

Renters pay hefty price for housing_040908

From the Delaware State News:

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Report: 47 percent don't earn enough to afford units

By Kate House Layton

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DOVER — An estimated 47 percent of renters in Delaware do not earn enough income to afford a two-bedroom unit at fair market rent, a report from the Delaware Housing Coalition said

Monday.

Statewide, the average minimum hourly wage to afford rent is \$16.61 per hour — a 35-percent increase since 2000, the Coalition listed in a report called Out of Reach.

Fair market rent for a two-bedroom apartment is about \$864 per month, said Gina Miserendino, Grassroots Policy Specialist for the Delaware Housing Coalition. A typical renter in

Delaware earns \$15.23, about \$1.38 less than the hourly wage needed to afford a modest unit, she said.

Kent County renters must earn at least \$14.29 per hour to afford a two-bedroom apartment, the Coalition reported, which is about a dollar more an hour than the \$13.63 wage the group

previously reported.

A family must earn at least \$13.17 per hour in Sussex County and \$17.92 per hour in New Castle County, according to the report.

A \$16.61 hourly wage equals approximately \$2,878 per month or \$34,542 per year, the report said.

This is less than the national housing affordability wage of \$17.32 per hour.

Out of Reach comes from the National Low Income Housing Coalition, a Washington-based housing advocacy group, and the Delaware Housing Coalition. The report provides the

housing wage and related data for every state, metropolitan area and county in the United States.

This year, Delaware ranks 38 out of 52, with 52 as the most expensive, when states are ranked by their two-bedroom housing wage, the report said. The report includes Washington D.C.

and Puerto Rico.

With the state minimum wage at \$7.15 per hour, a family must have 2.3 wage earners working

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full-time, or one full-time earner working 93 hours per week to afford a modest two-bedroom apartment, the report said.

Although housing prices have fallen, the lower costs have actually hurt rent prices, Ms. Miserendino said.

"In fact, with the mortgage crisis, many renters are being displaced from investment properties, or people who own their own homes are having to leave them so that increases the

market for affordable rentals," Ms. Miserendino said. "It's actually had a negative impact."

Those who have lost their houses to foreclosure add to the number of people looking for affordable rental units, she said.

Lower housing costs are a good thing, she said, but these costs had risen so much a few years ago, the lower prices are still not low enough for moderate-income families to afford.

The housing coalition continues to lobby for affordable housing in Delaware, Ms. Miserendino said.

The group has urged the state to put \$20 million toward affordable housing and decreasing homelessness in Delaware, she said.

Delaware Housing Coalition has asked for \$6 million for a housing development fund; \$4 million toward the state's 10-year plan to end homelessness; \$2 million for an emergency

foreclosure fund and \$8 million to save rental homes in the affordable housing inventory.

Coalition members also have pushed Congress to start a national housing trust fund, a mechanism that would distribute money to build or rehabilitate rental units for low-income

renters.

"That would be a mechanism for Delaware to receive to build more affordable housing and that's really what we need, Ms. Miserendino said. "We need more."

Staff writer Kate House Layton can be reached at 741-8242 or khouse@newszap.com.