Priced Out: Rising Rent and Homelessness Across America

#HousinginAmerica
Where Rents Matter Most (and Least) in Driving Homelessness

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Findings from:
Inflection Points in Community-Level Homeless Rates
Chris Glynn, Thomas H. Byrne, and Dennis P. Culhane
Rental values have been rising at a steady clip.
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- United States
- Miami, FL
- Washington, DC
- Boston, MA

- 2012: $1,442
- 2014: $1,859
- 2016: $2,136
- 2018: $2,369
Rental values have been rising at a steady clip.
Nationally, rents are up. Yet homelessness counts have fallen.
Modeling for the systemic undercount from PIT estimates
Modeling for the systemic undercount from PIT estimates
Modeling for the systemic undercount from PIT estimates

![Graph showing homelessness count from 2011 to 2017, with a comparison between point in time count and predicted count. The point in time count is roughly 660K, while the predicted count is slightly higher.](image-url)
When a community reaches an affordability tipping point, the link between rent burdens and homeless rates grows stronger.
In some places, a median-income renter already pays more than 32% of income to go out and rent the typical home.
Clusters of communities experience similar responses to changing rent prices
Cluster 3 is home to 15% of the U.S. population and 47% of the homeless population.
As the share of income needed to rent a new home increases, so does the predicted homeless population.
As the share of income needed to rent a new home increases, so is the change in the predicted homeless population.
If rent affordability worsens in DC the model predicts an increasing homelessness count.
And in Los Angeles this link is even stronger
Almost half of America lives in Cluster 2, as does 39% of the population experiencing homelessness.
Homelessness rates are lower in Cluster 2 and fewer people are rent burdened

If share of income needed to rent a home increases...

- Orlando CoC
- Houston CoC
- Phoenix CoC

Predicted change in homeless count

0 100 200 300 400 500

-500 -400 -300 -200 -100 0

If share of income needed to rent a home increases...
Cluster 1 has the lowest average homeless rate
The link between worsening community affordability and homelessness counts is as apparent in Cluster 1 or Cluster 2.

If share of income needed to rent a home increases...
Potential spillover effects in Riverside

Los Angeles: 55,188

Riverside: 2,406

Outside Core: 34,622

Core: 6,203
Community-Level “Headwinds” and “Tailwinds”
Decomposing the components to homelessness

Baltimore City CoC
- Poverty
- Affordability
- Latent

Los Angeles City & County CoC
- Poverty
- Affordability
- Latent

Estimated homelessness rate
Hypothetical baseline
Decomposing the components to homelessness

Houston, Pasadena, Conroe/Harris, Ft. Bend, Montgomery Counties CoC

Lincoln CoC

Tallahassee/Leon County CoC

Poverty
Affordability
Latent

Estimated homelessness rate
Hypothetical baseline

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Rising rents can leave even the households who receive assistance few options.
Upstream of homelessness, deteriorating affordability has negative impacts.
As the share of income spent on rent rises, fewer people save any income.
People with higher rent burdens more likely to forgo health expenses

*During the past 12 months, was there a time when you needed any of the following but didn’t get it because you couldn’t afford it?*
Affordable homes are often much older
Median age gap between affordable and unaffordable units (years older)
Rents fall as rush hour commutes get longer
As the share of income spent on rent has risen in many metros, working age adults have also increasingly doubled up.
In many high-priced areas, significantly more new jobs came to town than new housing units were built
Cities with the most land use restrictions see their home values grow faster when new jobs come to town.
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