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EMBARGOED UNTIL THURSDAY, OCTOBER 5, 2017 at 2:00 P.M.  
 ET: Report: In U.S. Metros, More High-Income and Educated Households  
 Opting to Rent

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**NYU  
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Advancing research and debate  
 on housing, neighborhoods,  
 and urban policy

School of Law  
 Wagner School of Public Service

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**PRESS RELEASE****EMBARGOED UNTIL****THURSDAY, OCTOBER 5,****2017 at 2:00 P.M. ET****MEDIA EVENT: Preview Webinar and Q&A with Researchers**

Wednesday, October 4th, 12:00-1:00pm ET

[Pre-registration required >>](#)

## Report: In U.S. Metros, More High-Income and Educated Households Opting to Rent

*NYU Furman Center's 2017 National Rental Housing Landscape finds that the majority of large U.S. metros saw an increase in the share of households that rented their homes, which was primarily driven by rise in higher-income and highly-educated households choosing to rent.*

*Affordability challenges persist for low-income households, with high rent premiums for movers and historically high rent burdens across U.S. metros.*

**New York, NY**—In the nation's large metros, the share of households renting their homes continued to grow, according to the [2017 National Rental Housing Landscape](#), released today by the [NYU Furman Center](#). The recent uptick in renters was particularly strong among higher-income and highly-educated households, who increasingly opted to rent their homes even as the economy continued to recover after the Great Recession.

The [National Rental Housing Landscape \(PDF\)](#), released annually by the NYU Furman Center, examines rental housing trends in the



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renter households, rental housing affordability, and the rental housing stock for each of the 53 metro areas, available at [www.RentalHousingLandscape.org](http://www.RentalHousingLandscape.org).

"We're seeing a shift in the composition of renter households in the nation's large metro areas. As renting a home becomes a more popular option among those with higher education levels and higher incomes, median renter income has also risen," said [Sewin Chan](#), Associate Professor of Public Policy at NYU Wagner and Research Affiliate at the [NYU Furman Center](#).

"The rise in higher-income renter households may mask the significant housing affordability challenges faced by lower-income renter households, who are both struggling to pay rent and have fewer affordable options if they need to move," said Chan.

According to the report, affordable housing options in most large U.S. metros have become increasingly limited. Households making half of the median income across all 53 metros (\$30,500 in 2015) could only afford 17% of recently available units in 2015, down from 21.5% in 2006.

Rentals that were recently on the market were more expensive than units overall in 51 of the 53 metros included the study. Across the 53 metros, median rent for recently available two-bedroom units was 4.8% higher than the median rent of all two-bedroom units, though this rent premium varied widely by metro. Recently-available two-bedroom units in the San Jose and San Francisco metros, for example, were roughly 30% more expensive than all two-bedroom units in the metro, while recently available rental units in the Minneapolis and Grand Rapids metros did not command a premium.

Renter households today spend much more of their income on housing costs than in previous decades. Nationally, 46% of households were rent burdened in 2015, compared with 36% in 2000, and just 25% in 1970. The national trend for severely rent burdened households followed a similar pattern.

"This research outlines the economic pressures that have led to a rise in the cost of living for many low and moderate income families," said [Joanne Collett](#), Executive Director, JPMorgan Chase. "JPMorgan Chase's support of this research aims to advance better housing policies that create more inclusive and equitable communities, and promotes greater access to affordable housing and more economic opportunities for all."

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**EMBARGOED UNTIL THURSDAY, OCTOBER 5, 2017 at 2:00 P.M. ET**

**2017 National Rental Housing Landscape**

**Available at [www.RentalHousingLandscape.org](http://www.RentalHousingLandscape.org) on October 5, 2017**

[Preview microsite >>](#)

[Download embargoed report \(PDF\) >>](#)

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Select members of the media are invited to preview key findings from the *2017 National Rental Housing Landscape* analysis and review the metro-level data. Researchers from the NYU Furman Center will be available to answer data and research questions. [Pre-registration is required](#); meeting details will be circulated by email in advance of the webinar.

**PUBLIC EVENT: 2017 National Rental Housing Landscape Launch Event**

**Thursday, October 5, 2017 | 2:00-3:30 p.m. ET. | NYU School of Law ([map](#))**

The NYU Furman Center will release its *2017 National Rental Housing Landscape* via live webcast on Thursday, October 5th from 2:00-3:30 p.m. ET from NYU School of Law in New York City. Please join us for a research overview, including key findings from the report, and reactions from expert panelists who will discuss the public policy implications. The event is open to the public but advance registration is required.

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Advance registration is required to attend the event at NYU School of Law in New York City.

[RSVP for the live webcast >>](#)

RSVP is not required to view the webcast, but will allow you to receive email reminders.

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**ABOUT THE NYU FURMAN CENTER**

The NYU Furman Center advances research and debate on housing, neighborhoods, and urban policy. Established in 1995, it is a joint center of the New York University School of Law and the Wagner Graduate School of Public Service. More information can be found at [furmancenter.org](http://furmancenter.org) and [@FurmanCenterNYU](https://twitter.com/FurmanCenterNYU).

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**EMBARGOED UNTIL THURSDAY, OCTOBER 5, 2017 at 2:00 P.M. ET**

## **National Rental Housing Landscape**

# **KEY FINDINGS**

**1. A higher share of households rented in 2015 than in 2012 in the vast majority of the 53 metro areas. This increase was particularly pronounced among higher-income households.**

- Between 2012 and 2015 the renter share rose by 1.2 percentage points among households with incomes above 120% of their metro's area median income, while the renter share remained about the same among households with income below 50% of their metro's area median income.
- Similar gains in the renter share were also seen by households with adult members that have a college degree, or some college, compared to households where adult members have a high school degree or less.

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### **median income of renters grew.**

- In 2006, the median renter household income (in 2015 dollars) in the 53 metros was about \$38,000, falling to about \$36,000 in 2012. By 2015, real median renter household income increased to about \$40,000, an increase of about 11 percent since 2012.

### **3. Between 2012 and 2015 median rents continued to grow, especially in high rent metros.**

- The median gross rent (contract rent plus utilities) paid by metro renters was \$1,050 per month, but there was wide regional variation.
- The metros with the highest rents were concentrated in California and the Northeast's largest cities, while the lowest rent metros were predominantly in the Rust Belt or the South.
- Median rent increased between 2012 and 2015 at an annualized rate of 1.9 percent in real terms. There was wide regional variation during that time period; median rent increased by 6.6 percent in Denver, while Memphis and Cleveland, for example, experienced small decreases.
- Rents grew faster in the most expensive metros between 2012 and 2015 relative to lower-cost metros.

### **4. Despite rising rents, the share of households who were rent burdened fell slightly between 2012 and 2015.**

- The rent burdened share of households – households paying more than 30 percent of their income on rent – fell slightly between 2012 (48.9%) and 2015 (47.7%).
- There were 10 metros where more than half of renter households were rent burdened in 2015: Miami, Los Angeles, Riverside, San Diego, Orlando, Virginia Beach, New Orleans, Rochester, Sacramento, and New York.
- Similarly, the share of households spending more than half of their income on rent – severely rent burdened households – declined slightly by 1.4 percentage points from 25.8 percent in 2012 to 24.4 percent in 2015.

### **5. Households today spend much more of their income on rent than in previous decades.**

- Nationally, 46 percent of households were rent burdened in 2015, almost one third higher than in 2000 (35.7%), and almost twice the rate of households in 1970 (25%). The national trend for severely rent burdened households followed a similar pattern.
- At the recent rate of decrease experienced between 2012 and 2015 (a 1.2 percentage point decline over 3 years), it would take over 30 years before the rent burdened share returned even to the level of 2000.

### **6. In all but two metros, the median renter household that recently moved spent more than median renter households overall. However, this rent premium, or the difference in rents for recent movers versus all renters, varied widely by metro.**

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than the median rent of all two-bedroom units.

- In some metros, recently available units were significantly more expensive than units overall. In San Jose and San Francisco, recently available two-bedroom units were 33 and 29 percent more expensive than all two-bedroom units, respectively. Some metros, however, did not have a recently available premium; in Minneapolis and Grand Rapids there was a one percent discount for recently available units compared to all rentals.

**7. Fewer recently available rental units were affordable to households at all income levels in 2015 than in the previous decade, and low-income households have the least affordable options.**

- Across the 53 metros, households earning the median income of \$61,000 in 2015 could afford 75 percent of the recently available rental units, down from 82 percent in 2006. The share of units affordable to the typical household has fallen in over two thirds of the metros.
- Low-income households had far fewer options: households making half of the median income across all 53 metros (\$30,500 in 2015) could only afford 17 percent of recently available units in 2015, down from 21.5 percent in 2006.
- There were seven metros in which less than 10 percent of the recently available units were affordable for a household earning half of that metro's median income: Orlando, Miami, San Diego, Los Angeles, Tampa, Jacksonville, and Riverside.

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