

Rents Continue to Rise

By ANNA CHANG-YEN | Green Shoot Media

San Francisco, Austin, Denver, Seattle. No matter where you live, if you're a renter, you're probably feeling the pinch of the rental boom.

As homeownership became more difficult to achieve during the tight lending environment that followed the collapse of the housing market in the late 2000s, ever-higher demand for apartments and rental homes took hold. The result was rents that crept — and sometimes leaped — higher.

NO GOOD NEWS

If you're a renter wondering when your monthly rent will stabilize, Fortune has bad news. In an article titled "Rent Will Be Even Less Affordable in 2016," the magazine offered little hope for renters feeling strapped for cash.

There's still not enough credit available to those who want to buy, and incomes aren't rising as quickly as home prices, according to Fortune.

The result is lower vacancy rates for rentals. It all adds up to higher rents — and for those who would like to own a home, even less cash left over each month to sock away for a down payment.

In its 2015 Rental Market Report, Rent.com predicted average increases of about 8 percent nationwide in 2016. From 2014 to 2015, Zillow found that renters in some



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Rents are rising across the country. If you're hit with an unexpected rent increase, do your research and work with your landlord.

high-demand areas, such as San Francisco and Denver, saw rent increases in the double digits — as high as 15 percent. And Abode's National Rent Report found increases as high as 25 percent in Austin in 2015.

TAKE ACTION

So what's a poor renter to do? While increases in rental inventory could help ease prices, those feeling the pinch of higher rents could take action on their own.

If you're in a super-heated

rental market, one option is to look for greener grasses elsewhere. In 2015, CNN compiled a list of the five most affordable rental markets for students. St. Louis topped the list, followed by Dallas, Houston, Atlanta and Phoenix.

Fortune predicts that renters looking for a deal will head for the suburbs in search for city-type amenities at affordable prices. If you're feeling particularly squeezed and growing tired of waiting for your paycheck to keep step with your

rent, the suburbs may be your best bet.

If you're already a suburbanite stunned by yet another rent hike letter, hit the negotiating table with a plan. Offer to sign a long-term lease — say two or three years — to lock in your rate. Research your local rental market and know what price is fair. If you're capable of doing lawn maintenance, snow removal or small home improvements, such as painting, offer to trade some of those services for lower rent.

REAL ESTATE 101

Real Estate Trends

Continued rent increases are one of the National Association of Realtors' "5 Real Estate Trends That Will Shape 2016." Find out what other factors could influence the market in the coming year at <http://bit.ly/1IPMpLg>.



Since the Great Recession, rents have risen across the country. If you’re hit with an unexpected rent increase, do your research and work with your landlord.

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HOMEWISE GLOSSARY

Conversion: a conversion is a change in ownership status. For example, rental housing may be converted to cooperative or condominium ownership.
Rent control: a form of rent regulation that limits the amount of rent landlords can charge for apartments and restricts their ability to evict.
Vacancy rate: the vacancy rate is the projected rate of the percentage of rental units that will be vacant in a given year.

SOURCE: Columbia University

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