

# HOUSING COSTS IN WASHINGTON, D.C.



- **Housing costs are higher in D.C. than in all but one state.**<sup>1</sup> The median cost for a home in D.C. is nearly \$390,000.<sup>2</sup> In the D.C. region, a family with an income of \$69,200 could afford only 5% of homes sold in 2006, as compared to 42% in 2002.<sup>3</sup> Working full time, a person must make about \$25.00 per hour to afford the rent on a modest two-bedroom apartment in the District.<sup>4</sup>
- **Low-income families cannot afford to live in D.C.** The estimated annual cost of renting a modest two-bedroom apartment in D.C. is \$15,456 a year. For a D.C. family of three whose income is 50% of the D.C. median average, the annual gap between the cost of this apartment and what would be affordable is \$1,596.<sup>5</sup> A worker earning the current minimum wage would have to work 120 hours *per week* to afford the apartment.
- **A vast majority of the District's poorest households have unaffordable housing burdens.** In 2003, nearly 80% of D.C. households with incomes below 30% of the median income for the area paid more for housing than they could afford. Nearly 60% of these households paid *at least half* of their total income for housing.<sup>6</sup>
- **More D.C. residents are becoming homeless.** In mid-January 2009, 6,228 individuals were literally homeless—an increase of more than 8% over 2007. Approximately 37% of these individuals were in families. An additional 3,469 people were in permanent supportive housing—at risk of homeless without ongoing services and housing subsidies.<sup>7</sup>
- **The District's affordable-housing supply is shrinking.** In the first half of 2005, 2,400 multi-family rental units were converted to condos—four times as many as in the whole of 2004.<sup>8</sup> D.C. had already lost at least 5,000—15%—of its low-cost rental units.<sup>9</sup> In the last eight years, the District has lost nearly 2,000 units of Section 8 (federally-subsidized) affordable housing—about 15% of the total D.C. Section 8 housing stock.<sup>10</sup>
- **High housing costs are a factor in unemployment and other problems that affect our community as a whole.** They often limit job opportunities available to low-income families because they force families to live far away from job centers and to move frequently. Families also must sacrifice necessities that allow them to work, such as child care, work clothes and money for transportation. Frequent moves prompted by high housing costs result in poor school performance. Children, seniors and other vulnerable populations might also suffer from lack of nutritious food and exposure to unhealthy or unsafe environments.<sup>11</sup>

<sup>1</sup> Missouri Economic Research and Information Center, Fourth Quarter 2007 Cost of Living Figures.

<sup>2</sup> Metropolitan Regional Information Systems, Real Estate Trend Indicator (May 6, 2009).

<sup>3</sup> Fannie Mae Foundation and Urban Institute, *2007 Housing in the Nation's Capital*.

<sup>4</sup> U.S. Department of Housing and Urban Development, FY 2009 Final Fair Market Rents for Existing Housing. Required earnings reflect the department's definition of "affordable" as no more than 30% of annual income. This same definition is used throughout to determine affordability.

<sup>5</sup> U.S. Department of Housing and Urban Development, FY 2009 State Income Levels; FY 2009 Final Fair Market Rents.

<sup>6</sup> DC Fiscal Policy Institute, *Squeezed Out* (2005).

<sup>7</sup> Metropolitan Washington Council of Governments, *2009 Count of Homeless Persons in Shelters and on the Streets in Metropolitan Washington*. The homelessness figures do not include individuals and families doubled up with friends or relatives because they could not afford places of their own.

<sup>8</sup> Comprehensive Housing Strategy Task Force, *Homes for an Inclusive City* (2006).

<sup>9</sup> DC Fiscal Policy Institute, *Squeezed Out*.

<sup>10</sup> Urban Institute, *District of Columbia Housing Monitor* (Winter 2008). The Institute notes that some of these units may have been kept affordable under other programs, but apparently cannot determine how many.

<sup>11</sup> Center on Budget and Policy Priorities, *The Increasing Use of TANF and State Matching Funds to Provide Housing Assistance to Families Moving From Welfare to Work* (2000).