

Rents Increase For Low-Income Californians During COVID-19 Pandemic

KEY FINDINGS

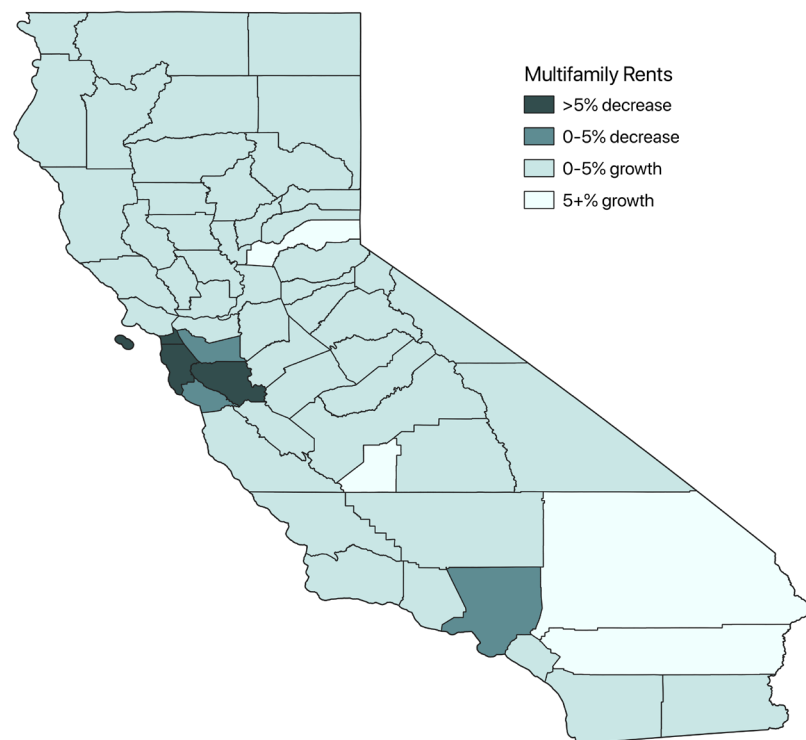
- **Only six California counties saw any decrease** in average rents across two consecutive quarters in 2020 and 2021 – Los Angeles County, four Bay Area counties, and Santa Cruz County. The remaining **52 counties experienced typical increases** in average rents throughout the pandemic.⁴
- Renter households living in **older, more affordable rental homes** were far less likely to benefit from reduced rents than renters living in luxury apartments in high-cost, coastal counties, and in most cases **saw average rents increase**. For example, in Q3 2020, average rents for Los Angeles County's luxury apartments decreased by 5% while increasing by 1% for the county's older, more affordable homes.
- Within the broader narrative of the COVID-19 pandemic, **the pandemic's already disparate impact** on lower-income households and renters of color **was furthered** through its effects on the rental market.

INTRODUCTION

The prevailing narrative across much of California during the pandemic has been that rents have fallen dramatically in the state's most populated urban centers as residents fled in search of more space, causing rents in more suburban and ex-urban areas to increase in turn.¹ **New research from the California Housing Partnership, as described in this brief, challenges the ubiquity of this narrative.**

The COVID-19 pandemic has had severe financial, health, and housing instability consequences for renters across California, especially those with low incomes.² These effects have been well documented over the last 18 months, yet comparably less is known about the effect of the pandemic on rents. With nearly one in three renters spending more than half their income on rent as of 2019, the pandemic has only exacerbated issues of housing affordability.³

Figure 1. Map of Average Multifamily Rent Changes in Q3 2020



Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed Oct. 2021. For details, see Appendix C.

THE PARTNERSHIP'S FINDINGS

Rent Trends by Geography (Q1 2020 – Q3 2021)

At the state level, average rents were only moderately affected throughout the first 18 months of the pandemic. Rents decreased by 0.2% in Q2 2020 compared to Q2 2019, 0.8% in Q3 2020, and 0.9% in Q4 2020 before increasing by 0.6% in Q1 2021, 5% in Q2 2021, and 8% in Q3 2021. These changes were mainly driven by rent decreases in six of California's 58 counties—Los Angeles County, four Bay Area counties, and Santa Cruz County (see Figure 1 and Table 1 below).⁵

These findings suggest that the small statewide rent decreases registered in 2020 and 2021 (through Q3) are primarily the result of changes in a few coastal, urban, high-cost counties where rent decreases were the steepest. San Francisco, San Mateo, and Santa Clara counties experienced the highest decreases in average rents, peaking in Q4 2020 at -11%, -9%, and -8% respectively.

Table 1. Counties with Consecutive Quarters of Average Rent Decreases⁶

| County | 2019- 2020 Q1 | 2019- 2020 Q2 | 2019- 2020 Q3 | 2019- 2020 Q4 | 2020- 2021 Q1 | 2020- 2021 Q2 | 2020- 2021 Q3 |
|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Alameda | 1.0% | -0.8% | -2.4% | -3.3% | -3.1% | -0.1% | 3.5% |
| Los Angeles | 1.0% | -0.1% | -1.1% | -1.3% | -0.4% | 2.5% | 5.2% |
| San Francisco | -0.5% | -4.4% | -10.6% | -11.2% | -8.2% | -0.6% | 6.6% |
| San Mateo | 1.2% | -3.5% | -7.1% | -8.6% | -8.2% | -0.7% | 3.7% |
| Santa Clara | 1.0% | -3.7% | -6.7% | -8.0% | -7.6% | -0.4% | 6.0% |
| Santa Cruz | 2.5% | -1.4% | -1.0% | -0.6% | -0.4% | 4.0% | 9.6% |

Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed Oct. 2021.

Beginning in Q2 of 2021, average annual rents began to rebound and by Q3, all six counties saw increases in average rents from 2020; however, when compared to 2019, asking rents did not return to pre-pandemic rates in San Francisco, San Mateo, and Santa Clara counties, where rents remain as much as 5% below 2019 levels.

The remaining 52 counties throughout the state experienced increases in average rents throughout the pandemic. Average rents in Fresno, Kings, Placer, Riverside, Sacramento, San Bernardino, San Joaquin, and Solano counties all increased by more than 5% for at least one quarter during the pandemic. For full data findings by county, see Table A in Appendix A.

Methodology & Data Sources

This analysis used asking rent and rent growth data as of October 1, 2021 from CoStar's multifamily rent dataset, which pulls from rental listing websites; clients of CoStar's ILS platforms, including Apartments.com, ApartmentFinder.com, and ForRent.com; CoStar's research team; the RealFacts dataset, which details building-level rent and vacancy data dating back to the mid-1990s; and models CoStar based on rent trends in different submarkets and building types for properties where rent data is unavailable.

This analysis focuses primarily on areas identified as experiencing consecutive quarters of rent change compared to the same quarter in the previous year.

Data on the effects of the pandemic on income and housing security came from the Census Bureau's Household Pulse Survey, an ongoing bi-weekly survey of U.S. residents tracking the real-time effects of the pandemic.

Only 6 California counties saw any decrease in average rents across two consecutive quarters in 2020 and 2021.

Only 4 counties experienced rent decreases on average among their older, more affordable rental developments.

Comparison of Pandemic Rent Changes to Great Recession Rent Changes

Prior to the COVID-19 pandemic, the last event with a social, economic, and cultural impact of this scale was the Great Recession. Notably, average rents in older and more affordable developments (Class C or F) decreased in all 58 counties during the Great Recession and at rates proportional to those seen in high-end, luxury rental housing. Rent decreases as high as 9% were seen in both older and luxury rental housing, with median decreases of 3% and 5% respectively.⁹

COVID-19, meanwhile, has had a unique and problematic impact on low-income renters by masking their ongoing and pre-pandemic hardships behind a diverting narrative. For more information on rent trends during the Great Recession, see Appendix B.

Rent Trends by Building Class (Q1 2020 – Q3 2021)

While geography accounts for some of the variation in rent changes seen throughout the state, differences across building classes are where the effects of COVID-19 can be seen most clearly, and where disparate impacts on lower-income households and people of color are most apparent. For this analysis, the Partnership used data from CoStar on each development's building class (A, B, C, or F) as a proxy for housing quality. Building class assignments depend on a variety of building characteristics, such as age, amenities, location, design, and building finishes and materials. Developments with an A rating are high-end, luxury rental homes and those rated C or F tend to be older, more affordable rental homes.

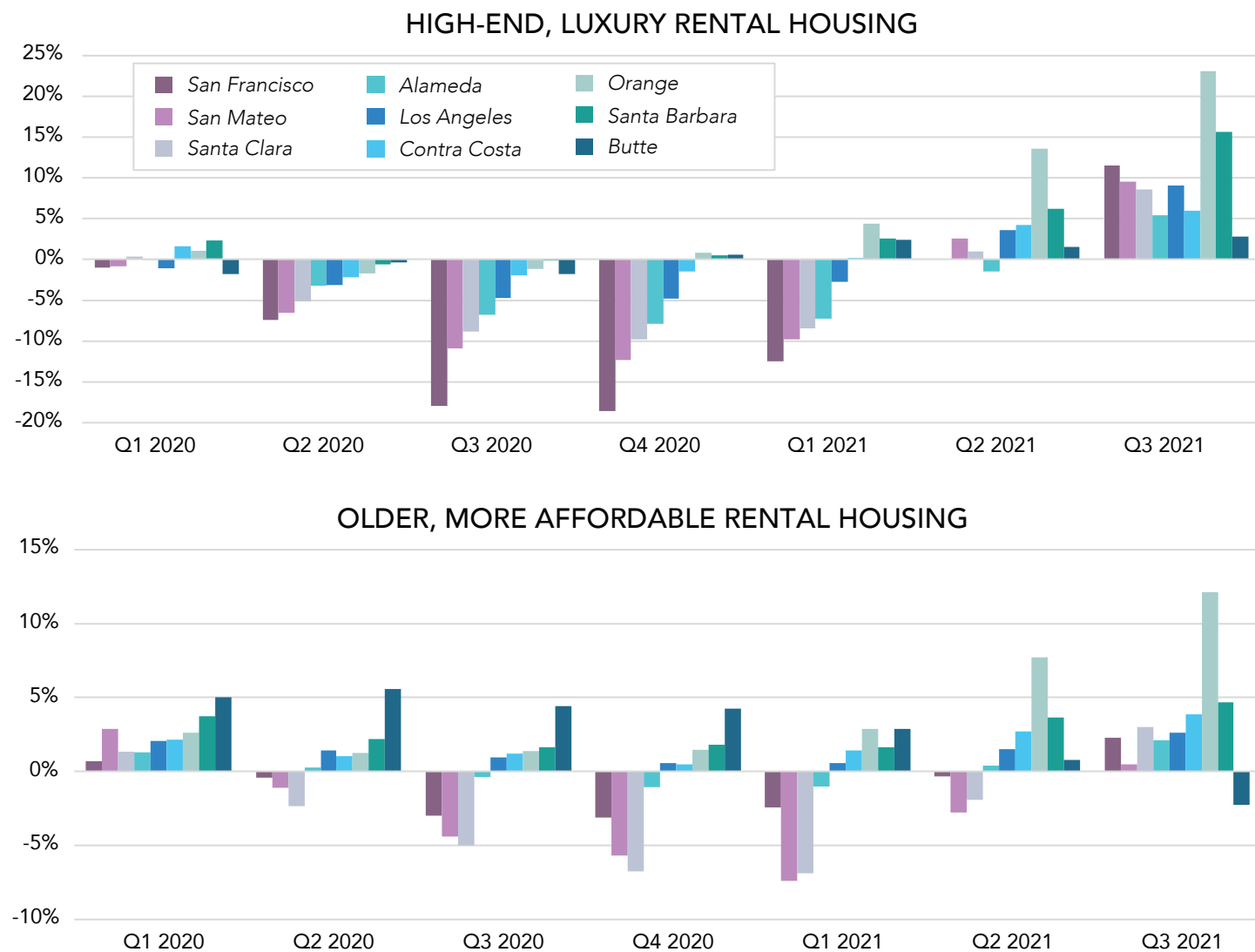
The statewide trends discussed above are amplified when looking at the rent changes seen across building classes. Rent decreases occurred more often and at a greater magnitude in high-end luxury housing than among older and more affordable homes throughout the state. Statewide, average rents in high-end luxury development decreased by 3% in Q2 2020, 5% in Q3 2020, 4% in Q4 2020, and 2% in Q1 2021 before increasing in Q2 and Q3 of 2021. In contrast, statewide average rents in older, more affordable developments increased in all quarters during the pandemic's first 18 months.

The divergence in average rent changes for luxury and older/more affordable rental housing seen statewide is reinforced by looking at the share of counties seeing average rent decreases for each building class. At the county level, we found that average rents in high-end luxury developments decreased for at least two quarters in nine (9) of the 22 counties with Class A multifamily housing, primarily in the Bay Area and Southern California. By contrast, only four counties—all in the Bay Area—experienced rent decreases on average among their older, more affordable rental developments (see Figure 2).

Furthermore, in several counties that saw rent decreases in their luxury housing, average rents increased in their older, more affordable housing stock. For example, average rents for Los Angeles County's luxury apartments decreased by 5% while increasing by 1% for the county's older, more affordable homes between Q3 2019 (pre-pandemic) and Q3 2020. Similar trends occurred in Contra Costa, Butte, and Orange counties. As of Q3 2021, rents in the older, more affordable rental stock were at or above pre-pandemic rates in all counties except for Santa Clara and San Mateo. This dual trend, where rents decrease for luxury housing but increase for older and more affordable homes, illustrates how renters with lower incomes—disproportionately working “essential” in-person jobs throughout the pandemic—are far less likely to have benefitted from reduced rents while being more likely to lose income and risk higher exposure to COVID-19.^{7,8}

As of Q3 2021, rents in both high-end, luxury housing and older, more affordable housing are increasing compared to the year before, which is consistent with statewide trends across all building classes. Rent growth in A-class properties appears significant—San Francisco County saw rents increase more than 15% in Q3 2021—but these increases represent rents returning from their lowest points in 2020, and average asking rents are still 8% lower than pre-pandemic rates. Conversely, rents in the older, more affordable rental stock are at or above pre-pandemic rates in all counties except for Santa Clara and San Mateo.

Figure 2. Average Rent Changes by Building Class (Q1 2020 – Q3 2021)



Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed Oct. 2021.

Rent Trends in Rural & Suburban Counties (Q1 2020 – Q3 2021)

Rent decreases driven by luxury multifamily rental stock are only half of the story of how rents have changed during the pandemic. The other half is that of the increased demand and rents in rural counties and the counties immediately adjacent to larger metropolitan areas.

Without fail, rural counties saw increases in average rents during the first 18 months of the pandemic. While average rents in most rural counties increased at similar rates to prior years, some counties, such as Fresno, San Joaquin, and Kings, saw rents increase more than 1.5 times that of 2018 to 2019. Given that housing in these counties typically comes with more access to open space—a commonly cited reason for leaving urban areas throughout the pandemic—higher rent increases in these regions could

Without fail, rural counties saw increases in average rents during the first 18 months of the pandemic.

be explained by increased demand in areas that are within commuting distance to large metropolitan areas.¹⁰

These same effects are clearly seen in the suburban areas surrounding Los Angeles County, such as Ventura, Riverside, and San Bernardino. In each of these counties, the annual rent increases in 2020 and 2021 were double or greater than the annual increases seen in 2019, with Riverside and San Bernardino seeing rent increases at a high of 12% and 14% respectively, compared to a 4% maximum for both in 2019.

Similar, albeit less extreme trends can be observed in the counties adjacent to Sacramento and the less urban counties in the Bay Area, such as Marin, Napa, and Sonoma. See Table 2 below for average rent changes in select San Joaquin Valley and Southern California counties.

While average rents in most rural counties increased at similar rates to prior years, some counties saw rents increase more than 1.5 times that of 2018 to 2019.

Table 2. Average Rent Increases in San Joaquin Valley and Southern California Counties (All Building Classes)¹¹

| County | 2019-2020 Q1 | 2019-2020 Q2 | 2019-2020 Q3 | 2019-2020 Q4 | 2020-2021 Q1 | 2020-2021 Q2 | 2020-2021 Q3 |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Fresno | 3.6% | 3.3% | 4.1% | 5.2% | 6.9% | 9.4% | 10.5% |
| Kings | 5.2% | 5.3% | 6.7% | 8.3% | 8.8% | 7.9% | 8.2% |
| Riverside | 3.0% | 3.3% | 5.4% | 6.3% | 9.0% | 11.9% | 13.2% |
| San Bernardino | 2.8% | 3.7% | 6.6% | 7.6% | 11.8% | 13.9% | 13.5% |
| San Joaquin | 3.9% | 4.0% | 4.6% | 4.1% | 7.2% | 8.6% | 9.1% |
| Ventura | 1.3% | 1.0% | 3.3% | 5.4% | 7.5% | 9.5% | 12.8% |

Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed Oct. 2021.

CONCLUSION

This analysis of rent changes across the state during the first 18 months of the COVID-19 pandemic reinforce that, as the state moves towards recovery efforts in the coming year, particular attention should be paid to the housing needs of California's lower-income renter households—across rural, suburban, and urban settings. In nearly all areas of the state, the economic relief and mobility residents of luxury rental homes experienced during the pandemic were not shared by residents of older and more affordable rental homes, compounding the already disparate levels of risk, exposure, and wage loss experienced by working class renter families over the last year and a half. Furthermore, if the current increase in average rents continues, it could create additional pressure on the rental market, the negative effects of which would be felt primarily by renters with low incomes. It is important that we track the rebound of multifamily rents in the coming months and years, particularly in older, more affordable rental homes seeing no relief through reduced rents.

Additional research and analysis will be necessary as more data becomes available and as state, county, and local governments continue to update their health and safety protocols and pandemic recovery efforts. With the ending of pandemic relief measures such as the state eviction moratorium, ensuring that low-income renters have access to safe, stable housing must be one of the state's foremost priorities on the road to post-pandemic recovery.

Appendix A: Average Multifamily Rents by County

Table A. Average Annual Rent Change by Quarter: All Building Classes & Bedroom Sizes

| County | 2019-2020 Q1 | 2019-2020 Q2 | 2019-2020 Q3 | 2019-2020 Q4 | 2020-2021 Q1 | 2020-2021 Q2 | 2020-2021 Q3 |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Alameda | 1.0% | -0.8% | -2.4% | -3.3% | -3.1% | -0.1% | 3.5% |
| Alpine | 1.6% | 1.2% | 1.2% | 1.7% | 2.1% | 2.5% | 2.6% |
| Amador | 1.6% | 1.2% | 1.2% | 1.7% | 2.1% | 2.5% | 2.6% |
| Butte | 2.7% | 2.3% | 1.5% | 1.1% | 1.2% | 0.6% | 0.4% |
| Calaveras | 1.6% | 1.2% | 1.2% | 1.7% | 2.1% | 2.5% | 2.6% |
| Colusa | 2.5% | 2.6% | 2.7% | 3.1% | 3.5% | 3.5% | 4.4% |
| Contra Costa | 1.7% | 0.1% | 0.3% | 0.1% | 1.4% | 4.2% | 5.7% |
| Del Norte | 1.8% | 2.0% | 2.2% | 1.7% | 1.6% | 1.1% | 1.3% |
| El Dorado | 1.7% | 1.4% | 2.8% | 3.9% | 5.8% | 8.0% | 8.3% |
| Fresno | 3.6% | 3.3% | 4.1% | 5.2% | 6.9% | 9.4% | 10.5% |
| Glenn | 2.5% | 2.6% | 2.7% | 3.1% | 3.5% | 3.5% | 4.4% |
| Humboldt | 2.0% | 0.6% | 0.9% | 0.4% | 0.6% | 4.2% | 4.6% |
| Imperial | 4.2% | 1.9% | 1.9% | 2.3% | 1.2% | 6.3% | 9.3% |
| Inyo | 1.6% | 1.2% | 1.2% | 1.7% | 2.1% | 2.5% | 2.6% |
| Kern | 3.5% | 3.3% | 3.5% | 4.5% | 5.2% | 7.3% | 10.1% |
| Kings | 5.2% | 5.3% | 6.7% | 8.3% | 8.8% | 7.9% | 8.2% |
| Lake | 2.6% | 2.4% | 2.3% | 2.3% | 2.0% | 1.8% | 1.8% |
| Lassen | 1.8% | 2.0% | 2.2% | 1.7% | 1.6% | 1.1% | 1.3% |
| Los Angeles | 1.0% | -0.1% | -1.1% | -1.3% | -0.4% | 2.5% | 5.2% |
| Madera | 4.4% | 4.3% | 3.7% | 3.2% | 2.8% | 2.8% | 3.0% |
| Marin | 2.1% | 0.9% | 0.8% | 0.4% | 0.5% | 4.0% | 4.5% |
| Mariposa | 1.6% | 1.2% | 1.2% | 1.7% | 2.1% | 2.5% | 2.6% |
| Mendocino | 2.8% | 2.6% | 2.2% | 1.7% | 2.2% | 2.5% | 2.5% |
| Merced | 3.6% | 2.8% | 3.0% | 3.4% | 3.8% | 5.3% | 6.8% |
| Modoc | 1.8% | 2.0% | 2.2% | 1.7% | 1.6% | 1.1% | 1.3% |
| Mono | 1.6% | 1.2% | 1.2% | 1.7% | 2.1% | 2.5% | 2.6% |
| Monterey | 3.4% | 2.9% | 3.2% | 4.1% | 3.8% | 5.1% | 6.5% |
| Napa | 1.5% | 1.1% | 2.7% | 2.5% | 3.0% | 6.7% | 7.4% |
| Nevada | 3.5% | 3.8% | 3.8% | 3.4% | 3.7% | 3.3% | 3.5% |
| Orange | 2.1% | 0.1% | 0.4% | 1.2% | 3.8% | 10.3% | 16.6% |
| Placer | 0.8% | 1.4% | 6.0% | 7.6% | 11.4% | 17.0% | 13.5% |
| Plumas | 1.8% | 2.0% | 2.2% | 1.7% | 1.6% | 1.1% | 1.3% |

(see next)

Table A. Average Annual Rent Change by Quarter: All Building Classes & Bedroom Sizes

| County | 2019-2020 Q1 | 2019-2020 Q2 | 2019-2020 Q3 | 2019-2020 Q4 | 2020-2021 Q1 | 2020-2021 Q2 | 2020-2021 Q3 |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Riverside | 3.0% | 3.3% | 5.4% | 6.3% | 9.0% | 11.9% | 13.2% |
| Sacramento | 3.0% | 3.1% | 4.9% | 5.8% | 7.5% | 11.0% | 11.0% |
| San Benito | 3.0% | 2.0% | 1.8% | 1.7% | 1.6% | 1.7% | 1.7% |
| San Bernardino | 2.8% | 3.7% | 6.6% | 7.6% | 11.8% | 13.9% | 13.5% |
| San Diego | 2.0% | 0.4% | 1.3% | 1.6% | 3.4% | 8.2% | 12.1% |
| San Francisco | -0.5% | -4.4% | -10.6% | -11.2% | -8.2% | -0.6% | 6.6% |
| San Joaquin | 3.9% | 4.0% | 4.6% | 4.1% | 7.2% | 8.6% | 9.1% |
| San Luis Obispo | 2.4% | 2.3% | 2.7% | 2.4% | 2.4% | 2.5% | 2.5% |
| San Mateo | 1.2% | -3.5% | -7.1% | -8.6% | -8.2% | -0.7% | 3.7% |
| Santa Barbara | 3.1% | 2.1% | 2.1% | 1.9% | 3.3% | 5.2% | 8.2% |
| Santa Clara | 1.0% | -3.7% | -6.7% | -8.0% | -7.6% | -0.4% | 6.0% |
| Santa Cruz | 2.5% | -1.4% | -1.0% | -0.6% | -0.4% | 4.0% | 9.6% |
| Shasta | 3.3% | 3.4% | 3.2% | 3.0% | 2.8% | 2.7% | 3.0% |
| Sierra | 3.5% | 3.8% | 3.8% | 3.4% | 3.7% | 3.3% | 3.5% |
| Siskiyou | 1.8% | 2.0% | 2.2% | 1.7% | 1.6% | 1.1% | 1.3% |
| Solano | 2.8% | 3.2% | 4.2% | 4.8% | 6.2% | 7.3% | 6.8% |
| Sonoma | 0.7% | -0.3% | 0.5% | 1.2% | 2.3% | 4.9% | 6.2% |
| Stanislaus | 4.3% | 4.4% | 4.9% | 5.8% | 6.9% | 7.9% | 8.6% |
| Sutter | 3.4% | 3.9% | 4.0% | 4.8% | 4.2% | 4.4% | 4.3% |
| Tehama | 2.5% | 2.6% | 2.7% | 3.1% | 3.5% | 3.5% | 4.4% |
| Trinity | 2.5% | 2.6% | 2.7% | 3.1% | 3.5% | 3.5% | 4.4% |
| Tulare | 2.4% | 3.0% | 3.0% | 3.1% | 4.4% | 7.1% | 9.0% |
| Tuolumne | 1.6% | 1.2% | 1.2% | 1.7% | 2.1% | 2.5% | 2.6% |
| Ventura | 1.3% | 1.0% | 3.3% | 5.4% | 7.5% | 9.5% | 12.8% |
| Yolo | 4.8% | 3.6% | 3.4% | 2.2% | 2.3% | 5.0% | 6.9% |
| Yuba | 5.0% | 4.6% | 5.0% | 5.4% | 5.5% | 7.5% | 6.7% |
| CALIFORNIA | 1.5% | -0.2% | -0.8% | -0.9% | 0.6% | 4.8% | 8.3% |

Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed Oct. 2021.

Appendix A: Average Multifamily Rents by County

Table B. Average Quarterly Rent Change: All Building Classes and Bedroom Sizes

| County | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Alameda | 0.0% | 0.6% | -0.8% | -2.3% | -0.9% | 0.8% | 2.3% | 1.2% |
| Alpine | 0.3% | 0.2% | 0.2% | 0.4% | 0.8% | 0.7% | 0.6% | 0.5% |
| Amador | 0.3% | 0.2% | 0.2% | 0.4% | 0.8% | 0.7% | 0.6% | 0.5% |
| Butte | 0.9% | 0.1% | 0.6% | -0.1% | 0.5% | 0.2% | 0.0% | -0.3% |
| Calaveras | 0.3% | 0.2% | 0.2% | 0.4% | 0.8% | 0.7% | 0.6% | 0.5% |
| Colusa | 0.5% | 0.6% | 0.8% | 0.8% | 0.9% | 1.1% | 0.7% | 1.6% |
| Contra Costa | 0.3% | 0.3% | -0.3% | -0.1% | 0.1% | 1.6% | 2.5% | 1.4% |
| Del Norte | 0.6% | 0.6% | 0.7% | 0.3% | 0.1% | 0.4% | 0.3% | 0.4% |
| El Dorado | -0.1% | 0.5% | 0.7% | 1.7% | 0.9% | 2.4% | 2.8% | 2.0% |
| Fresno | 0.7% | 0.6% | 1.1% | 1.7% | 1.7% | 2.3% | 3.4% | 2.7% |
| Glenn | 0.5% | 0.6% | 0.8% | 0.8% | 0.9% | 1.1% | 0.7% | 1.6% |
| Humboldt | 0.9% | 0.3% | -1.0% | 0.7% | 0.4% | 0.4% | 2.6% | 1.1% |
| Imperial | 0.5% | 2.4% | -1.5% | 0.5% | 0.9% | 1.4% | 3.5% | 3.3% |
| Inyo | 0.3% | 0.2% | 0.2% | 0.4% | 0.8% | 0.7% | 0.6% | 0.5% |
| Kern | 0.6% | 0.7% | 0.7% | 1.4% | 1.6% | 1.4% | 2.7% | 4.0% |
| Kings | 0.3% | 2.0% | 2.1% | 2.2% | 1.8% | 2.5% | 1.1% | 2.5% |
| Lake | 0.6% | 0.7% | 0.6% | 0.4% | 0.6% | 0.4% | 0.4% | 0.4% |
| Lassen | 0.6% | 0.6% | 0.7% | 0.3% | 0.1% | 0.4% | 0.3% | 0.4% |
| Los Angeles | 0.2% | -0.3% | -0.5% | -0.4% | -0.1% | 0.6% | 2.4% | 2.2% |
| Madera | 1.0% | 1.1% | 1.0% | 0.4% | 0.6% | 0.8% | 1.0% | 0.6% |
| Marin | 0.6% | 0.6% | -0.2% | -0.2% | 0.2% | 0.7% | 3.3% | 0.4% |
| Mariposa | 0.3% | 0.2% | 0.2% | 0.4% | 0.8% | 0.7% | 0.6% | 0.5% |
| Mendocino | 1.0% | 0.4% | 0.4% | 0.4% | 0.5% | 1.0% | 0.7% | 0.4% |
| Merced | 0.9% | 0.6% | 0.3% | 1.2% | 1.3% | 1.0% | 1.7% | 2.6% |
| Modoc | 0.6% | 0.6% | 0.7% | 0.3% | 0.1% | 0.4% | 0.3% | 0.4% |
| Mono | 0.3% | 0.2% | 0.2% | 0.4% | 0.8% | 0.7% | 0.6% | 0.5% |
| Monterey | -0.4% | 1.4% | 0.8% | 1.3% | 0.4% | 1.2% | 2.1% | 2.7% |
| Napa | 0.4% | -0.4% | 0.4% | 2.2% | 0.3% | 0.1% | 4.1% | 2.8% |
| Nevada | 0.9% | 1.1% | 1.0% | 0.8% | 0.5% | 1.3% | 0.7% | 1.0% |
| Orange | 0.2% | -0.6% | -0.4% | 1.2% | 1.0% | 1.9% | 5.9% | 6.9% |
| Placer | -0.6% | 0.7% | 2.5% | 3.3% | 0.9% | 4.3% | 7.6% | 0.2% |
| Plumas | 0.6% | 0.6% | 0.7% | 0.3% | 0.1% | 0.4% | 0.3% | 0.4% |
| Riverside | 0.5% | 0.5% | 1.5% | 2.8% | 1.4% | 3.0% | 4.2% | 3.9% |

(see next)

Table B. Average Quarterly Rent Change: All Building Classes and Bedroom Sizes

| County | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 |
|------------------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|-------------|
| Sacramento | 0.4% | 0.8% | 1.5% | 2.2% | 1.2% | 2.4% | 4.8% | 2.1% |
| San Benito | 0.5% | 0.6% | 0.4% | 0.4% | 0.3% | 0.5% | 0.5% | 0.4% |
| San Bernardino | 0.6% | 0.3% | 2.3% | 3.3% | 1.5% | 4.2% | 4.2% | 3.0% |
| San Diego | 0.1% | -0.1% | -0.1% | 1.4% | 0.4% | 1.7% | 4.5% | 5.1% |
| San Francisco | -1.0% | -0.5% | -3.1% | -6.4% | -1.6% | 3.0% | 4.9% | 0.4% |
| San Joaquin | 1.8% | -0.2% | 1.5% | 1.4% | 1.3% | 2.8% | 2.8% | 1.9% |
| San Luis Obispo | 0.9% | 0.5% | 0.5% | 0.7% | 0.7% | 0.4% | 0.7% | 0.8% |
| San Mateo | -0.3% | 0.9% | -3.2% | -4.6% | -1.9% | 1.3% | 4.8% | -0.4% |
| Santa Barbara | 0.9% | 0.5% | 0.6% | 0.1% | 0.7% | 1.8% | 2.5% | 2.9% |
| Santa Clara | -0.2% | 0.9% | -3.1% | -4.4% | -1.5% | 1.3% | 4.4% | 1.8% |
| Santa Cruz | -0.2% | 0.0% | -1.3% | 0.5% | 0.2% | 0.2% | 3.1% | 5.9% |
| Shasta | 0.9% | 0.8% | 0.8% | 0.6% | 0.6% | 0.6% | 0.7% | 0.9% |
| Sierra | 0.9% | 1.1% | 1.0% | 0.8% | 0.5% | 1.3% | 0.7% | 1.0% |
| Siskiyou | 0.6% | 0.6% | 0.7% | 0.3% | 0.1% | 0.4% | 0.3% | 0.4% |
| Solano | -0.3% | 0.5% | 1.8% | 2.2% | 0.4% | 1.8% | 2.8% | 1.7% |
| Sonoma | -0.5% | 0.2% | 0.4% | 0.4% | 0.2% | 1.2% | 3.0% | 1.7% |
| Stanislaus | 0.7% | 0.9% | 1.8% | 1.5% | 1.5% | 1.9% | 2.8% | 2.1% |
| Sutter | 0.7% | 1.4% | 1.0% | 0.8% | 1.4% | 0.8% | 1.3% | 0.7% |
| Tehama | 0.5% | 0.6% | 0.8% | 0.8% | 0.9% | 1.1% | 0.7% | 1.6% |
| Trinity | 0.5% | 0.6% | 0.8% | 0.8% | 0.9% | 1.1% | 0.7% | 1.6% |
| Tulare | 0.6% | -0.1% | 1.3% | 1.2% | 0.6% | 1.2% | 4.0% | 2.9% |
| Tuolumne | 0.3% | 0.2% | 0.2% | 0.4% | 0.8% | 0.7% | 0.6% | 0.5% |
| Ventura | -0.2% | 0.0% | 1.6% | 2.0% | 1.8% | 2.0% | 3.4% | 5.1% |
| Yolo | 1.9% | 1.3% | 0.2% | 0.1% | 0.6% | 1.5% | 2.8% | 1.9% |
| Yuba | 0.6% | 2.2% | 0.9% | 1.2% | 1.0% | 2.4% | 2.8% | 0.4% |
| CALIFORNIA | 0.1% | 0.1% | -0.5% | -0.4% | 0.1% | 1.5% | 3.7% | 2.9% |

Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed Oct. 2021.

Appendix A: Average Multifamily Rents by County

Table C. Average Annual Rent Change by Quarter: High-End, Luxury Rental Housing (Class A)

| County | 2019-2020 Q1 | 2019-2020 Q2 | 2019-2020 Q3 | 2019-2020 Q4 | 2020-2021 Q1 | 2020-2021 Q2 | 2020-2021 Q3 |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Alameda | 0.0% | -3.2% | -6.8% | -7.9% | -7.3% | -1.4% | 5.5% |
| Butte | -1.8% | -0.3% | -1.8% | 0.6% | 2.4% | 1.5% | 2.8% |
| Contra Costa | 1.6% | -2.2% | -1.9% | -1.4% | 0.2% | 4.2% | 6.0% |
| Fresno | 2.6% | 1.3% | 1.5% | 3.7% | 8.1% | 13.1% | 16.7% |
| Kern | 4.6% | 3.4% | 3.1% | 4.5% | 6.1% | 9.7% | 15.0% |
| Los Angeles | -1.1% | -3.1% | -4.7% | -4.8% | -2.8% | 3.6% | 9.0% |
| Orange | 1.1% | -1.7% | -1.2% | 0.8% | 4.4% | 13.5% | 23.1% |
| Placer | -1.7% | 0.4% | 6.8% | 8.7% | 14.7% | 21.6% | 16.2% |
| Riverside | 2.2% | 3.2% | 4.9% | 6.2% | 10.8% | 16.1% | 18.5% |
| Sacramento | 0.4% | 0.4% | 4.0% | 6.3% | 9.2% | 15.7% | 12.9% |
| San Bernardino | 0.4% | 4.2% | 8.9% | 10.2% | 20.2% | 21.7% | 17.0% |
| San Diego | 0.3% | -1.8% | 0.1% | 1.0% | 3.0% | 10.5% | 16.0% |
| San Francisco | -1.0% | -7.4% | -17.9% | -18.5% | -12.5% | 0.0% | 11.5% |
| San Joaquin | 2.9% | 4.8% | 4.7% | 5.5% | 10.3% | 10.3% | 11.3% |
| San Luis Obispo | 0.9% | 0.6% | 1.3% | 1.7% | 2.0% | 4.2% | 4.1% |
| San Mateo | -0.8% | -6.5% | -10.9% | -12.3% | -9.8% | 2.6% | 9.5% |
| Santa Barbara | 2.4% | -0.6% | -0.1% | 0.5% | 2.5% | 6.2% | 15.7% |
| Santa Clara | 0.3% | -5.1% | -8.9% | -9.7% | -8.4% | 1.0% | 8.6% |
| Sonoma | 2.3% | -2.5% | 1.0% | 0.5% | 1.8% | 8.3% | 10.8% |
| Tulare | 0.8% | 4.2% | 3.7% | 5.7% | 12.3% | 20.9% | 25.6% |
| Ventura | 0.5% | 0.3% | 4.7% | 7.0% | 8.8% | 9.6% | 11.0% |
| Yolo | 3.8% | 3.7% | 7.5% | 4.3% | 5.6% | 8.9% | 8.8% |
| CALIFORNIA | -0.1% | -2.9% | -4.5% | -4.2% | -1.5% | 6.2% | 12.4% |

Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed Oct. 2021.

Appendix A: Average Multifamily Rents by County

Table D. Average Annual Rent Change by Quarter: Older, More Affordable Rental Housing (Class C or F)

| County | 2019-2020 Q1 | 2019-2020 Q2 | 2019-2020 Q3 | 2019-2020 Q4 | 2020-2021 Q1 | 2020-2021 Q2 | 2020-2021 Q3 |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Alameda | 1.3% | 0.3% | -0.4% | -1.1% | -1.0% | 0.4% | 2.1% |
| Alpine | 2.0% | 1.7% | 1.7% | 1.7% | 1.6% | 1.7% | 1.8% |
| Amador | 2.0% | 1.7% | 1.7% | 1.7% | 1.6% | 1.7% | 1.8% |
| Butte | 5.0% | 5.6% | 4.4% | 4.3% | 2.9% | 0.8% | -2.3% |
| Calaveras | 2.0% | 1.7% | 1.7% | 1.7% | 1.6% | 1.7% | 1.8% |
| Colusa | 1.8% | 1.8% | 1.6% | 1.5% | 1.6% | 1.6% | 1.7% |
| Contra Costa | 2.2% | 1.0% | 1.2% | 0.5% | 1.4% | 2.7% | 3.8% |
| Del Norte | 1.5% | 1.8% | 1.7% | 1.3% | 1.3% | 0.9% | 1.2% |
| El Dorado | 3.0% | 2.9% | 3.9% | 2.9% | 2.8% | 3.0% | 3.1% |
| Fresno | 3.8% | 3.7% | 3.9% | 4.5% | 5.2% | 6.5% | 7.3% |
| Glenn | 1.8% | 1.8% | 1.6% | 1.5% | 1.6% | 1.6% | 1.7% |
| Humboldt | 2.3% | 2.2% | 2.4% | 2.0% | 1.9% | 3.6% | 4.0% |
| Imperial | 1.5% | 1.2% | 1.6% | 1.9% | 2.2% | 2.8% | 2.6% |
| Inyo | 2.0% | 1.7% | 1.7% | 1.7% | 1.6% | 1.7% | 1.8% |
| Kern | 3.2% | 3.1% | 3.3% | 3.5% | 3.7% | 5.4% | 6.0% |
| Kings | 5.1% | 5.5% | 7.0% | 10.1% | 11.1% | 9.1% | 8.7% |
| Lake | 1.6% | 1.6% | 1.4% | 1.3% | 1.1% | 1.1% | 1.3% |
| Lassen | 1.5% | 1.8% | 1.7% | 1.3% | 1.3% | 0.9% | 1.2% |
| Los Angeles | 2.1% | 1.4% | 1.0% | 0.6% | 0.6% | 1.5% | 2.6% |
| Madera | 3.9% | 3.8% | 3.3% | 2.9% | 2.7% | 2.8% | 2.9% |
| Marin | 1.9% | 0.7% | 0.6% | -0.3% | -0.3% | 0.9% | 1.9% |
| Mariposa | 2.0% | 1.7% | 1.7% | 1.7% | 1.6% | 1.7% | 1.8% |
| Mendocino | 2.1% | 2.1% | 1.9% | 1.7% | 1.6% | 1.3% | 1.3% |
| Merced | 2.8% | 1.8% | 2.2% | 2.8% | 3.2% | 5.4% | 7.5% |
| Modoc | 1.5% | 1.8% | 1.7% | 1.3% | 1.3% | 0.9% | 1.2% |
| Mono | 2.0% | 1.7% | 1.7% | 1.7% | 1.6% | 1.7% | 1.8% |
| Monterey | 2.9% | 2.6% | 3.4% | 4.4% | 4.8% | 5.8% | 6.2% |
| Napa | 1.9% | 1.4% | 2.7% | 3.2% | 2.6% | 4.2% | 5.1% |
| Nevada | 3.1% | 3.1% | 2.6% | 2.3% | 3.5% | 3.1% | 5.6% |
| Orange | 2.6% | 1.3% | 1.4% | 1.5% | 2.9% | 7.7% | 12.1% |
| Placer | 2.0% | 1.7% | 3.3% | 4.6% | 9.8% | 14.7% | 13.1% |
| Plumas | 1.5% | 1.8% | 1.7% | 1.3% | 1.3% | 0.9% | 1.2% |

(see next)

Table D. Average Annual Rent Change by Quarter: Older, More Affordable Rental Housing (Class C or F)

| County | 2019-2020 Q1 | 2019-2020 Q2 | 2019-2020 Q3 | 2019-2020 Q4 | 2020-2021 Q1 | 2020-2021 Q2 | 2020-2021 Q3 |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Riverside | 3.3% | 3.5% | 3.9% | 4.2% | 5.0% | 6.4% | 7.8% |
| Sacramento | 4.4% | 3.9% | 4.4% | 4.7% | 5.4% | 7.5% | 8.3% |
| San Benito | - | - | - | - | - | - | - |
| San Bernardino | 3.1% | 3.2% | 5.2% | 6.1% | 9.0% | 11.4% | 11.9% |
| San Diego | 2.8% | 2.0% | 2.1% | 2.2% | 2.9% | 5.3% | 7.6% |
| San Francisco | 0.7% | -0.4% | -3.0% | -3.1% | -2.4% | -0.3% | 2.3% |
| San Joaquin | 4.0% | 3.6% | 4.0% | 1.9% | 5.2% | 5.9% | 6.1% |
| San Luis Obispo | 2.8% | 2.6% | 2.9% | 2.6% | 2.2% | 1.6% | 2.0% |
| San Mateo | 2.9% | -1.1% | -4.4% | -5.7% | -7.4% | -2.8% | 0.5% |
| Santa Barbara | 3.7% | 2.2% | 1.6% | 1.8% | 1.6% | 3.7% | 4.7% |
| Santa Clara | 1.3% | -2.3% | -5.0% | -6.7% | -6.9% | -1.9% | 3.0% |
| Santa Cruz | 2.5% | 1.2% | 0.4% | 1.9% | 2.6% | 4.5% | 8.2% |
| Shasta | 2.8% | 2.9% | 2.5% | 2.3% | 2.0% | 1.8% | 2.2% |
| Sierra | 3.1% | 3.1% | 2.6% | 2.3% | 3.5% | 3.1% | 5.6% |
| Siskiyou | 1.5% | 1.8% | 1.7% | 1.3% | 1.3% | 0.9% | 1.2% |
| Solano | 4.3% | 4.3% | 5.3% | 5.1% | 5.3% | 4.8% | 5.9% |
| Sonoma | 1.6% | 1.8% | 2.2% | 2.0% | 1.6% | 2.4% | 3.1% |
| Stanislaus | 3.4% | 3.8% | 4.9% | 6.1% | 7.2% | 8.0% | 8.5% |
| Sutter | 3.7% | 3.8% | 4.0% | 4.8% | 4.5% | 5.1% | 4.9% |
| Tehama | 1.8% | 1.8% | 1.6% | 1.5% | 1.6% | 1.6% | 1.7% |
| Trinity | 1.8% | 1.8% | 1.6% | 1.5% | 1.6% | 1.6% | 1.7% |
| Tulare | 2.6% | 2.5% | 2.7% | 2.4% | 2.7% | 3.2% | 3.3% |
| Tuolumne | 2.0% | 1.7% | 1.7% | 1.7% | 1.6% | 1.7% | 1.8% |
| Ventura | 1.9% | 1.1% | 2.9% | 4.4% | 6.2% | 7.6% | 11.7% |
| Yolo | 4.7% | 3.8% | 2.1% | 1.5% | 1.9% | 4.0% | 5.1% |
| Yuba | 5.7% | 5.0% | 5.3% | 6.0% | 5.3% | 6.2% | 5.3% |
| CALIFORNIA | 2.3% | 1.3% | 0.8% | 0.6% | 1.0% | 3.1% | 5.2% |

Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed Oct. 2021.

Appendix B: Comparison to the Great Recession

Prior to the COVID-19 pandemic, the last event with a social, economic, and cultural impact of this scale was the Great Recession beginning in 2008. Average rent decreases during the Great Recession were more widespread than those of the COVID-19 pandemic so far: rents decreased in all 58 counties between Q1 2009 and Q2 2010, and at higher levels than seen throughout 2020 for all counties except San Francisco and Santa Clara.

Statewide average rent decreases were greater in magnitude during the Great Recession as well, but with fewer of the extreme outliers seen during COVID-19 (e.g., San Francisco and San Mateo). Statewide rents during the Great Recession decreased between 3% and 6%, whereas statewide average rents decreased only 0.2% to 1% between Q1 and Q4 2020, with statewide rent growth returning in Q1 2021.

By contrast, average rent decreases were often smaller in magnitude at the county level during the Great Recession when compared to COVID-19. For example,

the highest quarterly rent decrease in San Francisco was 6% during the Great Recession and within the statewide range. During COVID-19, the highest rent decrease in San Francisco was 11%, well above the 0.2% to 1% decrease in statewide rents.

In addition, average rents in older and more affordable developments (Class C and F) decreased in all 58 counties during the Great Recession, and at rates proportional to those seen in high-end, luxury rental housing; the rent decreases as high as 9% were seen in both older and luxury rental housing, with median decreases of 3% and 5% respectively. In drawing this comparison, we gain further insight into how uniquely the current crisis has disproportionately affected low-income renters.

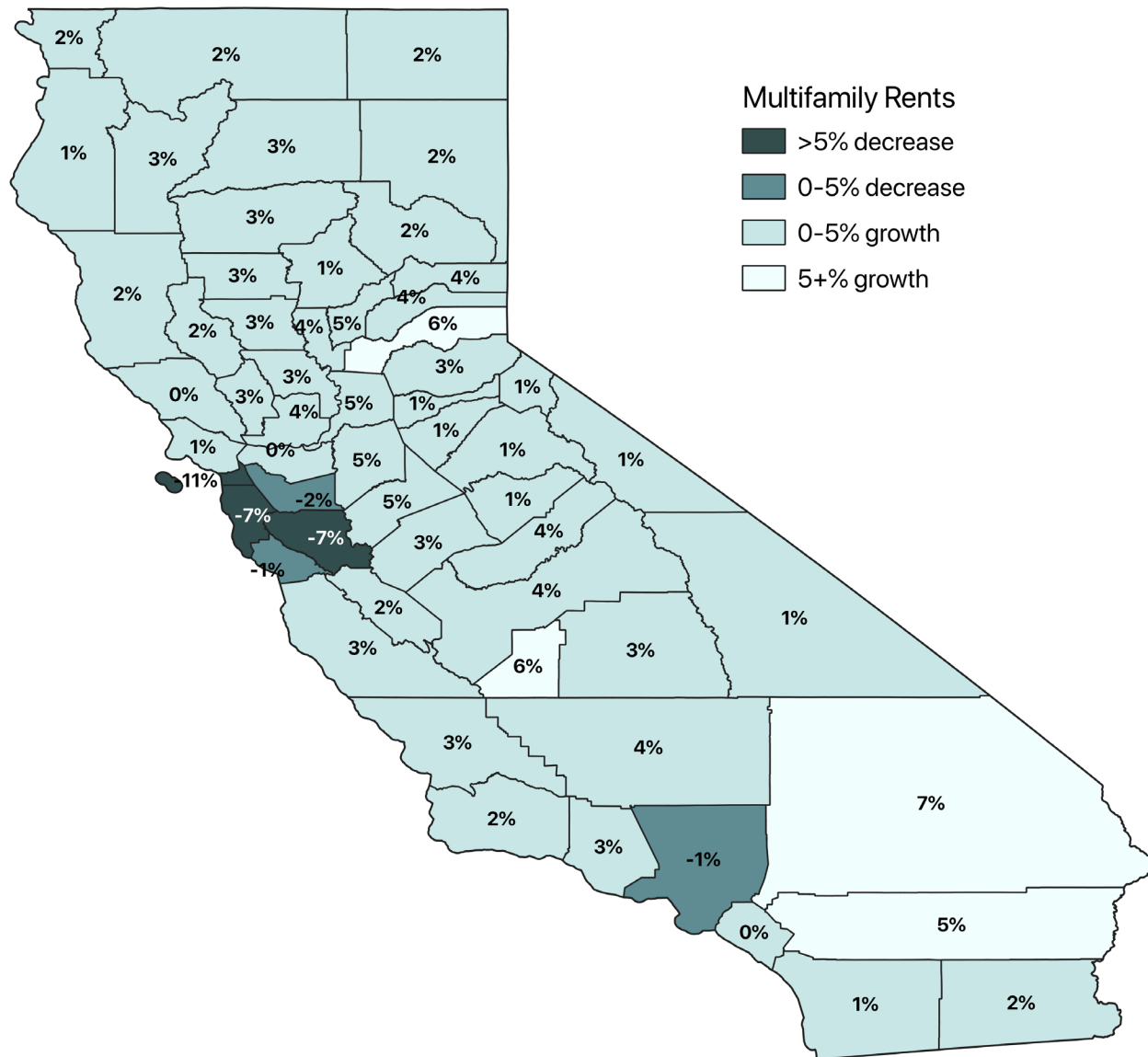
The table below shows rent changes for all bedroom and building classes during the Great Recession (table showing select counties only; all counties saw rent decreases in 2009 and at least parts of 2010).

TABLE E. Average Annual Rent Change by Quarter (All Building Classes and Bedroom Sizes)

| County | Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | Q1 2010 | Q2 2010 | Q3 2010 | Q4 2010 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Alameda | -1.1% | -4.4% | -6.2% | -7.0% | -5.8% | -2.5% | 0.1% | 1.8% |
| Butte | -1.4% | -3.8% | -5.0% | -5.3% | -4.4% | -2.4% | -0.8% | 0.5% |
| Contra Costa | -1.7% | -5.0% | -6.5% | -6.7% | -4.6% | -0.8% | 1.8% | 1.7% |
| Humboldt | -1.8% | -4.6% | -6.3% | -6.7% | -5.6% | -3.1% | -0.9% | 0.8% |
| Los Angeles | -1.0% | -3.9% | -5.9% | -6.8% | -5.7% | -4.0% | -2.3% | -0.8% |
| Napa | -0.7% | -3.1% | -4.6% | -4.8% | -3.7% | -1.7% | 0.3% | 1.2% |
| Riverside | -4.2% | -5.3% | -5.2% | -4.8% | -3.8% | -2.2% | -1.2% | -0.7% |
| Sacramento | -0.7% | -2.2% | -2.9% | -4.7% | -4.0% | -2.9% | -2.1% | -0.1% |
| San Diego | -0.1% | -1.5% | -2.0% | -2.0% | -1.7% | -1.0% | -0.7% | 0.0% |
| San Francisco | -0.2% | -3.8% | -6.0% | -5.6% | -3.3% | 0.4% | 3.1% | 4.4% |

Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed Oct. 2021.

Appendix C: Map of Average Multifamily Rent Changes (Q3 2020)



Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed Oct. 2021.

DATA NOTES & SOURCES

1. Wall Street Journal, *Race for Space Pushing Up Suburban Rents*, (Nov. 2020), <https://www.wsj.com/articles/rents-rise-on-suburban-homes-amid-race-for-space-11605004202>
2. Terner Center for Housing Innovation, *COVID-19 and California's Vulnerable Renters* (Aug. 2020). <https://ternercenter.berkeley.edu/research-and-policy/covid-19-and-californias-vulnerable-renters/>
3. California Housing Partnership *Housing Needs Dashboard*, (Sept. 2021) <https://chpc.net/housingneeds/>
4. Statewide increases in average rents fluctuated between 3-5% from 2016-2019.
5. When looking at rents for all bedroom sizes and housing quality types, only six counties in the state experienced rent decreases of two or more quarters. We have chosen to focus on counties that experienced consecutive quarters of rent decrease, as we feel that it is an important indicator for a rental market experiencing prolonged change as a result of the pandemic.
6. Rent decreases were slightly more common throughout 2020 when considering changes quarter-to-quarter instead of year-over-year—where as many as 12 counties experienced decreases in asking rents compared to the previous quarter. The six counties that experienced annual rent decreases throughout 2020 also experienced the largest quarter-to-quarter decreases. See Table B in Appendix A for quarter-to-quarter data findings by county.
7. U.S. Census Bureau Household Pulse Survey, accessed October 2021, <https://www.census.gov/programs-surveys/household-pulse-survey.html>
8. Center for Disease Control, *Health Equity Considerations and Racial and Ethnic Minority Groups*, (Apr. 2021). <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/race-ethnicity.html>
9. Average rents for all multifamily developments also decreased in all 58 counties between Q1 2009 and Q2 2010, and at higher levels than seen during the pandemic for all counties except San Francisco and Santa Clara.
10. Wall Street Journal, *Race for Space Pushing Up Suburban Rents*, (Nov. 2020), <https://www.wsj.com/articles/rents-rise-on-suburban-homes-amid-race-for-space-11605004202>
11. Unlike the high-cost, urban markets nearby, counties adjacent to metropolitan areas rarely saw rents decrease in their luxury rental market. For example, through Q1 2021 Riverside and Ventura counties both saw rent increases of 10% in their high-end luxury properties, and San Bernardino saw a nearly 20% increase in average rents. These trends suggest that higher-income renters with flexibility in their commute or ability to work remotely, are increasing demand for housing in the counties adjacent to large, urban metropolitan areas. For full data findings by county, see Tables C and D in Appendix A.

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