



April 21, 2020

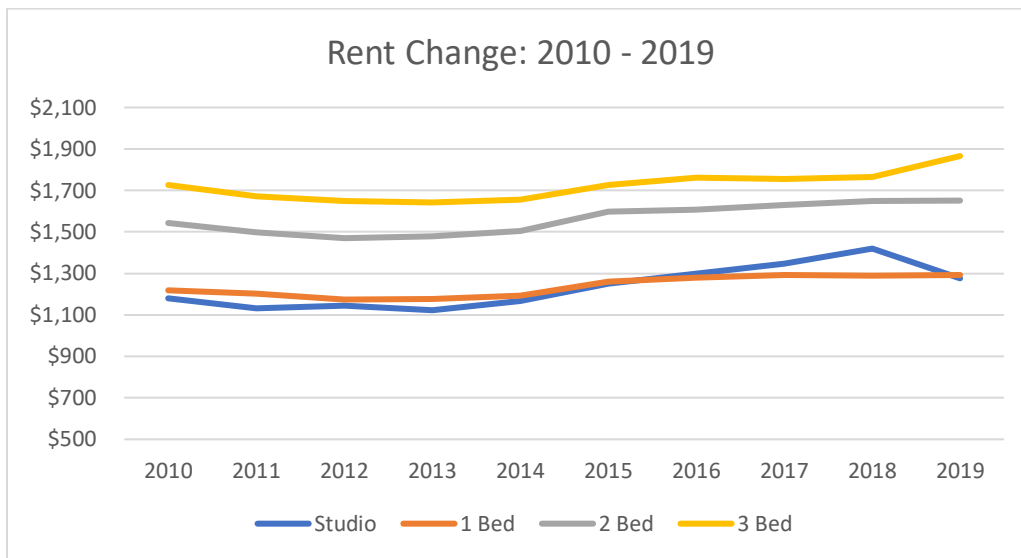
2019 Rent Survey Findings

Each year, RIHousing compiles data on average rental costs across the state by municipality and bedroom size. The purpose of this survey is to track changes in the rental housing market to support program planning and policy efforts.

Following are the primary findings from the 2019 Rent Survey:

Rental costs increased for three-bedroom units; decreased for studios

- Average rental costs increased from 2018 for three-bedroom units (+5.8%) and decreased for studio units (-10%). Rental costs for one- and two-bedroom units remained stable. Overall, there is a slow upward trend in rental costs for all unit types over the past five years.
- Costs for all unit types are above \$1,200 accounting for utilities. This is well above what the typical renter can afford to pay. As of 2018, a household earning the median income for renters (\$34,876) can affordably pay \$872 per month toward housing costs without becoming cost burdened.
- It is important to note that year-over-year changes can be heavily influenced by just a few properties. For example, two properties with over 350 studios priced below \$1,000 were completed over the past two years, which likely contributed to the sharp decline in studio costs from 2018 to 2019. Similarly, the increase for three-bedroom units may be driven by the completion of several developments offering three-bedroom units at \$2,500 or more.

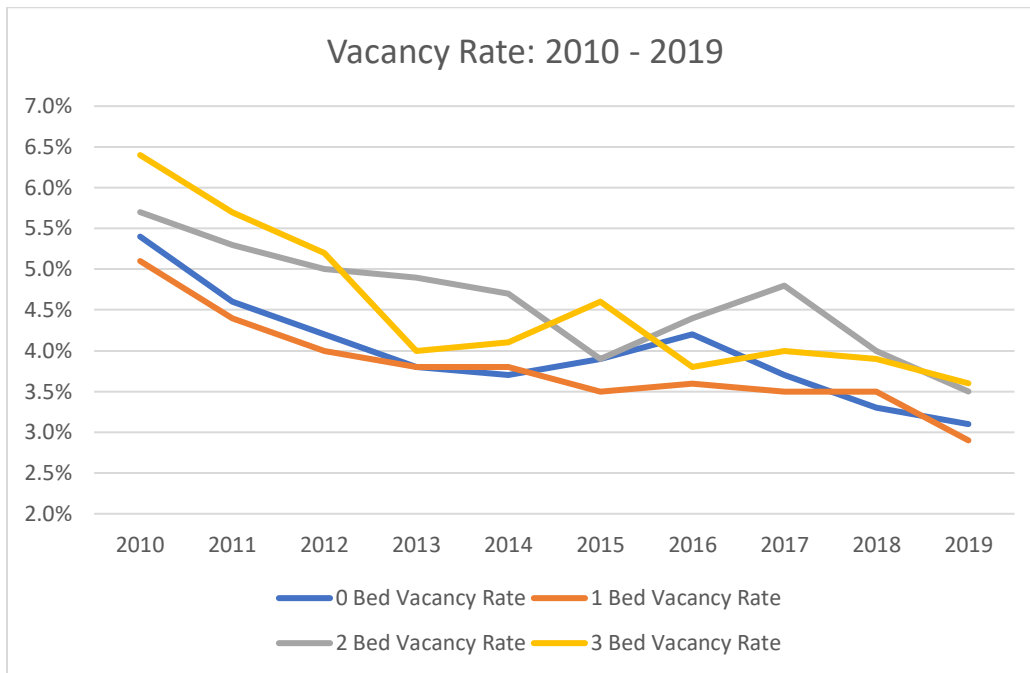


Utilities remain stable

- Utility costs can fluctuate significantly from year to year depending on weather trends, but in general, utility costs have remained the same or decreased slightly over the last ten years. Since 2010, utility costs have decreased by over 25% for studios; 10% for two-bedroom units; and 11% for three-bedroom units. Utility costs for one-bedroom apartments remained stable, increasing by only 3.3% since 2010.

Rental supply and demand

- Rental units of all types are in high demand, with an overall vacancy rate of 3.1% compared to 3.6% in 2018. Rates have been steadily declining since 2010, when the overall vacancy rate was over 5% for all unit types.
- Studios and 1-bedroom units are in the highest demand, with vacancy around 3%. Two-bedroom and three-bedroom units have a slightly higher vacancy rate at 3%, but have experienced a similar increase in demand over the past decade.



Notes on data sources

The Rent Survey sample is drawn from CoStar, a commercial database of multifamily properties representing over 60,000 units in the state. CoStar mainly collects data on large, professionally managed apartment buildings. As such, smaller multifamily and single-family rentals are not typically included in the sample. Utility costs are drawn from the Census American Community Survey and include average monthly expenditures for fuel, gas, electricity, and water for renters in units of different sizes. All values are presented in 2019 dollars to ensure comparability over time.