

Hudson Valley Pattern for Progress and its Center for Housing Solutions have been analyzing rental housing and wage data for many years and providing statistics and trends to help communities, developers, builders and non-profit agencies plan and construct housing that is affordable in the Hudson Valley region.

## Hudson Valley Monthly Renter GAP Grows

The **National Low Income Housing Coalition (NLIHC)** released its annual “Out of Reach” report on July 14, 2021. Based on this data, Pattern for Progress provides the analysis below of the affordability of rental housing in Pattern’s nine county footprint<sup>1</sup> in the Hudson Valley region.

The increased demand for rental housing units in the Hudson Valley has been exacerbated by the Pandemic, and these latest statistics show further proof of the need for additional affordable housing in every county in the Hudson Valley.

The greatest need is for affordable rental units. The rental vacancy rate in a vast majority of the region’s communities is well under 5%, and affordable housing complexes all have waiting lists ranging from two years to as long as five years. The production of affordable rental housing has not kept pace with the demand.

According to the “Out of Reach” 2021 report, renter wage rates have increased in all counties except for Greene, which declined by less than 1% since 2017. Putnam County shows the largest increase in renters wage rates since 2017, with a jump of 35.6%, followed by Ulster at 21.3% and Orange with a 17.3% increase.

### Renter Hourly Wage Rate: 2017-2021

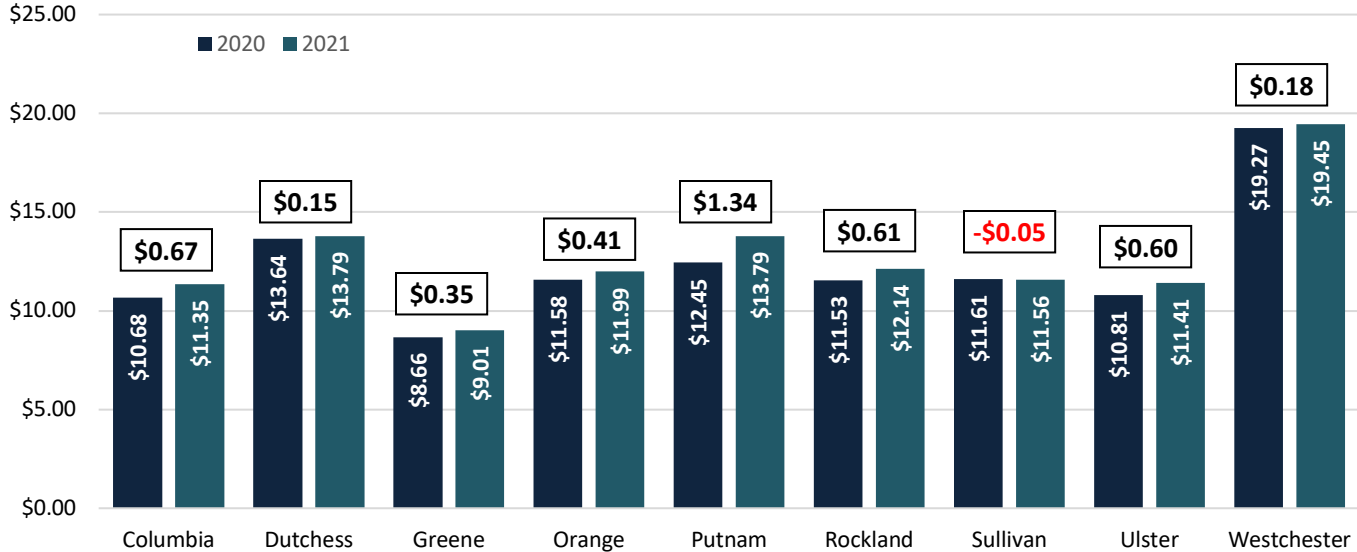
County	2017	2018	2019	2020	2021	\$ change 2017 to 2021	% change 2017 to 2021
<b>Columbia</b>	\$10.27	\$10.33	\$11.08	\$10.68	\$11.35	\$1.08	10.5%
<b>Dutchess</b>	\$12.84	\$13.41	\$13.72	\$13.64	\$13.79	\$0.95	7.4%
<b>Greene</b>	\$9.06	\$8.80	\$8.70	\$8.66	\$9.01	(\$0.05)	-0.6%
<b>Orange</b>	\$10.22	\$10.53	\$11.10	\$11.58	\$11.99	\$1.77	17.3%
<b>Putnam</b>	\$10.17	\$11.19	\$12.37	\$12.45	\$13.79	\$3.62	35.6%
<b>Rockland</b>	\$11.90	\$11.13	\$10.98	\$11.53	\$12.14	\$0.24	2.0%
<b>Sullivan</b>	\$10.42	\$10.45	\$11.30	\$11.61	\$11.56	\$1.14	10.9%
<b>Ulster</b>	\$9.41	\$9.64	\$10.35	\$10.81	\$11.41	\$2.00	21.3%
<b>Westchester</b>	\$18.25	\$18.38	\$19.01	\$19.27	\$19.45	\$1.20	6.6%

Source: NLIHC Out of Reach 2021; Special Note on Methodology: In the case where the renter wage rate is lower than the minimum wage it is likely due to the average number of hours worked per week is fewer than 40. The mean renter wage calculation assumes that weekly compensation is the product of a full-time week. For example, mistakenly assuming earnings from 20 hours of work were the product of a full-time workweek would underestimate the actual hourly wage by half, but it would still accurately reflect the true earnings.

<sup>1</sup> Pattern’s nine county footprint is Columbia, Dutchess, Greene, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester

## Renter Hourly Wage Rate: 2020-2021

In comparing 2020 to 2021, renter hourly wage rates have increased in all counties, except Sullivan, which witnessed a slight decline. The hourly wage rate for renters in Putnam County rose significantly, with a jump of \$1.34.



**Perspective:** the average hourly wage increase was \$0.53/hour, which equates to an extra \$21.20/week. While, this slight increase in wage rates is welcome news for renters, the following charts indicate, the GAP in monthly housing costs for renters remains very high.

## Two (2BR) Bedroom Fair Market Rent: 2020-2021

County	2BR FMR FY 2020	2BR FMR FY 2021	\$ change 2020 - 2021	% change 2020 - 2021
<b>Columbia</b>	\$965	\$1,028	\$63	6.5%
<b>Dutchess</b>	\$1,397	\$1,467	\$70	5.0%
<b>Greene</b>	\$968	\$1,047	\$79	8.2%
<b>Orange</b>	\$1,397	\$1,467	\$70	5.0%
<b>Putnam</b>	\$1,951	\$2,053	\$102	5.2%
<b>Rockland</b>	\$1,951	\$2,053	\$102	5.2%
<b>Sullivan</b>	\$1,000	\$1,032	\$32	3.2%
<b>Ulster</b>	\$1,215	\$1,296	\$81	6.7%
<b>Westchester</b>	\$1,975	\$1,943	(\$32)	-1.6%

The 2BR Fair Market Rent (FMR) from 2020 to 2021 has increased in all but one of the nine counties in Pattern's footprint. Westchester is the exception, where it declined by \$32. However, the FMR in Westchester County for 2021 remains \$168 per month higher than it was in 2019 (\$1,775).

When comparing the change of renter wage rates against the FMR's, the data indicates that **rents grew faster than wages in six of the nine counties**. Wage rates outpaced FMRs in Putnam, Rockland, and Westchester County.

## The Monthly Rent Gap in 2021

County	2BR FMR FY 2021	Hourly Wage to Afford 2BR FMR	Annual Wage to Afford 2BR FMR	Hourly Renter Wage Rate	# hrs/wk @ Renter Wage Rate needed to Afford 2BR FMR	Monthly Rent Affordable at Renter Wage Rate	Monthly Gap in Rent 2021
<b>Columbia</b>	\$1,028	\$19.77	\$41,120	\$11.35	70	\$590	<b>(\$438)</b>
<b>Dutchess</b>	\$1,467	\$28.21	\$58,680	\$13.79	82	\$717	<b>(\$750)</b>
<b>Greene</b>	\$1,047	\$20.13	\$41,880	\$9.01	89	\$469	<b>(\$578)</b>
<b>Orange</b>	\$1,467	\$28.21	\$58,680	\$11.99	94	\$623	<b>(\$844)</b>
<b>Putnam</b>	\$2,053	\$39.48	\$82,120	\$13.79	115	\$717	<b>(\$1,336)</b>
<b>Rockland</b>	\$2,053	\$39.48	\$82,120	\$12.14	130	\$631	<b>(\$1,422)</b>
<b>Sullivan</b>	\$1,032	\$19.85	\$41,280	\$11.56	69	\$601	<b>(\$431)</b>
<b>Ulster</b>	\$1,296	\$24.92	\$51,840	\$11.41	87	\$593	<b>(\$703)</b>
<b>Westchester</b>	\$1,943	\$37.37	\$77,720	\$19.45	77	\$1,011	<b>(\$932)</b>

The “Out of Reach” data for 2021 continues to show tremendous disparity in rental costs in the Hudson Valley versus the ability to pay.

The average monthly gap in the Hudson Valley is \$826 per month, which is a \$38 increase over the 2020 average. Rockland and Putnam County show the largest affordability gap per month, while Sullivan and Columbia have the smallest gap of \$431 and \$438 per month, respectfully. A household in Rockland and Putnam County essentially requires three (3) full-time jobs at the renter wage rate to afford a 2BR apartment at the FMR.

## Monthly Rent Gap 2017 to 2021

County	Monthly Rent Gap 2017	Monthly Rent Gap 2018	Monthly Rent Gap 2019	Monthly Rent Gap 2020	Monthly Rent Gap 2021	\$ change 2017 to 2021	% change 2017 to 2021	\$ change 2020 to 2021	% change 2020 to 2021
<b>Columbia</b>	\$416	\$414	\$360	\$410	\$438	\$22	5.3%	\$28	6.8%
<b>Dutchess</b>	\$601	\$623	\$632	\$688	\$750	\$149	24.8%	\$62	9.0%
<b>Greene</b>	\$460	\$460	\$504	\$518	\$578	\$118	25.7%	\$60	11.6%
<b>Orange</b>	\$737	\$773	\$769	\$795	\$844	\$107	14.5%	\$49	6.2%
<b>Putnam</b>	\$1,108	\$1,207	\$1,188	\$1,304	\$1,336	\$228	20.6%	\$32	2.5%
<b>Rockland</b>	\$1,018	\$1,210	\$1,260	\$1,351	\$1,422	\$404	39.7%	\$71	5.3%
<b>Sullivan</b>	\$410	\$405	\$376	\$396	\$431	\$21	5.1%	\$35	8.8%
<b>Ulster</b>	\$652	\$654	\$672	\$653	\$703	\$51	7.8%	\$50	7.7%
<b>Westchester</b>	\$757	\$731	\$786	\$973	\$932	\$175	23.1%	<b>(\$41)</b>	<b>-4.2%</b>

The monthly rent gap continues to grow year-over-year in every county in the region, except Westchester, which is the only county that had a decline in the FMR. The five-year trend shows an overall steady climb in Rockland, Greene, Dutchess, Westchester, and Putnam all increasing by at least 20%.

These nine counties of the Hudson Valley rank in the top 20 of all counties in NYS in terms of monthly renter gap, with Rockland, Putnam, Westchester, and Orange landing in the top 10.

This data clearly points to the tremendous need for additional affordable rental housing for the workforce in the Hudson Valley.

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