

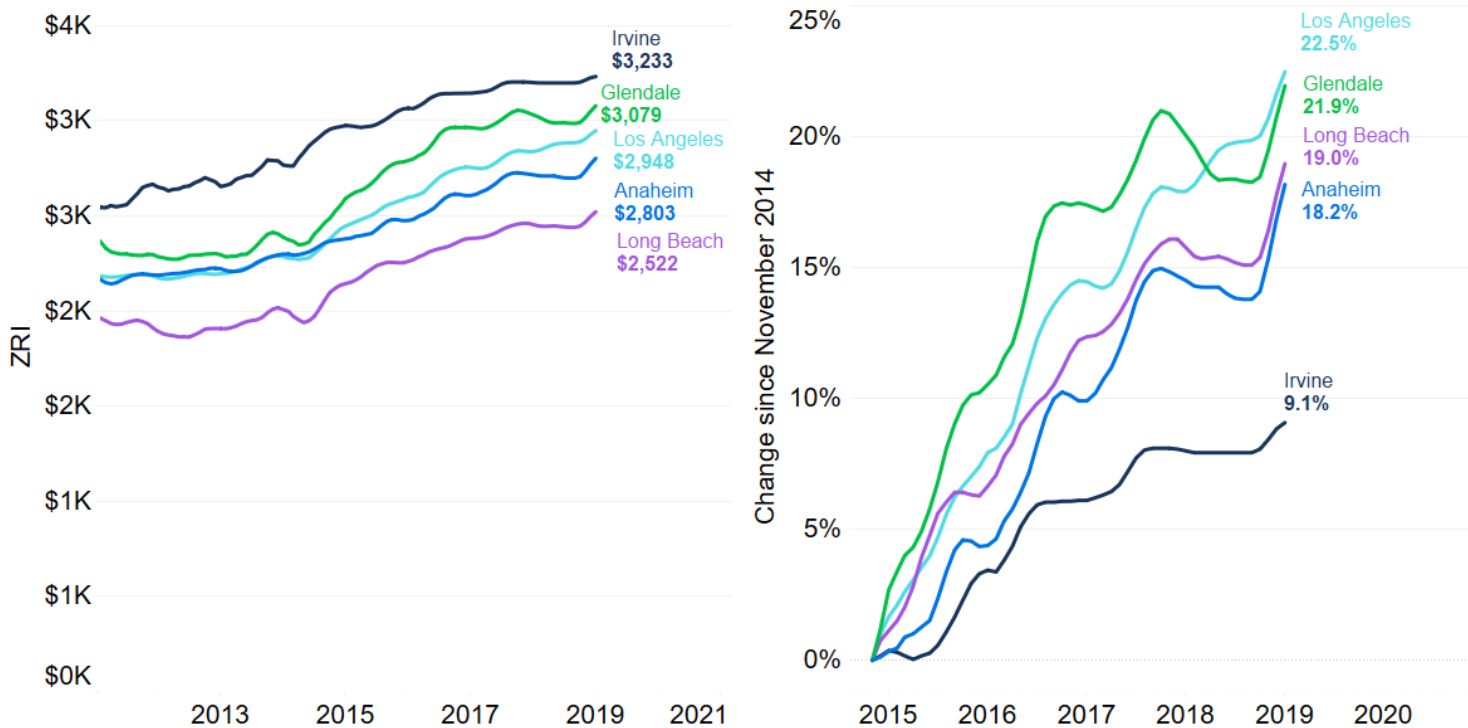
A photograph of a blue house with a garden at night. The house has a blue exterior and a wooden door. The garden is filled with various plants, including ferns and a large tree. The scene is dimly lit, with some lights visible inside the house and in the garden.

Priced Out

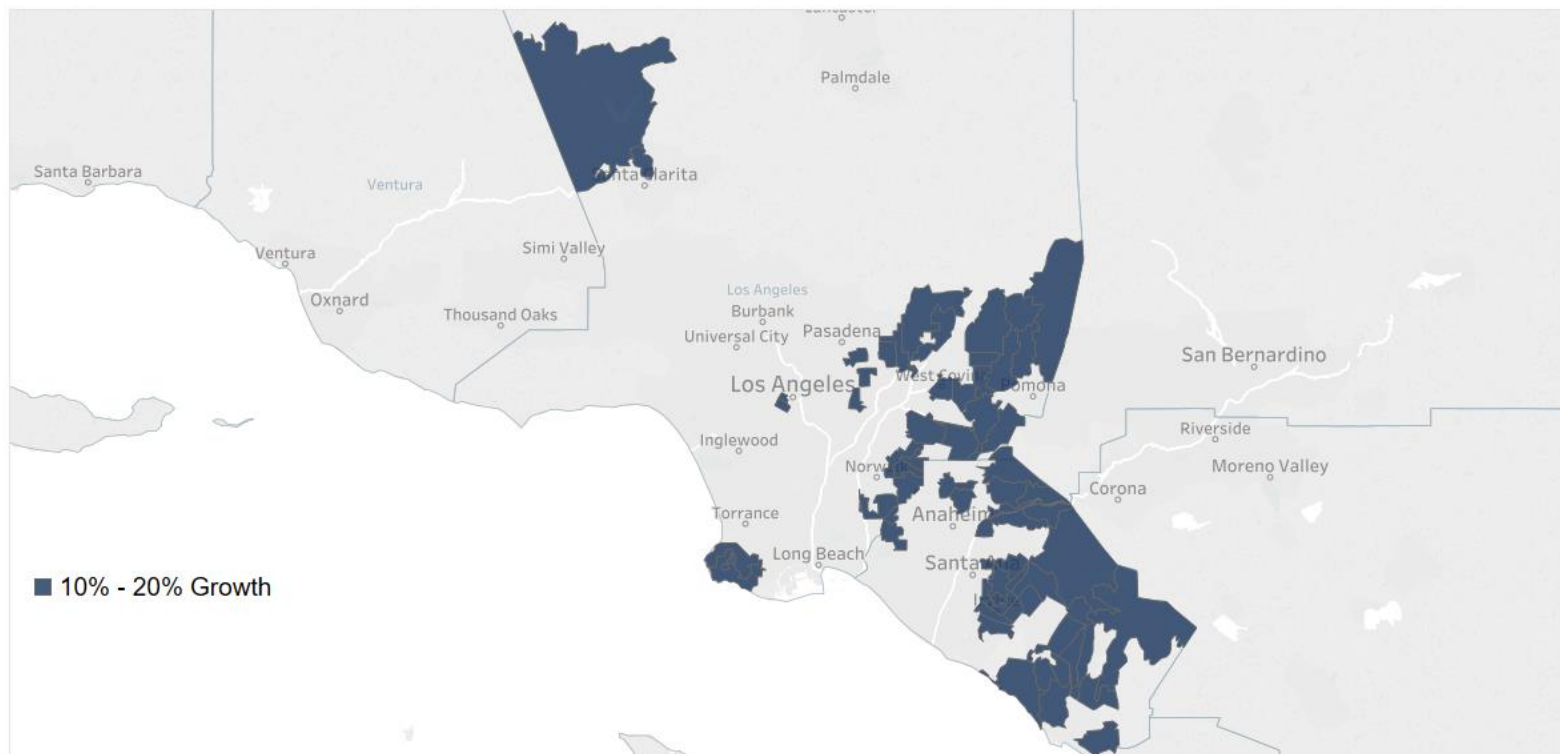
Rent Affordability and Homelessness in Los Angeles

Alexander Casey, Zillow Policy Advisor

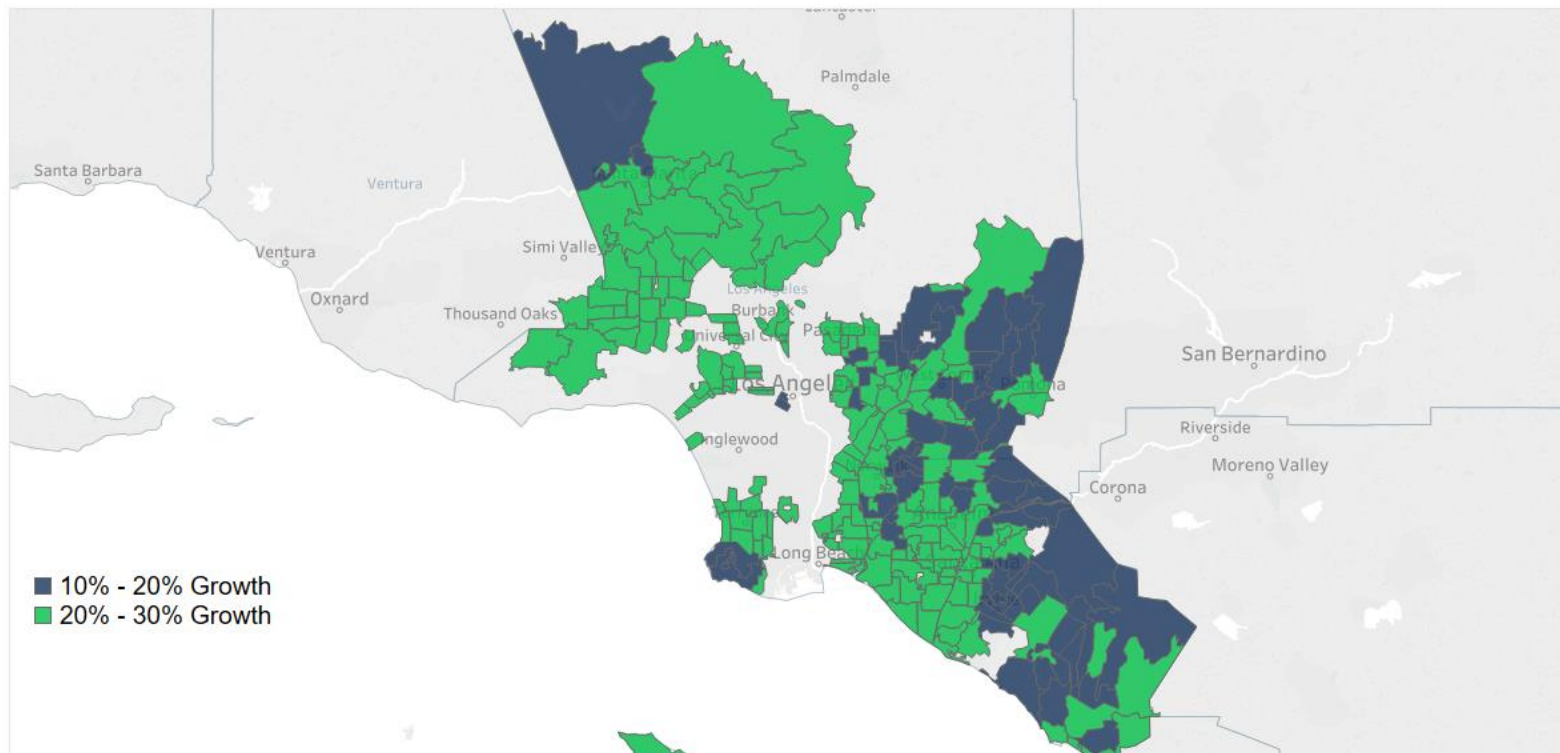
Rental values on a steady rise



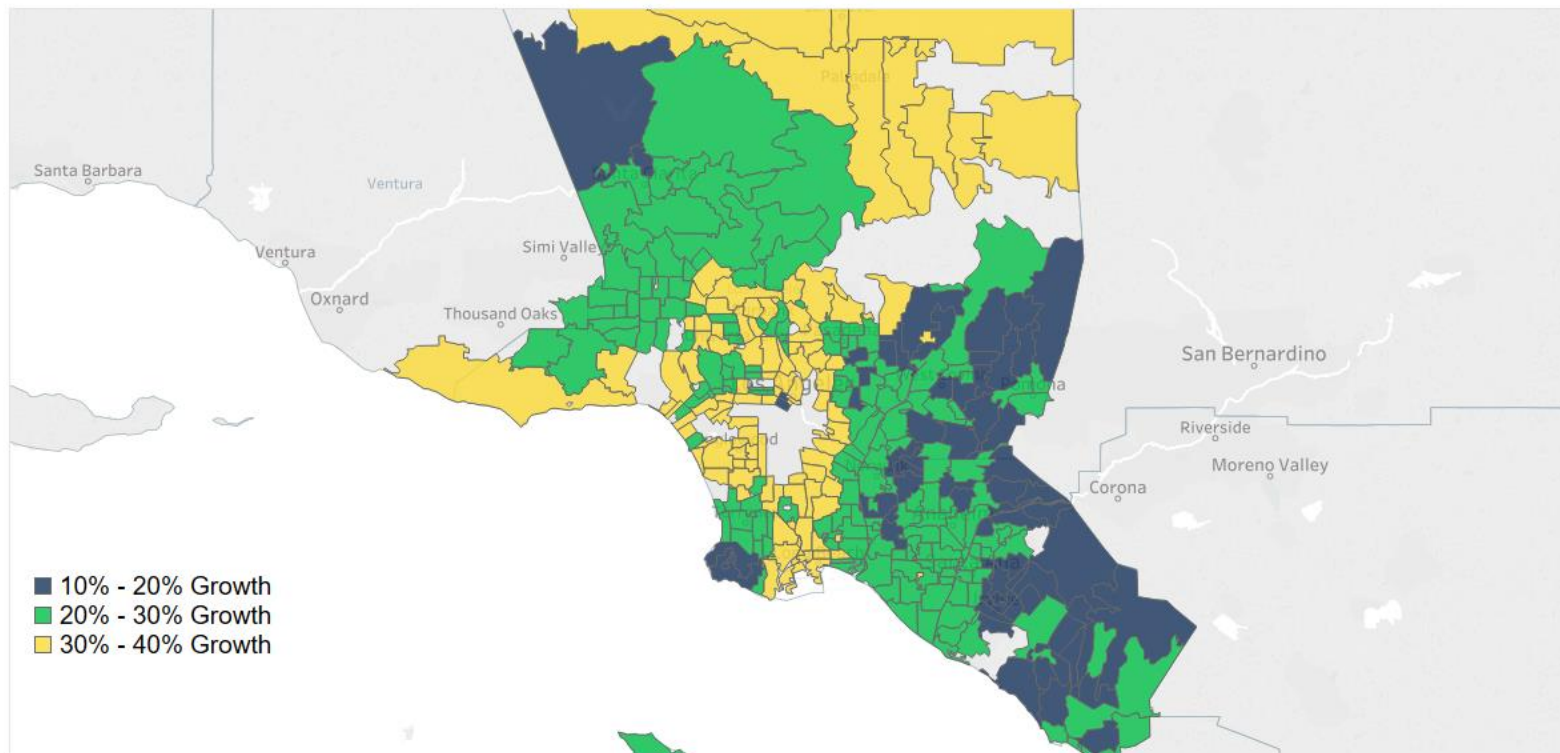
In many ZIP codes, rents are rising alongside national pace during the past five years



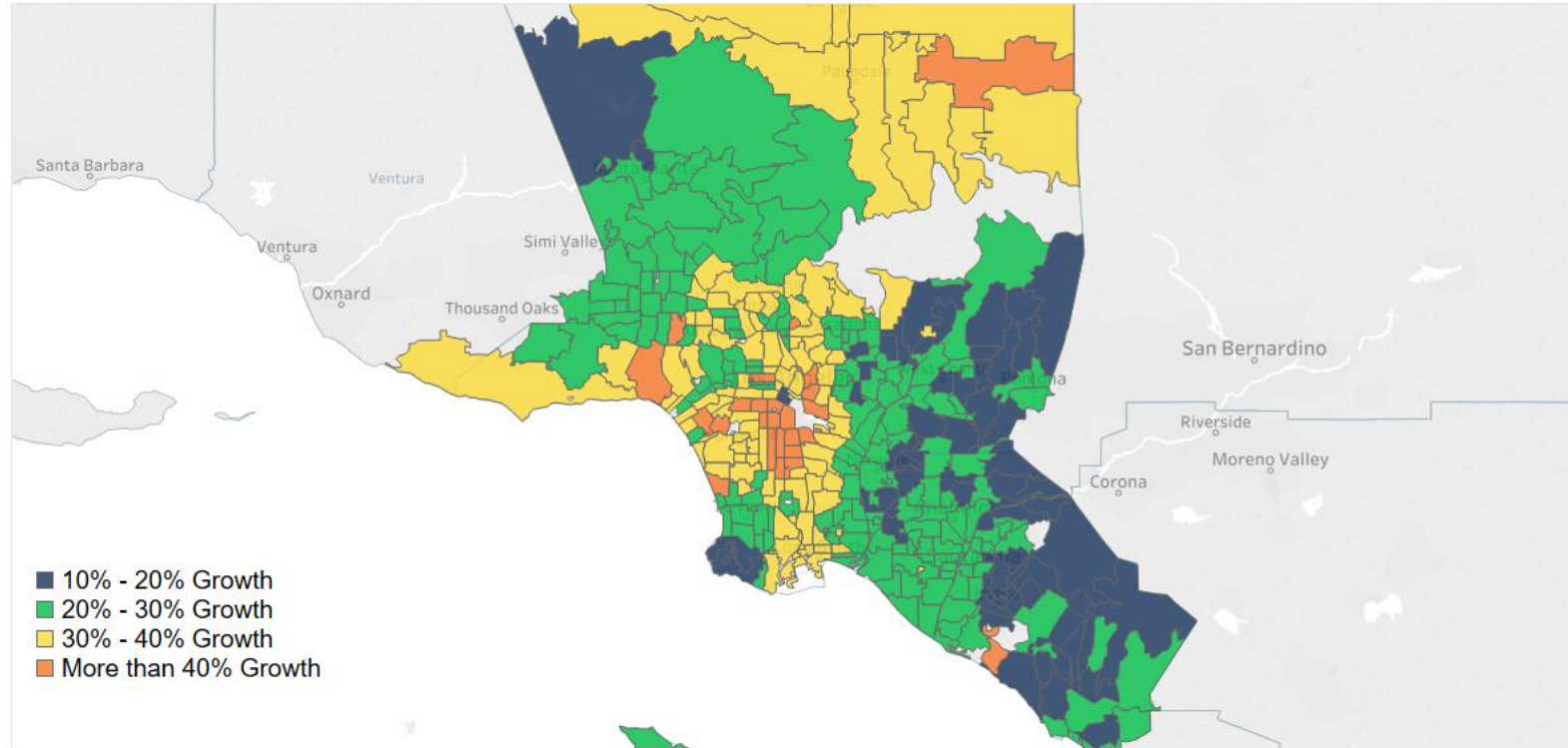
But across most of the region, rental prices have significantly outpaced the nation



And in some areas, rent prices have surged over the past five years



Pockets of exceptionally hot rent appreciation within Los Angeles

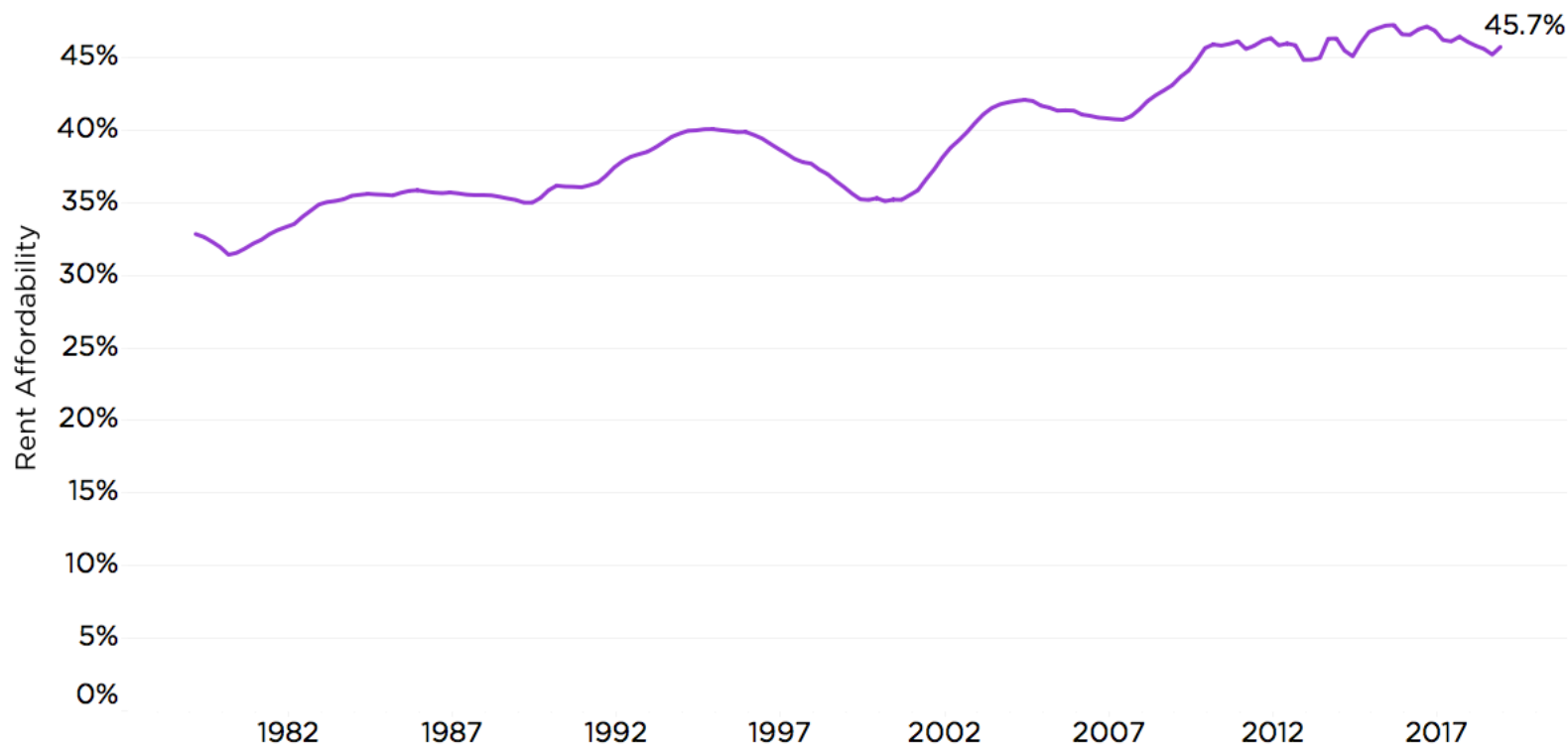


Small spaces and high costs the norm for Los Angeles

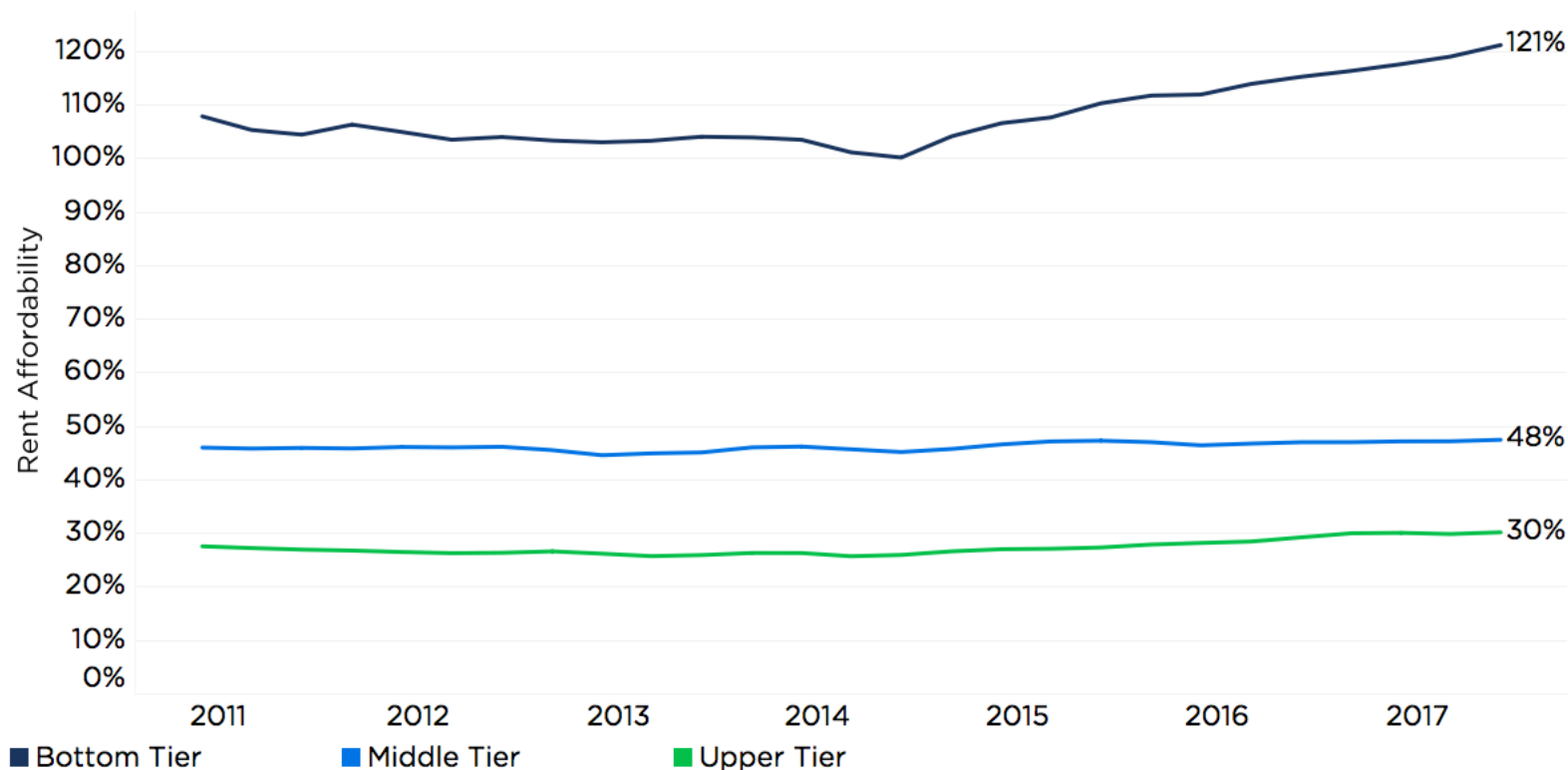
Square Feet Sweet Spot: National Level



Share of median income required to rent typical home in Los Angeles Metro on the rise

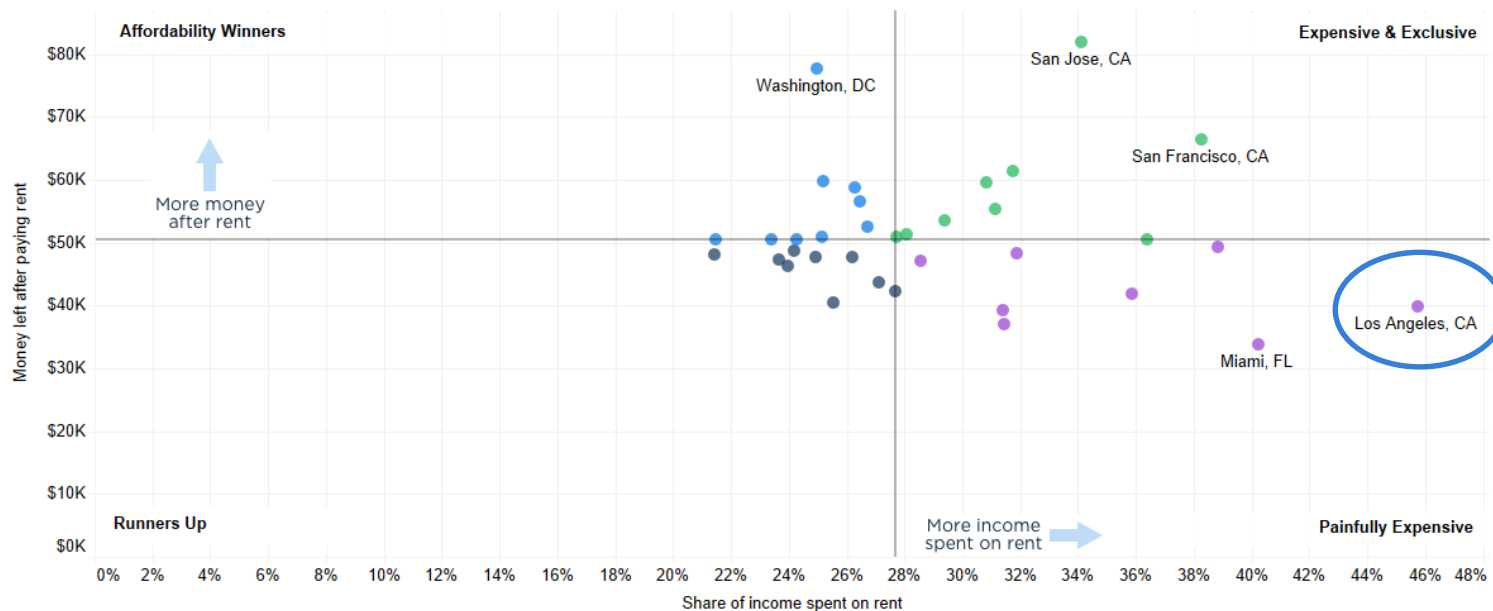


Share of tiered income required to rent home tiers, Los Angeles metro



High incomes don't fully cover for high burdens

(Un)affordability means less money for living in LA than in SF

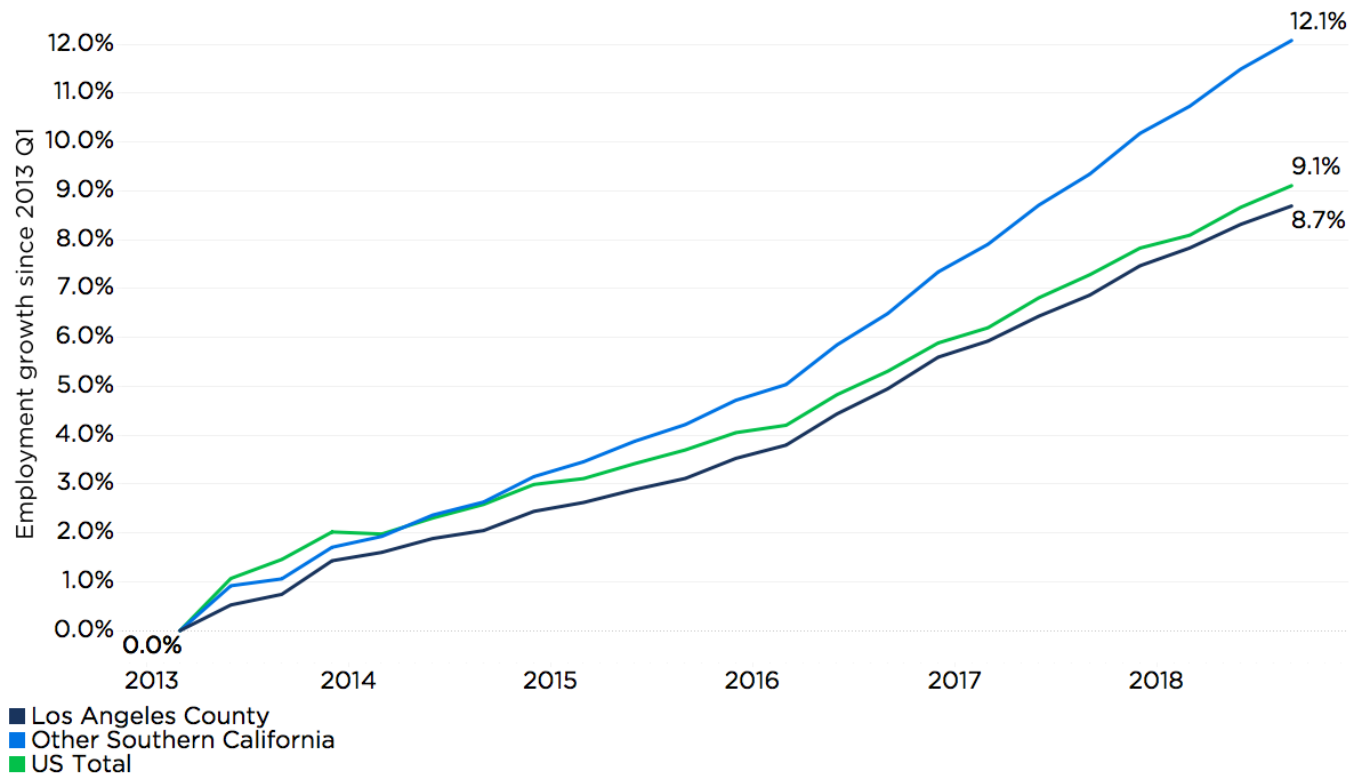


Zillow Economic Research | Source: Zillow Affordability and Median Income Calculation from US Census Bureau American Community Survey

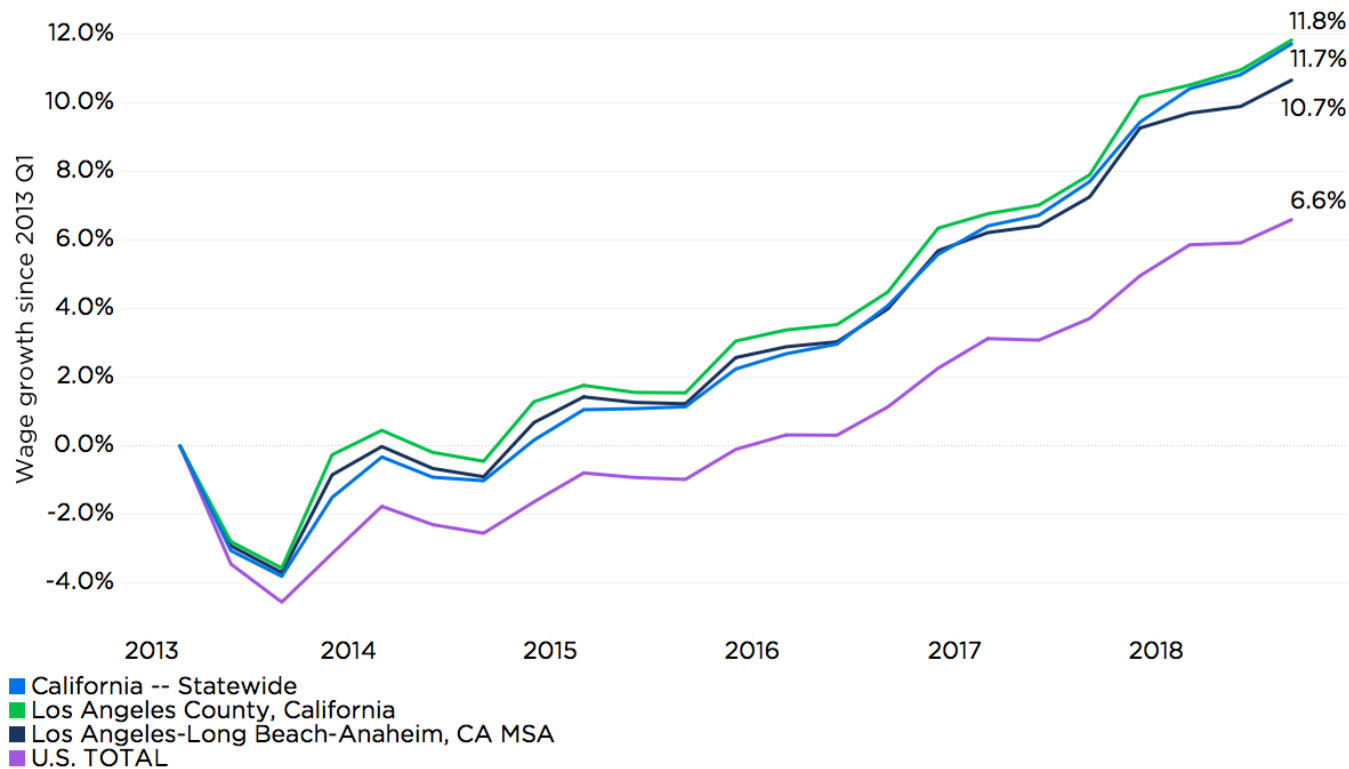


How We Got Here

Job growth rising steady keeping pace with nation

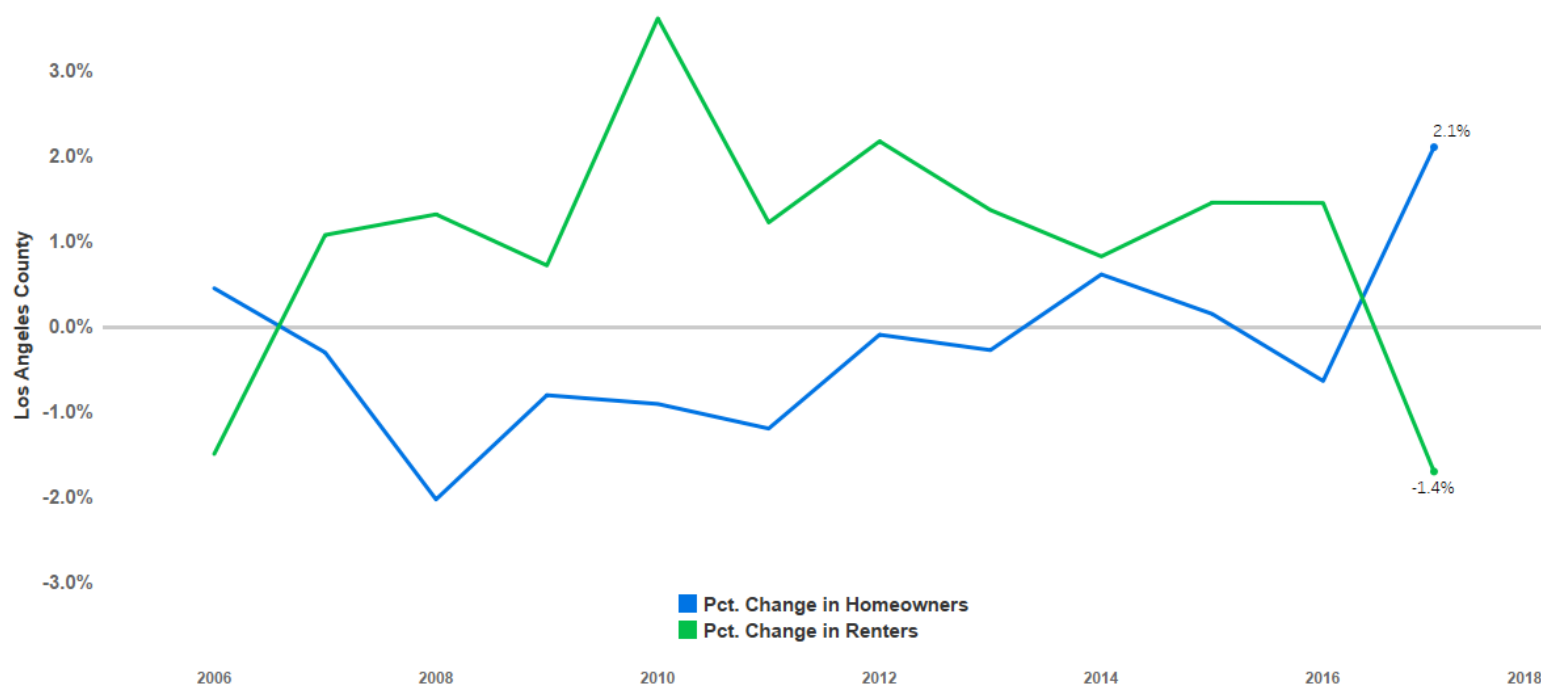


But wages have grown much faster in Los Angeles County

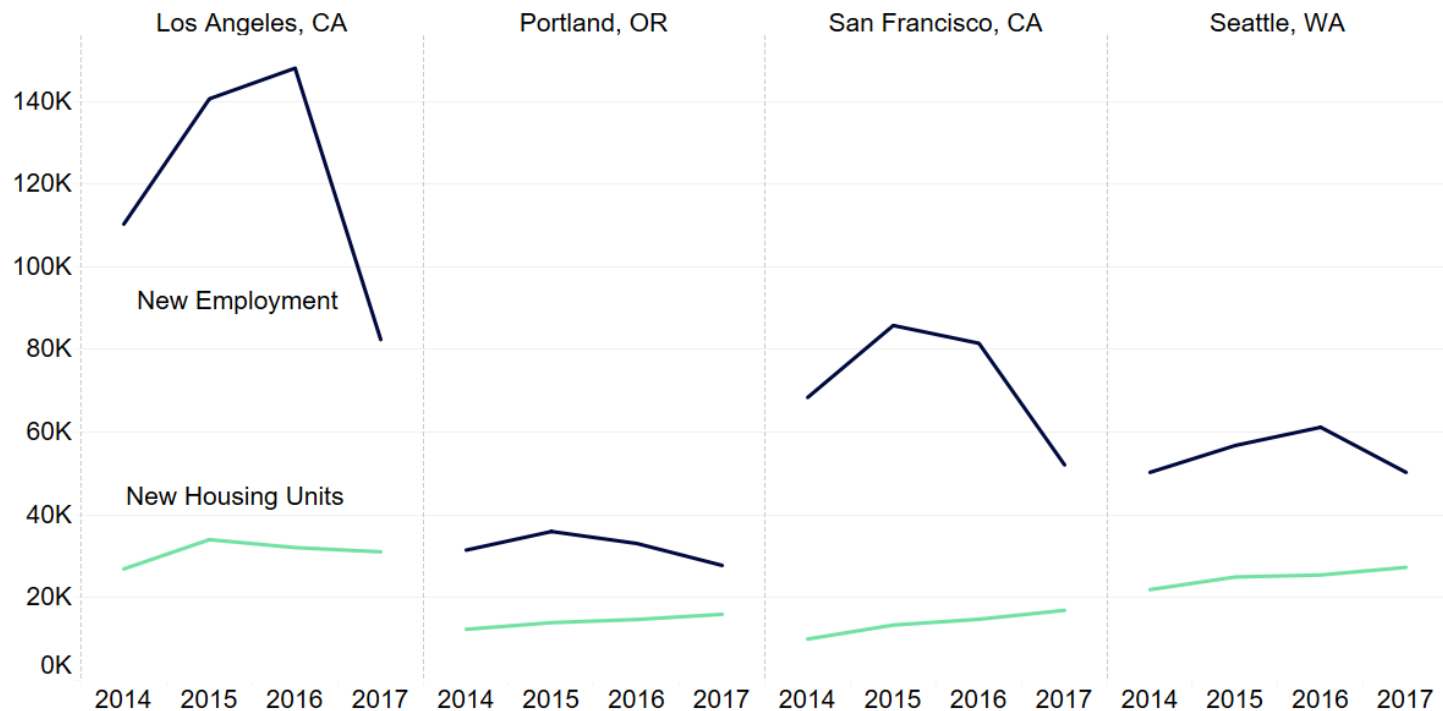


For nearly a decade LA mostly added renters

Year-over-Year Change in Household Tenure



In many high-priced metros, significantly more new jobs came to town than new housing units were built



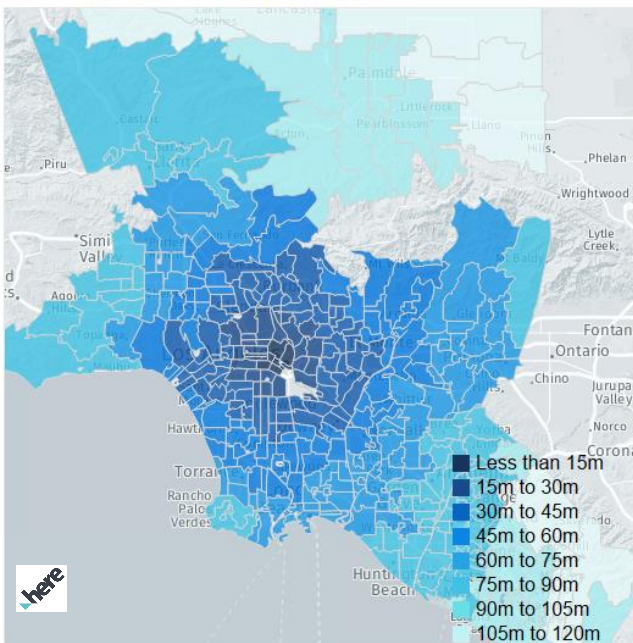
Cities with the most land use restrictions see their home values grow faster when new jobs come to town



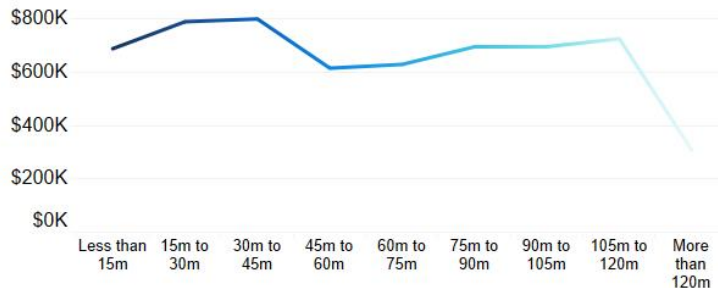
Impact of Deteriorating Affordability

While many areas can swap convenience for affordability, LA renters can find limited relief

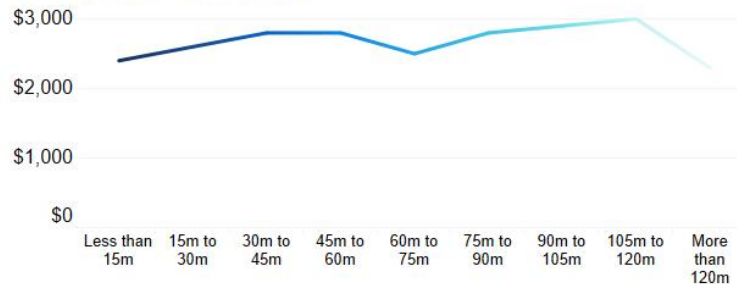
Commute Times (to Downtown Core) and Home Values and Rents for Los Angeles-Long Beach-Anaheim



Median Home Value by Commute Time



Median Rent by Commute Time

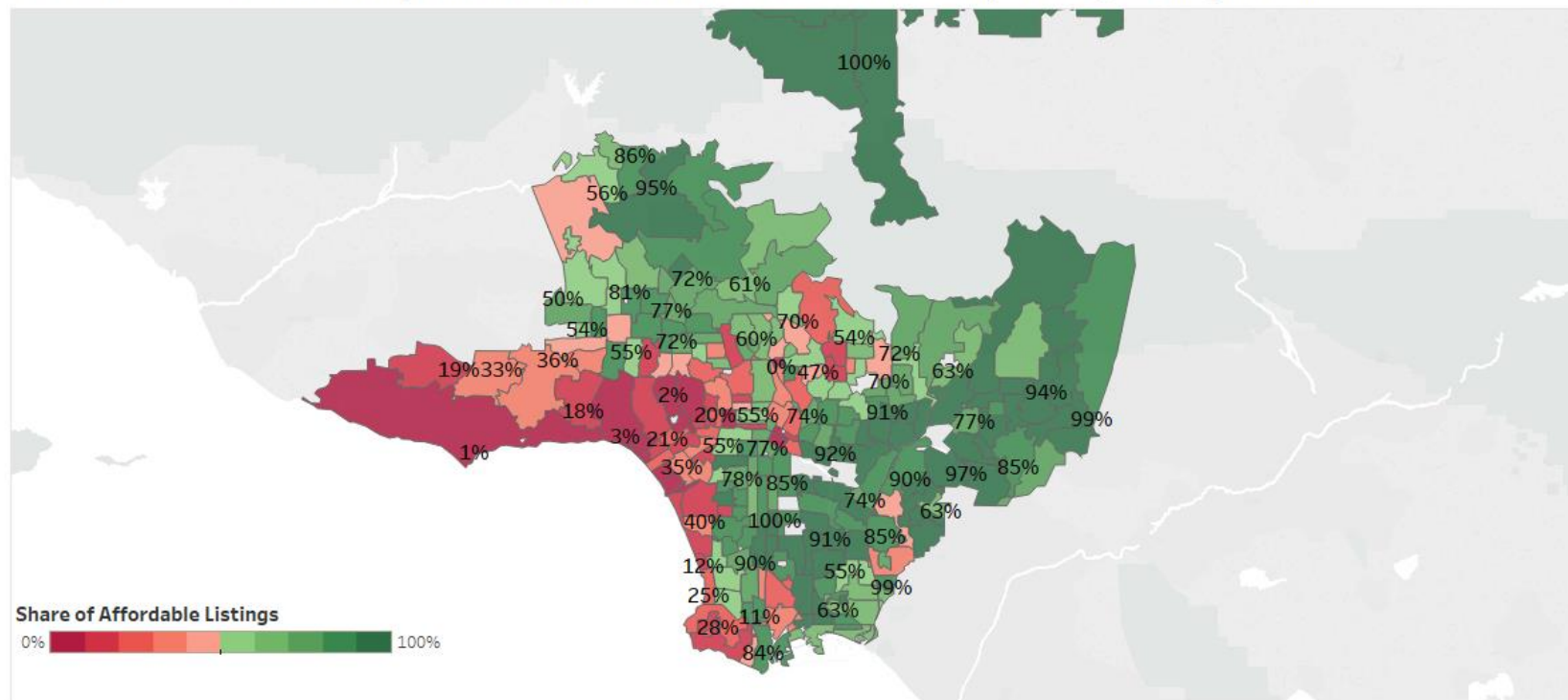


People who live in lower-cost areas of LA report lower levels of satisfaction with the job opportunities and education in their neighborhood



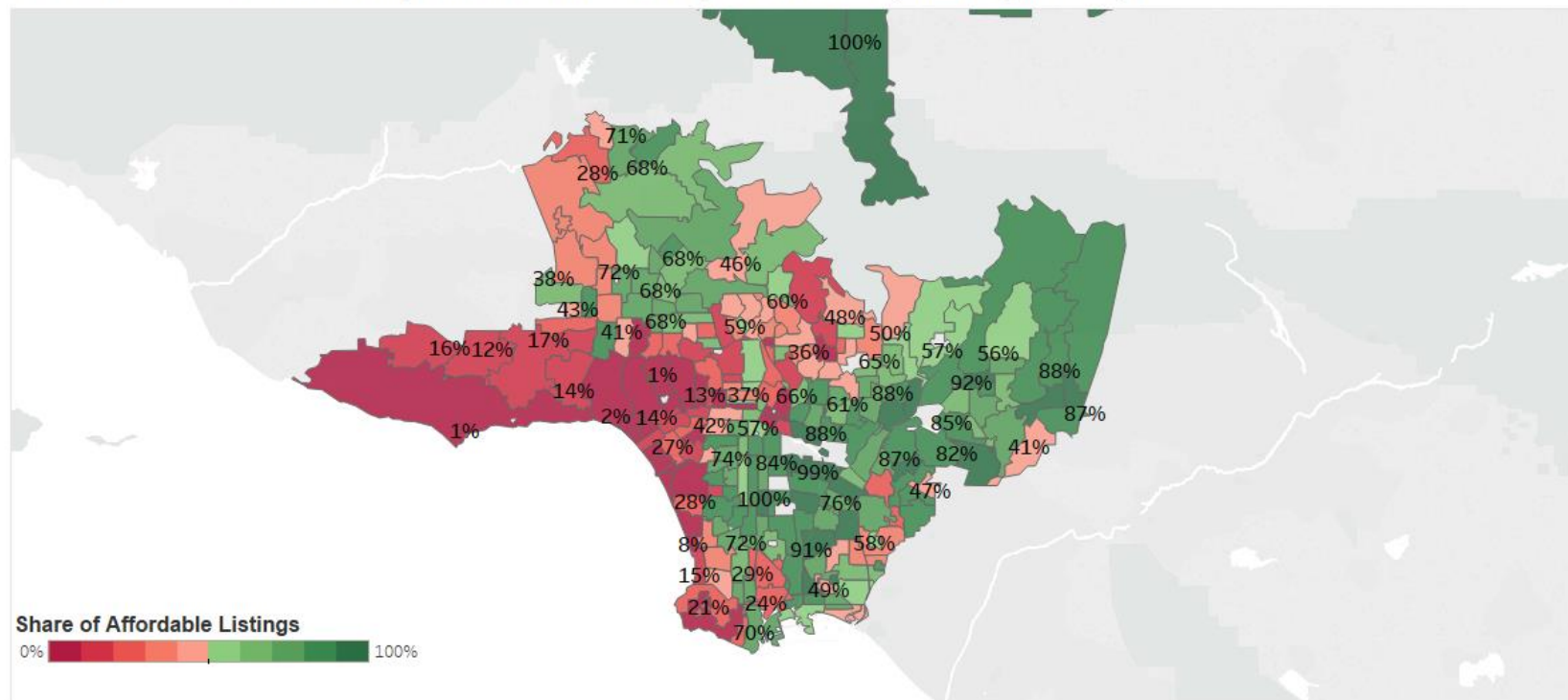
The Typical Los Angeles Law Enforcement Official has Few Affordable Options in Many Neighborhoods

Share of 1-2 Bedroom 2018 Rental Listings Affordable on the Median Police Officer or Detective Salary in Los Angeles County ZIP Codes.



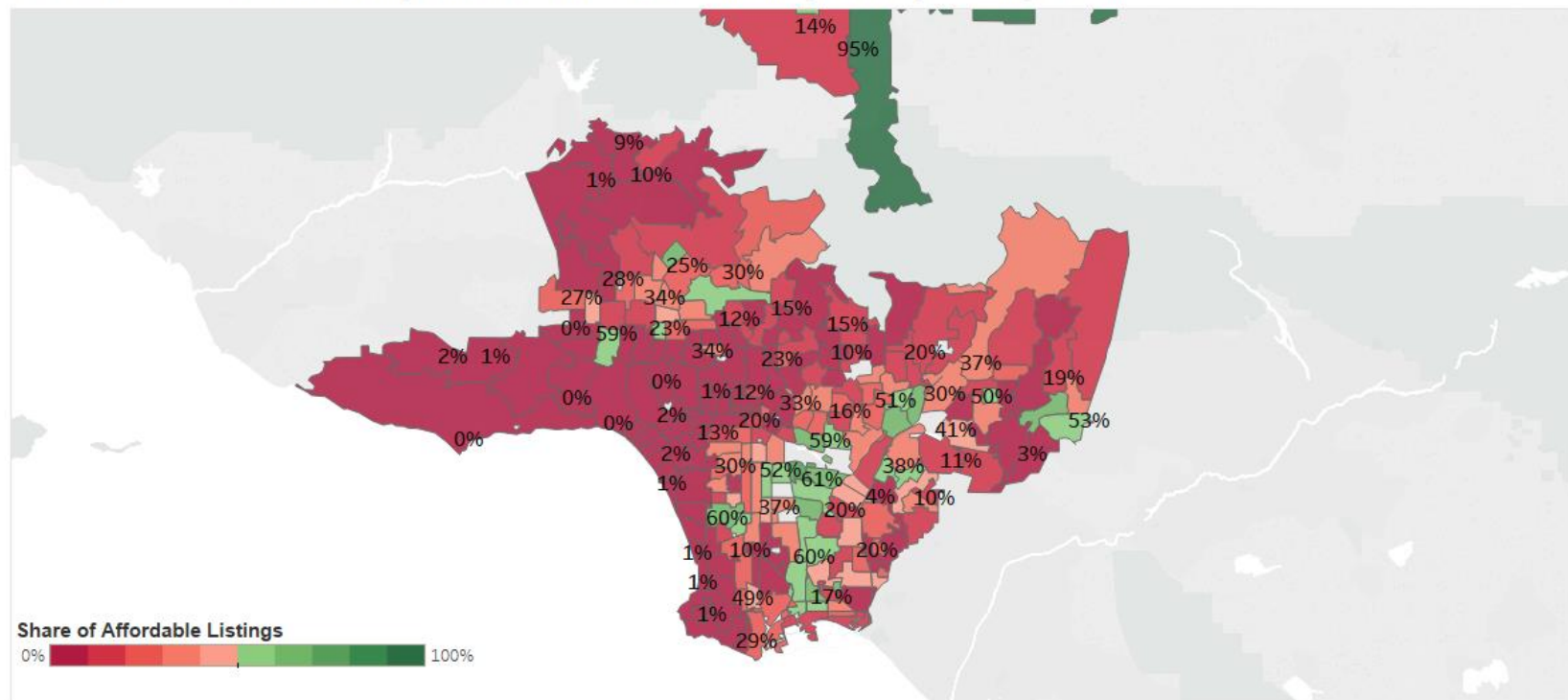
The Typical Los Angeles Nurse has Few Affordable Options In Many Neighborhoods

Share of 1-2 Bedroom 2018 Rental Listings Affordable on the Median Registered Nurse Salary in Los Angeles County ZIP Codes.

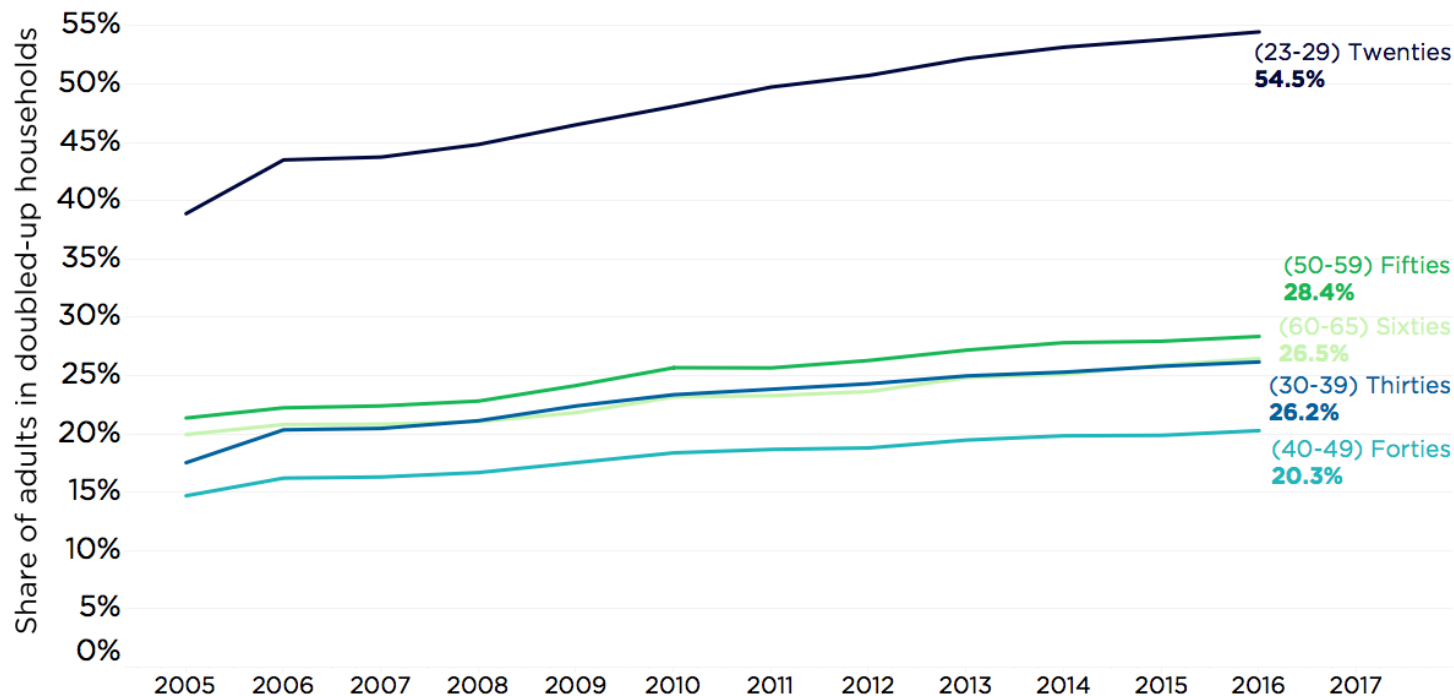


The Typical Los Angeles Teacher has Few Affordable Options

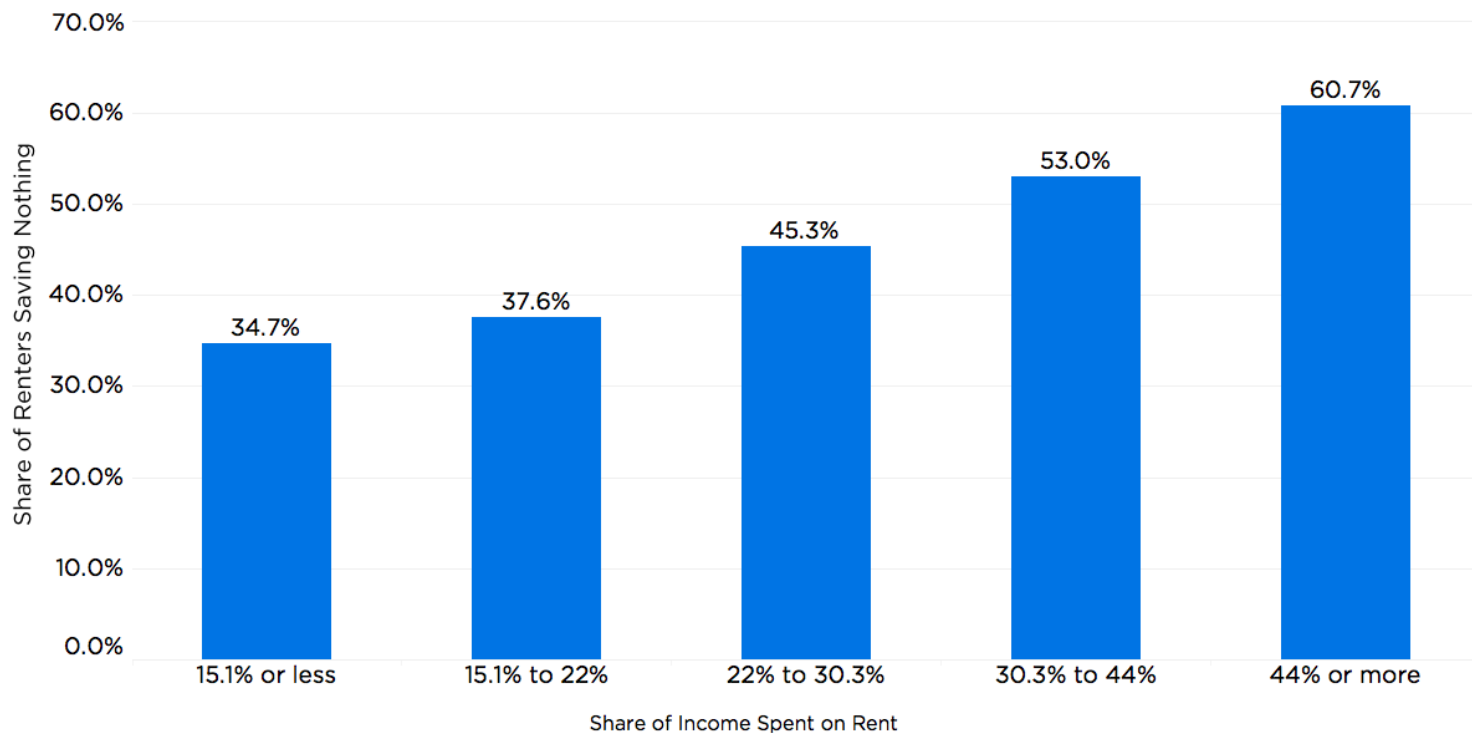
Share of 1-2 Bedroom 2018 Rental Listings Affordable on the Median Teacher Salary in Los Angeles County ZIP Codes.



As the share of income spent on rent has risen in many metros, working age adults have also increasingly doubled up

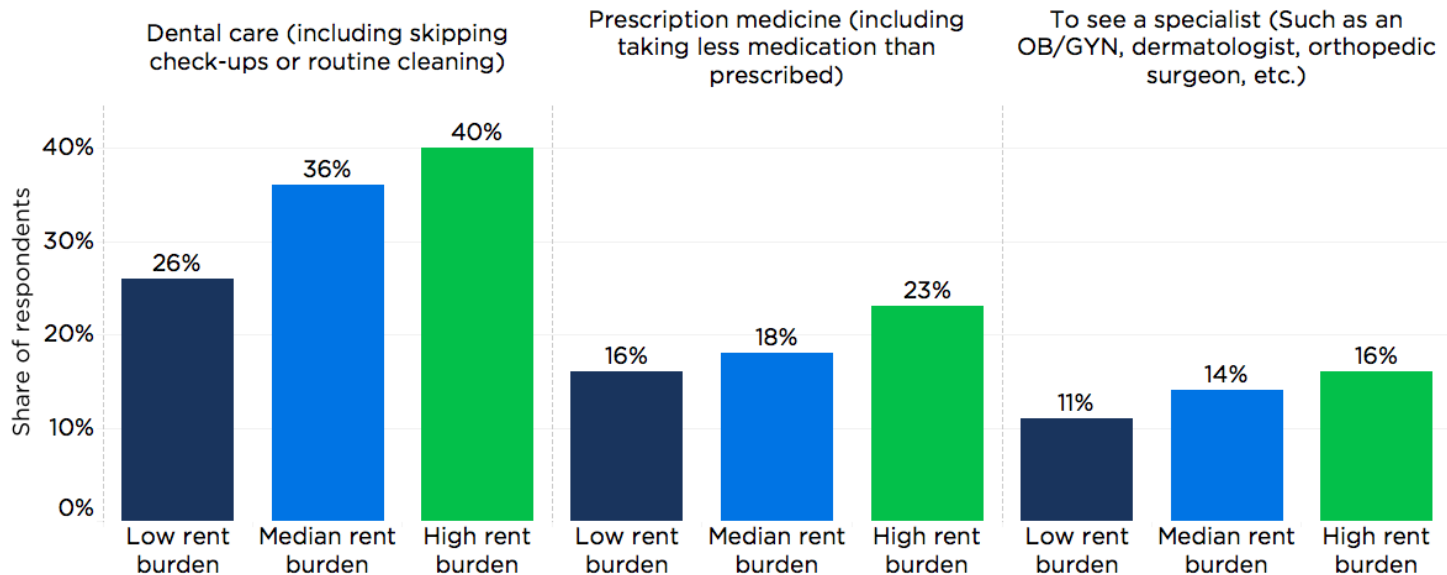


As the share of income spent of rent rises, fewer people save any income



People with higher rent burdens more likely to forgo health expenses

During the past 12 months, was there a time when you needed any of the following but didn't get it because you couldn't afford it?

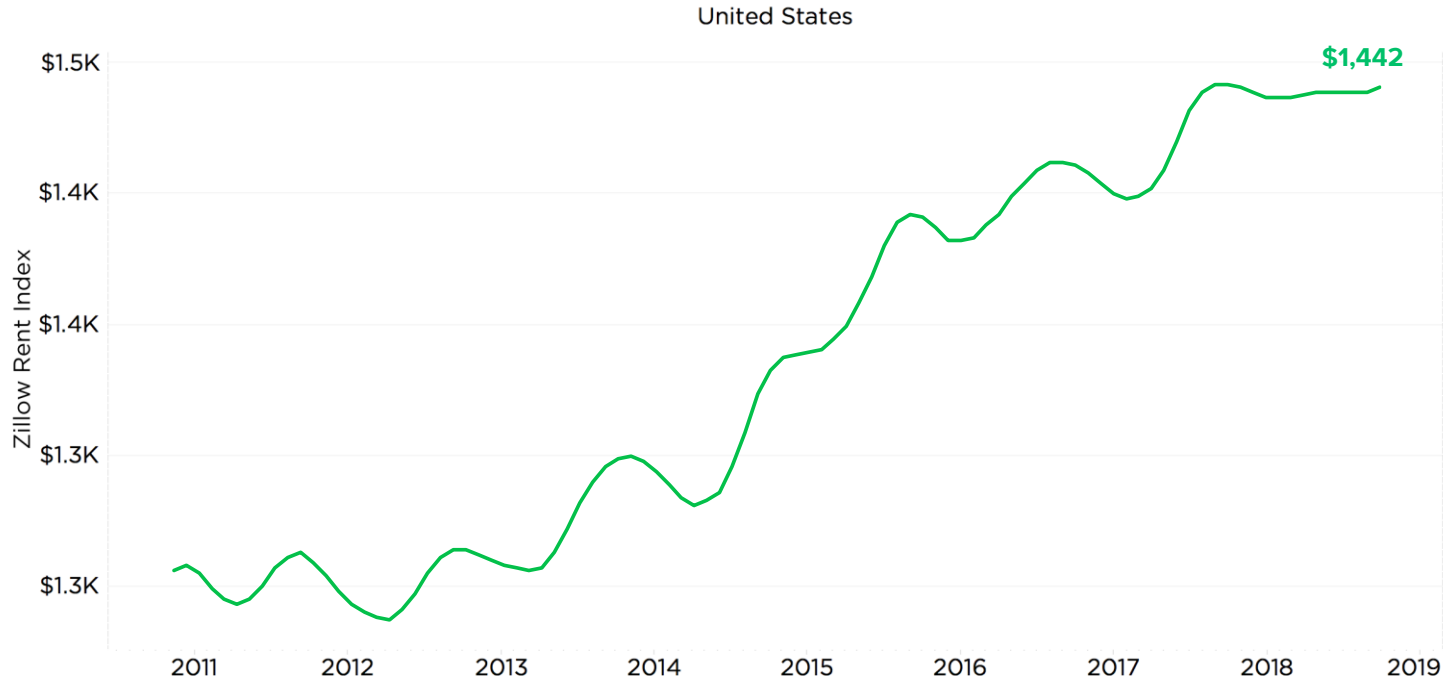




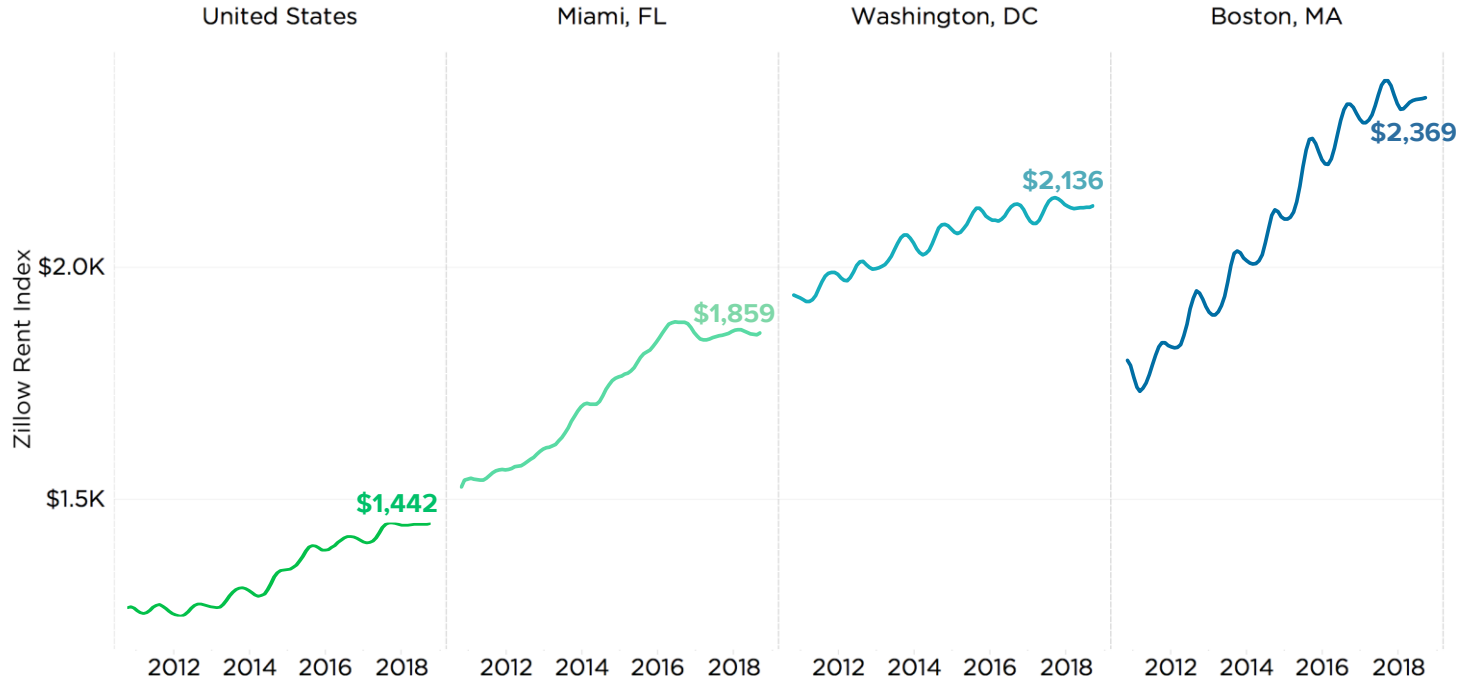
Findings from: Inflection Points in Community-Level Homeless Rates

Chris Glynn, Thomas H. Byrne, and Dennis P. Culhane

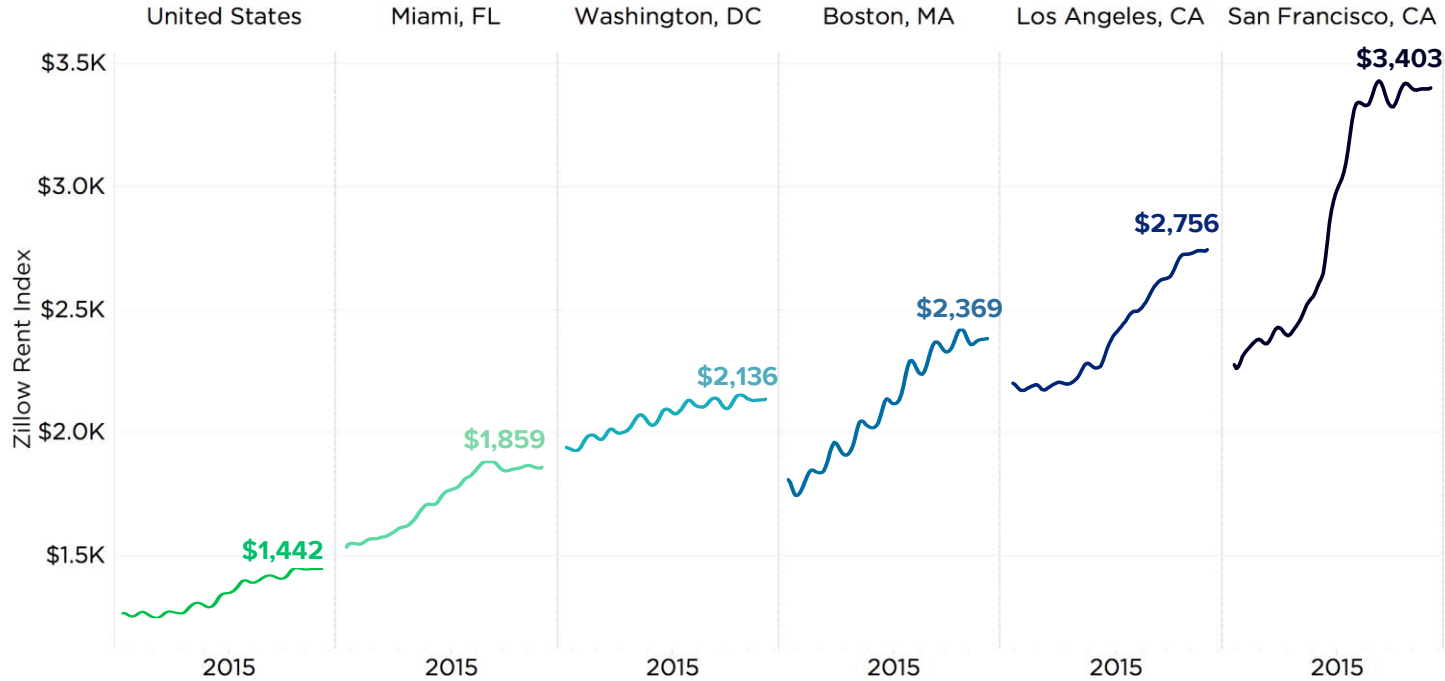
Rental values have been rising at a steady clip



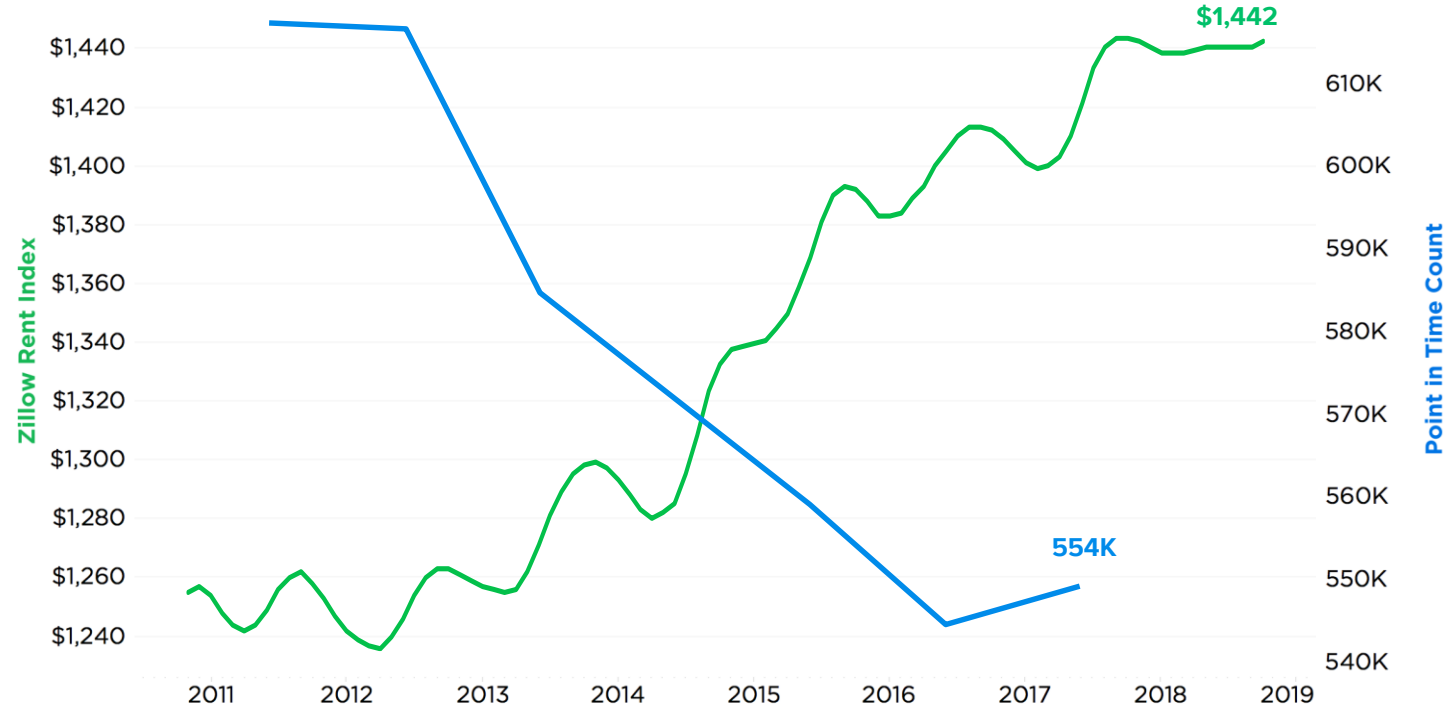
Rental values have been rising at a steady clip



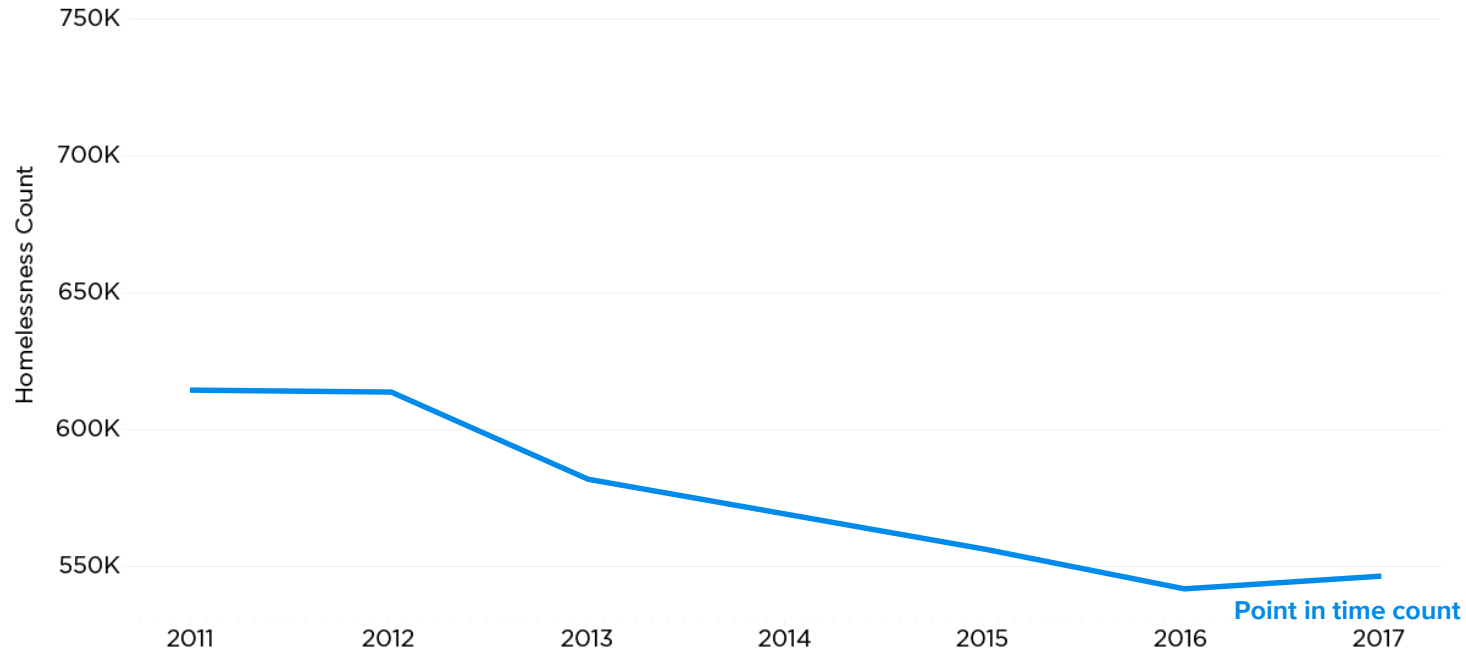
Rental values have been rising at a steady clip



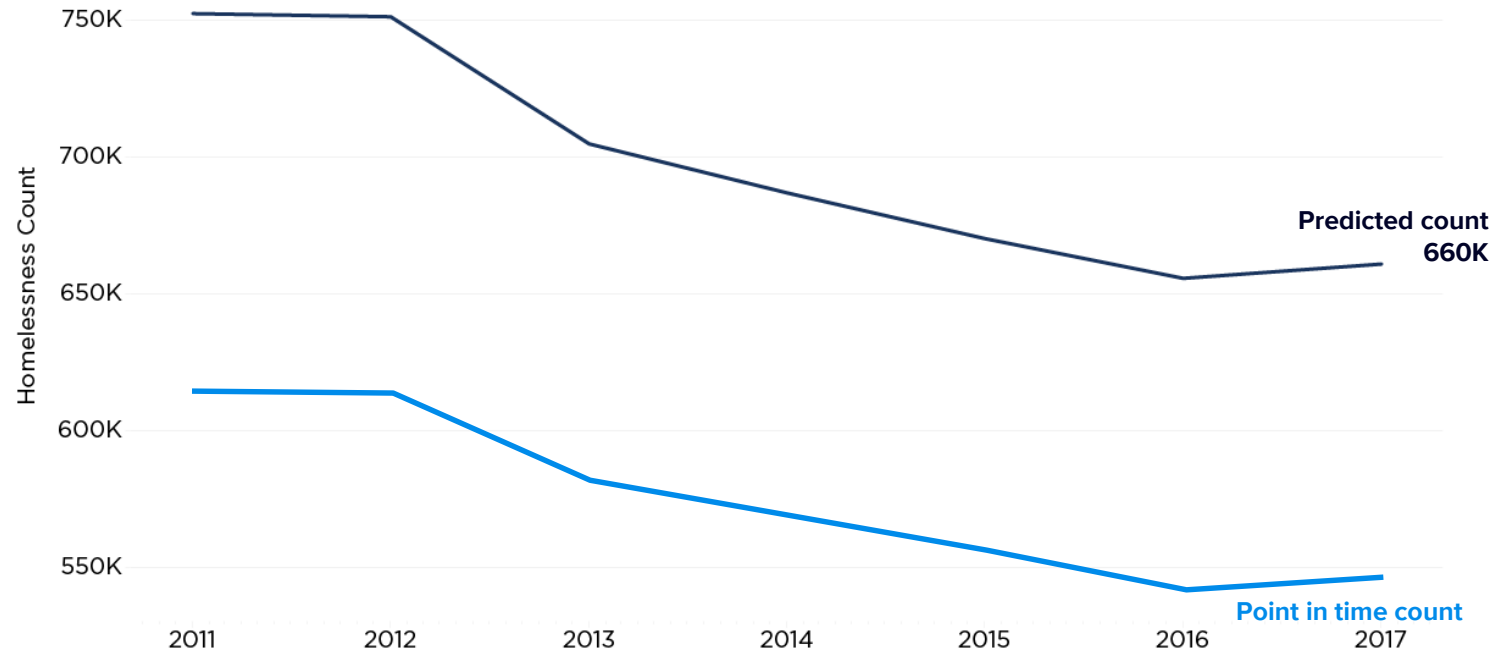
Nationally, rents are up. Yet homelessness counts have fallen



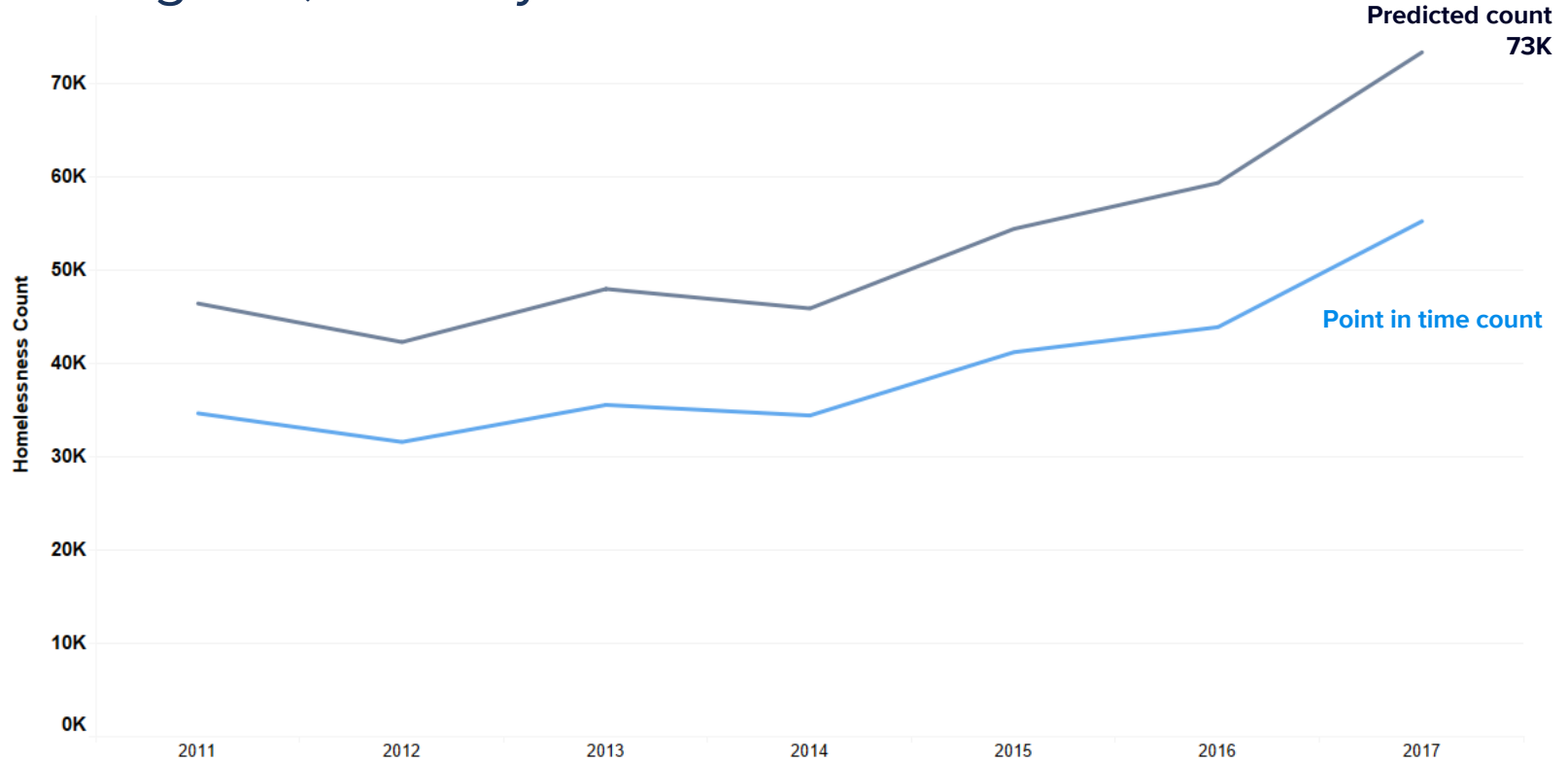
Modeling for the systemic undercount from PIT estimates



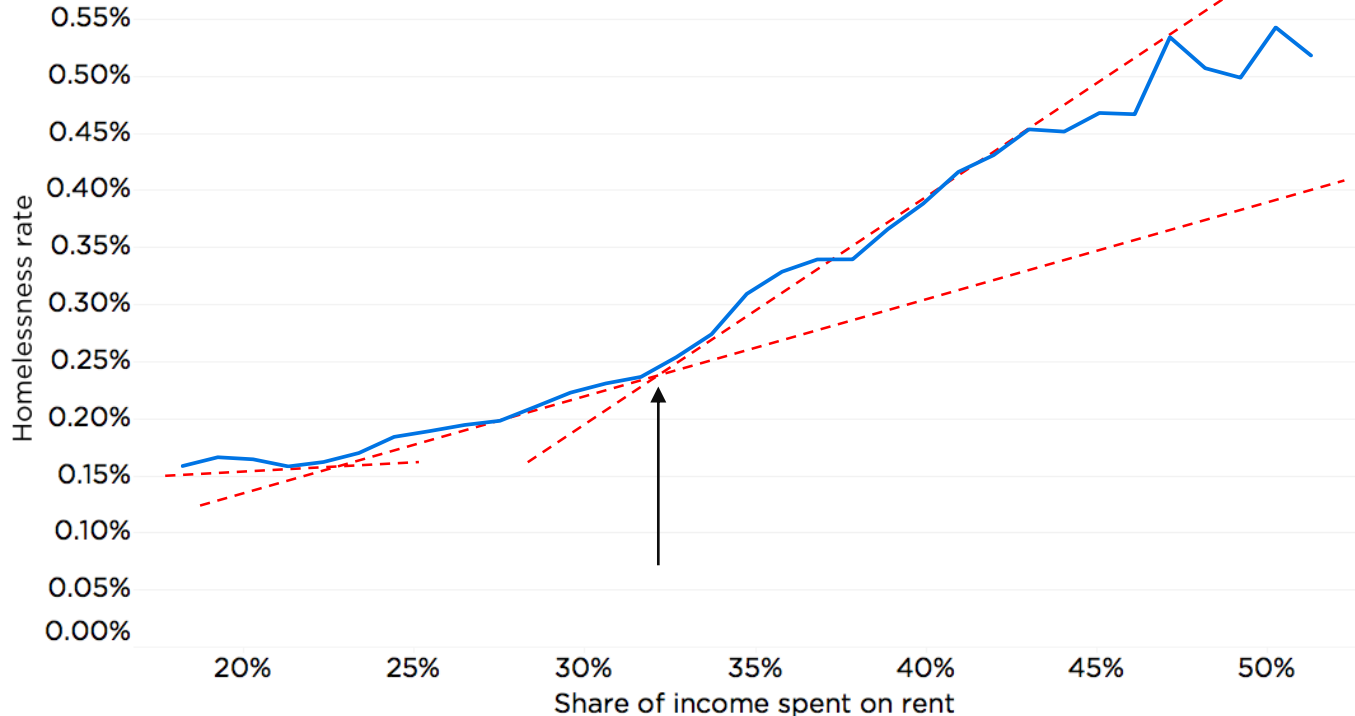
Modeling for the systemic undercount from PIT estimates



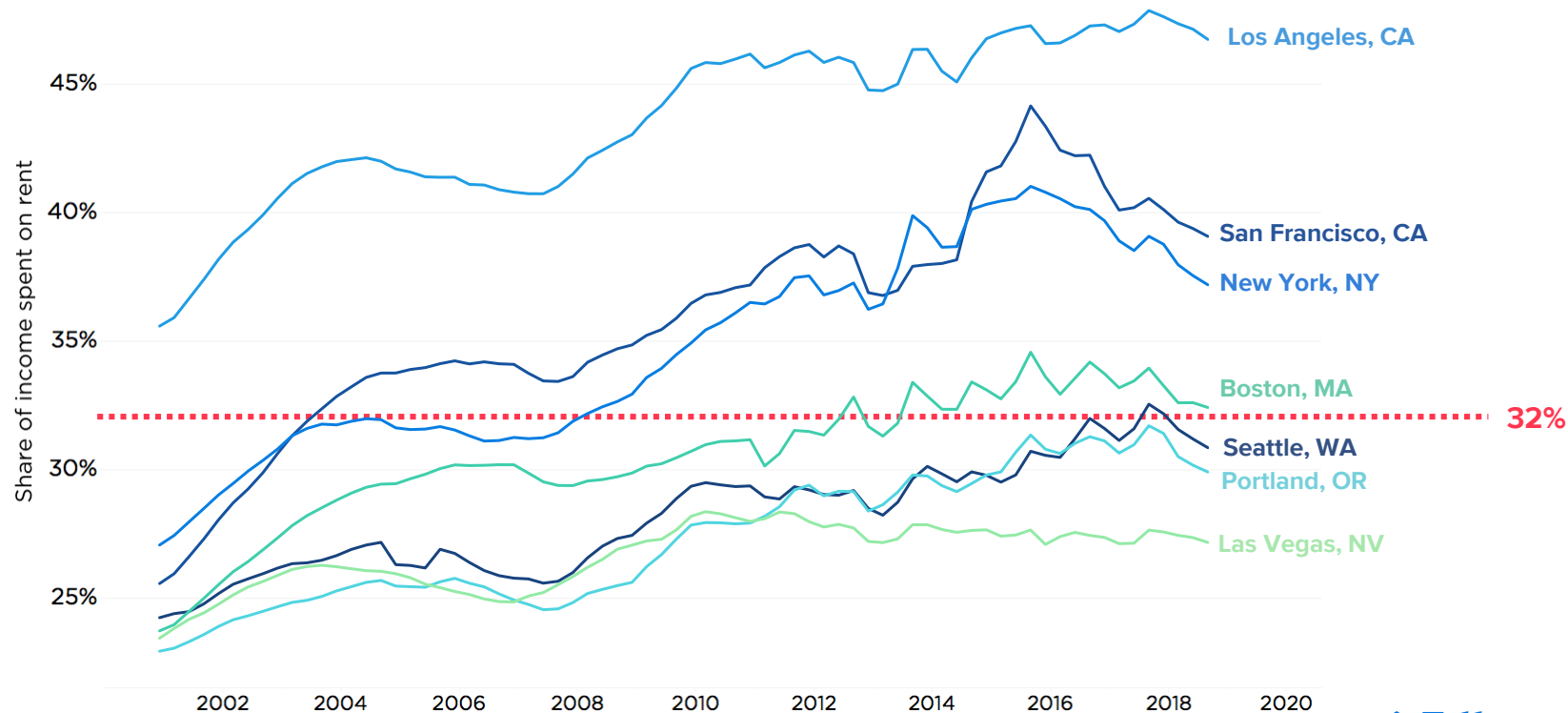
Los Angeles, a totally different trend



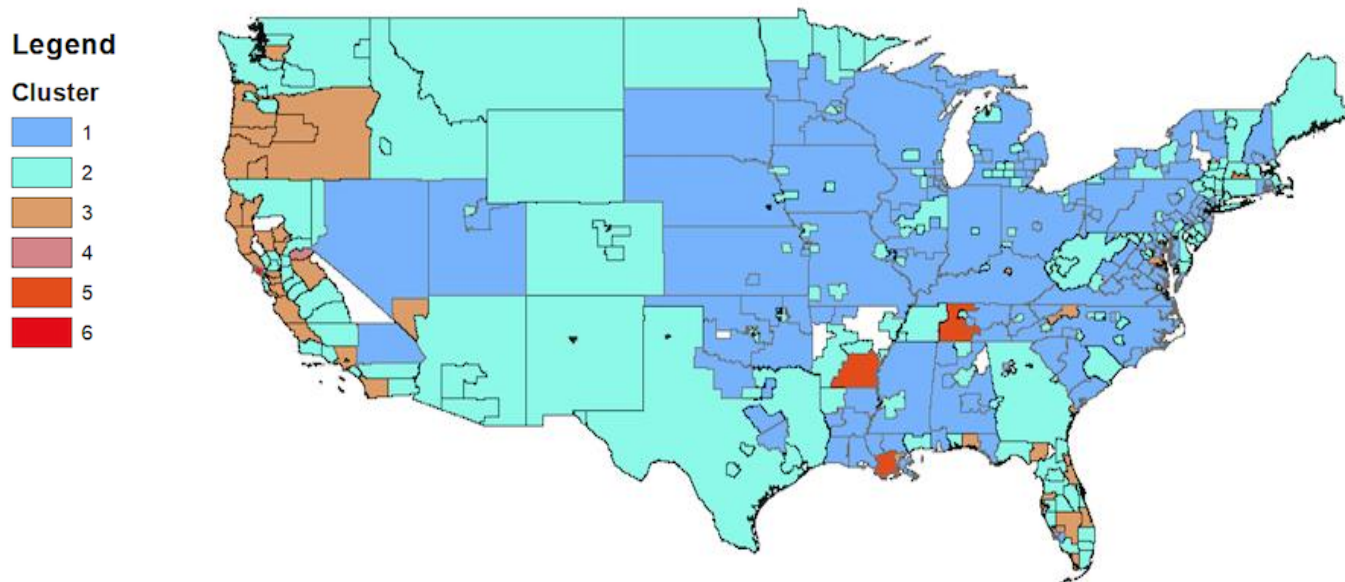
When a community reaches an affordability tipping point, the link between rent burdens and homeless rates grows stronger



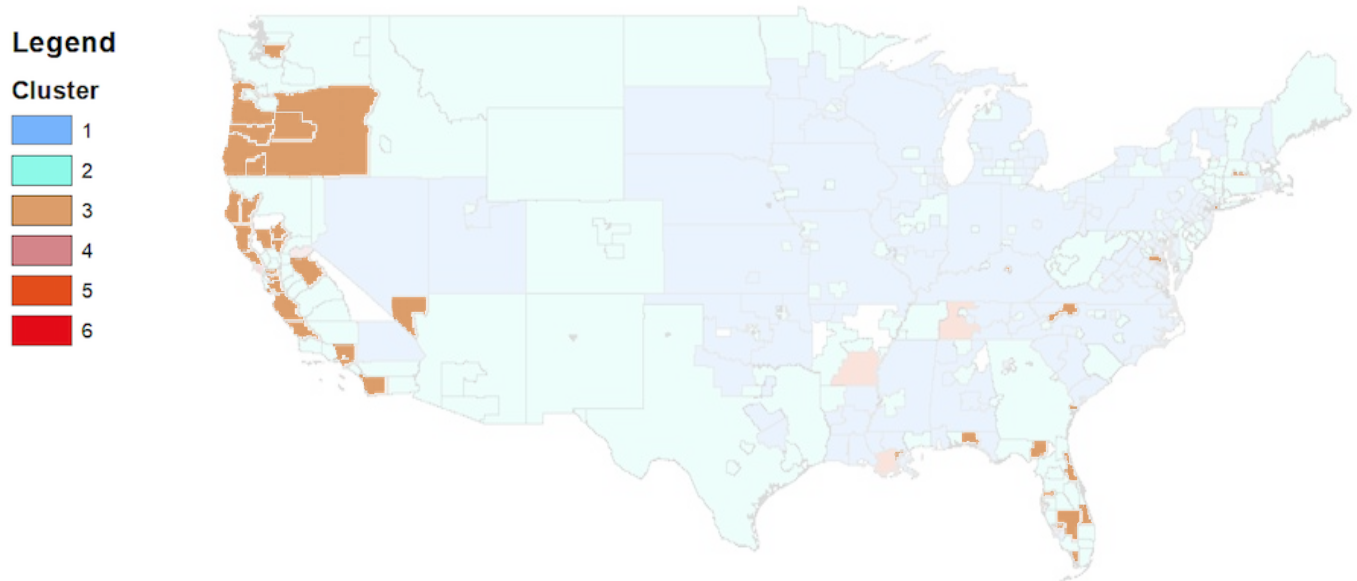
In some places, a median-income renter already pays more than 32% of income to go out and rent the typical home



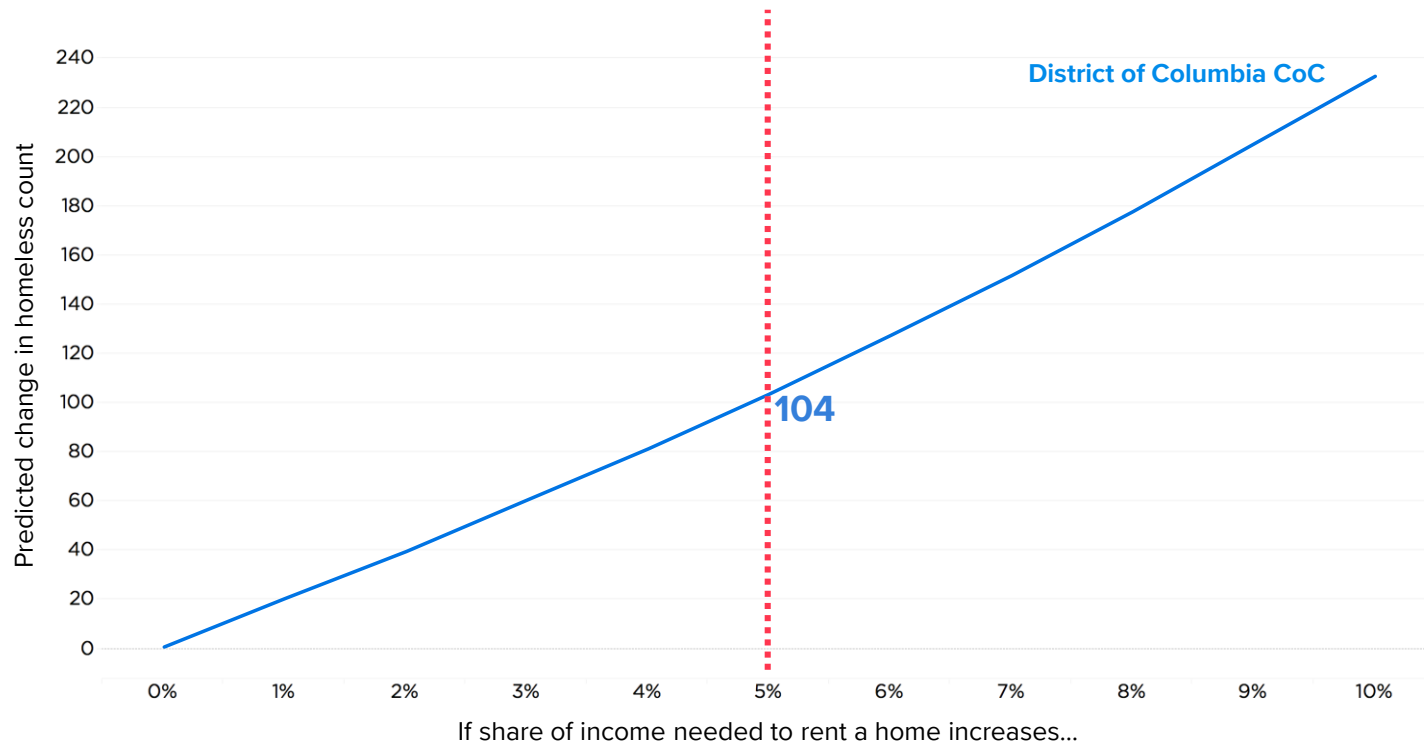
Clusters of communities experience similar responses to changing rent prices



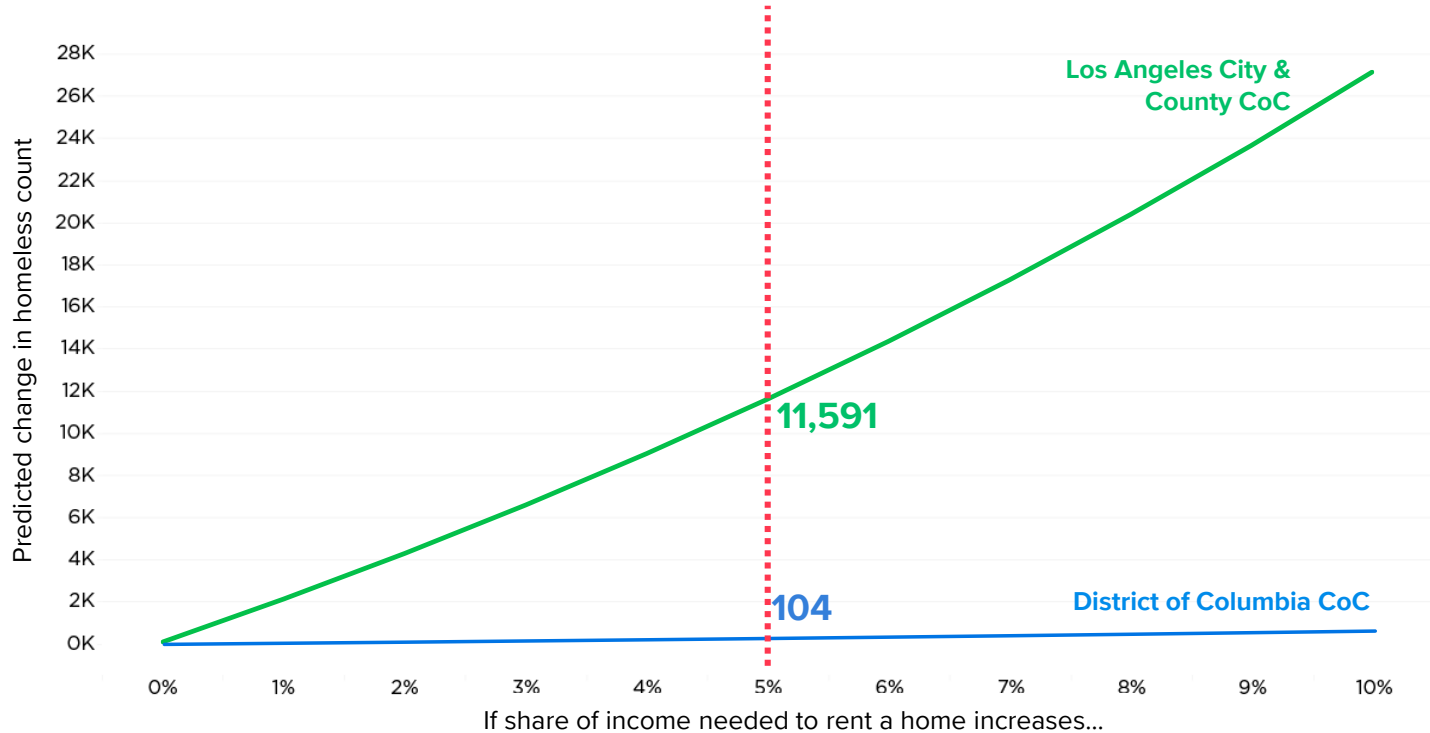
Cluster 3 is home to 15% of the U.S. population and 47% of the homeless population



If rent affordability worsens in Cluster 3 cities, the model predicts an increasing homelessness count



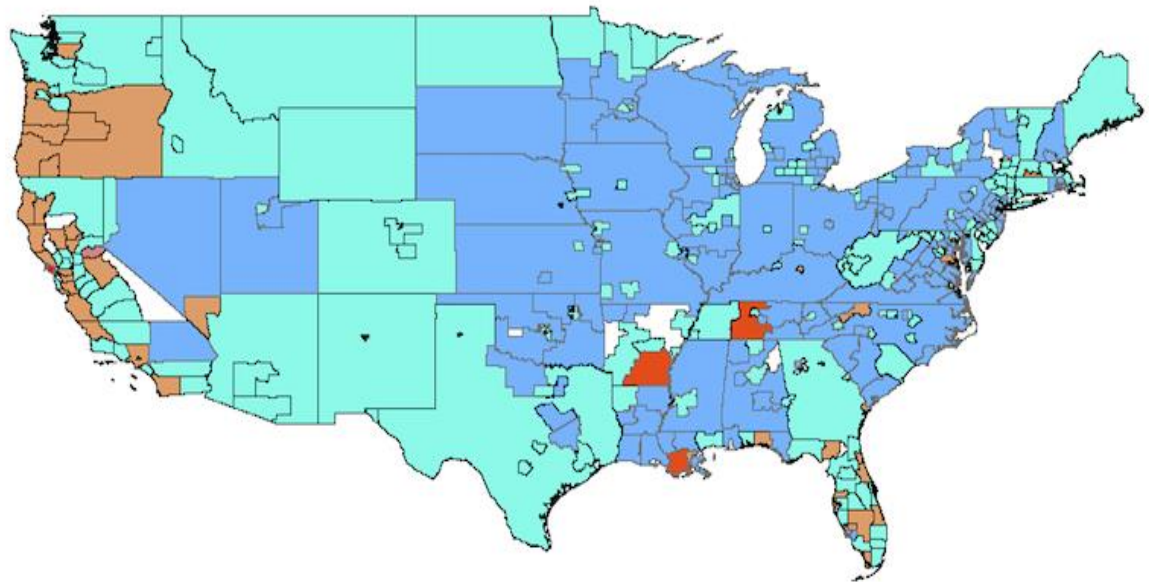
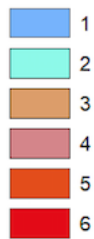
And in Los Angeles this link is even stronger



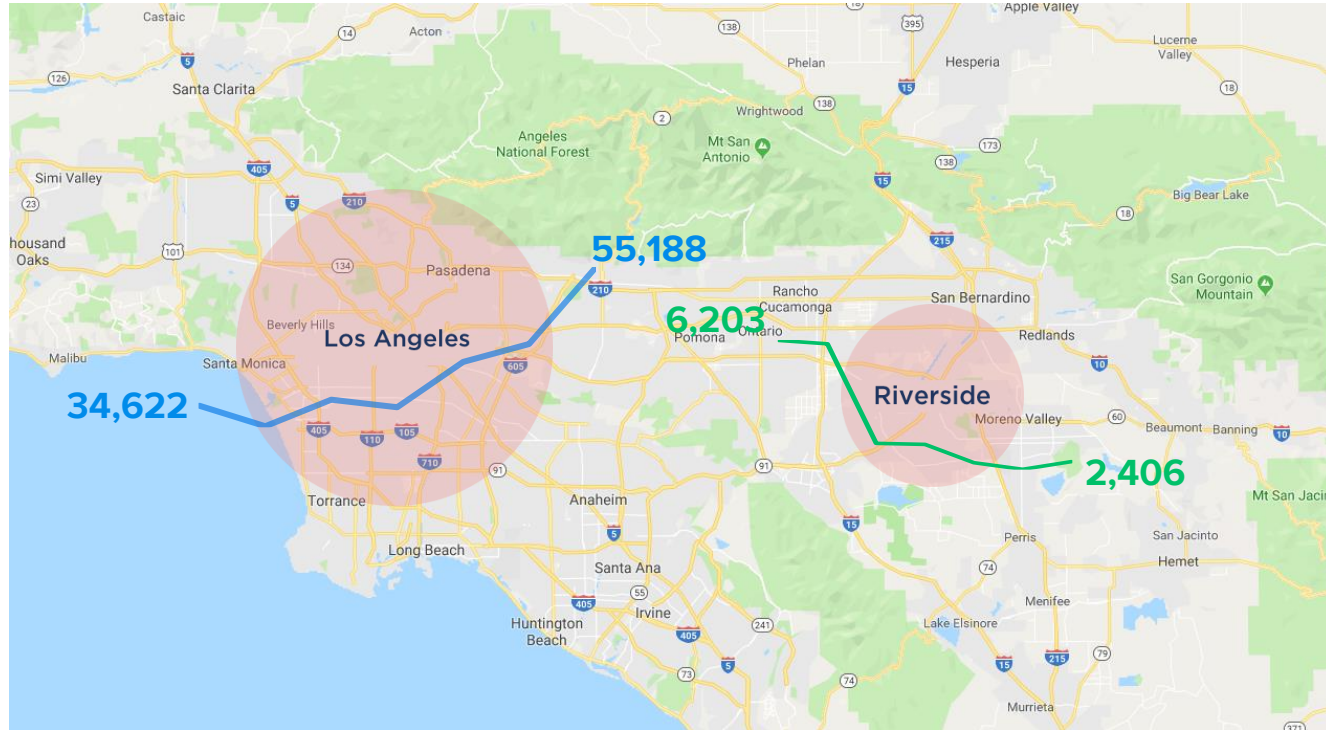
Clusters 1 and 2 not in the clear

Legend

Cluster

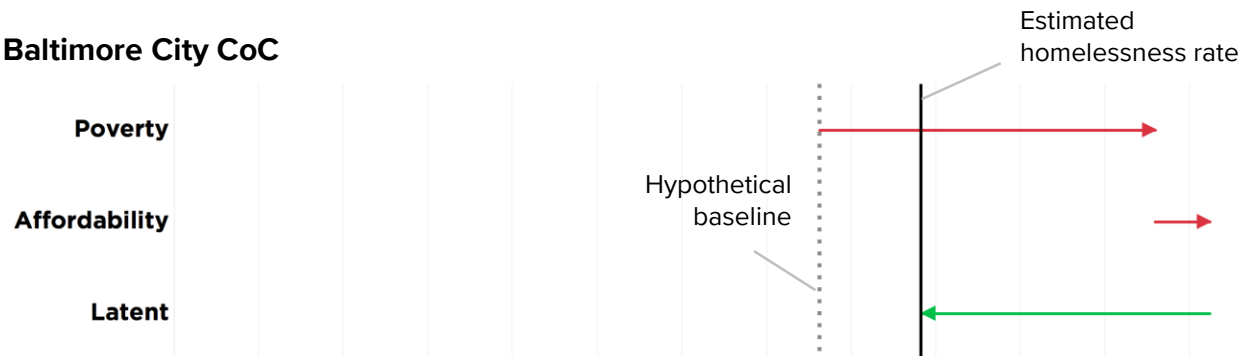


Potential spillover effects in Riverside



Decomposing the components to homelessness

Baltimore City CoC

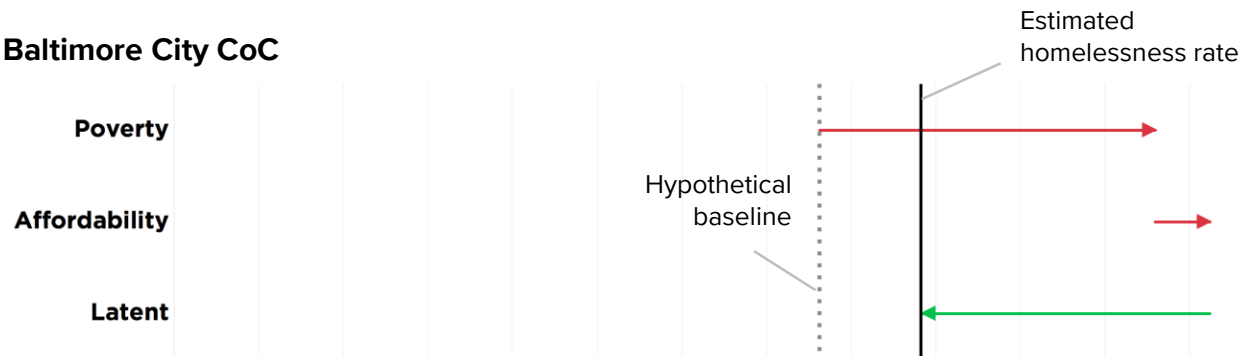


Los Angeles City & County CoC



Decomposing the components to homelessness

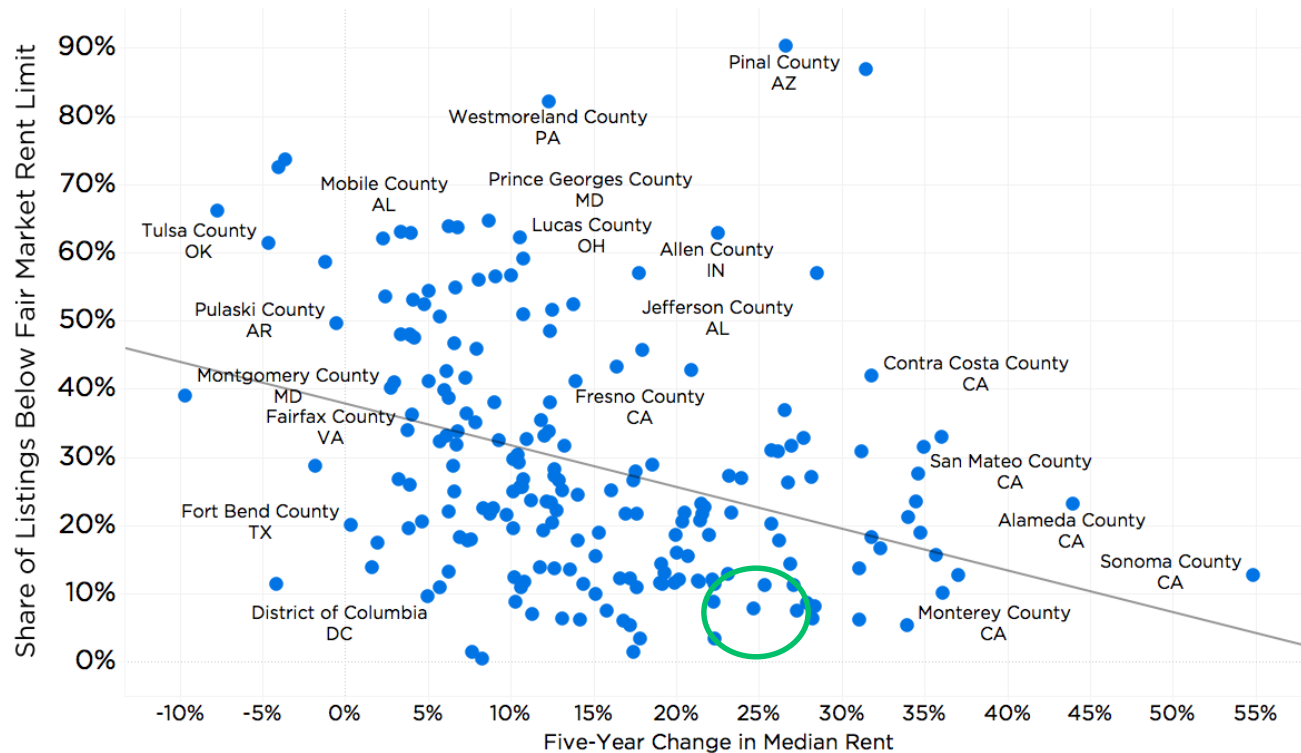
Baltimore City CoC



Los Angeles City & County CoC



Rising rents can leave even the households who receive assistance few options



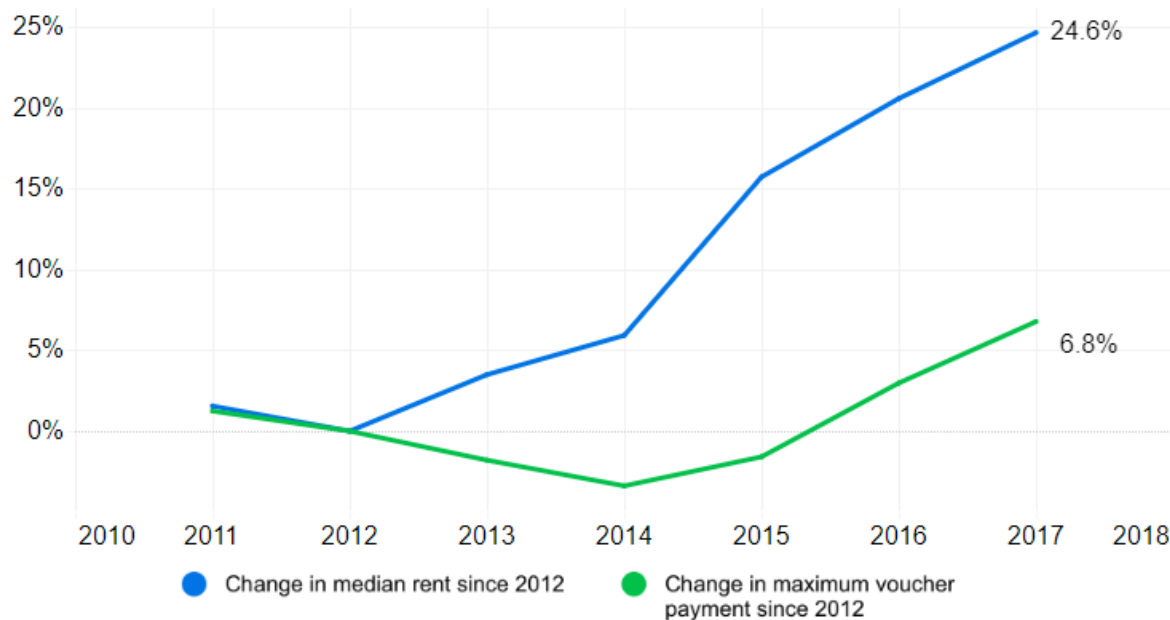
Housing assistance has lagged behind Los Angeles rents

County

Los Angeles, CA

Change in Median Rents and Maximum Voucher Payment

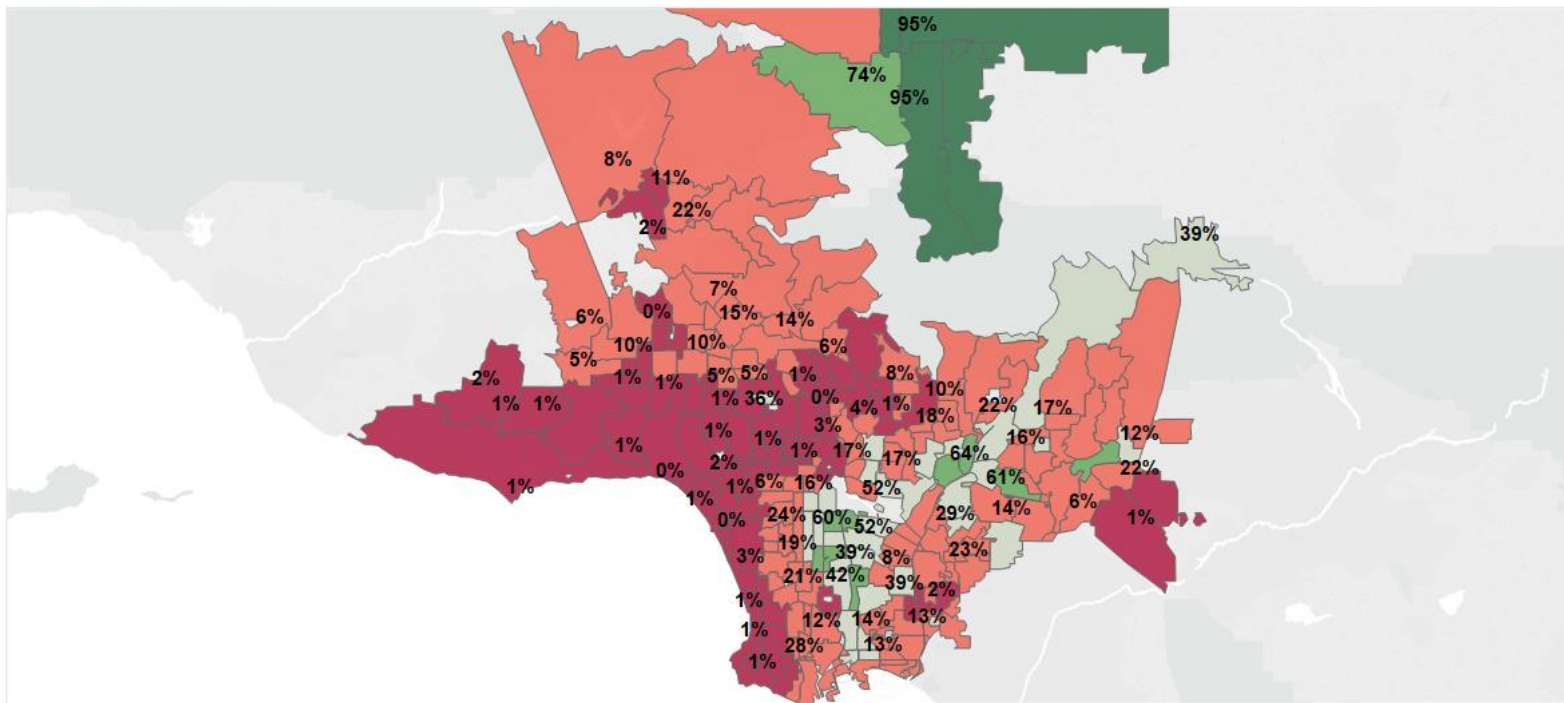
Percent change since 2012

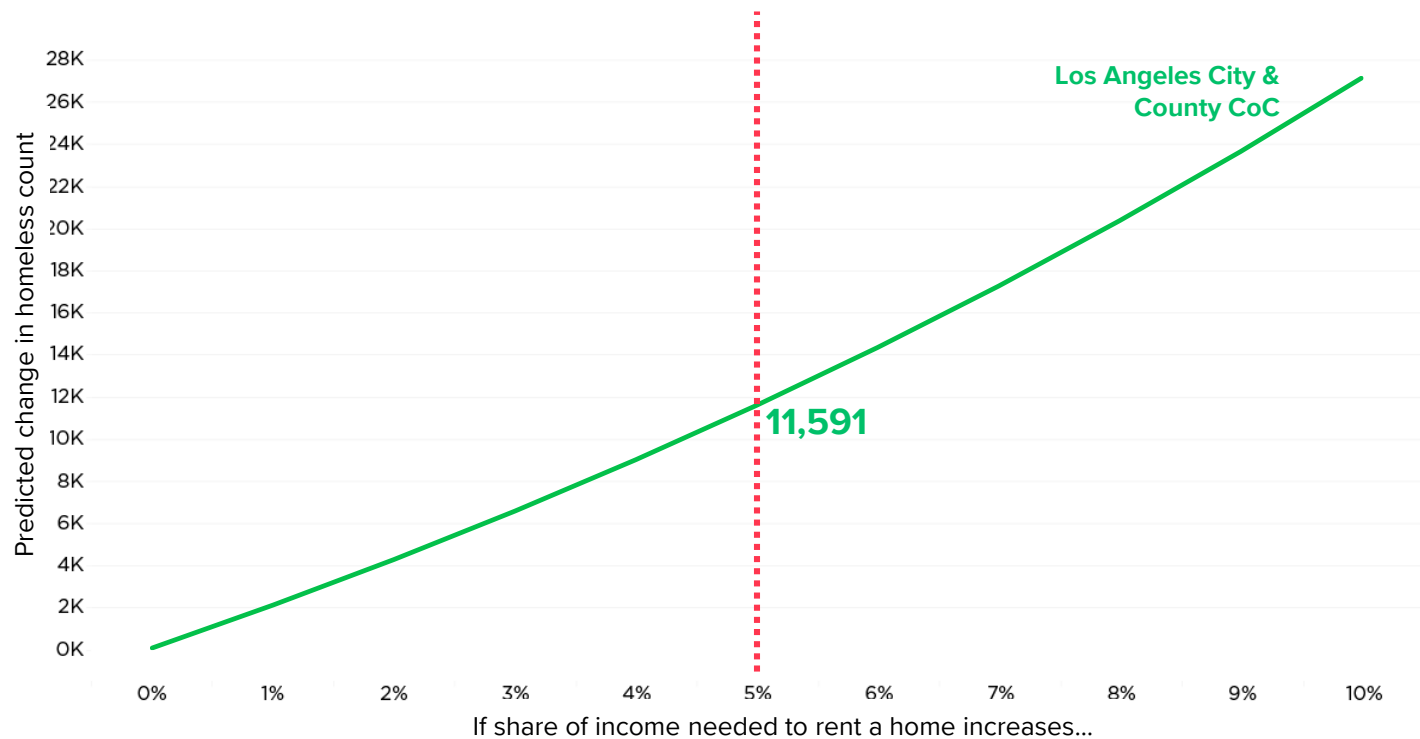


Rising rents can leave even the households who receive assistance few options

Share of Rental Listings Below 2018 Voucher Payment Standards

2018 listings for 1-4 bedroom units





A photograph of a single-story house at dusk. The house features a large, multi-paned sunroom or enclosed porch that is brightly lit from within, showing interior furniture and decor. The roof is dark and shingled. To the left of the sunroom, there is a paved patio area with a round metal fire pit containing a fire, and four matching metal chairs. String lights are visible along the eaves of the sunroom. The background shows trees with some autumn-colored foliage. The overall scene is peaceful and inviting.

Thank You