

DePaul study warns of growing gap in affordable rental housing

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The need for affordable rental housing increased substantially over the past decade in Cook County, Ill., in what mirrors a national trend, according to a study from the **Institute for Housing Studies** at **DePaul University** in Chicago.

The report found that in 2009 the county, which is the second-most populous in the country, had a shortage of 180,000 affordable rental units, up 9% from 2005. The institute believes the gap will grow by another 44,000 housing units by 2020. Four of every 10 Cook County residents are renters.

"Access to quality rental housing that is affordable to families at a variety of income levels creates economic stability and security for these households, the communities where they live, the businesses where they work and the region's economy as a whole," said Geoff Smith, executive director of the institute.

The study claims rental housing is affordable when a family pays no more than 30% of their income for shelter. For Cook County, the study defined affordable rental housing as that which would be cost effective for a household making \$32,931 a year or less, meaning it should pay no more than \$823 per month in rent.

When looking at what renters pay for housing, 75% to 80% of families that make less than \$35,000 annually are putting more than 30% of their annual income toward housing and utility costs, the report discovered. The median household income for renters hovered around \$31,367.

In 2010, households needed to make about \$40,000 per year to afford the county's median priced two-bedroom apartment (\$1,000 per month), if they were to pay 30% of their income toward housing.

The study notes that the recession of 2008 and 2009 negatively affected wages and employment, resulting in more very low-income renters.

Mark Calabria, a housing economist with **The Cato Institute**, noted that "the driver behind a weak economy has little to do with the housing market, it is driven by unemployment and weak income growth. So in terms of affordability this is all an incomes story."