

RENTAL ATTAINABILITY REPORT 2024

Housing Solutions surveyed 56 market-rate apartment complexes (10,381 units) and 10 income-restricted complexes (724 units) between 9/20/24 and 11/05/24. The survey does not include on-campus student housing options. The following is a summary of survey results providing a glimpse into current housing attainability for Flagstaff, AZ residents.

SUGGESTED FAIR MARKET RENT

HUD's FY 2025 FMRs for Coconino County

Monthly Rental Payment	% Change since FY 2024
\$1,564 for a studio	↑ 7.4%
\$1,714 for a one-bedroom	↑ 11.5%
\$1,942 for two-bedroom.....	↑ 4.2%
\$2,379 for a three-bedroom	↑ 5.6%

ACTUAL RENTAL AVERAGES

According to 2024 survey responses

Monthly Rental Payment	% Change since last survey conducted Sept 2023 - Nov 2023
\$1,052 for a room/shared living	↑ 5.9%
\$1,308 for a studio.....	↓ 2.5%
\$1,638 for a one-bedroom.....	↑ 1.3%
\$1,987 for two-bedroom.....	↑ 0.8%
\$2,426 for a three-bedroom	↓ 2.2%

UNDERSTANDING FMR ALONGSIDE ACTUAL RENTAL RATES

FMRs include utilities. So the FMR provided by HUD should be rental costs AND utilities. Actual Rental Averages often don't include utilities such as electric (87.5% of complexes do not include electric) and gas (67.3% of complexes do not include gas). When you consider tenants will be paying the Actual Rental Averages, plus utilities in their name, the difference between Actual Rental Average and FMRs increases.

AFFORDABILITY

 **\$6,623**
Monthly Income Needed

 **\$38.21**
Hourly Wage Needed

2.2
Full Time Jobs



In order to afford an average two-bedroom apartment (without paying more than 30% of gross income on housing), a Flagstaff household must earn approximately **\$6,623 monthly, \$79,480 annually or \$38.21 hourly** (assuming a 40-hour work week and 52 weeks/year).

A Flagstaff renter earning minimum wage (\$17.40/hour) needs to work **nearly 2.2 full-time jobs** (over 87.8 hours per week) to afford a two-bedroom apartment at the average rental rate of \$1,987/month.

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**For housing to be considered affordable, a household should spend no more than 30% of its gross income on housing.*



BARRIERS TO OPENING THE DOOR

- 82%** of market-rate rental complexes charge an application fee per adult applicant.
- \$59** The average, adult applicant application fee.
- 71%** of market-rate complexes charge a one-time administration or processing fee, in addition to the application fee & security deposit.
- \$272** The average administration fee per household.
- 86%** of market-rate complexes have increased rental rates in the past 6 months.
- 27%** of market-rate complexes have dynamic pricing, where rates can change daily based on demand, vacancy rates, etc.
- 100%** of market-rate complexes conduct both criminal background and credit checks as part of the application process.

NOTES ON UTILITIES

- 88%** of market-rate rental complexes do NOT include electric in rental rates.
- 67%** of market-rate rental complexes do NOT include gas in rental rates.
- 54%** of market-rate rental complexes do NOT include water/sewer in rental rates.

AVAILABILITY

6.76% current vacancy rate of surveyed market-rate rental complexes.

SIGNS OF POTENTIAL RENTAL PRICE STABILIZATION

Higher than normal vacancy rates can help stabilize rents or indicate a reduction in rental prices. When we began tracking this data in 2016, the vacancy rate was 3.33%, dropping slightly to 3.03% by 2018. This year, however, we've recorded our highest vacancy rate yet at 6.76%. Looking at past surveys, we can see that the pace of rental rate increases is slowing. For example, in 2022, the average rent for a two-bedroom unit rose by 13.7% from the previous year, followed by a 12.1% increase from 2022 to 2023. But from 2023 to 2024, the increase was just 0.8%.

LOW-INCOME RESTRICTED UNITS COUNT

1,853 units restricted to low-income renters in Flagstaff, AZ.

- 345** Public Housing and Clark Homes units
- 522** Housing Vouchers
- 168** City Affordable Rental Program units ↑
- 724** Low Income Housing Tax Credit units ↓
- 53** Housing Solutions' Affordable Rentals ↑
- 41** Catholic Charities' Permanent Rental Units

Please note: The total number of low-income restricted units has decreased by 34 due to the conversion of two tax-credit apartment complexes, Oakwood Village Apartments I and II (a combined total of 144 units), to market-rate properties. However, recent additions have helped mitigate this loss, including 76 new low-income restricted units at Villas on Lake Mary, 32 units from the City Affordable Rental Program in the recently completed Aura Flagstaff apartments, and 2 units added by Housing Solutions.

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