**RENTAL HOUSING**

As More Households Rent, the Poorest Face Affordability and Housing Quality Challenges

**What GAO Found**

In 2017, almost 7 million more households rented their homes than in 2001, which brought the share of households that rent from an estimated 34 percent to 36 percent. Renting became more common after the 2007–2009 financial crisis as foreclosures and changes in household characteristics reduced the proportion of homeowners. Renting was more prevalent across most age and race/ethnicity groups in 2017 than in 2001, with notable increases among higher-income households.

Rental affordability declined from 2001 to 2017. In 2017, 48 percent of renter households were rent burdened—that is, they paid over 30 percent of income for rent—which is 6 percentage points higher than in 2001. Rent burden was most common and most severe among lower-income households (80 percent or less than area median income), with almost three-quarters of extremely low-income households (30 percent or less than area median income) paying over half of their income in rent (see figure). Affordability declined because of a range of factors, including more households competing for rental units and the supply of low-cost rental units not keeping up with demand.

An estimated 15 percent of rental units in 2017—more than 5 million—had substantial quality issues (such as cracked walls and the presence of rodents) or lacked essential components of a dwelling (such as heating equipment or hot and cold running water), according to GAO’s analysis of American Housing Survey data. The share of units with deficiencies was relatively stable from 2001 to 2017. Serious deficiencies more often affected households with extremely low incomes or rent burdens. In addition, lower-income households rented approximately two-thirds of the units with substantial quality issues and nearly 80 percent of units lacking essential components.