

Why More Americans Are Facing Eviction

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City officials and housing advocates across the U.S. have long complained that there is no comprehensive data on evictions being collected in many markets. What few numbers that are available are usually old and incomplete.

Yet national realtor Redfin has compiled some of the most comprehensive new data on evictions and the numbers are sobering.

In 2015, an estimated 2.7 million Americans faced eviction, the realty group says. Redfin analyzed more than six million eviction records across 19 states where data was available provided by American Information Research Services, Inc. to predict the number of evictions for each U.S. county as well as the country at large. The company also examined the effects of rising home prices at neighborhood and metro levels on local eviction rates.

Redfin found that neighborhoods with the highest median rent-to-income ratios had much higher eviction rates (evictions per renter household) than neighborhoods where residents spent less of their income on rent.

The data also revealed that the 15 metros with the biggest increases in the portion of income spent on rent from 2011 to 2014 (an average increase of 5.8%) experienced a 3.8 percent increase in the number of evicted families from 2013 to 2014. The other 56 metros, taken together, experienced a slight decline in evictions (-1.4%)—supporting the idea that growing housing costs precipitate higher rates of evictions.

'Evictions are a silent threat to America's cities. As alarming as Redfin's finding on evictions is, it likely undercounts the true number of families forced out of their homes each year since many evictions happen outside the court system,' said Redfin chief economist Nela Richardson. 'More families are renting than ever before, and roughly half of them are spending too much of their income on rent. Stagnant wages, a lack of affordable housing and escalating rents means that many families are living just a paycheck or two away from facing eviction, which can often lead to job loss or even homelessness. This is a national crisis that requires national attention.'

This growing number of evictions in cities where rents are rising faster than incomes is symptomatic of a national affordability crisis. As of 2015, more than 20 million renters—more than half of all renters in the U.S.—were cost burdened, meaning they spent at least at least 30 percent of their income on rent. That's up from almost 15 million in 2001. And while rents have risen 66 percent since 2000, household incomes have only risen 35 percent.

In some parts of the country, especially the coasts, more housing supply could make housing more affordable and ease the eviction rate. Other metro areas would need to see higher wage growth. A measure to ensure tenants being evicted have legal representation has proven successful at reducing the eviction rate in New York City, and other cities are looking to enact similar policies.