

RENTAL ATTAINABILITY REPORT

Housing Solutions surveyed 50 market-rate apartment complexes (8,405 units) and 10 income-restricted complexes (730 units) between November 2021 and January 2022. 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 2022 FMRs for Coconino County

Monthly Rental Payment	% Change since FY 2021
\$1,138 for a studio	↑ 10.9%
\$1,166 for a one-bedroom.....	↑ 9.8%
\$1,474 for two-bedroom	↑ 12.1%
\$1,868 for a three-bedroom.....	↑ 9.1%

ACTUAL RENTAL AVERAGES

According to 2021-2022 survey responses

Monthly Rental Payment	% Change since 2020-2021 survey
\$870 for a room/shared living.....	↑ 25.4%
\$1,089 for a studio	↑ 5.5%
\$1,497 for a one-bedroom	↑ 18.6%
\$1,758 for two-bedroom	↑ 13.7%
\$2,188 for a three-bedroom.....	↑ 17.3%

UNDERSTANDING FAIR MARKET RENT

Fair Market Rent is generally calculated as the 40th percentile of gross rents for regular, standard quality units in a local housing market. This excludes low-quality units, already subsidized units, and units that have been built in the last 2 years. FMR rent data is typically taken from recent move ins rather than long-term tenants, as long-term tenants generally receive a lower monthly rental rate. FMR includes core utilities, like water and power, but doesn't include internet and other optional services. The vast majority of market-rate apartment complexes in Flagstaff do NOT include utilities as part of their base rental charges.

AFFORDABILITY

A Flagstaff renter earning minimum wage (\$15.50/hour) needs to work **more than 2 full-time jobs** (86.9 hours per week) to afford a two-bedroom apartment at the average rental rate of \$1,758/month.

In order to afford an average two-bedroom apartment (without paying more than 30% of gross income on housing), a household must earn approximately **\$5,837 monthly, \$70,040 annually or \$33.68 hourly** (assuming a 40-hour work week and 52 weeks/year).



“A Flagstaff renter earning minimum wage needs to work more than 2 full-time jobs to afford a two-bedroom apartment.”



CHALLENGES FOR HOUSING VOUCHER HOLDERS

City of Flagstaff Housing Voucher Payment Standard

\$1,365 for a studio
\$1,399 for a 1-bedroom
\$1,768 for a 2-bedroom
\$2,241 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.

NOTES ON UTILITIES

88%

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

69%

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

54%

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

BARRIERS TO OPENING THE DOOR

78% of market-rate rental complexes charge an application fee per adult applicant.

62% of market-rate complexes charge an administration or processing fee, in addition to the application fee and security deposit.

64% of market-rate complexes have increased rental rates in the past 6 months.

24% of market-rate rental complexes participate in dynamic pricing, where rental rates can change daily based on demand, vacancy rates, etc.

\$285 Average administration fee per household.

\$50 Average per-person application fee.

9.95% of studio units included in the Rental Attainability Survey charged higher rents than the Housing Voucher Payment Standard.

68.2% of 1-bedroom units charged rents higher than the Housing Voucher Payment Standard.

45.9% of 2-bedroom units charged rents higher than the Housing Voucher Payment Standard.

33.2% of 3-bedroom units charged rents higher than Housing Voucher Payment Standard.

