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PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

New Survey Finds Increased Significantly Increased Insurance Costs for Affordable Housing Providers

Alexandria, Va., Oct. 13, 2023 — A [new survey](#) focusing on affordable housing providers and insurance costs and availability has found that rental businesses are facing much higher premiums—nearly one in every three policies had rate increases of 25% or more.

NAHMA members were invited to participate in the survey conducted through mid-September.

The survey, conducted by ndp analytics and commissioned by the [National Leased Housing Association](#) (NLHA), aligns with other recent [research](#) released earlier this year by the National Multifamily Housing Council (NMHC) that found a staggering 26% of property insurance costs increased over the past year.

Nearly all housing providers are taking actions such as increasing insurance deductibles, cutting expenses, or being forced to raise rents—when possible—to manage higher operating costs due to higher insurance premiums driven by limited markets, claims history, and renter populations.

Key findings include:

- For 2022-23 renewals, 29% of housing providers experienced premium increases of 25% or more, compared to 17% the previous year;
- Limited markets and capacity are responsible for most premium increases, followed by claims history/loss and renter population;
- 67% of respondents reported increasing insurance deductibles to manage the increases, followed by decreasing operating expenses and increasing rent.

“The impact of rising insurance premiums coupled with the ability to obtain necessary coverage has already begun to impact affordable housing development and preservation efforts said Denise B. Muha, NLHA executive director. Further, existing property owners are faced with difficult choices as they struggle with operating deficits related to mounting insurance costs. These cost increases are not sustainable.”

“The incredibly high cost of insurance and the lack of availability in some areas is consistently one of the top concerns of NAHMA members across the country,” said NAHMA CEO Kris Cook. “We are committed to working with our industry colleagues, federal agencies and members of Congress to find solutions for this difficult challenge.”

The following organizations distributed the survey to their members:

- Affordable Housing Tax Credit Coalition (AHTCC)
- Enterprise Community Partners
- Housing Advisory Group (HAG)
- National Affordable Housing Management Association (NAHMA)
- National Housing & Rehabilitation Association (NHRA)

- Institute of Real Estate Management (IREM)
- National Apartment Association (NAA)
- National Association of Home Builders (NAHB)
- National Multifamily Housing Council (NMHC)
- National Leased Housing Association (NLHA)
- Stewards of Affordable Housing for the Future (SAHF)

NAHMA is the leading voice for the affordable housing management industry, promoting developing, managing and preserving quality affordable multifamily housing. NAHMA advocates for legislative and regulatory policy and provides affordable housing professionals with the knowledge to advance excellence in the communities they serve. NAHMA's membership represents 75% of the affordable housing industry and includes its most distinguished multifamily owners and management companies. Visit www.nahma.org for more information.

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