



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 13, 2018. Based on this data, Pattern for Progress provides an analysis regarding the affordability of rental housing in every county in the Hudson Valley 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” 2018 report, renter wage rates in Columbia, Greene, Rockland and Ulster Counties remain lower than in 2012; however, 5 of 9 counties improved since 2012. Sullivan County shows the largest increase in wage rates for renters at 17.8% followed by Putnam and Orange. Greene County has shown a continual decline since 2012.

RENTER HOURLY WAGE RATE 2012-2018

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | \$ Change 2012 to 2018 | % Change 2012 to 2018 |
|-------------|---------|---------|---------|---------|---------|---------|---------|------------------------|-----------------------|
| Columbia | \$10.48 | \$10.90 | \$10.67 | \$10.48 | \$10.19 | \$10.27 | \$10.33 | -\$0.15 | -1.4% |
| Dutchess | \$12.56 | \$12.91 | \$12.63 | \$12.59 | \$12.53 | \$12.84 | \$13.41 | \$0.85 | 6.8% |
| Greene | \$10.45 | \$10.15 | \$10.03 | \$9.70 | \$9.68 | \$9.06 | \$8.80 | -\$1.65 | -15.8% |
| Orange | \$9.52 | \$9.91 | \$9.58 | \$9.55 | \$9.65 | \$10.22 | \$10.53 | \$1.01 | 10.6% |
| Putnam | \$9.96 | \$10.60 | \$9.10 | \$9.35 | \$8.67 | \$10.17 | \$11.19 | \$1.23 | 12.3% |
| Rockland | \$12.10 | \$12.29 | \$12.25 | \$12.02 | \$11.47 | \$11.90 | \$11.13 | -\$0.97 | -8.0% |
| Sullivan | \$8.87 | \$10.12 | \$9.21 | \$9.59 | \$10.02 | \$10.42 | \$10.45 | \$1.58 | 17.8% |
| Ulster | \$9.90 | \$9.82 | \$9.20 | \$9.54 | \$9.26 | \$9.41 | \$9.64 | -\$0.26 | -2.6% |
| Westchester | \$17.68 | \$17.60 | \$17.29 | \$17.57 | \$17.81 | \$18.28 | \$18.38 | \$0.70 | 4.0% |

RENTER HOURLY WAGE RATE 2017-2018

| | 2017 | 2018 | \$ Change 2017 to 2018 | % Change 2017 to 2018 |
|-------------|---------|---------|------------------------|-----------------------|
| Columbia | \$10.27 | \$10.33 | \$0.06 | 0.6% |
| Dutchess | \$12.84 | \$13.41 | \$0.57 | 4.4% |
| Greene | \$9.06 | \$8.80 | -\$0.26 | -2.9% |
| Orange | \$10.22 | \$10.53 | \$0.31 | 3.0% |
| Putnam | \$10.17 | \$11.19 | \$1.02 | 10.0% |
| Rockland | \$11.90 | \$11.13 | -\$0.77 | -6.5% |
| Sullivan | \$10.42 | \$10.45 | \$0.03 | 0.3% |
| Ulster | \$9.41 | \$9.64 | \$0.23 | 2.4% |
| Westchester | \$18.25 | \$18.38 | \$0.13 | 0.7% |

In a year-over-year comparison from 2017 to 2018, renter hourly wage rates have declined in Greene and Rockland County by 2.9% and 6.5%. All other counties show an increase in wage rates with Putnam County having the largest with a 10% jump.

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.

2 Bedroom FMR 2017-2018

| | 2 BR FMR 2017 | 2 BR FMR 2018 | \$ Change 2017 to 2018 | % Change 2017 to 2018 |
|-------------|------------------|------------------|---------------------------|--------------------------|
| Columbia | \$950 | \$951 | \$1 | 0.1% |
| Dutchess | \$1,269 | \$1,321 | \$52 | 4.1% |
| Greene | \$931 | \$918 | -\$13 | -1.4% |
| Orange | \$1,269 | \$1,321 | \$52 | 4.1% |
| Putnam | \$1,637 | \$1,789 | \$152 | 9.3% |
| Rockland | \$1,637 | \$1,789 | \$152 | 9.3% |
| Sullivan | \$952 | \$948 | -\$4 | -0.4% |
| Ulster | \$1,141 | \$1,155 | \$14 | 1.2% |
| Westchester | \$1,706 | \$1,687 | -\$19 | -1.1% |

The 2BR Fair Market Rent (FMR) from 2017 to 2018 has declined slightly in Greene (-\$13), Sullivan (-\$4) and Westchester County (-\$19) and all other counties show an increase with Putnam and Rockland having the largest jump of \$152 per month. While the average increase in the FMR's was 2.8% for the Hudson Valley, the average increase in the renter wage rate was only 2.6%.

2018 Gap in Monthly Rent for 2 Bedroom at FMR

| | Monthly Rent | Hourly Wage to Afford | Annual Wage to Afford | Renter Wage Rate | # hours/week Renter Wage Rate to Afford | Monthly Rent Affordable at Renter Wage Rate | Gap in Monthly Rent |
|-------------|-----------------|-----------------------------|-----------------------------|---------------------|---|--|------------------------|
| Columbia | \$951 | \$18.29 | \$38,040 | \$10.33 | 71 | \$537 | -\$414 |
| Dutchess | \$1,321 | \$25.40 | \$52,840 | \$13.41 | 76 | \$698 | -\$623 |
| Greene | \$918 | \$17.65 | \$36,720 | \$8.80 | 80 | \$458 | -\$460 |
| Orange | \$1,321 | \$25.40 | \$52,840 | \$10.53 | 97 | \$548 | -\$773 |
| Putnam | \$1,789 | \$34.40 | \$71,560 | \$11.19 | 123 | \$582 | -\$1,207 |
| Rockland | \$1,789 | \$34.40 | \$71,560 | \$11.13 | 124 | \$579 | -\$1,210 |
| Sullivan | \$948 | \$18.23 | \$37,920 | \$10.45 | 70 | \$543 | -\$405 |
| Ulster | \$1,155 | \$22.21 | \$46,200 | \$9.64 | 92 | \$501 | -\$654 |
| Westchester | \$1,687 | \$32.44 | \$67,480 | \$18.38 | 71 | \$956 | -\$731 |

The "Out of Reach" data for 2018 continue to show tremendous disparity in rental costs vs. the ability to pay in the Hudson Valley. Putnam and Rockland County show the largest monthly gap of over \$1,200, while Columbia and Sullivan have the smallest gap at just over \$400 per month. The average monthly gap in the Hudson Valley is \$720 per month.

Fair Market Rent vs. Renter Wage Rate 2017-2018

The monthly gap between the FMR and the monthly affordable rent continues to grow in Dutchess, Orange, Putnam and Rockland, while Columbia, Greene, Sullivan and Ulster are essentially flat from 2017 to 2018. Westchester shows the largest drop, which is due to the decline of the FMR and the slight increase in wage rates.

| | 2 BR FMR 2017 | 2 BR FMR 2018 | \$ Change 2017 to 2018 | % Change 2017 to 2018 |
|-------------|------------------|------------------|---------------------------|--------------------------|
| Columbia | \$416 | \$414 | -\$2 | -0.5% |
| Dutchess | \$601 | \$623 | \$22 | 3.7% |
| Greene | \$460 | \$460 | \$0 | 0.0% |
| Orange | \$737 | \$773 | \$36 | 4.9% |
| Putnam | \$1,108 | \$1,207 | \$99 | 8.9% |
| Rockland | \$1,018 | \$1,210 | \$192 | 18.9% |
| Sullivan | \$410 | \$405 | -\$5 | -1.2% |
| Ulster | \$652 | \$654 | \$2 | 0.3% |
| Westchester | \$757 | \$731 | -\$26 | -3.4% |



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