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Digging deeper to pay the District's rising rents; Prices up 23% since 2000 Affordable-housing supply hurt, study finds

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Rents have increased more in the District than they have in most major cities, and renters are spending a larger portion of their paychecks to keep a roof over their heads, according to an analysis released Friday by the DC Fiscal Policy Institute that examines the city's rental housing market.

In its report, the institute offers a sobering look at the housing market in the District between 2000 and 2007, raising concerns about the availability of affordable housing and the effect the economic boom of the past decade had on prices.

"Every D.C. resident can point to numerous neighborhoods that look vastly different than they did 10 years ago, and while those improvements have brought many good things -- more retail and better housing stock -- it also means that the availability of low-cost housing had to go down," said Ed Lazere, executive director of the institute. "It's not just in isolated neighborhoods. It's across the city."

And, proving that the affordable housing crisis is not limited to the District, the Montgomery County Tenants Work Group is releasing its first renters' survey next week, which found that more than 40 percent did not think they could afford to continue living in their units five years from now.

The report provides recommendations to County Executive Isiah Leggett (D) about how to address soaring rents and tenants' quality of life.

"The fact is, for too long, renters in the county have relied on the kindness of landlords to keep rents fair and predictable and quality of life in buildings at a reasonable level," said Matt Losak, a renter and chairman of the Tenants Work Group.

Losak said the survey in Montgomery shows that many tenants are subject to rent increases that go well beyond the county guidelines, which are voluntary. Almost 20 percent of respondents said their rents had increased an average of 8 percent or more in the past five years.

"We need rental housing laws that ensure tenants more long-term security and more balance in the tenant-landlord relationship," he said.

Although the District has strong rent-control laws, the number of less-expensive rentals has decreased significantly.

There were 23,700 fewer apartments that cost $750 or less a month in 2007 than in 2000, a decrease of more than 33 percent. During that period, the number of units that cost in excess of $1,500 more than doubled, from 12,200 to 27,400.

"Rising rents mean that many apartments that had once been affordable to lower-income households no longer are," according to the report. "The supply of low-cost rental housing has gotten much smaller in D.C. as the rental stock shifted to higher-cost units."

As a result, two in five households in the District spend more than 30 percent of their income, the federal housing affordability standard, on rent.

Louise Thomas, 65, has $212 left over from her $660 Social Security check after she pays her rent on her Northwest Washington apartment. And that's before she pays utilities.

"My daughter helps me out every now and then, but they have children," Thomas said. "I just make it by the grace of God."

Zenaida, 27, who asked that only her first name be used because she was embarrassed, lives in Northwest with her husband and 2-year-old son. They are among the 100,000 households that spend more than 30 percent of their income on rent. She said that her rent has jumped more than $100 since 2006 but that her cashier's salary, about $1,200 a month, has not increased as much.

"Sometimes it's hard," she said in Spanish, speaking through an interpreter. "Sometimes I pay other bills late. But I make sure I pay the most important bill, which is the rent."

Zenaida said she has tried to find another apartment, one that doesn't have roaches, mice, and problems with heating and plumbing.

"I've looked, but you can't find anything more affordable than what I pay right now," she said.

Reginald Walker, president of the Copeland Manor Cooperative, a 61-unit apartment building in Southeast, said that at least four units are empty because they need renovation. Walker said that the cooperative was supposed to get money from the city to help with the rehabilitation of the property but that some of the money for the program was lost to budget constraints.

"Those units that are offline right now would be affordable and would be there for those folks who need them," Walker said. But he added that he has had trouble keeping some units filled because tenants can't afford the rents, which range from $450 to $950.

The median monthly rent for an apartment in the District rose from $630 to $930 from 2000 to 2007. The median household income rose from $49,300 to $54,300. The institute made adjustments for inflation in all of its findings in the report.

During the same period, rental housing prices rose faster in the District than in most other large cities in the country, including New York, Boston, Chicago, Los Angeles and Atlanta, according to the analysis, titled "Nowhere to Go: As D.C. Housing Costs Rise, Residents Are Left With Fewer Affordable Housing Options."

The District's inflation-adjusted 23 percent rent increase was the fifth-largest among the nation's 50 biggest cities.

Lazere said the findings were surprising.

"When you see the numbers, it does sort of shock you. But in some ways it's not surprising, given the city's economic boom was so great," Lazere said. "The huge increase in employment and population was bound to have an impact on our housing market."

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