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December 9, 2008

Rents rising beyond reach

More people must choose between food and shelter

By MIKE CHALMERS

The News Journal/

Since Clayton Hodge got laid off from his accounting job in April, he has sent out 300 résumés, filled out scores of job applications and scoured construction sites for a day or two of work.

The results have been anemic, and Hodge now struggles to scrape together the \$865 he needs every month to pay rent for him, his wife and their four children. They've already depleted

their savings.

"The problem is putting food on the table and having a decent place to live," Hodge said. "I'll work at anything. I don't care if it fits my qualifications; I'll start low and work my way up."

Hodge is among a growing number of people in Delaware who have been squeezed by rising rents and declining wages over the past several years, according to figures released today by

the U.S. Census Bureau. The problem is most acute in Wilmington and Newark, though Dover is also seeing an increase.

New American Community Survey data, which cover 2005 through 2007, provide the most detailed look at Delaware's three largest cities since the 2000 census. The data, which have

been adjusted for inflation, show: ?Median monthly rents, meaning half of renters pay more and half pay less, rose by 13 percent to 14 percent since 2000.

- Median household incomes dropped by 12 percent to 18 percent during the same period.

- A third to more than half of renters spend at least 35 percent of their income on rent, even though housing and financial experts say that figure should not exceed 30 percent.

Many more families are living in motels, homeless shelters or even their cars because they can no longer afford their rent, said Barbara Reed, director of housing and financial

management for West End Neighborhood, which offers housing assistance to low-income families.

"We take a family who paid a mortgage for five, eight or 10 years and because someone was laid off, they lose their home to foreclosure," Reed said. "Then they've got that on their credit

report, and they're looking to rent an apartment. They can't find a place to rent, and they can't afford the security deposit."

The agency's food pantry is another indicator of the problem because families can't afford groceries when they pay so much for housing, she said. Two years ago, 254 people came in for a food package. So far this year, more than 900 have come.

Kevin Smith, executive director of Habitat for Humanity of New Castle County, said he has seen the impact at the group's informational sessions. More people are attending, and about 30

percent of them actually apply for a Habitat house, compared with the usual 20 percent, he said.

"Folks are facing a couple of difficult choices," Smith said. "They can either pay too much money -- either 35 [percent] or 50 percent of their income -- or they can pay something that's

affordable but substandard and overcrowded."

**\*Low-wage job not enough\***

Those who spend a large portion of their income on rent have little to pay for food, utilities, transportation and day care, experts said. Even a moderate medical bill or car repair tab can wipe them out.

Six months ago, Tina Perdue was just making ends meet with a \$7.50-an-hour crew chief job at a New Jersey fast-food restaurant. She moved to Delaware with her 13-year-old daughter in

July to begin management training, but the "friend of a friend" they were living with asked for more rent, which she couldn't afford.

They bounced around to other friends' places and landed two weeks ago at Emmaus House, a homeless shelter for families in Newark. It's nearly impossible to afford rents of \$750 to

\$1,100 on her income of just \$1,200 a month, she said.

"I can't work if I don't have a roof over my head," Perdue said. "The rich are getting richer, and the poor are just getting kicked to the curb."

The new Census Bureau data are no surprise to housing advocates like Ken Smith, executive director of the nonprofit Delaware Housing Coalition.

The group's annual report -- "Who Can Afford to Live in Delaware?" -- found that a worker must earn at least \$16.61 an hour to afford an average two-bedroom apartment in Delaware.

But more than half of the state's workers earn less than that.

"Incomes have stayed flat and prices have increased," Smith said. "It leads to a situation where people's lives are more disorganized and precarious."

Housing advocates say Delaware, especially in northern New Castle County and eastern Sussex County, needs more rental units that are affordable on a small income.

"If nothing's going to happen on the income side, something has to happen on the supply side," Ken Smith said.

For now, Hodge and his family still have a place to live, but if he doesn't find a steady income soon, that could change. His children know it, too.

"They say, 'Daddy, you're getting poor,' " Hodge said. "I say, 'Not really, I'm just going through some rough times, and the whole country is having problems.' But I'll come back."

#### Additional Facts

#### RENTS GO UP AS INCOMES DROP

This chart shows how rents have increased while incomes have fallen in Delaware's three largest cities. Data are from 2005-2007, and all figures are inflation-adjusted to 2007 dollars.

#### \*DOVER\*

Median \*rent: \*\$813

change since '00: 13%

Median\* income: \*\$42,256

change since '00: -12%

% of households spending 35% or more of income on rent: 35.5%

2000 figure: 31.3%

#### \*NEWARK\*

Median \*rent: \*\$938

change since '00: 14%

Median \*income: \*\$49,769

change since '00: -18%

% of households \*spending 35% or more of income on rent: 56.8%

2000 figure: 41.3%

#### \*WILMINGTON\*

Median \*rent: \*\$817

change since '00: 14%

Median \*income: \*\$36,284

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change since '00: -17%

% of households \*spending 35% or more \*of income on rent: 42.1%

2000 figure: 30.7%

/Source: American Community Survey, U.S. Census Bureau/  
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