

METROPOLITAN PLANNING COUNCIL



Key Findings from the Regional Rental Market Analysis DuPage County

INTRODUCTION

Quality rental housing is a crucial part of a healthy housing market and is fundamental to the stability of families and neighborhoods throughout the region. Renters are a diverse group, from young adults starting out on their own to working families with children to households with special needs to senior citizens looking to simplify their lifestyles. A range of rental options is needed for the growing workforce in the region, whether hourly service employees or highly specialized professionals.

In November, 1999, the Metropolitan Planning Council published *For Rent: Housing Options in the Chicago Region*, prepared by the University of Illinois at Chicago, the Urban Institute, and Applied Real Estate Analysis, Inc., which summarizes seven technical reports and provides new information about the rental housing market in the six-county region, including demographic data, rent levels and vacancy rates, and qualitative information from focus groups and interviews. *For Rent* provides the baseline information necessary to craft innovative policies, programs, and investment strategies for the region's rental housing market. This is one of a series of briefing papers presenting highlights from the Regional Rental Market Analysis focused on particular geographic areas and subjects of interest.

DEMOGRAPHIC DATA

Metropolitan Chicago (Includes Cook, DuPage, Kane, Lake, McHenry, and Will Counties)

- Regionwide, there are approximately 1,024,00 households who rented in 1999, which represents 38% of all households.
- Compared to other Midwestern metropolitan areas, the Chicago region is underproducing rental units. Since 1990, the region has lost more than 50,000 rental units while the population has grown by over 500,000 people.
- The region's rental market is very tight with a 4.2% vacancy rate, well below the 6% measure by the U.S. Department of Housing and Urban Development (HUD) to define tight market.
- About 11 percent of all renter households are fairly affluent, with annual incomes in excess of \$76,000.
- Approximately 50% of renters earn less than \$32,000 per year. In contrast, 12.2% of homeowners earn less than \$32,000.
- 87% of all renter households receive no housing subsidy.

DuPage County

- In DuPage County, 75.5% of all households own their homes, and 24.5% rent. There are approximately 77,000 renter households in DuPage County.
- Nationwide, there has been an increase in homeownership rates since 1990. In the Midwest, the homeownership rate grew from 67.1% to 72.1% between 1990 and 1999. However, not all families will be able to transition to homeownership.
- The median income for renter households in DuPage County in 1995 was \$33,986 compared with \$73,159 for owners.

Household Incomes of Owners and Renters in DuPage County

DuPage County 1999	TOTAL	0 to 30% of AMI (up to \$20,000)	30 to 50% of AMI (\$20,000 to \$30,000)	50 to 80% of AMI (\$30,000 to \$45,000)	80 to 120% of AMI (\$45,000 to \$75,000)	120% or more of AMI (\$75,000 & above)
# of households	323,100	24,500	18,400	52,800	74,800	152,600
% of households	100%	7.6%	5.7%	16.4%	23.1%	47.2%

AMI refers to Area Median household Income, which is currently \$63,800 for a family of four in the region.

DIVERSITY OF RENTERS IN DUPAGE COUNTY

Renter Households in DuPage County who are:	
White (Non-Latino)	80.4%
African-American	6.1%
Other Race	10.5%
Latino (Any Race)	7.4%
Elderly	17.9%
Below Poverty	10.5%

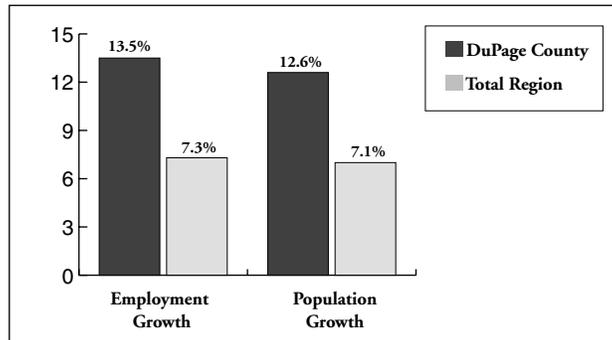
Percents are as a proportion of all renter households in DuPage County, 1995.

- The median age of a renter in DuPage County is 37 years.
- The average household size for renters in DuPage County is 1.8 persons.
- 42% of renter households in DuPage County are one-person households.
- Approximately one-fourth of all renter households in DuPage County have two people.
- About one-third of renter households in DuPage County are made up of three or more people.

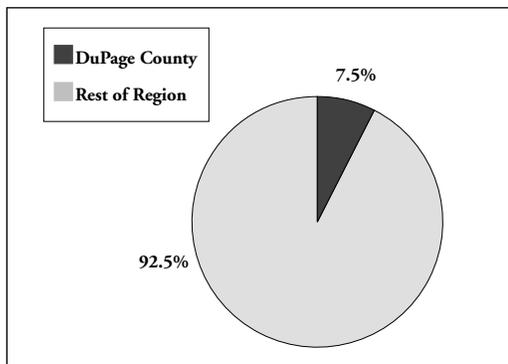
DEMAND FOR RENTAL HOUSING IN DUPAGE COUNTY

Key indicators of demand for housing are population and employment growth. DuPage County has witnessed dramatic expansion in recent years, but the rental housing market has not kept up with the growth in population and employment.

Change in Employment and Population, 1990-1998

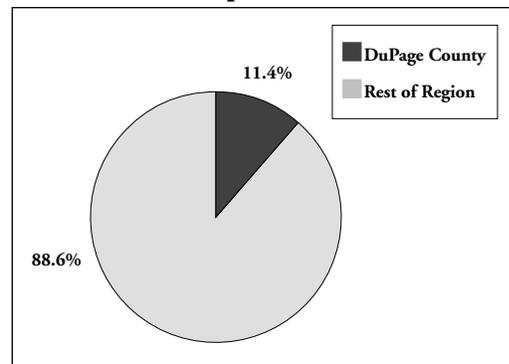


Rental Units



In 1999, there were 80,500 rental units.

Population



In 1999, there were 880,491 people.

- While the population in DuPage County has grown by 98,800 in the last decade and 60,000 new jobs have been created, only 2,799 new apartments have been added to the housing stock.
- While there are 129,000 entry-level jobs in DuPage County (1998), there are only 80,500 rental units (1999).
- There are 8,802 entry-level job openings in DuPage County (1997).

ADDITIONAL INDICATORS OF HOUSING NEED IN DUPAGE COUNTY

Other evidence further documents the need for rental housing.

- The DuPage Housing Authority reports 1,950 households are on the waiting list for Housing Choice Vouchers (the new name for the restructured federal Section 8 tenant-based rental housing assistance).
- The Illinois Coalition to End Homelessness estimated 3,271 different people stayed in a shelter in DuPage County during 1996. Approximately 4,906 people were estimated to have slept on the street during the course of that year in DuPage County.
- An estimated 264,000 to 395,000 entry-level workers regionwide earning up to \$30,000 cannot afford housing costs of more than \$750 per month. This is below the average rent of \$859 for a two-bedroom apartment in DuPage County. While most job openings in are DuPage and other suburban locations, many people seeking these jobs live elsewhere requiring one-way travel times of 90 minutes or more.
- Regionwide, 37.5 percent of renters pay more than 30 percent of their income for rent, the definition of rent burden. In DuPage County 43 percent of renters are rent burdened.

Rent Burden

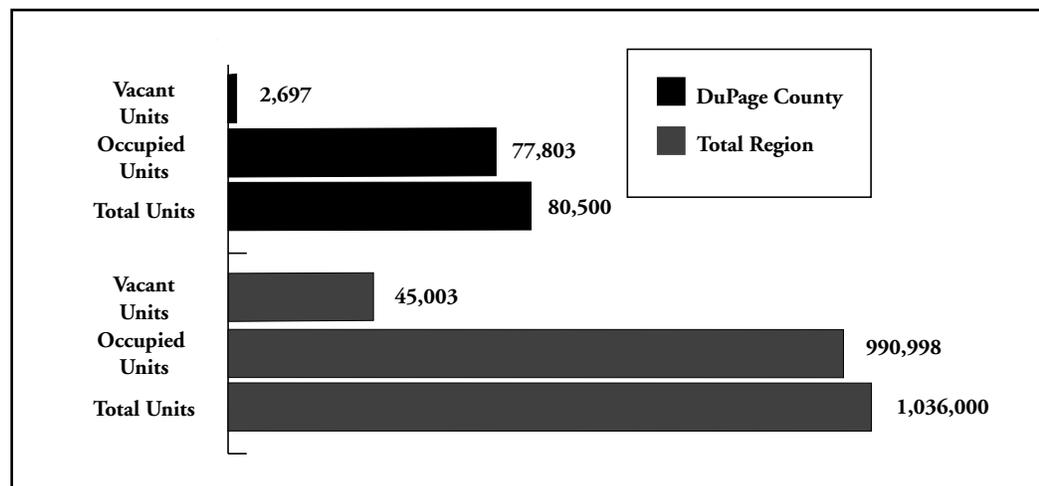
Percentage of Income Toward Rent	DuPage County ¹	DuPage County ²
30-49% of Income	28.2%	20,100-24,500
50% or More	14.7%	6,000-17,200
Total paying 30% or More	42.9%	26,100-41,700

1. Based on 1995 data 2. Based on 1999 estimates

- An estimated 6,400 to 7,100 renter households live in substandard units (with plumbing, heating, or serious other main tenance problems).
- Between 4,500 and 5,000 renter households in DuPage County live in overcrowded conditions.

SUPPLY OF RENTAL HOUSING IN DUPAGE COUNTY

Availability of Apartments



- DuPage County's 3.3% vacancy rate represents a tight market, according to either HUD's 6% threshold or the 5% measure used by appraisers, and well below the regional vacancy rate of 4.2%.
- Rent levels in DuPage County are particularly high, with an average rent level of \$842 per month, compared with the regional average of \$723.
- Rent increased in DuPage County by 3.2% from 1998 to 1999, compared to a 2.0% increase in inflation.

Rental Units		DuPage County	Total Region
All Units	Vacancy Rate	3.3%	4.2%
	Average Rent	\$842	\$723
One-Bedroom Units	Vacancy Rate	3.3%	4.1%
	Average Rent	\$736	\$678
Two-Bedroom Units	Vacancy Rate	3.1%	4.0%
	Average Rent	\$859	\$746
Units with Three or More Bedrooms	Vacancy Rate	4.2%	4.9%
	Average Rent	\$1069	\$824

Average rents are monthly.

HOUSING QUALITY AND ACCESSIBILITY

- 96% of all rental units in the collar counties are estimated to be in good condition.
- In the collar counties, 13.7% of all rental units are in buildings that are wheelchair accessible. The majority of wheelchair accessible units can be found in large buildings (with 10 or more units), which are most likely to have an elevator. However, not all units in these buildings will be accessible.

Units in Wheelchair Accessible Buildings	Percentage of Units in Building Category			
	Single Family	2-9 Unit Building	10 + Unit Building	Total
Collar Counties	0.9%	5.1%	30.9%	13.7%
Total Region	0.3%	6.4%	25.0%	13.6%

Collar counties refers to DuPage, Kane, Lake, McHenry, and Will Counties. Due to the data collection method, information cannot be broken down by county.

CONTINUING USES FOR THE DATA

The Regional Rental Market Analysis was designed to provide updated information so that a variety of stakeholders — from government officials and community leaders to housing providers and tenants advocates — can make informed decisions and better serve the region’s housing needs. It has given new momentum to housing initiatives underway, both regionally and locally. These efforts include coordinated planning for sensible growth, employer assisted housing models, rent subsidies linked to supportive services, and innovative private investment and development strategies.

FOR MORE INFORMATION OR DISCUSSION

Or to request a presentation, contact Housing Director Robin Snyderman (rsnyderman@metroplanning.org) or Housing Associate Samantha DeKoven (sdekoven@metroplanning.org) at (312) 922-5616. **For Rent: Housing Options in the Chicago Region**, briefing papers for each geographic subarea, and the seven technical reports will be available on the Metropolitan Planning Council’s web site at www.metroplanning.org.

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