Who Can Afford to Rent In California's Many Regions 2025

Methodology

To answer the question of how the State should direct its scarce housing resources for maximum impact, the California Housing Partnership compared county average asking rents for a two-bedroom home from the CoStar Multifamily Dataset (2025) with 2025 area median incomes (AMI) adjusted for a two-bedroom home from the Department of Housing and Urban Development (HUD).[1]

CoStar Multifamily Rents Analysis

This analysis used average asking rent data from CoStar's Multifamily Dataset to determine the average rent for a two-bedroom apartment in each county in the state.[2] The multifamily rents dataset 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 bases on rent trends in different submarkets and building types for properties where rent data is unavailable.

Using the annualized average asking rent for each county (monthly rent multiplied by twelve) and dividing by an affordability rate of 30%, we were able to determine the income needed to afford such rent.[3] We then determined the percent of AMI needed to afford the average asking rent by comparing this income needed value with the bedroom-adjusted 2025 HUD AMI level for each county. Rates of affordability for households earning 100% of AMI, as well as ELI (30% AMI), VLI (50% AMI), and LI (80% AMI) households, were determined by multiplying the derived HUD income limit for each of these categories by 30%, to calculate the annual rent amount considered affordable to each income group.[4] Next, we compared the annualized average asking rent figure to the annual affordable rent figure for each income group; if annualized average asking rents were greater than the amount calculated as affordable, rents in that county were deemed unaffordable to the income group in question.

Small Area Fair Market Rents Analysis

We also analyzed Small Area Fair Market Rents (SAFMRs) to understand if our county-level findings were consistent at smaller geographies. SAFMRs are rent estimates for a modest unit, which are calculated using the median rent for the past three years, often with a lag of at least two years. SAFMRs are established annually by HUD to estimate what a family can expect to pay for a modest rental home. They are typically the 40th percentile of rents and are used to determine the payment standards for Housing Choice Vouchers, Project Based Section 8 Contracts, and other housing subsidies. SAFMRs are calculated at the zip code level within metropolitan areas.[5]

Combining zip codes with Census geographies (e.g., counties) can be a challenge, as zip codes do not represent a defined geographic area and do not align with political or administrative boundaries.[6] To match zip codes provided in HUD's SAFMR dataset with county geographies, we used the most recently available HUD-provided HUD-USPS ZIP to County Crosswalk file.[7] For any zip codes that did not match county boundaries during this initial join, we then matched the remaining zip codes with ZIP Code Tabulation Areas (ZCTAs) as provided by HUD.[8] Where a zip code spans multiple counties, a "custom" AMI is generated to more appropriately compare the provided SAFMR against income limits. Custom AMIs are derived from the average income limit of all counties contained within a zip code.

In our comparison of SAFMRs to the Tax Credit Allocation Committee (TCAC) and California Department of Housing and Community Development (HCD) 2025 Opportunity Map, the HUD-USPS ZIP to Tract crosswalk was utilized. As there is no ZIP to block group crosswalk, tracts are the most granular comparison level available for zip codes. Per TCAC/HCD's methodology, rural block groups within a Census tract may have differing opportunity categories. To provide an appropriate comparison between our analysis of crosswalked SAFMRs and TCAC/HCD categories, we assume that the block group with the greatest composite index score (and associated opportunity category) represents the whole of the tract in which it is situated. We should note that since rural tracts are typically much larger than urban and suburban tracts, this tract-level approach has the potential to obscure variations in opportunity within those tracts.[9] As zip codes may span several Census tracts and therefore may be associated with multiple resource categories, when assessing affordable and unaffordable zip codes we assign a single TCAC/HCD opportunity category to each zip code based on the predominant opportunity category found in that zip code.

Our results show that by comparing SAFMRs for two-bedroom units with the bedroom-adjusted 2025 AMI, California households earning 30% of county AMI cannot afford SAFMR rent levels in any zip codes, while households earning 80% of county AMI can afford SAFMR rent levels in 40% of zip codes, and households earning 100% of AMI can afford SAFMR rents levels in 70% of all zip codes in California.

Median Income Accessibility Analysis
While the primary analysis in this report focuses on average asking rents at each income level, the Partnership recognizes that availability remains a major obstacle for households to access homes at those rents. To capture the limited housing supply available to median-income (100% AMI) households, we exported vacancy rates and inventory units from CoStar's platform. We determined the affordable 2-bedroom rent at the 100% AMI and 80% AMI level for each county and used these values as maximum and minimum asking rent filters within the CoStar platform, respectively. This provided us with the vacancy rate specific to households in the moderate-income range (80% to 100% AMI). For counties that were part of a county group, we averaged the affordable rent across the group to identify the minimum and maximum affordable rent for a moderate-income household. We then estimated vacant median-income homes by multiplying the county's median-income vacancy rate by the number of median-income inventory units in the county.

Annual Household Income of a "Typical" Low-Income Californian Household
The annual household income of a "typical" low-income Californian household is used to set the baseline for the *Where Can You Afford to Rent in 2025?* interactive online tool. To determine the annual household income of the "typical" low-income household in California, we first found the annual household median income per the 2023 5-year American Community Survey (ACS) - $96,334. This median income is determined for a four-person household and was thus adjusted to provide an appropriate comparison for a two-bedroom home, per HUD guidance.[10] This resulted in an adjusted statewide annual household median incoem of $86,701. Taking 80% of this adjusted statewide median income yields an annual household income of $69,360, or the income of the "typical" low-income household in California.

DATA NOTES & SOURCES

1. *We used the fiscal year (FY) 2025 median family income (MFI) set by HUD, which is used in determining Section 8 Income Limits. The MFI is determined for a four-person household and was adjusted for this analysis to provide an appropriate comparison for a two-bedroom unit, per HUD guidance – see: https://www.huduser.gov/portal/datasets/hads/HADS_doc.pdf. For more information on HUD income limits in general, see: https://www.huduser.gov/portal/datasets/il.html.*
2. *Due to low data availability in certain counties, the average two-bedroom rent is derived for the following county groups and applied to each individual county: Group 1 – Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Tuolumne; Group 2 – Colusa, Glenn, Tehama, Trinity; Group 3 – Del Norte, Lassen, Modoc, Plumas, Siskiyou; Group 4 – Nevada, Sierra.*
3. *Following guidance from HUD and the State of California, the California Housing Partnership identified rent as affordable in this analysis if a household spends no more than 30% of income on rent and utilities.*
4. *It should be noted that income limits derived from HUD's median income, as opposed to the programmatic income limits set by HUD, were used in this analysis. Recent increases in California AMIs dictated by peculiarities in the methodology established by HUD – including high cost of living increases – mean that a large number of households in high-cost areas who are now classified as low-income were in many cases categorized as moderate-income just a few years ago. In other words, programs previously targeting low-income households are effectively now serving many moderate-income households even without changes to state laws or regulations. Unadjusted HUD AMIs are used in this analysis to better approximate existing income levels.*
5. *Beginning in Fiscal Year (FY) 2023, HUD began incorporating private-sector data in the determination of Fair Market Rents (FMRs) and SAFMRs. This was initially caused by the delay of 2020 American Community Survey (ACS) 1-year estimates and the impact of the COVID-19 pandemic on rental markets. For more information, see: https://www.federalregister.gov/documents/2023/06/23/2023-13395/proposed-changes-to-the-methodology-used-for-calculating-fair-market-rents.*
6. *Zip codes are a collection of mail delivery routes determined by the United States Postal Service (USPS), while ZIP Code Tabulation Areas (ZCTAs) are geographic representations of zip codes created by the Census Bureau. For more information, see: https://www.census.gov/programs-surveys/geography/guidance/geo-areas/zctas.html.*
7. *As of this analysis, 2nd Quarter 2025 was the most recent crosswalk file available. For more information, see: https://www.huduser.gov/portal/datasets/usps_crosswalk.html.*
8. *The HUD-USPS crosswalk was used as the primary join method due to a poor match success rate using ZCTAs alone. For more information on HUD's ZCTA shapefiles, see: https://hudgis-hud.opendata.arcgis.com/datasets/HUD::safmr-zip-code-tab-areas/about.*
9. *As discussed in the Opportunity Map methodology, rural areas are also difficult to accurately capture due to data unreliability at the block group level (e.g., poverty indicator) and the lack of data at the block group level (e.g., CalEnviroScreen score). See: https://www.treasurer.ca.gov/ctcac/opportunity.asp.*
10. *See endnote 1 above for more information.*