



Zillow GROUP | ECONOMIC ROUNDTABLE

Priced Out: Rising Rent and Homelessness Across America

#HousinginAmerica



Where Rents Matter Most (and Least) in Driving Homelessness

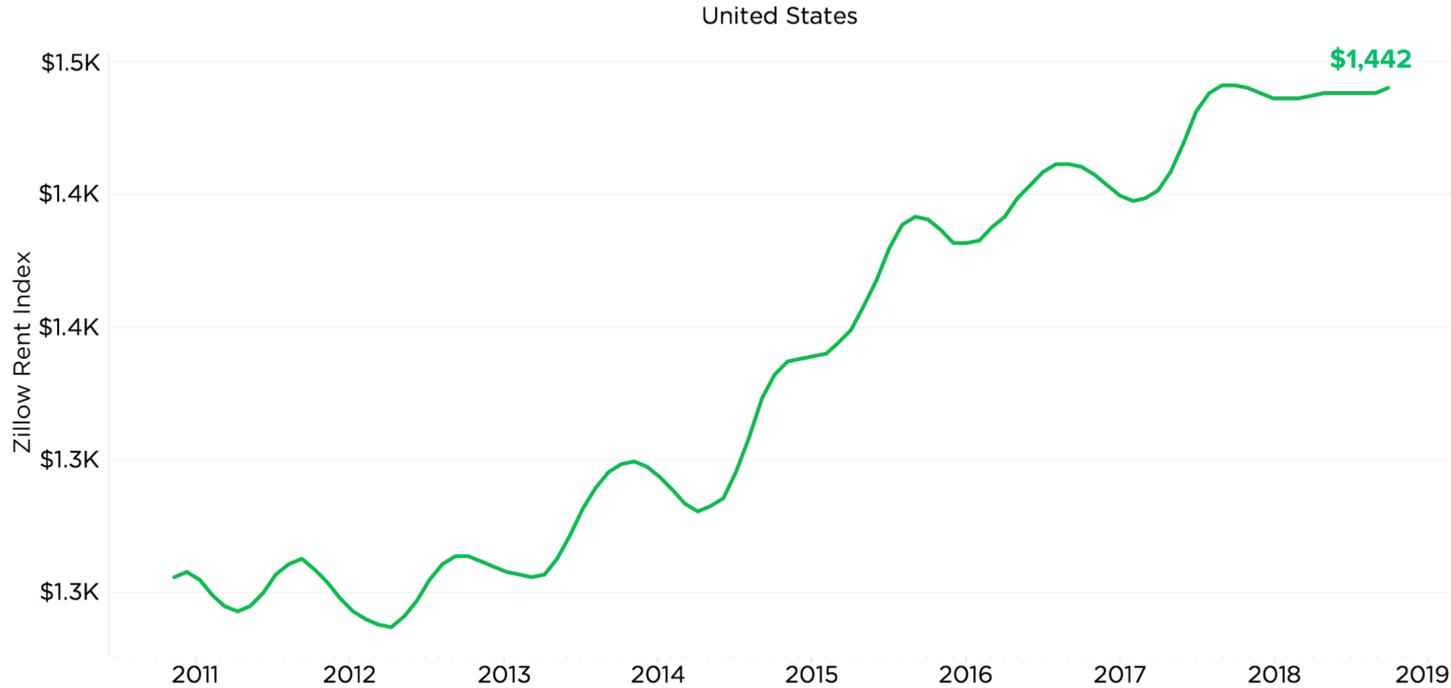
Alexander Casey, Zillow Policy Advisor

Findings from:

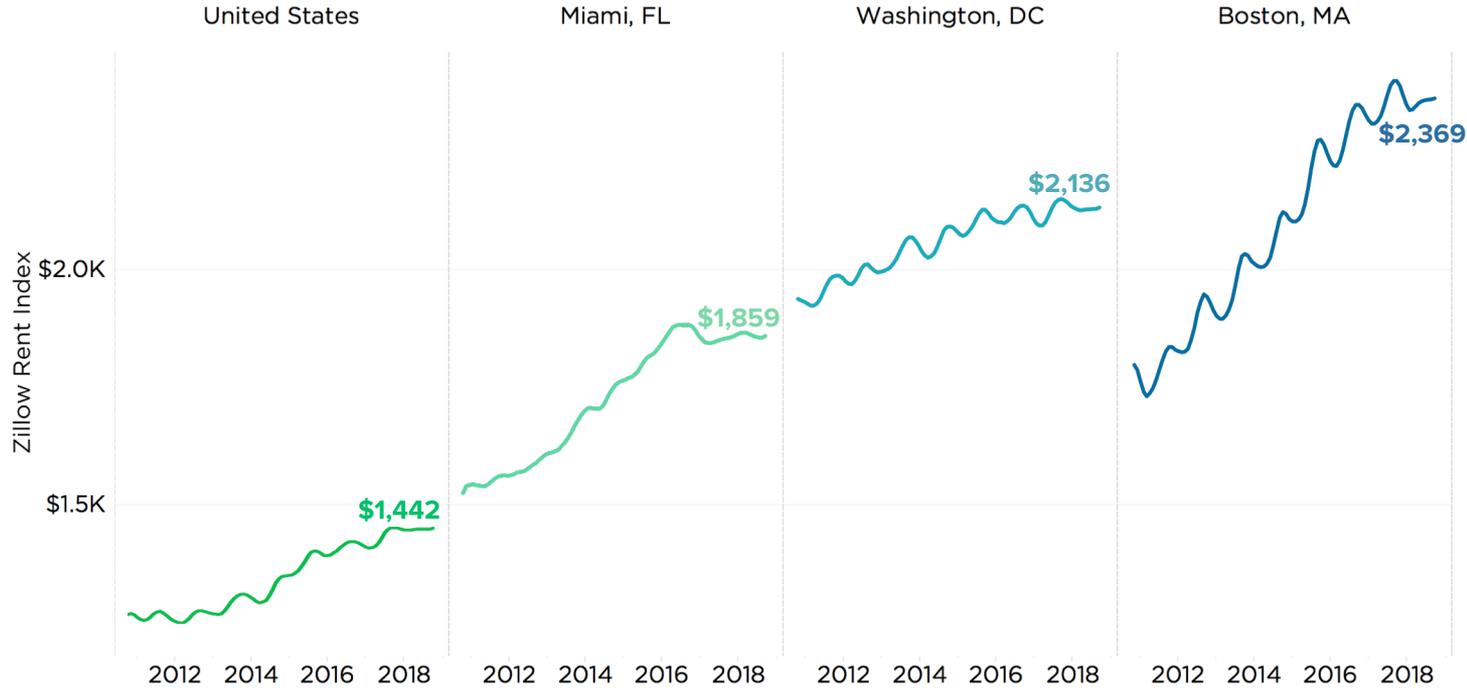
Inflection Points in Community-Level Homeless Rates

Chris Glynn, Thomas H. Byrne, and Dennis P. Culhane

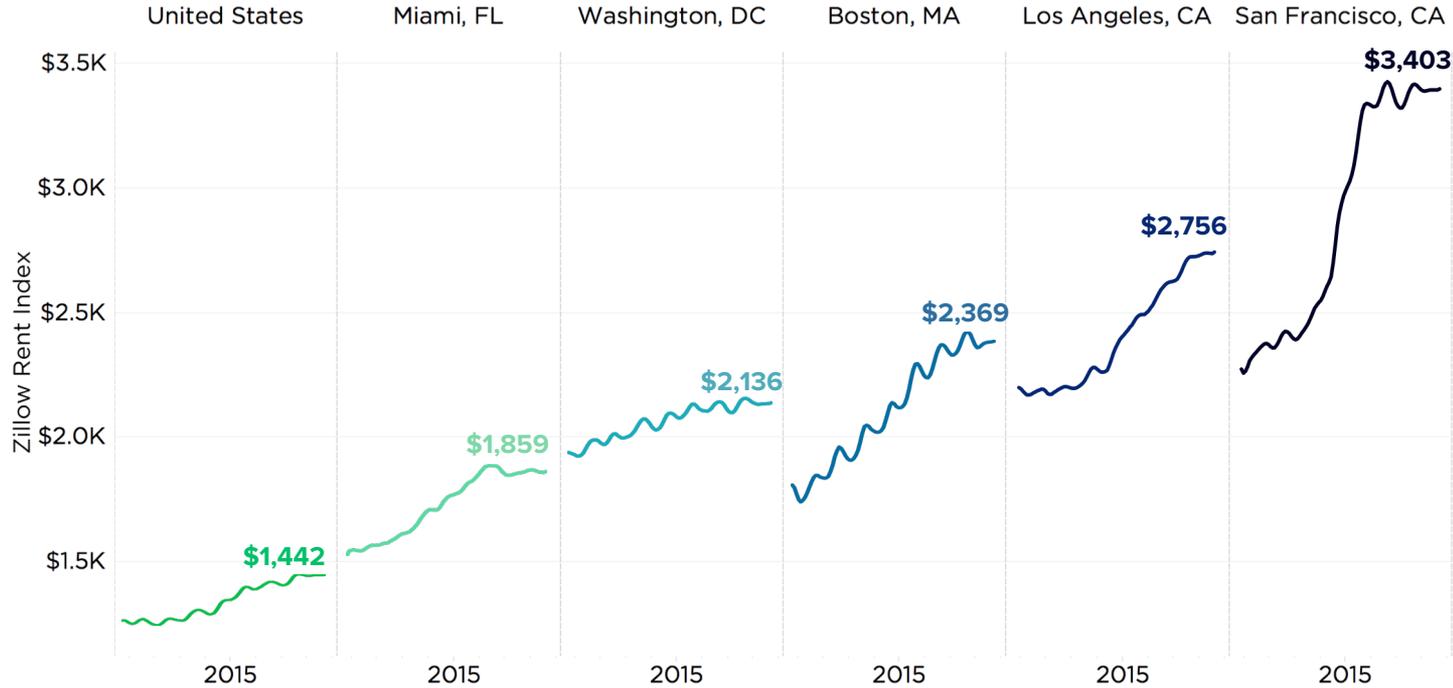
Rental values have been rising at a steady clip



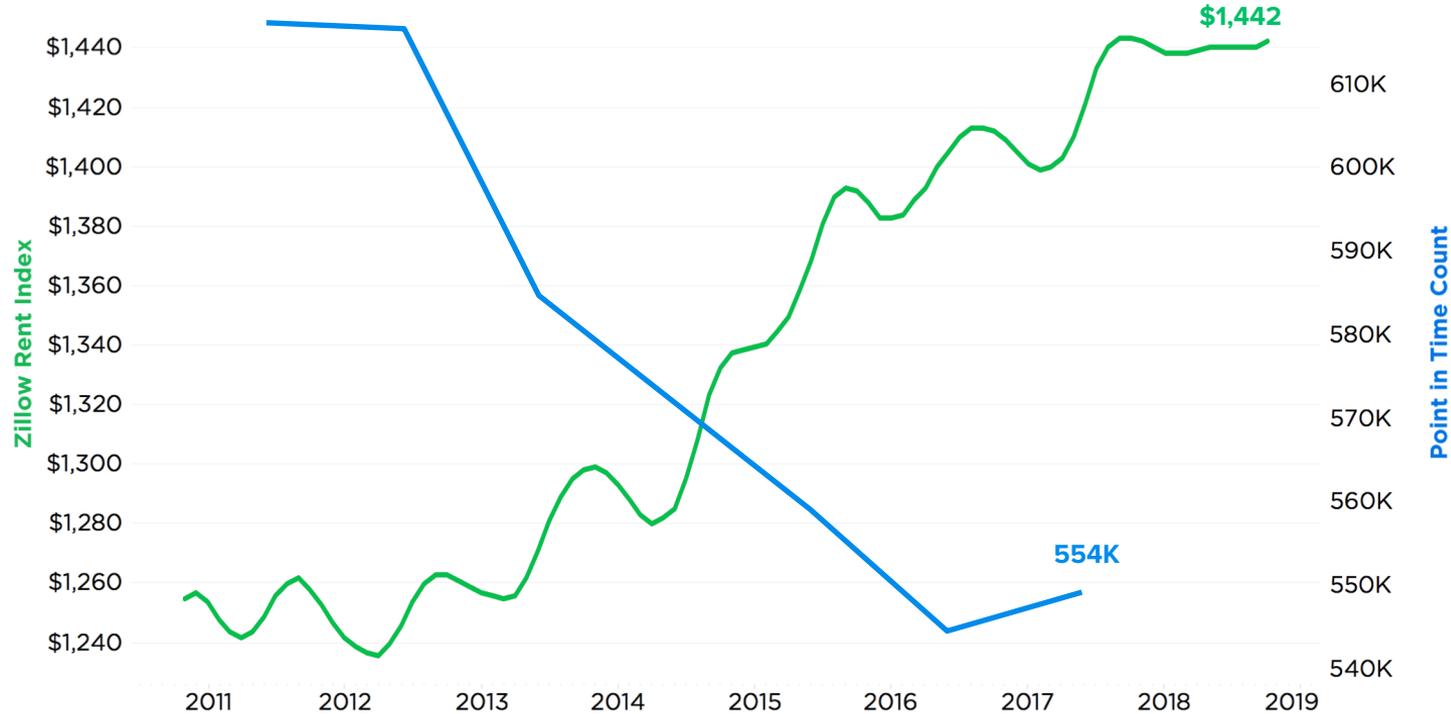
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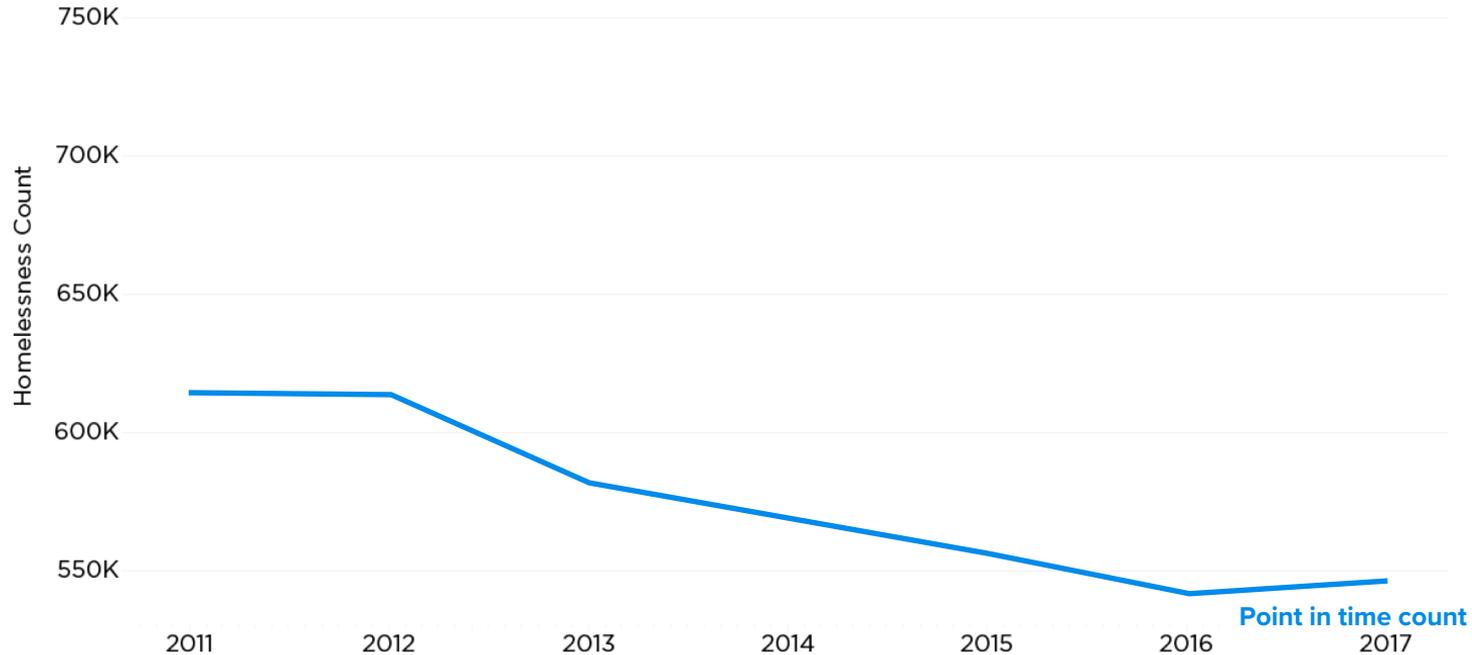
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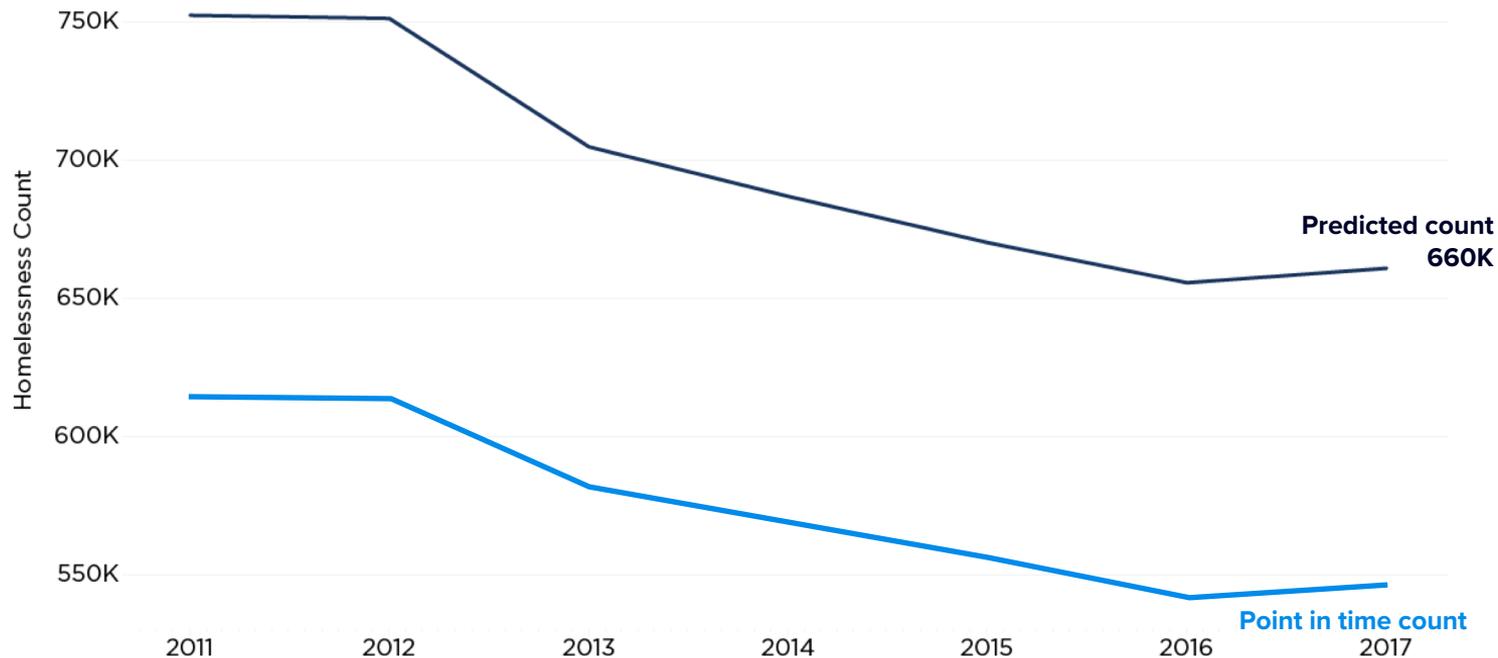
Nationally, rents are up. Yet homelessness counts have fallen



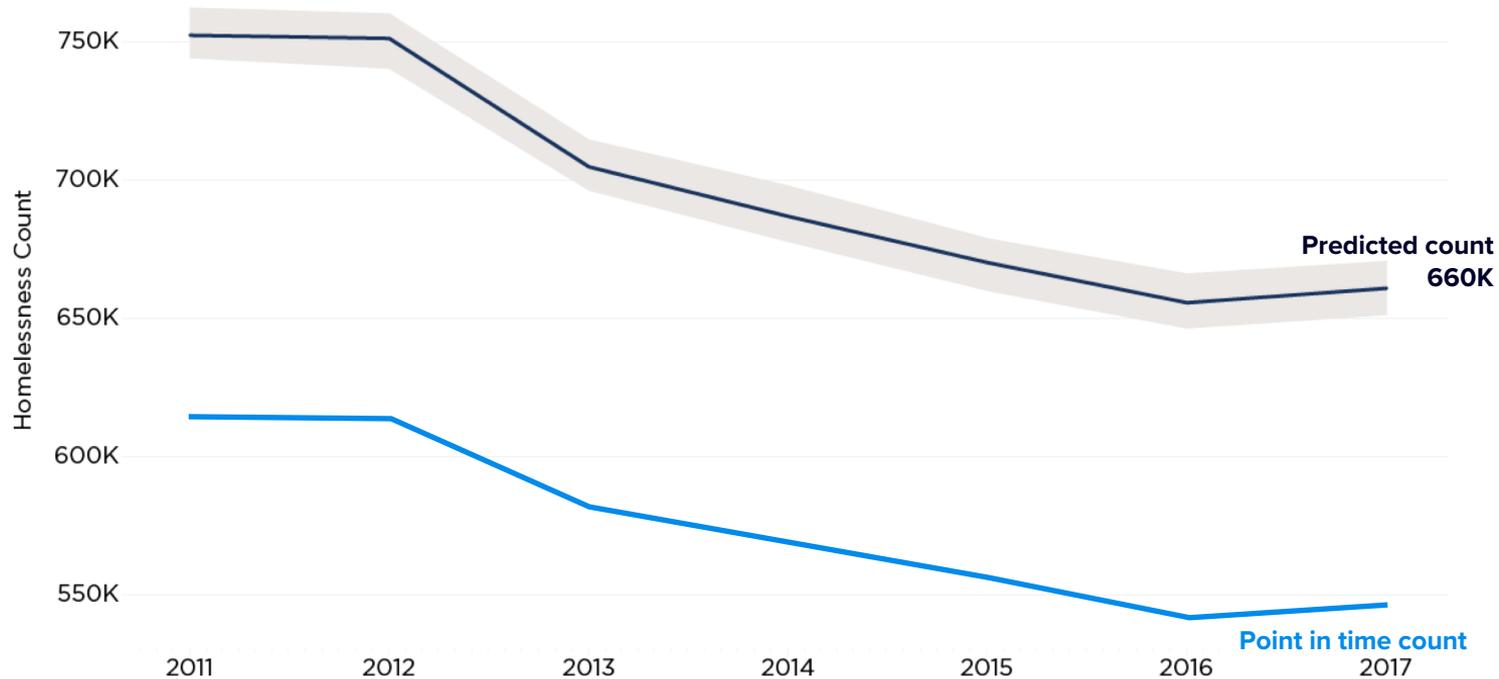
Modeling for the systemic undercount from PIT estimates



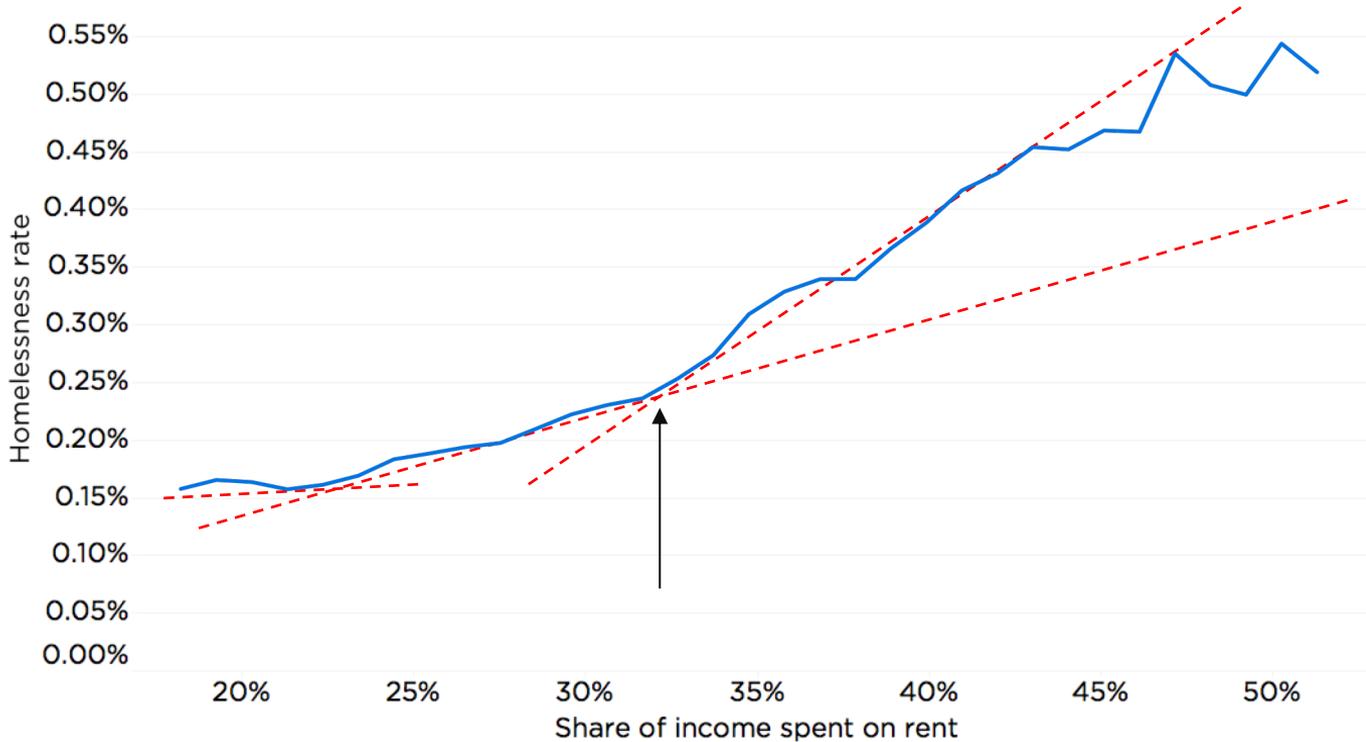
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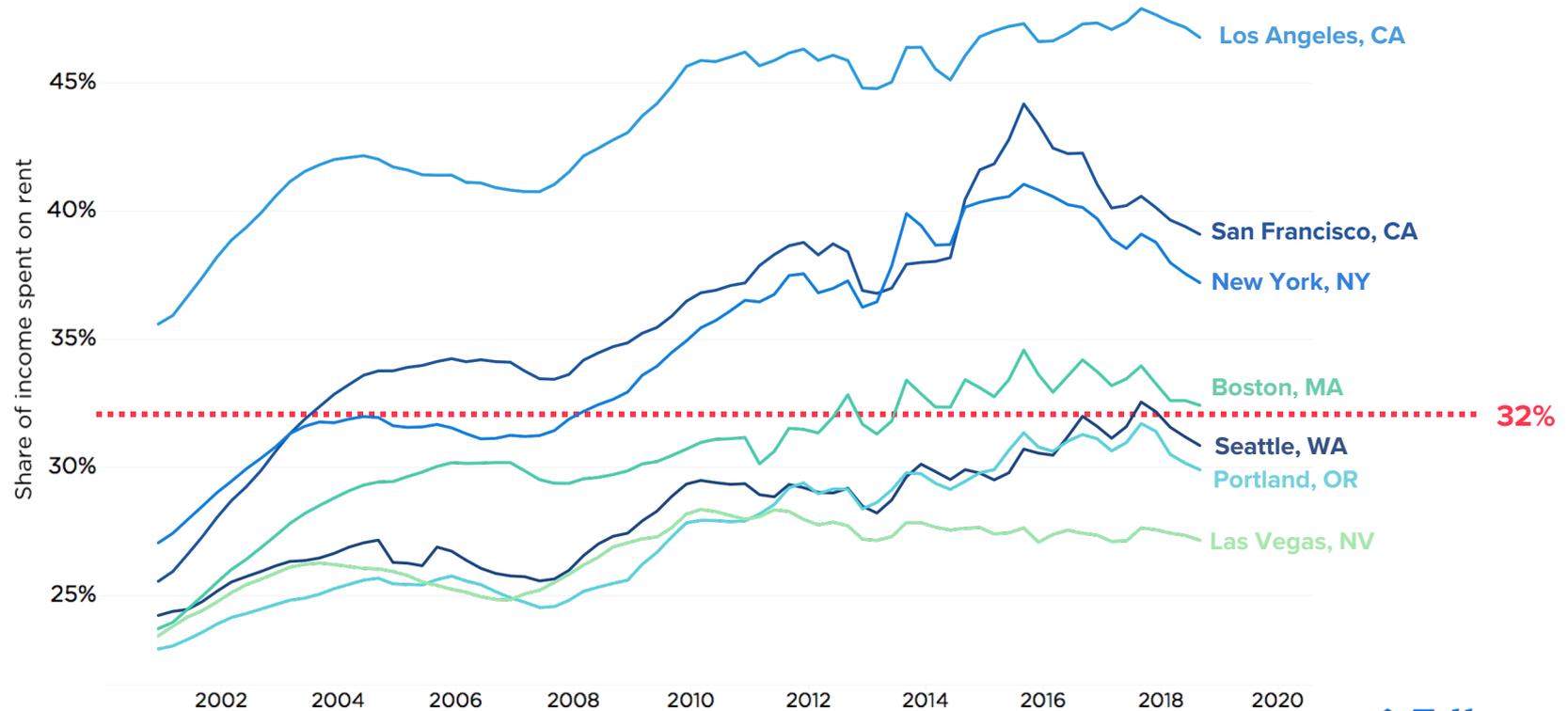
Modeling for the systemic undercount from PIT estimates



When a community reaches an affordability tipping point, the link between rent burdens and homeless rates grows stronger



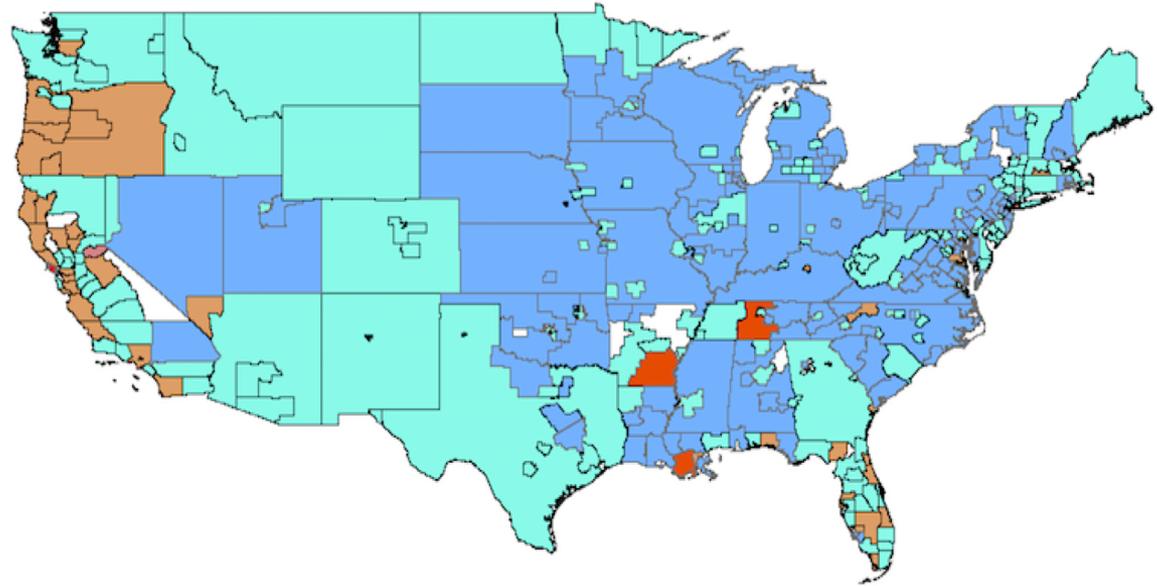
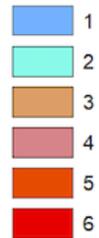
In some places, a median-income renter already pays more than 32% of income to go out and rent the typical home



Clusters of communities experience similar responses to changing rent prices

Legend

Cluster

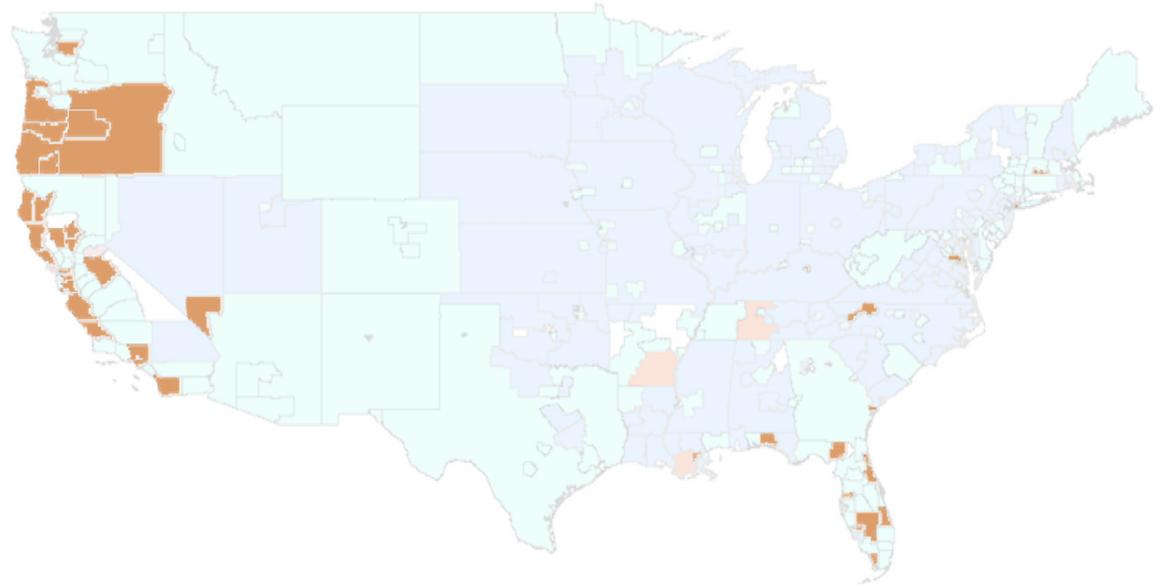


Cluster 3 is home to 15% of the U.S. population and 47% of the homeless population

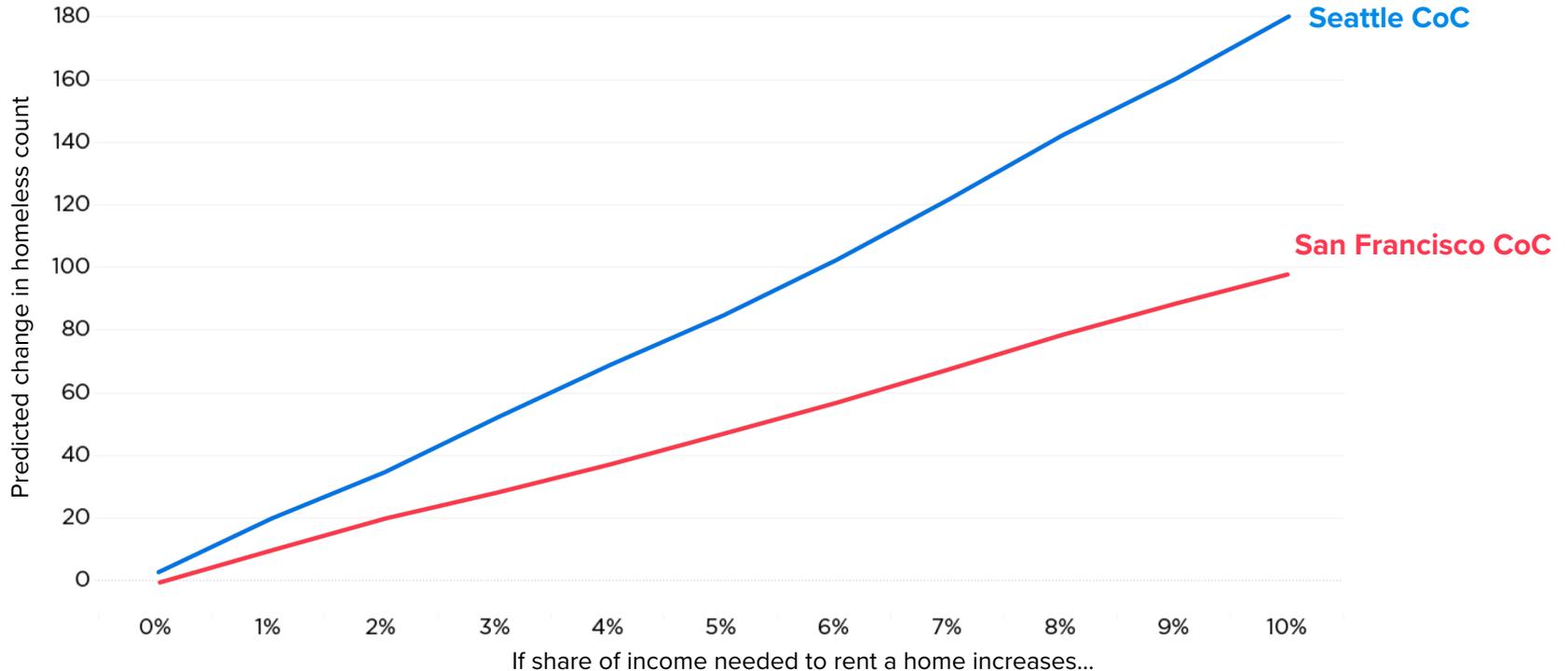
Legend

Cluster

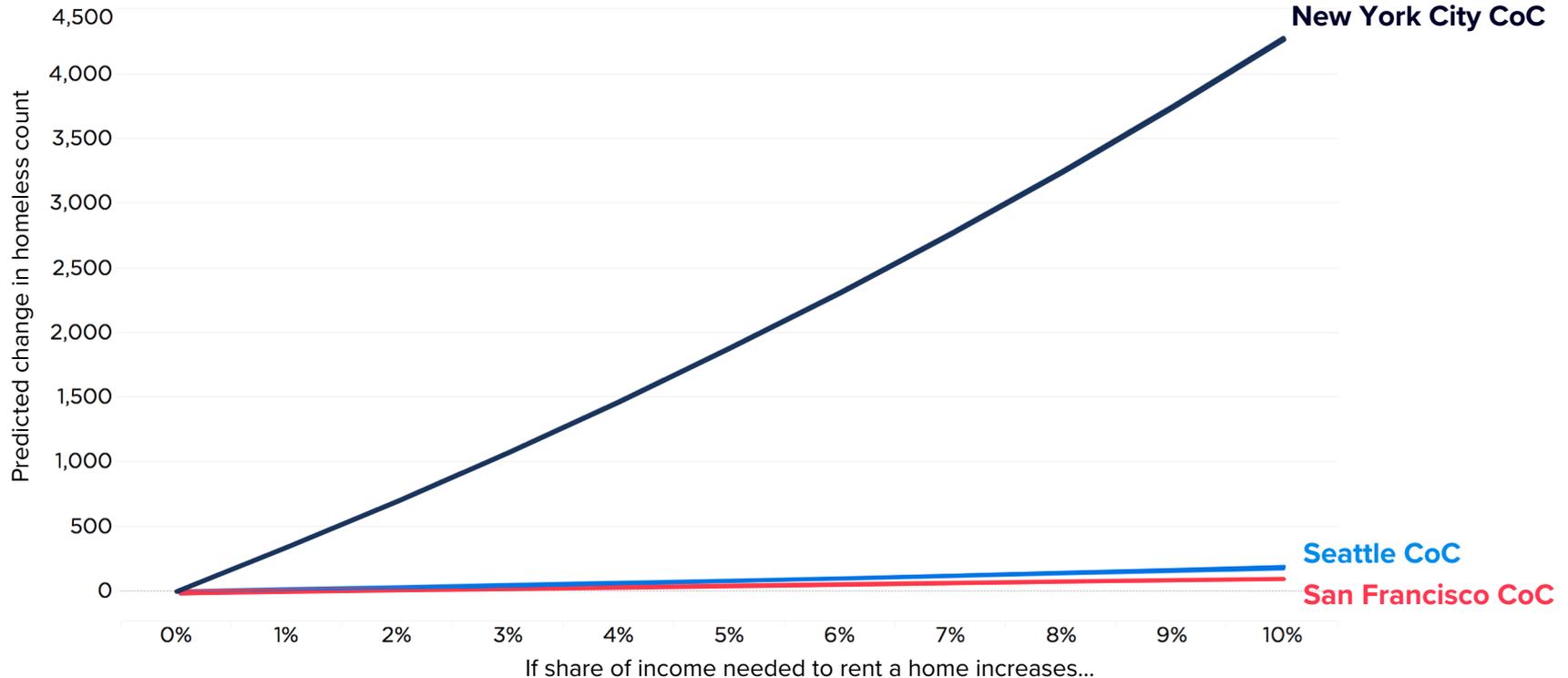
-  1
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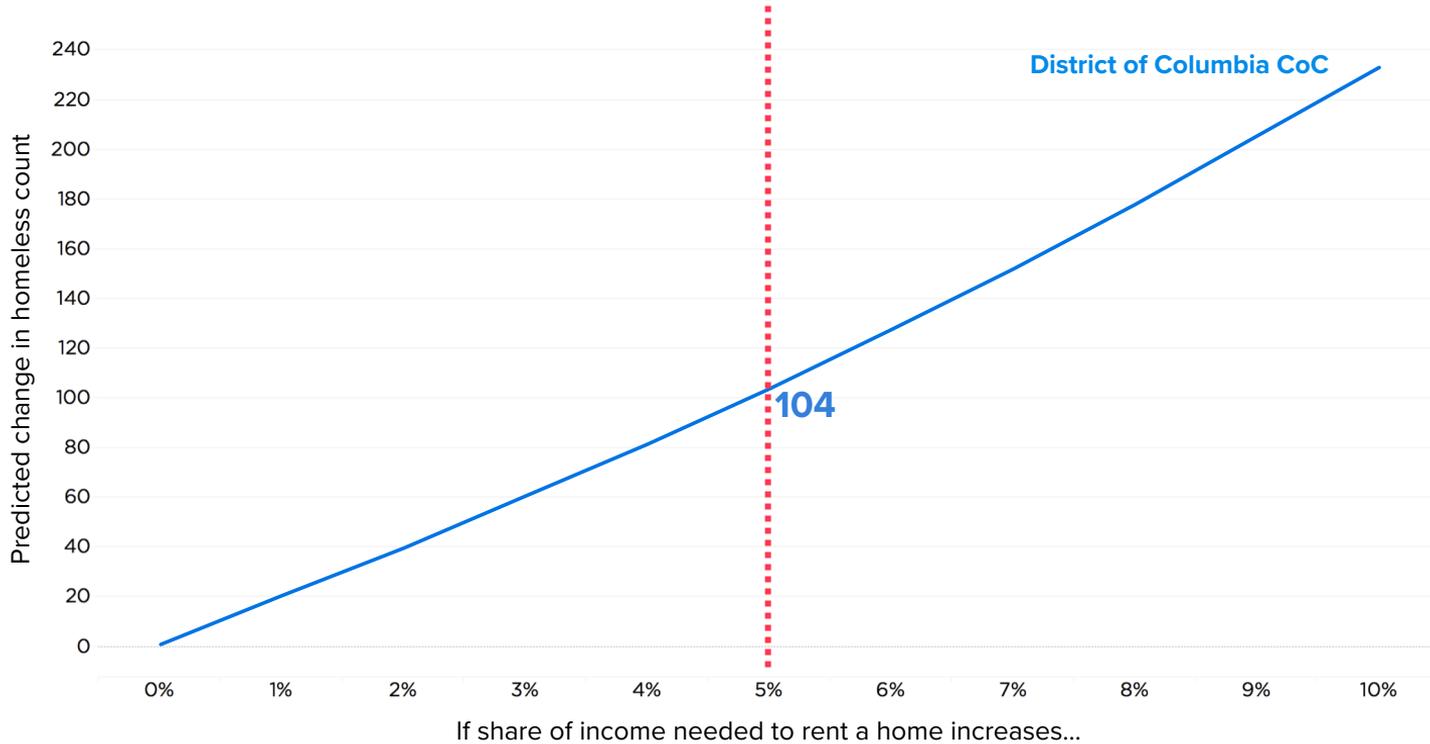
As the share of income needed to rent a new home increases, so does the predicted homeless population



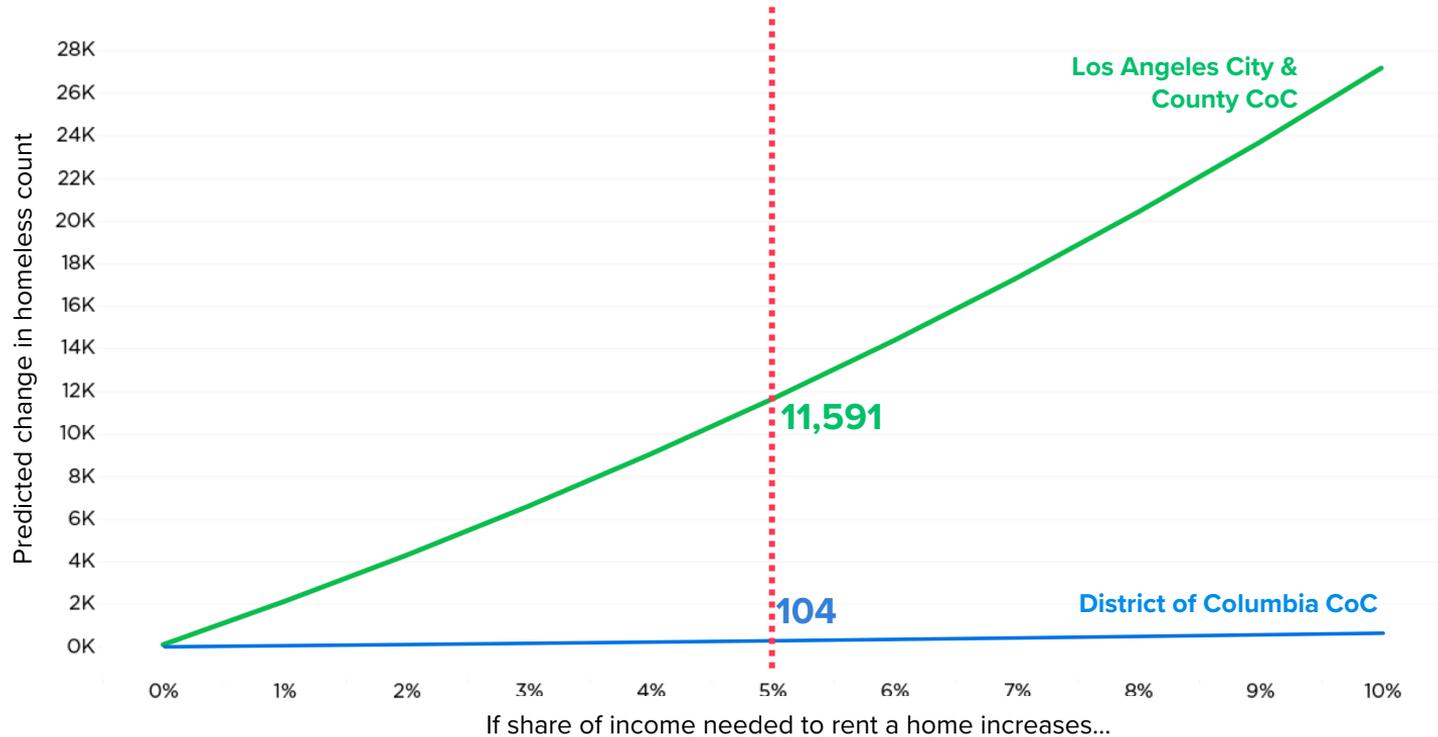
As the share of income needed to rent a new home increases, so is the change in the predicted homeless population



If rent affordability worsens in DC the model predicts an increasing homelessness count



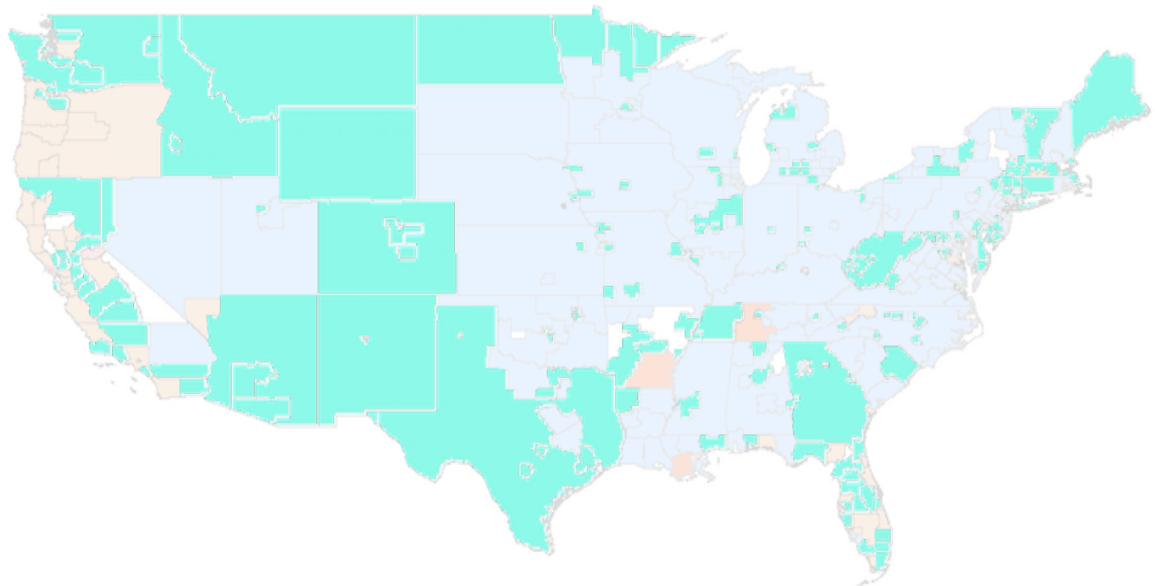
And in Los Angeles this link is even stronger



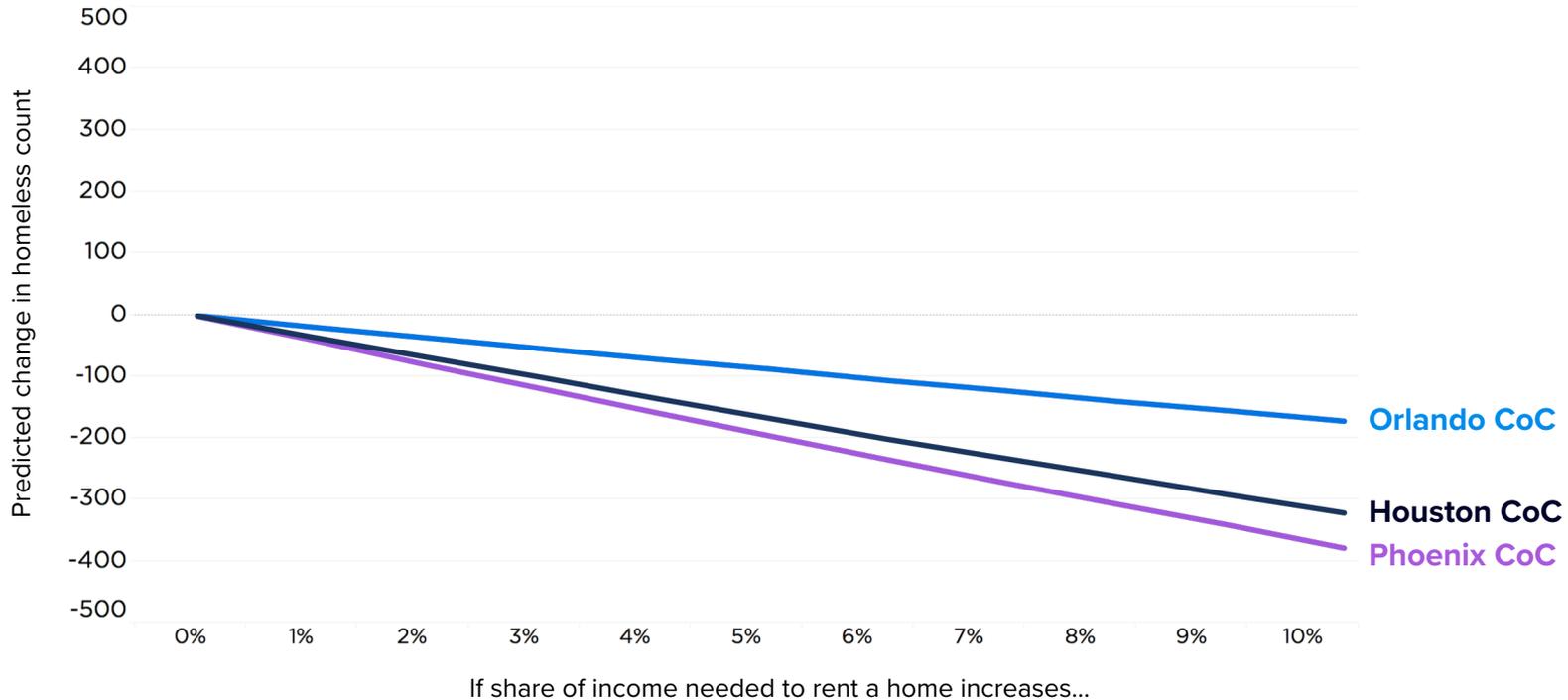
Almost half of America lives in Cluster 2, as does 39% of the population experiencing homelessness

Legend

Cluster



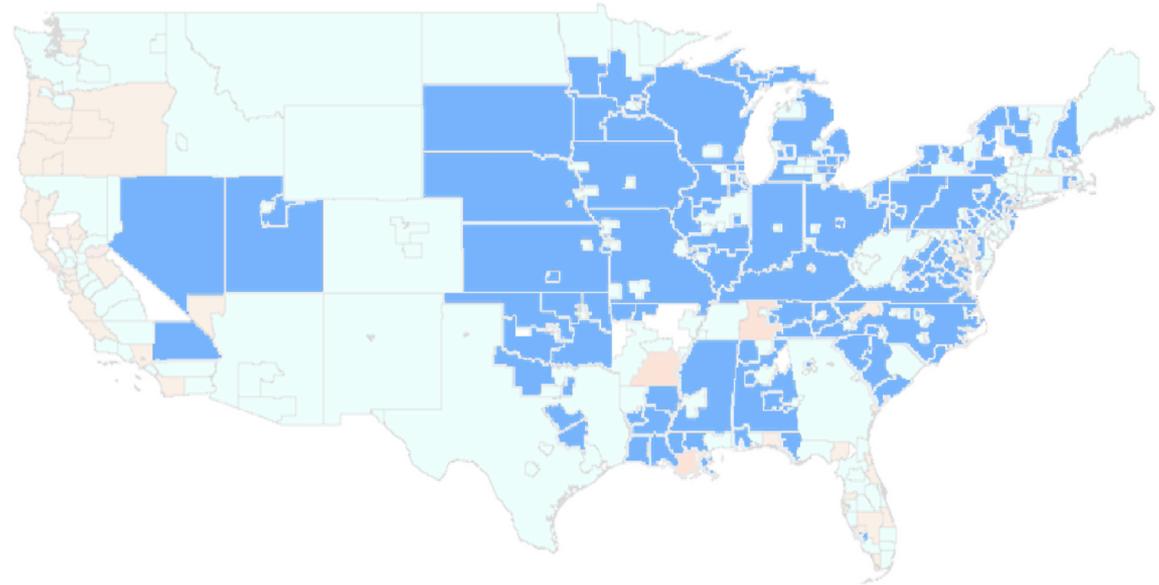
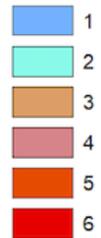
Homelessness rates are lower in Cluster 2 and fewer people are rent burdened



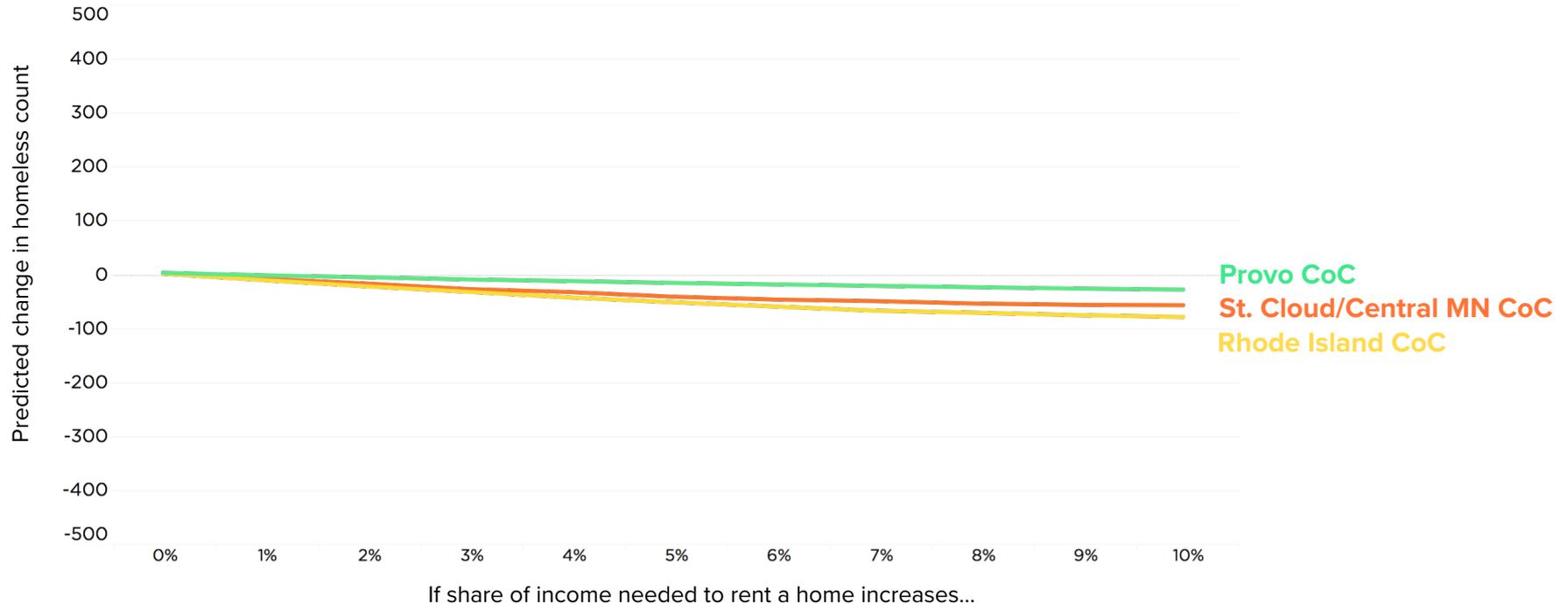
Cluster 1 has the lowest average homeless rate

Legend

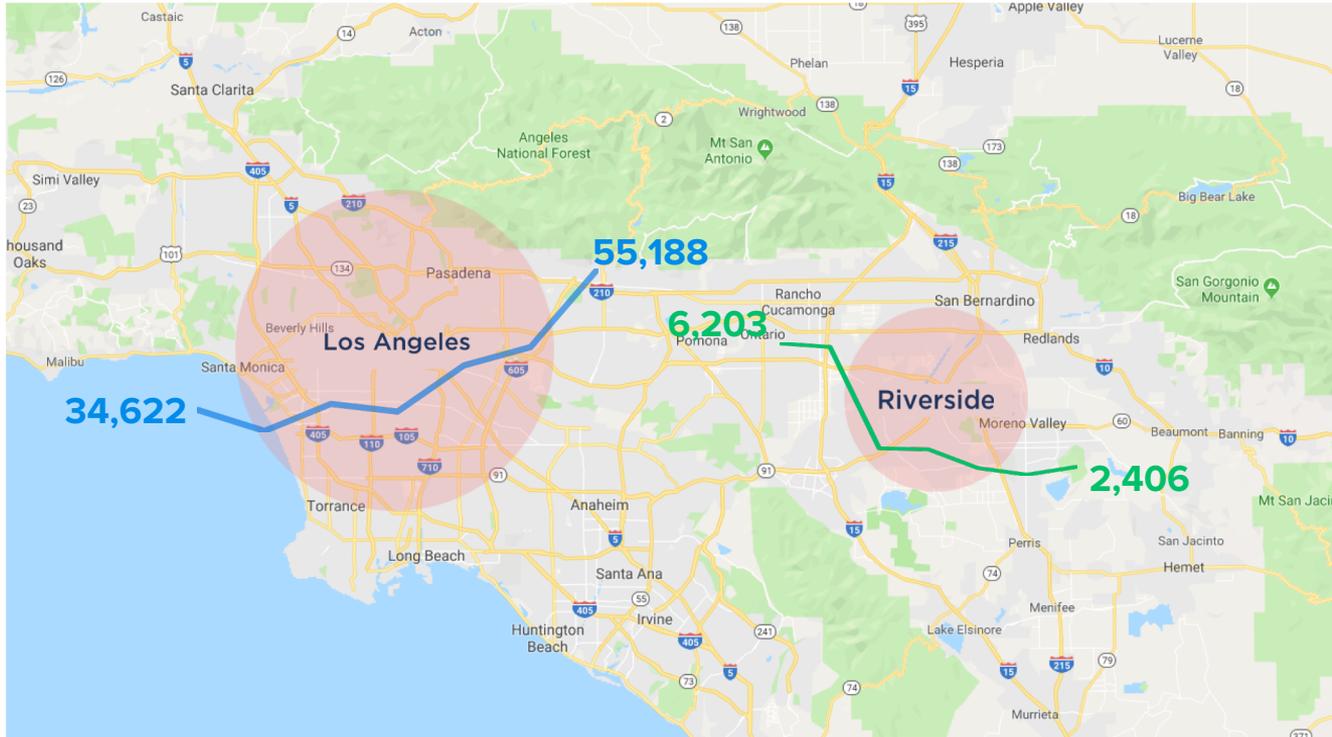
Cluster



The link between worsening community affordability and homelessness counts is as apparent in Cluster 1 or Cluster 2



Potential spillover effects in Riverside

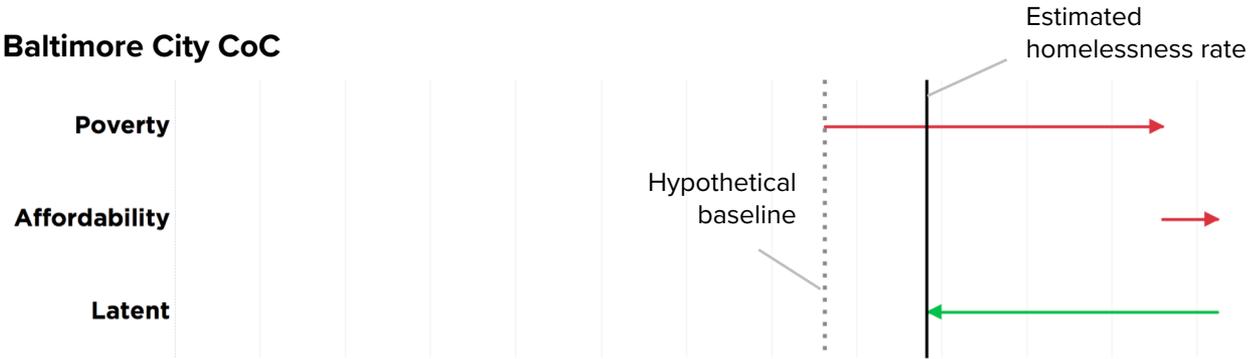




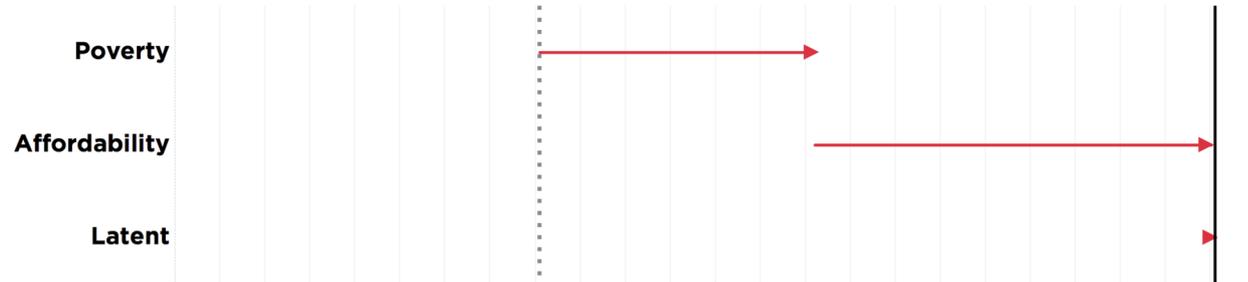
Community-Level “Headwinds” and “Tailwinds”

Decomposing the components to homelessness

Baltimore City CoC

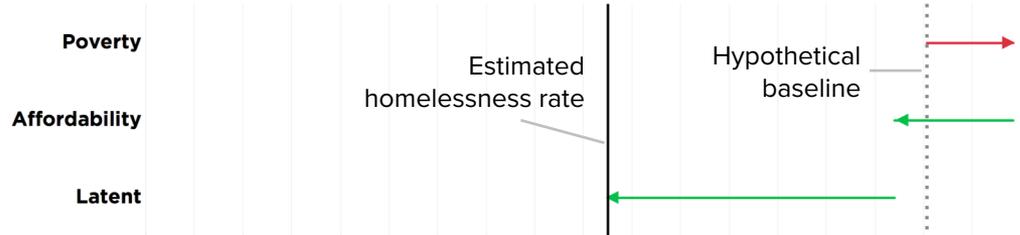


Los Angeles City & County CoC



Decomposing the components to homelessness

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



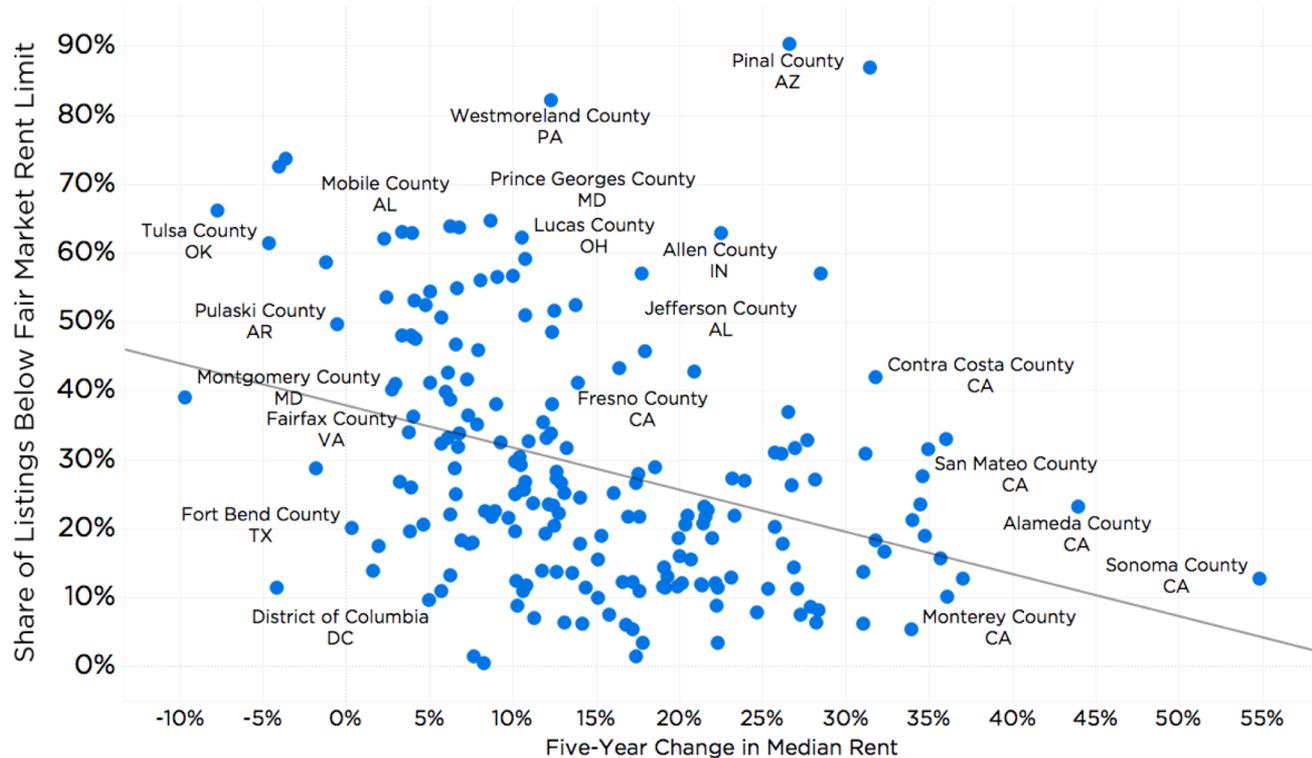
Lincoln CoC



Tallahassee/Leon County CoC

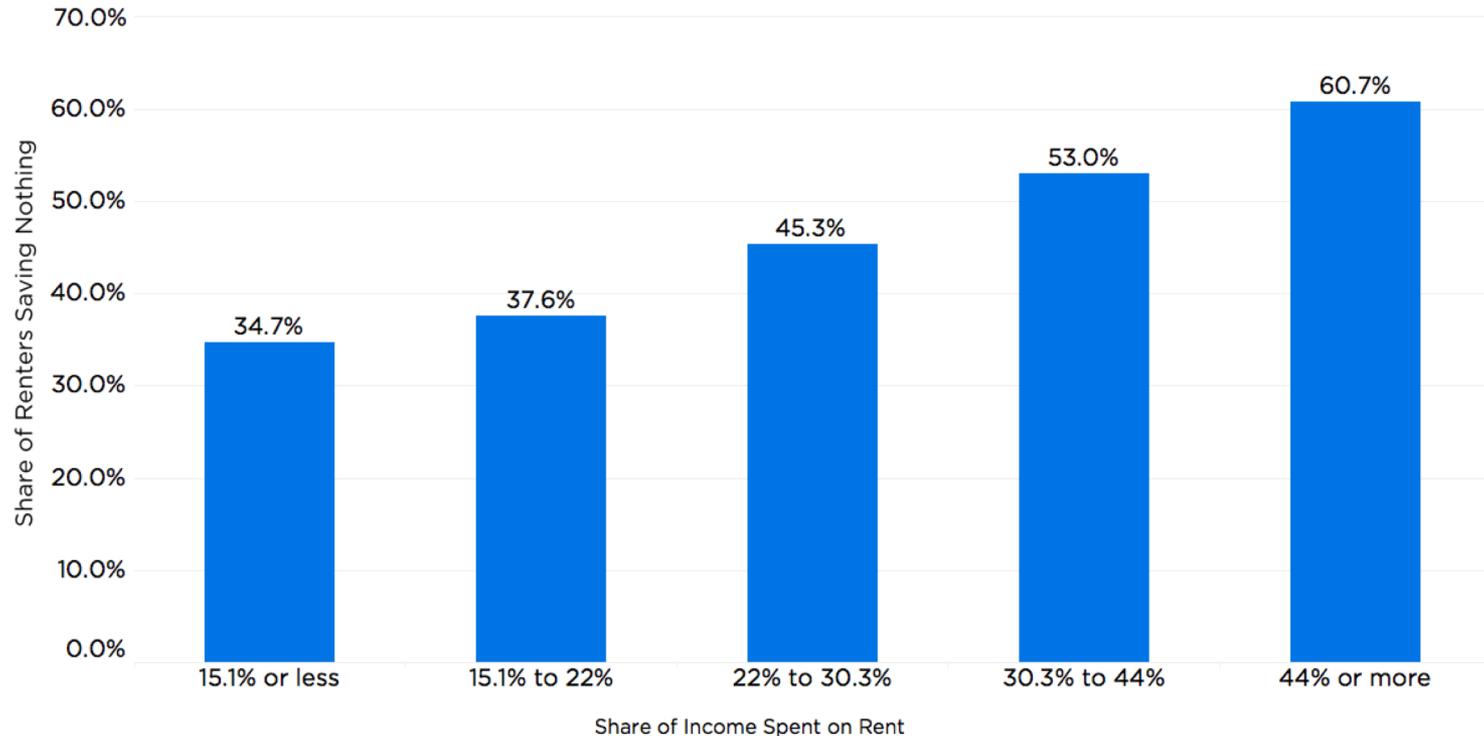


Rising rents can leave even the households who receive assistance few options



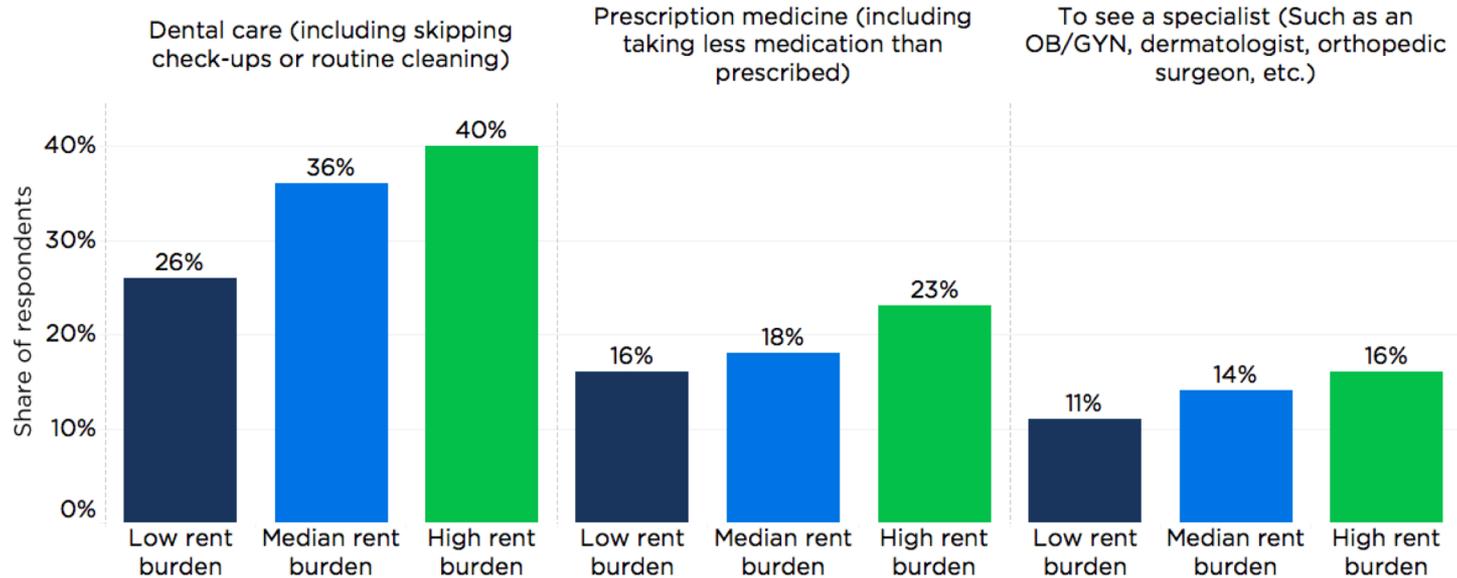
Upstream of homelessness,
deteriorating affordability has negative
impacts

As the share of income spent of rent rises, fewer people save any income



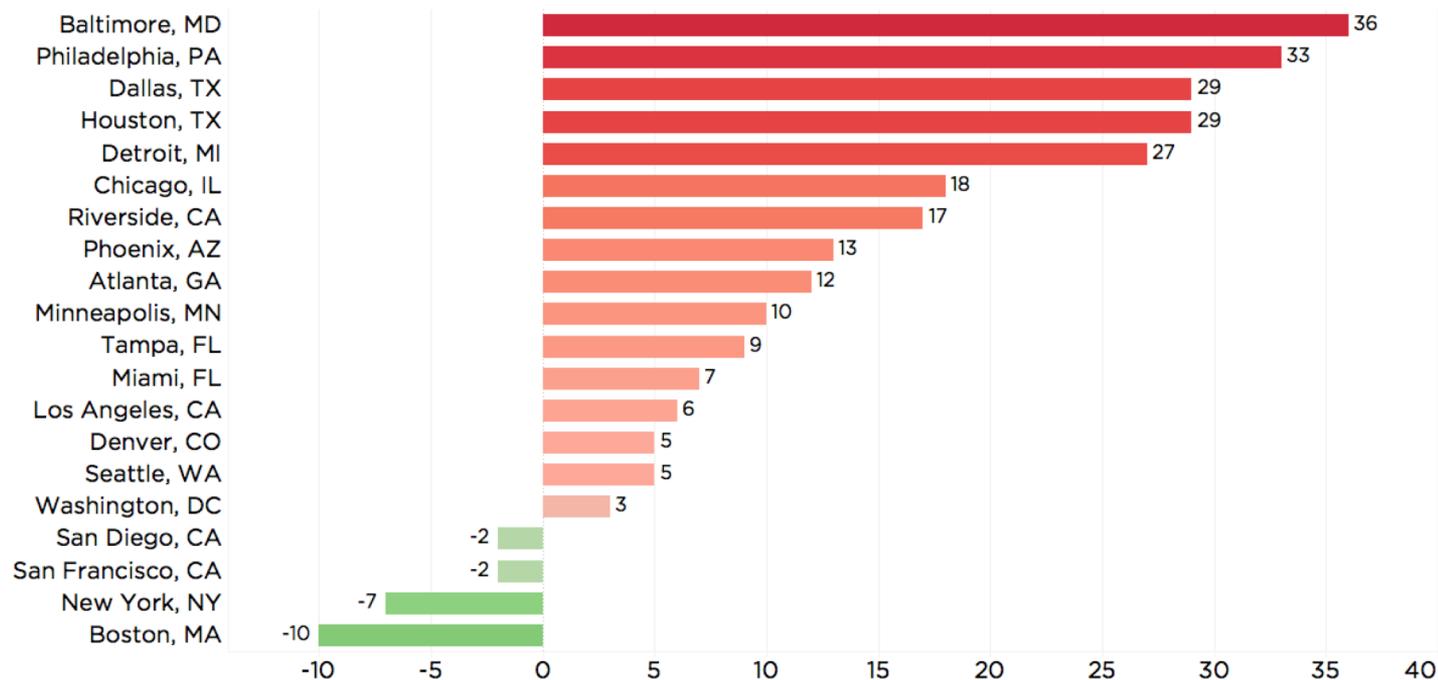
People with higher rent burdens more likely to forgo health expenses

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?



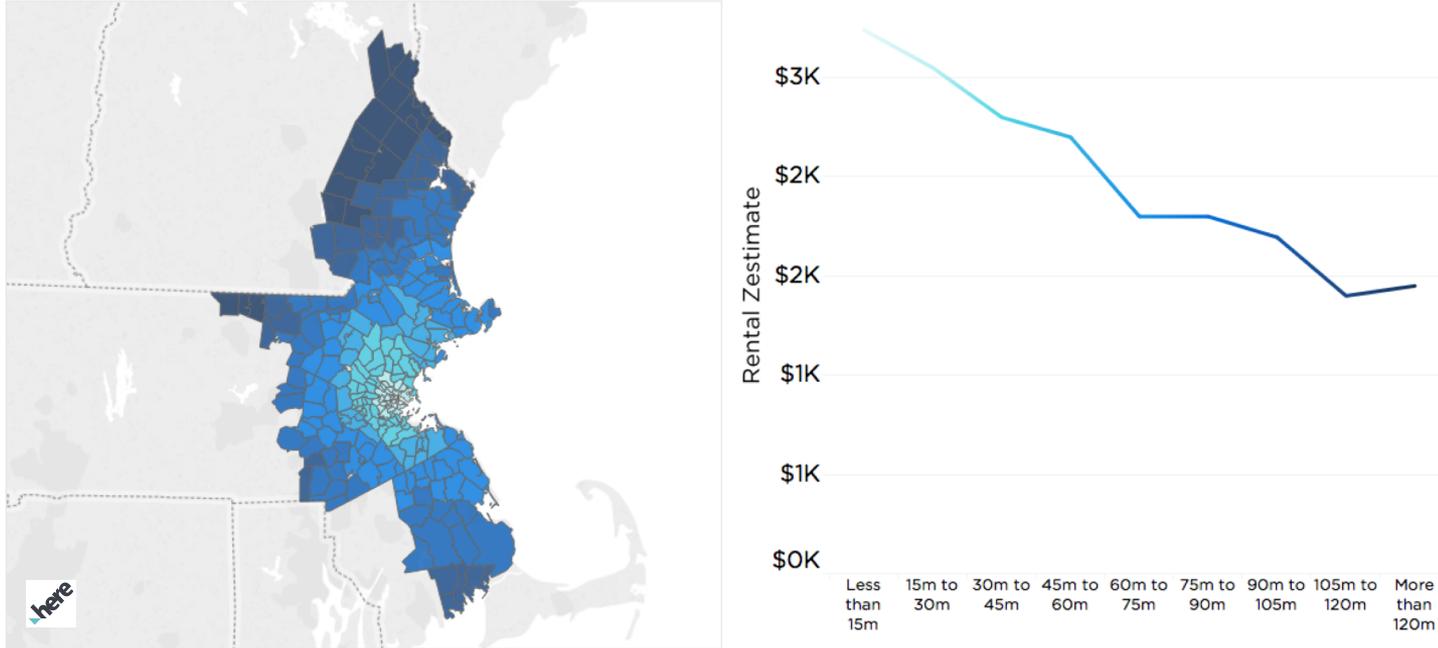
Affordable homes are often much older

Median age gap between affordable and unaffordable units (years older)

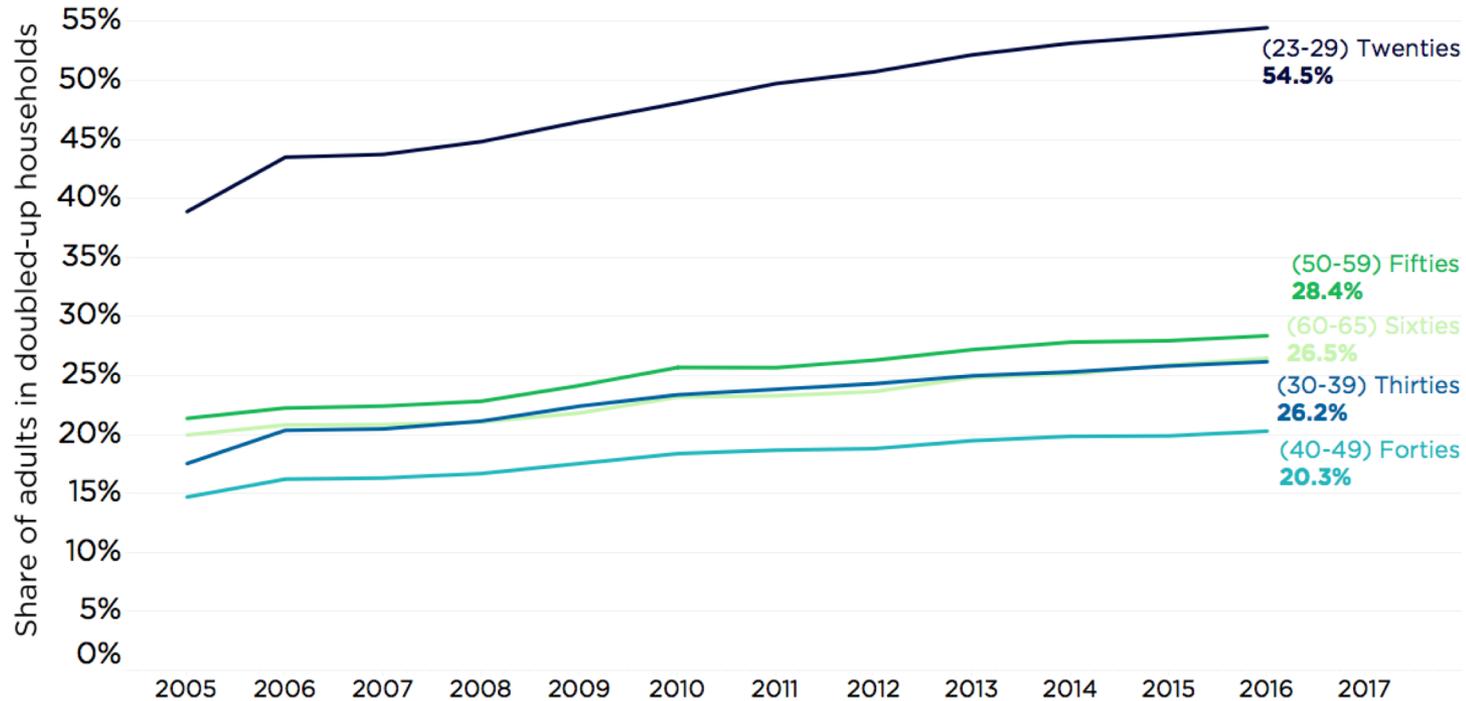


Rents fall as rush hour commutes get longer

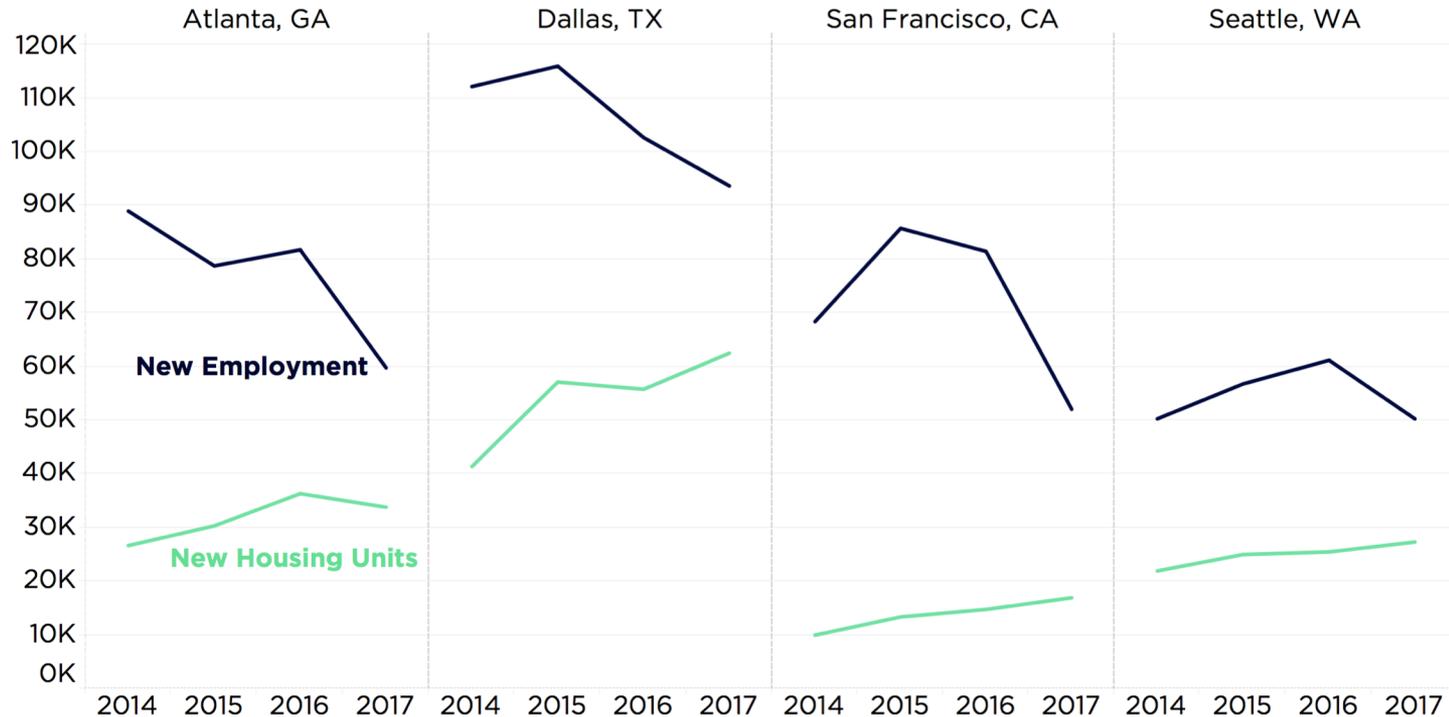
Commute Times (to Downtown Core) and Home Values and Rents for Boston



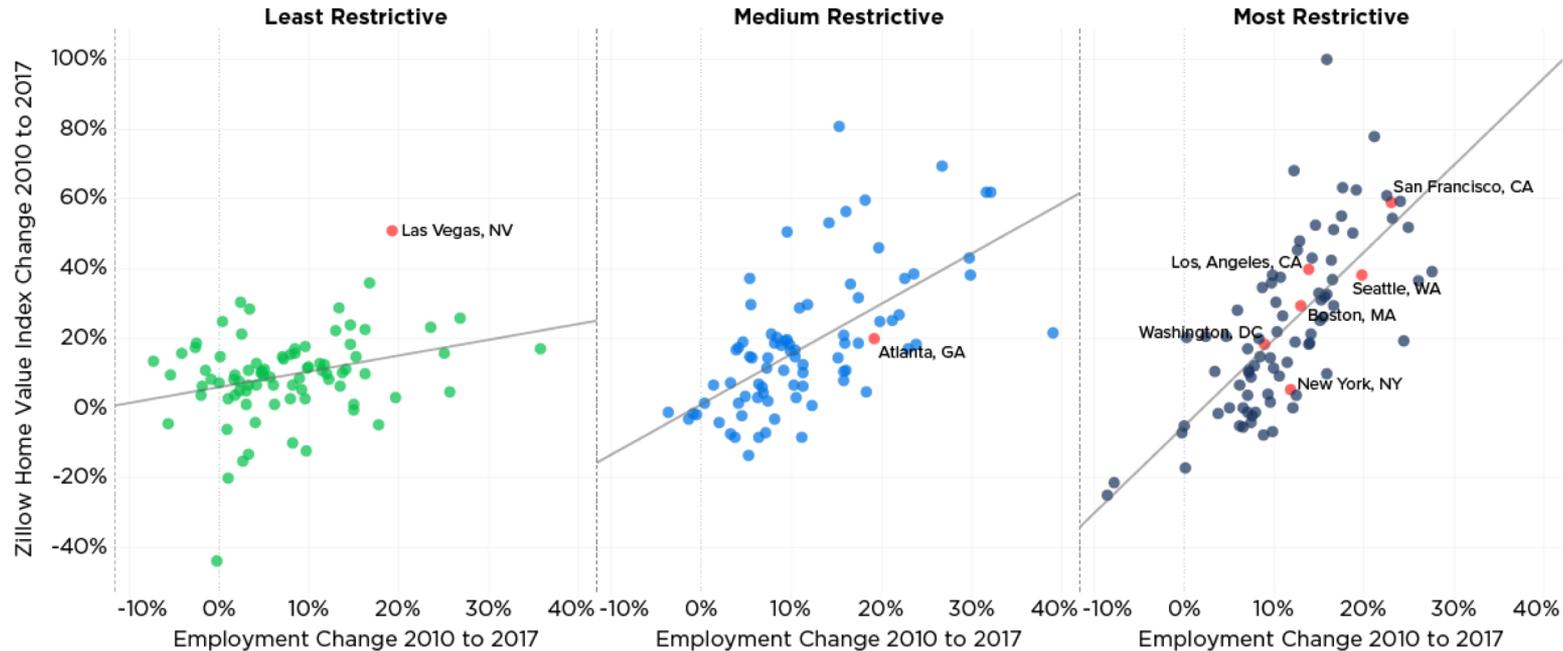
As the share of income spent on rent has risen in many metros, working age adults have also increasingly doubled up



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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