White House Monthly Rental Market Roundtable Presentation

July 28, 2022

Presented by: Peter Bergman, Director, Learning Collider & Associate Professor of Economics, University of Texas, Austin
Difference between Median Market Rent and Gross HCV rent more than doubled since Q2, 2019

Rent Trends - 2 BR: Q2, 2019 to Q3, 2022

Gross HCV Rent  Median Market Rent

- March 1, 2020: $1,105 (Diff: $194)
- April 1, 2020: $1,325 (Diff: $225)
- October 1, 2020: $1,450 (Diff: $400)
- October 1, 2021: $1,680 (Diff: $480)
- January 1, 2022: $1,755 (Diff: $510)

Covid Lockdown
Eviction Moratorium

Difference between Median Market Rent and Gross HCV rent more than doubled since Q2, 2019.
Rent Trends – City Level Comparison (2021 Q1 – 2022 Q1)

• Since 2021 Q1, rents in expensive cities increased as well.

• Large, similar rent increases across geographies.

(2021 Q1 - 2022 Q1) Median Rent Change for 2 BR

- Rent trends in expensive cities increased.
- Large, similar rent increases across geographies.
Price increases remain steady and high in more affordable markets.

But greater rent increases in expensive cities.
Data Sources

AffordableHousing.com Rental Applications

- 236k applications
- 43k unique applicants
- Submitted 3/2022 - present

Survey on Rising Rents

- Administered July 2022 to 4,000 applicants
- Response rate: 5.3%
Current Location of AffordableHousing.com Rental Applicants
More than 80 percent of the people are applying to a new unit with higher rent and moving to a new zip code.

Survey response on current lease renewal

- About 50% of the surveyed people will not renew their current lease.
- 80% of people are applying to a unit with higher rent.

Application Data: Current Unit vs. Applied Unit

- 81% of people are applying to units with higher rent.
- 91% of people are applying to a new zip code.
- 54% of people are applying to a different city.

AffordableHousing.com & Learning Collider
White House Roundtable Presentation 7/28/2022
Neighborhood characteristics

<table>
<thead>
<tr>
<th>Median Income in Current Zip Code</th>
<th>% of Unique Applicants</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$20k</td>
<td>12%</td>
</tr>
<tr>
<td>$20k-$25k</td>
<td>24%</td>
</tr>
<tr>
<td>$25k-$30k</td>
<td>27%</td>
</tr>
<tr>
<td>$30k-$40k</td>
<td>27%</td>
</tr>
<tr>
<td>$40k-$50k</td>
<td>11%</td>
</tr>
</tbody>
</table>

Difference in Median Income between Current Zip Code and Zip Code of Applied Units
Large number of survey respondents with vouchers were not able to use their vouchers to find a unit.

What was your experience finding a unit with your voucher?

- can’t find an affordable unit: 54%
- landlords wouldn’t accept voucher: 37%
- successfully used voucher: 30%
- other: 23%

% of Surveyed Voucher Holders that responded "Landlord wouldn’t accept voucher" (by SOI Law)

- Law exists in State*: 36%
- No Law exists: 43%

*Any SOI law with no exemption for Section 8 Vouchers
Most people opt for emergency shelter or relatives’ homes when they are unable to secure housing before the end of their lease.

If you cannot secure housing before your lease expires, what would be your plan for housing?

- Emergency shelter: 32%
- No plan: 29%
- Relatives: 25%
- Hotel/motel: 24%
- Live in a place not meant for habitation: 21%
- Confident will find housing: 15%
- Other: 14%
- Sharing: 6%
- SRO: 5%
Smaller size voucher holders are more likely to apply for larger units than the voucher size.
Non-voucher holders are applying to smaller apartments than their current apartment

* Analysis on the survey responses (current bedroom size) merged with application data

AffordableHousing.com & Learning Collider
White House Roundtable Presentation 7/28/2022
On average, people are applying to units with rent $600 more than their current rent.
The difference between current rent and the rent at the applied unit is double for voucher holders than non-voucher holders.
Next steps

- Where people are applying to (locations, distance from home, opportunity areas, etc.)* + quality of neighborhood
- Change in rent for new voucher holders specifically* -- somebody who was just issued a voucher vs somebody who was issued a voucher for some time -- may not have data by Oct ppt
- How voucher issuance affects market rent
- Reasons to move from current residence * (application data)

- Timing of application compared to current lease
- HUD survey
- Survey on neighborhood characteristics