

The U.S. Simply Doesn't Have Enough Available Rental Housing, Whether You're Rich or Poor

BY EMILY BADGER, FEB 25, 2013

The Census Bureau says there are about 41 million renter households in the United States, a group making up about 35 percent of the country. And the renter ranks are expected to swell this decade as the housing demand of Baby Boomers and their children starts to converge.

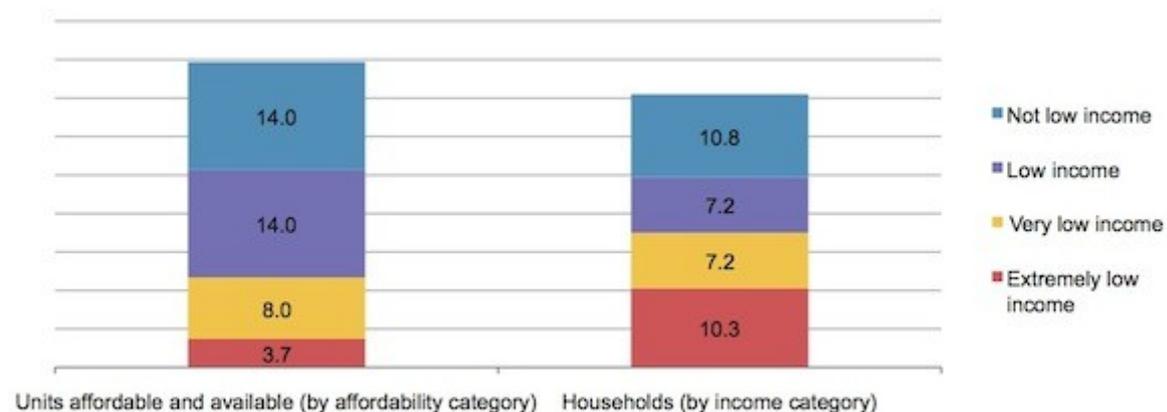
Twentysomethings who've been living at home during the recession will finally move out to form their own households. Many Baby Boomers, meanwhile, are expected to downsize into smaller rentals units where they won't have to mow their own lawns.

Housing wonks have projected that we may need to build at least 3 million new rental apartment units in the next 10 years to satisfy all these people. And if you're a renter just about anywhere in the country, you may already be feeling the crunch: As *Cities* reported last summer, it's lately become [cheaper to buy a home than to rent one](#) in the vast majority of America's 100 largest metros.

This is a problem for young professionals and even decently paid ones trying to live close to jobs in expensive cities like New York and San Francisco. But America's shortage of affordable rental housing trickles down with particularly depressing effects to the extremely low-income.

The Bipartisan Policy Center released a [massive report today](#) on how we might restructure housing policy to better serve the country and brace against the kind of housing crash from which we're still recovering. Among the starkest pictures in the report is this snapshot of what your housing prospects look like in America when your family lives on something more like \$10,000 a year:

Chart 4-2: Rental Units and Renters, by Affordability and Income Categories (in millions, 2009)



Source: Steffen, Barry et al. *Worst Case Housing Needs 2009: Report to Congress*. (Washington, D.C.: U.S. Department of Housing and Urban Development, Office of Policy Development and Research, 2011), 55. Based on a chart in Danilo Pelletiere. *A Preliminary Analysis of the 2009 and 2007 Rental Affordability Gaps*. (Washington, D.C.: National Low Income Housing Coalition, 2010), 4.

"*Housing America's Future: New Directions for National Policy*," Bipartisan Policy Center

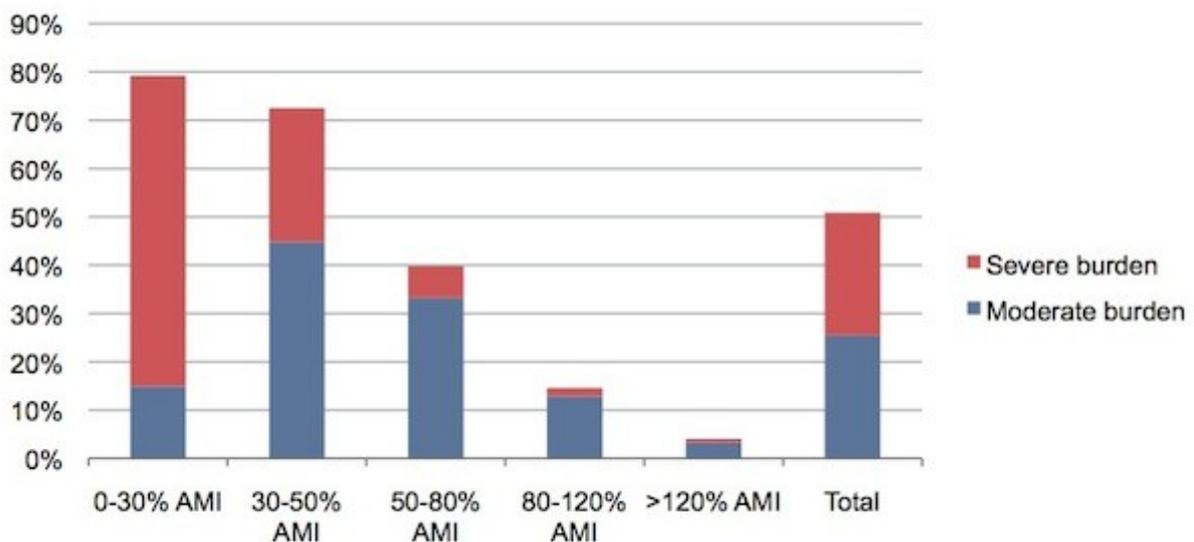
The left column shows the number of rental units in America considered "affordable and available" by the Department of Housing and Urban Development (a unit is considered "available" to you if it's vacant or currently occupied by someone with your income or lower). The right column shows the number of renter households by income category. We have, in essence, enough affordable rental housing to house people who aren't low-income at all, or who

are moderately or even very low-income (admittedly, this chart says nothing about whether or not that supply exists in the same neighborhoods or cities as the demand for it).

But we have only 3.7 million rental housing units available in the U.S. to 10.3 million households living in extreme poverty. As the report's authors add: "This mismatch would likely be even larger if we considered only those homes located in safe, amenity-rich neighborhoods with good-performing schools and access to jobs."

In turn, this means that the poorer you are in America, the more you're disproportionately funneling your income into the roof over your head. Households spending more than 30 percent of their income on rent are considered by the federal government to have a "moderate housing burden." Those spending more than half their income on housing have a "severe" burden. This chart from the report shows that nearly 80 percent of extreme low-income households (families making less than 30 percent of the area median income) have a rent burden:

Chart 4-1: Housing Cost Burdens Among U.S. Renters, 2009



Source: Steffen, Barry et al. *Worst Case Housing Needs 2009: Report to Congress*. (Washington, D.C.: U.S. Department of Housing and Urban Development, Office of Policy Development and Research, 2011), 28.

"Housing America's Future: New Directions for National Policy," Bipartisan Policy Center

In all, according to the Bipartisan Policy Center, federal housing assistance helps only about a quarter of the people who are eligible for it because the demand is so much greater than the supply. Now, as rents continue to rise faster than incomes throughout the economy, it will be as important for cities to focus on housing these residents as those professionals for whom "affordability" means something quite different. In some markets, the report notes, strong competition for older units means that we may also wind up upgrading apartments once accessible to lower-income households with new amenities – expensive kitchen appliances, nicer bathrooms – that will only push those units permanently out of reach.

Emily Badger is a staff writer at The Atlantic Cities. Her work has previously appeared in *Pacific Standard*, *GOOD*, *The Christian Science Monitor*, and *The New York Times*. She lives in the Washington, D.C. area