



# Out of Reach

## Renters face big gap in housing cost Changes by county mixed from last year



Hudson Valley Pattern for Progress and its Center for Housing Solutions have been analyzing rental housing and wage data for many years and provide the statistics and trends to assist communities, developers, builders and non-profit agencies to plan and construct housing that is affordable in the Hudson Valley region. These statistics show further proof of the need for additional affordable housing in every county in the Hudson Valley. The National Low Income Housing Coalition (NLIHC) released its annual “Out of Reach” report on June 8, 2017. Based on this data, Pattern for Progress provides an analysis regarding the affordability of rental housing in every county in the region.

The demand for rental units in the Hudson Valley is high, especially affordable rental units. The rental vacancy rate in a vast majority of market rate apartment complexes is under 5% and affordable housing complexes all have waiting lists ranging from two years to as long as five years.

According to the “Out of Reach” 2017 report, renter wage rates in Columbia, Greene, Rockland and Ulster Counties remain lower than in 2012. However, 8 of 9 counties improved since 2016 with only Greene County seeing a decline in wages of 13%. The renter wage rates in all other counties have increased from 2016 to 2017. The increase in wage rates is welcome news for renters. However, as the following charts indicate, the gap in monthly housing costs for renters still remains very high.

Renter Hourly Wage Rate: 2012 - 2017								
County	2012	2013	2014	2015	2016	2017	\$ change	% change
Columbia	\$10.48	\$10.90	\$10.67	\$10.48	\$10.19	\$10.27	(\$0.21)	-2.0%
Dutchess	\$12.56	\$12.91	\$12.63	\$12.59	\$12.53	\$12.84	\$0.28	2.2%
Greene	\$10.45	\$10.15	\$10.03	\$9.70	\$9.68	\$9.06	(\$1.39)	-13.3%
Orange	\$9.52	\$9.91	\$9.58	\$9.55	\$9.65	\$10.22	\$0.70	7.4%
Putnam	\$9.96	\$10.60	\$9.10	\$9.35	\$8.67	\$10.17	\$0.21	2.1%
Rockland	\$12.10	\$12.29	\$12.25	\$12.02	\$11.47	\$11.90	(\$0.20)	-1.7%
Sullivan	\$8.87	\$10.12	\$9.21	\$9.59	\$10.02	\$10.42	\$1.55	17.5%
Ulster	\$9.90	\$9.82	\$9.20	\$9.54	\$9.26	\$9.41	(\$0.49)	-4.9%
Westchester	\$17.68	\$17.60	\$17.29	\$17.57	\$17.81	\$18.25	\$0.57	3.2%

Source: NLIHC Out of Reach 2017

There continues to be enormous pressure in Washington for drastic cuts to the US Department of Housing and Urban Development (HUD) programs. These proposed cuts will have a significant impact on many residents within the Hudson Valley, regardless of their socio-economic status. The proposed cuts will affect people living in both rural and urban areas. The core programs being attacked include the Community Development Block Grant (CDBG) and HOME program. However, there are a number of additional housing, human services and assistance programs on the chopping block as well.

HUD program funding provides support for the construction and preservation of affordable rental units, homeownership opportunities and rental assistance. These programs provide assistance to some of the most vulnerable populations in your communities, including seniors, veterans, people with disabilities and homeless individuals and families. These funds also provide assistance and leverage local municipal and private resources for community centers, parks, job-training programs, downtown and "Main Street" revitalization, economic development and infrastructure like water, sewer and sidewalks.

**"Out of Reach 2017 shows why millions of low-income renters are struggling to afford their homes," said NLIHC President and CEO Diane Yentel. "We have the resources to solve the affordable housing crisis in America by rebalancing federal housing expenditures to serve our country's most vulnerable households. We lack only the political will to do so."**

The "Out of Reach" data for 2017 continue to show tremendous disparity in rental costs vs. the ability to pay in the Hudson Valley. Fair Market Rent (FMR) from 2016 to 2017 has declined slightly - by \$5 per month or less in Dutchess, Orange and Ulster County, while the Renter Wage Rates have increased slightly. Although the gap has declined, it remains extremely high and rents are still Out of Reach. While the average increase in the FMR's was 3.9% for the Hudson Valley, the average increase in the renter wage rate was only 3.5%. The average monthly gap in the Hudson Valley is \$684 per month.

County	2BR FMR FY 2017	Hourly Wage to Afford 2BR	Annual Wage to Afford 2BR FMR	Renter Wage Rate	# hours/week needed to Afford 2BR FMR	Monthly Rent Affordable at Renter Wage Rate	Gap in Monthly Rent 2017
<b>Columbia</b>	\$950	\$18.27	\$38,000	\$10.27	71	\$534	<b>-\$416</b>
<b>Dutchess</b>	\$1,269	\$24.40	\$50,760	\$12.84	76	\$668	<b>-\$601</b>
<b>Greene</b>	\$931	\$17.90	\$37,240	\$9.06	79	\$471	<b>-\$460</b>
<b>Orange</b>	\$1,269	\$24.40	\$50,760	\$10.22	95	\$532	<b>-\$737</b>
<b>Putnam</b>	\$1,637	\$31.48	\$65,480	\$10.17	124	\$529	<b>-\$1,108</b>
<b>Rockland</b>	\$1,637	\$31.48	\$65,480	\$11.90	106	\$619	<b>-\$1,018</b>
<b>Sullivan</b>	\$952	\$18.31	\$38,080	\$10.42	70	\$542	<b>-\$410</b>
<b>Ulster</b>	\$1,141	\$21.94	\$45,640	\$9.41	93	\$489	<b>-\$652</b>
<b>Westchester</b>	\$1,706	\$32.81	\$68,240	\$18.25	72	\$949	<b>-\$757</b>

Source: NLIHC Out of Reach 2017; Annual Wage based on 2080 working hours

The monthly gap between the Fair Market Rent and the monthly rent affordable at the renter wage rate continues to grow in Columbia, Greene, Rockland, Sullivan and Westchester County. From 2016 to 2017, the gap has decreased slightly in Dutchess, Orange, Putnam and Ulster County while Greene and Westchester show the largest increase in the monthly gap with changes of \$82 (21.7%) and \$173 (29.6%) respectively.

County	Gap in Monthly Rent Fair Market Rent vs. Renter Wage Rate			
	Monthly Rent Gap 2016	Monthly Rent Gap 2017	\$ change 2016 to 2017	% change 2016 to 2017
<b>Columbia</b>	\$393	\$416	\$23	5.9%
<b>Dutchess</b>	\$619	\$601	-\$18	-2.9%
<b>Greene</b>	\$378	\$460	\$82	21.7%
<b>Orange</b>	\$769	\$737	-\$32	-4.2%
<b>Putnam</b>	\$1,120	\$1,108	-\$12	-1.1%
<b>Rockland</b>	\$975	\$1,018	\$43	4.4%
<b>Sullivan</b>	\$377	\$410	\$33	8.8%
<b>Ulster</b>	\$664	\$652	-\$12	-1.8%
<b>Westchester</b>	\$584	\$757	\$173	29.6%

Source: Pattern for Progress Analysis of "Out of Reach" data

## SAVE THE DATE: SEPTEMBER 14, 2017

Pattern for Progress' annual Housing Forum

Keynote Speakers include Jonathan Rose - "The Well Tempered City"; Joan Straussman Brandon, Northeast Director of NeighborWorks; Diane Yentel, CEO, National Low Income Housing Coalition; and Enterprise Community Partners

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For additional information on this data, the annual Housing Forum and becoming an investor in the Center - please call Joe Czajka, Senior Vice President, Pattern for Progress & Executive Director, Center for Housing Solutions and Urban Initiatives

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