
Shortage of affordable rentals grows in city

By Dennis Rodkin April 05, 2018

The shortage of affordable rental housing in the city of Chicago is growing steadily, according to a new report.

In 2016, the difference in demand for rentals that qualify as "affordable" in the city of Chicago exceeded the supply by about 119,400 units, an increase of almost 8 percent from the deficit in 2012, according to the report, **2018 State of Rental Housing in Cook County**, released this morning by the Institute for Housing Studies at DePaul University.

In suburban Cook County, though, the shortage appears to be easing. The deficit of affordable rentals in 2016 was smaller than it was in 2012. The suburban area was about 62,400 units short on affordable rentals in 2016, down from about 65,600 in 2012. (2016 is the latest data available.)

But the suburban figures vacillated in the intervening years, showing no consistent trend, while in the city the growth in the deficit has been steady.

A rental that goes for about \$922 a month (including utilities) qualifies as "affordable" in IHS' calculation, said its director, Geoff Smith. The demand for affordable rentals declined during the four-year period as incomes grew and more people recovered from the financial impact of the recession, Smith said. Lower-income people moving out of the city also reduced the demand, he said.

But the decline in demand was considerably smaller than the decline in the supply of affordable rentals. Supply is reduced primarily by rents rising above the "affordable" level or units being demolished.

While tens of thousands of higher-priced rentals have been built in recent years, "we don't really have a market incentive to build replacements for lost affordable rentals in Chicago," Smith said.

The widening shortage of affordable rentals may be contributing to the anti-gentrification flareups in the city, and may have played a role in the embrace of lifting Illinois' rent-control ban in the small portion of the city that voted on the issue in the March elections.

In the Cook suburbs, the demand for affordable rentals declined by about 4.8 percent between 2012 and 2016. One reason is that "the poor population is moving away from Cook County to follow jobs," said Kenny Coles, the executive director of the DuPage County Housing Authority.

In roughly the same years as the study covers, Coles said, his agency has seen a steady increase in the number of households using Cook County housing vouchers in DuPage County. (The increase is from fewer than 450 in 2013 to about 540 in 2016, or around 20 percent.)

The IHS report also shows that the share of Cook County households that rent their home dipped in 2016 after increasing in every year since 2008. IHS found that 43.9 percent of Cook households were renters in 2016, down from 44.2 percent in 2015.
