

## Cost burdens rise for renters

### ***Affordability issues also affecting middle-income consumers***

April 26, 2011|By Mary Ellen Podmolik, Tribune reporter

Almost one-third of renters in the Chicago area — and one fourth of them nationally, or 10.1 million households — spend more than half their pretax income on rent and utilities, and that cost burden may grow.

A report issued Tuesday by the Joint Center for Housing Studies of Harvard University warned that a sharp increase in demand for rental units, and the long lead times needed to build apartment buildings, could increase rents, putting financially strapped consumers in even more dire straits.

In the Chicago area, 28.6 percent of renters are severely burdened by their rental costs, compared with only 20.4 percent in 2000.

Nationally, the study also found that affordability issues are not confined to lower-income renters. Between 2007 and 2009, 1.1 million more middle-income renters faced at least moderate housing cost burdens, spending between 30 and 50 percent of incomes on housing. Generally, an affordable cost burden is defined as 30 percent of income.

The findings are particularly troublesome given how the recession swelled the ranks of low-income households and how the housing crisis continues to turn homeowners into renters, according to the study's authors.

"In the last decade, rental housing affordability problems went through the roof," said Eric Belsky, one of the study's authors. "And these affordability problems are marching up the income scale. In real terms, it means more people have less money to spend on household necessities such as food, health care and savings."

The supply of rental housing is expected to be further pressured by new demand from consumers who doubled up with family members and friends during the recession. With an improving employment picture, household formation is expected to increase, but because of tight lending requirements, some consumers will be unable to buy homes and will become renters.

[mepodmolik@tribune.com](mailto:mepodmolik@tribune.com)

Twitter @mepodmolik

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