2026

AMERICA'S RENTAL HOUSING

JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY

AMERICA'S RENTAL HOUSING 2026

Joint Center for Housing Studies of Harvard University

Harvard Graduate School of Design | Harvard Kennedy School

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Principal funding for this report was provided by Ballmer Group.

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Chapter 1

EXECUTIVE SUMMARY

Rents for new leases have fallen modestly as demand slows and vacancy rates tick up. The pace of multi-family construction is elevated but cooling amid difficult conditions. Affordability remains a chief concern, with cost burdens hitting yet another record high at last measure. The pullback in federal resources leaves state and local governments trying to fill the gaps. The aging rental stock also needs substantial investment, posing another challenge.

Rental Markets Soften

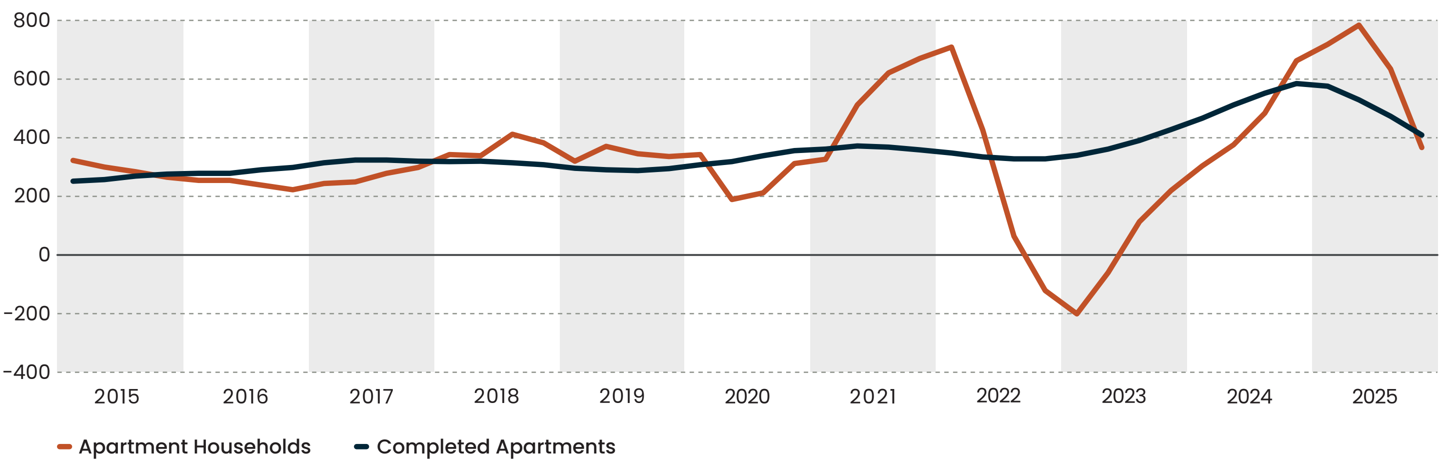
After record-high increases during the pandemic, national rent growth has hovered near zero since mid-2023. In the fourth quarter of 2025, asking rents for professionally managed apartments fell slightly, by 0.6 percent year over year. Across the country, most markets experienced either small declines or small increases. In 74 of the 150 largest markets, asking rents fell, while an additional 70 recorded modest growth of less than 4 percent. Rents rose by at least 4 percent in just 6 markets.

Slowing household growth contributed to the fourth-quarter drop in rents, following sharp swings in rental demand over the last five years **(Figure 1)**. Renter household growth stayed high in the first half of 2025. The annual net increase in apartment renters hit a record 784,000 households in the second quarter, supported in large part by the high barrier to home-

Figure 1

Additions to Apartment Demand and Supply Have Slowed

Annual Net Change (Thousands)



Note: Annual net change is the four-quarter rolling total for professionally managed apartment buildings with five or more units.
Source: RealPage.

ownership. Renter household growth then decelerated rapidly in the second half of the year, down to an annual increase of just 366,000 in the fourth quarter amid slowing job growth, declining consumer sentiment, and restricted immigration.

Although the rate of apartment completions also fell over the course of the year, demand slowed faster, pushing vacancy rates to 5.2 percent in the fourth quarter of 2025, according to RealPage. This uptick brought the vacancy rate on par with its reading one year earlier. Despite the widespread slowdown in apartment completions, decelerating demand and rising vacancies curtailed rent growth.

Robust Construction Cools as Costs Rise

Multifamily construction remains elevated despite recent cooling **(Figure 2)**. In 2025, 416,000 multifamily units were started. This was well below the three-decade peak of 547,000 units in 2022 but above the average pace in the years leading up to the pandemic. Still, the most recent data from RealPage showed a 36 percent year-over-year decline in fourth-quarter starts for professionally managed apartments, potentially signaling a broader slowdown on the horizon.

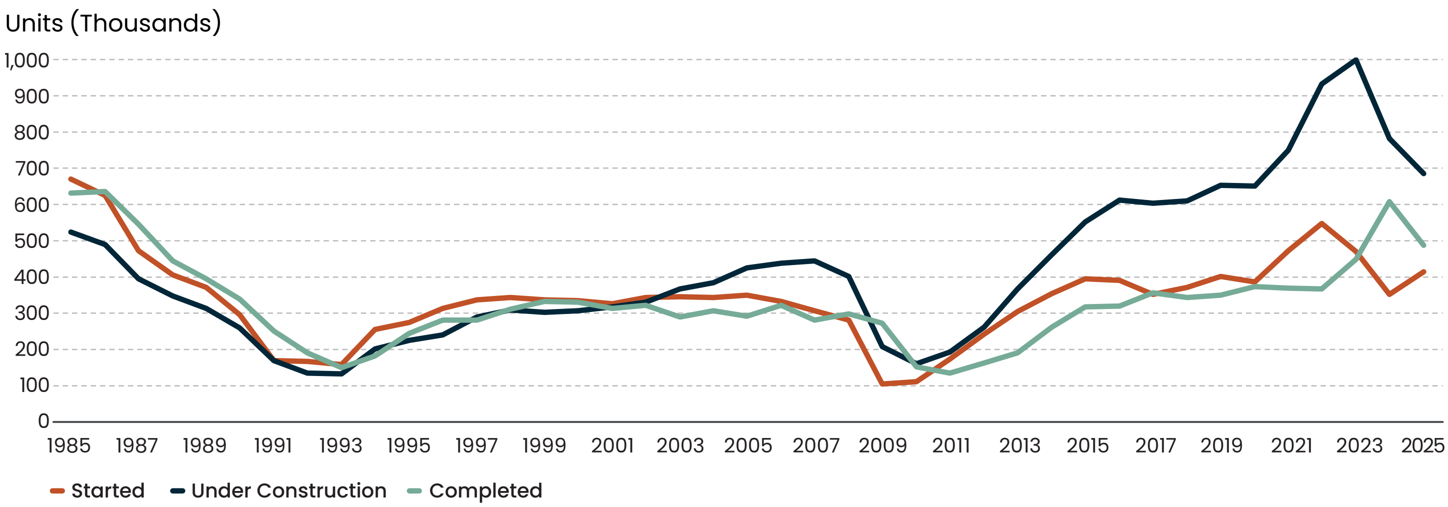
The number of units under construction is above pre-pandemic levels but falling rapidly. After hitting a record high of 996,000 in 2023, units under construction dropped to 686,000 in 2025. Nevertheless, the latest reading exceeded the pre-pandemic five-year average by 80,000 units.

The large supply under construction has kept multifamily completions historically high. In 2024, 608,000 multifamily units were completed, the highest annual volume since 1986. Despite a 20 percent drop in completions, 488,000 units were added to the market in 2025.

The construction slowdown is in part a response to rising costs. Between January 2020 and December 2025, the prices of all material inputs to new residential construction increased 42 percent, dwarfing the 7 percent growth between 2014 and 2019. Additionally, the employment cost index for private industry construction workers was up 24 percent.

Figure 2

The Heated Pace of Multifamily Construction Has Cooled



Source: JCHS tabulations of US Census Bureau, New Residential Construction data.

Higher construction costs for new units and increases in the rents of existing units have contributed to an upward shift in the overall rent distribution. The number of units renting for less than $1,400 declined by 9.3 million from 2014 to 2024. This included a 2.5 million drop in units renting for less than $600, limiting options for renters with lower incomes. Meanwhile, the number of units renting for at least $1,400 grew by 11.8 million units, including an additional 5.8 million renting for $2,000 or more.

To help reduce development costs and barriers to new supply, a growing number of states and cities have loosened regulations. Maine, Montana, Vermont, and Washington are among those that recently passed sweeping zoning reforms. The city of Cambridge, Massachusetts, approved a groundbreaking zoning ordinance allowing four-story multifamily buildings by right in all residential areas.

Affordability Challenges Worsen

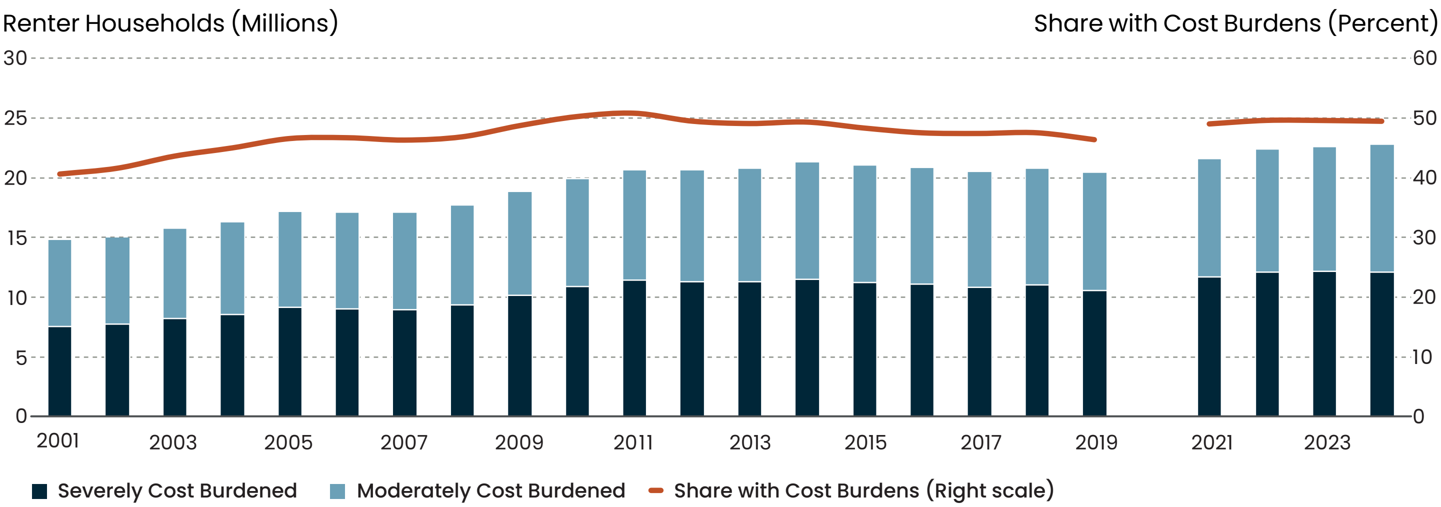
Renter cost burdens hit yet another record high in 2024, with 22.7 million households spending more than 30 percent of income on rent and utilities **(Figure 3)**. Cooling rent growth made this a relatively modest annual increase of 170,000 households, but that is still 2.3 million more cost-burdened households than in 2019 and 7.9 million more than in 2001. The number of households with severe burdens, those spending more than half of their income on rent and utilities, stayed at 12.1 million, up 1.5 million since the start of the pandemic and 4.6 million since 2001.

The overall renter cost-burden rate was basically unchanged at 49 percent in 2024, including 26 percent of renter households with severe burdens. However, since 2019, the burdened share has risen by 3.1 percentage points, completely undoing the affordability gains of the mid to late 2010s. Over the longer term, the renter cost-burden rate is up 8.8 percentage points since 2001.

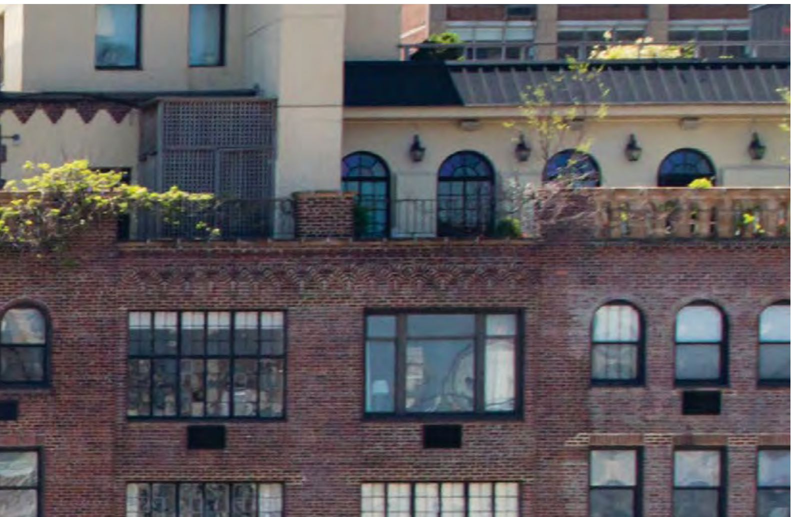
Affordability challenges have become increasingly widespread. In the last five years, cost-burden rates have risen in 44 states. More than half of renters are burdened in 12 states, including Florida, Nevada, and California, which top the list. Cost burdens also increased in 88 of the 100 largest metro areas, where rates were already high. Several Florida metros remain among the most burdened communities for renters.

Figure 3

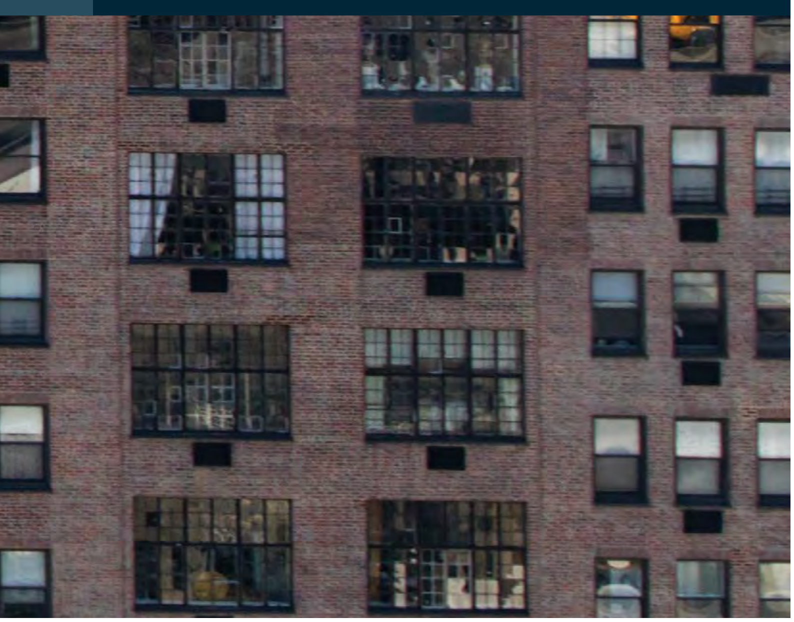
The Number of Cost-Burdened Renters Has Hit Another All-Time High



Notes: Moderately (severely) cost-burdened households spend more than 30% (more than 50%) of income on rent and utilities. Households with zero or negative income are assumed to have burdens, and households that are not required to pay rent are assumed to be unburdened. Estimates for 2020 are omitted because of data collection issues experienced during the pandemic.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.



Lower-income renters have just $210 left after paying rent each month.



Cost burdens are also moving up the income scale. Among those making $30,000 to $44,999, 72 percent were burdened in 2024, an increase of 14.9 percentage points since 2001, including a 3.8 percentage point rise just since 2019. Affordability challenges for renters earning $45,000 to $74,999 have grown even faster. Just over 49 percent were burdened in 2024, up 24.3 percentage points since 2001 and 9.5 points since the start of the pandemic.

The wave of new supply targeting higher-income renters has not completely insulated those households from deteriorating affordability either. The cost-burden rate for renters earning $75,000 or more was 14 percent in 2024, up 4.1 percentage points since 2019 and 8.8 points over two decades.

Lower-income renters still face the greatest affordability challenges. Indeed, 83 percent of renters earning under $30,000 were cost burdened in 2024, including 67 percent with severe burdens. While the cost-burden rate for this group has been persistently high over the last two decades, it has increased by 1.1 percentage points since 2019 and by 4.7 percentage points since 2001.

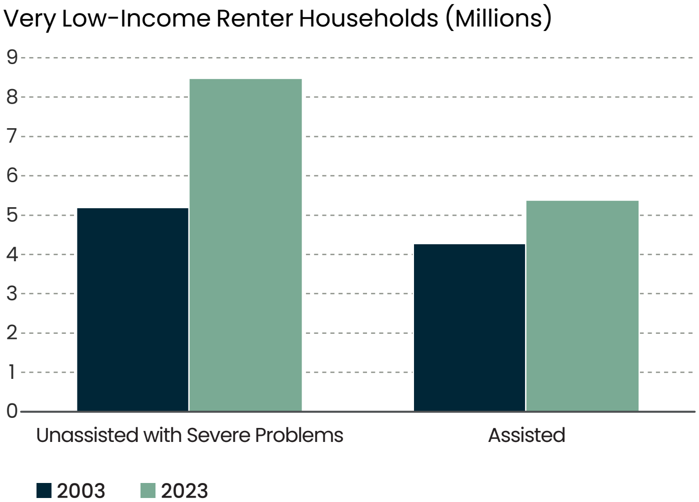
Rising rents consume more of household incomes, leaving less for other needs. Since 2001, the amount of money available to lower-income renters each month after paying for housing and utilities has fallen by 60 percent to a record low of $210, even as the cost of food and healthcare is rising. Consequently, renters must make difficult choices. The social safety net alleviates some of these trade-offs, but the cuts to SNAP and Medicaid in the 2025 reconciliation bill will reduce their impact and further tighten household budgets.

Growing Need Strains the Housing Safety Net

Funding for rental assistance has failed to keep pace with the rising need, leaving millions with severe housing challenges. Just over one in four income-eligible renter households receive some form of

Figure 4

The Shortfall in Assistance Has Grown Over the Last Two Decades



Note: Severe problems include spending more than 50% of income on rent and utilities or living in severely inadequate housing.
Source: JCHS tabulations of US Department of Housing and Urban Development, Worst Case Housing Needs Reports to Congress.

assistance, and the majority of those who do are older adults, families with children, and people with a disability. The consequences of not receiving assistance have only grown. As of 2023, 8.5 million income-eligible but unassisted households are severely cost burdened or live in severely inadequate conditions. This is a mere 62,000 households fewer than the record high in 2021 and marks an increase of more than 3 million over the last two decades **(Figure 4)**.

Fortunately, the 2026 appropriations bill rejects the administration's calls for deep cuts to federal rental assistance and increases the US Department of Housing and Urban Development's (HUD) budget. But with rising program costs, even this expanded funding level may not be enough to renew contracts for the 2.3 million households that receive Housing Choice Vouchers.

Meanwhile, funding for public housing is set to decrease at a time when an estimated $169 billion is needed to preserve the stock, which serves 800,000 households. Preservation is also an ongoing challenge for the US Department of Agriculture (USDA), whose Section 515 program supports rural rental units that are home to 375,000 households. Section 515 has not received loans for new development since 2011, and almost all properties are projected to exit by 2050 due to prepayments or maturities.

The Low-Income Housing Tax Credit (LIHTC) benefits from sustained bipartisan support and has produced or preserved more than 4 million low-income rental units since 1986. The 2025 reconciliation bill permanently increased allocations for the competitive housing tax credit by 12 percent. The expansion could support an additional 1.2 million rentals by 2035, according to Novogradac. Even this well-supported program faces losses, though. The National Council of State Housing Agencies estimates that 6,000 to 10,000 units exit the program annually because a qualified contracts provision allows some property owners to withdraw after 15 years.

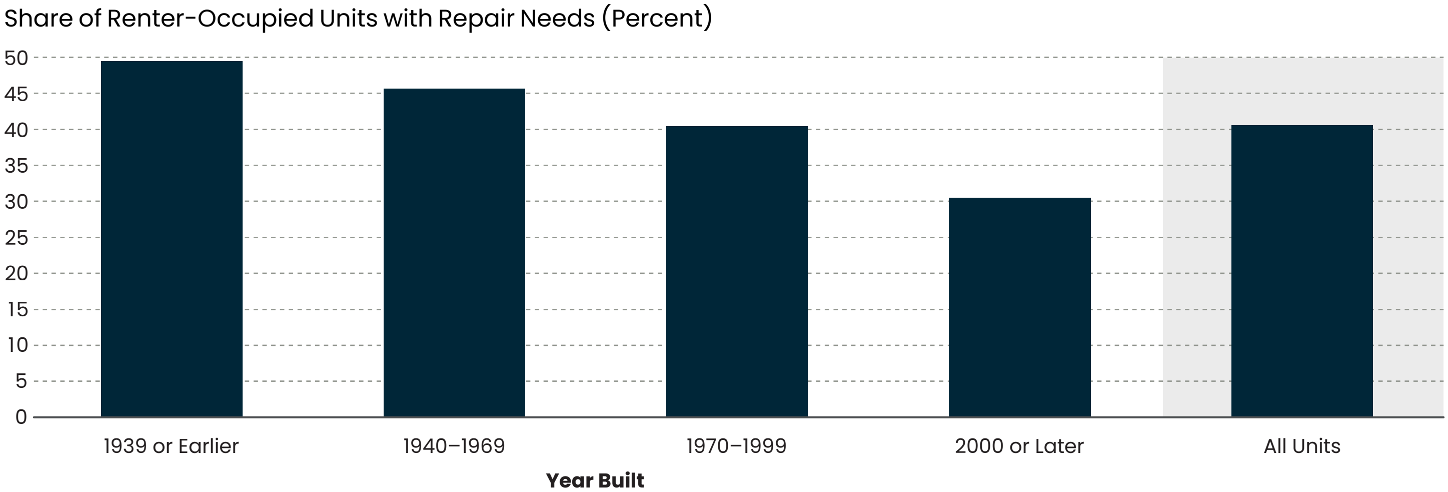
Solutions and resources to end homelessness are also at risk, even as the number of people staying in shelters and living in places not suitable for human habitation hit record highs in 2024. A July 2025 federal executive order pivots from Housing First—an approach proven to increase housing stability by prioritizing housing before offering voluntary supportive services—to programs that criminalize homelessness and require treatment as a condition for housing.

Rising unaffordability and insufficient federal resources have prompted innovation at the state and local levels. States and cities are leveraging funding sources—such as housing trust funds, multifamily private activity bonds, and lodging or real estate transfer taxes approved through ballot initiatives—for rental assistance programs. Local governments are increasingly embracing mixed-income and social housing models, with Seattle, Chicago, and Montgomery County, Maryland, among the places mounting innovative programs.

States and municipalities are also using legislation to answer growing calls for renter supports. Last year,

Figure 5

Older Rental Units Are Especially Likely to Require Investment



Source: Federal Reserve Bank of Philadelphia, Home Repair Costs 2025: Updated Estimates and New Measures of Cooling Needs.

Washington joined California and Oregon in capping rent increases, with substantial exemptions for new units. And 29 states and 51 localities passed tenant protections in 2024 and 2025, ranging from right to counsel and just cause eviction standards to policies that limit fees or prevent sharp rent increases.

Additional Housing Needs Persist

The aging rental stock is the oldest on record and requires significant investment. The median age of rental homes hit 45 years in 2023, increasing the need for maintenance and repairs. A full 3.6 million renter households (8 percent) live in moderately or severely inadequate homes. Lower-income households and people of color are disproportionately exposed to these conditions. Even units that meet basic habitability standards often require substantial repairs. The Federal Reserve Bank of Philadelphia estimated that 18.8 million occupied rental units (41 percent) had at least one repair need in 2024, amounting to $70.1 billion **(Figure 5)**.

Further investments are critical to ensure that homes are energy efficient, both to alleviate household energy burdens and to reduce greenhouse gas emissions. About half of renters earning less than $30,000 experience energy insecurity, according to the Residential Energy Consumption Survey. The Low Income Home Energy Assistance Program has been the largest program for addressing this critical need, assisting more than 6 million households while also generating jobs. Recently, the 2025 government shutdown delayed the disbursal of $3.6 billion in block grants. Energy tax credits have also been discontinued, leaving state and local governments to assume this work through programs like Georgia's multifamily home energy rebates program and Minneapolis's energy efficiency and electrification grant program for affordable properties.

Weather- and climate-related disasters pose another challenge to the rental stock, especially as they increase in severity and frequency, raising post-disaster costs. More than 18 million rental homes are located in areas with at least a moderate hazard risk. Yet the limited federal programs that help communities and property owners prepare for future disasters may be discontinued. Current proposals would further reduce federal involvement by establishing a higher damage threshold for releasing Federal Emergency Management Agency (FEMA) assistance to renters and shifting more of the post-disaster burden to state and local governments.

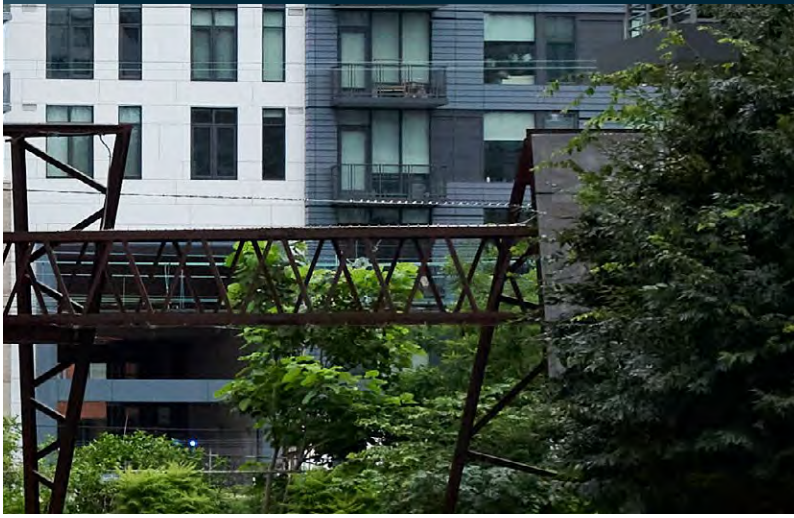
The Outlook

Economic uncertainty clouds the outlook for rental markets. Although the high cost of homeownership will keep many households renting, weaknesses in the economy, as well as aggressive immigration and deportation policies, could further stifle already-slowing rental demand. In combination with the large supply of apartments coming online and under construction, faltering demand will likely cool rental markets.

Recent federal policy changes will put even greater pressure on renter household budgets. Rental assistance remains underfunded, and cuts to SNAP and Medicaid will make it that much harder for low-income renters to make ends meet. State and local governments will have to prioritize competing needs, and many do not have the capacity or the financial ability to fix the growing holes in the social safety net. Despite these challenges, state and local governments are already innovating responses that are informing federal legislation and paving the way for the next generation of housing policy.

Bipartisan solutions to improve housing affordability, increase supply, and meet the needs of the aging rental stock are possible given that both red and blue states acknowledge and want to address these challenges. In 2025, the House and the Senate introduced sweeping legislation that would further alleviate interconnected and persistent housing challenges, including affordability, supply shortages, and home repair and disaster recovery needs. Bipartisan support for these bills is a positive sign that diverse coalitions recognize the importance of safe, stable, affordable housing in renters' lives and as a key piece of a vibrant economy.

Bipartisan solutions to housing challenges are gaining momentum.



Chapter 2
RENTER HOUSEHOLDS

Rental demand has cooled amid faltering job growth, declining consumer sentiment, and severely restricted immigration. Before this slowdown, demand from higher-income households had resumed, buoyed by attractive rental options and the high cost of homeownership. But many renters still have limited financial means, underscoring the importance of the social safety net. The demographics underlying rental demand are becoming less favorable as the population ages and the government rapidly curtails immigration.

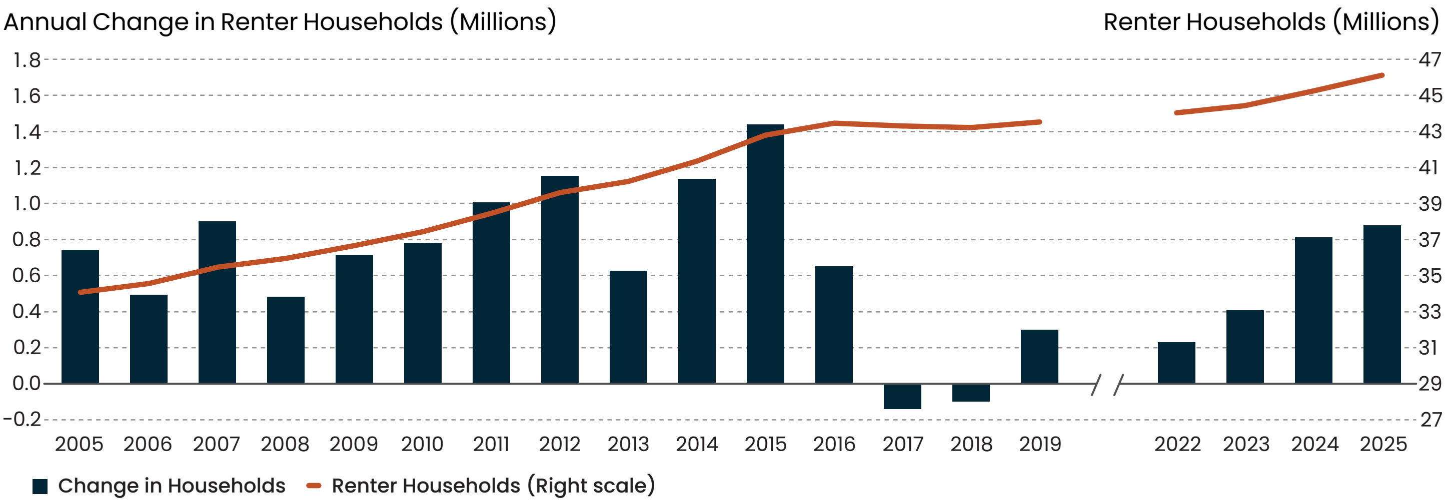
Rental Demand Slows

While the high cost of homeownership has supported strong renter household growth in recent years, demand wavered in the second half of 2025. The weak job market, economic uncertainty, and restricted immigration have depressed demand in the professionally managed apartment market that constitutes about a third of all rental units. Following a record-high annual increase of 784,000 households in the second quarter of 2025, growth in apartment households slowed to 366,000 by the fourth quarter.

The Housing Vacancy Survey, which covers the entire market, shows a similar trend. Data collection was halted during the government shutdown, reducing the certainty of household estimates. Even so, the survey put the number of renter households at 46.1 million in

Figure 6

Rental Demand Has Continued to Rise



Note: Estimates for 2020 and 2021 are omitted due to data collection issues experienced during the pandemic.
Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys.

2025, an increase of 876,000 from the previous year **(Figure 6)**. However, the annual number again masks a substantial slowdown in household growth in the second half of the year.

Homebuying Constraints and Diverse Rental Options Drive Demand

Strong rental demand before the latest cooling reflects both the appeal of renting and the challenges of buying a home. On the one hand, many households choose to rent. In the Federal Reserve's 2024 Economic Well-Being of US Households, 58 percent of surveyed renters believe renting to be more convenient or flexible than homeownership. Nearly half (47 percent) consider it less financially risky.

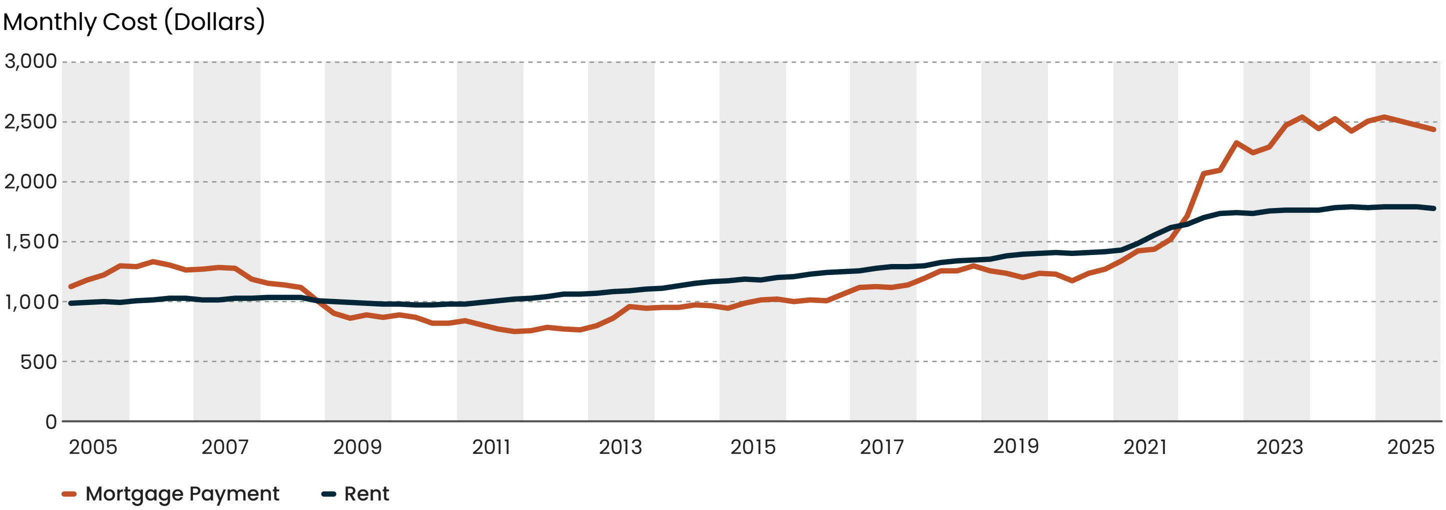
Many renters are drawn to the growing number of attractive options in prime locations. The single-family rental market provides larger homes that may have in-unit features and a yard. Additionally, an increasing number of single-family homes are built as rentals, giving renters the opportunity to live in a new home in a community that is often pet and child friendly. And though most new rental construction is buildings with at least 20 units, it is frequently located in downtown cores that offer walkability and other desirable amenities especially appealing to younger households.

On the other hand, many renters would like to become homeowners but cannot afford to in the current market. Since 2022, surging home prices have combined with elevated mortgage rates to widen the gap between monthly mortgage payments and rents, according to Yardi **(Figure 7)**. These growing costs, along with a sharp rise in insurance premiums and property taxes, mean that as of late 2025, a household needs an income of more than $120,000 to afford the median-priced home. In such an environment, renting is an increasingly affordable option relative to homeowning, albeit without the benefit of an equity-building asset.

Indeed, renters identify affordability as the primary barrier to homeownership. In the Federal Reserve survey, just 39 percent of renters said they prefer to rent, suggesting that the majority are interested in owning a home. However, 68 percent and 49 percent of those surveyed could not afford a downpayment or a monthly mortgage payment, respectively.

Figure 7

The Rising Cost of Homeownership Has Made Renting Relatively More Affordable



Notes: Mortgage payments based on median home price for 30-year fixed-rate mortgage, 90% loan-to-value. Rental units cover those in properties with at least 50 units.
Source: Yardi Matrix.

Higher-Income Household Growth Shores Up Demand

The rise in renter households with incomes of at least $75,000 resumed after a brief dip during the pandemic. This is partially due to barriers to homeownership and continues the longer-term trend of higher-income households driving new rental demand. The number of renter households with higher incomes (after adjusting for inflation) rose by 1.7 million from 2021 to 2024, offsetting the loss of 182,000 households in this demographic from 2019 to 2021. The newest gain added to the longer-term increase of 4.1 million higher-income renter households over the last decade, bringing the total to 16.3 million as of 2024 **(Figure 8)**.

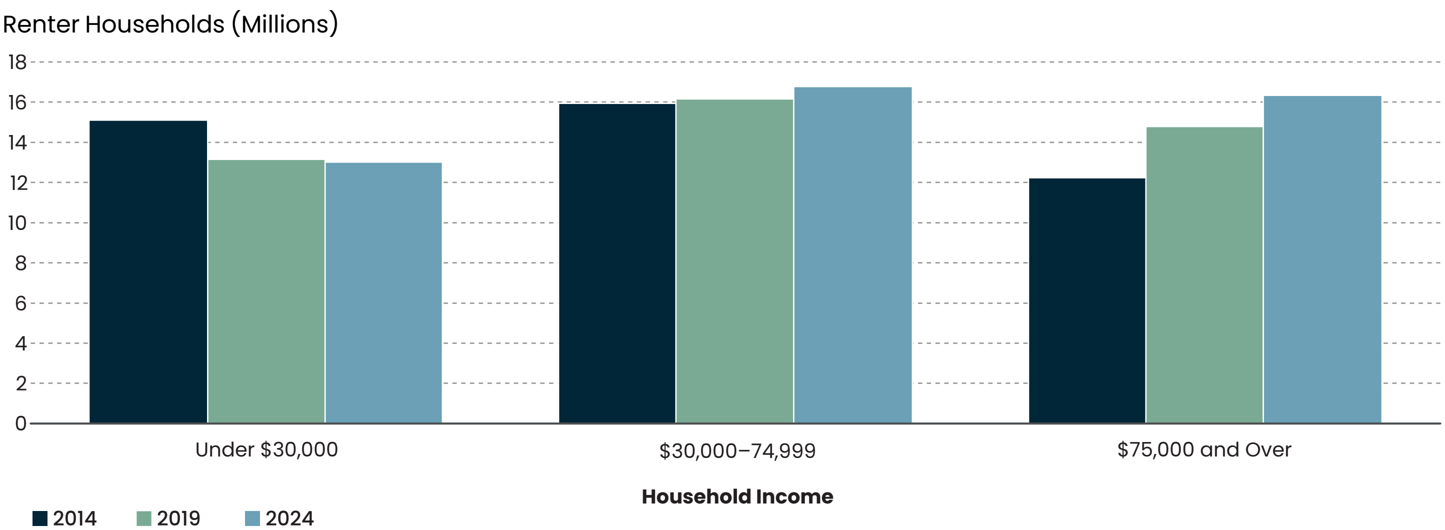
Meanwhile, the ranks of renter households earning $30,000 to $74,999 rose by a relatively modest 840,000 from 2014 to 2024, while the number of lower-income households earning less than $30,000 fell by 2.1 million. As a result, higher-income households are an increasingly large share of renters. In 2024, 35 percent of renters earned at least $75,000 annually, up 7.1 percentage points since 2014.

Many higher-income renters resemble the first-time homebuyers of previous decades. For starters, they are younger than their middle- and lower-income counterparts. Nearly a third of higher-income renter households are headed by someone aged 25–34, the age range typical for first-time homebuyers until relatively recently. About a quarter are headed by someone aged 35–44, and relatively few are older adults age 65 and over. The younger age distribution contributes to a larger share of married couples (39 percent) and fewer single-person households (22 percent) than households in lower income groups.

Higher-income renter households also have economic advantages that likely support their earnings. Half are headed by someone with a college degree, including 20 percent with a graduate degree. The majority (51 percent) of these households are white, reflecting the opportunities they are more likely to be afforded in education and the workforce.

Figure 8

Higher-Income Households Have Driven the Bulk of New Rental Demand



Note: *Household incomes are adjusted for inflation using the CPI-U for All Items.*
Source: *JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.*

Financial Challenges Weigh on Renters

Higher-income renters have fueled renter household growth, but households facing financial precarity are more likely to rent than own. The median income for renter households was just $53,700 in 2024, 46 percent less than that of homeowners. A full 28 percent of renters earned less than $30,000, including 15 percent with incomes under $15,000.

The characteristics of renter households making less than $30,000 point to the substantial economic challenges they face. These households skew older than their wealthier counterparts. Nearly a third (31 percent) are headed by someone who is age 65 and over. And more of them live alone, meaning they do not have other household members with whom they can pool incomes **(Figure 9)**.

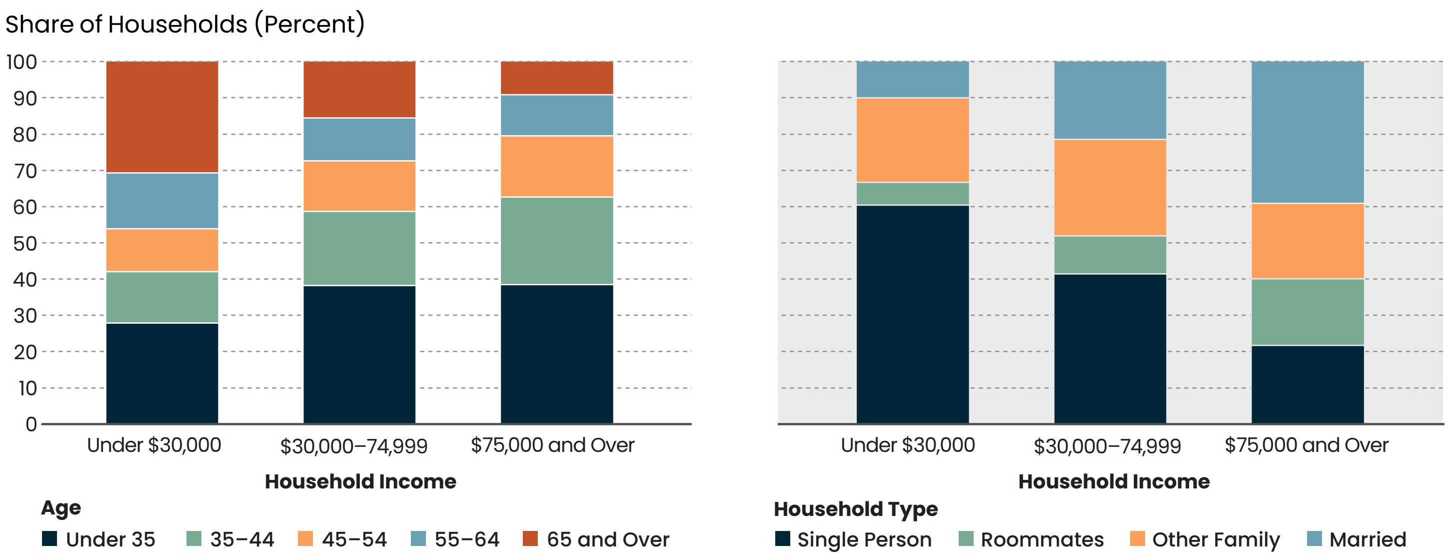
Renters with lower incomes also tend to have less education and higher rates of disability, both of which can limit job options and, thus, a renter's earning potential. Just 16 percent of lower-income renter households are headed by a person with a college degree. More than a third (36 percent) of these renters have a disability, reflecting barriers to well-paid or full-time work as well as the paltry benefits available for those unable to work.

A disproportionate share of lower-income renters are people of color, a consequence of the country's long history of racial discrimination in education, employment, and other areas critical to economic stability and mobility. Nearly a quarter (24 percent) of lower-income renter households are headed by a Black person, compared to 19 percent of renter households earning $30,000 to $74,999 and 13 percent of higher-income renter households.

Given renters' lower income distribution, the social safety net plays an especially vital role in supporting their household budgets. In 2024, 9.9 million renter households (22 percent) received food assistance through SNAP, and 16.5 million (36 percent) had health insurance coverage through Medicaid. Both programs are slated to shrink with the passage of the

Figure 9

Lower-Income Renters Are Older and More Likely to Live Alone



Notes: Age is for the household head. Other family households include single parents.
Source: JCHS tabulations of US Census Bureau, 2024 American Community Survey 1-Year Estimates.

July 2025 reconciliation bill. Additionally, 9.4 million renter households (20 percent) received social security income, and 3.1 million (7 percent) relied on needs-based supplemental security income for at least part of their household finances.

The social safety net is particularly crucial for renters because they have fewer financial resources than homeowners. The median renter household has just $10,400 in net wealth (compared to $396,500 for homeowners) and just $1,800 in cash savings, according to the 2022 Survey of Consumer Finances. Roughly two-thirds have no retirement savings. With a median net wealth of $3,200 and $300 in savings, lower-income renters have even less to fall back on in an emergency, leaving them particularly vulnerable to housing instability.

Demographic Drivers Shift

Younger generations have driven the bulk of household growth in the last five years. Members of Gen Z (born 1995–2009) have entered young adulthood, a time when renting offers more flexibility and a lower barrier to establishing an independent household than homeownership. Between 2019 and 2024, members of Gen Z added 6.7 million households to the rental market. They now head 10.4 million households and account for 23 percent of all renters.

Millennials (born 1980–1994) are no longer contributing to net new demand but nevertheless constitute a large share of renters. Because millennials entered adulthood during a recession and many experienced delayed milestones, members of this generation continued renting later in life than previous generations. Some have made the jump to homeownership but many remain locked out, and the sheer size of the generation has meant that millennials head a third of renter households (15.2 million). Nevertheless, the millennial rentership rate has dropped by 12 percentage points (978,000 households) in the past five years, largely because members of this generation have transitioned to homeownership.

The number of baby boomers renting their homes has dwindled at a similar pace, down 1.1 million households since 2019, as members of this generation pass away. For older households, renting can offer homes with more accessibility features and fewer maintenance responsibilities. Given these benefits, the rentership rate increases in later life, and the large size of the baby boom generation accounts for 8.6 million renter households, or nearly a fifth of all renters. The smaller Gen X (born 1965–1979) has had less influence on rental demand but now makes up about a fifth of renters (9.5 million households).

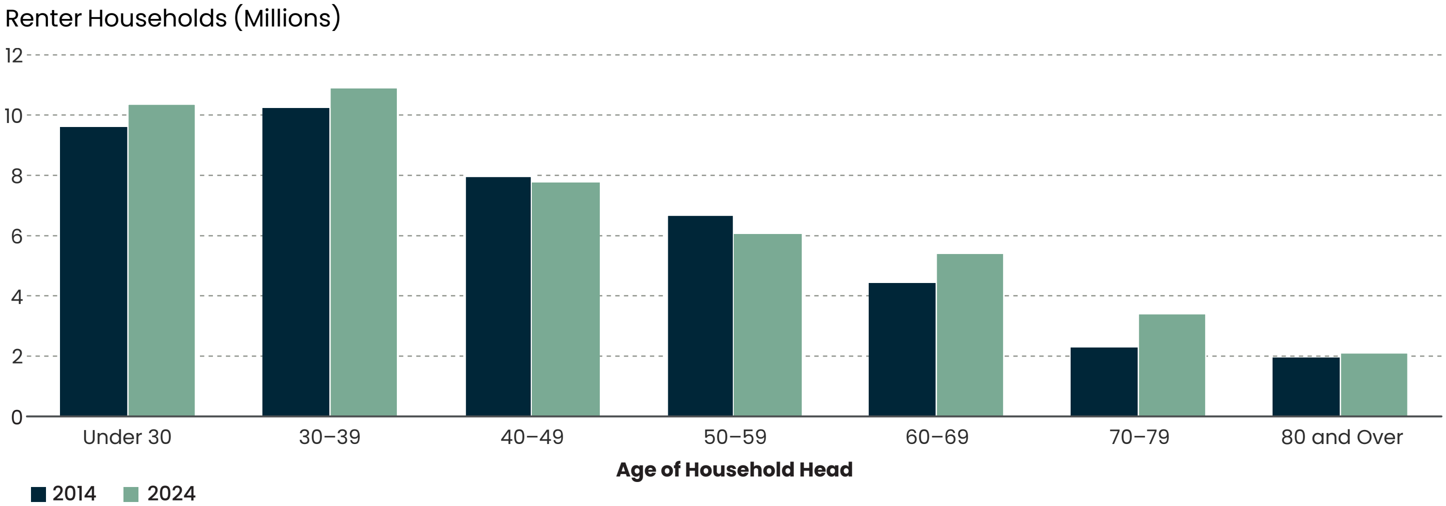
As large generations supplant smaller ones, the composition of renters has changed. Gen Z and millennials collectively increased the number of renters under age 40 by 1.4 million households (7 percent) from 2014 to 2024 **(Figure 10)**. During the same period, the number of renter households headed by someone aged 40–59 dropped by 881,000 (6 percent) as baby boomers grew older and the smaller Gen X reached those ages. Despite their overall population decline, the baby boom generation is so much larger than its predecessor that the number of renter households age 60 and over rose by 2.3 million (26 percent) between 2014 and 2024.

The rising number of both younger and older households has also reshaped the characteristics of rental demand, resulting in greater demand from smaller households. Roommate households are most common among younger adults, while the majority of older adult renters live alone. The growth in these populations supported the 960,000 increase in roommate households and the 2.7 million increase in single-person renter households from 2014 to 2024. Meanwhile, the drop in middle-aged renter households contributed to decreases of 1.1 million households consisting of married couples with kids and 1.0 million single-parent households.

The underlying age distribution of the population is becoming less favorable for rental demand, and rapidly restricted immigration will dampen it further.

Figure 10

Large Generations Have Shifted the Age Distribution of Renters



Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Immigrants have long been an important source of demand, heading 9.6 million renter households (21 percent) in 2024. About two-fifths of renter household growth from 2019 to 2024 came from people born outside the US.

The current administration has argued that heavily restricted immigration and widespread deportations will improve housing affordability by reducing demand. However, immigrants are not the primary contributor to the current affordability crisis. US-born households account for the majority of new rental demand. Additionally, rents were rising before immigration picked up in 2022, and asking rents slowed well before these policies were implemented. Further, immigrants are vital members of communities, contribute substantially to the country's economic engine, and pay more in taxes than they receive in public benefits. Limiting immigration will reduce rental demand, but the loss of these households will also diminish the prosperity of US-born renters.

The Outlook

Rental demand is facing headwinds. The population is expected to shrink over the coming decade as a result of aging and restrictive immigration policies. According to Center projections, these trends will depress household formation and, in turn, slow the rate of renter household growth.

In the near term, economic uncertainty, slowing job growth, and low consumer sentiment could stifle household formations if people who might otherwise establish a household opt instead to wait and see how the economy fares. To the extent that job or income losses become widespread, or unemployment continues to rise among recent college graduates, rental demand would also falter. While all of these present major challenges to new demand, the appeal of renting and the high barriers to homeownership may provide stability in the rental market.

Chapter 3

RENTAL HOUSING STOCK

Strong multifamily housing production is shifting the rental stock toward larger buildings. Along with these changes, the supply of low-rent units continues to decline, leaving fewer affordable options. The effects of climate change threaten to further reduce the stock of rental housing, as a large share of the supply is located in areas with significant hazard exposure. Because the rental stock is older than ever, far greater investment is needed to preserve existing units, improve housing conditions, and increase climate resiliency.

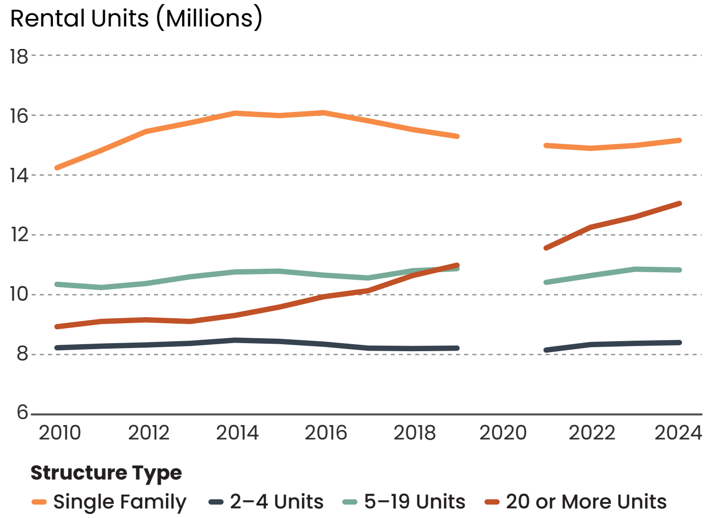
Large Buildings Drive Growth in Rental Stock

The construction of large multifamily buildings with 20 or more units has fueled most of the rental stock growth in recent years **(Figure 11)**. Between 2010 and 2024, the total rental stock increased by 5.5 million units. The supply of units in large multifamily buildings increased by 4.1 million to 13.0 million units, accounting for 75 percent of the net growth over this period. By comparison, the number of units in midsize multifamily buildings with 5 to 19 units grew by just 479,000 to 10.8 million, and the supply of units in small multifamily buildings grew by just 165,000 to 8.4 million.

The number of single-family rentals grew by 920,000 to 15.2 million units between 2010 and 2024, though the trend shifted during this period. In the years following the foreclosure crisis, the stock of single-family rentals increased by 1.8 million, peaking at 16.1 million units in 2016. Since then, the number of single-family rentals has declined by 927,000 as homes have been demolished, condemned, or converted to owner-occupancy. However, with strong construction, the supply of single-family rentals has inched up for two consecutive years.

Figure 11

Larger Buildings Have Accounted for Most of the Rental Stock Growth



Notes: Rental units may be occupied, vacant for rent, or rented but unoccupied. Single-family homes include attached and detached units. Estimates for 2020 are omitted because of data collection issues experienced during the pandemic.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Figure 12

The Supply of Low-Rent Units Has Continued to Decline

Notes: Rents are adjusted for inflation using the CPI-U for All Items Less Shelter. Units that are occupied but do not receive payment are excluded. Contract rents exclude utility costs.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

As a result, the composition of the rental stock has shifted. In 2024, units in large multifamily buildings accounted for 26 percent of the stock, up from 20 percent in 2010. Meanwhile, the share of units in small (17 percent) and midsize (22 percent) multifamily buildings declined by 2 percentage points each. Single-family rentals also accounted for a declining share of the stock after falling 2 percentage points, but still constituted nearly a third (31 percent) of all rentals. The already-low supply of manufactured rentals dropped by a percentage point to just 4 percent of units in 2024.

The growth in large multifamily units reflects both the increased concentration of new construction on this market segment and the boom in multifamily construction. In 2024, units in large multifamily buildings accounted for 76 percent of new rental construction, up from 66 percent in 2010. The growing sector of single-family homes built as rentals contributed another 16 percent of the new units in 2024, bolstered by new construction. That year, a record 113,000 single-family rentals were completed, up from 26,000 in 2010.

The Market Continues to Lose Low-Rent Units

The supply of low-rent units has declined over the last decade, reducing the housing options affordable to lower-income households. Even after accounting for inflation, the number of units renting for less than $600 declined by 2.5 million, or 30 percent, to 5.8 million units between 2014 and 2024 **(Figure 12)**. A $600 rent is the maximum amount that a household earning $24,000 annually can afford using the 30 percent of income standard. In 2024, 23 percent of renters earned less. Additionally, the supply of units renting for $600 to $999 dropped by 4.8 million (33 percent), for a total loss of 7.3 million units renting for under $1,000 in just a decade.

At the same time, the number of higher-rent units has grown due to rent increases for existing units and the high cost of new construction. The market gained 6.1 million units renting for $1,400 to $1,999, and 5.8 million renting for $2,000 or more between 2014 and 2024, largely in response to the growing ranks of higher-income renters and supply shortages putting upward pressure on rents.

The loss of low-rent units has been geographically widespread. Since 2014, the supply of units renting for less than $600 has fallen in 47 states, and 49 states and the District of Columbia lost units renting for under $1,000. In the last decade, 24 states have lost at least 30 percent of their low-rent stock and 5 states have lost at least 40 percent. The largest declines tend to be in Southern states that had once been more affordable but have experienced increasing rental demand in recent years. For instance, Texas, North Carolina, Tennessee, and Florida recorded strong renter household growth in the last decade and gained large numbers of higher-rent units. But several states also lost significant portions of their low-rent stock despite slow or declining household growth, such as Ohio, Missouri, Michigan, and Indiana. Meanwhile, states with smaller losses tended to have fewer low-rent options. As the supply of low-cost units continues to decline, it will be increasingly difficult for lower-income renters to secure housing they can afford.

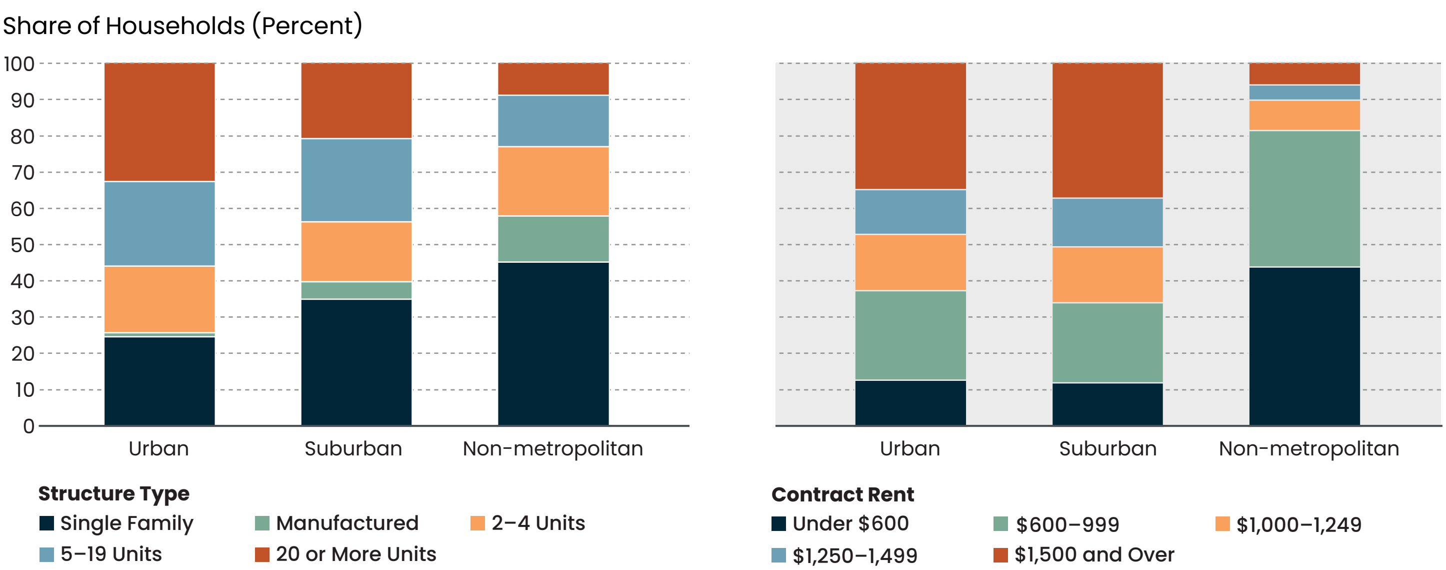
Rental Supply Varies Widely Across Geographies

The composition of the rental stock differs across regions. A third of the rental units in the Northeast are in large multifamily buildings with 20 or more units, in contrast to the Midwest, West, and South, where shares range from 23 to 27 percent. The Northeast also has a larger proportion of rentals in buildings with 2 to 4 units (27 percent), compared to the Midwest (18 percent), West (15 percent), and South (13 percent), but a significantly smaller share of single-family rentals (19 percent versus 31 to 34 percent). Although manufactured homes account for just 4 percent of the nation's rental stock, they are 6 percent of the stock in the South and just 1 percent in the Northeast.

Rent levels also vary by region, reflecting differences in the composition and the age of the housing stock, household incomes, and demand. In 2023, 56 percent of the stock in the West rented for $1,500 or

Figure 13

The Rental Stock Varies Widely Across Market Types



Notes: Only occupied rental units are depicted. Manufactured housing includes other structures like boats and RVs. Contract rents exclude utility costs. Urban and suburban tracts fall within metropolitan statistical areas. Non-metropolitan tracts fall outside metropolitan areas.
Source: JCHS tabulations of US Census Bureau, 2023 American Community Survey 5-Year Estimates.

more, eclipsing the shares of 41 percent in the Northeast, 33 percent in the South, and 17 percent in the Midwest. Conversely, the Midwest had a larger proportion of units renting for less than $600, at 24 percent, compared to 20 percent of units in the South, 17 percent in the Northeast, and just 11 percent of units in the West.

Likewise, the rental supply also varies across neighborhood types **(Figure 13)**. Overall, 41 percent of rental units are in urban areas, 48 percent are in suburban areas, and 11 percent are outside metropolitan geographies. Units in large multifamily buildings account for 32 percent of the rental stock in urban areas, far above that of suburban (21 percent) or rural areas (9 percent). In total, units in multifamily buildings are three-quarters of the urban stock. By contrast, single-family rentals account for 45 percent of the stock in non-metro areas, 35 percent in suburban areas, and 25 percent in urban geographies. Manufactured housing represents a sliver of the rental stock in urban areas (1 percent) but accounts for 5 percent of rental units in suburban areas and 13 percent in non-metropolitan areas.

Rural communities also contain a higher share of low-rent units. Fully 44 percent of units in non-metro areas rented for less than $600, versus 13 percent and 12 percent in urban and suburban areas, respectively. Conversely, suburban and urban areas had greater shares of high-rent units. More than a third of suburban rentals (37 percent) and urban rentals (35 percent) rented for $1,500 or more, compared to just 6 percent of those in rural areas.

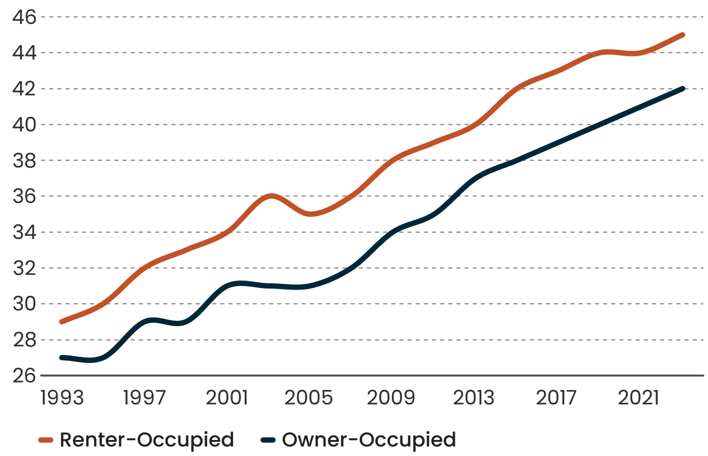
The Rental Stock Requires Substantial Investment

Rental units in the US have never been older, with a median age of 45 years in 2023, up from 36 in 2003 **(Figure 14)**. The aging housing stock has accumulated significant repair needs and requires investment to maintain adequate conditions.

Figure 14

The Rental Stock Is the Oldest on Record

Median Age of Housing Stock



Source: JCHS tabulations of US Department of Housing and Urban Development, American Housing Surveys.

In 2023, 3.6 million renter households (8 percent) lived in moderately or severely inadequate housing, with multiple structural deficiencies like water leaks or large open cracks and holes in the floor or serious problems with electrical, heating, or other basic systems. The number of renters living in inadequate units remains persistently high, up by 27,000 households since 2003.

Due to deterioration, housing inadequacy is far more common in older homes. In 2023, 11.4 percent of renters living in units built before 1940 lived in moderately or severely inadequate conditions, including 3.6 percent living in severely inadequate conditions with multiple overlapping structural deficiencies. By comparison, 5.1 percent of renters in units built since 2000 lived in such conditions.

Given that substandard units have below-average rents, households with lower incomes are more likely to occupy these homes. Indeed, 10.3 percent of renter households earning less than $15,000 lived in inadequate housing in 2023, compared to 5.8 percent of those with incomes of $75,000 or more.

Households of color are disproportionately likely to live in substandard units, a product of long-standing discriminatory policies and practices that have steered households of color to older and more dilapidated housing. In 2023, 10.3 percent of Black households lived in inadequate housing, as did 10.0 percent of multiracial households and those of another race, and 8.7 percent of Hispanic households. In contrast, 6.5 percent of white households and 4.6 percent of Asian households lived in such conditions. These disparities persist even after accounting for differences in income. Research has also shown that American Indian and Alaska Native households are more likely to experience substandard housing conditions and overcrowding.

Substandard housing conditions are linked to many negative health outcomes, including lead poisoning, asthma, physical injuries, and poor mental health. Many households living in inadequate conditions have young children, who are particularly vulnerable to certain health hazards. In 2023, 8.5 percent of households with a child under 6 (480,000 households) lived in inadequate conditions.

Even units that meet basic safety and suitability standards have substantial repair needs. The Federal Reserve Bank of Philadelphia estimated that 18.8 million renter-occupied units (41 percent) needed at least one repair, valued collectively at $70.1 billion, in 2024.

New legislative efforts have expanded repair assistance that benefit renters. In 2023, Pennsylvania's Whole-Home Repairs Program, financed with a $125 million American Rescue Plan Act appropriation, became the first statewide initiative to subsidize home repair costs to address habitability, accessibility, and other repair needs for both homeowners and rental property owners. The bipartisan Whole-Home Repairs Act of 2025 would establish the first nationwide home repair assistance program. However, the current patchwork of assistance programs across the country falls far short of the need.

Disaster Exposure Threatens the Rental Supply

Much of the rental stock is at risk due to increasingly frequent and severe environmental hazards. Nationally, 18.2 million occupied rental units (41 percent) are located in areas exposed to weather- and climate-related threats, according to the FEMA National Risk Index.

This exposure is geographically widespread **(Figure 15)**. California is the state with the most units at risk, as 4.6 million rental units (78 percent of its stock) have at least moderate hazard exposure. Florida and Texas follow, with 2.5 million units (89 percent) and 2.3 million units (57 percent) threatened, respectively.

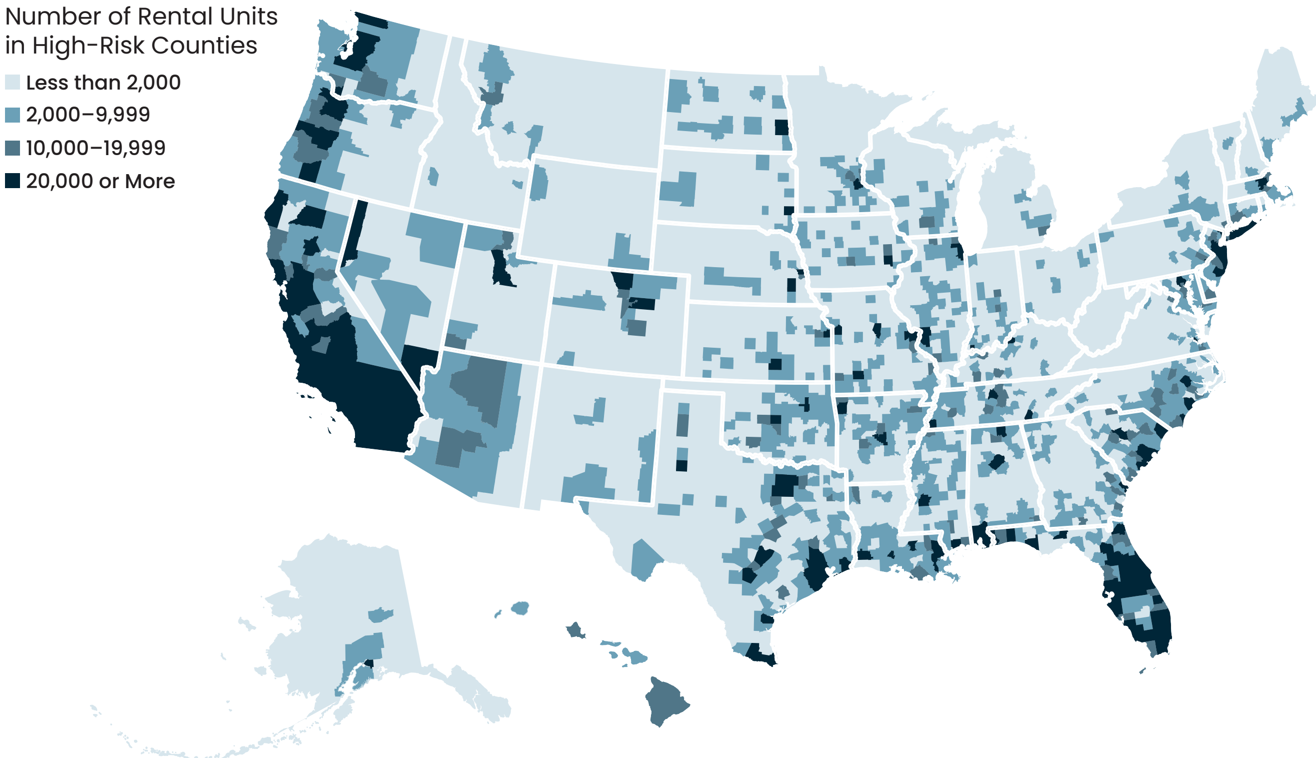
Though manufactured homes are a small share of the rental stock, they are the most likely to be vulnerable; 52 percent are in areas with at least moderate risk. Additionally, 44 percent of single-family rentals are in areas with at least moderate exposure, as are 40 percent of units in large multifamily buildings and 35 percent to 40 percent of small and midsize multifamily units.

Notably, newer rental units are much more likely to be located in areas with at least moderate exposure to weather- and climate-related hazards. Overall, 48 percent of rentals built between 2000 and 2023 were in areas with at least moderate risk, twice the proportion of rentals built before 1940. Still, these older units have higher rates of physical inadequacy and may therefore be especially vulnerable to disaster damages despite their lower exposure.

The scant supply of low-rent and federally subsidized units is also at risk. There are 2.5 million units with rents below $600 (38 percent of such units) in areas with at least moderate expected annual losses from environmental hazards. Also at risk are 660,000 project-based HUD units (30 percent), including 380,000 project-based Section 8 units, 220,000 public housing

Figure 15

More than 18 Million Rental Units Are Under Threat from Environmental Hazards



Notes: High-risk areas have a relatively moderate, relatively high, or very high expected annual loss (EAL) score. EAL represents the average economic loss in dollars resulting from natural hazards each year. The number of units in high-risk counties is aggregated from the tract level.
Source: JCHS tabulations of Federal Emergency Management Agency, May 2025 National Risk Index EAL data, and US Census Bureau, 2023 American Community Survey 5-Year Estimates.

units, and 56,000 units of supportive housing for older adults and persons with disabilities. This exposure exacerbates the host of preservation challenges already plaguing the subsidized stock and further threatens the already-limited options affordable to low-income households.

The Outlook

The rising costs of new construction and demand from higher-income households are likely to persist, further pushing up asking rents for new units. At the same time, the long-term increase in rents among existing units, along with stock losses to demolition or tenure conversion, will likely continue to shift the rent distribution upward and further decrease the stock of affordable units.

The need to invest in the rental housing stock and head off deterioration will only increase as the median age of rental homes rises. In addition, the growing severity and frequency of environmental hazards will incur large repair costs and require investment to adapt and fortify existing units, potentially driving up rents. These hazards will render a growing number of rental units uninhabitable, reducing the supply of rental housing and forcing residents to relocate. Investing in disaster mitigation and building replacement housing will be essential to maintain the supply of rental units.

Chapter 4

RENTAL MARKETS

The rate of rent growth has been flat following sharp increases during the pandemic as vacancy rates rise. Though multifamily completions are near a decades-long high, starts have slowed and the volume of units under construction is falling rapidly, signaling the end of the multifamily construction boom. The rising costs of construction continue to drive up rents for new units.

Rent Growth Falters

Rents declined modestly late last year following an extended pause. In the fourth quarter of 2025, asking rents for professionally managed buildings fell by 0.6 percent year over year, according to RealPage **(Figure 16)**. The net decrease was driven by declining rents in the South (down 2.1 percent annually) and West (down 0.7 percent annually) but tempered by increases in the Midwest (1.7 percent) and Northeast (1.2 percent). Nationally, rent growth in this sector has remained below 1 percent for 10 consecutive quarters. The downturn in rents sharply contrasts with the record-breaking 15.3 percent rate in the first quarter of 2022, and the current rate is far below the pre-pandemic 3.6 percent averaged between 2015 and 2019.

Lower-quality apartments have driven much of the decrease in overall asking rents. Rents for lower-quality Class C apartments fell by 2.7 percent year over year in the fourth quarter of 2025, and for Class B apartments, by 0.6 percent. Meanwhile, rents for Class A apartments rose 1.3 percent annually, bolstered by demand from higher-income households.

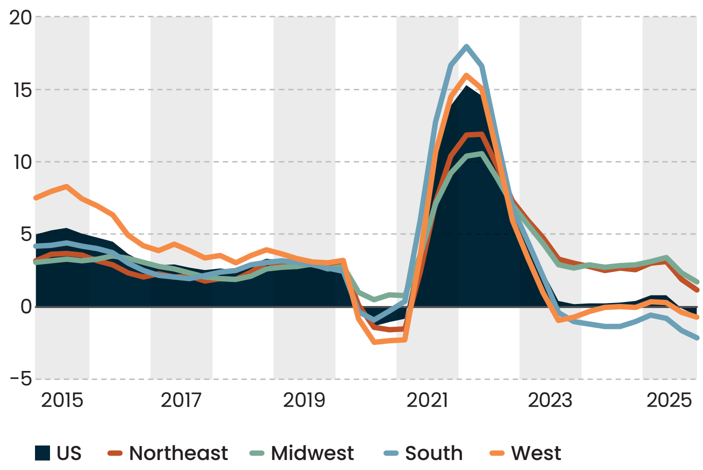
Rent growth has similarly moderated in the single-family rental sector. According to the Cotality Single-Family Rent Index, rents for single-family homes grew by just 1 percent annually in October 2025, on par with the previous quarter, which was the lowest reading since 2010. As with the apartment sector, rents for higher-quality units increased faster at 1.4 percent, compared to 0.4 percent among lower-quality units.

Rents have decelerated following a period of rapid growth in 2022 and 2023, contributing to the overall slowdown in inflation in this period. The Consumer Price Index for rent of primary residence, which is slow to register changes and includes lease renewals that often have lower rates of increase, fell to 2.9 percent year over year in December 2025. This was down from

Figure 16

Rent Growth Has Come to a Standstill

Annual Change in Asking Rents (Percent)



Note: Asking rents are for professionally managed apartments in buildings with five or more units.
Source: RealPage.

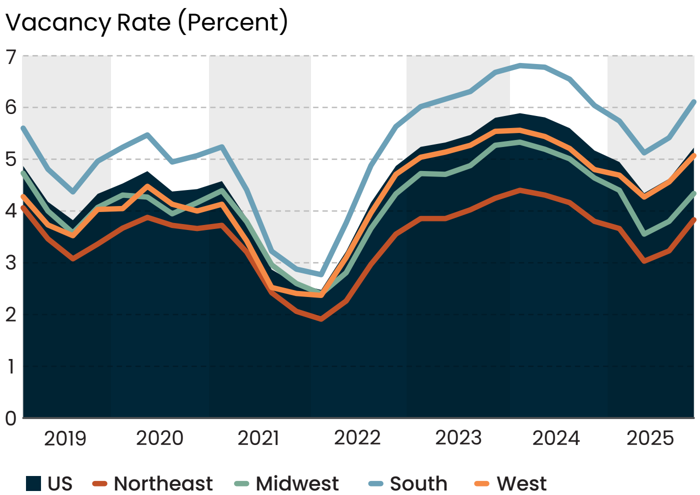
both the peak of 8.8 percent in March 2023 and the 3.7 percent averaged between 2015 and 2019.

Regionally, the nation's large metros are divided between those with modest declines and moderate increases in rents. Apartment asking rents fell year over year in 74 out of the 150 large metros tracked by RealPage, with declines of more than 2 percent in 37 markets. Of the 76 markets where rents increased, 40 markets recorded relatively weak growth of less than 2 percent. Rents rose by 4 percent or more in just 6 markets.

Rents declined steeply in many markets in the South and West where rents had previously surged. Indeed, rents dropped by more than 9 percent year over year in several Florida markets, including Naples, Cape Coral, and North Port. Many markets that benefited from ample new supply, like Austin, also saw rents decline. In contrast, rents grew more rapidly in many low-cost metros, including more affordable Midwestern and Northeastern markets, such as Champaign-Urbana, Akron, Syracuse, Wichita, and Youngstown, as well as in traditionally high-cost markets, such as San Francisco, Providence, San Jose, New York, and Honolulu.

Figure 17

Vacancy Rates Have Started to Tick Back Up



Note: Vacancy rates are for professionally managed market-rate apartments in buildings with five or more units.
Source: RealPage.

Vacancy Rates Rise

Climbing vacancy rates are placing downward pressure on rents. After slowing for five consecutive quarters, the vacancy rate for professionally managed apartments ticked up in late 2025, reaching 5.2 percent in the fourth quarter **(Figure 17)**. This was up from 4.6 percent in the previous quarter and above the 4.9 percent pre-pandemic rate averaged between 2015 and 2019. The recent rise in vacancies is largely attributable to faltering demand in the apartment sector, as apartment completions outpace rental demand.

Vacancy rates increased across all regions of the US throughout 2025. The South had the highest vacancy rates of any region, at 6.1 percent, thanks to a particularly large influx of new construction, well above that of the West (5.1 percent), the Midwest (4.3 percent), or the Northeast (3.8 percent). The high vacancy rate in the South has likely contributed to falling rents in the region.

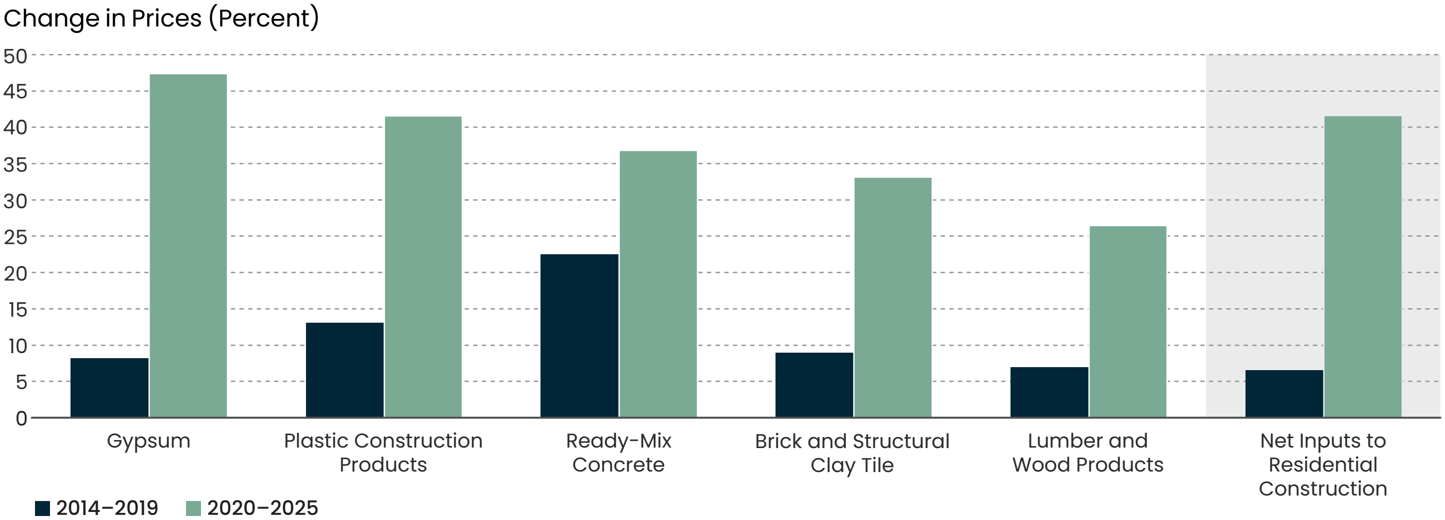
Rental Construction Slows

Modest rent growth, combined with elevated interest rates and development and operating costs, has weakened developers' rationale for new construction. In 2024, 354,000 multifamily units were started, 35 percent less than the three-decade high of 547,000 reached in 2022. While starts picked up through 2025, reaching 416,000 units, they remained well below the recent peak. However, the most recent RealPage data show multifamily starts declined 36 percent year over year in the fourth quarter of 2025.

Starts of single-family rentals softened in 2025 from their recent peak. In the third quarter of 2025, single-family rental starts slowed to an annual rate of 69,000 units, down from 75,000 the previous quarter and the record-high 93,000 units in 2024. Still, relative to historical data, the volume of single-family rental starts has climbed precipitously, more than doubling from an annual rate of 40,000 units in 2019 and accounting for 22 percent of all rental units started annually in 2024.

Figure 18

The Cost of Construction Inputs Has Climbed Since the Pandemic



Note: Price changes are between January 2014-December 2019 and January 2020-December 2025.
Source: JCHS tabulations of US Bureau of Labor Statistics, Producer Price Indexes.

The number of multifamily units under construction has declined rapidly. After hitting a record high of 996,000 units in 2023, the volume of units under construction fell to 781,000 in 2024 and further slowed to 686,000 units in 2025. Despite this slowdown, the number of units under construction exceeded the pre-pandemic five-year average by 80,000 units. As units come online, they will help accommodate additional rental demand in the short term. In the coming years, however, the construction slowdown could exacerbate the existing supply shortage.

Similarly, multifamily completions are faltering. In 2025, 488,000 units were completed. This rate, though relatively high, represents a curtailment from the past few years. In 2024, the abundance of units under construction pushed completions to the highest annual volume since 1986—a historically high 608,000 units, up from an already-robust 450,000 in 2023.

The Cost of Construction Grows

Construction costs are increasing, inhibiting new development and putting upward pressure on rents. The cost of all material inputs to new residential construction jumped 42 percent between January 2020 and December 2025, dwarfing the 7 percent increase from January 2014 to December 2019 **(Figure 18)**. Gypsum, plastic construction products, ready-mix concrete, brick and clay tile, and lumber and wood have all seen cost increases of between 26 percent and 47 percent since 2020. Labor costs have also increased, with the employment index up 24.1 percent since January 2020.

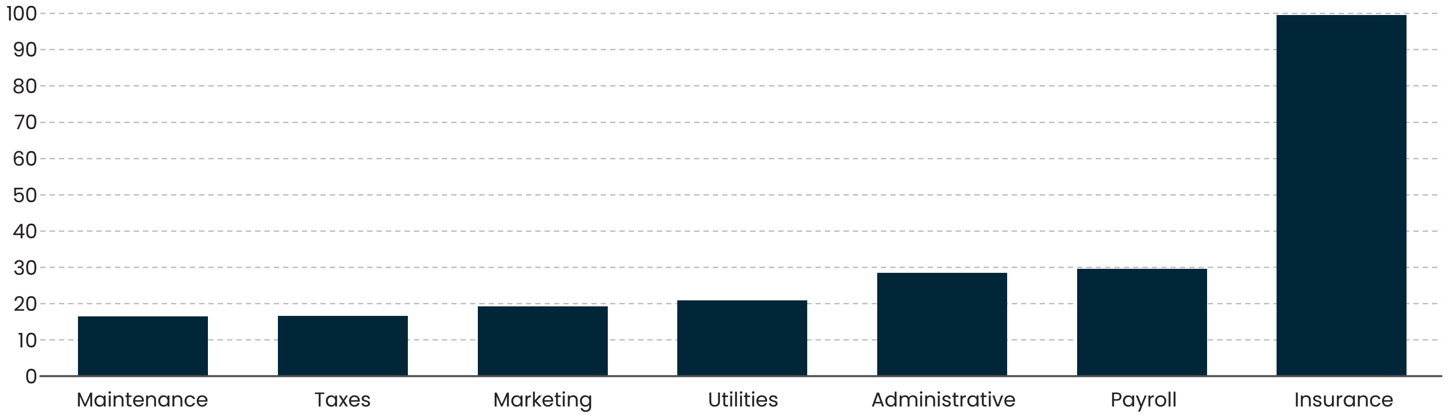
Delays are also contributing to the growing cost of new construction. According to the National Multifamily Housing Council, 46 percent of multifamily construction and development firms experienced construction delays in the third quarter of 2025. Fully 83 percent of respondents with delays cited economic feasibility as the reason, followed by economic uncertainty (61 percent), and problems with permitting or professional services (52 percent). Thirteen percent of firms experienced delays with specific materials.

The cost of land is another challenge. Construction remains concentrated in the urban core, where land values are highest. In 2024, two-thirds of multifamily development was permitted in large metro areas, according to the National Association of Home

Figure 19

Multifamily Operating Expenses Have Soared, Led by Insurance Increases

Change in Costs, 2019–2024 (Percent)



Sources: TreppCRE and TreppInsights.

Builders Home Building Geography Index. This included 35 percent of construction in core counties of large metro areas.

Rising costs have likely contributed to increased asking rents for new units. According to the Survey of Market Absorption, the median asking rent for apartments completed in the second quarter of 2025 was $1,860 per month, up from $1,770 in the second quarter of 2024. In the second quarter of 2025, 37 percent of newly completed apartments had asking rents of $2,050 or more, up from 33 percent a year earlier.

Insurance and Operating Costs Stifle Apartment Performance

The persistently high cost of insurance, taxes, and maintenance is challenging apartment operators and stifling investor returns. According to data from Trepp, the cost of multifamily property insurance doubled between 2019 and 2024 **(Figure 19)**. Other expenses, such as payroll, administrative costs, and utilities, increased by more than 20 percent, and marketing, taxes, and maintenance costs rose by more than 10 percent.

These rising costs, coupled with flattening rent growth, have dampened apartment operators' cash flows. After soaring to 24.6 percent in late 2021, net operating incomes increased by just 4.3 percent annually in the fourth quarter of 2025, according to data from the National Council of Real Estate Investment Fiduciaries (NCREIF). This was below the 5.2 percent pace averaged from 2015 to 2019.

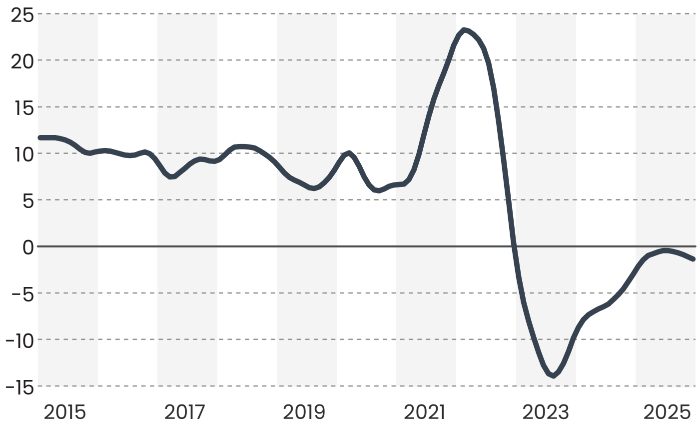
The apartment capitalization rate—the net operating income divided by the property price—held at 4.3 in the fourth quarter of 2025, according to NCREIF. Though unchanged from a year prior, this was far above the post-pandemic low of 3.6 in early 2022.

Demand for multifamily investment remains below pre-pandemic levels. Following a pandemic-era surge in 2021, when sales of apartment properties totaled $359 billion, transactions slowed to $160 billion in the third quarter of 2025, according to MSCI Real Capital Analytics. Nevertheless, this was a 23 percent increase from the previous year. Still, transactions remain below the pre-pandemic volume of $195 billion in 2019. Meanwhile, apartment prices continued to decline in late 2025, down 1.3 percent year over year in December

Figure 20

Apartment Property Prices Continue to Fall

Year-over-Year Change (Percent)



Source: JCHS tabulations of Real Capital Analytics, Commercial Property Price Indexes.

(Figure 20). This marks the longest consecutive decline in apartment prices on record.

In the third quarter of 2025, mortgage originations for multifamily properties increased 27 percent year over year, according to the Mortgage Bankers Association (MBA). With rising mortgage origination volumes, multifamily mortgage debt keeps climbing, reaching $2.24 trillion in the third quarter of 2025.

Delinquency Risk Looms

The risk of delinquencies has climbed amid rising development and operations costs, especially among properties financed with shorter-term loans originated in the last two years. These borrowers have not had much time to build equity, and their loans are more likely to be held by banks or investors or in commercial mortgage-backed securities (CMBS). While CMBS are a small share of multifamily loans, delinquencies for CMBS are ticking up, reaching 6.59 percent in the third quarter of 2025, according to the MBA. This was up from 5.15 percent in the third quarter of 2024, marking the twelfth consecutive quarter of increases.

Though delinquencies for loans held by government-sponsored enterprises are generally much lower, rates have risen in this segment, too. After climbing steadily through 2024, Fannie Mae and Freddie Mac 60-day delinquency rates reached 0.68 percent and 0.51 percent, respectively, in the third quarter of 2025, up from 0.56 percent and 0.39 percent a year earlier.

Likewise, the non-current rate for loans held by banks and thrifts is rising but remained historically low at just 1.27 percent in the third quarter of 2025. While this is slightly higher than the 1.24 percent recorded a year earlier, it is far below the 4.21 percent rate in the first quarter of 2010 following the housing market crash.

The potential consequences of the increase in delinquencies are unclear. Distressed owners might reduce spending on maintenance and operations to the detriment of occupants. Alternatively, new opportunities might arise to reinvest in the properties, were better-capitalized entities to assume ownership.

The Outlook

With rent growth hovering near zero and interest rates elevated, new construction will remain difficult to finance. The slowdown in new supply could push rents up in the coming years, but rising vacancy rates and decelerating rental demand will likely limit rent growth in the near term.

In the investment market, if higher interest rates and operating costs persist, property owners may struggle to adjust, particularly those with limited capital. If the macroeconomy slows, rental demand could weaken further, posing additional challenges for property owners who could be forced to sell properties or reduce spending on maintenance and repairs that help to ensure occupant safety.

Chapter 5

RENTAL AFFORDABILITY

The number of cost-burdened renter households has reached a new high, and affordability has worsened across all income groups. Long-standing racial and economic disparities in who experiences cost burdens have persisted as those burdens have become more geographically widespread. Households are spending an increasing share of income on rent and utilities, leaving less to cover other basic needs.

Cost Burdens Hit Another Record High

The number of cost-burdened renter households has reached a new all-time high. As of 2024, 22.7 million renter households are burdened, spending more than 30 percent of income on rent and utilities. This includes 12.1 million severely cost-burdened households, those spending more than half their income on housing. Of the nearly 48.3 million people living in cost-burdened households, 13.0 million are children under age 18 and 5.8 million are older adults.

The latest count recorded an annual increase of 170,000 cost-burdened renter households, up 2.3 million since the last pre-pandemic reading in 2019 and 7.9 million more since 2001. And though the level of severely burdened renter households decreased modestly by 32,000 in 2024, it, too, has increased over the longer term, expanding by 1.5 million households since 2019 and 4.6 million since 2001.

While the number of cost-burdened renter households increased, the share was basically unchanged at 49 percent, including 26 percent with severe burdens. Still, this is 3.1 percentage points above pre-pandemic levels, undoing the affordability gains from the mid to late 2010s and contributing to the 8.8 percentage point increase in the burden rate since 2001.

Affordability Challenges Creep Up the Income Scale

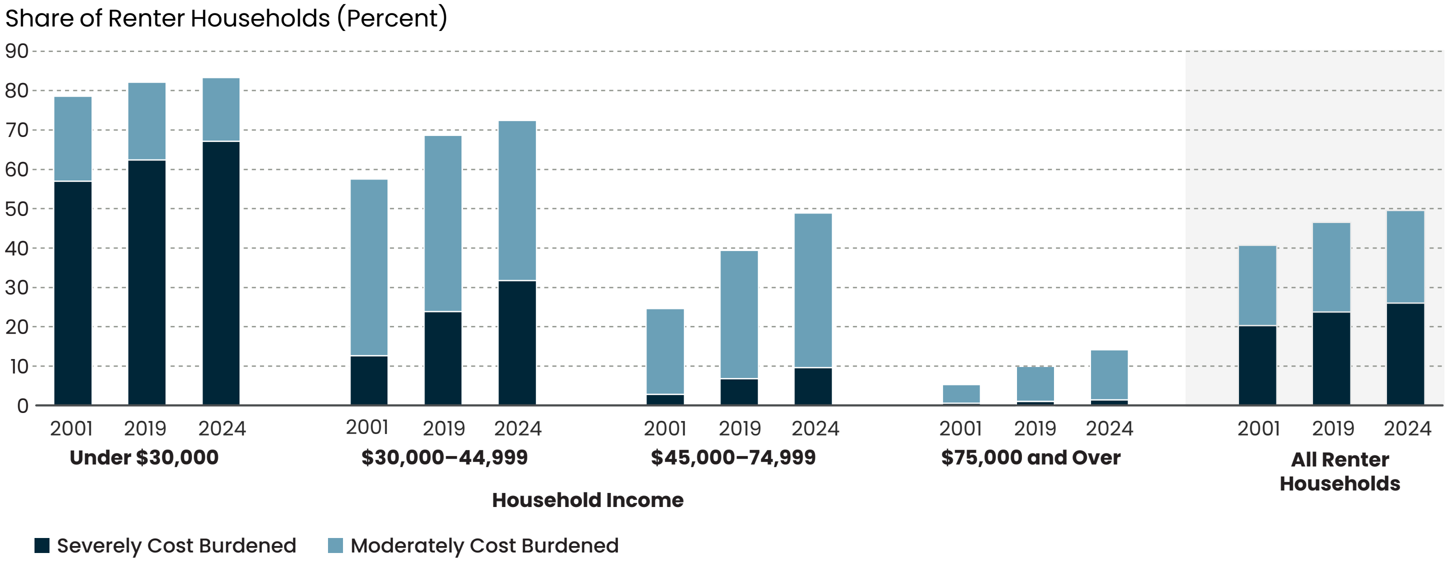
Rapidly rising rents, relatively strong rental demand, and the undersupply of housing have worsened affordability challenges for renters of all incomes since the pandemic. Cost-burden rates have even risen among lower-income renters, who already faced exceedingly high unaffordability well before the pandemic. Indeed, 83 percent of renter households earning under $30,000 were burdened in 2024, including 67 percent with severe burdens, up 1.1 percentage points since 2019 and 4.7 percentage points since 2001.

At the other end of the income spectrum, the wave of new supply targeted to higher-income renters has not fully insulated these households from deteriorating affordability. The cost-burden rate for renters earning $75,000 or more reached 14 percent in 2024, up 4.1 percentage points since 2019 and 8.8 points over two decades.

Renters in the middle of the income distribution have suffered the most dramatic increases in cost burdens. In 2024, 72 percent of renters earning $30,000 to $44,999 were burdened, an increase of 14.9 percentage points since 2001, including a 3.8 percentage point rise just since 2019. Affordability challenges for renters

Figure 21

Cost Burdens Have Risen Across All Income Groups



Notes: Household incomes are adjusted for inflation using the CPI-U for All Items. Moderately (severely) cost-burdened households spend more than 30% (more than 50%) of income on rent and utilities. Households with zero or negative income are assumed to have severe burdens, while households that are not required to pay rent are assumed to be unburdened.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

earning $45,000 to $74,999 have grown even faster, with their burdens doubling in two decades. A full 49 percent of these renters were burdened last year, compared to 39 percent in 2019 and 24 percent in 2001 **(Figure 21)**.

Affordability challenges have worsened across the board partly because full-time employment does not necessarily provide the income required to afford rent in today's market. The share of fully employed renters—households headed by someone who worked at least 50 weeks in the prior year and 35 hours in a typical week—with cost burdens was 36 percent in 2024, up from 25 percent in 2001. Cost burdens were especially high for full-time workers in food preparation (53 percent) and personal/care services (52 percent).

Cost-Burden Disparities Persist

Long-standing disparities in housing unaffordability endure. Discriminatory policies and practices in education, employment, and housing have resulted in more than half of Black (57 percent) and Hispanic (54 percent) renters, along with half of multiracial renters, being cost burdened **(Figure 22)**. This is substantially higher than the 44 to 45 percent of Asian and white renters who live in unaffordable housing. Native American renters also have a relatively low cost-burden rate (44 percent) because their housing costs are lower, reflecting that they are much more likely to live outside metropolitan areas and in substandard housing.

There are also disparities by age, with the youngest and oldest households most likely to be cost burdened. In part reflecting their lower incomes, 60 percent of renter households headed by an adult under age 25 are burdened, as are 58 percent of those headed by someone age 65 and over. Between these two extremes, cost-burden rates hover around 45 percent for renter households headed by someone aged 25 to 54 before ticking up to 49 percent for those aged 55 to 64 as incomes start to dip.

While highly correlated with stage of life, disability is also related to housing unaffordability at any age. People with disabilities more frequently face barriers to employment or may be unable to work. Further, some disabilities may require accessibility features that can make suitable housing difficult to find, much less afford. As a result, 60 percent of renter households headed by a person with a disability are cost burdened, 13 percentage points higher than households headed by a person without a disability.

The composition of renter households can also make them more or less likely to experience burdens. Single-parent and single-person households have the highest burden rates, at 61 percent and 59 percent, respectively. These households typically have fewer workers to contribute toward rent, especially single parents who may require more bedrooms to accommodate their children. Married couples without kids have the lowest burden rate at 33 percent.

Finally, renters with lower levels of formal education have more limited job opportunities and are therefore least likely to find housing that is affordable. Households headed by someone without a high school diploma or a GED have a cost-burden rate of 59 percent. With each level of educational attainment, cost-burden rates decrease, down to 39 percent of households headed by a person with at least a bachelor's degree.

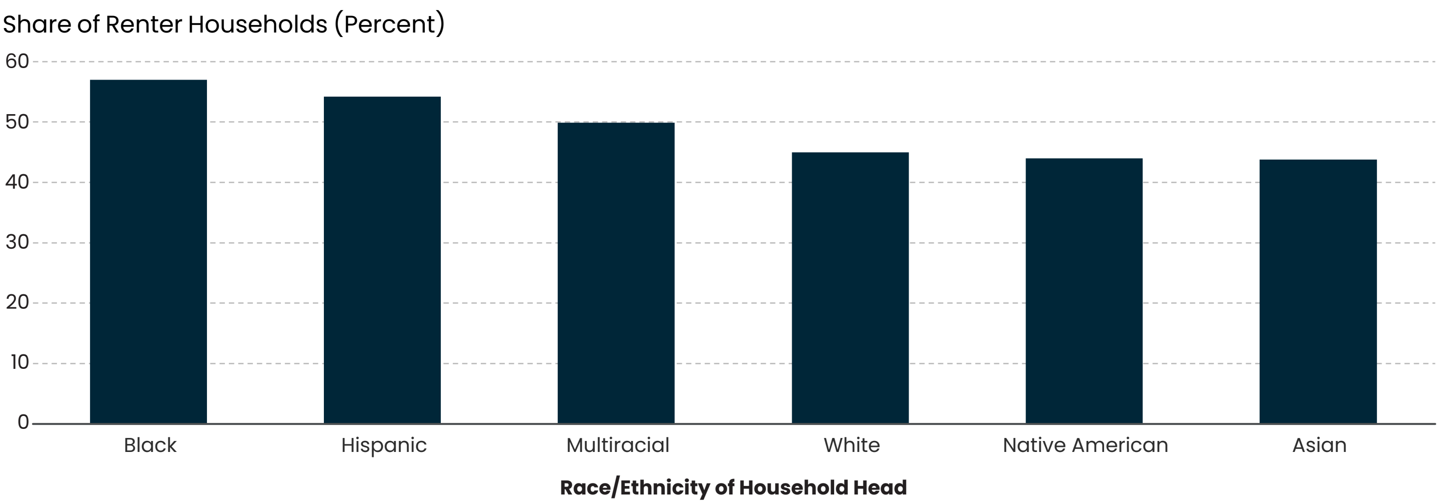
The Geography of Cost Burdens Grows Larger

Much of the country has become less affordable since 2019. The share of renters with cost burdens rose in 44 states over the last five years, including 13 with growth of at least 4.0 percentage points. Cost burdens have increased fastest in Nevada, where rates grew 6.0 percentage points, followed closely by Arizona (5.6 percentage points), Florida (5.3 percentage points), and Connecticut (5.3 percentage points). Meanwhile, burdens decreased in only 6 states. The majority of these recorded small declines, but burden rates fell by more than 2.0 percentage points in Vermont and North Dakota.

As cost burdens have become more widespread, nearly every state now struggles with housing unaffordability. In 2024, more than a third of renters in every state were cost burdened. More than half were burdened in 12 states, mostly in the South, where incomes are generally lower, and in the West, where rents tend to be higher. To the extent that any state can be called relatively affordable, 4 are noteworthy

Figure 22

Persistent Discrimination Has Left Most Black and Hispanic Renters Cost Burdened



Notes: Cost-burdened households spend more than 30% of income on rent and utilities. Black, multiracial, white, Asian, and Native American people are non-Hispanic. Hispanic people may be of any race.
Source: JCHS tabulations of US Census Bureau, 2024 American Community Survey 1-Year Estimates.

for burdened renter rates under 40 percent—Alaska, Kansas, North Dakota, and South Dakota.

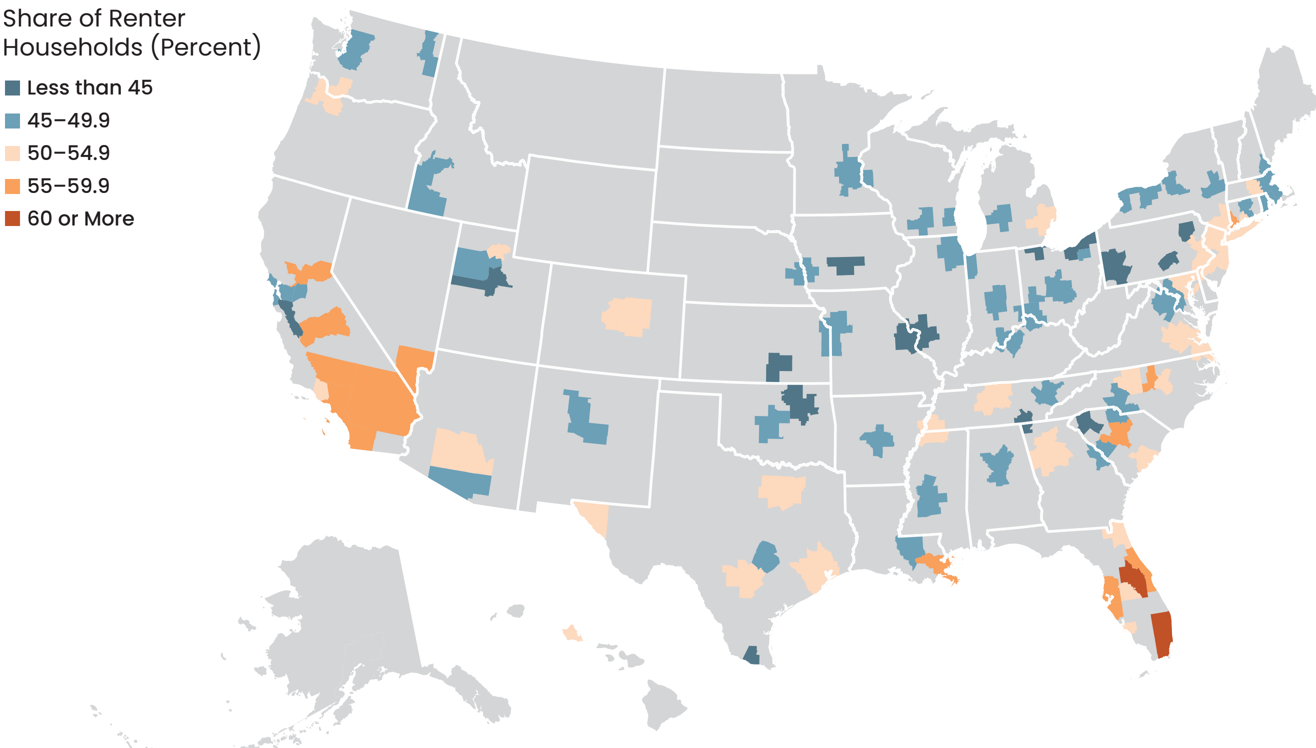
Cost-burden rates were highest in Florida at 59 percent, followed by Nevada and California, where burdens exceeded 53 percent. Several states in the Northeast also had high cost-burden rates, including Connecticut (52 percent), New Jersey (51 percent), and Massachusetts (51 percent). Even in the lower-cost Midwest, burdens ranged from a relative low of 34 percent in North Dakota to a high of 48 percent in Michigan and Illinois.

At the metro level, most large markets reported high and increasing cost-burden rates. Between 2019 and 2024, burdens rose in 88 of the nation's 100 largest metros. The share of renters with burdens now exceeds 50 percent in 48 of the largest markets **(Figure 23)**. Mirroring state-level trends, the cost-burden rate is highest in five markets in Florida—Miami (63 percent), Orlando (60 percent), Tampa (59 percent), North Port (59 percent), and Deltona (59 percent)—as well as in Las Vegas (60 percent). Florida, in particular, has seen some of the fastest rent increases in the country, boosted partly by rapid growth in the number of higher -income renters who compete for units.

Even in the most affordable of the large metros, two out of every five renters are burdened. Cost burdens are generally less common in the Midwest and the Rust Belt Northeast, where rents tend to be lower. Still, about 40 percent of renters are burdened in Des Moines, Pittsburgh, and Wichita.

Figure 23

Southern and Western Metros Have Some of the Highest Cost-Burden Rates

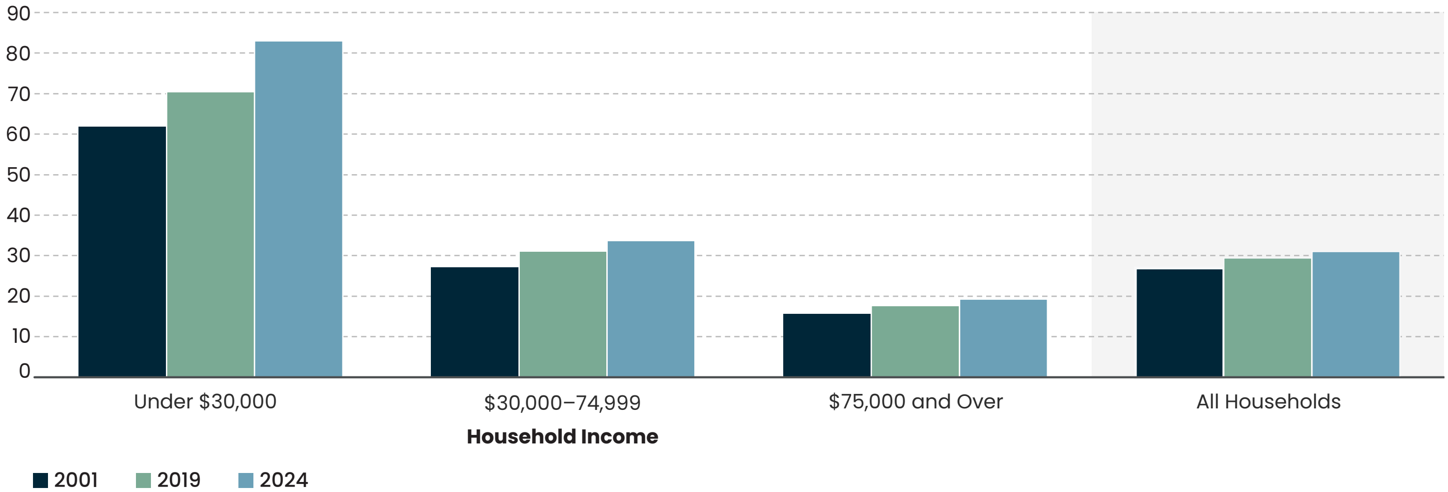


Notes: Cost-burdened households spend more than 30% of income on rent and utilities. Households with zero or negative income are assumed to have severe burdens, while households that are not required to pay rent are assumed to be unburdened.
Source: JCHS tabulations of US Census Bureau, 2024 American Community Survey 1-Year Estimates.

Figure 24

Housing Has Consumed a Growing Share of Renters' Incomes

Median Share of Income Spent on Rent and Utilities (Percent)



Notes: Non-cash renters are excluded. Household incomes are adjusted for inflation using the CPI-U for All Items. Shares are calculated at the household level.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Affordability challenges have increased fastest in the most populous markets, where cost-burden shares are highest. The rate of cost-burdened renters in the 100 largest metros climbed 3.5 percentage points to 51 percent from 2019 to 2024. In all other metros, the rate was nearly as high at 48 percent after a 2.1 percentage point increase. In smaller micropolitan areas with populations under 50,000, the cost-burden rate rose 1.5 percentage points to 41 percent during the same period. While non-metropolitan areas saw only a slight increase (1.2 percentage points) and are still the most affordable geography, 39 percent of rural renter households are cost burdened.

Notably, no geography is affordable to renters whose income is in the bottom fifth of all households. In 2024, even in non-metropolitan areas, nearly three-quarters (71 percent) of the lowest-income renters were cost burdened. An even higher share of these renters had burdens in micropolitan (75 percent), small metro (82 percent), and large metro (86 percent) areas.

Rising Rents Leave Less for Other Basic Needs

In the past two decades, rent growth has outpaced income gains for renters. Between 2001 and 2024, the median rent increased 30 percent after adjusting for inflation, while the median renter household income increased just 9 percent. The relatively strong economy in recent years has not been enough to close this gap. Between 2019 and 2024, the median rent grew by 12 percent while household income rose by 4 percent.

As a result, households are spending a growing share of income on housing. In 2024, the median renter spent 31 percent of income on rent and utilities, up from 29 percent in 2019 and 27 percent in 2001 **(Figure 24)**. Although the share of income dedicated to rent has risen across all income groups, it has increased especially quickly for renters with lower incomes, reaching 83 percent in 2024, compared to 70 percent before the pandemic and 62 percent in 2001.

Consequently, lower-income households have less income left over than ever before to pay for non-housing needs **(Figure 25)**. In 2024, the median renter household earning under $30,000 had just $210 left over each month after paying rent and utilities, a 60 percent drop since 2001. Households earning $30,000 to $74,999 have also experienced declining residual income, falling 10 percent to $2,650 in 2024. Residual incomes have even stalled for the median higher-income renter, who retained $7,600 per month in 2024, essentially unchanged from 2001.

With rent consuming so much of household income, it is no wonder that the majority of renters are unable to afford a basic standard of living. A recent Center analysis found that only a third of working-age renter households had enough income after paying rent and utilities to meet all other estimated needs in 2023, including transportation, food, healthcare, and childcare.

The Outlook

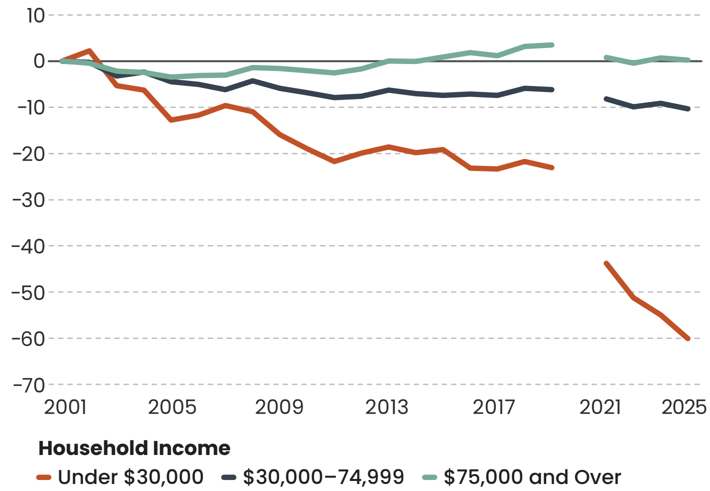
Despite the slow pace of rent growth in the near term, unaffordability will remain a major challenge for renter households. Even if incomes do manage to outpace sluggish rent growth, the depth of the existing affordability challenges and the persistently high cost burdens will be difficult to overcome, let alone meaningfully reverse.

At the same time, the rising cost of other necessary goods will put additional pressure on renters' household budgets if tariffs remain in place and inflation persists. Substantial cuts to Medicaid and SNAP in the July 2025 reconciliation bill will only make it harder for lower-income households to cover basic needs.

Figure 25

Lower-Income Households Have Less Left Over for Other Basic Needs

Change in Median Income Left Over After Paying Rent Since 2001 (Percent)



Notes: Income categories and residual incomes are adjusted for inflation using the CPI-U for All Items. Estimates for 2020 are omitted because of data collection issues during the pandemic.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Chapter 6

RENTAL POLICY CHALLENGES

Unaffordability remains the primary rental policy challenge facing the nation. Federal rental assistance has not kept pace with growing demand. The number of people experiencing homelessness hit record highs as communities struggle to implement effective solutions with limited resources. State and local policies that expand the rental supply are gaining momentum. But environmental hazards make this work even more challenging, and the aging rental stock requires substantial investment to increase its resiliency and energy efficiency.

Addressing the Unmet Needs of Low-Income Renters

Rental assistance falls far short of the need. At last count in 2023, 19.1 million renter households had very low incomes, generally making them eligible for federal rental assistance. Of these, just over one in four (5.4 million households) received help. Among the 13.8 million who were unassisted, 8.5 million were severely cost burdened or lived in housing with severe structural inadequacies. Though this is a decline of 62,000 households from the 2021 record high, it is more than 3 million households above 2003 levels.

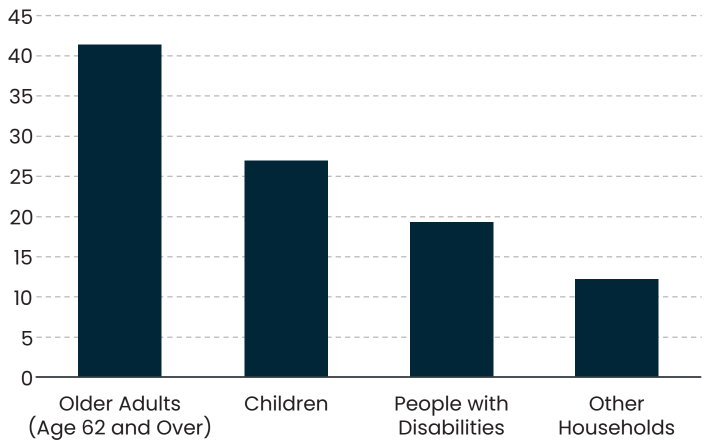
For those who do receive it, rental assistance is a vital resource. HUD programs largely support households that include older adults, children, and people with disabilities **(Figure 26)**. The subsidy reduces the household portion of the average monthly rent to $430.

Federal rental assistance is chronically underfunded. Fortunately, the 2026 appropriations bill boosts tenant-based rental assistance by $2.4 billion. But with rising program costs, even this amount may fall short of what is needed to renew contracts for the 2.3 million households currently served by Housing Choice Vouchers and to assist households previously covered

Figure 26

Rental Assistance Primarily Supports Older Adults, Children, and People with Disabilities

Share of HUD-Assisted Households (Percent)



Notes: Older adults and disabilities are based on the head of household or their spouse. Households age 62 and over may also have a disability or have children in the household. Households with a disability may also have children.
Source: JCHS tabulations of US Department of Housing and Urban Development, 2024 Public Use Microdata Sample.

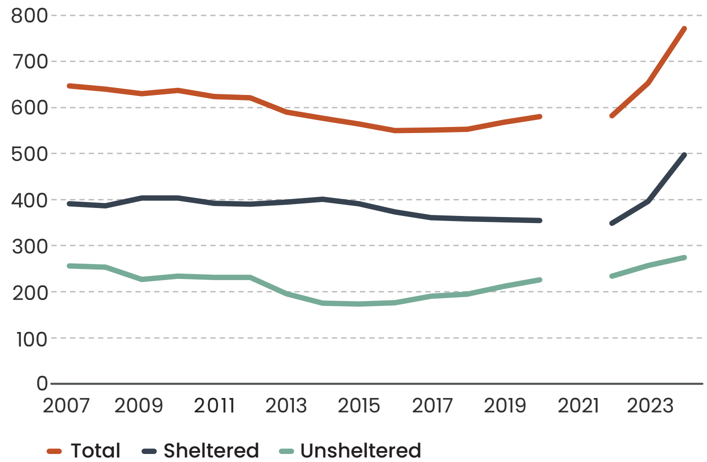
by Emergency Housing Vouchers. In December 2025, HUD advised public housing authorities to undertake cost-saving measures that include freezing the issuance of new vouchers to ensure the funds will last through the year.

The public housing program, which serves about 800,000 renter households, is facing budget reductions at a time when additional funds are needed to undertake long-deferred maintenance and redevelopment projects. Indeed, about 10,000 public housing units are lost from the stock annually due to disrepair. The Rental Assistance Demonstration program has facilitated the conversion of more than 250,000 public housing units into project-based Section 8 assisted housing, allowing public housing authorities to leverage private capital to meet urgent redevelopment and preservation needs on these properties. Nevertheless, the Council of Large Public Housing Authorities estimates that $169 billion is needed to preserve the public housing stock.

Figure 27

Homelessness Reached Record Highs in 2024

People Experiencing Homelessness (Thousands)



Note: Because of the pandemic, complete unsheltered counts were unavailable in January 2021 and sheltered counts were artificially low, likely because of reduced shelter capacity.
Source: JCHS tabulations of US Department of Housing and Urban Development, Annual Homeless Assessment Report Point-in-Time Estimates.

The aging USDA Section 515 stock poses an additional preservation challenge. The program, which both provides housing to 375,000 rural households and finances rental properties, has not issued loans for new development since 2011. Meanwhile, maturing loans and prepayments are chipping away at the stock. The Housing Assistance Council estimates that about 2,000 units will exit the program annually through 2027, at which point the losses will increase to 16,000 units per year. Without a major preservation effort, the program will lose nearly all of its units by 2050.

While other programs are chronically underfunded, the Low-Income Housing Tax Credit receives growing support. LIHTC has produced or preserved more than 4 million low-income units since 1986. The 2025 reconciliation bill permanently increased allocations for the competitive housing credit by 12 percent. At the same time, the threshold for receiving the noncompetitive credit was lowered, dropping the required share of a project that must be financed with private activity bonds from 50 percent to 25 percent, in turn increasing the availability of credits while freeing capped bond allocations. According to Novogradac, these changes could finance 1.2 million rentals by 2035. Yet even this well-supported program experiences losses. The National Council of State Housing Agencies estimates that 6,000 to 10,000 units leave the program annually due to a qualified contracts provision that lets some property owners exit after 15 years.

Ending Homelessness

With persistently high rents and insufficient levels of federal rental assistance, the number of people experiencing homelessness on a single night in January hit a record-high 771,480 in 2024. This was an increase of 18 percent in one year and 33 percent since the start of the pandemic **(Figure 27)**. Most of the growth has been among people staying in shelters as homelessness response systems expanded emergency supports to meet increased demand. The sheltered population jumped 25 percent in just one year to 497,260 in 2024.

The rapid increase is attributable in part to temporary factors. Colorado, Illinois, Massachusetts, and New York opened additional shelter space to accommodate migrants and asylum seekers, pushing their sheltered homelessness counts up in 2024, but these programs have since ended. The increasing frequency and severity of disasters is also contributing, including in Hawaii, where the population staying in shelters more than tripled after the Maui wildfires.

Over the longer term, the rise in unsheltered and chronic homelessness is largely the product of market conditions and affordability challenges. The number of people living in places not intended for human habitation, a population that has grown annually since 2015, reached an all-time high of 274,220 in 2024. Two-thirds of the growth over those years was in California, Oregon, and Washington, where the affordability crisis is especially acute.

There are bright spots, however, including the 56 percent decline in veteran homelessness since 2010 following concerted efforts to provide targeted housing with supportive services. Some municipalities like Houston and Milwaukee have also meaningfully reduced their broader unhoused populations by coordinating resources across agencies and moving people into housing with services to support long-term stability. Denver's All In Mile High initiative decreased the number of people living on the streets by 45 percent from 2023 to 2025 by implementing prevention measures, quickly converting hotels and building microcommunities to expand non-congregate shelter options, and helping people access permanent housing.

Despite successes in addressing homelessness, the federal government has shifted away from key programs and approaches. At the end of 2025, HUD rescinded already-approved Continuum of Care grants before ultimately reinstating them, delaying the disbursal of crucial funds. Federal policy has retreated from Housing First, an evidence-based best practice that prioritizes housing people and offering voluntary supportive services, instead touting models that require people to undergo treatment for mental health or substance use challenges before accessing housing or shelter.

A 2025 federal executive order encourages this shift by prioritizing federal grants for communities that prohibit encampments and those that advance policies promoting the institutionalization and criminalization of people experiencing homelessness. The order builds on a 2024 Supreme Court ruling that lets jurisdictions penalize people experiencing homelessness even when no shelter space is available. Since the ruling, jurisdictions across the US have passed more than 200 bills criminalizing homelessness, primarily through camping bans.

Housing people when resources are constrained, systems are oversubscribed, and unaffordability worsens is a difficult challenge for communities. Although homelessness encampments can pose public safety and health risks—especially for unhoused people—banning encampments without expanding shelter and affordable housing options fails to solve the underlying market conditions that cause homelessness and harms people who are unhoused.

Building State and Local Capacity

As federal resources and policies evolve, many state and local governments will be called on to take a larger role in efforts to improve affordability. The scale of federal resources is nearly impossible to replicate, but many state and local options exist to tackle housing issues. The challenge and opportunity now facing every locality is how best to use the available tools to address housing needs.

One approach is to leverage alternative funding sources. Across the country, more than 800 housing trust funds generate well over $1.6 billion each year. Multifamily private activity bonds issued by state agencies provided an additional $21.7 billion in 2023 alone. Thirty-one states have also created low-income housing tax credit programs to supplement federal allocations. And in 2024, voters authorized more than $640 million in bonds to support housing across 10 jurisdictions and one state. Successful ballot initiatives in eight locales increased lodging taxes, as another three raised or extended real estate transfer taxes to finance affordable housing. Together, these funds help support about 350 state and local rental assistance programs, according to the National Low Income Housing Coalition.

New models for developing affordable mixed-income housing are also gaining traction. In Seattle, a measure passed in early 2025 will tax corporations on individual employee compensation over $1 million, raising a projected $53 million annually for the Seattle Social Housing Developer. The Chicago City Council last year approved the Green Social Housing Ordinance, featuring $135 million in revolving loans for affordable housing that meets green building standards. This approach follows the model set by Montgomery County, Maryland, where a $100 million revolving construction loan fund will finance at least 6,000 new mixed-income units. At the state level, Massachusetts, Michigan, New York, and Oregon have revolving construction loan funds supporting mixed-income multifamily rental housing.

Additionally, states and cities are loosening regulations to increase the multifamily supply, a strategy that can help reduce development costs, slow rent growth, and address the housing shortage **(Figure 28)**. Maine, Montana, Vermont, and Washington are among the states that have recently passed sweeping zoning reforms allowing small multifamily buildings on properties zoned for single-family homes. Other states, like Arkansas and Iowa, have made it easier to permit accessory dwelling units (ADUs), a housing type that can increase the rental supply.

At the local level, the Cambridge, Massachusetts, city council has approved a groundbreaking zoning ordinance that allows four-story multifamily buildings by right in any residential area. New York City has undertaken upzoning as part of its larger City of Yes plan, which also reduces parking minimums and is expected to enable the development of up to 80,000 homes over 15 years.

As affordability challenges have mounted and renters have demanded action, states and localities have adopted a variety of measures. According to the National Low Income Housing Coalition, 29 states and 51 localities passed tenant protections in 2024 and 2025. These range from right to counsel and just cause eviction standards to policies that limit fees or prevent sharp rent increases.

Figure 28

States Are Turning to Zoning Reforms to Spur Construction and Increase Affordability

State	Year Passed	What the Legislation Allows
Oregon	2019	Duplexes or fourplexes on single-family lots, depending on population of city
California	2021	Duplexes in single-family zones; split single-family parcels
Montana	2023	Duplexes in single-family zones; multifamily housing in commercial zones
Vermont	2023	Duplexes in single-family districts; fourplexes if served by sewer and water
Washington	2023	Duplexes or fourplexes on single-family lots, depending on population of city
Arkansas	2025	ADUs on lots zoned for single-family homes
Florida	2025	Multifamily housing in commercial and mixed-use zones if at least 40% affordable
Iowa	2025	ADUs on lots zoned for single-family homes
Maine	2025	Three units on residential land; four units if served by sewer and water
New Hampshire	2025	Multifamily housing on commercially zoned land
Texas	2025	Multifamily housing where commercial and related uses are allowed

Legislation that restricts rent increases has gained momentum, despite arguments that this action will slow new development and reduce potential revenues that pay for maintenance. In 2025, Washington became the third state, after California and Oregon, to cap rent hikes, with substantial exemptions for new units. At the end of 2025, the Los Angeles City Council voted to tighten the municipal rent stabilization ordinance, limiting rent increases to 4 percent in apartments built before 1978, where about half of the city's residents live. And in the last two years, at least 10 cities, including San Francisco and Philadelphia, have banned algorithmic rent setting.

Confronting Increasingly Frequent Disaster Damage

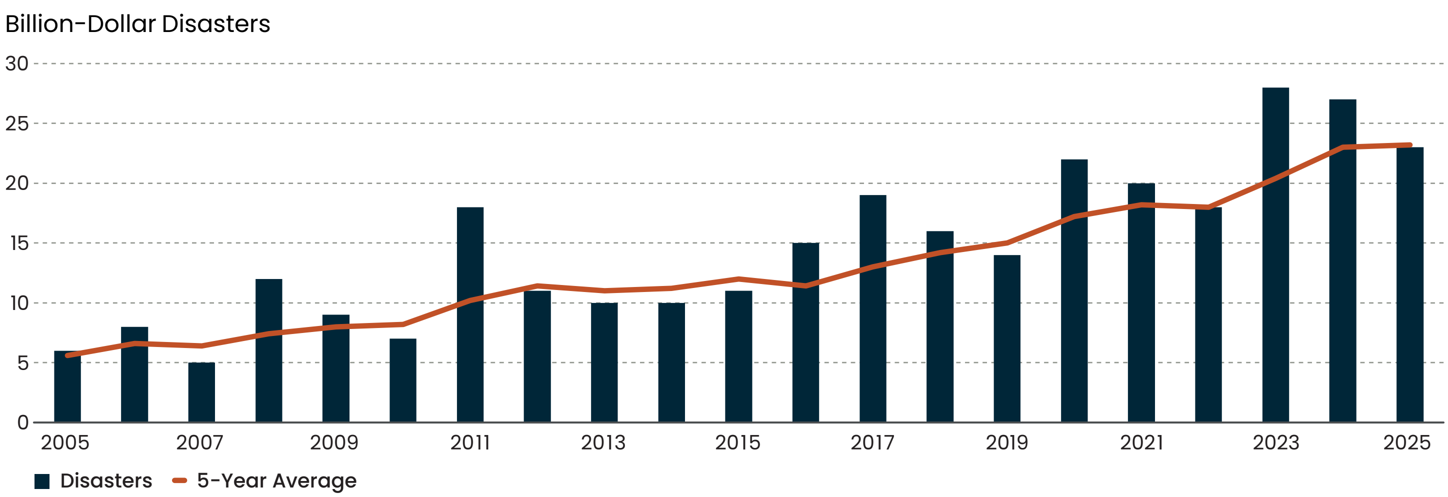
The number of costly disasters has grown in recent years, with 23 billion-dollar weather and climate disasters in 2025 **(Figure 29)**. Preparing for and recovering from these events can be particularly hard for lower-income renters who lack the resources to pay for evacuation and temporary housing. According to a report from the Brookings Institution, rents grow by an additional 6 percent on average in an area after one disaster and by about 12 percent after at least three.

Federal resources have been integral to helping renters recover after a disaster. FEMA's Individuals and Households Program assists renters with hotel or short-term lodging costs and other essential needs. From 2019 to 2024, the program provided 2.3 million renter households with nearly $6 billion in aid. For longer-term recovery, Community Development Block Grant Disaster Recovery (CDBG-DR) funds can be used to rebuild multifamily housing and help households with rent payments, though most of the money typically benefits homeowners. In December 2024, Congress authorized $12 billion for CDBG-DR, bringing the five-year total to $22 billion.

Under the current administration, changes to federal disaster management strategies jeopardize these resources. Already, FEMA has tried to end the few mitigation programs that help communities and property owners prepare for future disasters. Proposals to reduce federal involvement in disaster recovery include raising the required damage threshold for declaring disasters and deploying funds, as well as restructuring FEMA or eliminating it altogether. Such changes would further strain state and local governments already lacking the capacity and resources to meet renters' and property owners' disaster-related needs.

Figure 29

Weather- and Climate-Related Disasters Have Become Increasingly Common



Note: Disasters are included if damages or costs inflated to 2024 dollars are at least $1 billion.
Source: JCHS tabulations of National Oceanic and Atmospheric Administration, Billion-Dollar Weather and Climate Disasters, and Climate Central.

At the same time, there is a significant need to make the rental stock more energy efficient, both to lower energy costs for renter households and to reduce greenhouse gas emissions. In 2020, about half of renters earning less than $30,000 experienced energy insecurity, according to the Residential Energy Consumption Survey, and the cost of residential electricity has only risen since then. The Low Income Home Energy Assistance Program has been the largest program for addressing this critical need, assisting more than 6 million households. Last year, the government shutdown delayed the disbursal of $3.6 billion in block grants.

While newer technologies and standards have significantly improved energy efficiency for recently built homes, most of the rental stock is too old to have updated systems and requires substantial retrofitting. The Inflation Reduction Act supported this effort with $8.8 billion in rebates and expanded tax credits, though these were prematurely discontinued in the July 2025 reconciliation bill.

State and local governments are also engaging in this work. After a limited pilot in May 2025, Georgia expanded its home energy rebates to multifamily buildings. The rebates are open to developers, as well as to property owners and managers who undertake energy efficiency retrofits and appliance upgrades. Minneapolis offers multifamily projects enrolled in its 4d program up to $50,000 for energy efficiency or electrification upgrades, helping to address the intertwined challenges of rental affordability and energy efficiency.

The Outlook

The nation's rental housing challenges are increasingly severe. Absent coordinated actions across all levels of government and multiple sectors, the overlapping problems of unaffordability, housing instability, limited supply, disaster risk, and energy inefficiency will worsen. While the federal government has never provided sufficient resources to meet the needs of low-income renter households, retrenchment from its vital role will only exacerbate these issues.

Bipartisan solutions are possible, however. Recently, the Senate Committee on Banking, Housing, and Urban Affairs passed the ROAD to Housing Act while the House passed the Housing for the 21st Century Act. These sweeping and important pieces of legislation include provisions to increase supply, expand support for home repair and disaster recovery, and reduce administrative burdens for voucher holders and organizations serving people experiencing homelessness.

In the meantime, state and local governments are stepping up to help renter households as much as they can. In this difficult moment, they are identifying policy levers and funding sources that encourage public and private multifamily development, investment in the existing stock, and support for renter households. State and local efforts will continue to provide valuable lessons, but they simply cannot fill all gaps left by the federal withdrawal. Without critical funding and policy support, the challenges facing renters and the cost to address them will only grow.

America's Rental Housing 2026 was prepared by the Joint Center for Housing Studies of Harvard University. The Center strives to improve equitable access to decent, affordable homes in thriving communities. We conduct rigorous research to advance policy and practice, and we bring together diverse stakeholders to spark new ideas for addressing housing challenges. Through teaching and fellowships, we mentor and inspire the next generation of housing leaders.

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Joint Center for Housing Studies of Harvard University. 2026. *America's Rental Housing 2026.*
www.jchs.harvard.edu/americas-rental-housing-2026

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