

NAHMAanalysis

NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

Ensuring NAHMA Members Receive the Latest News and Analysis of Breaking Issues in Affordable Housing

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The State of the Nation's Housing 2019 Report

Introduction

The Harvard Joint Center for Housing Studies (JCHS) has produced its annual “State of the Nation’s Housing” report for 2019. This NAHMAanalysis provides NAHMA members with relevant affordable housing data and information, as provided by the JCHS staff; we encourage members to review the full report for additional details. JCHS has also made fact sheets and interactive charts available on the report’s website.¹

Overall Rental Market

In 2018, JCHS finds the number of renter households continuing to fall for the second straight year. However, rents are increasing at twice the rate of overall inflation. Higher-income renters have stabilized the rental market and maintained the demand for new units.

On the opposite side of the rental market, JCHS finds the number of units renting for under \$800 fell by one million in 2017, bringing the total loss from 2011–2017 to four million. The JCHS’s interactive map shows the areas hit hardest by the losses.²

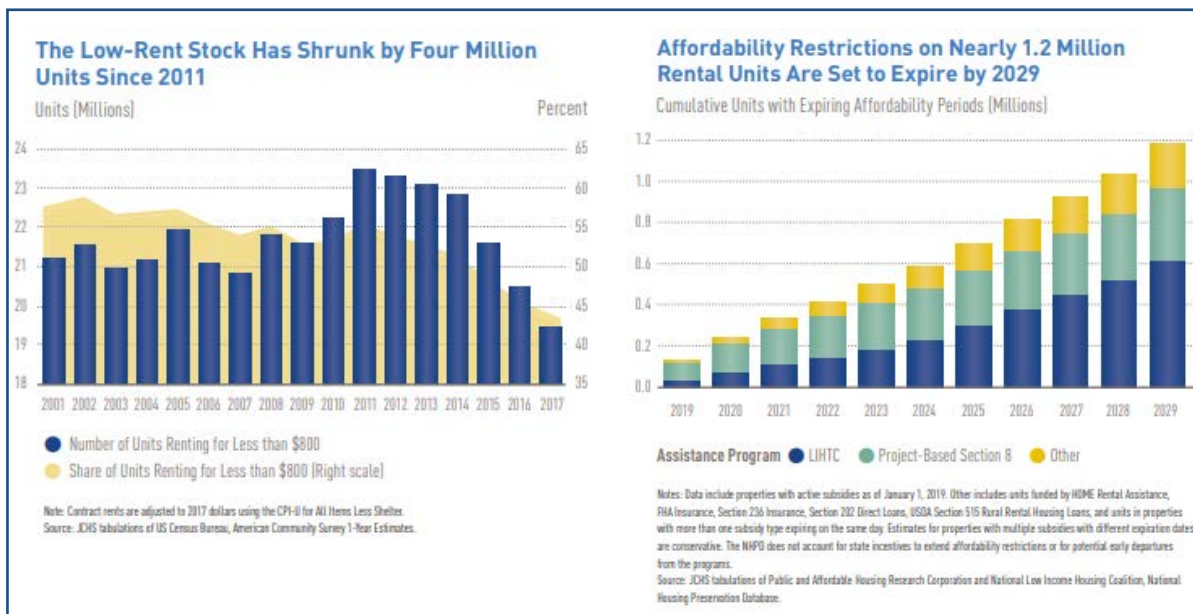


¹ The Joint Center for Housing Studies (JCHS) 2019 “State of the Nation’s Housing Report” is available online here: <https://www.jchs.harvard.edu/state-nations-housing-2019>

² The JCHS interactive map of naturally-occurring affordable rental unit loss is available online here: <https://www.jchs.harvard.edu/son-2019-low-rent-units-map>

Renter Cost Burden

In terms of cost burden, JCHS reports the overall share of U.S. households paying over 30 percent of their income for housing continues to decline, a seven-year trend. However, the cost-burden rates for mid-to-lower income renters continues to rise. JCHS reports the number of renter households making less than \$15,000 declined by 451,000 in 2017–2018. However, over half of all renter households currently make less than \$45,000. This is a major reason why affordability has gained the attention of policymakers at all levels of government.



Age Demographics

In a look toward the future, JCHS notes both millennials and baby boomers will be the two largest age groups in the housing market over the next decade. The growth of both groups will likely increase demand in the remodeling market and entry-level home market. JCHS also anticipates continued growth in the rental market, with an estimated 400,000 additional renters annually for the next decade.

The Shrinking Affordable Housing Stock

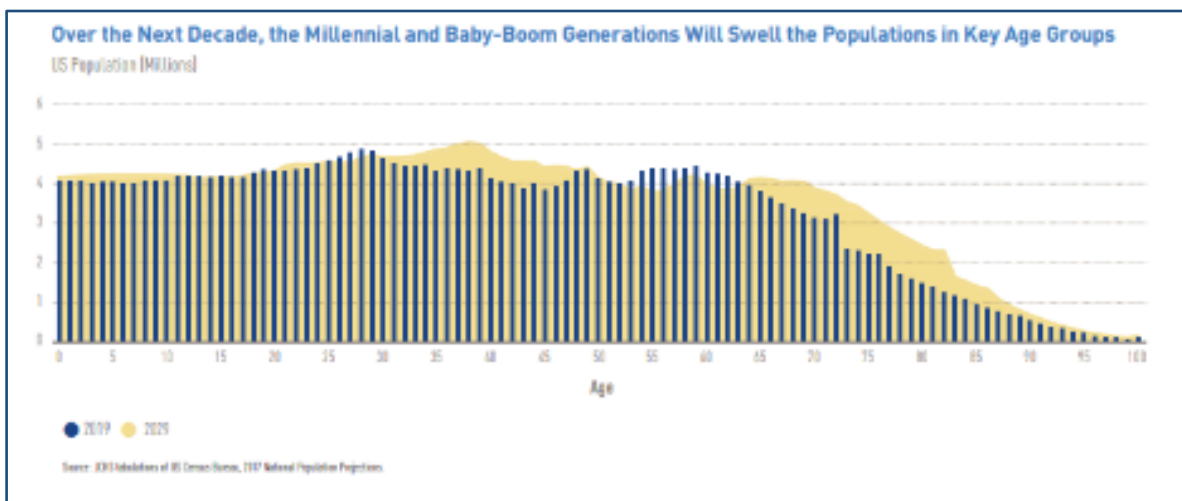
It is no secret that there is huge shortage of affordable housing across the nation. The JCHS report highlights the shortage with data from the National Low Income Housing Coalition 2019 Gap Report.³ For 2017, “NLIHC data finds there were 11 million extremely low-income (ELI) renter households (earning up to 30 percent of area median income) with only four million rental units affordable and available for them, or 37 affordable and available units for every 100 extremely low-income renters....Similarly, the 17.6 million very low-income renters (earning less than 50 percent of the area median) households’ housing shortfall is 7.4 million units, or 58 units affordable and available for every 100 households.” In terms of the current affordable housing programs, JCHS highlights HUD’s 2018 Picture of Subsidized Households data, which showed “955,000

³ The National Low-Income Housing Coalition’s 2019 report titled “The Gap: A Shortage of Affordable Homes” is available online here: <https://reports.nlihc.org/gap>

occupied public housing units, 1.2 million occupied Section 8 project-based units, and 2.2 million Housing Choice Vouchers in use last year....The Low-Income Housing Tax Credit (LIHTC) program added 570,000 affordable units over the past eight years, while producing over 2.5 million units since 1987.” However, JCHS cautions that affordability restrictions could expire on about 1.2 million rental units by 2029, including 611,000 LIHTC units, 352,000 project-based Section 8, and 221,000 units under other programs.

Homelessness Rising in High-Cost States

Given the lack of affordable housing supply to cover those in need, homelessness remains a significant concern. The report shows overall homelessness down over past few years; however, the unsheltered population is increasing in high-cost Western states. Over the past few years, California, Colorado, Oregon, and Washington are experiencing increases in the number of unsheltered homeless at rates between 50-100%.



Conclusion

The data provided in the JCHS 2019 report should be a call to action to strengthen our advocacy efforts to Congress and the Trump Administration. With millions of households in need of affordable housing, the study provides a strong case for more affordable housing. We encourage NAHMA members to explore the report for additional details. More importantly, please use the data in your advocacy efforts for more affordable housing at every level of government.