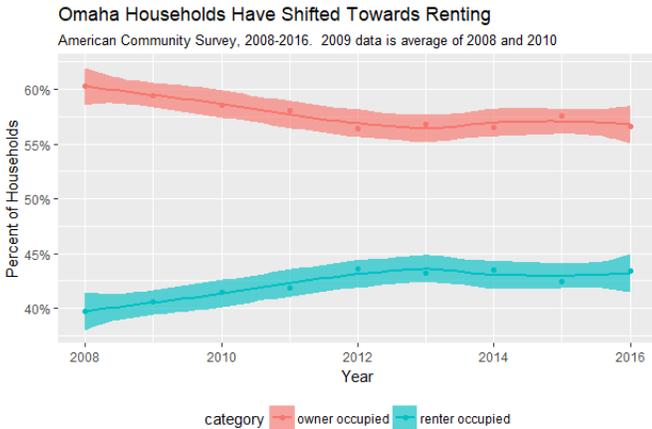


# RENTAL HOUSING IN OMAHA

## Rental Growth Outpaces Ownership

Omaha gained 11,800 households from 2010 to 2016. Of that growth, about 9400 were renter-occupied and 2500 owner-occupied. In 2010 39.9% of households rented, but by 2016 42.5% rented



In sum 79% of household growth since 2010 has been in renter-occupied units. Omaha now has 100,503 owner-occupied and 74,325 renter-occupied households with 166,113 people.

## Monthly Rents

Median monthly rent in Omaha has risen from \$712 in 2010 to \$819 in 2016, an annual rate of 2.5%, which is higher than increases in the consumer price index.

But there are in essence at least two rental markets: a rental market for middle-income households, and another market for low-income households

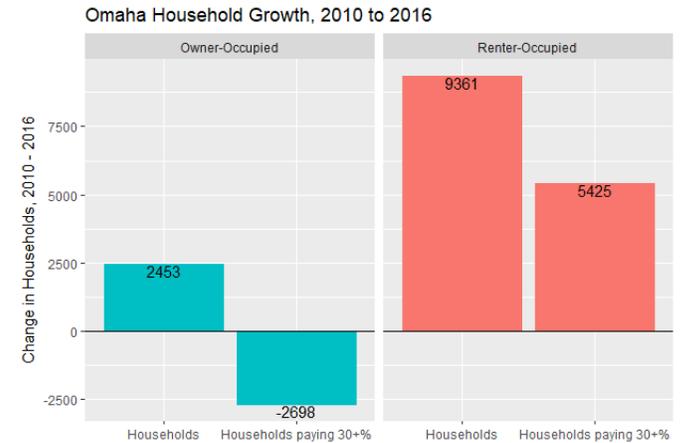
These estimates of monthly rent by apartment type at the bottom of the rental housing market were provided by a homeless services organization, Together Omaha:

| Rental Type | Monthly Rent | Minimum Income  |
|-------------|--------------|-----------------|
| Studio      | 450 - 550    | 18,000 – 22,000 |
| 1 bedroom   | 500 – 650    | 20,000 – 26,000 |
| 2 bedroom   | 600 - 725    | 24,000 – 29,000 |

Minimum incomes allow a household to meet the accepted standard for housing affordability, that is, spending only 30% of income on rent. Annual incomes of less than \$20,000 often are not adequate to afford even the bottom of the rental housing market. In some cases incomes up to \$30,000 are not adequate.

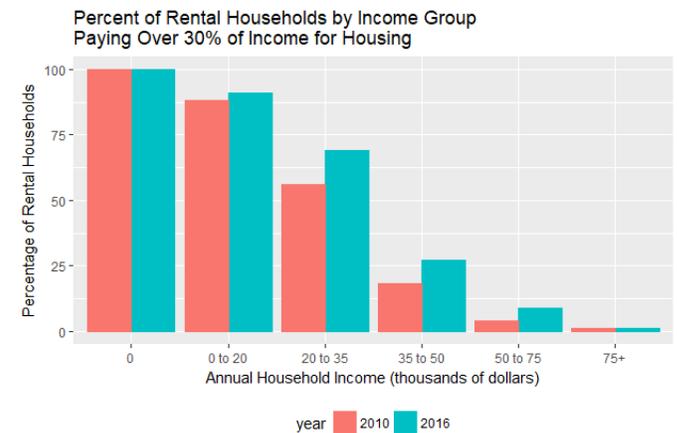
## Rental Growth Creating Affordability Problems

Since 2010 the number of affordability problems among homeowners has declined. In contrast the growth in renting has come with a growth in problems of affordability. Most of the increase has been among those spending more than 30% of their income on rent.



## Affordability problems are widespread

Most households that rent have annual incomes of less than \$35,000. Of them, 82% pay more than 30% of income toward housing. Almost 37,000 renter-occupied households in 2016 paid more than 30% of their income in rent across all income levels.



The affordability problems make tenants somewhat desperate for affordable rents, even when living conditions may be substandard. The Omaha Community Foundation has stated that “75% of low-income people in Douglas and Sarpy Counties ... live in substandard housing.”