Rental Affordability in the Pandemic Era and Beyond

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Federal Reserve Community Development Research Seminar
September 26, 2023
Today’s Goal

Understand the evolution of market rent affordability since the start of the pandemic through real-time data.
Annual Change in Median Rent

Rent Growth Since January

Source: Apartment List Rent Estimates

2018: +3.5%
2019: +2.5%
Annual Change in Median Rent

Rent Growth Since January

- 2018: +3.5%
- 2019: +2.5%
- 2020: -1.4%

Source: Apartment List Rent Estimates
Annual Change in Median Rent

- 2021: +17.6%
- 2022: +3.5%
- 2018: +3.5%
- 2019: +2.5%
- 2020: -1.4%

Source: Apartment List Rent Estimates
Annual Change in Median Rent

Source: Apartment List Rent Estimates
Apartment rents are up 22% since the start of the pandemic.
Pandemic household consolidation, then subsequent growth, jolted the market.
Rent Inflation Has Hit Outer-Ring Suburbs the Hardest

Rent Change After **One Year** of Pandemic

- Cities > 30 Miles from Core: +5.8%
- Cities 15-30 Miles from Core: +2.9%
- Cities < 15 Miles from Core: +0.3%
- Core Cities: -5.1%

Rent Change **Since Beginning** of Pandemic

- Cities > 30 Miles from Core: +31.0%
- Cities 15-30 Miles from Core: +26.7%
- Cities < 15 Miles from Core: +22.6%
- Core Cities: +15.0%

**Source:** Apartment List Rent Estimates
**Data available:** apartmentlist.com/research/category/data-rent-estimates
Pandemic Rent Growth Has Been Fastest In Lower-Cost Cities
500 Largest U.S. Cities

Source: Apartment List Rent Estimates
What’s Next?

A post-pandemic era of

- Growing affordability pressure
- Peaking multifamily construction
- Increasing suburbanization
- Stabilizing pre-pandemic *growth*
  (but not pre-pandemic *levels*)
Thank you
Trends in Eviction Filings: Then and Now
September 26, 2023

Jacob Haas
Princeton University
Eviction is a traumatic process for many families

Losing a job and facing eviction: "They don't know what to do"

Eviction And Health: A Vicious Cycle Exacerbated By A Pandemic

The New York Times

The Stigma of a Scarlet E

Eviction cases — called Scarlet E's — are a stubborn blot on a renter's history. Piecemeal privacy legislation in some states may not be enough to protect millions of struggling tenants.
The eviction process affected millions even prior to the pandemic

- Almost 70 million eviction filings between 2000-2018
- 3.7 million eviction filings in 2018 alone
- Not the full picture of displacement
  - Filing counts are just one snapshot of the formal court process

Source: Eviction Lab
During Covid, interventions helped keep filings well below pre-pandemic averages

In July 2020:

11% of historical average in Philly

14% of historical average in South Bend, IN

45% of historical average in Houston

Source: Eviction Tracking System
Now: Filings are at or above pre-pandemic levels in many areas

In July 2023:

54% of historical average in Philly

98% of historical average in South Bend, IN

145% of historical average in Houston area

Source: Eviction Tracking System
Then and Now: Black renters face a disproportionate eviction filing risk

- Property owners disproportionately file eviction cases against women, particularly Black and Latina women
- Families with children are disproportionately affected

Source: Eviction Tracking System; Desmond et al, 2013; Hepburn et al, 2020
Many different tools are being explored to combat eviction

- Eviction diversion/mediation programs
- Rent assistance
- Eviction process reforms
- Eviction sealing/expunging
- Legal aid/right to counsel
- Just cause policies
- Building more affordable housing
- Many more proposals and policies
The Eviction Lab at Princeton University

https://evictionlab.org

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Appendix: There are large differences in filing levels between cities in 2023

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<thead>
<tr>
<th>City, State</th>
<th>Caseload Relative to Historical Average</th>
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<td>New York, NY</td>
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<td>Minneapolis-Saint Paul, MN</td>
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Source: Eviction Tracking System