

# 2011 Cook County Rental Housing Fact Sheet



There has long been a shortage of affordable rental housing in the United States. During the first part of the last decade that shortage worsened as low interest rates, a strong national economy, and a public policy push to increase homeownership effectively re-allocated investment resources into owner-occupied properties and away from rental housing. Demand for owner-occupied units led many owners of rental properties to convert rental units into for-sale condominiums, and there was relatively little new multifamily rental housing construction to make up for the loss of those units.

At the same time that the supply of affordable rental housing was decreasing, the demand for affordable rental opportunities increased. The widespread recession of 2008 and 2009 negatively affected wages and employment and resulted in a growing proportion of very low-income renters.

The following findings from the Institute for Housing Studies report “The State of Rental Housing in Cook County” show:

**There are a substantial number of renters in Cook County.** 40 percent of Cook County residents rent.

**The need for affordable housing is growing.** The number of Cook County residents needing affordable rental housing has increased 9 percent since 2005:

## GAP BETWEEN DEMAND AND SUPPLY OF AFFORDABLE RENTAL HOUSING IN COOK COUNTY, 2005-2009

YEAR	HOUSEHOLDS IN NEED OF AFFORDABLE RENTAL HOUSING	SUPPLY OF AFFORDABLE UNITS	GAP
2005	461,330	296,437	164,893
2009	482,785	302,842	179,943

Source: 2005 and 2009 American Community Survey

**The Cook County multifamily housing stock is diverse.** Roughly 33 percent of multifamily buildings have two-to-four units. About 35 percent have between 5 and 49 units, and nearly 19 percent have 50 or more units.

**More households are renting again.** Between 2007 and 2009, the number of renter occupied homes increased by nearly 54,000 while the number of owner-occupied homes decreased by over 63,000.

**Renters are lower-income than owners.** The median income for renter households in 2009 was \$31,367. This was 43.9 percent of the median household income for owners, which was \$71,489.

**Renters are younger than owners.** The number of renter households exceeds the number of owner households in both the under 25 and the 25 to 34 age groups.

**Younger households are making less.** Between 2000 and 2009, real income for Cook County’s renter households that were younger than 25 declined by over 25 percent.

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**Rents are increasing.** Although real median rents dropped between 2008 and 2010, there has been a net increase in rents of 14 percent in the City and 13 percent in the suburbs between 2005 and 2010.

#### REAL MEDIAN RENTS IN COOK COUNTY, 2005-2010

YEAR	CHICAGO	SUBURBS
2005	\$880	\$874
2008	\$1,023	\$1,034
2010	\$1,004	\$990

Source: 2005-2010 Multiple Listing Service (MLS)

**Families making less than \$35,000 pay the most.** Nearly 80 percent of renters making less than \$20,000 per year and 75 percent of renters making between \$20,000 and \$34,000 pay more than 30 percent of their income for rent and basic utilities.

**The foreclosure crisis has affected families that rent.** Foreclosures affected 97,000 rental units in Cook County between 2007 and 2010.

**Suburban foreclosures on rental properties are growing.** Foreclosures on suburban buildings with five or more units have grown from 8 percent of County foreclosures on such buildings in 2000 to 21 percent of County foreclosures on such buildings in 2010.

**Areas that need affordable rental housing the most have been hit hardest by foreclosures.** Nearly 31 percent of all rental units in two-to-four unit properties in low-income communities have been affected by foreclosure filings.

**The need for affordable rental housing will continue to grow.** The gap between the supply of affordable rental units and the demand for affordable rental housing is projected to grow to 223,000 units between now and 2020.

The "State of Rental Housing in Cook County" was prepared by the Institute for Housing Studies at DePaul University in partnership with the Preservation Compact. The full report can be found at [ihs.depaul.edu](http://ihs.depaul.edu).

#### ABOUT THE INSTITUTE FOR HOUSING STUDIES

The Institute for Housing Studies (IHS) is a multidisciplinary academic and applied research center situated in the Real Estate Center at DePaul University. IHS provides data and analysis to inform affordable housing-related policy and resource allocation decisions. More about IHS and its research can be found at [ihs.depaul.edu](http://ihs.depaul.edu).

#### ABOUT THE PRESERVATION COMPACT

Coordinated by Community Investment Corporation with support from The John D. and Catherine T. MacArthur Foundation, The Preservation Compact works to preserve and improve existing affordable rental homes that might otherwise be lost to condominium conversion, demolition, or rising costs.