Nearly 60% of Renters saw Rent Increase in Past 12 Months

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4 in 10 saw wage gains, one-third of those say raises won’t cover increased rent

MCLEAN, Va., Aug. 15, 2022 (GLOBE NEWSWIRE) -- Nearly 60% of renters say their rents increased in the past 12 months, with a ratio of nearly 1 in 3 seeing rent increases of 10% or more, according to a newly released Freddie Mac survey. Just 38% of renters saw their wages increase, and a third say their raise won’t cover their increased rent. Nearly 1 in 5 who experienced a rent increase say they are now extremely likely to miss a payment.

“The surge in rents that took place over the last 12 months has created even greater housing uncertainty for the most vulnerable renters,” said Kevin Palmer, head of Freddie Mac Multifamily. “Our survey shows that the national housing affordability crisis is worsening, and that inflation is a key driver. Freddie Mac Multifamily is charging toward a record year for our affordable housing work, but it’s going to take a concerted, sustained and comprehensive effort to turn the tide.”

Freddie Mac’s survey sought to gauge the impact of rising prices on consumers' housing choices, and it included a panel of questions specific to renters. The nationwide online survey was conducted this year from June 6 to 10 among a representative sample of 2,000 American consumers, aged 18 and older. An in-depth look at the survey’s results is available at FreddieMac.com .

Surveyed households were almost universally impacted (96%) by higher prices in the past 12 months, with the highest percentage, 66%, pointing to increased costs for groceries and household supplies as the main drivers. Among the other most cited cost increases were those for transportation, eating out and utilities.

The survey also found that nearly three-quarters of renter households who have changed their homebuying plans this year said they’ve become at least somewhat less likely to buy a house over the past 12 months. Among those less likely to buy, 50% cite high home prices, while increased interest rates (34%) and difficulty coming up with a down payment (39%) were significant reasons for others.

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MEDIA CONTACT: Mike Morosi
(703) 918-5851
Michael_Morosi@FreddieMac.com