

2018 Rental Survey Findings

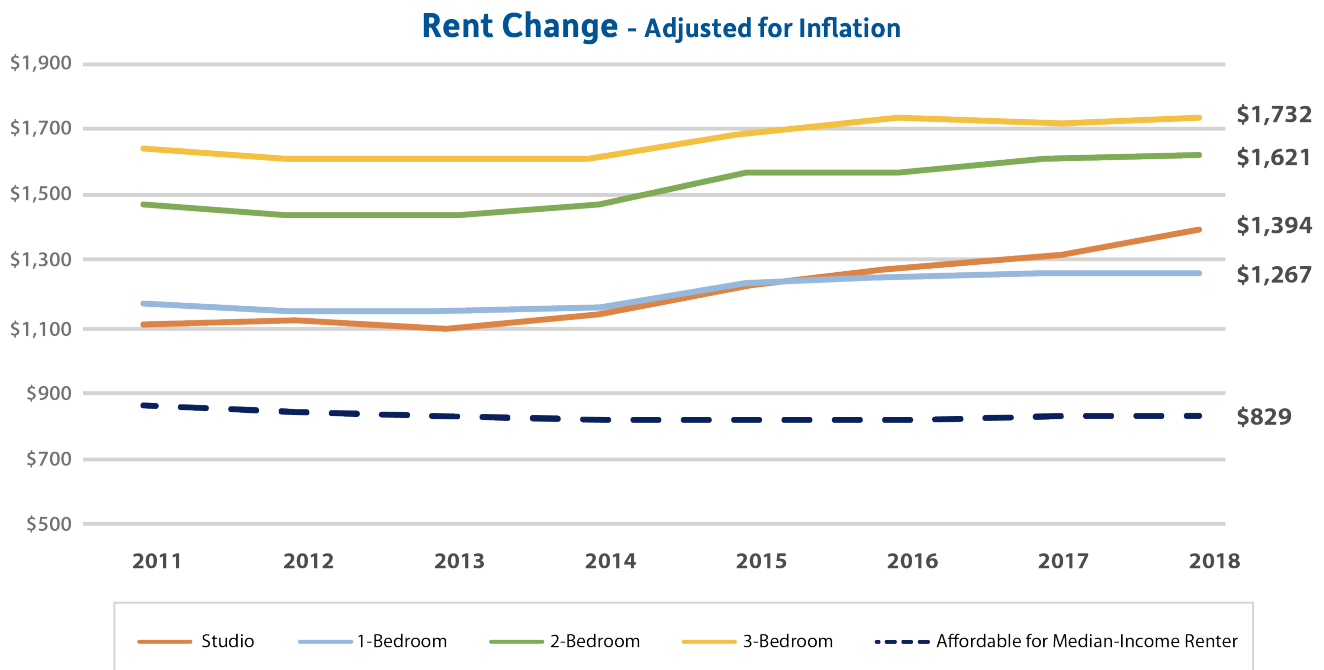
Each year, RIHousing compiles data on average rental costs across the state by municipality and bedroom size. The purpose of this survey is to track changes in the rental housing market to support program planning and policy efforts.

Continued rent increases in 2018

- Average rental costs increased from 2017 for studio (+5.5%), two-bedroom (+1.3%) and three-bedroom apartments (+0.6%). Rental costs remained the same for one-bedroom units. All unit types are now priced above \$1,200, including utilities.
- Rental costs increased at a slightly slower pace than in previous years. However, there is still a significant upwards trend in rental costs over the past five years.
- In particular, there has been a rapid increase in costs for studio apartments, which are now more expensive than one-bedroom apartments. This is largely due to the growing number of large 'luxury' buildings with smaller unit sizes.

Rents are outpacing incomes

- Since 2014, average rental costs have increased by 22% for studios, 8% for one-bedroom, 10% for two-bedroom and 7% for three-bedroom apartments.
 - » In contrast, median income for renters has increased by less than 1%.
- A household earning the median income for renters (\$34,396) can afford to pay \$829 per month toward housing costs. However, costs for all unit types are well above \$1,200.
 - » A typical renter household would struggle to find an apartment they can afford in nearly all communities in Rhode Island.



Notes on methodology for 2018

This year, the Rent Survey was conducted using a new methodology to improve the survey's accuracy and comprehensiveness. The Rent Survey sample is now drawn from CoStar, a database of 40,000 rental units in the state. This database offers a much broader and more up-to-date sample than the sample of online listing services used in previous years. Utility costs are now based on average utility expenditures from the annual American Community Survey rather than HUD utility allowances to provide a more accurate estimate of typical costs. All values are presented in inflation-adjusted figures to ensure comparability and over time.

As a result of these changes in methodology, the 2018 Rent Survey is not directly comparable to published surveys from previous years. The previous years' estimates shown above have been re-calculated using the new methodology to ensure comparability.