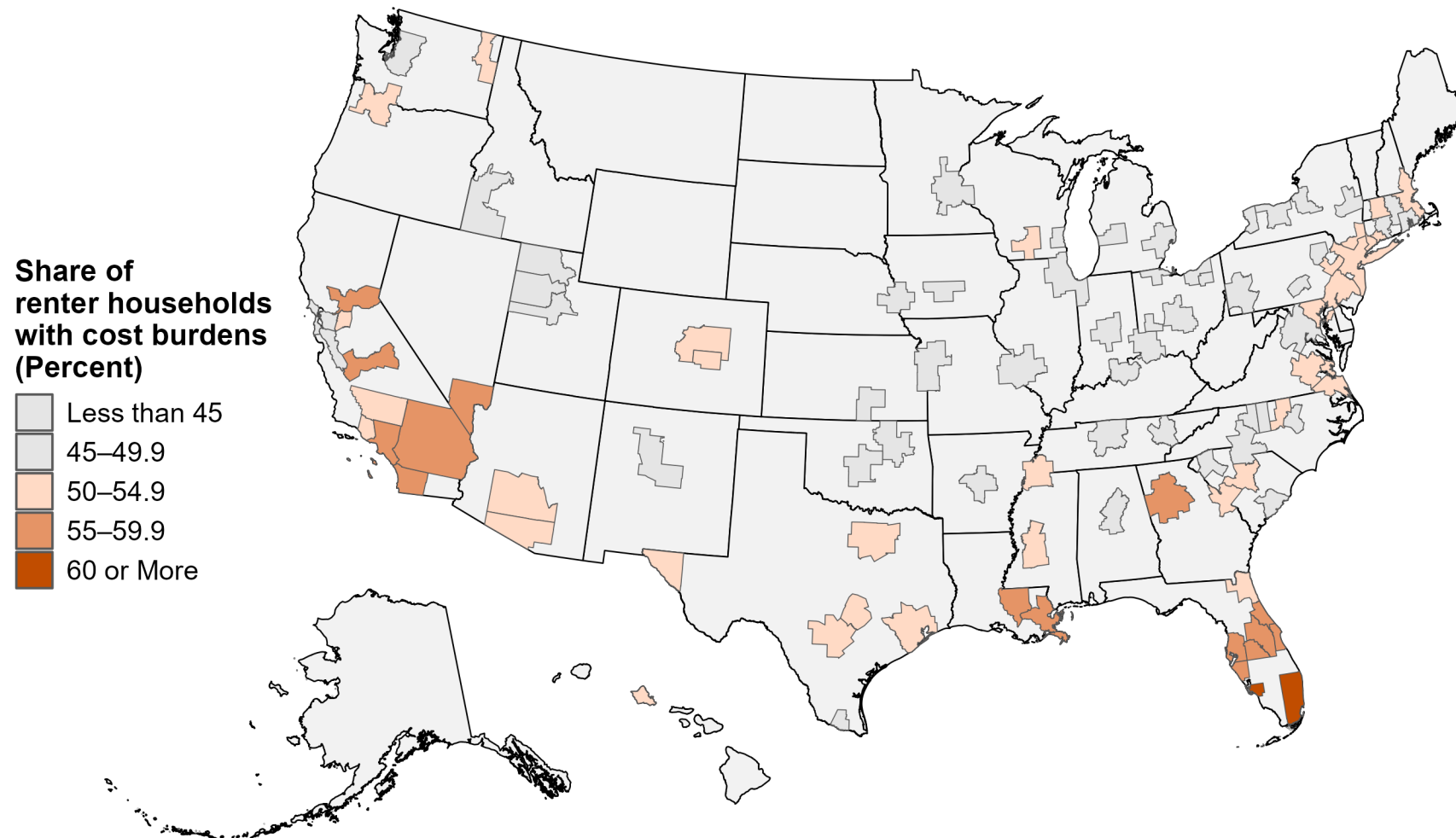
Southern and western metros have especially high cost burden rates



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Source: JCHS tabulations of US Census Bureau, 2023 American Community Survey 1-Year Estimates.

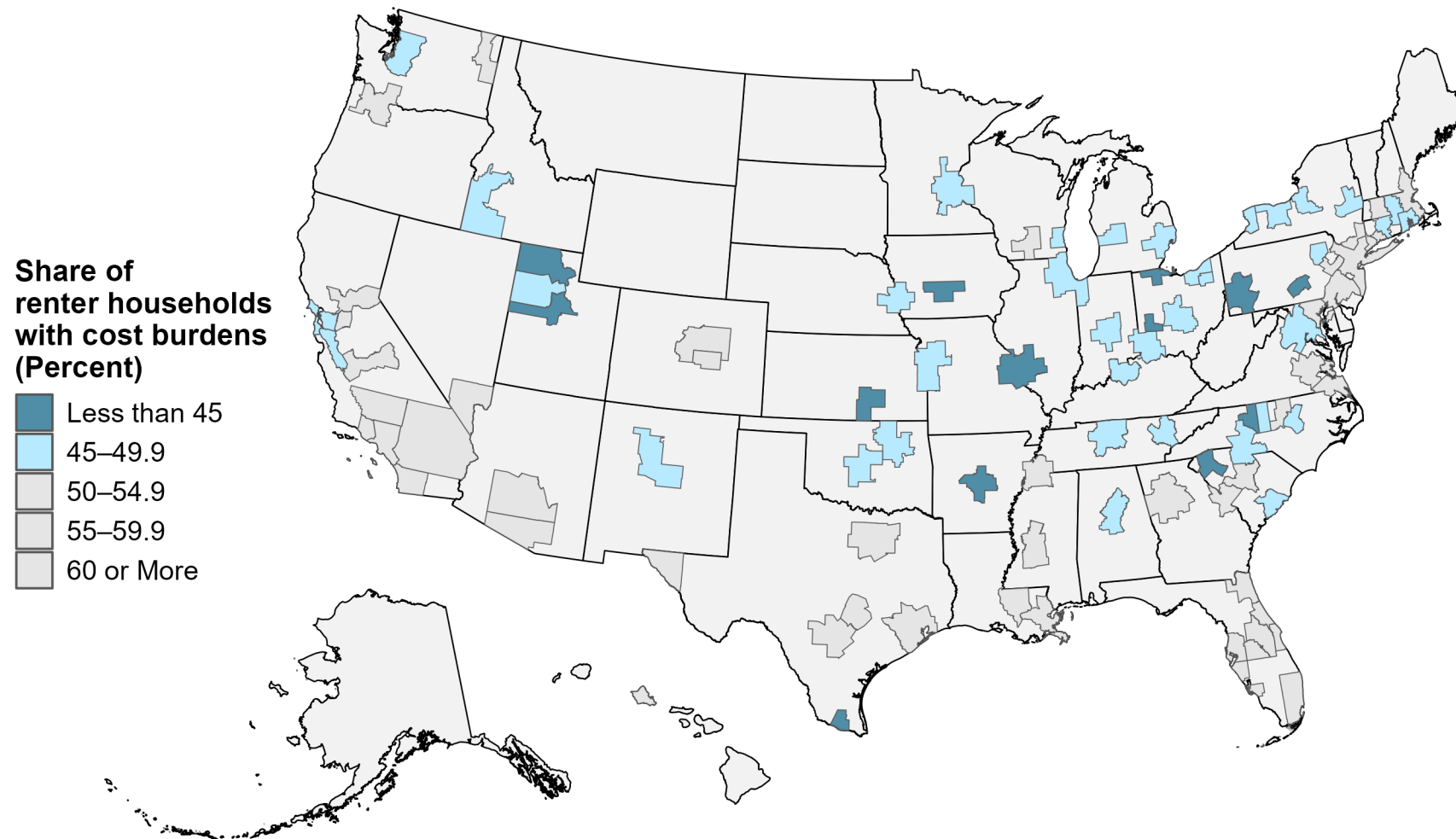
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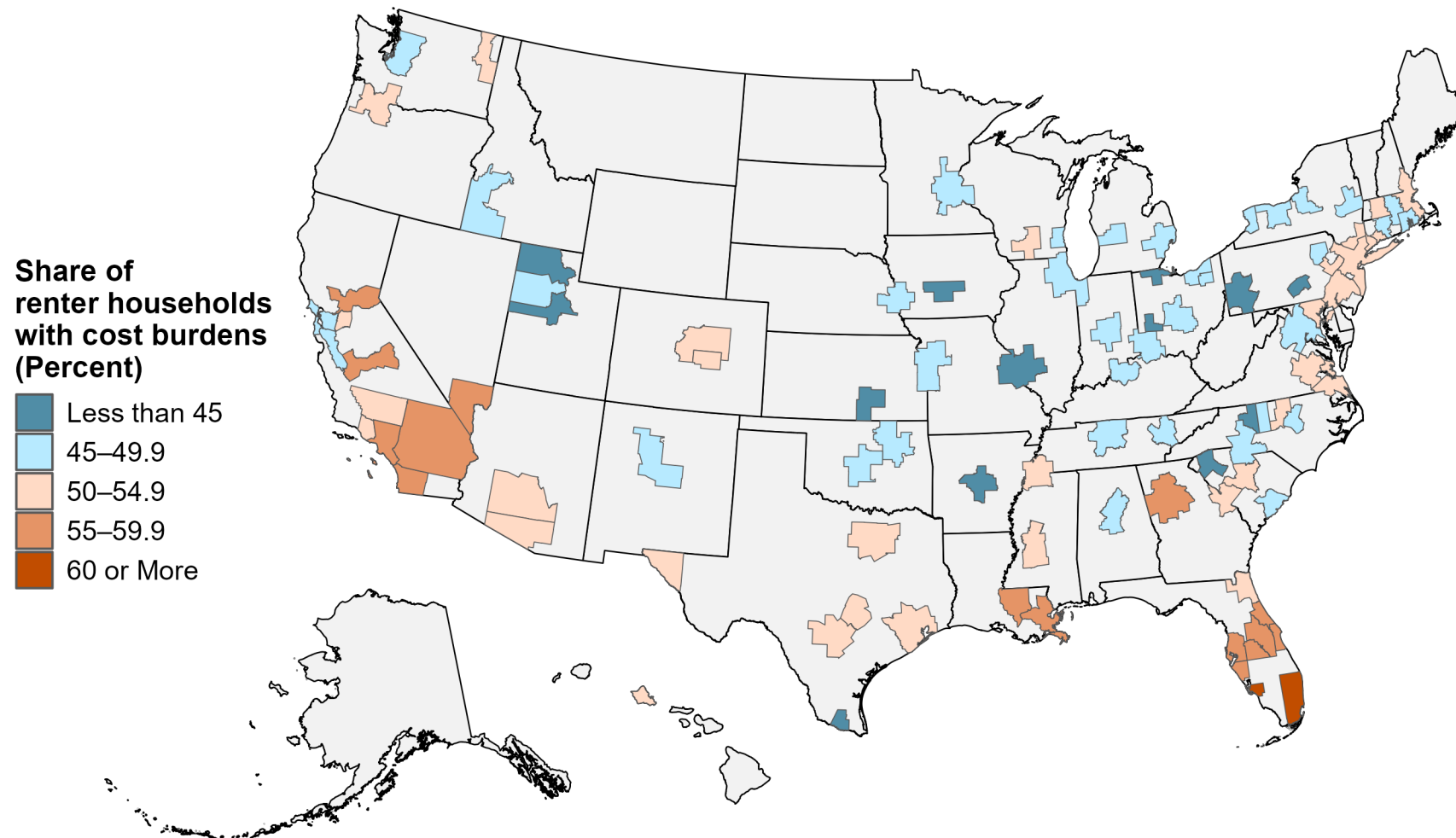
Midwestern metros tend to be more affordable



Note: Cost-burdened households spend more than 30% of income on rent and utilities.

Source: JCHS tabulations of US Census Bureau, 2023 American Community Survey 1-Year Estimates.

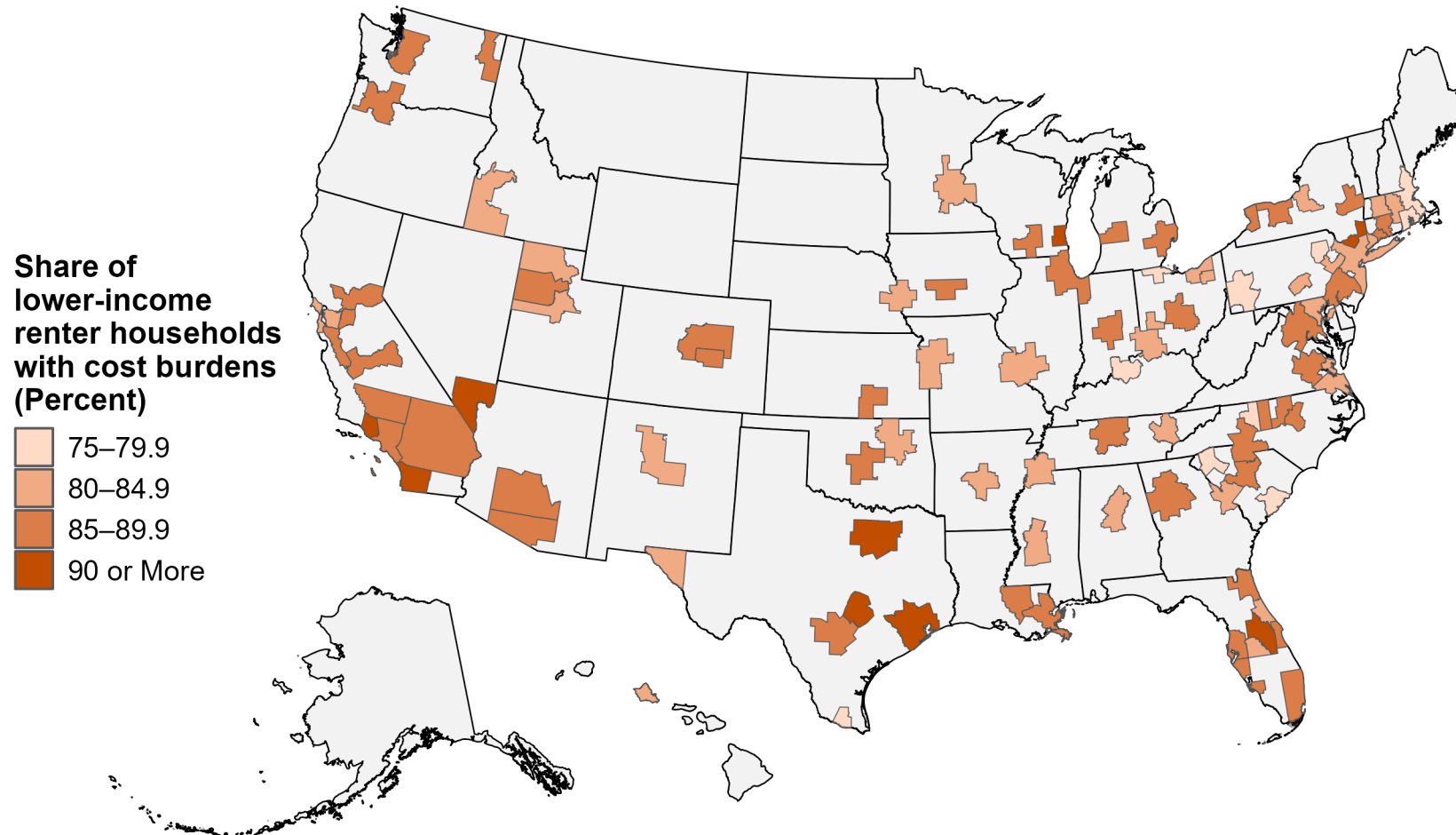
Southern and western metros have especially high cost burden rates



Note: Cost-burdened households spend more than 30% of income on rent and utilities.

Source: JCHS tabulations of US Census Bureau, 2023 American Community Survey 1-Year Estimates.

No metro is affordable to lower-income renters



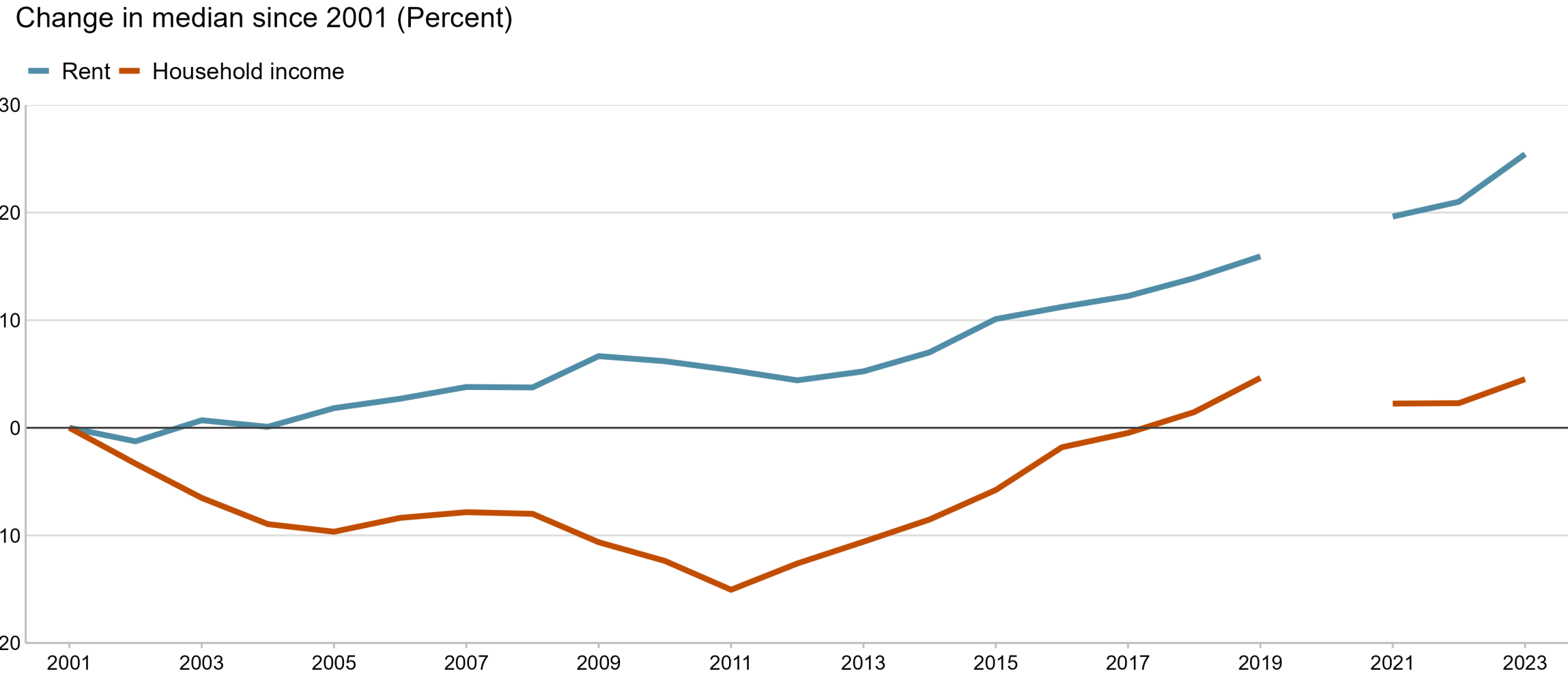
Notes: Cost-burdened households spend more than 30% of income on rent and utilities. Lower-income households are in the bottom 20% of all household incomes in the metro.

Source: JCHS tabulations of US Census Bureau, 2023 American Community Survey 1-Year Estimates.



Lower-income households' residual
incomes fall to record low

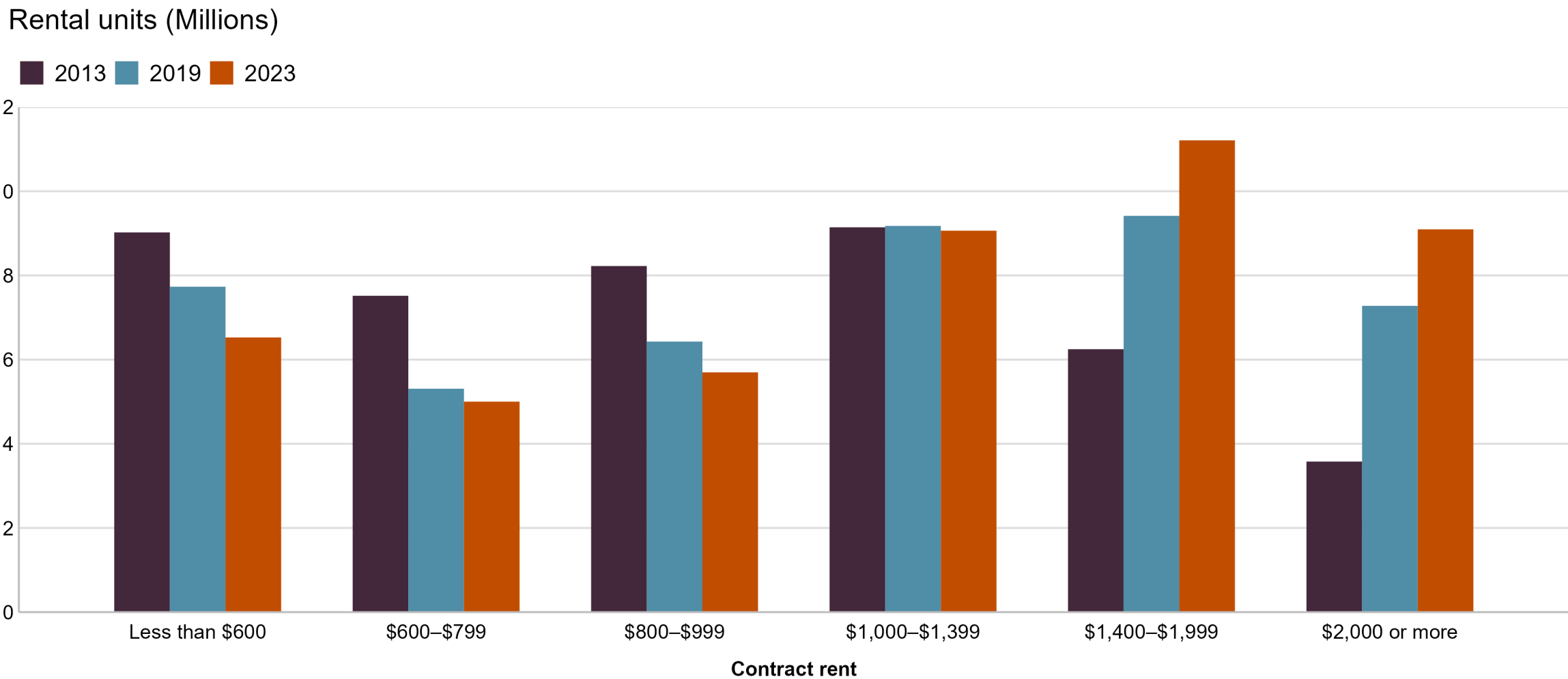
Rent has increased faster than household income



Notes: Rents and household incomes are inflated to 2023 dollars using the CPI-U for All Items. Estimates for 2020 are omitted because of data collection issues experienced during the pandemic.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Millions of low-rent units have been lost from the stock

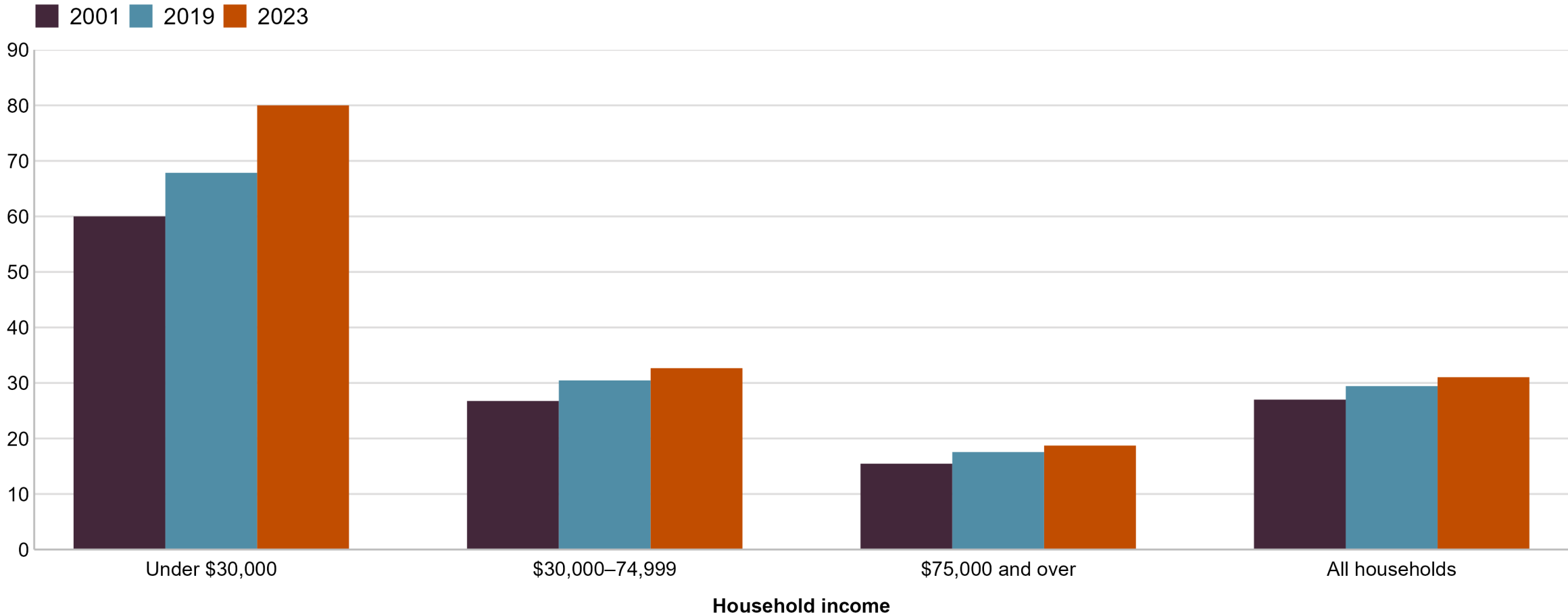


Notes: Rents are inflated to 2023 dollars using the CPI-U Less Shelter. Units that are occupied but do not receive payment are excluded. Contract rents exclude utility costs.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Renters spend an increasing share of their income on housing

Median share of household income spent on rent (Percent)

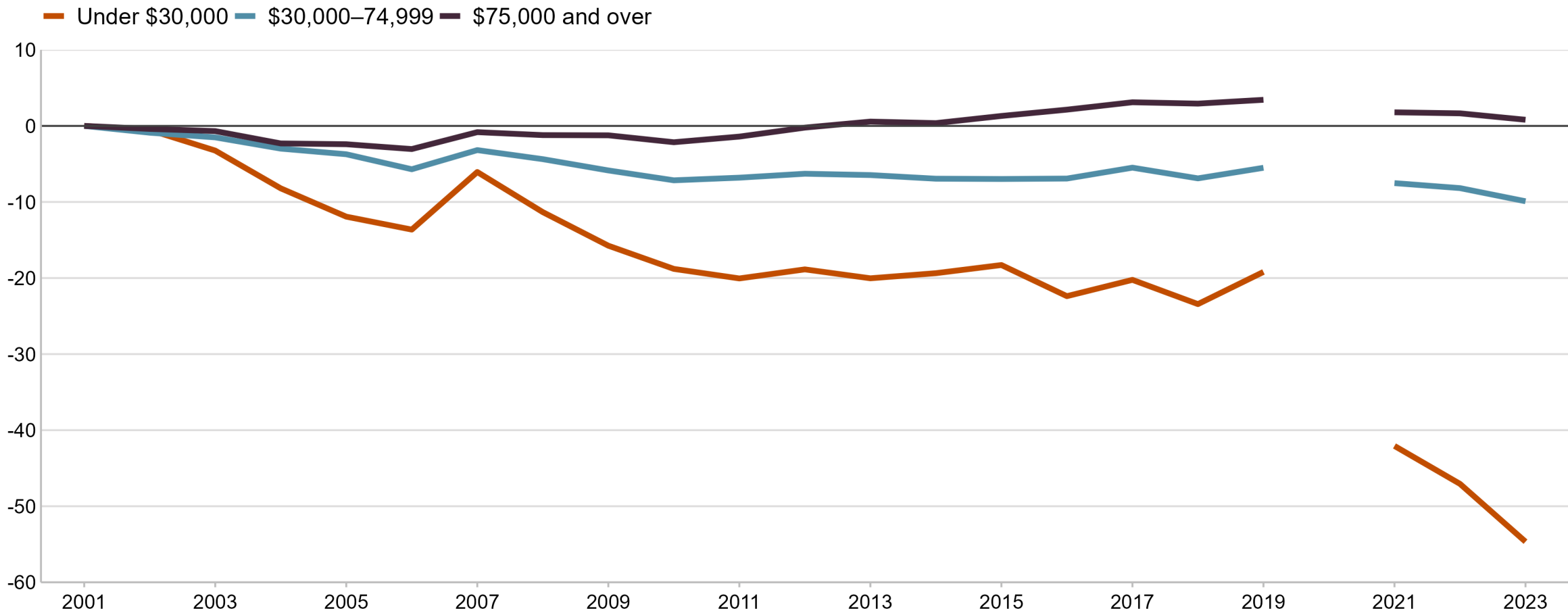


Notes: Income categories are inflated to 2023 dollars using the CPI-U for All Items. Estimates for 2020 are omitted because of data collection issues experienced during the pandemic.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Residual incomes hit an all-time low for lower-income renters

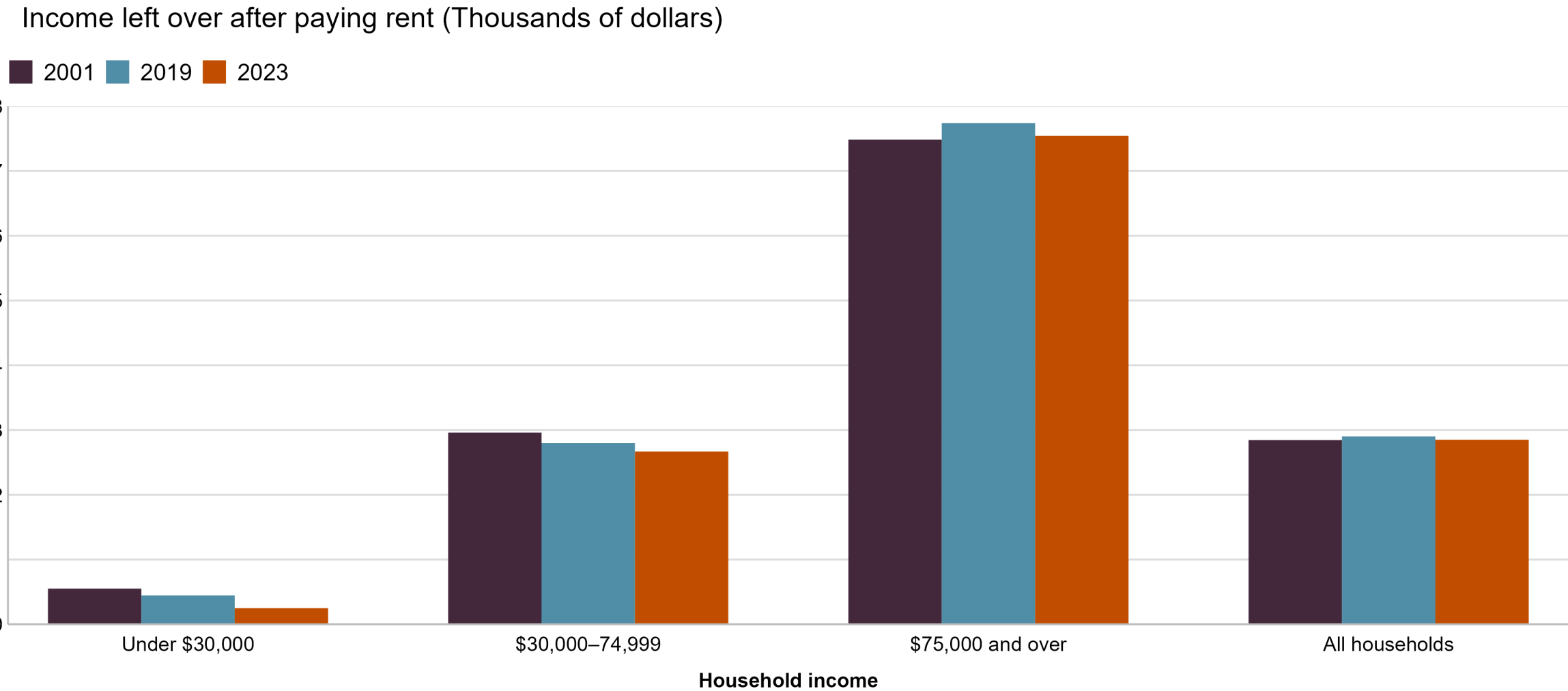
Change in median income left over after paying rent since 2001 (Percent)



Notes: Income categories are inflated to 2023 dollars using the CPI-U for All Items. Estimates for 2020 are omitted because of data collection issues experienced during the pandemic.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Lower-income renters have little left after paying rent



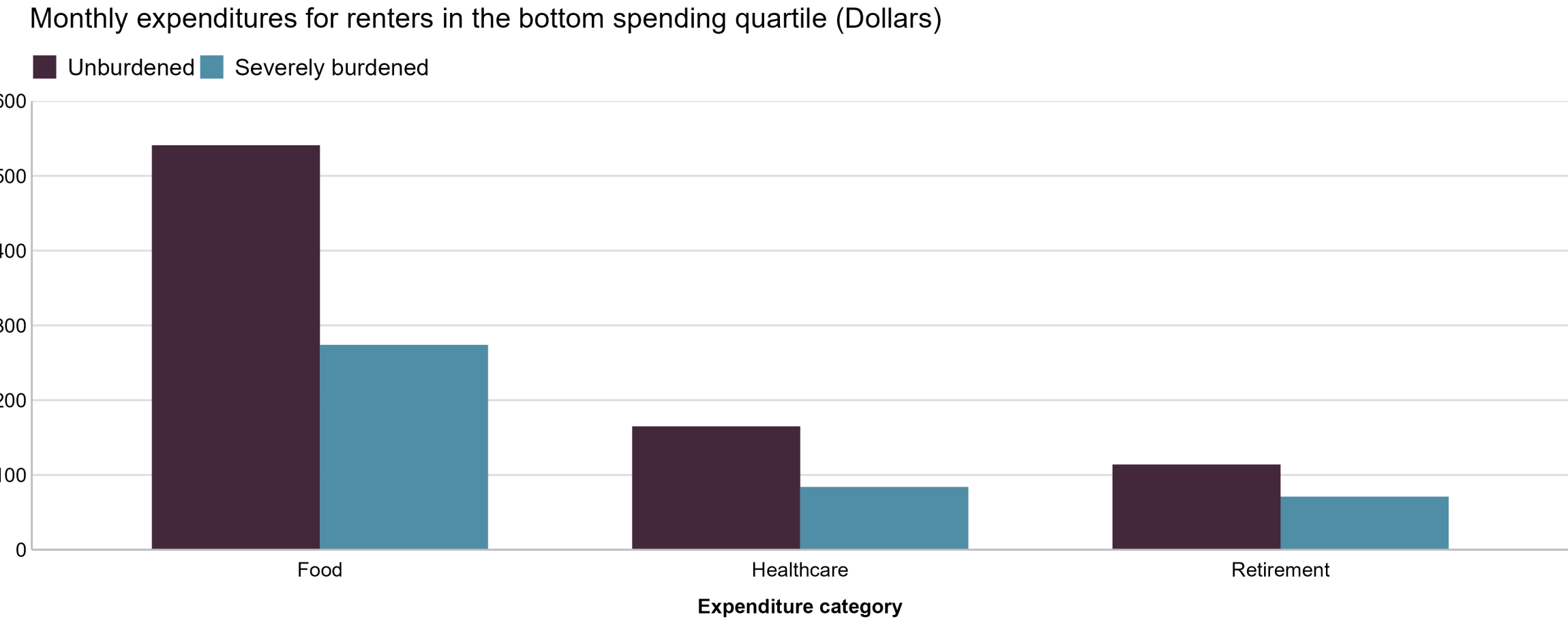
Note: Income categories and residual incomes are inflated to 2023 dollars using the CPI-U for All Items.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.



Rising rents threaten household
health and security

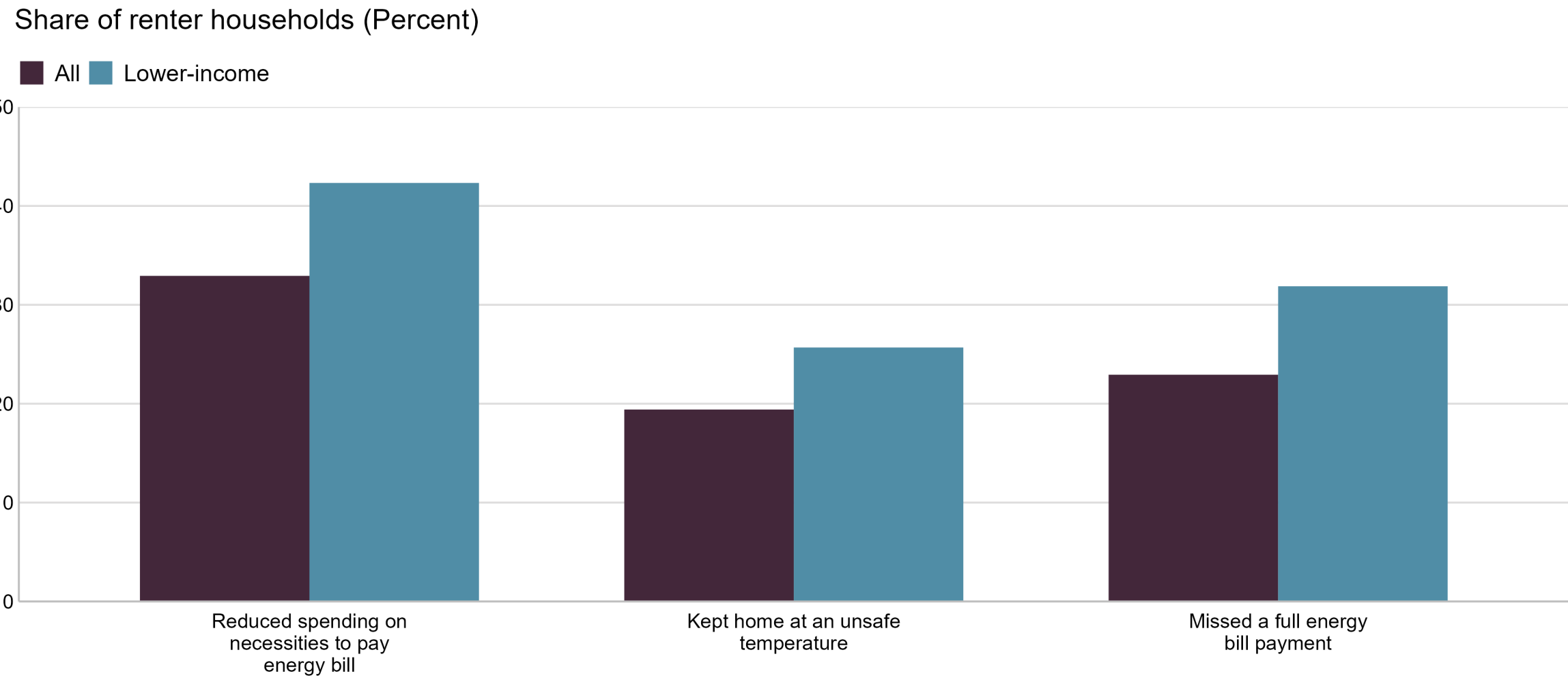
Lower-income renters with severe burdens spend less on basic necessities than those who are not burdened



Notes: Expenditures are for renters in the bottom spending quartile, a proxy for low income. More than 50% of expenditures are for rent and utilities in severely burdened households.

Source: JCHS tabulations of US Bureau of Labor Statistics, 2023 Consumer Expenditure Survey.

Many renters struggled with energy bills at least some months of the year



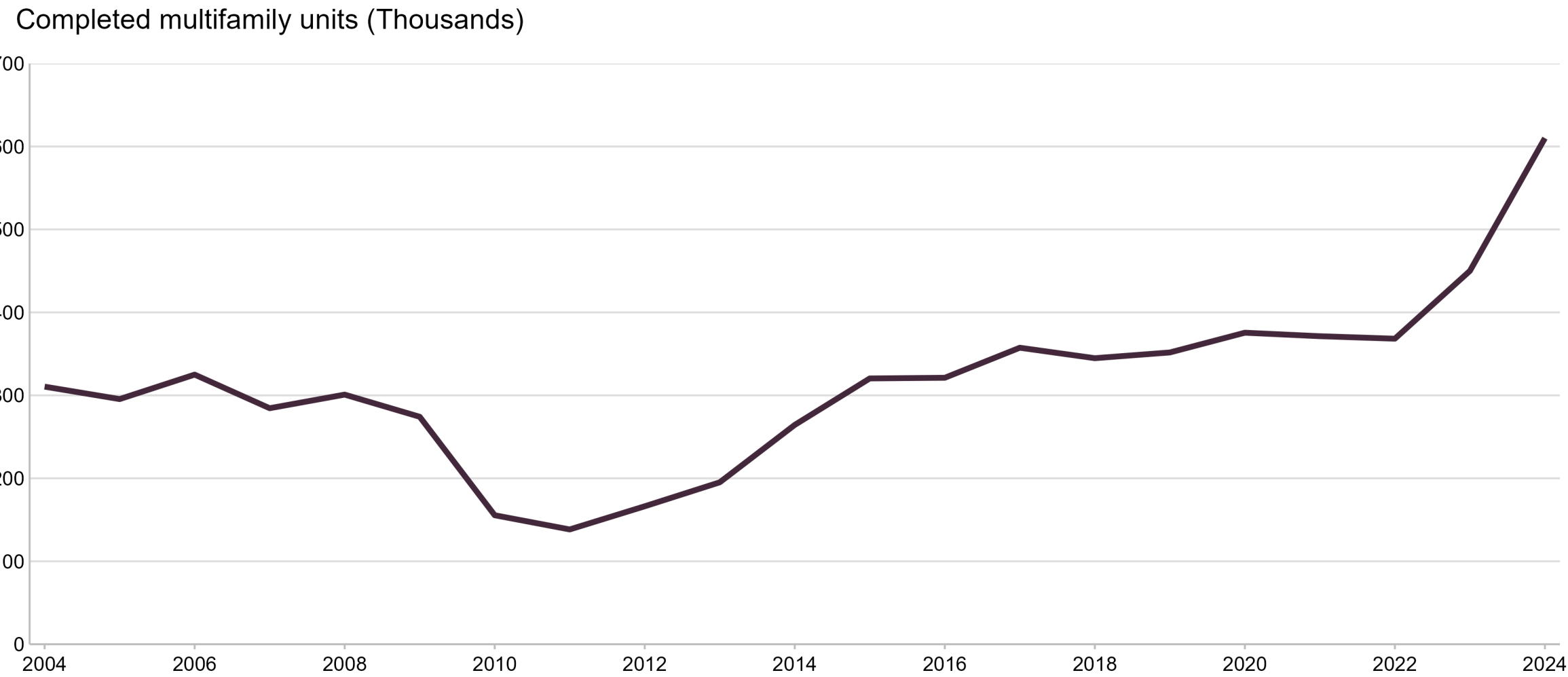
Notes: Lower-income households make less than \$25,000. Percentages reflect the share of households reporting they have made each tradeoff at least some months of the year.

Source: JCHS tabulations of US Census Bureau, Household Pulse Survey collected January 9–August 19, 2024.



Where is the market headed?

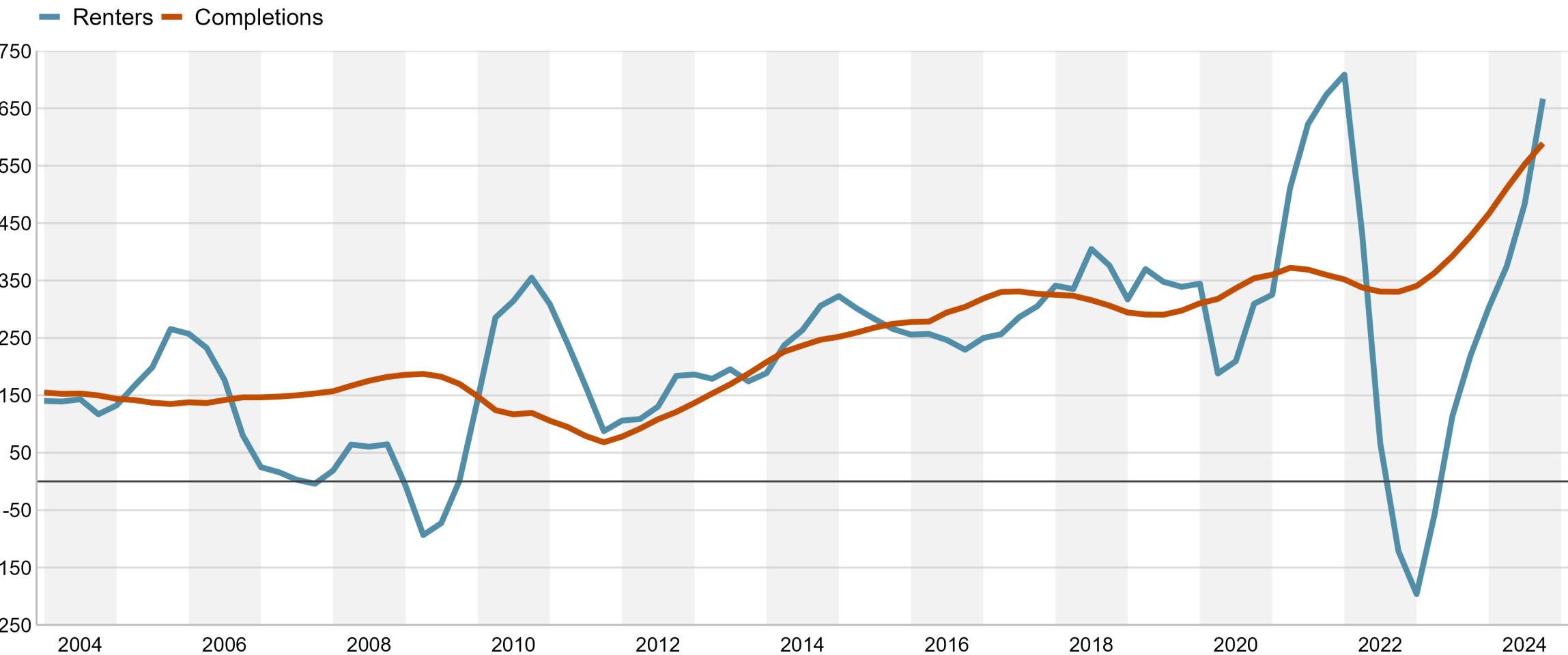
Multifamily completions remain elevated



Note: Multifamily buildings have at least two units.
Source: JCHS tabulations of US Census Bureau, New Residential Construction.

New demand has caught back up to supply

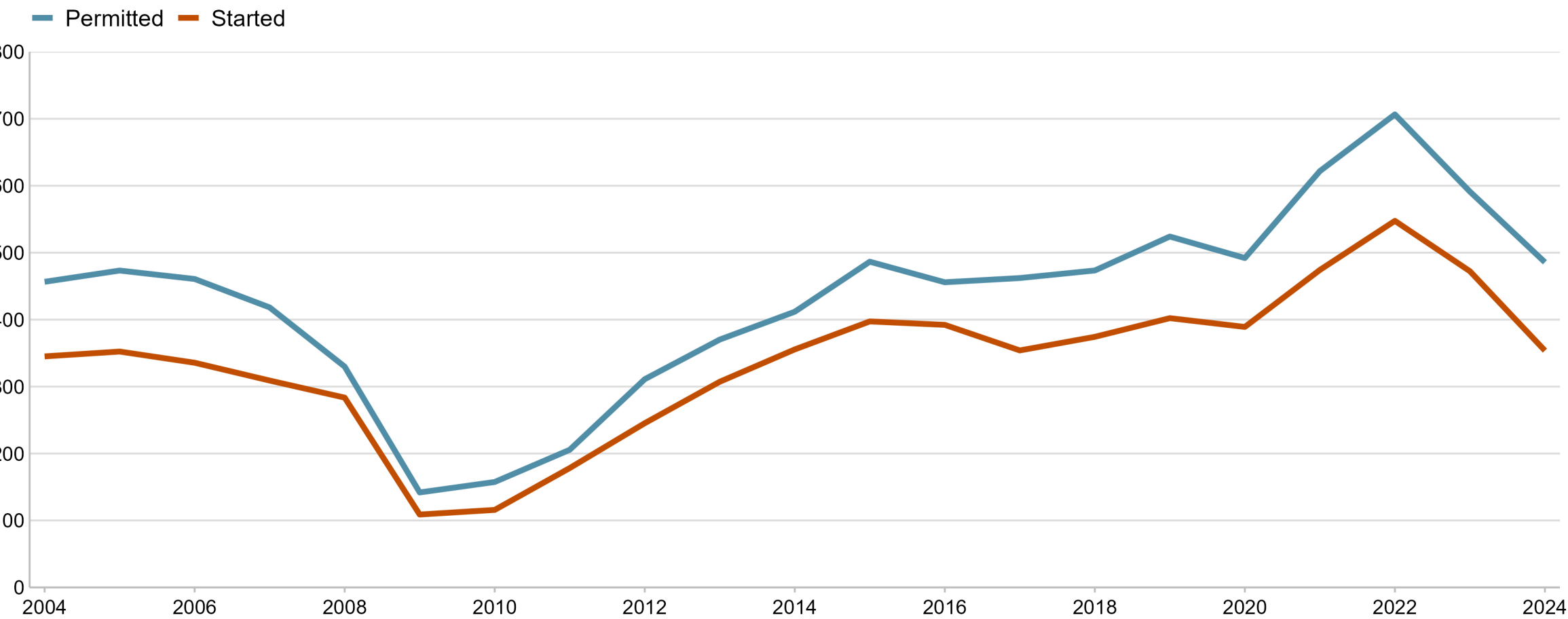
Increase in households/units (Thousands)



Source: Realpage.

Multifamily construction has slowed rapidly

Multifamily units (Thousands)

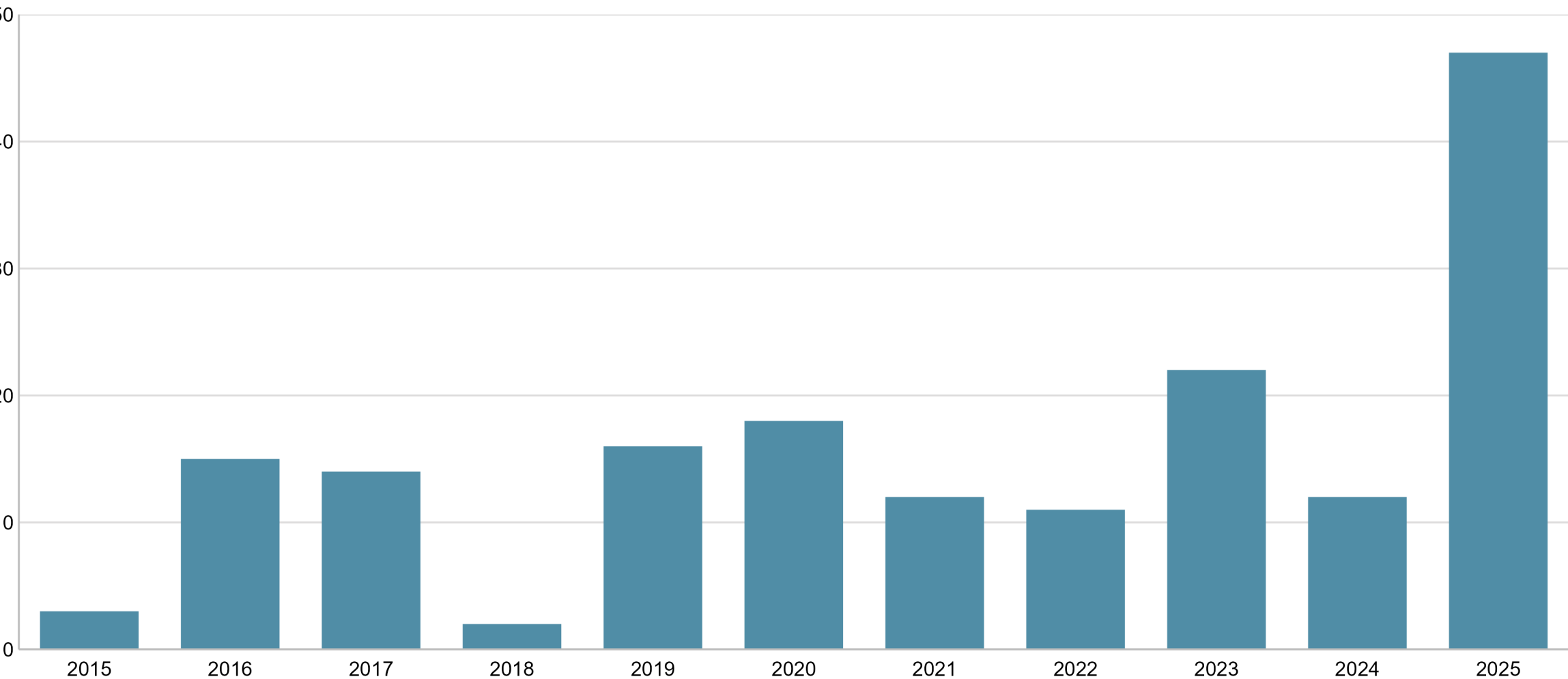


Note: Multifamily buildings have at least two units.

Source: JCHS tabulations of US Census Bureau, New Residential Construction.

Uncertainty is clouding the economic outlook

Mentions of uncertainty (Count)



Source: JCHS tabulations of Federal Reserve, February Beige Books.

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