



Coalition on Homelessness
and Housing in Ohio
COHHIO

FOR IMMEDIATE RELEASE

April 7, 2008

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Ohio Rental Costs Remain “Out of Reach” for Low and Moderate Wage Earners

Columbus, OH - The cost of rental housing continued to climb in 2007 and into 2008, out pacing the earnings of those in the low and moderate wage workforce. The national two-bedroom Housing Wage leaped to \$17.32, up from \$16.31 in December 2006. The Housing Wage is the hourly wage a full time worker must earn in order to afford the rent on a modest two-bedroom home in his or her community. The 2007 two-bedroom Housing Wage in Ohio was \$13.07, up from \$12.31 in 2006. The Akron, Cincinnati, Cleveland and Columbus Metropolitan Statistical Areas have the highest housing wages in the state.

The National Low Income Housing Coalition’s (NLIHC) annual *Out of Reach* report, released on April 7, 2008 provides data for Ohio and every other state, metropolitan area and county in the country showing how much a household must earn to afford a modest market-rate rental home with utilities. The fair market rent (FMR) for a two-bedroom apartment in Ohio is \$680/month. In order to afford this level of rent and utilities - without paying more than 30% of income on housing – an Ohio household must earn \$2,266 a month or \$27,191 per year.

“The current mortgage crisis is likely to exacerbate the affordability problem that exists for low-income wage earners in the rental market,” said Bill Faith, executive director of COHHIO. “The growth in Ohio’s housing wage over the last year and a half demonstrates the stress being placed on the rental market as a result of increased foreclosures. As more and more Ohio families are pushed into the rental market, prices are likely to increase, making rentals even less affordable. Action is needed at both the state and national level to reduce the burden of high housing costs on low and moderate income families in Ohio.”

Nationally, the average two-bedroom Housing Wage in 2008 stands at \$ 17.32; the median hourly wage for all workers is just under \$16.00; and the estimated average renter wage is \$13.94. In Ohio, however, the estimated average renter wage is only \$11.76, well short of the \$13.07 needed to afford an FMR two-bedroom apartment.

Ohio legislators in both chambers are trying to shore up this gap and improve the rental situation, especially for low-income renters whose landlords face foreclosure. House Bill 440, sponsored by Kenny Yuko (D –Cleveland) and Matt Lundy (D-Cleveland); and

Senate Bill 295 by Sen. Dale Miller (D-Cleveland) provide that the foreclosure of a landlord's mortgage does not terminate existing rental agreements with tenants.

Under current law, a tenant can be evicted from their rental property following a foreclosure with only a 3-day notice, even if the tenant has a long-term lease and has been paying the rent every month. It is estimated that about 30% of the foreclosures are on rental properties; large numbers of tenants are being displaced with virtually no notice and at no fault of their own. "Often, renters of foreclosed properties lose security deposits and have little lead time to vacate one apartment and find another," said Faith. "This can often send low-income wage earners outside the bounds of stability.

"With all the emphasis today on homeowners in foreclosure, we can't forget the renters. These bills can help keep them from being forced back unprepared into an escalating rental market," said Faith.

Extensive data for Ohio and its metropolitan areas and counties are available online, at www.nlihc.org/oor/oor2008. Ranking tables are also available at the website, as is further analysis and explanation of the data.

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