

Rhode Island's Housing Shortage & Outcomes of Policy Changes Elsewhere

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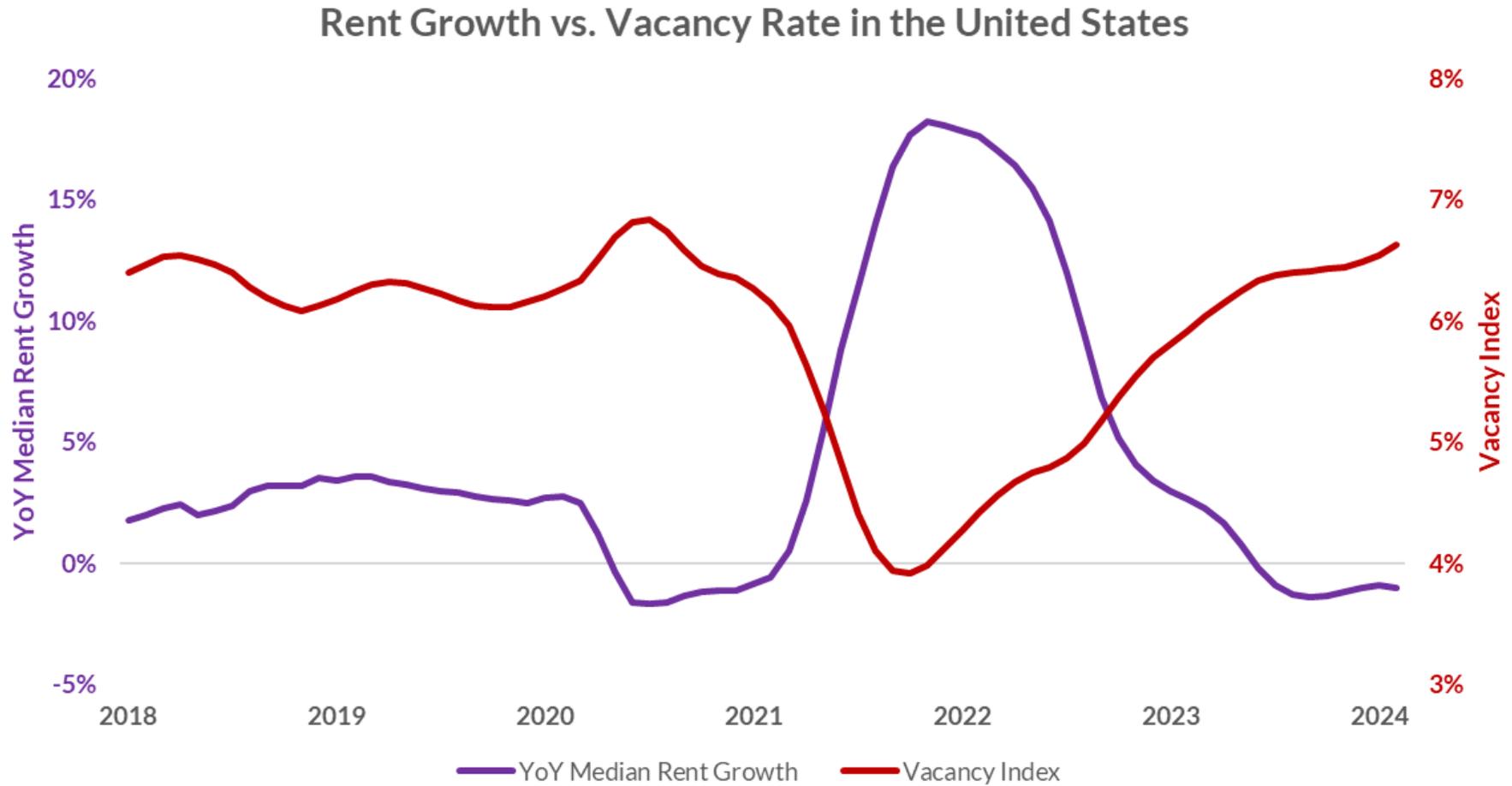
Presentation to Rhode Island's Land-Use Commission & Housing Affordability Commission
May 8, 2025

Pew

U.S. Housing Costs Have Reached an All-Time High in the Past Year

- Half of renters are spending more than 30% of income on rent (Rhode Island: 51%)
- One-quarter of renters are spending more than 50% of income on rent (Rhode Island: 28%)
- Housing shortage of 4-7 million homes is primary culprit
- U.S. inventory has been low (seller's market) for 5 years
- Household size has reached an all-time low of 2.49 (Rhode Island: 2.34)
- 63% of U.S. households have 1 or 2 people (Rhode Island: 65%)

Rents Rise Quickly When Shortages Occur



Source:
Apartment List

Rhode Island's Housing Shortage Widespread

WPRI.COM 12

Housing Crisis: In RI, worsening shortage of homes sends prices soaring

The Providence Journal

Providence asking rents had highest hike in the nation over last year, report says.

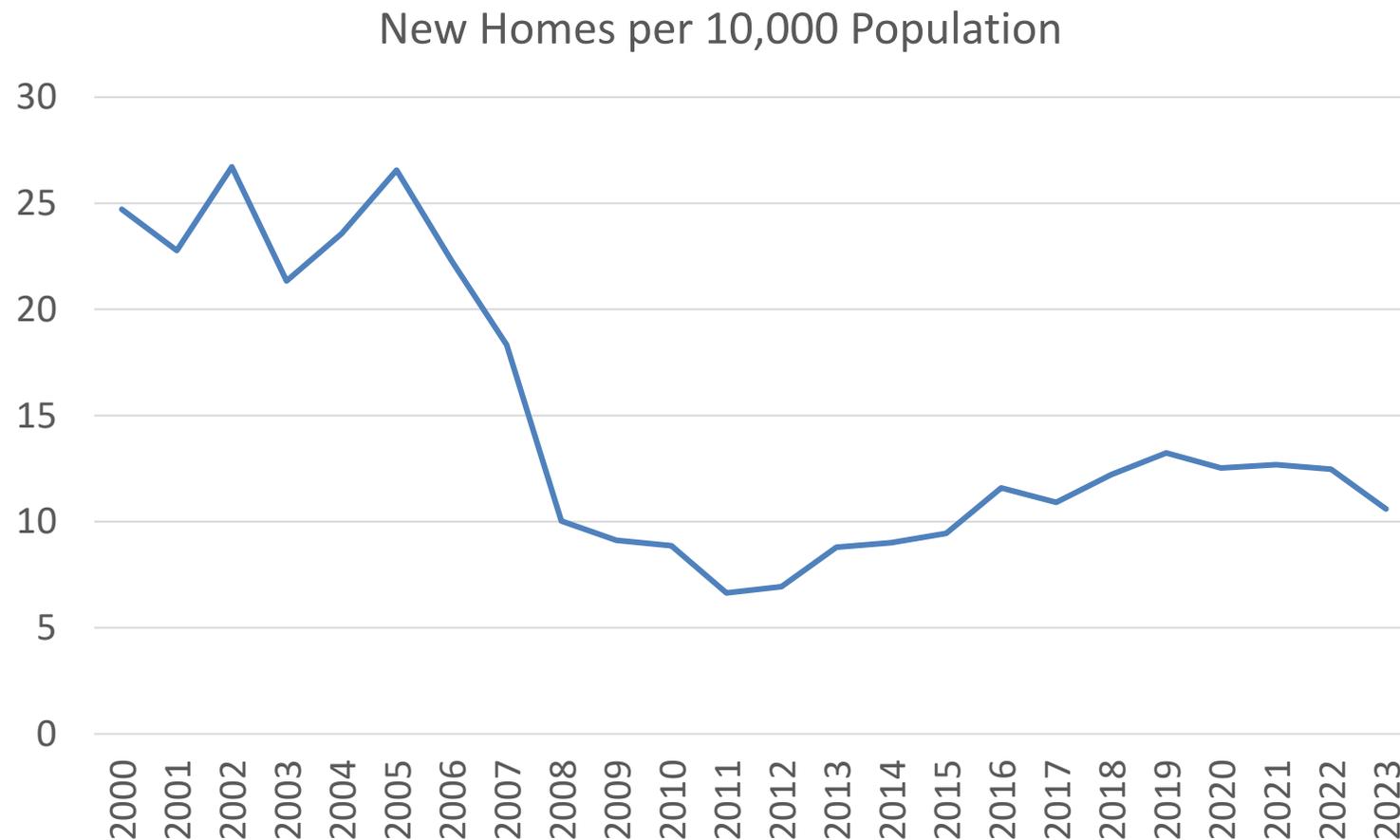
THE  PROVIDENCE EYE
- OUR CITY IN FOCUS -

Getting Serious About Providence's Housing Crisis

The Providence Journal

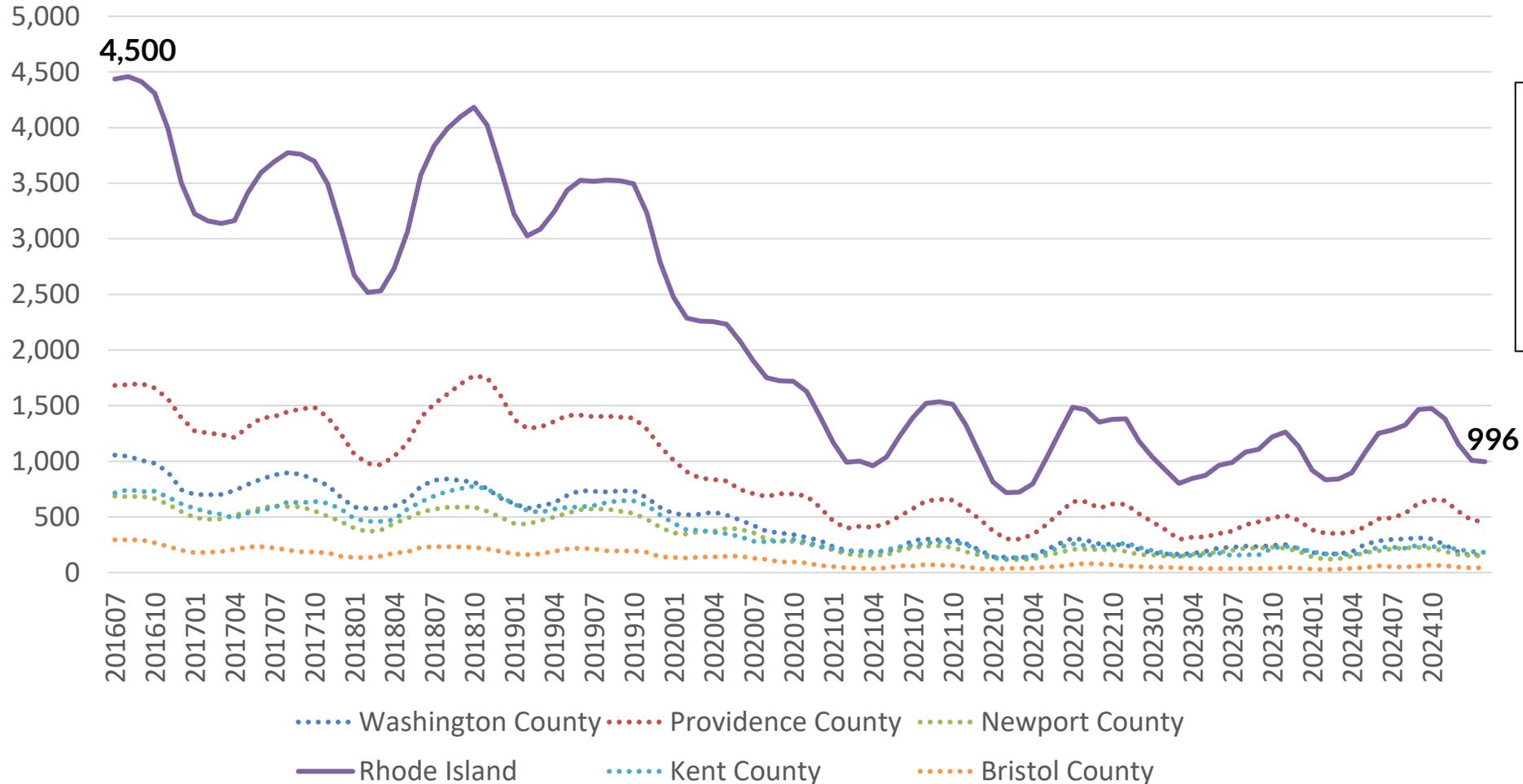
Redfin ranks Providence as the least affordable metro area for renters. Here's why.

Rhode Island Home Construction Has Not Recovered



Source: Pew's analysis of U.S. Department of Housing and Urban Development building permits data and Federal Reserve resident population data

Rhode Island's Housing Inventory Down 78% Since 2016

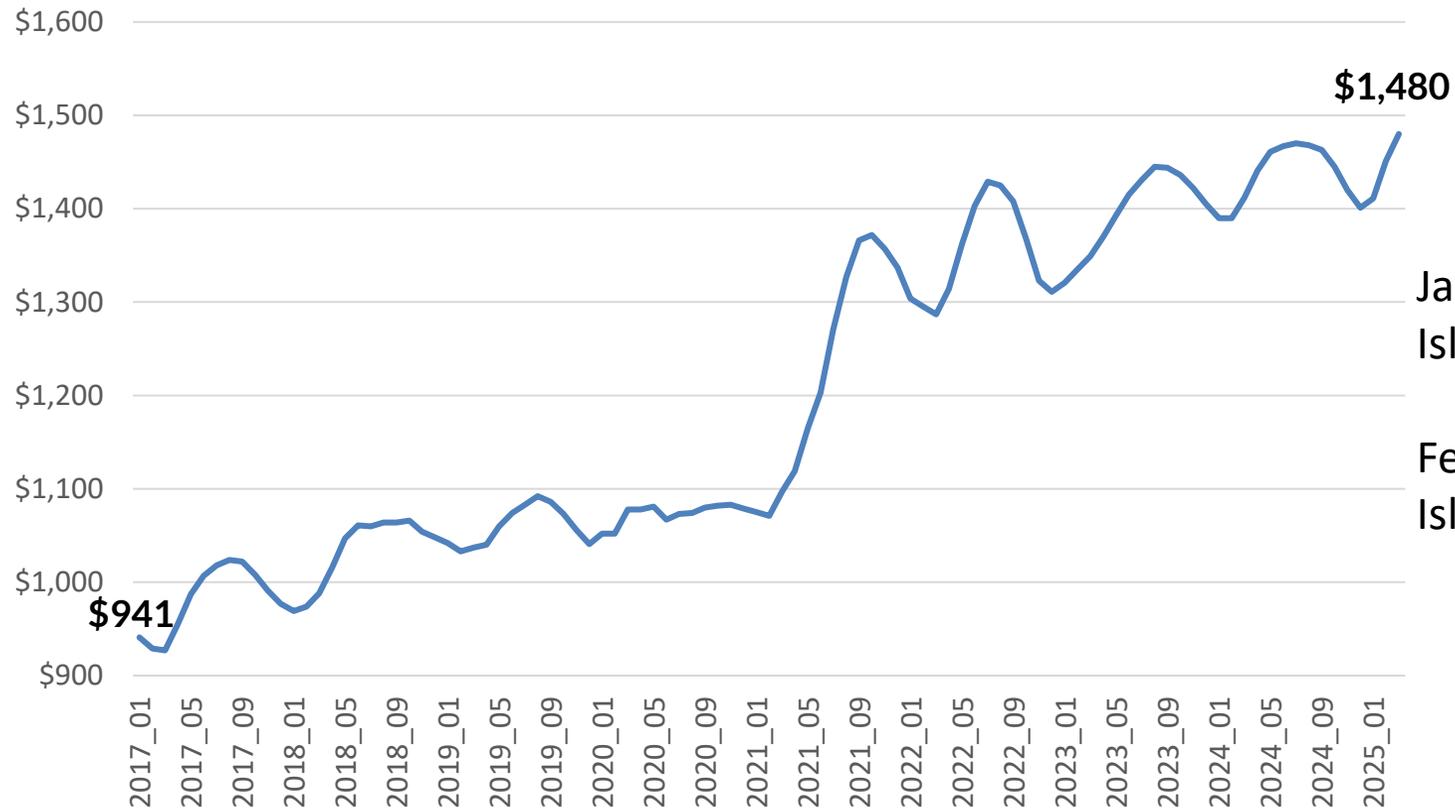


Rhode Island median home cost up 57% in past 5 years:
 Mar. 2020: \$303k
 Mar. 2025: \$476K

Source: realtor.com for inventory and Zillow for prices

Rhode Island Rents Soar Amidst Shortage

Median Monthly Rent in Rhode Island
Increased 57% from Jan. 2017 to Feb. 2025



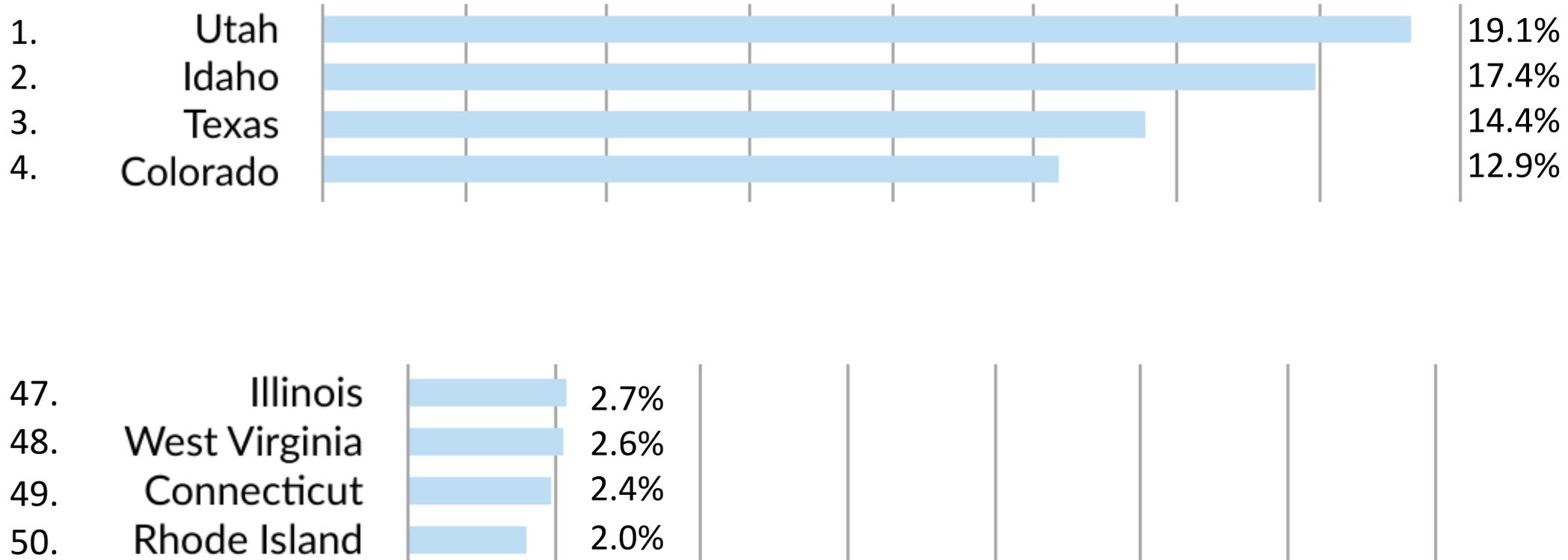
Jan. 2017: Median Rhode Island rent 12% below U.S.

Feb. 2025: Median Rhode Island rent 7% above U.S.

Source: Apartment List Rent Estimate data

Rhode Island Ranked 50th in Housing Permitting Per Capita

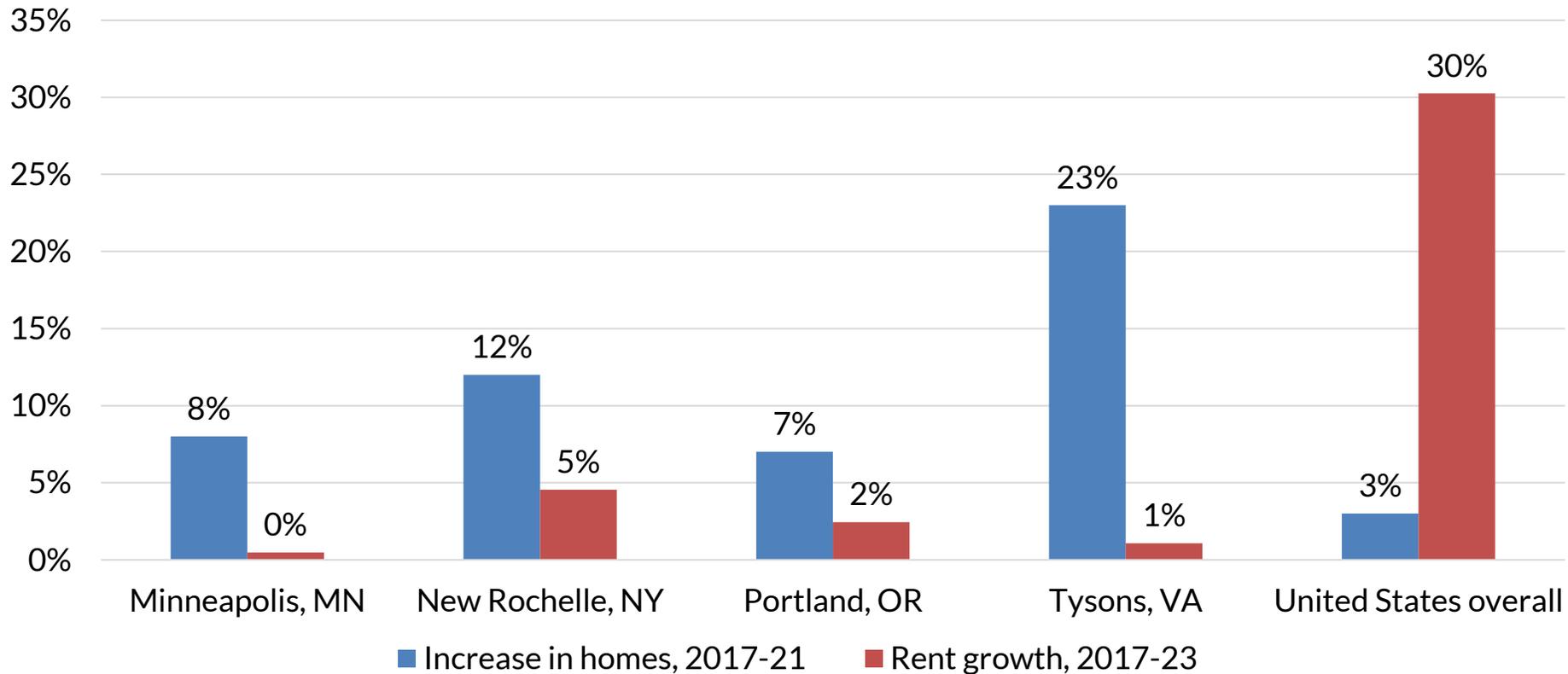
Housing Permits Issued Per 10,000 homes (2017), from 2017-2023



Sources: HUD, State of the Cities Data Systems: Building Permits Database. U.S. Census Bureau, "Housing Units," American Community Survey 1-Year Estimates Detailed Tables, Table B25001, 2017.

New Data Confirms More Supply = Lower Housing Costs

Rent Growth Is Low Where Housing Has Been Added

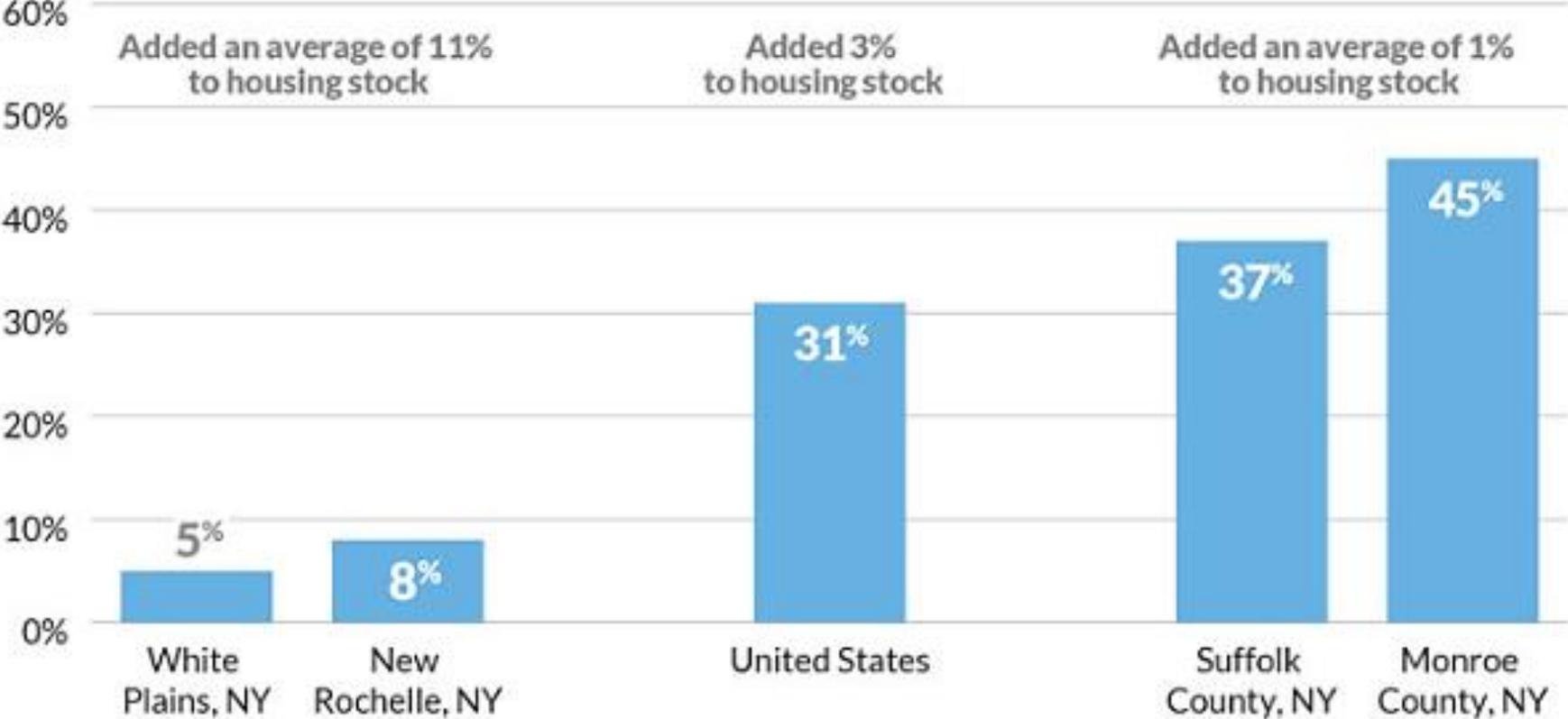


The four local jurisdictions shown added proportionally more households than the U.S. overall from 2017-21—indicating low demand was not the cause of their slow rent growth.

Source: Pew's analysis of Apartment List rent estimate data (Jan. 2017-Jan. 2023) and U.S. Census data on housing units (2017-2021)

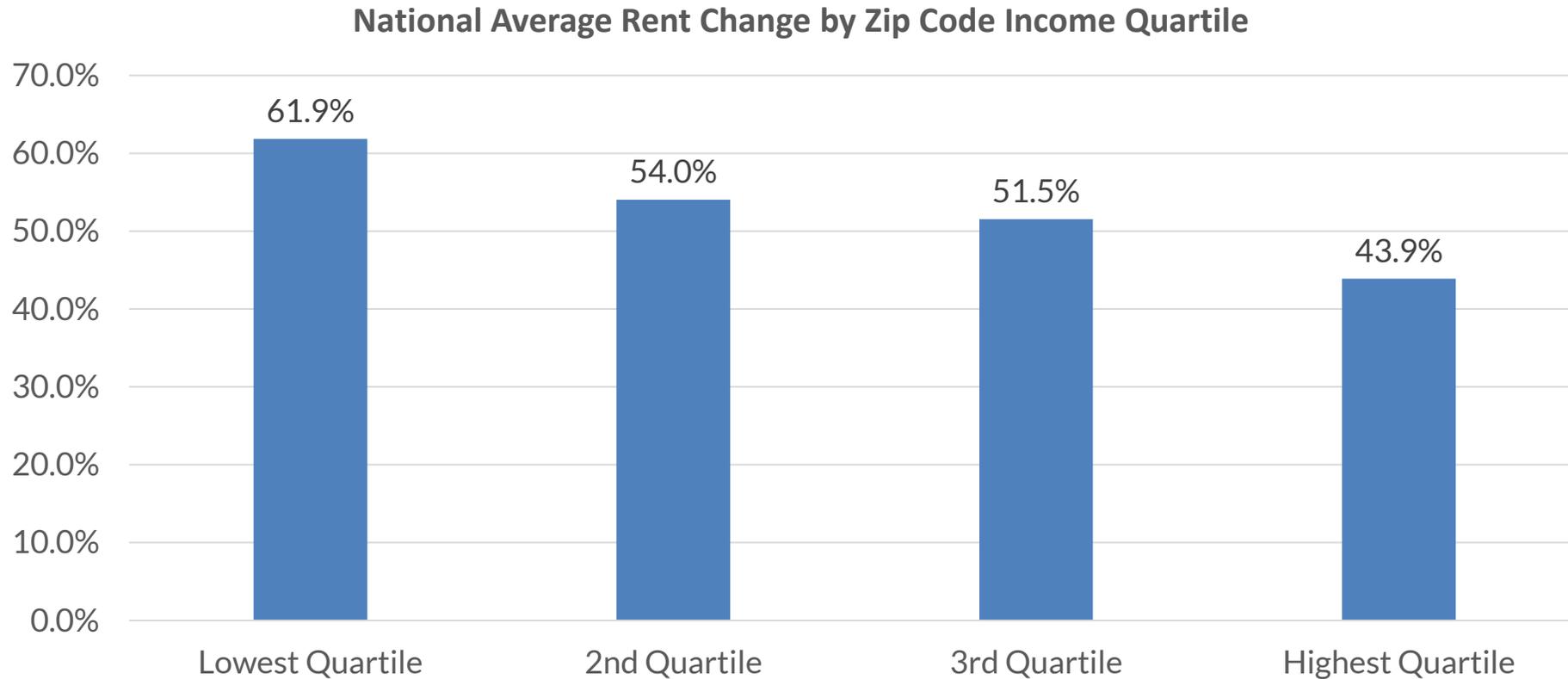
Some New York Jurisdictions Added Housing and Kept Rent Growth Low

Growth in median rent between February 2017-February 2023



Sources: ACS Census Bureau and Apartment List Rent Estimate data

Housing Shortage Hurts Low- and Moderate-Income Households Most



Source: Pew's analysis of Zillow rent estimate data (Sep. 2017-Sep. 2024) and IRS Income by ZIP Code data (2017)

Supply Boost Has Driven Down Rents in Lower-Cost Apartments

Market	Effective Rent Change in 2023			
	Market Average	Class A	Class B	Class C
Austin	-6.0%	-4.4%	-5.7%	-7.9%
Dallas	-1.4%	-0.4%	-1.9%	-1.5%
Orlando	-4.0%	-2.9%	-5.1%	-3.1%
Phoenix	-4.3%	-1.9%	-3.9%	-7.2%
Salt Lake City	-3.4%	-1.9%	-3.9%	-3.6%
San Antonio	-2.9%	-1.7%	-3.6%	-2.8%

Source: RealPage rent data

Interest Rates & Material Costs Affect Year-to-Year Production; But State & Local Policy Explain How Many Homes Are Built

	Housing Permits Per 10,000 Residents (2022: low interest rates)	Housing Permits Per 10,000 Residents (2023: high interest rates)
San Francisco	25	14
Austin	189	140

Austin rents declined 17% (24% inflation-adjusted) from Aug. 2022 to March 2025.

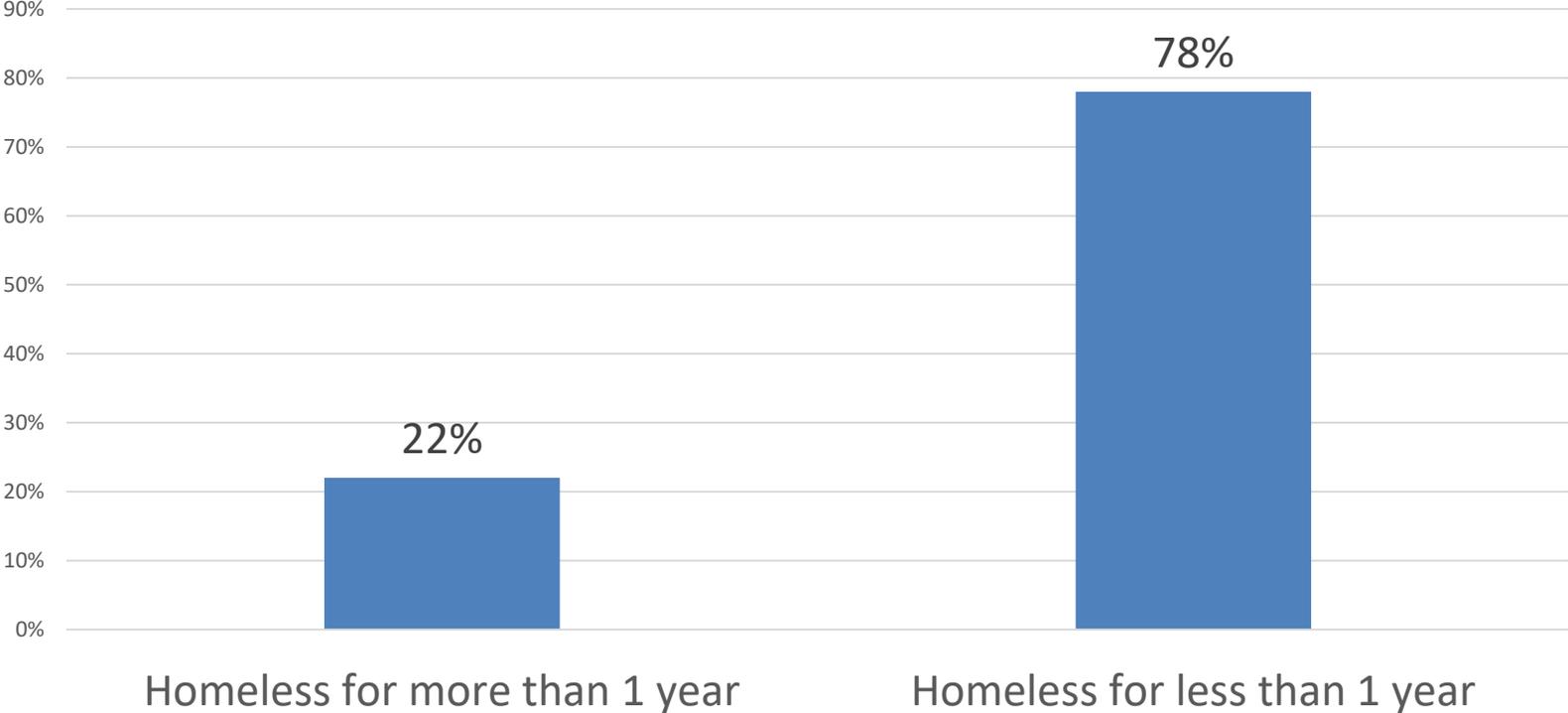
Homelessness rose in San Francisco & U.S. from 2022 to 2024 but fell in Austin.

Sources: HUD State of the Cities Data Systems; population from Census' American Communities Survey; Apartment List: HUD Point-in-Time Count.

How Housing Costs Drive Homelessness Levels

Homelessness Driven by Inflows & Outflows, Not a Static Group

Data from 2024 point-in-time count for U.S.



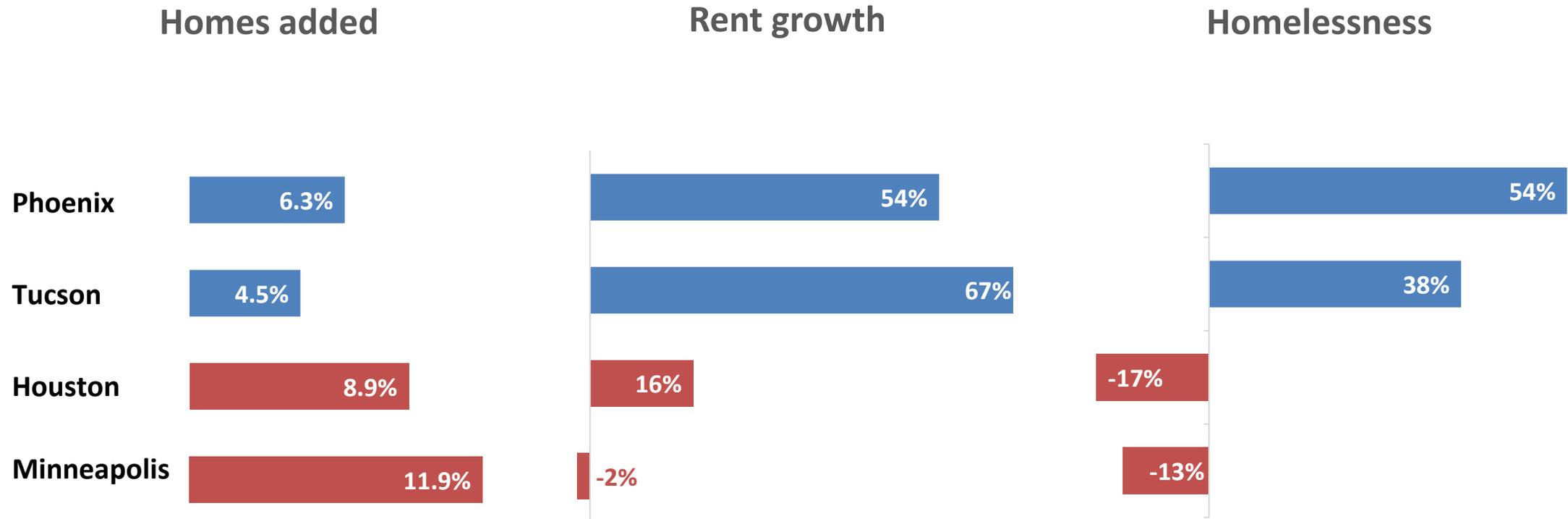
771,480 people identified in 2024 homelessness count in United States (all-time high)

2,442 in Rhode Island (all-time high)

Source: HUD PIT count

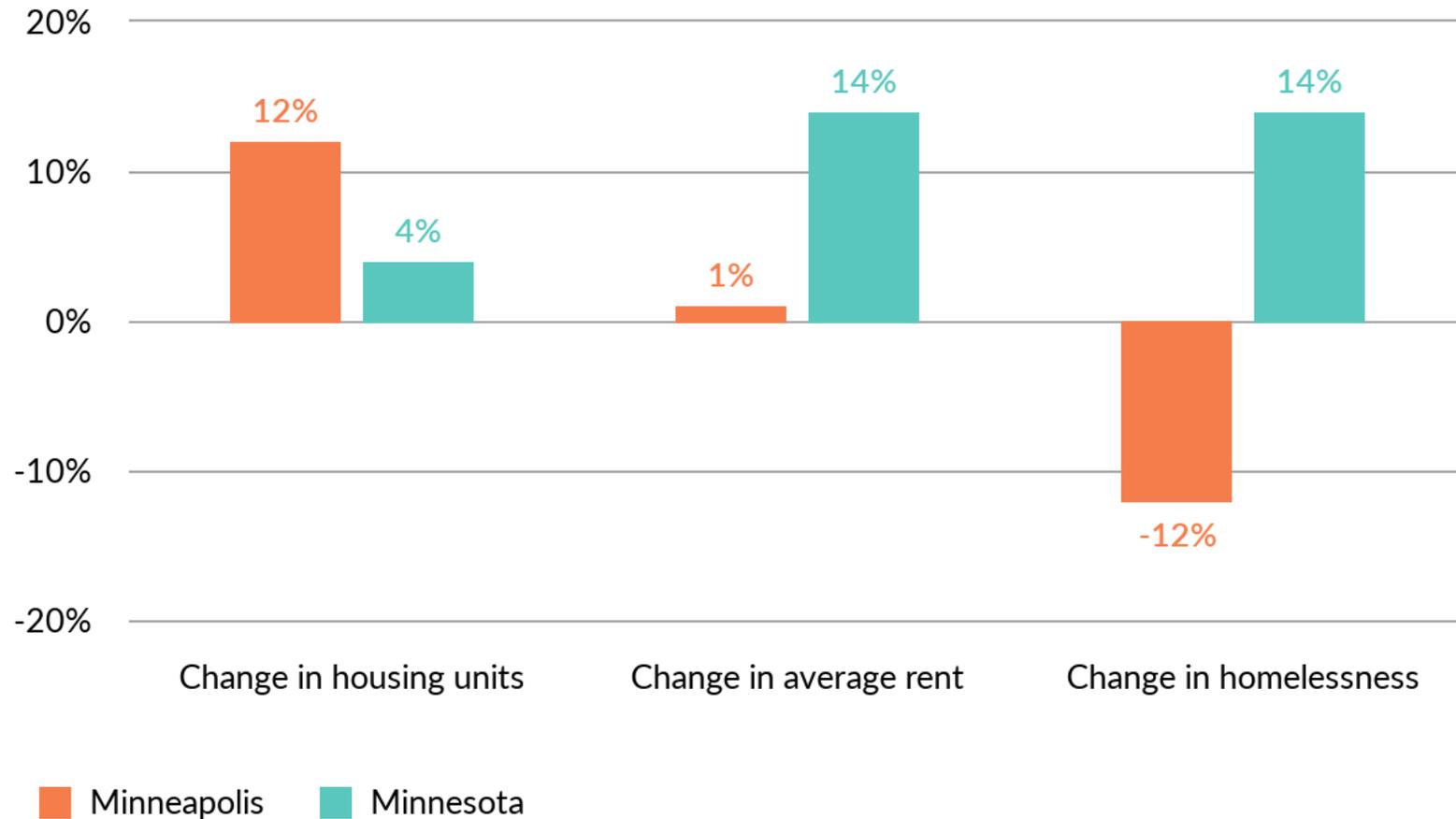
Housing Shortages Have Pushed Up Rents, Homelessness

Percent change, 2017-2022 (2017-2023 for rents)



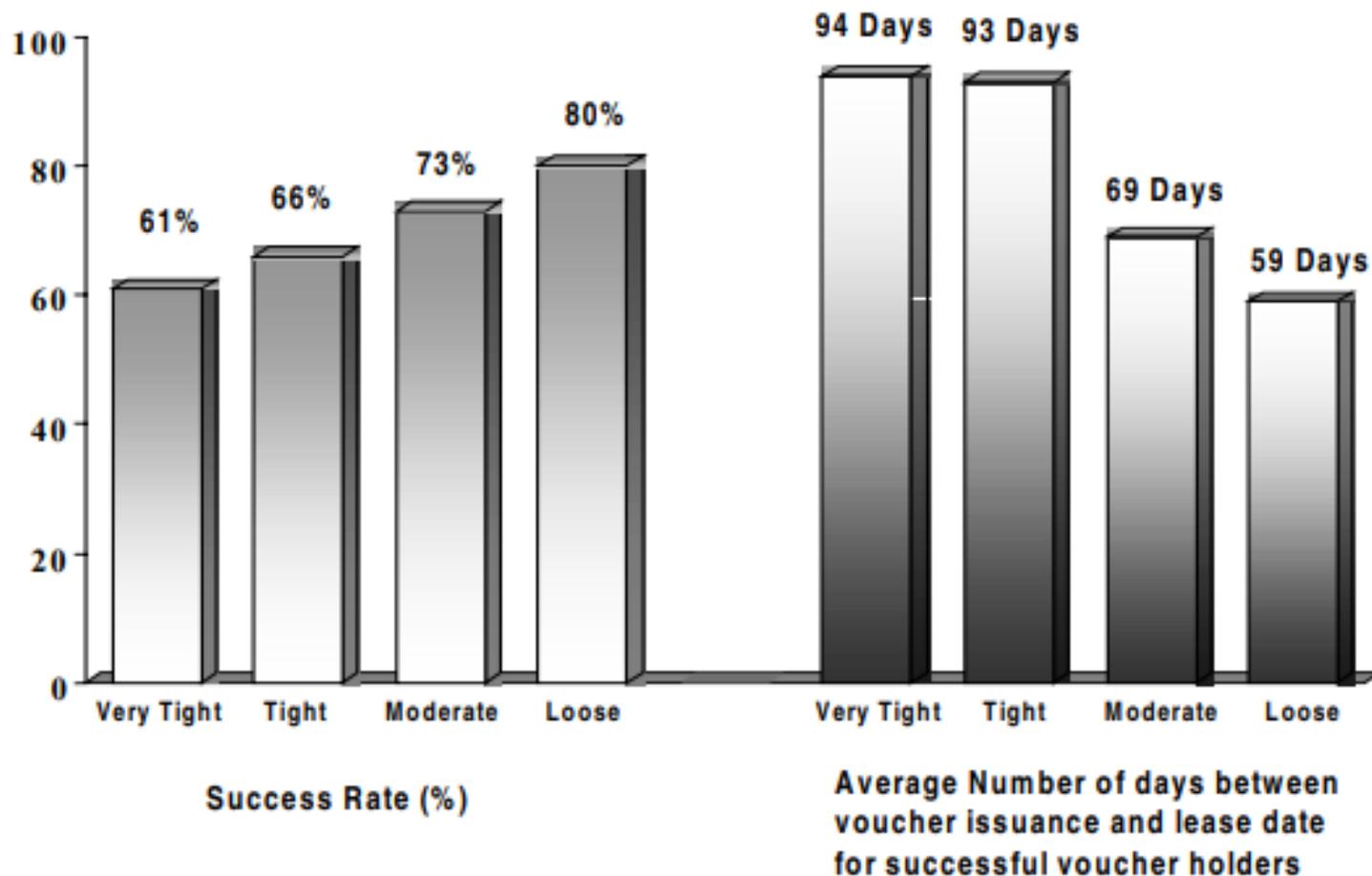
After Zoning Reform, Minneapolis Rent Growth Slowed, Homelessness Dropped

Percent change, 2017-2022



Overall Housing Supply Drives Outcomes of Section 8 Voucher Holders

Success Rates and Time to Lease by Market Tightness

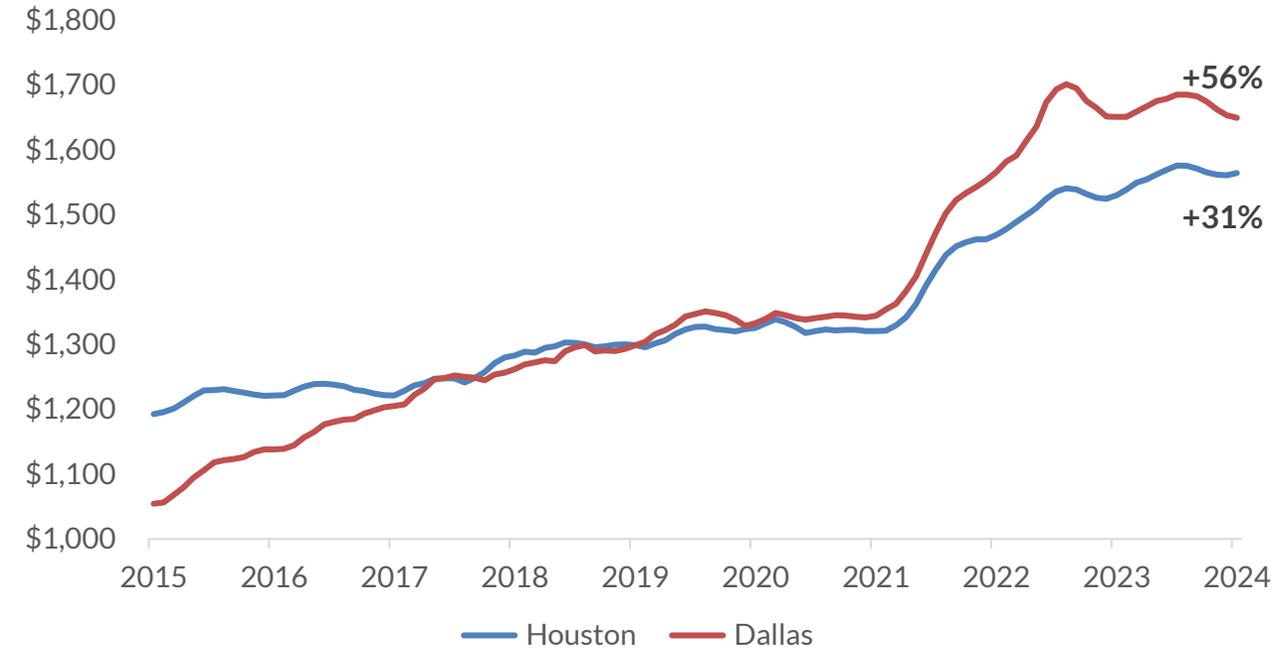


Source: Study by Abt Associates for HUD, 2001

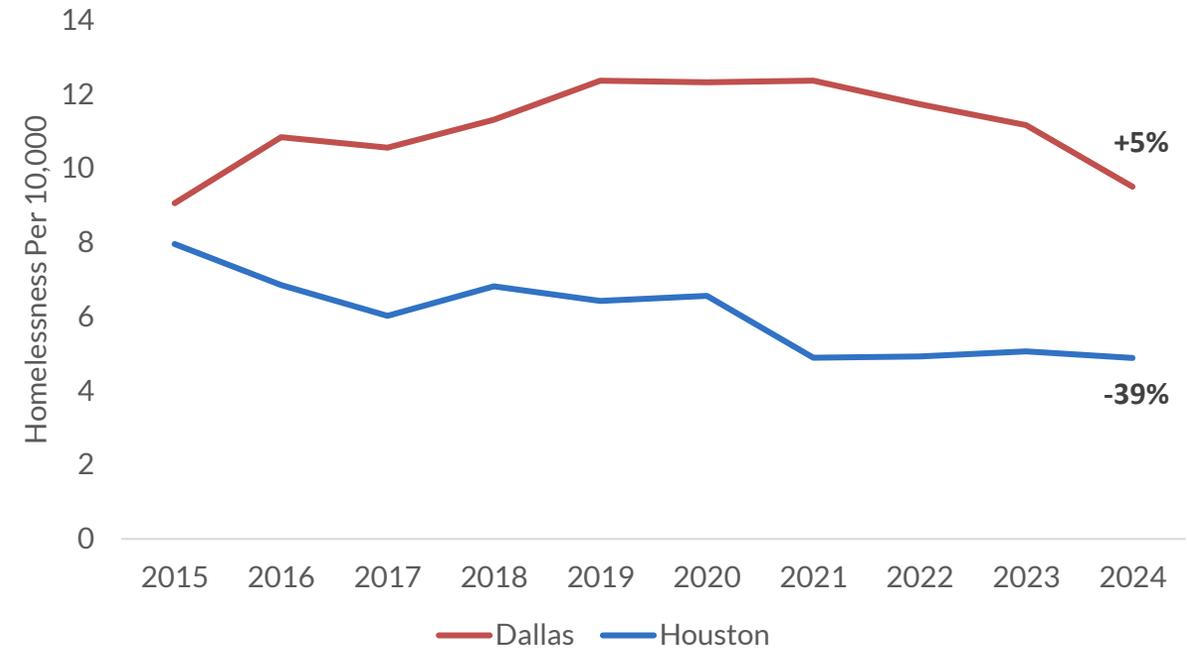
Why Homelessness Rose in Dallas While it Dropped in Houston

Percent change in median rent (2015-2024) and homelessness per 10,000 residents (2015-2024)

Median Rent



Homelessness Per 10,000 Residents



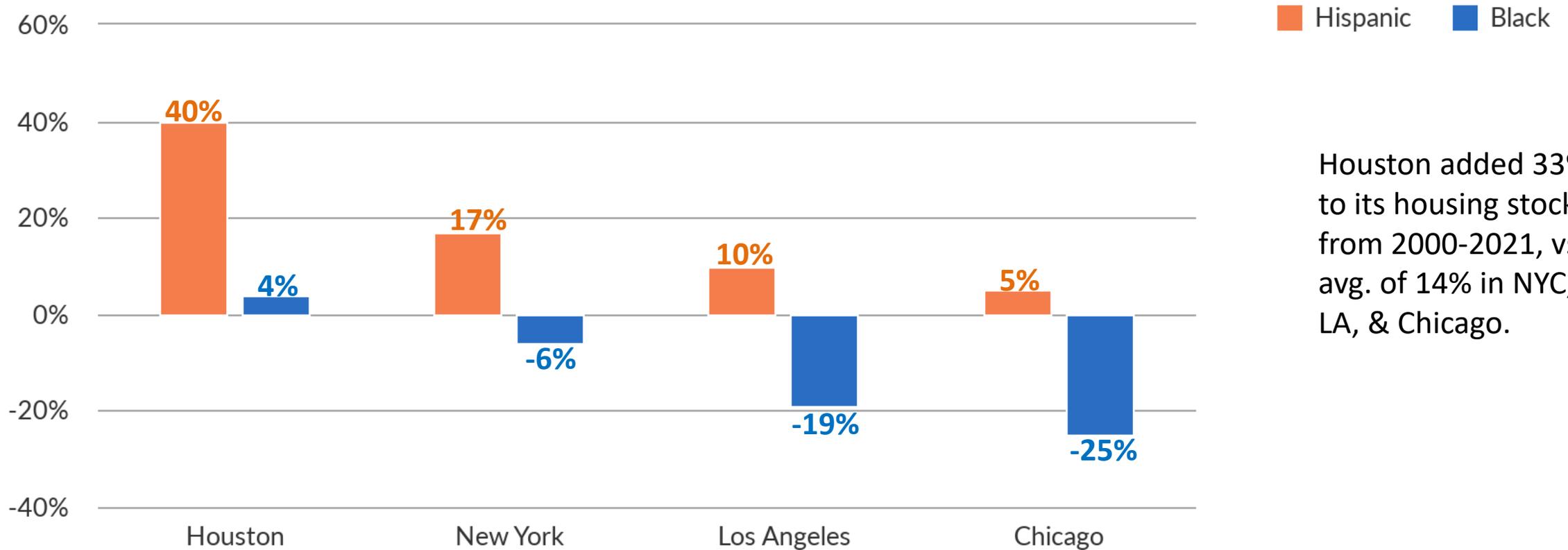
Dallas' rents increased by over \$2,600/year more than Houston's.

Houston lowered its minimum lot size, relaxed other restrictions, and built 48% more housing than Dallas from 2015-2023.

Sources: Zillow Rent Estimate data for rents; HUD Point-in-Time count data for the CoC covering the listed jurisdiction for homelessness

Allowing More Housing Reduces Displacement

Percentage change in Black and Hispanic populations by city, 2000-21

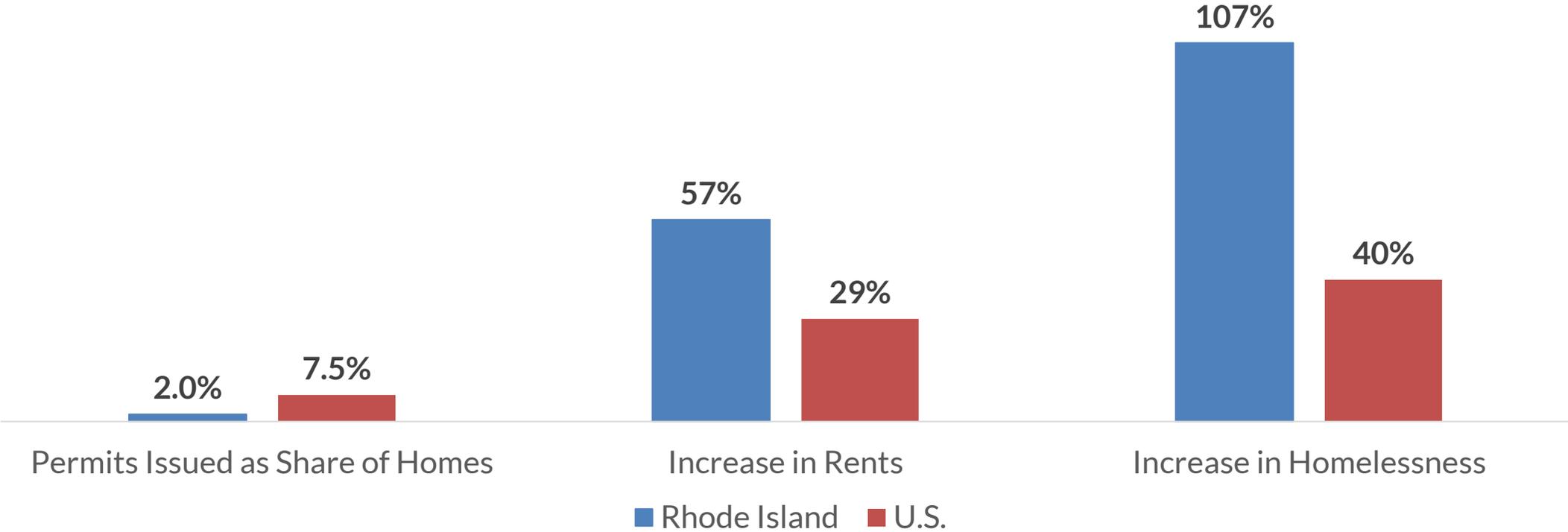


Houston added 33% to its housing stock from 2000-2021, vs. avg. of 14% in NYC, LA, & Chicago.

Source: ACS Census Bureau data

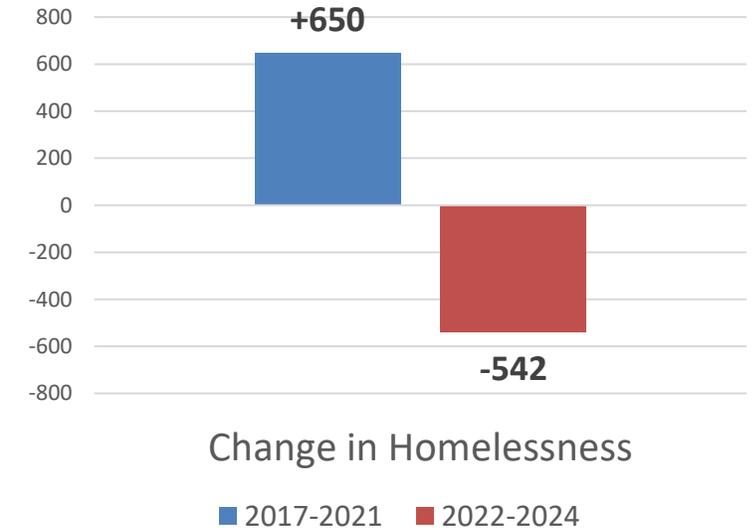
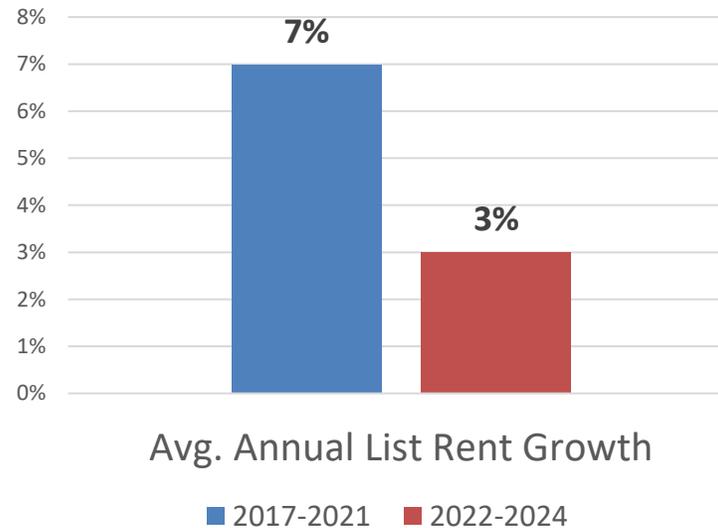
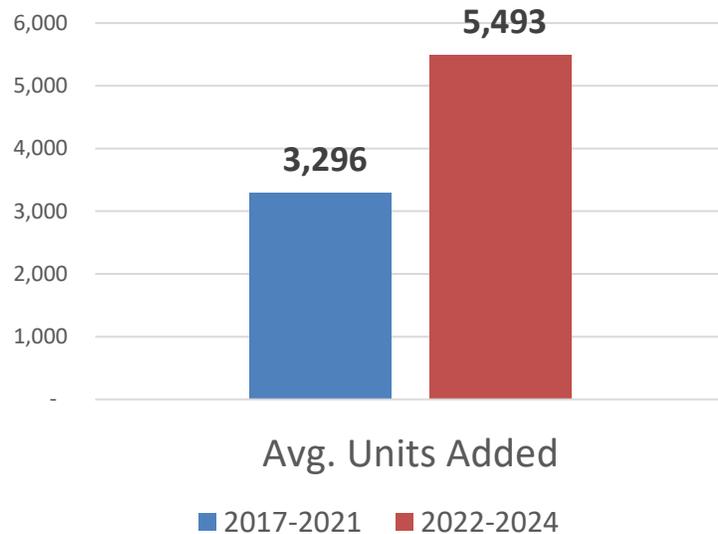
Rhode Island Added Less Housing Than U.S., Saw Rents & Homelessness Rise More

Permits Issued (2017-2023), Rents (2017- Feb. 2025) & Homelessness (2017-2024)



Sources: 2023 ACS, Apartmentlist.com Rent Estimates, HUD 2017-2024 PIT Count

Raleigh's 2021 & 2022 Land-Use Reforms Enabled More Apartments, Townhouses



Sources: Zillow Observed Rent Index (ZORI), U.S. Census Bureau, HUD Building Permits Database

State & Local Policymakers Are Engaging On Housing

States & Localities Both Acting to Allow More Housing Types

- Enabling accessory dwelling units (ADUs)
- Legalizing multifamily in commercial areas
- Streamlining permit approval processes
- Building code reforms, including manufactured housing
- Limiting parking mandates
- Enabling home sharing & co-living
- Simplifying office-to-residential conversions, including micro-units

State Laws to Enable More Homes Becoming Much More Common

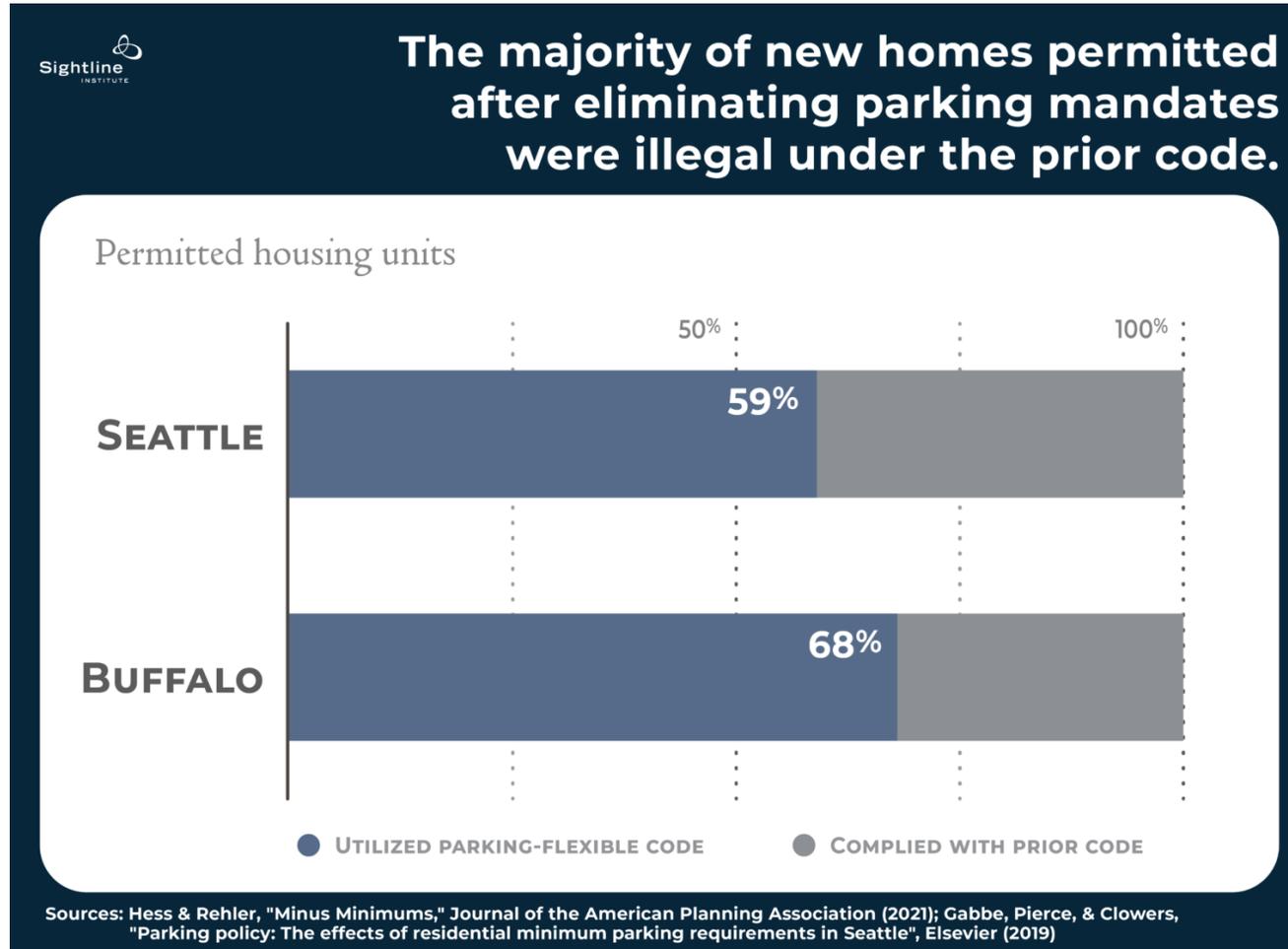
Average number adopted by states per year:

- 2012-2016: 1
- 2017-2022: 18
- 2023-2024: 48

Building Code Reforms Enacted by States in 2023 & 2024

- Moving 3-4 unit buildings or 3-6 unit buildings under less-costly residential code with 1 & 2-unit homes (NC's 2023 HB488; and a study version, 2024's HB2071 in WA).
- Studying or allowing one staircase for 4-6 story buildings instead of mandating two staircases to enable these buildings on small lots (CA, CT, MN, NY, OR, TN, VA, WA).
- Legalizing micro-units/co-housing wherever multi-family housing is allowed or for adaptive reuse (HI, OR, WA).

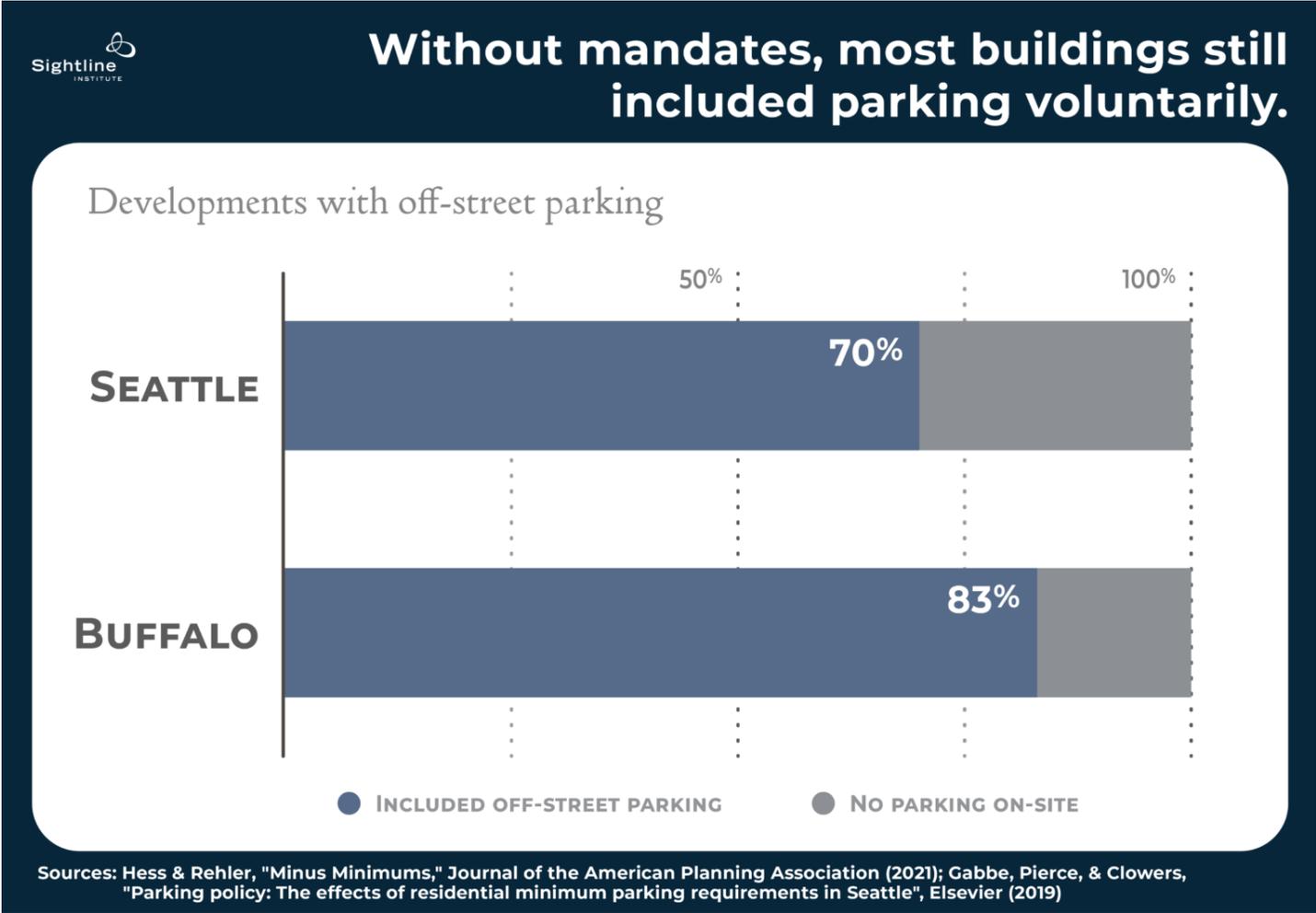
Increased Parking Flexibility Has Improved Housing Supply, Affordability



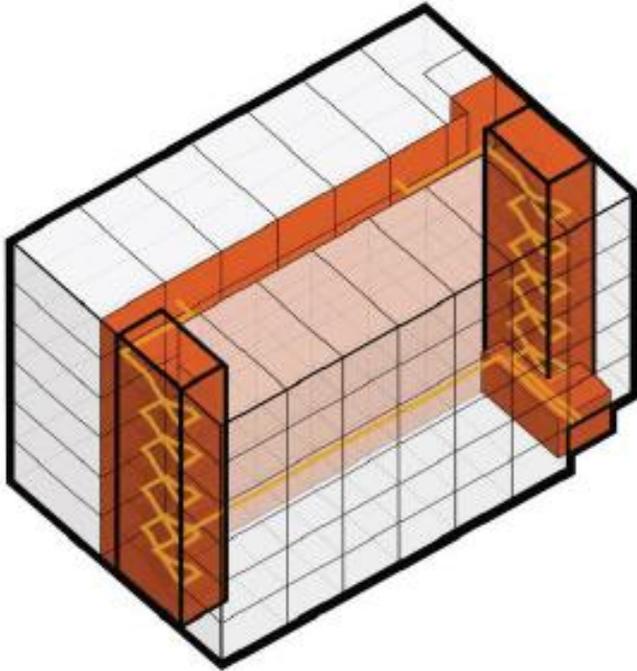
Among lowest-wealth quarter of households: 31% do not own a car

Source: Analysis by Joint Center for Housing Studies of Federal Reserve Survey of consumer Finances

Most Housing Includes Some Off-Street Parking, Even When Optional

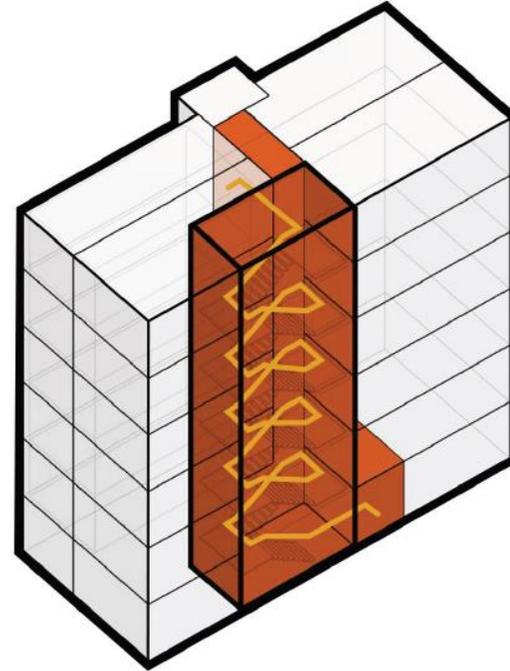


Two-Stair vs. Single-Stair Layout



**DOUBLE-LOADED CORRIDOR
SIX STORY APARTMENT BUILDING**

Source: SAR+ Architects



**SINGLE-STAIR
SIX STORY APARTMENT BUILDING,
CURRENTLY ALLOWED IN SEATTLE**

Single-Stair Construction Reduces Cost, Can Enable Viability

Savings from 1 staircase per building:
6-13% lower construction costs, accounting for additional fire protection



For a small 6-story apartment building, with 4 units per story, and 2,000 square feet per floor:

Base construction cost: \$250 / square foot (southeast U.S.)

Area: 2,000 square feet / floor x 6 floors = 12,000 square feet

Cost with two staircases: \$3 million

Cost with one staircase: \$2.6 – 2.8 million

Cost savings: \$180,000 - \$390,000

Fire Fatality Rate in Single-Stair & Other Residential Buildings in NYC

Data from 2012-2024; NYC has approximately 4,440 modern single-stair buildings

	Single-stair 4-6 story	All other residential
Total Fire Deaths	3	465
Occupant-years of experience	617,801	102,489,392
Fire Death Rate per Occupant-Years of Experience	5 per million	5 per million

All three fire deaths (from two fires) in single-stair buildings occurred in unit and were not related to egress outside of the unit; the fires did not spread beyond their unit of origin.

Note: These figures are from publicly available data and are likely an undercount of the full number of fires that occur each year.

Source: Pew and Center for Building North America analysis of USFA Home Fire Fatalities in the News database, NFIRS, PLUTO

Rhode Island Residential Fire Deaths by Housing Type, 2016 - Present

Jan. 2016 – May 1, 2025	Single-family	Old multi-family (built 1999 or earlier)	New multi-family (built 2000 or later)
Share of housing stock	61%	35%	4%
Share of fire deaths	82%	18%	0%

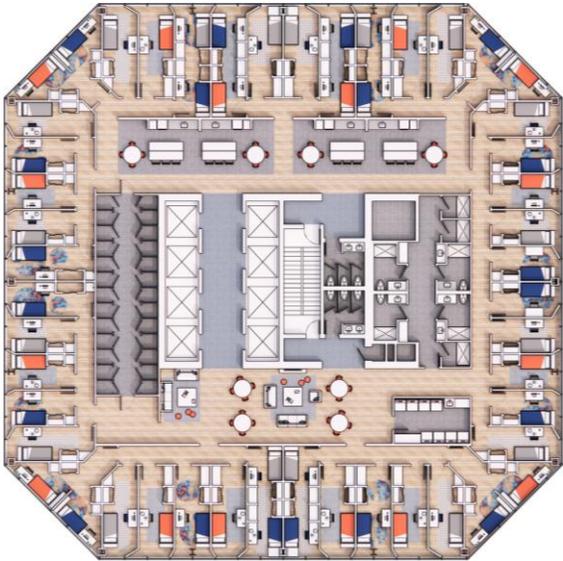
Notes: These figures are from publicly available data and are likely an undercount of the full number of fire deaths that occur each year. Rhode Island had 35 fatal residential fires and 41 fire deaths in single-family buildings, 9 fatal fires and 9 fire deaths in pre-2000 multi-family, and no fatal fires or fire deaths in new multi-family.

Source: USFA Home Fire Fatalities in the News database and NFIRS

Cost Benefits of Office to Co-Living

- Cost per unit 2x-4x lower than either new build or office to conventional apartment.
- Centralizing plumbing reduces costs by avoiding the expensive construction of kitchens and bathrooms in each unit.
- Construction costs are 25-35% lower per square foot than office to conventional apartments.

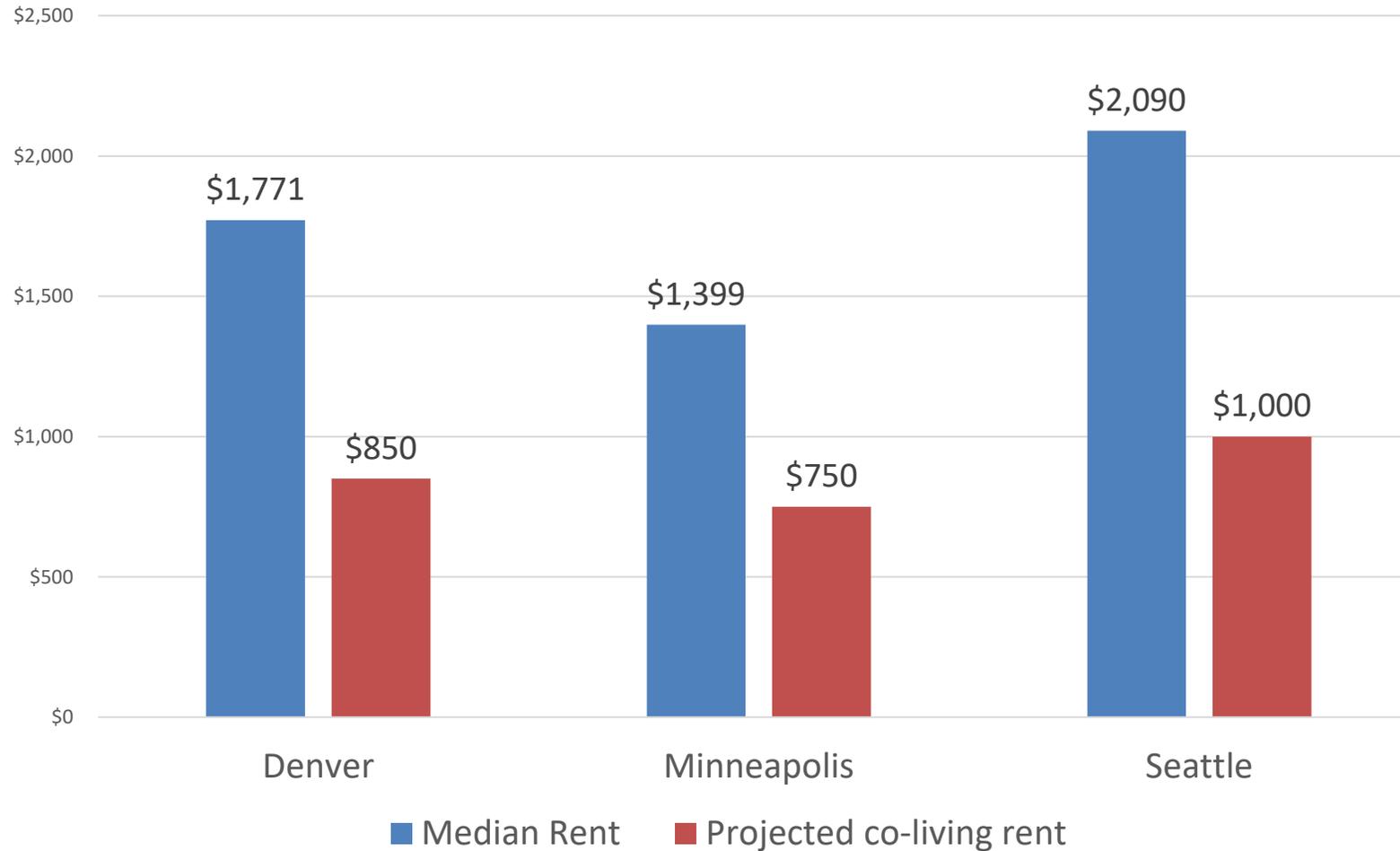
Denver Building Floor Plan Rendering



- 28 residential floors
- 48 beds per floor
- Total of 1,232 units (1,344 residents)



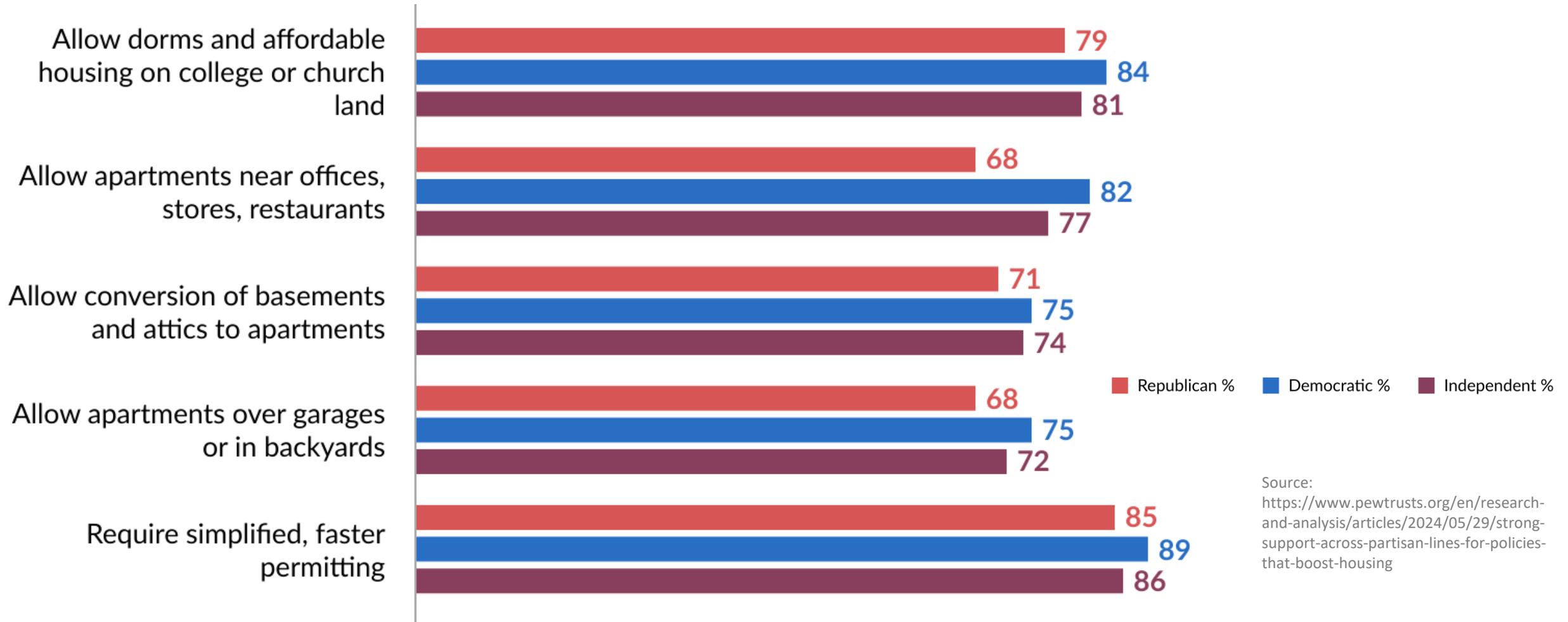
Co-Living Conversions Can Achieve Low Rents



Development cost per unit is 2-3x lower than studio apartments (new-build or conversion).

Source: median rents from Apt. List; projected rents estimated by Gensler and The Pew Charitable Trusts, 2024

2023 Pew Survey: Share of Americans Favoring Each Policy



Source:
<https://www.pewtrusts.org/en/research-and-analysis/articles/2024/05/29/strong-support-across-partisan-lines-for-policies-that-boost-housing>

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