

FOR HOUSING AUTHORITY COMMISSION MEETING OF: FEBRUARY 5, 2007

AGENDA ITEM NO. 2.3

TO: CHAIR AND HOUSING AUTHORITY COMMISSIONERS  
*Robert G. Wells*  
THRU: ROBERT G. WELLS, CITY MANAGER  
*Barbara Roberts*  
FROM: BARBARA ROBERTS, INTERIM DIRECTOR, COMMUNITY SERVICES  
SUBJECT: ANNUAL RENT SURVEY

ISSUE

Results from the Authority's recent market survey of local residential rents are presented for review.

RECOMMENDATION

No action is required on this report. The report relates to the proposed revision of Housing Choice Voucher Payment Standards on today's agenda.

BACKGROUND

Annually, the Housing Authority surveys market rents to illustrate:

- The status of local private rental market housing affordability.
- The ability of the community's low-income renters to find decent, affordable housing.
- That rents paid under housing assistance programs are reasonable compared to the market.
- The adequacy of Fair Market Rent (FMR) limits for the community as published by HUD.
- The adequacy of Voucher Payment Standards.

FACTS AND FINDINGS

The Housing Authority completed its annual rent survey in December 2006. The survey included several thousand multi-family units and several hundred duplex and single-family rentals. All of the units surveyed are non-assisted dwellings.

The following charts compare average rental rates among surveys conducted in November 2004, November 2005 and November 2006.

<b>a</b> Multi-Family Housing	<b>b</b> November 2004 Ave. Rents	<b>c</b> November 2005 Ave. Rents	<b>d</b> December 2006 Ave. Rents	<b>e</b> Difference 2004 - 2005 (c minus b)	<b>f</b> Difference 2005 - 2006 (d minus c)	<b>g</b> Applicable Fair Market Rent	<b>h</b> Average Rent + Utility Allowance
1 Bedroom	\$435	\$485	\$475	+\$50	-\$10	\$530	\$521
2 Bedroom	\$550	\$598	\$603	+\$48	+\$5	\$634	\$659
3 Bedroom	\$738	\$750	\$721	+\$12	+\$29	\$921	\$793
<b>Single Family Housing</b>							
1 Bedroom	\$421	\$446	\$451	+\$25	+\$5	\$530	\$582
2 Bedroom	\$607	\$640	\$643	+\$33	+\$3	\$634	\$806
3 Bedroom	\$855	\$865	\$872	+\$10	+\$7	\$921	\$1,065
4 Bedroom	\$1,012	\$1,034	\$1,046	+\$22	+\$12	\$1,110	\$1,266

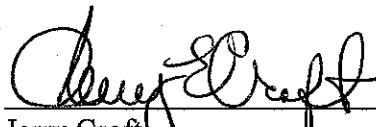
Highlights of the November 2006 survey:

Overall, rent changes from November 2005 to November 2006 were very modest. At the extreme, there was a \$10 decrease in rent for a 1-bedroom multi-family apartment and a \$29 increase in rent for a 3-bedroom multi-family apartment. The remaining rent changes were increases ranging from \$3 to \$12 per month.

Utility cost increases during the past year were significant. This reduced the ability of families to find housing within FMR (compare figures in columns g and h) for 2-bedroom multi-family and for all single family units.

According to the Miles Report (Brian Miles of Shelter Management, Incorporated) for Winter 2006, the overall vacancy rate in the Salem area has decreased significantly from an average 5.29 percent in late 2005 to 3.24 percent in late 2006. The table below illustrates vacancy rates for older and newer units by geographical area.

<b>Local Area</b>	<b>Vacancy Rates Construction before 1989</b>	<b>Vacancy Rates Construction 1989 and After</b>
Keizer	4.88%	3.35%
Central	3.35%	5.69%
East	2.09%	2.60%
South East	4.09%	3.47%
South	3.22%	2.41%
West	6.51%	2.91%

  
 Jerry Croft  
 Housing Administrator