



HOUSING ASSISTANCE COUNCIL

Rental Housing in Rural America

For much of the past decade, a near singular focus on purchasing and owning homes in the United States has overshadowed and even marginalized the housing needs of renters. In rural America, where rental housing options are even less available, some residents need or desire to rent homes as an alternative to homeownership. Supply and affordability constraints still make renting difficult for many rural Americans, however.

There are approximately 7.1 million renter-occupied units in rural communities, comprising 28.4 percent of the rural and small town housing stock. The rural rental housing rate is roughly eight percentage points lower than national levels and rural renters occupy only 17 percent of all U.S. rental housing units.

The imbalance in favor of owner-occupied housing in rural areas may not be based entirely on preference, as there is a dearth of rental homes and rental options in many rural communities. With demographic transformations such as a growth in single-person households and the burgeoning senior population, the need for adequate and affordable rental housing looms large for many rural communities. Simply put, affordable rental options are vitally necessary, yet in short supply in rural America.

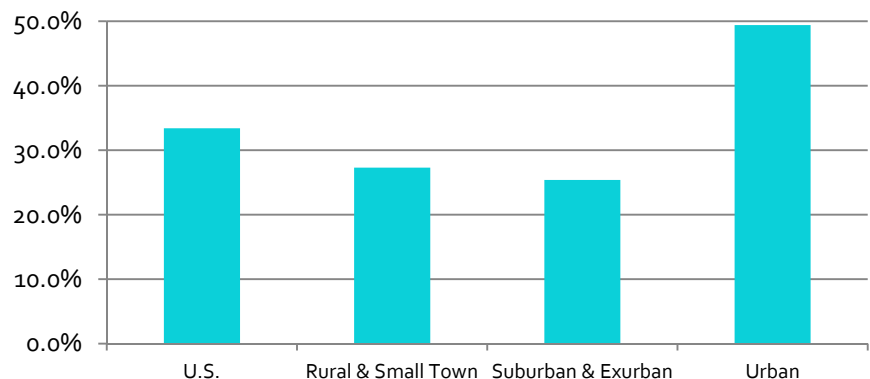
ABOUT THIS SERIES

Rental Housing in Rural America is the ninth in a series of *Rural Research Notes* presenting data and findings from the recently released 2010 Census and American Community Survey (ACS).

In the coming months, the Housing Assistance Council (HAC) will publish *Rural Research Notes* highlighting various social, economic, and housing characteristics of rural Americans.

The *Rural Research Notes* series highlights parts of HAC's decennial *Taking Stock* report - a comprehensive assessment of rural America and its housing. Since the 1980s, HAC has presented *Taking Stock* every ten years following the release of Census data.

Percent Renter - Occupied Units by Location, 2010



A Closer Look at Rural Renters

There are more than 17 million people living in rental housing across rural America. Nationally, as well as in rural areas, racial and ethnic minorities are more likely to be renters than white non-Hispanics. While rural minorities are more often homeowners than not, 44 percent of rural and small town minority-headed households rent their homes, compared to one-quarter of rural white non-Hispanic households. Rental housing is particularly important to other rural groups including younger persons, households with children, and non-family households. As an example, nearly two-thirds of rural households below the age of 35 rent their homes.

Rural renters generally have much lower incomes than rural

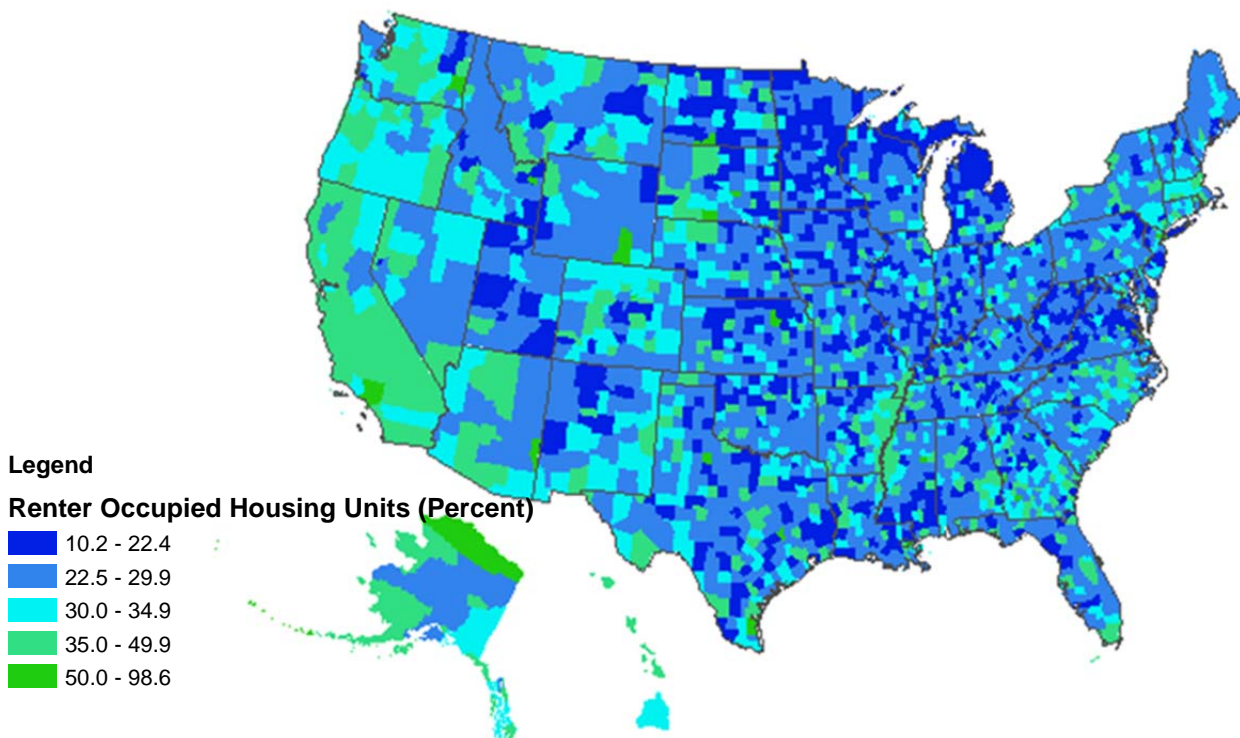
homeowners; renters' median household income is approximately \$25,833, compared with \$49,141 for rural and small town owners. Poverty levels among rural renters are also much higher. Nearly one-third of rural and small town families living in renter occupied homes have incomes below the poverty level, compared with 7 percent of owner families.

Housing affordability is a big issue for rural renter households. A full 47 percent of rural renters are cost burdened, and nearly half of them are paying more than 50 percent of their monthly incomes for housing. Almost 40 percent of all cost-burdened rural households are renters – a much higher proportion than the 28 percent of all rural households who rent their homes.

Rural renters are disproportionately represented not only among households with problems, but in particular among households with multiple problems. Over half of rural and small town households with multiple problems of cost, quality, or crowding are renters.

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Renter Occupied Housing Units, 2010

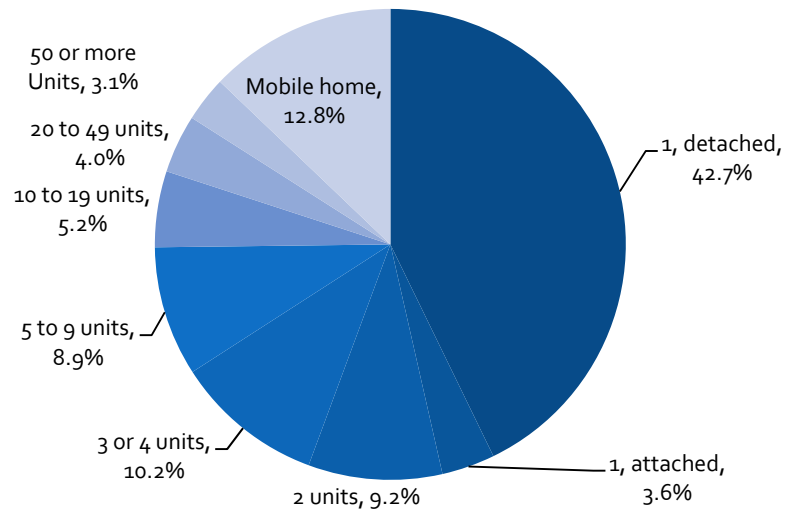


The Structure of Rental Housing in Rural America

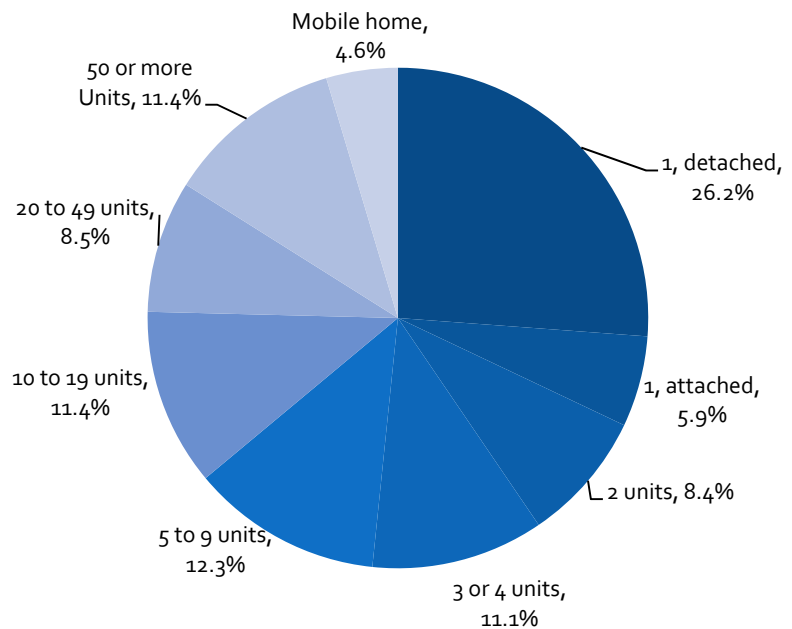
The physical composition of rural rental housing differs from rental characteristics nationally. Rural renters are most likely to live in single-family homes or in small multifamily structures rather than large buildings or apartment complexes. Nearly 43 percent of rural renters occupy single-family homes – twice the rate of urban renters. Slightly fewer rural renters (41 percent) live in structures of two or more apartments. Manufactured housing is much more prevalent in rural areas than in urban locales, and 12 percent of rural renter-occupied units are manufactured homes, more than twice the national rate. Rural renters also typically live in older housing than rural homeowners – 35 percent of rural renter-occupied units were built before 1960.

Nearly 43 percent of rural renters occupy single-family homes – twice the rate of urban renters.

Rural & Small Town Renter Occupied Housing Units by Structure Type, 2010



U.S. Renter Occupied Housing Units by Structure Type, 2010



10 States with the highest rural & small town rental rate, 2010

- Hawaii—39%
- California—37.4%
- Rhode Island—34.6%
- Alaska—34.3%
- Massachusetts—33.8%
- Oregon—32.5%
- Connecticut—31.7%
- Georgia—31.7%
- Washington—31.7%
- Kansas—30.8%

10 States with the largest number of rural and small town renter occupied units, 2010

- Texas—439,145
- California—384,029
- North Carolina—355,184
- Ohio—288,466
- Georgia—281,293
- New York—247,063
- Pennsylvania—245,645
- Kentucky—239,777
- Missouri—230,788
- Tennessee—216,599

FAST FACTS

28.4%

Rate of rental units compared to total housing stock in rural and small town areas of the United States in 2010

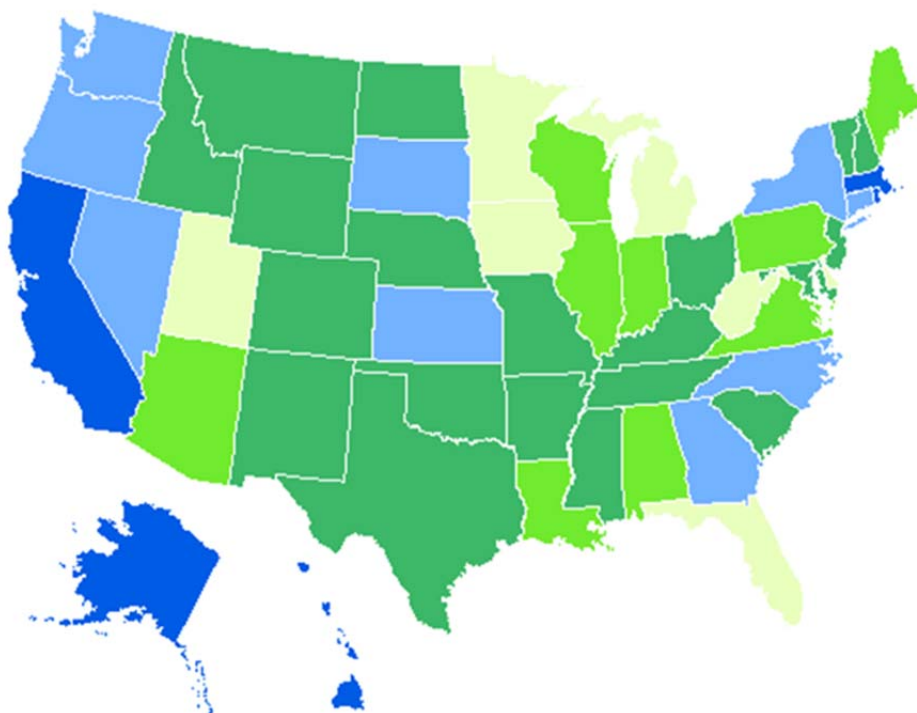
43%

Percent of rural renters that occupy single family homes in 2010, or twice the rate of urban renters who occupy single family homes

7.1 million

Occupied rental units in rural and small town areas of the United States in 2010

Rural & Small Town Renters by State, 2010



Legend

states

Renter Occupied Homes (Percent)

- 22.2 - 24.9
- 25.0 - 27.4
- 27.5 - 29.9
- 30.0 - 33.3
- 33.4 - 39.0

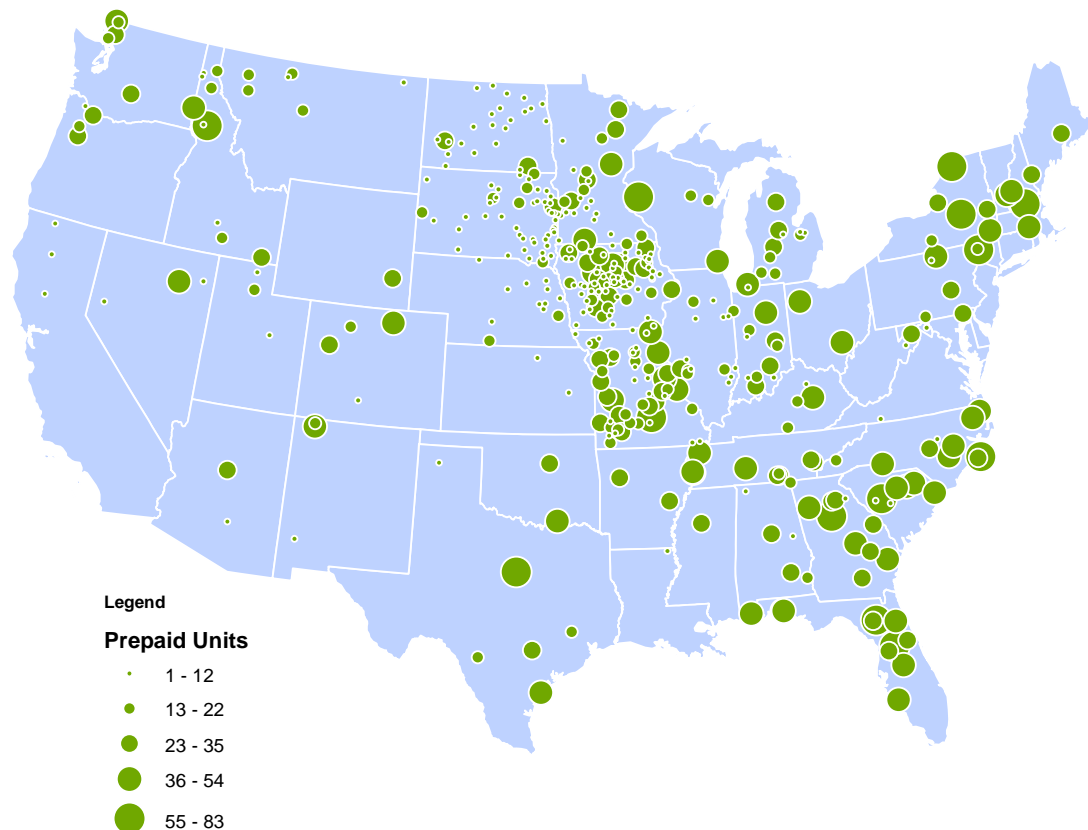
Rural Rental Housing at Risk: Prepayment of USDA's Rental Housing Stock

USDA's Section 515 loan program provides more than 400,000 decent, affordable rental homes for rural Americans with low incomes, but many of these rentals are now at risk of being lost as low-income housing. Under current law, owners of projects that received Section 515 loans prior to 1989 can request prepayment of the loan balances and convert the projects to market-rate housing, albeit with some restrictions designed to encourage affordable housing preservation. Owners of projects that received loans prior to 1979 can generally request prepayment of a Section 515 loan at any time.

Within the past decade, Section 515 owners have prepaid the loans on over 50,000 affordable homes, removing the mortgage provisions requiring them to house low-income residents. Many more loans are likely to be prepaid over the next several years. These prepayments are largely occurring in the Midwest and Southeast. Approximately 7,000 Section 515 projects (encompassing over 195,000 units) are eligible to prepay. Another 2,000 Section 515 properties built before 1989 will ultimately be eligible to prepay, but "restrictive use clauses" require them to remain affordable for low-income tenants for specified time periods.

Overall, 46 percent of all properties with active Section 515 mortgages are eligible to prepay now, while a total of 60 percent will be eligible to prepay in the near future.

USDA Section 515 Rural Rental Housing Loan Prepayments FY2006-FY2010



HOUSING TENURE BY LOCATION, 2010

Source: HAC Tabulations of 2010 Census of Population and Housing.

	Rural & Small Town		Suburban & Exurban		Urban		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
HOUSING TENURE								
Occupied housing units	24,987,231	100.0	55,075,603	100.0	36,653,458	100.0	116,716,292	100.0
Owner-occupied housing units	17,888,432	71.6	40,230,438	73.0	17,867,204	48.7	75,986,074	65.1
Renter-occupied housing units	7,098,799	28.4	14,845,165	27.0	18,786,254	51.3	40,730,218	34.9
POPULATION IN HOUSING UNITS								
Population in occupied housing units	62,168,831	100.0	145,088,081	100.0	93,501,303	100.0	300,758,215	100.0
Population in owner-occupied housing units	45,040,021	72.4	108,635,132	74.9	47,603,340	50.9	201,278,493	66.9
Population in renter-occupied housing units	17,128,810	27.6	36,452,949	25.1	45,897,963	49.1	99,479,722	33.1

ABOUT THE DATA

Unless otherwise noted, all data presented in this Research Note are based on HAC tabulations of the 2010 Census, Summary File -1 or the 2006-2010 American Community Survey.

For more information on this Research Note contact the Housing Assistance Council

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RURAL AND SMALL TOWN HOUSING TENURE BY STATE, 2010

State	Occupied	Owner-Occupied	%	Renter-Occupied	%
	Housing Units	Housing Units	Owners	Housing Units	Renters
Alabama	644,175	468,146	72.7	176,029	27.3
Alaska	126,495	83,142	65.7	43,353	34.3
Arizona	446,392	324,263	72.6	122,129	27.4
Arkansas	574,587	404,334	70.4	170,253	29.6
California	1,027,721	643,692	62.6	384,029	37.4
Colorado	340,975	241,946	71.0	99,029	29.0
Connecticut	76,851	52,497	68.3	24,354	31.7
Delaware	79,051	61,521	77.8	17,530	22.2
District of Columbia	0	0	0.0	0	0.0
Florida	589,899	443,332	75.2	146,567	24.8
Georgia	888,397	607,104	68.3	281,293	31.7
Hawaii	150,325	91,706	61.0	58,619	39.0
Idaho	237,433	167,810	70.7	69,623	29.3
Illinois	803,982	593,446	73.8	210,536	26.2
Indiana	677,311	503,298	74.3	174,013	25.7
Iowa	635,304	481,152	75.7	154,152	24.3
Kansas	503,513	348,557	69.2	154,956	30.8
Kentucky	852,182	612,405	71.9	239,777	28.1
Louisiana	546,038	396,274	72.6	149,764	27.4
Maine	297,533	221,284	74.4	76,249	25.6
Maryland	171,956	122,574	71.3	49,382	28.7
Massachusetts	90,355	59,855	66.2	30,500	33.8
Michigan	764,691	588,646	77.0	176,045	23.0
Minnesota	680,240	523,655	77.0	156,585	23.0
Mississippi	692,635	492,046	71.0	200,589	29.0
Missouri	802,879	572,091	71.3	230,788	28.7
Montana	288,151	203,019	70.5	85,132	29.5
Nebraska	336,880	239,929	71.2	96,951	28.8
Nevada	122,052	84,654	69.4	37,398	30.6
New Hampshire	204,018	146,075	71.6	57,943	28.4
New Jersey	45,285	32,585	72.0	12,700	28.0
New Mexico	319,294	230,047	72.0	89,247	28.0
New York	805,977	558,914	69.3	247,063	30.7
North Carolina	1,169,734	814,550	69.6	355,184	30.4
North Dakota	159,637	115,627	72.4	44,010	27.6
Ohio	1,000,007	711,541	71.2	288,466	28.8
Oklahoma	645,360	455,684	70.6	189,676	29.4
Oregon	470,629	317,516	67.5	153,113	32.5
Pennsylvania	939,988	694,343	73.9	245,645	26.1
Rhode Island	9,666	6,322	65.4	3,344	34.6
South Carolina	516,415	364,705	70.6	151,710	29.4
South Dakota	205,812	143,107	69.5	62,705	30.5
Tennessee	782,788	566,189	72.3	216,599	27.7
Texas	1,558,681	1,119,536	71.8	439,145	28.2
Utah	162,412	123,249	75.9	39,163	24.1
Vermont	184,091	132,426	71.9	51,665	28.1
Virginia	609,954	445,743	73.1	164,211	26.9
Washington	431,183	294,522	68.3	136,661	31.7
West Virginia	396,596	302,415	76.3	94,181	23.7
Wisconsin	753,293	562,486	74.7	190,807	25.3
Wyoming	168,408	118,472	70.3	49,936	29.7
TOTALS	24,987,231	17,888,432	71.6	7,098,799	28.4%

Source: HAC Tabulation of 2010 Census of Population and Housing

The Housing Assistance Council

The Housing Assistance Council (HAC) is a national nonprofit organization that supports affordable housing efforts in rural areas of the United States. HAC provides technical housing services, seed money loans from a revolving fund, housing program and policy assistance, and research and information services. HAC is an equal opportunity lender.

HAC Rural Research Note

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