

RENTAL ATTAINABILITY REPORT

Housing Solutions surveyed 53 market-rate apartment complexes (9,946 units) and 11 income-restricted complexes (795 units) between 9/22/23 and 11/1/23. The survey does not include on-campus student housing options. The following is a summary of survey results providing a glimpse into current housing attainability for Flagstaff, AZ residents.

SUGGESTED FAIR MARKET RENT

HUD's FY 2024 FMRs for Coconino County

Monthly Rental Payment	% Change since FY 2023
\$1,448 for a studio	↑ 18.0%
\$1,537 for a one-bedroom	↑ 17.5%
\$1,863 for two-bedroom.....	↑ 15.4%
\$2,253 for a three-bedroom	↑ 14.1%

ACTUAL RENTAL AVERAGES

According to 2023 survey responses

Monthly Rental Payment	% Change since last survey conducted Nov 2021 - Jan 2022
\$993 for a room/shared living.....	↑ 14.1%
\$1,342 for a studio.....	↑ 23.2%
\$1,617 for a one-bedroom.....	↑ 8.0%
\$1,971 for two-bedroom.....	↑ 12.1%
\$2,481 for a three-bedroom.....	↑ 13.4%

UNDERSTANDING FMR ALONGSIDE ACTUAL RENTAL RATES

- Fair Market Rents (FMRs) have increased significantly over the past two years. Specifically, FMRs have increased 21-31%, depending on the unit size. This significant increase starts to reflect the reality we've all seen - that rents continue to climb in our market. When comparing FMRs to our Actual Rental Rates, we see rental rates continue to increase, but FMRs are starting to catch up.
- FMRs include utilities. So the FMR provided by HUD should be rental costs AND utilities. Actual Rental Averages often don't include utilities such as electric (87% of complexes do not include electric) and gas (66% of complexes do not include gas). When you consider tenants will be paying the Actual Rental Averages, plus utilities in their name, the difference between Actual Rental Average and FMRs increases.

AFFORDABILITY



A Flagstaff renter earning minimum wage (\$16.80/hour) needs to work **nearly 2.26 full-time jobs** (90.2 hours per week) to afford a two-bedroom apartment at the average rental rate of \$1,971/month.



\$6,570
Monthly Income Needed

In order to afford an average two-bedroom apartment (without paying more than 30% of gross income on housing), a household must earn approximately **\$6,570 monthly, \$78,840 annually or \$37.90 hourly** (assuming a 40-hour work week and 52 weeks/year).

“A Flagstaff renter earning minimum wage needs to work nearly 2.26 full-time jobs to afford a two-bedroom apartment.”

AVAILABILITY

3.61% current vacancy rate of market-rate rental complexes in Flagstaff.

NOTES ON UTILITIES

87% of market-rate rental complexes do NOT include electric in monthly rental rates.

66% of market-rate rental complexes do NOT include gas in monthly rental rates.

53% of market-rate rental complexes do NOT include water/sewer in monthly rental rates.

BARRIERS TO OPENING THE DOOR

81% of market-rate rental complexes charge an application fee per adult applicant.

\$55 - average, per-person application fee.

74% of market-rate complexes charge an administration or processing fee, in addition to the application fee and security deposit.

\$255 - average administration fee per household.

90% of market-rate complexes have increased rental rates in the past 6 months.

28% of market-rate rental complexes participate in dynamic pricing, where rental rates can change daily based on demand, vacancy rates, etc.

100% of market-rate complexes conduct both criminal background and credit checks as part of the application process.

LOW-INCOME RESTRICTED UNITS COUNT

1,890 units restricted to low-income renters in Flagstaff, AZ.

345 Public Housing and Clark Homes units

522 Housing Vouchers

136 City Affordable Rental Program units

795 Low Income Housing Tax Credit units

51 Housing Solutions' Affordable Rentals

41 Catholic Charities' Permanent Rental Units

CHALLENGES FOR HOUSING VOUCHER HOLDERS

City of Flagstaff Housing Voucher Payment Standard

\$1,737 for a studio

\$1,844 for a 1-bedroom

\$2,235 for a 2-bedroom

\$2,703 for a 3-bedroom

The payment standard establishes the maximum price a household with a Housing Choice Voucher can pay for a unit, including utilities. The voucher holder pays 1/3 of their income towards housing and the remainder is paid to the landlord by the Housing Authority. Due to the high local rental costs, Flagstaff has an exception payment standard 20% above HUD Fair Market Rents and still many units remain out of reach for these low income households, even with assistance. Adding to the struggle of finding a place to rent with a voucher, Arizona landlords can discriminate against households based on source of income, impacting voucher holders in our community.

23.8% of market rate 1-bedroom units charged rents higher than the Housing Voucher Payment Standard.

20.45% of market rate 2-bedroom units charged rents higher than the Housing Voucher Payment Standard.

44.4% of market rate 3-bedroom units charged rents higher than Housing Voucher Payment Standard.

Positively, all market rate studio units included in the Rental Attainability Survey charged rates at or below the Housing Voucher Payment Standard.

