White House Monthly Rental Market Roundtable Presentation

December 1, 2022

Presented by: Peter Bergman, Director, Learning Collider & Associate Professor of Economics, University of Texas, Austin
- Market Rent has **decreased slightly since 2022 Q2**
- Difference between Median Rent and Gross HCV rent **still increasing**

Rent Trends: 2019 Q2 - 2022 Q4

- Gross HCV Rent
- Median Market Rent
- 40th Pct Market Rent

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Rent</th>
<th>Diff</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,299</td>
<td>$194</td>
<td>$400</td>
</tr>
<tr>
<td>2020</td>
<td>$1,325</td>
<td>$225</td>
<td>$474</td>
</tr>
<tr>
<td>2021</td>
<td>$1,450</td>
<td>$402</td>
<td>$402</td>
</tr>
<tr>
<td>2022</td>
<td>$1,755</td>
<td>$1,754</td>
<td>$1,702</td>
</tr>
</tbody>
</table>

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White House Monthly Rental Market Roundtable Presentation 12/1/2022
Rent Trends– City Level Comparison (2021 Q3 – 2022 Q3)
Rent Trends - City Level Comparison (2021 Q4 – 2022 Q4)

2021 Q4 vs 2022 Q4 (Change in Median Rent)

- Change in Median Rent (2022 Q4)
- Median Rent 2022 Q4

Cities included in the comparison:
- Austin
- Cleveland
- Detroit
- Atlanta
- Las Vegas
- Columbus
- Charlotte
- Philadelphia
- Houston
- Portland
- San Diego
- San Antonio
- Washington
- Orlando
- New York
- Miami
- Los Angeles
- Seattle
- Chicago
- Tampa
Across the US, on avg. voucher holders saw ~ $600 increase in rent on lease renewals in 2021.

Map plots difference between:

• Two Bedroom Approved Rent for Section 8 Tenants renting in 2021 Q1, and

• Market Rent in 2021 Q4
Across the US, on avg. voucher holders saw ~ $500 increase in rent on lease renewals in 2022

Map plots difference between:

- Two Bedroom Approved Rent for Section 8 Tenants renting in 2022 Q1, and
- Market Rent in 2022 Q4
Impact on HCV Renewals

Two Bedroom Rentals

2021 Lease Renewals
- Difference between Median Market Rent (2021 Q4) and Approved Rent
- HCV Approved Rent (2021 Q1)

2022 Lease Renewals
- Difference between Median Market Rent (2022 Q4) and Approved Rent
- HCV Approved Rent (2022 Q1)
Number of **property views** have remained consistent since Jan. 2022
On average, people are applying to units on AffordableHousing.com with rent $650 more than their current rent.
The difference between current rent and rent at the applied unit is double for voucher holders compared to non-voucher holders.

- Diff: $700 (Voucher Holders)
- Diff: $350 (Non-Voucher Holders)
Application Fees, Reasons for Moving, and Economic Mobility
### Black, Hispanic applicants face higher fee & upfront costs

<table>
<thead>
<tr>
<th></th>
<th>Median # Apps</th>
<th>Median App Fee</th>
<th>Share Above $40</th>
<th>Median Security Deposit</th>
<th>Share Above $1200</th>
<th>Deposit/Rent Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>3</td>
<td>$45</td>
<td>65%</td>
<td>$1,400</td>
<td>62%</td>
<td>1</td>
</tr>
<tr>
<td>Hispanic/Latinx</td>
<td>2</td>
<td>$40</td>
<td>59%</td>
<td>$1,600</td>
<td>65%</td>
<td>0.99</td>
</tr>
<tr>
<td>White</td>
<td>2</td>
<td>$41</td>
<td>61%</td>
<td>$1,229</td>
<td>53%</td>
<td>0.94</td>
</tr>
<tr>
<td>All Applicants</td>
<td>2</td>
<td>$45</td>
<td>64%</td>
<td>$1,400</td>
<td>61%</td>
<td>0.99</td>
</tr>
</tbody>
</table>
Voucher-holders face higher fee & upfront costs

<table>
<thead>
<tr>
<th></th>
<th>Median # Apps</th>
<th>Median App Fee</th>
<th>Share Above $40</th>
<th>Median Security Deposit</th>
<th>Share Above $1200</th>
<th>Deposit/Rent Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voucher-Holders</td>
<td>4</td>
<td>$45</td>
<td>65%</td>
<td>$1,500</td>
<td>66%</td>
<td>1</td>
</tr>
<tr>
<td>Non Voucher-Holders</td>
<td>2</td>
<td>$40</td>
<td>59%</td>
<td>$1,100</td>
<td>47%</td>
<td>0.94</td>
</tr>
<tr>
<td>All Applicants</td>
<td>2</td>
<td>$45</td>
<td>64%</td>
<td>$1,400</td>
<td>61%</td>
<td>0.99</td>
</tr>
</tbody>
</table>
Black applicants are less likely to apply to units **with utilities included**

![Graph showing the average percentage of units with utilities paid for by owner by race. The x-axis represents the percentage ranging from 10% to 70%, and the y-axis lists utilities such as Cooling, Heating, Hot Water, Sewer, Trash, and Water. The graph uses different colors to represent Black, Hispanic/Latinx, and White applicants.]
Voucher-Holders are less likely to apply to units with utilities included.
Utilities most often included in apartments
Voucher-holders & Black applicants apply less often to apt. units

Non Voucher-Holders

Voucher-Holders

% of Group's Applications

<table>
<thead>
<tr>
<th>Type of Housing</th>
<th>Black</th>
<th>HispanicLatinx</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartment</td>
<td>60%</td>
<td>70%</td>
<td>80%</td>
</tr>
<tr>
<td>Low-Density Housing</td>
<td>30%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Single-Family Home</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Apartment</td>
<td>60%</td>
<td>70%</td>
<td>80%</td>
</tr>
<tr>
<td>Low-Density Housing</td>
<td>30%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Single-Family Home</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Most are moving for **safer environments and better apartments**

![Bar Chart: Top Reasons for Moving Out]

- **To get a nicer apartment**: 21%
- **To be in a safer neighborhood**: 8%
- **Unhoused/Temporary Housing**: 6%
- **To be near my family**: 6%
- **To get a job or be near a job**: 5%
- **Non-Renewal of Lease**: 5%
- **Issued Housing Voucher**: 5%
- **Failed Inspection/Poor Living Conditions**: 4%
- **Change in marital/romantic status**: 4%
- **To get better schools for my children**: 3%
Voucher-Holders seek **safer environments & better living conditions**

- Voucher-holders are more likely to move to be in a safer neighborhood.
- Non-voucher holders, on the other hand, want to move closer to jobs.

![Graph showing reasons for moving for voucher-holders and non-voucher holders.](image)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Non Voucher-Holder</th>
<th>Voucher-Holder</th>
</tr>
</thead>
<tbody>
<tr>
<td>To get a nicer apartment</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>To be in a safer neighborhood</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Unhoused/Temporary Housing</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>To be near my family</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>To get a job or be near a job</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Non-Renewal of Lease</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Issued Housing Voucher</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Failed Inspection/Poor Living Conditions</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Change in marital/romantic status</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>To get better schools for my children</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Larger households **more likely to value schools**

- Temporary housing driving decisions more for single households
- Larger households more likely prioritize schools and living conditions
Median Rent-to-Income Ratio

Non Voucher-Holders

- Current Rent / Income
- Unit Rent / Income

Application Submitted Month

- 2022-04
- 2022-05
- 2022-06
- 2022-07
- 2022-08
- 2022-09
- 2022-10
- 2022-11
Applications are to units in slightly lower mobility areas
**Economic mobility** at applied units similar to current units
Most applying to areas with **similar or lower economic mobility**

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**Economic Mobility at Application Units**

- **All Applicants**:
  - Mobility < Current: 28%
  - Mobility = Current: 47%
  - Mobility > Current: 25%

- **Very Low**:
  - Mobility < Current: 69%
  - Mobility = Current: 31%

- **Low**:
  - Mobility < Current: 43%
  - Mobility = Current: 31%
  - Mobility > Current: 27%

- **Moderate**:
  - Mobility < Current: 64%
  - Mobility = Current: 19%
  - Mobility > Current: 17%

- **High**:
  - Mobility < Current: 75%
  - Mobility = Current: 16%
  - Mobility > Current: 10%

- **Very High**:
  - Mobility < Current: 84%
  - Mobility > Current: 16%

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Voucher-Holders more likely to apply to higher mobility areas

Economic Mobility at Application Units by Voucher Status

All Applicants:
- Mobility < Current: 28%
- Mobility = Current: 47%
- Mobility > Current: 25%

Non Voucher-Holders:
- Mobility < Current: 33%
- Mobility = Current: 46%
- Mobility > Current: 21%

Voucher-Holders:
- Mobility < Current: 27%
- Mobility = Current: 47%
- Mobility > Current: 26%
Distribution of **Economic Mobility** for Current and Applied-to Units

![Distribution of Economic Mobility](image)

- **Black**
  - Median: 0.35
  - Median: 0.35

- **Hispanic/Latinx**
  - Median: 0.39
  - Median: 0.39

- **White**
  - Median: 0.40
  - Median: 0.38

AffordableHousing.com & Learning Collider
White House Monthly Rental Market Roundtable Presentation 12/1/2022
Hispanic applicants most likely to apply to higher mobility area

![Economic Mobility at Application Units by Race chart]

- **All Applicants**
  - Mobility < Current: 28%
  - Mobility = Current: 47%
  - Mobility > Current: 25%

- **Black**
  - Mobility < Current: 22%
  - Mobility = Current: 54%
  - Mobility > Current: 24%

- **HispanicLatinx**
  - Mobility < Current: 36%
  - Mobility = Current: 36%
  - Mobility > Current: 28%

- **White**
  - Mobility < Current: 42%
  - Mobility = Current: 35%
  - Mobility > Current: 23%
No relative variation in where families apply, by income.
Economic Mobility Changes by **Reason for Moving Out**

- To get a nicer apartment: 28% Mobility < Current, 47% Mobility = Current, 24% Mobility > Current
- To be in a safer neighborhood: 17% Mobility < Current, 52% Mobility = Current, 31% Mobility > Current
- Unhoused/Temporary Housing: 33% Mobility < Current, 43% Mobility = Current, 24% Mobility > Current
- To be near my family: 38% Mobility < Current, 38% Mobility = Current, 24% Mobility > Current
- To get a job or be near a job: 36% Mobility < Current, 40% Mobility = Current, 24% Mobility > Current
- Non-Renewal of Lease: 29% Mobility < Current, 48% Mobility = Current, 23% Mobility > Current
- Issued Housing Voucher: 28% Mobility < Current, 48% Mobility = Current, 24% Mobility > Current
- Failed Inspection/Poor Living Conditions: 19% Mobility < Current, 59% Mobility = Current, 22% Mobility > Current
- Change in marital/romantic status: 36% Mobility < Current, 42% Mobility = Current, 22% Mobility > Current
- To get better schools for my children: 23% Mobility < Current, 46% Mobility = Current, 32% Mobility > Current

Mobility Quintile at Application Units:
- Mobility < Current
- Mobility = Current
- Mobility > Current

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Annex

The following are extra slides not to be presented during our meeting. Please contact us with any questions.
Black and Latinx Applicants face higher fees & upfront costs

<table>
<thead>
<tr>
<th></th>
<th>Total # Apps</th>
<th>Median # Apps</th>
<th>Apps with App Fee Amount</th>
<th>Median App Fee</th>
<th>Share Above $40</th>
<th>Apps with Security Deposit Amount</th>
<th>Median Security Deposit</th>
<th>Share Above $1200</th>
<th>Deposit/Rent Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>306,802</td>
<td>3</td>
<td>97,365</td>
<td>$45</td>
<td>65%</td>
<td>281,164</td>
<td>$1,400</td>
<td>62%</td>
<td>1</td>
</tr>
<tr>
<td>Hispanic/Latinx</td>
<td>104,788</td>
<td>2</td>
<td>27,501</td>
<td>$40</td>
<td>59%</td>
<td>95,769</td>
<td>$1,600</td>
<td>65%</td>
<td>0.99</td>
</tr>
<tr>
<td>White</td>
<td>77,756</td>
<td>2</td>
<td>17,927</td>
<td>$41</td>
<td>61%</td>
<td>71,515</td>
<td>$1,229</td>
<td>53%</td>
<td>0.94</td>
</tr>
<tr>
<td>All Applicants</td>
<td>499,004</td>
<td>2</td>
<td>145,245</td>
<td>$45</td>
<td>64%</td>
<td>457,207</td>
<td>$1,400</td>
<td>61%</td>
<td>0.99</td>
</tr>
</tbody>
</table>

Calculations only among units with application fees or security deposits
Race/ethnicity is imputed for 93%, other 7% percent is from voucher applications.
Application Data: **Current Unit vs. Applied Unit**

![Bar chart showing the percentage of applicants in different cities.](chart.png)

- **All Applicants**
  - Higher Rent: 83%
  - New Zip: 94%
  - New City: 54%
Application Data: **Current Unit vs. Applied Unit**

![Bar Chart: Voucher-Holders]

- **Higher Rent**: 85%
- **New Zip**: 94%
- **New City**: 53%

![Bar Chart: Non Voucher-Holders]

- **Higher Rent**: 73%
- **New Zip**: 93%
- **New City**: 55%
Most people are moving due to their apartment quality

Options on AffordableHousing.com rental application:

- Change in marital/romantic status
- To get a job or be near a job
- To be near my family
- To get better transportation
- Current unit failed inspection
- To get better schools for my child
- To get a better or bigger apartment
- To be in a safer neighborhood
- I was evicted or had problems with my landlord
- My unit failed inspection
- Other
To get a nicer apartment
To be in a safer neighborhood
Unhoused/Temporary Housing
To be near my family
To get a job or be near a job
Non-Renewal of Lease
Issued Housing Voucher
Failed Inspection/Poor Living Conditions
Change in marital/romantic status
To get better schools for my children

Percent of Applicants

<$1,500
$\geq$1,500

Percent of Applicants

0% 5% 10% 15% 20%
Reasons to move by Voucher Status & Income

% of Group's Applications

Non Voucher-Holders

- To get a nicer apartment
- To be in a safer neighborhood
- Unhoused/Temporary Housing
- To be near my family
- To get a job or be near a job
- Non-Renewal of Lease
- Issued Housing Voucher
- Failed Inspection/Poor Living Conditions
- Change in marital/romantic status
- To get better schools for my children

Voucher-Holders

- To get a nicer apartment
- To be in a safer neighborhood
- Unhoused/Temporary Housing
- To be near my family
- To get a job or be near a job
- Non-Renewal of Lease
- Issued Housing Voucher
- Failed Inspection/Poor Living Conditions
- Change in marital/romantic status
- To get better schools for my children

$<$1,500

$\geq$ $1,500
Reason to move: % Failed Inspections by state
### Economic mobility distribution - current residence

<table>
<thead>
<tr>
<th></th>
<th>Very Low - Low</th>
<th>Moderate</th>
<th>High - Very High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>82%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>HispanicLatinx</td>
<td>61%</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>White</td>
<td>57%</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td>All Applicants</td>
<td>73%</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>
Economic Mobility Distribution – King County

Non Voucher-Holders

Voucher-Holders

Economic Mobility Percentile

Density

Current
Applied Units

median: 0.43
median: 0.45
King County residents

Economic Mobility at Application Units by Voucher Status - King County
King County (WA) residents

Economic Mobility at Application Units - King County

Percent of Applications

0% 20% 40% 60% 80% 100%

All Applicants
- Mobility < Current: 37%
- Mobility = Current: 29%
- Mobility > Current: 34%

Very Low
- Mobility < Current: 16%
- Mobility > Current: 84%

Low
- Mobility < Current: 6%
- Mobility = Current: 20%
- Mobility > Current: 74%

Moderate
- Mobility < Current: 20%
- Mobility = Current: 41%
- Mobility > Current: 39%

High
- Mobility < Current: 51%
- Mobility = Current: 30%
- Mobility > Current: 19%

Very High
- Mobility < Current: 80%
- Mobility = Current: 20%