

Housing Gap for Nevada’s Low Income Renters

The Census Bureau estimated that 43% of Nevada households, about 475,000 households, were renters in 2017. Looking at households by income group (Table 1 and Figure 1), the percentage of total households in a given income category who rented a home was highest for households in the lowest income category (64%) and lowest for households in the highest income group (21%). The data source used for the statistics and charts in this report was the U.S. Census Bureau American Community Survey 2017 1-year estimates with author tabulations of the Public Use Microdata Sample except where otherwise noted.ⁱ

Table 1. Number of Nevada owner and rents households by income category

Income group	under \$25,000	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 or more
Owner households	75,855	44,686	76,631	121,222	94,521	207,176
Renter households	132,251	62,081	80,320	93,739	50,054	56,070
% of total households who rent	64%	58%	51%	44%	35%	21%
Total Households	208,106	106,767	156,951	214,961	144,575	263,246

Figure 1. Number of Nevada owner and renter households by income group

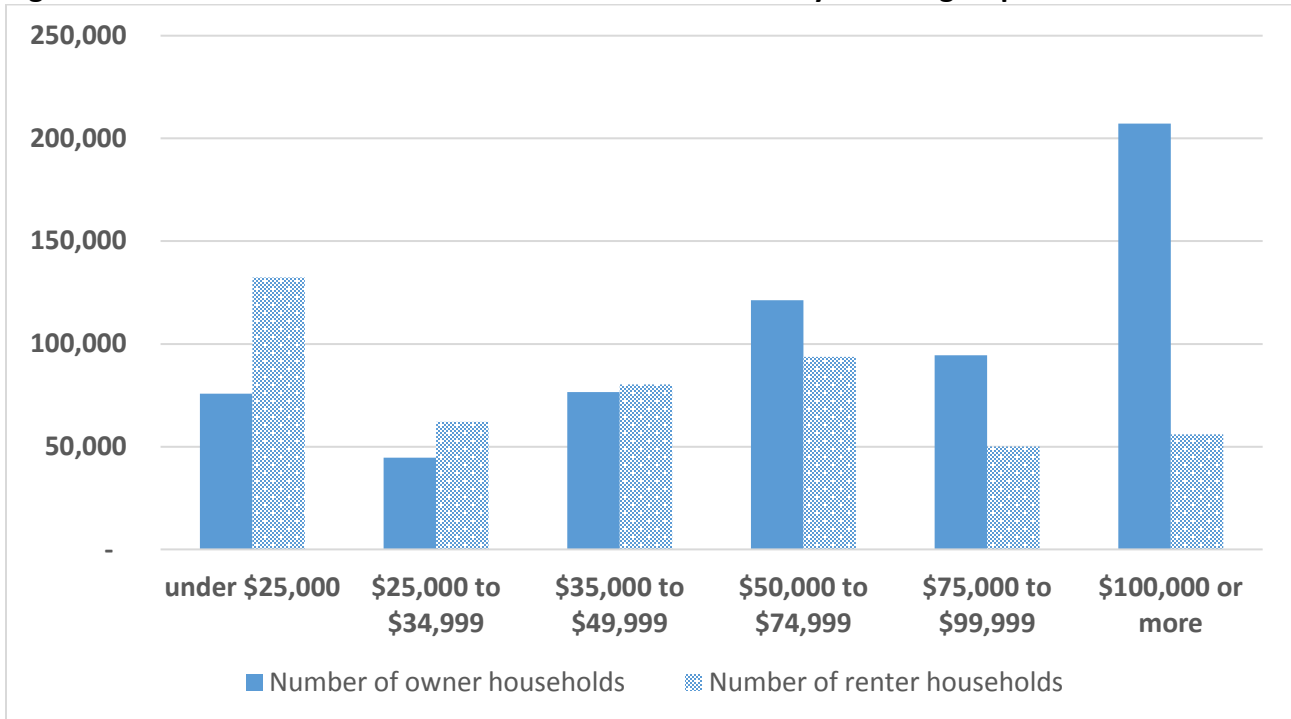
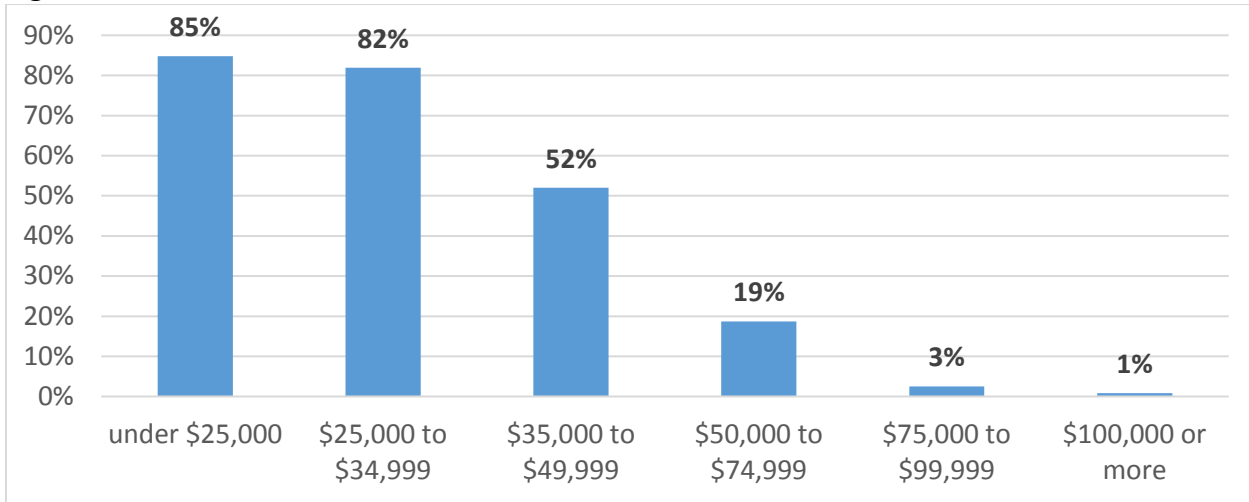


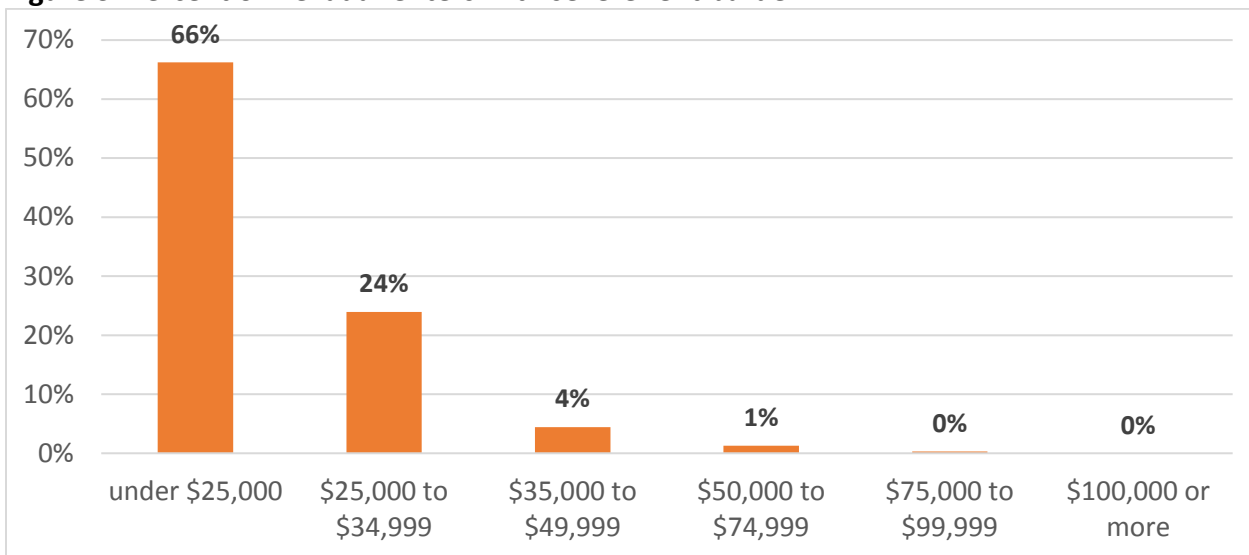
Figure 2. Percent of Nevada renters with rent burden¹



A low income renter household that pays more than 30% of its income for rent and utility costs is considered “rent burdened.” The greatest concern is for the lowest income households with rent burden. In Nevada in 2017, 85% of renter households with annual incomes of \$25,000 or less experienced rent burden, while 82% of renter households with incomes between \$25,000 and \$35,000 a year experienced rent burden.

A low income renter who pays more than 50% of household income for rent and utility costs is considered “severely rent burdened.” For renter households with an annual income of \$25,000 or less, 66% were severely rent burdened while 24% of households with an annual income from \$25,000 to \$35,000 were severely rent burdened.

Figure 3. Percent of Nevada renters with severe rent burden²



¹ An additional estimated 9% of Nevada renter households with annual incomes of \$25,000 or less reported zero income. Rent burden cannot be calculated for these households.

² See note above.



Rent burden at different income levels

The experience of rent burden is different at different income levels. Table 2 gives some examples. A household with \$75,000 annual income could afford \$1,875 a month for rent plus utilities without being cost burdened. In 2017, 94% of renter households paid \$1,875 a month or less for gross rent. These renters would presumably have had many options were they to need a new rental home. The options available to this household are greater than the options available to a household making \$25,000 a year. At 30% of household income, that household would have been able to afford a gross rent of \$625 a month. About 9% of Nevada renter households paid \$625 or less in gross rent in 2017. It seems clear that the affordable housing options available to a household with \$75,000 income are far greater than those available to a household with \$25,000 a year income. An additional factor is the amount of income remaining after paying rent to be used for essentials like food, clothes, transportation, childcare and healthcare. After paying for affordable rent, a household with \$75,000 in annual income would have over \$4,000 a month minus taxes left for these purposes while a household with an income of \$25,000 a year would have \$1,458 a year, possibly plus subsidies, left to purchase essentials. Exactly how much income would be left for these expenditures depends on a complex set of taxes and subsidies which would depend on such things as number of persons in the household, presence of children and more. Table 2 does not take these factors into account.

Table 2. Examples of rent burden at different income levels.

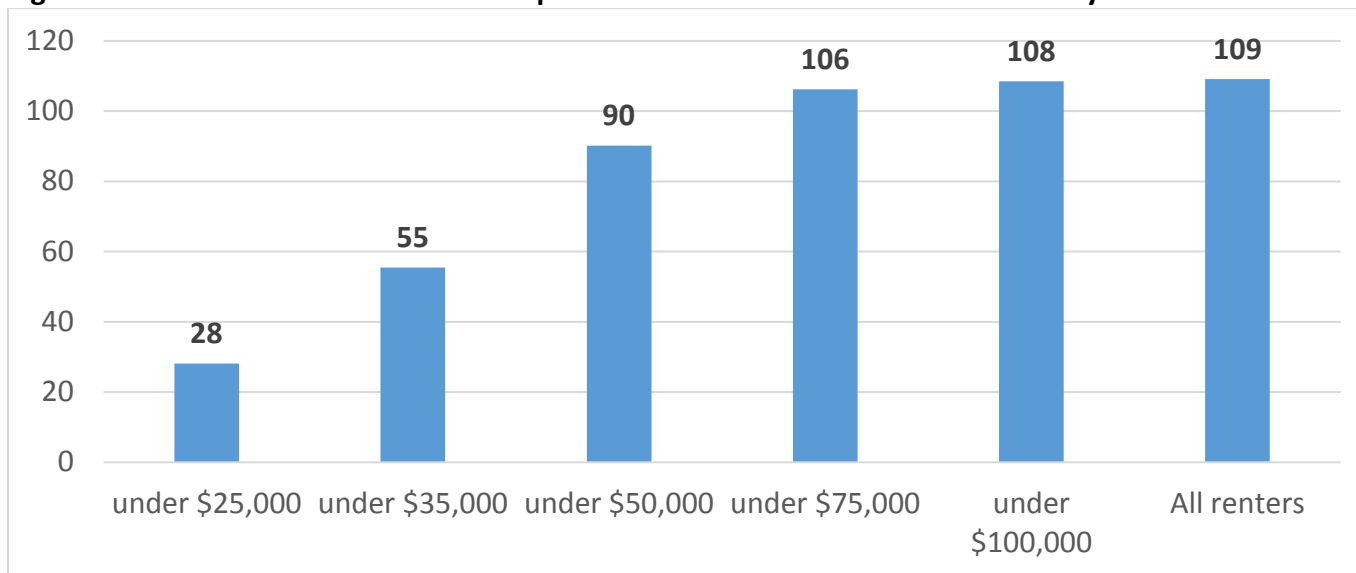
Annual Household Income	Monthly Income	Affordable Gross Rent	Monthly Income Remaining after Affordable Rent	% of NV Rentals less than 30% of Household Income
Household with \$75,000	\$6,250	\$1,875	\$4,375	94%
Household with \$50,000	\$4,167	\$1,250	\$2,917	68%
Household with \$35,000	\$2,917	\$875	\$2,042	33%
Household with \$25,000	\$2,083	\$625	\$1,458	9%

Affordable and available rental housing.

A unit of rental housing is considered “affordable” inventory if the rent and utilities are less than 30% of the renter income group’s top threshold. It is considered “available” if it is either currently vacant and for rent or rented but not occupied, or if it is occupied by a household with an income under the income group top threshold. It is not considered available if it is currently occupied by a household with an income higher than the threshold.ⁱⁱ

Using these definitions, only 28 rental homes were available for each 100 renter households with income of \$25,000 or below in 2017 leaving a “gap” of 72 affordable and available rental units for this income category. Similarly, for renter households with an income of \$35,000 or lower, there were 55 units that could be considered affordable and available to this group. For renters with household income of \$50,000 or lower there were 90 units that were affordable and available. For higher income thresholds a surplus of 6 or more units per hundred was available due to the vacancy rate during 2017. Affordable and available units decreased for all income categories as compared with 2016. The American Community Survey rental vacancy rate from for Nevada was estimated to be 8.0% in the 2016 while in 2017 it was 6.9%, using the one year data.

Figure 4. Affordable and available units per hundred Nevada renter households by household income



Nevada faces one of the highest shortages of affordable housing units in the country for extremely low income renter households. For alternate calculations that compare Nevada’s housing gap for low income renters to that of other states see [The Gap: A Shortage of Affordable Homes](#) by the National Low Income Housing Coalition, or [Mapping America's Rental Crisis](#) by the Urban Institute.

ⁱ U.S. Census Bureau American Community Survey 2017 1 year Public Use Microdata Sample for Nevada was downloaded from this website: <https://www.census.gov/programs-surveys/acs/data/pums.html> The Nevada housing unit records were used.

ⁱⁱ For vacant units utility costs were imputed by the author to estimate gross rent.