The 2022 State of Housing in Harris County and Houston
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Local housing prices have skyrocketed: Houston’s median sales price neared $350,000 in 2021.
The median sales price of a single-family home approached $350,000 in Houston. The median closing price per square foot in Houston and Harris County in 2021 reached all-time highs of $160 and nearly $140, respectively. The median sales price increased by 10% in Houston and 16% in Harris County (countywide). The area has been a seller’s market since 2012, and in 2020 and 2021, homes sold at the fastest pace in recent history.

Harris County’s median home sales price may soon overtake Houston’s.
In the past few years, homes in the county’s suburbs have increased in price more than those in Houston. The city’s median sales price is barely above Harris County’s: The price gap between the city and county is shrinking and, assuming trends continue, will soon disappear.

Demand for single-family homes, which represent the vast majority of the market, is driving up prices and keeping inventory low.
Single-family homes make up 91% of the county’s overall home sales volume (gross dollar amount of home sales). Between 2020 and 2021, the county’s total single-family home sales volume grew by almost $5 billion, or 29%. In Houston proper, single-family homes make up 84% of the sales volume. Between 2020 and 2021, the city’s total single-family home sales volume increased 34%, and it has doubled in the past 8 years. Single-family houses have had the shortest median inventory length of all housing types in both Houston and Harris County since 2016. While the countywide townhome and condominium sales volume grew exponentially from 2020 to 2021, 49% and 71%, respectively, their share of the overall sales volume is less than 9% combined.

Despite growth in new construction permits, developers were unable to fully respond to high housing demand because of construction costs and supply-chain problems.
Strong single-family demand spurred a construction boom during the pandemic. Between 2020 and 2021, building permits for single-family homes increased by 2% and 21% in Harris County and Houston, respectively. Newly built single-family home values climbed by 14% and 29%, and multifamily building permits decreased by 13% and 24%. The increasing demand for housing indicates that additional homes are needed in the Houston area. However, increasing labor and material costs contributed to higher home prices. For example, for most of the past decade lumber traded for around $300 per 1,000 board feet. After the COVID-19 pandemic began, that price skyrocketed to more than $1,400 and remains higher than the historic norm.

Hispanic and Black mortgage applicants face higher interest rates and more denials on lower-valued properties.
Hispanic and Black mortgage loan applicants have a greater ratio of denials to originations than other racial/ethnic groups. According to Home Mortgage Disclosure Act data for 2019 and 2020, Hispanic borrowers had the lowest median loan amount and median property value, while whites had the highest. Hispanic and Black applicants also had higher interest rates, higher loan-to-value ratio, longer loan terms, and were far more likely to be highly debt-burdened borrowers—even prior to the mortgage loan application.

Despite challenges in the mortgage market, Hispanic residents will soon become the largest share of homebuyers in the county.
While homeownership rates have been shrinking across the US and in Houston in recent years, Hispanics are
the only major racial/ethnic group with a growing homeownership rate in both of these places between 2020 and 2021. HMDA data also reflect that a growing share of home loan originations in the county are going to Hispanic borrowers, about 16,000 in 2021 (compared to 19,000 loans originated to non-Hispanic white borrowers). The recent percentage increase in the number of Hispanic borrowers was far greater than the number of white borrowers. However, Hispanic homebuyers in Harris County still face higher interest rates and buy homes of lesser value, which both have long-term implications for wealth generation.

**The affordability gap for homebuyers worsened between 2011 and 2021 because of increased housing sales prices.**

The gap between what median-income households can afford and the median house price (“the affordability gap”) has widened. The affordability gap for renters expanded by $100,000 from 2011 to 2021 ($38,000 from 2020 to 2021 alone) as housing prices surged to new highs. In 2021, the countywide median sales price of a home ($285,000) was about twice the price of a home that the county’s median renter can purchase ($149,500). The affordability gap for renters is much wider in Houston, where housing sales prices are higher and the median income is lower. There, the median sales price is $315,095, but a median renter household can afford a $143,028 home—representing an affordability gap of $172,067. The widening affordability gap, which accelerated during the pandemic, will lock out many first-time homebuyers, potentially exacerbating the racial wealth gap and suppressing economic mobility.

**Renters in the Houston area are experiencing economic hardship and fear of eviction, according to the Household Pulse Survey.**

More than 10% of renters in the Houston metro area were unable to pay the previous month’s rent or had it deferred at each point in time they responded to the survey between April 2020 and September 2021. Half of the renters were unsure if they would be able to pay
their rent the following month, with between 10% and 30% having no confidence in their capability to do so. This uncertainty led to eviction fears: Half of the tenants indicated they were somewhat or very likely to be evicted from their rented homes during the reported time period of 2020 to 2021.

The Houston metro area’s homeless population decreased slightly in the 2010s. However, only half of them are sheltered.

One piece of good news in this year’s report is Houston’s shrinking homeless population, and the fact that the region’s shelters have housed a significant share of people experiencing homelessness. In 2021, the Houston metro area’s homeless population accounted for about 20% of the state’s total homeless population. In the Houston metro, half of the homeless population was sheltered. Compared to the entire state of Texas, the Houston metro’s shelters have an outsized population of women, non-Hispanic people, Black people, and people aged 24 or younger.

The cumulative effects of repeated natural and public-health disasters have disproportionately affected residents in 13 ZIP codes in Harris County, while certain vulnerable communities, primarily the east side of Houston’s Inner Loop, are at risk of other resilience challenges.

In Harris County, many low-income renters have little choice but to reside in areas with a high concentration of low-quality and low-cost housing. Previous Kinder research has shown that some of these communities have been repeatedly devastated by the cumulative impacts of multiple disasters. In addition, many communities in the east side of the county appear to have a disproportionate concentration of resilience challenges, according to the composite housing resilience analysis and the U.S. Census Bureau’s community resilience estimates.

The next disaster will disproportionately affect lower-income communities, and a total of 474,000 rental units are located in census tracts that have high risks for disasters.

A significantly higher proportion of Harris County’s rental units (65%) are located in census tracts prone to natural disasters. This is far higher than the national share of rental units in disaster-prone tracts (14%). The county is located in an area at high risk of economic loss from natural disasters, according to the Federal Emergency Management Agency (FEMA) data. Many communities with a high proportion of low-income families or people of color are designated as vulnerable neighborhoods, based on the Kinder Institute’s analysis. According to the Census Bureau’s community resilience estimates, a considerable percentage of residents in communities on the city’s east side are vulnerable to numerous risk factors.

In Harris County, a large majority of affordable housing receives no public subsidy. These homes are generally lower quality and almost always multifamily rentals.

There are an estimated 315,000 market-rate affordable housing units, also known as “naturally occurring affordable housing” (NOAH), within the county’s boundaries, of which 99% are in multifamily properties. NOAH units are different from publicly assisted housing units in that they receive no public-sector subsidy. NOAH units greatly outnumber publicly assisted affordable units—315,000 NOAH units compared to 60,000 publicly assisted units—meaning that the bulk of Harris County’s poorer renters turn to this less-regulated affordable housing market. The lack of subsidy means that NOAH units have less funds for upkeep and maintenance. Consequently, the majority of Harris County NOAH properties have “average” or worse building quality grade in assessor’s records.

Federal and local governments coordinated to help low-income renters avoid eviction and receive rental assistance during the COVID-19 pandemic.

Eviction moratoriums were implemented by the federal government shortly after the pandemic began in spring 2020 and lasted until summer 2021. The Consolidated Appropriations Act provided $25 billion, and the American Rescue Plan Act enabled $22 billion in the Emergency Rental Assistance (ERA) program to those who were not able to pay their rent or utilities across the country. Houston-Harris County’s ERA program started in February 2021 with a total of $280 million in rental assistance and has since helped over 70,000 households.
When the COVID-19 pandemic first hit the Houston area in March of 2020, it was impossible to predict the impact it would have on the housing market.

It was clear that some low-wage workers would lose income and have trouble making their rent. And it was clear that many office-based workers—required for the first time ever to work full-time at home—would seek larger houses, perhaps further away from job centers.

But the overall impact has been much more profound. Housing prices have increased dramatically and inventory has been low. Rents went down at first but then went up. Because of supply-chain issues, the price of construction materials skyrocketed. Overall, according to the 2022 Kinder Houston Area Survey, a quarter of Houstonians are having difficulty paying their mortgage or rent. For African-Americans, that number is about 40%. For Hispanics, it is 37%, and for whites, it is 17%—both increasing significantly over last year.

This year’s third annual State of Housing report, prepared by the Kinder Institute with the support of Wells Fargo, documents a rapidly changing housing environment in Houston and Harris County. Our first report in 2020 showed that despite its reputation for having a lower cost of living than other cities, Houston has a serious housing affordability problem, especially among low-wage workers. The second report, which was prepared in the midst of the pandemic in 2021 with imperfect information about the impact of COVID-19, nevertheless highlighted the two-tiered housing system in Houston. Homeowners had many more options than renters, many of whom are priced out of the ownership market and must compete with one another for a limited supply of rental housing.

This year’s report was also prepared under imperfect circumstances. Though we understand the impact...
of the pandemic better than we did last year, delays in data release from the U.S. Census and the American Communities Survey meant that we could not do a direct year-over-year comparison on many housing statistics. Instead, we have relied more on data from other sources, especially the Houston Associations of Realtors (HAR) and the Home Mortgage Disclosure Act (HMDA), both of which shed new light on the housing situation in Houston.

The HAR data, in particular, helped us understand the dramatic changes in the home ownership market, especially rising prices and low inventory. The HMDA data provided us with rich insight into trends in home mortgages, especially the inequalities that led homebuyers of color to be denied mortgages more often, pay higher interest rates, and bear higher debt-to-value ratios.

When the Kinder Institute first began working on housing just prior to Hurricane Harvey in 2017, housing affordability and inequality were not widely recognized as issues in Houston. Compared to other major metropolitan markets, Houston was inexpensive, and to most people, that was the end of the story. In the five years since, a whole series of issues—Harvey, COVID-19, the winter freeze—have highlighted how vulnerable Houstonians are to housing problems, such as being priced out of the ownership market, intense competition for rental apartments, and risk of eviction. With this third State of Housing report, it is the Kinder Institute’s hope that major players in Houston can work with each other—and with us—to not only document these major issues but to also find solutions that will benefit all Houstonians and the metropolitan area as a whole.

I-1. Methodology

The 2022 State of Housing report is the third annual report from the Kinder Institute for Urban Research.

The first report (2020) focused on documenting and analyzing neighborhood level data from 2010 to 2018. The second report (2021) shifted to county and city level and analyzed year-to-year changes from 2018 to 2019, which could be done only at the city and county levels. In this year’s installment, the ostensible goal was to follow the previous year’s model and capture the year-to-year changes in housing indicators from 2019 to 2020. Instead, this report always attempts to use 2021 or the most recent available data, and analyzes year-to-year trends from 2019 to 2020, or 2020 to 2021 (depending on the source’s last available data). When appropriate, we highlight 2011–2021 trends in order to put the pandemic’s effect on the housing system into a larger context.

This shift was largely for two reasons: COVID-19’s housing impact and data availability.

First, COVID-19’s impact on the housing sector has been gigantic. The pandemic changed the rules of the housing sector, and we felt it necessary to change the rules in how we report data in State of Housing. If we only focused on 2019–2020, then we would not analyze the massive changes to the housing market that happened mostly in 2021 after the economy started to re-open post lockdown. Therefore, it felt appropriate to bring 2021 into this year’s report.

Second, previous State of Housing reports largely leaned on ACS data from the U.S. Census Bureau. For various reasons, the release of these data in 2021 was significantly delayed. At the same time, other data sources became available to Kinder researchers, and staff began using other publicly available datasets to tell a new story. These data include housing market data from Houston Association of Realtors (HAR), mortgage loan data from Home Mortgage Disclosure Act (HMDA), FEMA data on disaster resilience, and data on homelessness. New data led to the creation of new yearly baselines.

Altogether, these new sources and data baselines help us tell a deeper, more nuanced story about our local housing sector.

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1 Data for neighborhood level geographies, such as census block groups and census tracts, come from American Community Survey (ACS) 5-year surveys. The Census Bureau recommends against using 5-year estimates for year-to-year comparisons due to overlapping survey samples. ACS 1-year estimates, however, can be used for year-to-year analysis, but these data are only available at city- or county-level (or larger) geographies. For more information, please consult: https://www.census.gov/programs-surveys/acs/guidance/estimates.html

Section 1.
Surging Sale Prices, Moderate Rent Increases

The pandemic has been a flashpoint for housing issues nationwide: Housing demand has changed as people desire more space to work from home, while construction supplies and labor have become scarcer.

While home prices have increased locally, that increase is almost entirely for standalone single-family homes. Other owner-occupied housing types that urbanists have advocated for—specifically townhomes and condominiums—have appreciated exponentially but continue to make up less than 10% of the sales market county-wide or 16% in Houston.

1-1. Home Sales Prices Are Climbing, Especially Outside the Central City

This past year, Houston home sales hit a landmark: The median home sale price topped $300,000 for the first time in 2021 and approached $350,000. The median sales price in Harris County is close to $300,000, and its price gap with the city is narrowing. Between 2020 and 2021, the median sales price in Harris County and Houston increased by 16% and 10%, respectively. Suburban homes are increasing in price faster than those in the city.

A housing price index helps put this increase into a larger perspective. The housing price index is a statistic created by the U.S. Federal Reserve, which set the index at 100 to reflect local home prices for the first quarter of 1995. While the index has historically increased at a gradual pace, between Q1 2020 and Q4 2021 the Houston metro’s price index increased by 18% in only 2 years.

FIGURE 1
Median Sales Price, Harris County and Houston, 2011–2021

Source: Houston Association of Realtors
The index reached 300 in the second quarter of 2021, meaning that a house is now three times as expensive as it was in the first quarter of 1995.

The Houston MSA’s home price increases follow a similar trend in Sun Belt regions. All of the Sun Belt metros amongst our benchmark regions (Houston, Dallas, and Atlanta) had large price increases post-COVID-19, while the Chicago metro area’s index has not grown as quickly.

Houston-area homes are not only more expensive, they also sell more quickly. Homes sell almost twice as fast as they did before the pandemic.

Inventory levels in the Houston area were historically low in 2021, indicating that the market extremely favored sellers over buyers. (“Inventory months” refers to the number of months it would take to sell all active listings, assuming no new listings were added and sales occurred at the same pace of the previous 12 months.)
In Figure 4, note the steep downward curves for the city and county starting in 2019. The COVID-19 pandemic put the market into overdrive, and on average, a home disappeared from the market in less than two months. While both are seller’s markets, the countywide inventory was significantly lower than the city’s, indicating that demand for housing in the periphery outpaced that of the central city.

The number of closed listings in Harris County surpassed 60,000 for the first time, though the rate of increase is larger in the county, signaling a hotter suburban home market. Between 2020 and 2021, the number of closed listings increased by 14% and 24% in Houston and Harris County, respectively.

1-2: Single-Family Homes Dominate the Sales Market

In previous State of Housing reports, we documented that while single-family homes have historically been the backbone of our regional housing stock, other home types (notably townhomes and condominiums) have increasingly become part of Houston and Harris County’s housing mix. This mix allows buyers with different incomes and preferences to enter the market.

However, after COVID-19, single-family homes are more popular than ever, at the expense of townhomes and condominiums. Home buyers likely want more space to work from home. The early stages of the pandemic also led to increased desire for social distancing, pushing people away from condominiums and “shared-wall” living.

In the previous section, we looked at the housing price increase and inventory as a whole, while this section breaks down housing price growth into different housing types.

In short, single-family homes and townhomes have seen larger price increases than condominiums, whose prices have not increased as rapidly.

In the previous section, we also noted that in Harris County overall, homes have increased in price faster than homes in Houston city limits. As Figure 5 shows us, this increase is more attributable to increases in townhome and single-family home prices, as Harris County condominium prices have remained relatively stable. It is larger, not smaller, homes that are appreciating faster, suggesting the desire for space is a driving factor.

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3 Condominiums are often apartment-style multifamily dwellings, but individual units are owned independently. Although some condominiums may include detached units that appear to be single-family homes, their condominium community association owns and manages the common amenities.
Single-family home sales are driving the local real-estate sector. Between 2020 and 2021, the sales volume of single-family home sales in the county increased by $5 billion (34%). This increase alone is larger than the total volume of all townhome and condominium sales.

The growing popularity of single-family homes may worry advocates of diversifying the area’s housing stock, as builders may note this housing type’s popularity and not pursue more creative, albeit smaller projects.

Harris County’s total closing sales reached $20 billion for the first time in 2021, and Houston’s closing sales volume climbed as well, accounting for about half of the county’s total housing sales volume.

Traditionally affluent communities on the west side inside Beltway 8 have higher single-family median sales prices. Memorial Villages, West University/Southside, and Afton Oaks/River Oaks are the three communities with single-family median sales prices over $1 million.
### SECTION 1: SURGING SALE PRICES, MODERATE RENT INCREASES

#### FIGURE 7

**Single-Family Home Median Sales Price by Community, 2021**

[Map showing median sales price by community, with color coding for different price ranges.]

*Source: Houston Association of Realtors*

#### FIGURE 8

**Months of Inventory by Housing Type, Harris County, 2011-2021**

[Bar chart showing months of inventory by housing type over the years.]

*Source: Houston Association of Realtors*
The median sales price of single-family homes in University Place, Bellaire, Upper Kirby/Greenway, Memorial, Montrose, Heights, and Spring Branch East is also more than $500,000.

The post-pandemic period has made the market more volatile in different ways for different housing types.

For example, when the pandemic hit, the condominium market slowed down immensely (as its inventory jumped to higher than 5 months), while the single-family and townhome markets accelerated.

By 2021, the condominium market recovered and its inventory months (less than 3) were actually fewer than the pre-COVID-19 levels. This shows that the pandemic was not the outright death of the multifamily or “high-density” market. Townhomes, which are more concentrated within the city itself, also started to sell more quickly.

Houston’s townhomes and condominiums constitute a larger share of sales than Harris County’s, and their share of local closings grew after the pandemic. In the 2010s, the city’s townhome and condominium sales represented 20% to 30% of all housing transactions in the city.

Another data point that indicates the enduring popularity of smaller homes: Homes have not gotten bigger.

In Harris County and Houston, the median size of sold and rented homes has remained stable since 2011. If there is a desire for larger homes with home offices, not enough of these homes have been built (yet) to greatly change the region’s overall housing mix.

Perhaps one of the reasons homes have not grown in size is that prices per square foot have increased dramatically. The median closed price per square foot in Houston was over $160, while it was nearly $140 in Harris County.

The price per square foot increased more than 15% in one year alone. Note that this is the per square foot price, so the total price of a home would have increased more dramatically.
Conventional wisdom suggests that building more homes will stabilize home prices. But new home sales are a small part of the county’s real estate sector.

Newly built home sales were concentrated in a few communities, including northwest suburban areas such as Cypress South and Katy North, Atascocita in the northeast, and inner-city communities such as the Heights and Oak Forest.

Unlike newly built home sales, which were mostly concentrated in a few communities, existing home sales occurred across most of the county’s communities. However, existing home sales are also concentrated in affluent inner-city areas and newly developed northwestern suburban communities. Heights and Uptown had the largest sales volume, with Klein East, Cypress North, and Klein West following closely behind.
SECTION 1. SURGING SALE PRICES, MODERATE RENT INCREASES

FIGURE 11
Sales Volume of Newly Built Homes by Community, 2021

FIGURE 12
Sales Volume of Existing Homes by Community, 2021
One sensible reason that fewer new homes seemed to appear: The cost of inputs to residential construction increased almost 50% in one year alone.

Commodity data indices help us understand this construction cost increase. The Producer Price Index (PPI) commodity data for inputs to residential construction goods increased over 30%, from 225 in March 2020 to 293 in January 2022. Builders and home purchasers theoretically needed to absorb these costs.

This highlights the challenges of developing affordable houses in the housing market. The high increase in construction input costs suggests that housing prices will continue to rise as construction expenses increase.

Lumber prices soared following the COVID-19 pandemic. Prior to early 2020, the price of lumber remained stable and hovered around $400 per 1,000 board feet. Yet by May 2021, the lumber price was...
$1,671 per 1,000 board feet, compared to around $300 in Spring 2020.

Lumber prices have yet to “return to normal,” though they have dropped to around $600 per 1,000 board feet as of May 2022—still higher than historic norms.

These cost increases seem to have affected local home construction. The number of newly built residential units in Harris County declined from 2020 to 2021, even with high demand and high home prices.

But this trend was uneven for different housing types. From 2020 to 2021 single-family home building remained robust. The annual number of newly built single-family homes increased by 2% between the two years, and their total value rose by 14%.

In the case of multifamily, the annual number of newly built multifamily units decreased by 2,000 units, or 13%, while their total value decreased by 19%, indicating a weaker multifamily market compared to the single-family market in Harris County. As multifamily units are the backbone of the region’s affordable housing stock, a long-term slowdown in this sector can have major implications for the region’s home affordability.

### Newly Built Units, Single-family and Multifamily Homes, Harris County, 2020 and 2021

<table>
<thead>
<tr>
<th>Harris County</th>
<th>SF Units</th>
<th>MF Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2020</td>
<td>20,842</td>
<td>16,032</td>
<td>36,874</td>
</tr>
<tr>
<td>Year 2021</td>
<td>21,217</td>
<td>13,944</td>
<td>35,161</td>
</tr>
<tr>
<td>Annual Change (%)</td>
<td>2%</td>
<td>-13%</td>
<td>-5%</td>
</tr>
</tbody>
</table>
The Houston housing market follows a pattern similar to that of the county, with an increase in the annual number of new single-family units and a drop in the annual number of new multifamily units.

While multifamily homes continue to dominate Houston’s housing market in 2021, an increase in single-family homes and a decrease in new multifamily homes shrunk the “difference” between the two housing types. The difference between newly built single-family and multifamily homes in 2021 was only 1,000 units, much smaller than the prior year.

This may be a rational business decision made by builders and investors who are reacting to fluctuating prices. The annual value of new single-family homes climbed by 29% between 2020 and 2021, while the annual value of new multifamily units declined by 28%.

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Newly Built Units, Single-family and Multifamily Homes, Houston, 2020 and 2021</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Houston</td>
</tr>
<tr>
<td>Year 2020</td>
<td>5,923</td>
</tr>
<tr>
<td>Year 2021</td>
<td>7,146</td>
</tr>
<tr>
<td>Annual Change (%)</td>
<td>21%</td>
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</tbody>
</table>
1-4. Renters Are Facing More Gradual Increases

The previous sections mostly covered homeowners and home construction, as the strong single-family home sales market was a major housing story of the COVID-19 crisis. The rest of the sub-section focuses on renters, whose price increases have generally not been as severe.

We use the HAR dataset for rent-related information which includes single-family homes, townhomes, and condominiums that would have been sold in the sales market. We rely on the multiple listing services (MLS) data because of the delay in publication of the U.S. Census Bureau’s 2020 American Community Survey estimates. (The 2020 and 2021 reports used ACS data.)

However, the HAR dataset does not include regular apartment rentals. This section highlights trends for rentals listed by HAR and does not represent the rental market at large.

2021 marked the year that Harris County and Houston had the same median rent. Median rent in the county “caught up” to rent in the city, reaching $1,750. Across both sales and rentals, housing costs in the city and county have become more equal.

This may be attributed to a few factors. One potential factor is the very large increase in single-family rentals in Harris County that we have noted in previous State of Housing reports.

As further evidence of that point: 2021 housing-type data point toward the high demand of single-family rentals. In the past two years, single-family home rents have increased more than townhome or multifamily rents.

The median price per square foot for rental properties has gradually climbed since 2011, similar to the sales market, but without the recent post-COVID-19 explosive growth. Rental units in Houston are more expensive per square foot than those in Harris County. Yet in 2021, Harris County also reached its highest median rental price per square foot, which for the first time surpassed $1. As it is with home sales, the county is catching up to the city on prices.

We anticipate that rent prices will increase more in the coming year as a result of inflation, rising land values, and increases in property tax bills.

### TABLE 4
Median Closed Price per Square Foot, For Homes Rented or Sold, Harris County and Houston, 2011–2021

<table>
<thead>
<tr>
<th>Years</th>
<th>Homes Rented</th>
<th>Homes Sold</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Harris County</td>
<td>Houston</td>
</tr>
<tr>
<td>Year 2011</td>
<td>$0.7</td>
<td>$0.9</td>
</tr>
<tr>
<td>Year 2012</td>
<td>$0.8</td>
<td>$0.9</td>
</tr>
<tr>
<td>Year 2013</td>
<td>$0.8</td>
<td>$1.0</td>
</tr>
<tr>
<td>Year 2014</td>
<td>$0.8</td>
<td>$1.1</td>
</tr>
<tr>
<td>Year 2015</td>
<td>$0.9</td>
<td>$1.2</td>
</tr>
<tr>
<td>Year 2016</td>
<td>$0.9</td>
<td>$1.1</td>
</tr>
<tr>
<td>Year 2017</td>
<td>$0.9</td>
<td>$1.1</td>
</tr>
<tr>
<td>Year 2018</td>
<td>$0.9</td>
<td>$1.1</td>
</tr>
<tr>
<td>Year 2019</td>
<td>$0.9</td>
<td>$1.1</td>
</tr>
<tr>
<td>Year 2020</td>
<td>$1.0</td>
<td>$1.1</td>
</tr>
<tr>
<td>Year 2021</td>
<td>$1.1</td>
<td>$1.2</td>
</tr>
</tbody>
</table>

Source: Houston Association of Realtors
SECTION 1: SURGING SALE PRICES, MODERATE RENT INCREASES

FIGURE 17  Median Rent, Harris County and Houston, 2011–2021

FIGURE 18  Median Rent by Housing Type, Harris County and Houston, 2011–2021

Source: Houston Association of Realtors
Section 2.
Racial Inequities in Housing

Home price increases need to be understood in the context of today’s racial inequities in access to housing. Systemic racism has evolved from explicitly racist segregation in land-use policies and lending practices in the early- and mid-20th century into implicit biases and racist outcomes within the ostensibly “colorblind” economic, political, and social institutions shaping access to housing in the U.S today.

This section mostly examines indicators about access to credit and home mortgages, using Home Mortgage Disclosure Act (HMDA) data on home loans. Unfortunately, there are many sectors of the housing system where we can analyze racist outcomes and processes. We choose to focus on home mortgage lending given the importance of homeownership in building intergenerational wealth and shaping economic mobility of the population.

2-1. Homeownership Rates are Decreasing Overall, Most Notably for Black Houstonians

In general, homeownership rates in Harris County and Houston are low and decreased from 2010 to 2020.

Between 2010 and 2020, Black residents in Harris County experienced the greatest reduction in homeownership, decreasing 5 percentage points, and only a third of the county’s Black households owned a home in 2020.

![Homeownership Rate by Race/Ethnicity, 2010 and 2020](source: American Community Survey, 5-Year estimates, 2010 and 2020)
This is roughly half the white homeownership rate and is far lower than the county’s homeownership rate (55%).

The homeownership rate in the city is considerably lower than in the county. In 2020, about 43% of Houston households owned a home, a decrease of 4 percentage points compared to 2010. The homeownership rate among Black homeowners in the city declined by 7 percentage points during the decade.

### 2-2. Home Loan Originations are Trending Upward for Non-white Houstonians—but So Are Denials

The most common racial and ethnic group to successfully originate mortgage loans in Harris County is non-Hispanic whites, totaling over 40% of originations despite being less than 30% of the population.

Hispanics increased their share of successful loan originations from 2019 to 2020. However, Hispanic homebuyers in Harris County faced higher interest rates and bought homes of lesser value. This implies that the racial wealth gap is likely to persist in Harris County despite homeownership gains in the Hispanic population.

Black and Hispanic Harris County residents are also more likely to have their loans denied. The ratios of denials to originations were highest among Hispanic and Black applicants in Harris County, while the ratio was lowest among whites.

One positive trend: Between 2019 and 2020, Black Harris County loan applicants were slightly less likely to have their loans denied, while the denial-to-origination ratio increased for all other non-white populations.

---

**FIGURE 20** Shares of Successful Originations by Race/Ethnicity, Harris County, 2019 and 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Hispanic</th>
<th>non-Hispanic White</th>
<th>non-Hispanic Black</th>
<th>non-Hispanic Asian</th>
<th>non-Hispanic Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>14,221</td>
<td>18,063</td>
<td>4,670</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>15,990</td>
<td>18,933</td>
<td>5,775</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Home Mortgage Disclosure Act (HMDA)

**FIGURE 21** Ratios of Denials to Originations by Race/Ethnicity, Harris County, 2019 and 2020

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>0.124</td>
<td>0.143</td>
</tr>
<tr>
<td>non-Hispanic White</td>
<td>0.052</td>
<td>0.084</td>
</tr>
<tr>
<td>non-Hispanic Black</td>
<td>0.235</td>
<td>0.235</td>
</tr>
<tr>
<td>non-Hispanic Asian</td>
<td>0.175</td>
<td>0.143</td>
</tr>
<tr>
<td>non-Hispanic Other</td>
<td>0.135</td>
<td>0.150</td>
</tr>
</tbody>
</table>

Source: Home Mortgage Disclosure Act (HMDA)


### TABLE 5

<table>
<thead>
<tr>
<th>Median Loan Amount</th>
<th>Hispanic</th>
<th>White</th>
<th>Black</th>
<th>Asian</th>
<th>Other</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2019</td>
<td>$185,000</td>
<td>$255,000</td>
<td>$205,000</td>
<td>$215,000</td>
<td>$255,000</td>
<td>$215,000</td>
</tr>
<tr>
<td>Year 2020</td>
<td>$195,000</td>
<td>$265,000</td>
<td>$225,000</td>
<td>$235,000</td>
<td>$255,000</td>
<td>$225,000</td>
</tr>
</tbody>
</table>

Source: Home Mortgage Disclosure Act (HMDA)

### TABLE 6

<table>
<thead>
<tr>
<th>Median Interest Rate</th>
<th>Hispanic</th>
<th>White</th>
<th>Black</th>
<th>Asian</th>
<th>Other</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2019</td>
<td>4.45</td>
<td>4.13</td>
<td>4.38</td>
<td>4.00</td>
<td>4.13</td>
<td>4.25</td>
</tr>
<tr>
<td>Year 2020</td>
<td>3.25</td>
<td>3.13</td>
<td>3.25</td>
<td>3.13</td>
<td>3.13</td>
<td>3.25</td>
</tr>
</tbody>
</table>

Source: Home Mortgage Disclosure Act (HMDA)
and Hispanic applicants enter the mortgage application process with already large debt loads.

Among non-Hispanic Blacks and Hispanics, debt-burdened applicants outnumber non-debt-burdened. High-debt-burdened applicants may be carrying too much debt and are more likely to miss a monthly payment or default on the loan, making their home loan application less likely to be accepted. The ratio of high-debt-burdened to low-debt-burdened loan applicants is low among non-Hispanic whites and non-Hispanic Asians.

One positive takeaway: The ratio of high-debt-burdened applicants appears to be shrinking across all racial/ethnic groups, and that decline is most pronounced amongst non-Hispanic Black and Hispanic applicants.

Among high-debt-burdened loan applicants, Hispanics and non-Hispanic Blacks had the greatest ratios of loan denials to originations. Non-Hispanic whites with high-debt-burden levels, on the other hand, had the lowest denials to originations ratio.

Based on the differences in denials to originations ratios among racial and ethnic groups, there appear to be inconsistencies in the mortgage system. To evaluate whether Harris County’s mortgage system is racially and ethnically biased, however, more sophisticated assessments that control for other characteristics are required.

2-4. Foreclosures Are Concentrated in Minority-Majority Suburban Neighborhoods

We see racial unevenness not only in loan terms, but also in the types of communities that face foreclosures. Suburban communities of color are the site of disproportionately high foreclosures, which likely is correlated with these communities having worse mortgage loan terms.

It is important to remember that a foreclosure represents a series of events, and we chose to analyze 2005–2020 notice of trustee sales records in order to identify residential owner-occupied properties that went to foreclosure sales. The sales were then mapped to understand the spatial distribution of the foreclosures.

### TABLE 7
**Average Loan-to-Value (LTV) by Race and Ethnicity with Successfully Originated Loans**

<table>
<thead>
<tr>
<th>Average LTV Ratios</th>
<th>Hispanic</th>
<th>White</th>
<th>Black</th>
<th>Asian</th>
<th>Other</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2019</td>
<td>99.08</td>
<td>84.65</td>
<td>93.97</td>
<td>80.23</td>
<td>86.27</td>
<td>89.50</td>
</tr>
<tr>
<td>Year 2020</td>
<td>92.15</td>
<td>85.36</td>
<td>94.28</td>
<td>81.51</td>
<td>86.52</td>
<td>88.19</td>
</tr>
</tbody>
</table>

Source: Home Mortgage Disclosure Act (HMDA)

### TABLE 8
**Ratio of High-Debt-Burdened Loan Applicants to Low-Debt-Burdened Loan Applicants by Race and Ethnicity (with 0.4 DTI Threshold)**

<table>
<thead>
<tr>
<th>High DTI Apps to Low DTI Apps</th>
<th>Hispanic</th>
<th>White</th>
<th>Black</th>
<th>Asian</th>
<th>Other</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2019</td>
<td>1.27</td>
<td>0.61</td>
<td>1.74</td>
<td>0.77</td>
<td>0.76</td>
<td>0.92</td>
</tr>
<tr>
<td>Year 2020</td>
<td>1.21</td>
<td>0.56</td>
<td>1.60</td>
<td>0.65</td>
<td>0.68</td>
<td>0.86</td>
</tr>
</tbody>
</table>

Source: Home Mortgage Disclosure Act (HMDA)

### TABLE 9
**Ratio of Denials to Originations among High-Debt-Burdened Loan Applicants by Race and Ethnicity**

<table>
<thead>
<tr>
<th>Denials to Originations among High DTI Apps</th>
<th>Hispanic</th>
<th>White</th>
<th>Black</th>
<th>Asian</th>
<th>Other</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2019</td>
<td>0.26</td>
<td>0.13</td>
<td>0.27</td>
<td>0.21</td>
<td>0.20</td>
<td>0.21</td>
</tr>
<tr>
<td>Year 2020</td>
<td>0.30</td>
<td>0.13</td>
<td>0.29</td>
<td>0.25</td>
<td>0.22</td>
<td>0.24</td>
</tr>
</tbody>
</table>

Source: Home Mortgage Disclosure Act (HMDA)
SECTION 2. RACIAL INEQUITIES IN HOUSING

FIGURE 22  Foreclosed Owner-Occupied Homes by Census Tract, 2005–2020

FIGURE 23  Census Tracts with Higher or Lower Foreclosure Rates than the County Overall, 2002–2020
This analysis adds to last year’s analysis by using historical data that covers the late 2000s foreclosure crisis and Great Recession, while last year’s *State of Housing* only used data from 2017–2019. At first glance (Figure 22), one sees that the homes facing foreclosure were disproportionately in Harris County’s fringes, particularly around north Aldine, south Spring, Tomball, Bear Creek, and Humble. These areas contain many new owner-occupied homes marketed at moderate-income buyers, so it makes sense that they would also have high numbers of foreclosures.

In order to account for high concentrations of foreclosures, we compared each census tract’s foreclosure rate (total foreclosures divided by total owner-occupied homes in 2019) to the county’s foreclosure rate. This “foreclosure quotient” tells us whether a tract has a higher or lower foreclosure rate than the county as a whole. For example, a rate greater than 1 means that the census tract has more foreclosures relative to the county.

Since 2005, foreclosures have largely, though not entirely, been concentrated in communities of color. In

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**SECTION 2: RACIAL INEQUITIES IN HOUSING**

Figure 23, areas colored orange or red had higher foreclosure rates than the countywide rate.

These areas include fewer of the suburban areas mentioned above and more predominately Black and Hispanic communities like Sunnyside, Acres Homes, and Greenspoint. The 10 census tracts with the highest foreclosure quotients are all minority-majority tracts, with usually a supermajority of non-white residents. They are also suburban areas. With the exception of Third Ward, none of these high foreclosure/majority non-white tracts are Inner Loop communities.

Many of high-foreclosure-quotient areas also did not have a high raw number of foreclosures. Why areas with generally few homeowners would still have high foreclosure rates remains a point to analyze further and invites historical research into what exactly happened in these places in order to perpetuate racial injustice in housing. Who were the lenders, and how did they find borrowers? What were the terms of the borrowers’ loans? What happened to residents after their homes were foreclosed, and who purchased the foreclosed home: an investor or another owner occupier? Analyses like in this report, using quantitative HMDA and foreclosure data, tell only part of the story.

---

### Table 10: Census tracts with the ten highest foreclosure quotients, by race

<table>
<thead>
<tr>
<th>Tract GEOID</th>
<th>CTA containing tract</th>
<th>Foreclosure Quotient</th>
<th>Total Foreclosed Owner-Occupied Homes, 2005–2020</th>
<th>Population</th>
<th>%Hispanic</th>
<th>%Black</th>
<th>%White</th>
<th>%Asian</th>
<th>%Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>48201550200</td>
<td>Greenspoint</td>
<td>16.4</td>
<td>89</td>
<td>4,381</td>
<td>36.3%</td>
<td>53.1%</td>
<td>7.3%</td>
<td>0.3%</td>
<td>2.9%</td>
</tr>
<tr>
<td>48201312700</td>
<td>Third Ward</td>
<td>3.7</td>
<td>161</td>
<td>2,069</td>
<td>4.7%</td>
<td>76.4%</td>
<td>13.7%</td>
<td>2.2%</td>
<td>2.9%</td>
</tr>
<tr>
<td>48201240502</td>
<td>Greenspoint</td>
<td>3.3</td>
<td>41</td>
<td>5,979</td>
<td>68.1%</td>
<td>28.9%</td>
<td>2.1%</td>
<td>0.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>48201331200</td>
<td>Sunnyside</td>
<td>3.1</td>
<td>179</td>
<td>3,637</td>
<td>4.7%</td>
<td>92.0%</td>
<td>1.0%</td>
<td>0.7%</td>
<td>1.7%</td>
</tr>
<tr>
<td>48201241102</td>
<td>Spring</td>
<td>3</td>
<td>1,064</td>
<td>12,773</td>
<td>38.0%</td>
<td>27.6%</td>
<td>29.9%</td>
<td>1.0%</td>
<td>3.5%</td>
</tr>
<tr>
<td>48201433600</td>
<td>Westwood</td>
<td>2.9</td>
<td>59</td>
<td>6,571</td>
<td>55.0%</td>
<td>35.4%</td>
<td>2.7%</td>
<td>4.2%</td>
<td>2.7%</td>
</tr>
<tr>
<td>48201240702</td>
<td>Aldine Northwest</td>
<td>2.9</td>
<td>1,061</td>
<td>14,051</td>
<td>52.8%</td>
<td>30.7%</td>
<td>12.7%</td>
<td>2.2%</td>
<td>1.7%</td>
</tr>
<tr>
<td>48201241103</td>
<td>Spring</td>
<td>2.8</td>
<td>288</td>
<td>4,328</td>
<td>42.1%</td>
<td>20.0%</td>
<td>37.0%</td>
<td>0.2%</td>
<td>0.7%</td>
</tr>
<tr>
<td>48201331800</td>
<td>South Park</td>
<td>2.7</td>
<td>196</td>
<td>3,985</td>
<td>16.9%</td>
<td>78.8%</td>
<td>2.5%</td>
<td>0.5%</td>
<td>1.3%</td>
</tr>
<tr>
<td>48201550500</td>
<td>Spring Southwest</td>
<td>2.7</td>
<td>311</td>
<td>6,803</td>
<td>53.4%</td>
<td>31.6%</td>
<td>1.9%</td>
<td>10.3%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Source: 2019 American Community Survey 5-year estimates
All race categories are non-Hispanic/Latino
Section 3. Economic Inequality and Housing

Economic inequality (e.g., employment, income, and wealth outcomes) also contributes to inequities in housing. Prior state of housing reports have alluded to “two housing realities” in the Houston area, one for homeowners and one for renters. The impact of surging home prices identified during the pandemic has further diverged these two realities. Included here are indicators about the widening affordability gap, cost burdens, homelessness, and economic anxiety as revealed through surveys.

3-1. The Affordability Gap Continues to Expand, Making Homeownership Even More Elusive for Renters

As the median sales price sharply increased from 2011 to 2021, the affordability for first-time homebuyers significantly worsened. Using the 2011 and 2021 median sales prices from HAR, and 2011 and 2020 (from the most recently available ACS dataset) renters’ median household income, Kinder researchers calculated the affordability gap for renters. We also reported the homeowners’ affordability gap, similarly calculated based on 2011 and 2020 data. This allowed us to compare the differences between two groups—first-time homebuyers and experienced homebuyers—in order to discover inequities.

To begin, affordable housing prices were calculated using the median household income for renters, existing homeowners, and all residents, based on the assumption that households should spend no more than 30% of their income on housing-related costs such as mortgage-related fees, property insurance premiums, and property taxes. Second, the affordability gap for renters, existing homeowners, and all residents was calculated by comparing median sales prices and affordable housing prices for renters, existing homeowners, and all residents using these parameters: Mortgage rates from Freddie Mac (4.50% in 2011 and 2.96% in 2021); mortgage insurance costs (0.85% of the loan value), property taxes (2% of the property value), property insurance premiums (1% of the property value), and down payment costs (3.5% of the property value) were all used equally for renters, and for hypothetical comparison purposes, existing homeowners and all residents.

The affordability gap for all buyers widened between 2011 and 2021, owing to increases in the median sales price in the county (from $139,000 in 2011 to $285,000 in 2021) and the city (from $167,900 in 2011 to $315,095 in 2021). The city’s residents face a greater affordability gap than those in the county in 2021, as the city’s median sales price is higher than the county’s, while the city’s median household income ($53,600) is lower than the county’s ($63,022).

The affordability gap, though smaller in the county in 2021, widened at a faster rate than the city over the past 10 years. In 2011, homebuyers earning the median household income could afford a house at the median sales price. In 2021, however, homebuyers with the median household income faced a $30,000 affordability gap.
Note that the average weekly fixed-rate mortgage (FRM) rate was 4.50% in 2011 and 2.96% in 2021. The affordability gap assessment result in 2022 will differ from current assessments for the year 2021, because of a rise in FRM and increasing home prices throughout the city and county.

In order to assess the affordability gap that renters have, the existing homeowners’ affordability gap is also evaluated in the same circumstances as renters, who generally have a 3.5% housing price down payment. Despite the strict down payment rate, which requires homebuyers to pay private mortgage insurance if their down payment is less than 20% of the housing price, existing Harris County homeowners have enough money to buy a home at the current median sales price with their current median household income.

Renters, on the other hand, faced significant affordability gaps in 2021 ($135,500 in Harris County and $172,067 in Houston). The median sales price was roughly twice what renters could afford in 2021, assuming they were a median household income earner attempting to purchase a home at the median price level in the county and city.

The median sales prices in Harris County and Houston were always higher than the housing prices that are deemed affordable to renters, based on the median household income for renters in the corresponding years, according to the Kinder Institute’s previous reports assessing the affordability gaps in 2011, 2018, and 2019.6

In 2021, the gap was $135,500 in the county and $172,067 in the city. In addition to a sharp rise in the affordability gap for renters from 2011 to 2021, as illustrated in Figure 25, the gap in 2021 was larger than all other previous years ($92,679 in 2018, $94,297 in 2019 in Harris County, and $147,358 in 2018 and $140,190 in 2019 in Houston). This increase is due to the unexpectedly high housing prices in the recent two years, despite historically low mortgage rates.

Many renters in Houston will not be able to afford a home if housing prices continue to rise. Because mortgage rates have risen in recent months, the affordability gap in 2022 will increase even further. A large number of renters in the Houston area may be forced to remain renters. However, their housing cost burden will be significant even if they remain renters, because the rental market typically follows the pattern of rising sales prices.

3-2. Renters Are More Likely to Be Cost-Burdened

In Harris County in 2020, about half a million households earning less than $75,000 annually paid too much on housing. Following a standard definition in housing policy circles, we defined “cost-burdened” households as those spending more than 30% of their income on housing costs. About 65% of the cost-burdened households were renters. A larger share of county’s renters earning less than $35,000 were cost-burdened.

About half of renters were cost-burdened, and half of these cost-burdened renters spent more than 50% of their income, which is considered severely cost-burdened. Homeowners are less likely to be cost-burdened than renters. Slightly more than 20% of the county’s homeowners were considered cost-burdened, and 9% were considered severely cost-burdened.

The less households earn, the more likely they will be cost-burdened.

A majority of renters earning less than $50,000 were cost-burdened, and the tendency to be severely cost-burdened increases as the amount of money that renters earn is reduced. The share of homeowners who are cost-burdened or severely cost-burdened is relatively lower than the same income group for the county’s renters. A majority of homeowners earning more than $35,000 spent less than 30% of their household income on house-related costs.

Our county’s affordability problem has larger implications. People earning less than $35,000 include essential medical workers, personal aides, and retail salespeople. If these workers have a difficult time finding homes in Harris County, this may make staffing even more difficult or may burden our already stressed transportation system with even more long-distance commuters.
SECTION 3. ECONOMIC INEQUALITY AND HOUSING

FIGURE 26 Cost Burden by Housing Tenure, Harris County, 2020

- % Spent more than 50%
- % Spent between 30% - 50%
- % Spent less than 30%

ALL: 16% 18% 66%
HOMEOWNER: 9% 13% 78%
RENTER: 25% 26% 50%

FIGURE 27 Cost Burden by Housing Tenure, Houston, 2020

- % Spent more than 50%
- % Spent between 30% - 50%
- % Spent less than 30%

RENTER: 26% 26% 49%
HOMEOWNER: 9% 12% 78%
ALL: 18% 20% 62%

Source: American Community Survey, 5-Year estimates, 2020

FIGURE 28 Cost Burden by Housing Tenure and Income Group, Harris County, 2020

- % Spent more than 50%
- % Spent between 30% - 50%
- % Spent less than 30%

LESS THAN $10,000
RENTER: 90% 7% 4%
HOMEOWNER: 82% 12% 6%
MONEY THAN $100,000: 6% 10% 4%

LESS THAN $10,000
RENTER: 86% 9% 5%
HOMEOWNER: 73% 30% 5%
MONEY THAN $100,000: 1% 9% 5%

LESS THAN $10,000
RENTER: 28% 28% 24%
HOMEOWNER: 26% 58% 22%
MONEY THAN $100,000: 10% 89% 95%

FIGURE 29 Cost Burden by Housing Tenure and Income Group, Houston, 2020

- % Spent more than 50%
- % Spent between 30% - 50%
- % Spent less than 30%

LESS THAN $10,000
RENTER: 90% 6% 4%
HOMEOWNER: 83% 12% 5%
MONEY THAN $100,000: 5% 11% 4%

LESS THAN $10,000
RENTER: 82% 12% 7%
HOMEOWNER: 82% 35% 7%
MONEY THAN $100,000: 98% 12% 7%

LESS THAN $10,000
RENTER: 42% 24% 23%
HOMEOWNER: 27% 51% 63%
MONEY THAN $100,000: 9% 89% 95%

Source: American Community Survey, 5-Year estimates, 2020
Source: Harris County Community Services Department. (2021). My Home is Here.
3-3. A Worsening Shortage of Affordable Housing for Low-Income Renters and Increasing Rates of Severe Crowding

The affordability challenge can trickle down to middle and lower-income groups. Affordable housing shortages at specific income brackets affect the entire housing system.

The affordable housing shortage is most acute for the poorest households (earning between 0% and 30% of MHI). For that poorest bracket, there is a shortage of over 150,000 affordable homes. Moderately poor households (60%-80% MHI) and wealthier households (more than 120%) also have large shortages.

For households earning between 0% and 60% of the MHI, there are fewer affordable homes than there are households needing those homes. This means very poor households earning 30%-60% MHI must compete for housing with the extremely poor (earning 0%-30%), and potentially pushing that lowest bracket out of the market.

The affordability challenge affects people at all income brackets, not only the poorest. Even for middle income households earning between 80% and 120% MHI, there is competition from households earning more than 120%.

In Harris County, there are significantly more low-income households than there are affordable rental units for them. We used 30% and 50% of the Houston-area median family income from HUD income limits to define the income thresholds for extremely low-income (ELI) households and very low-income (VLI) households, as well as a rent threshold based on 30% of an ELI or VLI family’s income spent on housing. To meet the affordable housing needs of these households, the county needs another 153,000 units for ELI families and 92,000 units for VLI families.

As the county’s population has increased over the past 10 years, the problem of overcrowding has intensified. Renter-occupied units have become more overcrowded than owner-occupied homes. Although there were more overcrowded owner-occupied and renter-occupied units in 2020 when compared to 2010, renters were more severely crowded than homeowners (i.e., 1.51 or more occupants per room in Table 12).
### TABLE 11 Low-Income Renters and Affordable Rental Units, Harris County and Houston, 2020

<table>
<thead>
<tr>
<th>Low-income households</th>
<th>Household or Unit</th>
<th>Harris County</th>
<th>Houston</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely low-income (ELI) (30% of the area median family income)</td>
<td>Households</td>
<td>204,011</td>
<td>148,859</td>
<td>Estimated number of ELI renter households based on HUD ELI income limit ($26,200)</td>
</tr>
<tr>
<td></td>
<td>Units</td>
<td>51,169</td>
<td>37,400</td>
<td>Estimated number of ELI rental units ($655/month) based on 30% housing cost of ELI income limit ($26,200/year)</td>
</tr>
<tr>
<td>Very low-income (VLI) (50% of the area median family income)</td>
<td>Households</td>
<td>300,225</td>
<td>214,575</td>
<td>Estimated number of ELI + VLI renter households based on HUD VLI income limit ($39,400)</td>
</tr>
<tr>
<td></td>
<td>Units</td>
<td>207,743</td>
<td>154,503</td>
<td>Estimated number of ELI + VLI rental units ($985/month) based on 30% housing cost of VLI income limit ($39,400/year)</td>
</tr>
</tbody>
</table>


### TABLE 12 Crowded Households by Tenure, Harris County, 2010 and 2020

<table>
<thead>
<tr>
<th></th>
<th>Harris County</th>
<th>2010</th>
<th>2020</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-occupied units</td>
<td></td>
<td>793,400 (100.0%)</td>
<td>897,913 (100.0%)</td>
<td>13.2%</td>
</tr>
<tr>
<td>1.0 or less occupants per room</td>
<td></td>
<td>760,132 (95.8%)</td>
<td>863,403 (96.2%)</td>
<td>13.6%</td>
</tr>
<tr>
<td>1.01 or more occupants per room</td>
<td></td>
<td>28,362 (3.6%)</td>
<td>28,360 (3.2%)</td>
<td>0.0%</td>
</tr>
<tr>
<td>(1.51 or more occupants per room)</td>
<td></td>
<td>4,906 (0.6%)</td>
<td>6,150 (0.7%)</td>
<td>25.4%</td>
</tr>
<tr>
<td>Renter-occupied units</td>
<td></td>
<td>578,763 (100%)</td>
<td>737,836 (100%)</td>
<td>27.5%</td>
</tr>
<tr>
<td>1.0 or less occupants per room</td>
<td></td>
<td>504,725 (87.2%)</td>
<td>648,254 (87.9%)</td>
<td>28.4%</td>
</tr>
<tr>
<td>1.01 or more occupants per room</td>
<td></td>
<td>57,122 (9.9%)</td>
<td>67,448 (9.1%)</td>
<td>18.1%</td>
</tr>
<tr>
<td>(1.51 or more occupants per room)</td>
<td></td>
<td>16,916 (2.9%)</td>
<td>22,134 (3.0%)</td>
<td>30.8%</td>
</tr>
</tbody>
</table>

Source: American Community Survey 5-Year Estimates, 2010 and 2020
3-4. A Silver Lining: Homelessness Continues to Decrease

Despite many of the gloomy housing statistics we have noted in this report, homelessness appears to be decreasing.

Between 2010 and 2021, the number of people experiencing homelessness in the Houston area, as well as the state of Texas as a whole, dropped. Over 10 years, the number of individuals experiencing homelessness in greater Houston decreased to about 3,000 (the lowest annual number in 2021) from 8,500 in 2011, according to HUD’s Annual Homeless Assessment Report.

With its lauded “housing first” approach, the Houston metro area appears to have been more effective at reducing homelessness than the state as a whole. As of 2020, Houston MSA has about 24.4% of the state’s total population, yet the region’s share of the statewide homeless population has been between 15% and 23%.

However, the Houston MSA also appears to have a proportionately higher population of unsheltered homeless people, who have no lodging at all (as opposed to being within the shelter system). A person whose primary overnight residence is a car, park, abandoned building, bus or train station, airport, or camping area is considered as unsheltered, and the number of unsheltered homeless population is counted in January. During the winter months, counting and interviewing people sleeping in unsheltered settings can offer a more precise count of people who are unable or unwilling to obtain emergency shelter or other crisis response support. Source: Dunton, L., Albanese, T., & D’Alanno, T. (2014). Point-in-time count methodology guide. US Department of Housing and Urban Development. Retrieved from https://files.hudexchange.info/resources/documents/PIT-Count-Methodology-Guide.pdf.

In the Houston area, roughly half of people experiencing homelessness in 2021 are unsheltered, while only 35% of people experiencing homelessness statewide are unsheltered.

The Houston area’s sheltered population is younger, more female, and has a larger share of Black residents relative to the statewide sheltered population.

People under 24 represent 35% of our region’s sheltered population, compared to 29% across the state. As the local homeless population is younger, social services should address this cohort’s unique child care, health care, and educational needs.

A majority of the Houston area’s sheltered population is female (52%), which is significantly higher than the statewide share (43%). Like young people, women experiencing homelessness have specific social service needs.

Regarding ethnicity, Hispanic people are under-represented in our local shelter system, being only 16% of the sheltered population despite representing 40% of the MSA’s population. Black residents, on the other hand, are over-represented, forming a majority (60%) of the sheltered population, which is greater than their share of the overall MSA population and the statewide sheltered population.
### 2021 Houston Area Homeless Population by Shelter Status

<table>
<thead>
<tr>
<th></th>
<th>Total, 2021</th>
<th>Houston</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsheltered</td>
<td>1,510</td>
<td>6,020</td>
<td></td>
</tr>
<tr>
<td>Sheltered</td>
<td>1,537</td>
<td>11,275</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>3,047</td>
<td>17,295</td>
<td></td>
</tr>
</tbody>
</table>

Source: HUD, Annual Homeless Assessment Report

### 2021 Houston Area Sheltered Homeless Population by Gender, Ethnicity, and Race

<table>
<thead>
<tr>
<th>Year 2021</th>
<th>Sheltered Homeless Population</th>
<th>Houston</th>
<th>Texas</th>
<th>Houston</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>52%</td>
<td>43%</td>
<td>806</td>
<td>4,795</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>47%</td>
<td>57%</td>
<td>725</td>
<td>6,438</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>0%</td>
<td>0%</td>
<td>6</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Hispanic/Non-Latino</td>
<td>84%</td>
<td>73%</td>
<td>1,293</td>
<td>8,214</td>
<td></td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>16%</td>
<td>27%</td>
<td>244</td>
<td>3,061</td>
<td></td>
</tr>
<tr>
<td>Race</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>35%</td>
<td>53%</td>
<td>532</td>
<td>5,999</td>
<td></td>
</tr>
<tr>
<td>Black or African American</td>
<td>60%</td>
<td>42%</td>
<td>928</td>
<td>4,743</td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>2%</td>
<td>1%</td>
<td>25</td>
<td>116</td>
<td></td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>1%</td>
<td>1%</td>
<td>15</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>0%</td>
<td>0%</td>
<td>5</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Multiple Races</td>
<td>2%</td>
<td>2%</td>
<td>32</td>
<td>267</td>
<td></td>
</tr>
</tbody>
</table>

Source: HUD, Annual Homeless Assessment Report
Section 4. 
Climate Resilience and Housing

4-1. Climate Shocks Are Compounding Damages to Already Vulnerable Communities

This subsection maps recent disasters and socioeconomic data to assess the extent to which some communities in the county have been impacted by disasters significantly and how resilient they are.

The map in Figure 33 shows where compounding damages from Hurricane Harvey, Winter Storm Uri and COVID-19 are concentrated by ZIP code.8

The top 25% highly impacted ZIP codes among Harris County’s ZIP codes were identified for each of the three disasters. Damages from Hurricane Harvey and Winter Storm Uri were based on valid registrants for the FEMA Individuals and Households Program (IHP) for each disaster. COVID-19 damage was measured as the ratio of unemployment insurance claimants to the total population in each ZIP code, based on Texas Workforce Commission Data from May 2020 to June 2021.

The communities most affected by compounding damages can be found throughout the city and county, particularly in unincorporated areas. Figure 33 maps which ZIP codes experienced significant damage from all three disasters (in red) and ZIP codes disproportionately impacted by two disasters (in blue).

The communities that were identified with significant compounding damages tended to be concentrated in areas with low median household income and a large share of people of color.

When considering the count of naturally occurring affordable housing (NOAH) in Harris County ZIP codes,9 the southwest NOAH corridor near Westpark Tollway is identified as having significant compounding damages. The southwest NOAH corridor consists of a substantial amount of dated multifamily stock, which houses a significant number of the county’s poorer residents and may be more vulnerable to natural disasters.

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8 To consult our prior work on this subject, see Kinder Institute for Urban Research (2022). Harris County Winter Storm Uri Resilience Assessment in Harris County. Rice University Kinder Institute for Urban Research. https://doi.org/10.25611/YT6S-K856

9 The more detailed explanation about naturally occurring affordable housing is described in sub-section 6.1. Housing Preservation Strategies.
Compounding Damages: Hurricane Harvey, COVID-19, and Winter Storm Uri

FIGURE 33

Compounding Damages – Harvey, Uri, and COVID-19

Legend
- Rivers
- Water
- Highways
- County Parks
- Harris County line
- Cities
- Unincorporated county
- Two Compounding Damages
- Three Compounding Damages

FIGURE 34

Compounding Damages and CDC Social Vulnerability Index

Legend
- Most damaged ZIPs: Harvey IHP (Top 25%) & Uri IHP (Top 25%) & COVID-19 Unemployment (Top 25%)
- Rivers
- Water
- Highways
- County Parks
- Harris County line
- CDC Social Vulnerability Index:
  - Less Than 0.21
  - 0.23 - 0.26
  - 0.27 - 0.51
  - More Than 0.51

Data Sources:
- Texas Workforce Commission, 2021
- FEMA IHP, 2021
- CDC, 2021

Source: Kinder Institute for Urban Research (2021). Harris County Winter Storm Uri Resilience Assessment in Harris County.
SECTION 4. CLIMATE RESILIENCE AND HOUSING

Compounding Damages and Neighborhood Characteristics of Median Household Income (Top) and People of Color (Bottom)

Source: Kinder Institute for Urban Research. (2021). Harris County Winter Storm Uri Resilience Assessment in Harris County.
Compounding Damages and Naturally Occurring Affordable Housing

Source: Kinder Institute for Urban Research. (2021). Harris County Winter Storm Uri Resilience Assessment in Harris County.
4-2. Vulnerable Housing Stock is Concentrated in Eastern Harris County

Figure 38 shows some of the county’s most vulnerable ZIP codes with the least resilient housing. We created this map by combining four housing characteristics: median built year, the ratio of housing valued below $100,000 to owner-occupied housing, median gross rent, and the ratio of low-quality housing as defined by the county’s appraisal district. The four factors were ranked and converted into a percentile for each factor. All of the four factors were converted to percentiles, totaled and ranked again to generate a single composite housing resilience indicator.

A majority of the ZIPs with the lowest housing resilience index are situated on the east side of the county, primarily within Beltway 8. Most ZIP codes with low composite housing resilience in Houston’s east side communities are not only vulnerable to disasters, but are also susceptible to gentrification and redevelopment. Both circumstances could lead to a significant amount of displacement.

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**Figure 38**

ZIP Codes with the Lowest Composite Housing Resilience in Harris County

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10 Kinder Institute for Urban Research (2022). Harris County Winter Storm Uri Resilience Assessment in Harris County. Rice University Kinder Institute for Urban Research. https://doi.org/10.25611/YT6S-K856

4-3. Rental Units Under Threat From Natural Disasters Are More Widespread

Harris County is a disaster hot spot, and some of its communities are particularly vulnerable to multiple risks.

FEMA reports communities at risk of 18 natural hazards at the census tract level, including hurricanes, coastal flooding, cold waves, heat waves, and other disasters that Harris County residents have become familiar with.

FEMA also reports the average economic loss in dollars that could result from natural hazards each year, which is called expected annual loss (EAL). Exposure as a natural hazard consequence factor, annualized frequency as a natural hazard incidence factor, and historic loss ratio as another natural hazard consequence factor are used to calculate EAL.

Figure 39 shows the level of EAL from all types of natural hazards. FEMA groups census tracts into five categories based on the level of expected annual loss in dollars: very high, relatively high, relatively moderate, relatively low, and very low.

Most of the county’s census tracts are identified as having a relatively moderate or higher danger of economic loss. There is no single census tract in Harris County that is identified as very low.

A majority of the Harris County’s rental housing stock (65%) is in high-risk census tracts. For comparison, only 14% of the country’s rental units are in such high-risk tracts.12 Policymakers should note that the next disaster is more likely to harm renters.

A total of 474,000 rental units and even more residents are situated within these more precarious, less resilient census tracts. These high-risk tracts are those with “relatively high” or “very high” threat of economic damage from disasters, per FEMA EAL data, and make up 59% of the county’s census tracts.


**Figure 39**

**Expected Annual Loss Rating of FEMA’s National Risk Index, 2021**
SECTION 4. CLIMATE RESILIENCE AND HOUSING

FIGURE 40  Renter-Occupied Units in Very High or Relatively High-Risk Census Tracts, 2019

TABLE 15  The Number and Share of Census Tracts and Renter-Occupied Units by FEMA’s Expected Annual Loss of National Risk Index

<table>
<thead>
<tr>
<th>Expected Annual Loss</th>
<th>Census Tracts</th>
<th>Renter-Occupied Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Share</td>
</tr>
<tr>
<td>Very High</td>
<td>82</td>
<td>10%</td>
</tr>
<tr>
<td>Relatively High</td>
<td>383</td>
<td>49%</td>
</tr>
<tr>
<td>Relatively Moderate</td>
<td>287</td>
<td>37%</td>
</tr>
<tr>
<td>Relatively Low</td>
<td>34</td>
<td>4%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>786</td>
<td>100%</td>
</tr>
</tbody>
</table>

The 2022 State of Housing in Harris County and Houston

4-4. Vulnerable Populations are Also Located in Eastern Harris County and Northwest and Southwest Houston

The Census Bureau’s 2019 Community Resilience Estimates show estimated population counts having zero risk factors, one-to-two risk factors, and three-or-more risk factors at the census tract level. Risk factors are drawn from 10 individual and household characteristics measures from the 2019 American Community Survey (ACS): (1) income-to-poverty ratio, (2) single or zero caregiver household, (3) crowding, (4) communication barriers, (5) households without full-time, year-round employment, (6) disability, (7) no health insurance, (8) age 65 or older, (9) no vehicle access, and (10) no broadband internet access.

Harris County has a greater share of its population with more risk factors than the state of Texas overall. Harris County’s share of estimated population with three or more risk factors exceeds that of the state of Texas, while the share of estimated population with zero risk factors is lower than the state’s.

While there are countywide resilience challenges, the eastern part of the county generally has more challenges than the rest of the county. Figure 41 shows the share of the estimated population with three or more risks. The dark brown areas are concentrated in the county’s eastern side and in several inner-suburban communities outside the Loop.

### TABLE 16 Community Resilience and Risk Factors in Harris County, 2019

<table>
<thead>
<tr>
<th>Geography</th>
<th>Harris County</th>
<th>State of Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Risk Factors</td>
<td>1.3M</td>
<td>28.5%</td>
</tr>
<tr>
<td>1-2 Risk Factors</td>
<td>2.1M</td>
<td>45.7%</td>
</tr>
<tr>
<td>3+ Risk Factors</td>
<td>1.2M</td>
<td>25.7%</td>
</tr>
<tr>
<td>Total</td>
<td>4.7M</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Section 5.
Affordable Housing Preservation and Housing Assistance during the COVID-19 Pandemic

5-1. Most Affordable Housing is Market-rate in Harris County

Rents have risen in this country, primarily as a result of housing prices, making efforts to keep rental housing affordable more vital than at any other time. The Kinder Institute has done extensive prior research on this subject, and the strong housing market we discuss in this report has likely made these challenges greater.

With affordable housing, there are challenges beyond just having low rental prices—the physical quality of properties, the convenience of transit access, and the safety from frequent flooding are extremely significant concerns in Houston.

According to the National Housing Preservation Database (NHPD), in the United States there were 519 federally assisted housing programs in operation as of 2021. In Harris County, we estimate that fewer than 60,000 units are served by these programs. Note that some properties are supported by multiple housing programs at the same time.

NOAH—“naturally occurring affordable housing”—is private-market affordable housing stock that receives no subsidy. Most of the county’s affordable housing is NOAH—315,000 units compared to about 60,000 federally assisted units.

In Harris County, the vast majority of NOAH units are in multifamily properties (Table 18). As a result, NOAH preservation strategies are complicated, as preservation attempts typically engage a wide range of stakeholders in multifamily properties, including tenants, property owners, property management companies, and finan-

---

### TABLE 17 Federally Assisted Housing Programs in Harris County, 2021

<table>
<thead>
<tr>
<th>Federally Assisted Housing Programs</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income Housing Tax Credit</td>
<td>36,352</td>
</tr>
<tr>
<td>Federal Housing Administration</td>
<td>10,365</td>
</tr>
<tr>
<td>Section 8</td>
<td>10,343</td>
</tr>
<tr>
<td>Public Housing</td>
<td>3,517</td>
</tr>
<tr>
<td>HOME</td>
<td>3,009</td>
</tr>
<tr>
<td>Project-Based Vouchers</td>
<td>675</td>
</tr>
<tr>
<td>Section 515 Rural Housing</td>
<td>313</td>
</tr>
<tr>
<td>Section 538 Rural Housing</td>
<td>303</td>
</tr>
<tr>
<td>Moderate Rehabilitation</td>
<td>202</td>
</tr>
<tr>
<td>Section 202</td>
<td>94</td>
</tr>
</tbody>
</table>

**Note 1:** The sub-programs of individual housing programs are defined in accordance with the NHPD’s guidelines.

**Note 2:** The total number of housing units supported by federally assisted housing programs does not equal the sum of housing units of the individual housing programs.

**Note 3:** The Section 8 Program excludes the Housing Choice Voucher (HCV) Program. The HCV Program is instead counted as part of the private market’s affordable housing units in this report.

Source: National Housing Preservation Database (NHPD), 2021
cial institutions. Unlike in federally assisted properties, no agency has information on these landlords or tenants, so it is a challenge to engage these parties to share preservation strategies.15

When it comes to NOAH property quality, the Harris County Appraisal District (HCAD) estimates that about half of the county’s NOAH units are in average condition, meaning they have normal wear and tear and average workmanship, physical design, and materials.

About 180,000 NOAH units are in average or below-average condition, suggesting that moderate to major rehabilitation may be required in the future.

Because NOAH lacks a public-sector subsidy that can help with funding maintenance, NOAH property managers have challenges when trying to improve units. Raising rent—which can help fund property improvements—may mean these units cease to be affordable. Maintenance may be deferred.

Preserving this housing stock can be accomplished through several public and private approaches. Property owners could receive tax abatements or exemptions for providing affordable housing or for rehabilitating existing affordable rental units. In the city of Houston, tax increment reinvestment zones (TIRZs) are financing options for investing in disadvantaged districts. TIRZs could allocate funding toward new affordable housing units or the preservation of existing units. Limited-equity cooperatives, community land trusts, resident-owned communities, and other housing models that feature collective or cooperative ownership are emerging as a strategy to lower housing costs and transition to more affordable homeownership opportunities.

5-2. COVID-19 Impact on Renters (Household Pulse Survey)

The US Census Bureau performs a Household Pulse Survey on a weekly or biweekly basis to assess how the COVID-19 pandemic is affecting households across the nation. Analyzing data from April 2020 to September 2021 in the Houston metro area, we found an alarming share of the region’s renters had doubts about their ability to make the rent each month.

The pandemic has featured not only severe economic shocks, but wholly unprecedented welfare and relief programs. Specifically, three direct stimulus payments, the $300 monthly child tax credit, and national and local eviction moratoria have helped prevent disaster unfolding in millions of U.S. households. However, most of these programs have come to an end. The last stimulus payment was in mid-2021. The child tax credit expired at the end of that year. The CDC eviction moratorium ended in August 2021, and the Texas Eviction Diversion Program (TEDP) spent all of its funds by the end of that year.

---

15 To count the NOAH units, the rent was computed using $1,000, $1,200, and $1,400 for one-bedroom, two-bedroom, and three or more bedrooms, respectively. It is adjusted from the Department of Housing and Urban Development’s (HUD) definition of the 2021 Fair Market Rents for Houston metro, which are $983, $1,176, and $1,576 for one-bedroom, two-bedroom, and three-bedroom units, respectively, to meet the rental market condition of Harris County.
Perhaps because of these programs, people’s confidence to pay their rent has changed over the course of the pandemic, ranging to around 10% to 30% reporting needing a deferment or being behind, with a general average over time of 20%. The amount of people reporting being behind on rent spiked in September 2021, right after the CDC moratorium ended.

At the same time, about 35% of renters in the Houston MSA reported having “no confidence” or “slight confidence” in their ability to pay next month’s rent.
5.3. Policies and Programs During the COVID-19 Pandemic

The COVID-19 pandemic worsened the challenges of affordable housing preservation, and state, local, and national policymakers responded with successful yet uneven measures. Programs have mostly ended, though certain emergency assistance programs remain a resource for Harris County renters.

The eviction moratorium imposed by the CARES Act began on March 27, 2020, and lasted until July 24, 2020. The moratorium covered tenants in properties that were part of federal assistance programs or had federally supported financing. The CARES Act’s eviction moratorium was substantial, affecting between 28% and 46% of occupied rental units across the country.16

The Centers for Disease Control and Prevention (CDC) issued an order on September 4, 2020, halting residential evictions temporarily in order to prevent the spread of COVID-19. The CDC eviction moratorium was in effect for all renters who attested to meeting the order’s income and other eligibility requirements.17 Because of the prolonged COVID-19 situation, the CDC extended the moratorium several times before it eventually expired on August 26, 2021.18

The Emergency Rental Assistance (ERA) program, according to the U.S. Department of Treasury, 19 provides funding to tenants who are unable to pay their rent or utilities. The first ERA program, which funded up to $25 billion under the Consolidated Appropriations Act of 2021, was enacted on December 27, 2020. The American Rescue Plan Act of 2021, which was enacted on March 11, 2021, granted $21.55 billion under the second ERA program. The rental assistance funds were distributed directly to states and local governments, which helped eligible renters through new or existing programs.

The ERA program in Houston-Harris County began in February 2021. A total of 163,000 applications were filed by April 28, 2022. With about $280 million in rental assistance, the program helped more than 70,000 local households affected by COVID-19. The funds are now accepting applications from renters facing eviction.20


20 Houston-Harris County ERA Program. Retrieved from https://houstonharrishelp.org/
### Federal and Local Support for Renters throughout the COVID-19 Pandemic

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Federal Level</th>
<th>Local Level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Eviction Moratoriums</td>
<td>Emergency Rental Assistance</td>
</tr>
<tr>
<td>2020</td>
<td>March</td>
<td>Cares Act</td>
<td></td>
</tr>
<tr>
<td></td>
<td>April</td>
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<td>May</td>
<td></td>
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<td>June</td>
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<td>August</td>
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<td>October</td>
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<td>November</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>December</td>
<td></td>
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<tr>
<td>2021</td>
<td>January</td>
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<tr>
<td></td>
<td>February</td>
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<td>August</td>
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Source: Joint Center for Housing Studies, The Centers for Disease Control and Prevention, The U.S. Department of Treasury, and Houston-Harris County Emergency Rental Assistance Program.

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Conclusion

COVID-19 upended the housing market in ways we will be learning about for years to come. During 2020 and 2021, demand for single-family homes was strong, constraining supply amid rising construction costs, while multifamily construction slowed amid evolving household preferences in response to working (or schooling) from home. Racial inequities in lending activities, such as high interest rates and smaller loan amounts, continue to exist for people of color. The affordability gap grew considerably from 2020 to 2021, locking many prospective homebuyers out.

Overall, it seems that things only got worse. But there were some signs of hope.

There are thousands of homeless people in the Houston metro area, and half of them are unsheltered. But Houston houses a growing share of its population experiencing homelessness through its innovative “housing-first” model. The Household Pulse Survey showed that many tenants struggled to pay their rents and were afraid of eviction during the COVID-19 pandemic, but new tenant protections and funds emerged as a lifeline. Houston and Harris County are attempting to protect affordable housing through the establishment of land trusts, and many federal and local governments’ efforts to assist low-income renters during the pandemic were a huge aid to some of the vulnerable populations and communities in the Houston area.

Predicting what will happen to the Houston housing market is incredibly difficult because economic conditions are rapidly evolving. This report did not account for the historic rate of inflation that households are now grappling with and the likelihood of a recession. Rising interest rates and inflation in many sectors of the economy could exacerbate housing inequities in our communities, especially among the disadvantaged. High gas prices affect consumer and construction material prices, but may also have benefits for Houston’s regional economy. More importantly, the foundation established in these annual State of Housing reports offer insights into where future housing research is needed and where key players can come together to solve pressing housing challenges for our region.
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The Kinder Institute for Urban Research builds better cities and improves people's lives by bringing together data, research, engagement and action.