

U.S. rent has increased 175% faster than household income over past 20 years

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Bright lights, big city.

"And lack of affordable rental housing," says University of Cincinnati researcher Mike Eriksen, Ph.D.

The West Shell Associate Professor of Real Estate from the Carl H.

Lindner College of Business recently published a report entitled, "The Location of Affordable and Subsidized Rental Housing Across and Within the Largest Cities in the United States" with the Mortgage Bankers Association's Research Institute for Housing America.

Covering subsidies to employment and [population growth](#) in the top 50 American cities, the report starts to unpack the intertwined complexities that have contributed toward the general trend towards unaffordability in large metropolitan areas in the United States over the past 20 years.

"Across the largest 50 cities, median rent has increased 175% faster than [household incomes](#)," said Eriksen. "For low and middle income populations in these regions, housing is getting more expensive at a faster rate."

One subset of the issue Eriksen examines is subsidies—which make up \$50 billion in annual federal expenditures. On average, one subsidy is available for three otherwise income eligible households, but that statistic changes drastically to one in nine eligible households in the fastest growing metro areas.

Looking at Cincinnati, Eriksen found the region to have the best of all worlds.

"With the expected spend on rent being 30% of household income, Cincinnati is actually the most affordable region in the country when you measure the dollar gap between median rent and expected housing spend of a moderate-income household," he said.

Unfortunately, Cincinnati also leads large cities in the percentage of renters considered [low-income](#) according to federal guidelines, Eriksen shared.

For Eriksen, this report scratches the surface on uncovering what equitable housing opportunities could mean—and look like in practice—in cities of any size growing at any rate in the United States. He says more research is needed to help untangle the knotty mess of housing inequality and understanding the economic obstacles for renters and first-time homebuyers alike.

More information: The report is available online: [www.mba.org/news-research-and- ... -for-housing-america](http://www.mba.org/news-research-and-...-for-housing-america)

Provided by University of Cincinnati

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