

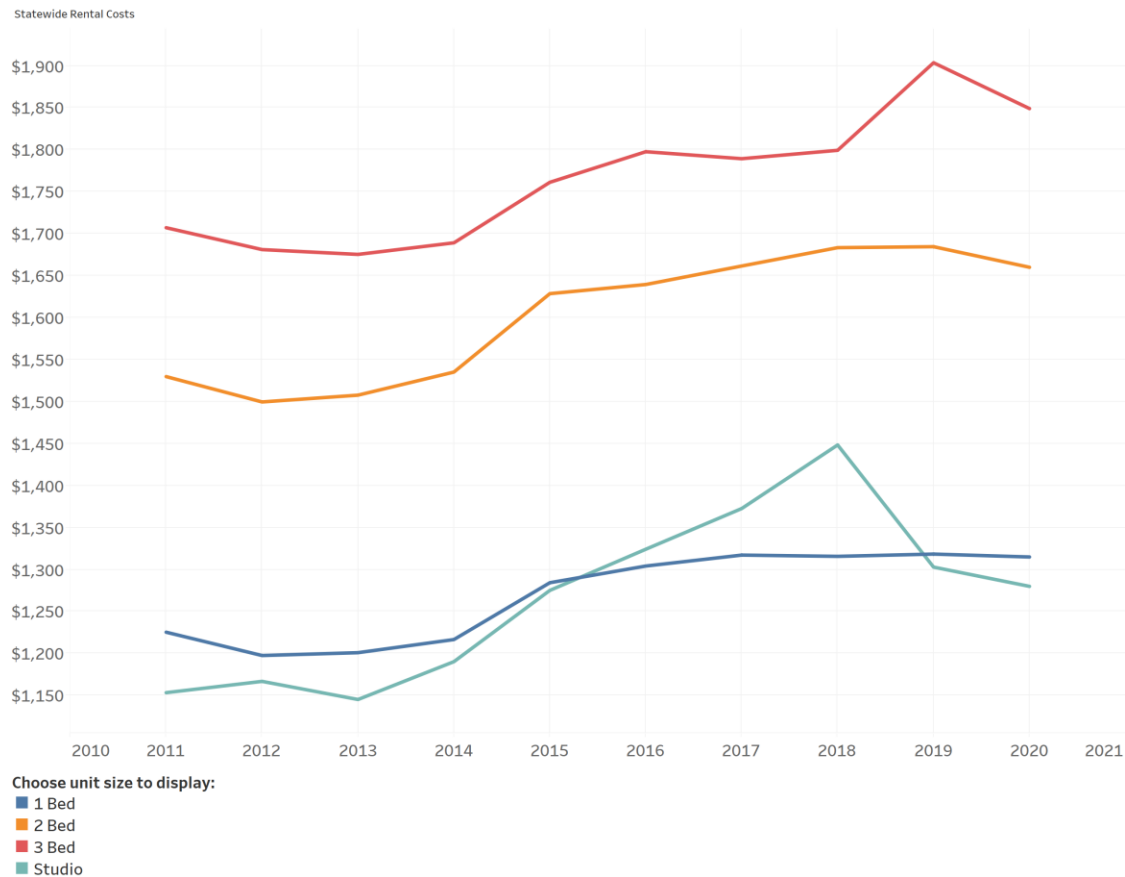
February 24, 2021

2020 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.

Rental costs basically unchanged since 2019

- Average rents during 2020 were relatively constant, with changes for all bedroom sizes under 1% before utilities. Overall, there is a slow upwards trend in rental costs for all unit types over the past five years, but that was offset by low utility costs in 2020.
- The monthly rent for all unit types in Rhode Island averages over \$1200 per month, which is well above what the typical renter can afford. As of 2019, the median income for a renter household in Rhode Island was \$37,333. A household earning this amount can afford to pay \$934 per month without becoming cost burdened.
- 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. Utility costs in 2020 were down over 10% across bedroom sizes, likely driven by two factors: one of the warmest years on record in Rhode Island and a significant decline in fossil fuel prices. The decline in fossil fuel prices was at least partially driven by the pandemic, so prices may rise again as restrictions are lifted.



Rental supply and demand

- Rental units of all types are in high demand, with an overall vacancy rate of 3.4%. A healthy vacancy rate where there is little upward pressure on rents is in the 6-7% range.
- Vacancy did not increase overall for the year, as was expected at the outset of the COVID-19 pandemic. Effective government regulation prevented large-scale evictions, but continued low vacancy presents its own challenges with the potential for rising prices and difficulty finding new housing.

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.

