



◀ A sign in the window of a home in Rochester makes the tenant's views on rental housing affordability clear. CHRISTINA CHKARBOL/ROCHESTER DEMOCRAT AND CHRONICLE

COVER STORY

Rochester tenants face torrid rental market

Steve Howe, Christina Chkarboul, Justin Murphy and Kayla Canne
Rochester Democrat and Chronicle | USA TODAY NETWORK

Renters nationwide are struggling with the cost of having a safe place to live, even as the economy is rebounding from the COVID era. • Investor involvement in the market, lack of protections for renters, higher costs for building supplies, labor shortages in the trades, corporate landlords and declining real value of wages all contribute to this troubling, often-ignored situation that so many people face if they do not own a home. • Rochester is no exception.

In this summer's new Harvard State of Nation's Housing, Rochester is mentioned as one of just 11 markets nationwide that saw rent jump more than 5% in the first quarter of 2024.

Last year, rent increased 3.6% year-over-year across the nation, which is typical. If the increase is below 3%, that's considered stagnant; above that is considered overheated.

After 36 years of navigating the rental market, one Rochester renter said she feels most housing for low-income renters in the city is a "trap" keeping families in cycles of instability, danger and poverty. "I don't want to live in poverty; you can't thrive here," Justine Harris said. "You're in survival mode because you just never know what's going to happen."

Behind on rent in a one-bedroom on Webster Avenue

Five mornings a week, Tanya Conley presides over landlord tenant court on the first floor of the Hall of Justice. She reviews every dispute that comes before her — but the real work happens outside in the hallway, by design.

Attorneys from the Legal Aid Society of Rochester wait in cubicles for defendants in

need of an attorney. They help negotiate settlements with landlords, making payments against overdue rent and arranging public benefits where necessary.

It's not a sophisticated legal process, but it serves to keep many people in their homes. Janiah Floyd is one of them.



Floyd

"I'm not sure — I think I've got to pay June," she told her lawyer, Taylor Frank, one morning this summer. She was a few minutes late for court because her car had started smoking and she needed to take the bus.

She kept saying that her life is a "work of art." It took some squinting to make sense of it.

Floyd fell behind on rent for her one-bedroom apartment on Webster Avenue after getting cut off from her social services benefits earlier this year, she said. The rent is \$725 plus utilities. "The landlord — they don't be on you; they just want the rent," she said.

A quick conference with Frank was enough to gain Floyd a month's reprieve, by which time she expected a paycheck that would settle her debt. The 21-year-old recently began driving a truck for Amazon, starting about 10:45 a.m. and driving until dark. She was working at McDonald's as well but couldn't manage to keep up both jobs.

How to file a housing complaint

If you believe you've experienced unlawful housing discrimination, you can file a complaint with the New York State Division of Human Rights by visiting forms.ny.gov/s3/nysdhrcomplaint or by calling (888) 392-3644.

For now she's content with her small apartment, where she plays video games when she's not working. She'd like to get a job as a carpenter but fears she couldn't handle the math portion of the preparatory course. "Life is just a struggle," she said with a resigned smile. "They got you in the mud all the time. But everything comes through trials and tribulations. You just got to keep pushing."

Are rents falling in the US?

Rent increased 0.3% in June, the smallest rise since August 2021. That nudged down the annual increase from 5.3% to 5.1%, a more than two-year low. Economists have expected rent increases to moderate, based on new leases, and that's finally starting to happen more rapidly, according to USA TODAY.

In July, an increase in shelter prices accounted "for nearly 90 percent of the monthly increase" in overall inflation, the Labor Department reported.

The costs of services such as rent, car insurance and health care have continued to advance in the United States, (although inflation seems to be cooling). The rise in costs is partly because employee wage growth was propelled by COVID-19-induced labor shortages and is slowing just gradually.

Many employers have passed their higher labor costs on to consumers. Barclays expects that by December, yearly inflation will slow to 3% and the core index measure will fall to 3.2% — still well above the Fed's 2% goal.

Still, some analysts are nationwide claiming that renting is more affordable in some areas than owning a home. It might be a good case study in why a national survey is not very telling about local conditions.

According to a report in January by the research firm ATTOM Data Solutions, renting is now "more affordable" than owning a home in nearly 90% of U.S. counties.

Factors that put buying out of reach? A 30-year mortgage rate was holding steady at around 7% and soaring home prices. It fell slightly in the August report. The S&P CoreLogic Case-Shiller U.S. National Home Price Index showed a 6.5% rise in March from the year before — the index's sixth record high within the past 12 months.

'Rochester is not building enough units'

The Waller, Weeks and Johnson Rental Index analyzes Zillow Observed Rental Index information to statistically model where rents are versus where rents should be. If actual rent is greater than the model's expected rent, it shows the premium people are paying for rent.

Based on the latest data from April, Rochester renters are paying the 15th-highest premium in the country (5.14%), with average rents across housing type (single-family, duplexes, townhomes, multi-family) at a mean of \$1,511. The model shows average rent should be \$1,464.

One driving factor for a premium on rent prices is caused, at least in part, by a lack of supply. "It's almost always going to play back to some level of supply and demand," said Ken H. Johnson, Florida Atlantic University professor and housing economist. "It would take something unusual, rent control or something like that, to kind of interfere with this measure."

Rochester's population is declining, though. So, what other factor is playing a role? Household formation is one; it's very high around the country right now and whether it's a young family or just a pair of roommates, younger people are leaving home. A lot of people are looking to form their first household.

"Rochester is not building enough units," Johnson said.

Despite not seeing population growth, eight of the Top 20 markets by premium are in the Northeast.

"It doesn't matter if you're in Miami, Florida, or Rochester, New York, the percentage of people leaving the nest is about the same," he said. "So, household formation is driving up demand."

Other factors include Airbnb and other short-term rentals, which is something reflected nationwide.

Higher rents drive higher home prices; house ownership and rent sometimes work as complements to each other. So, you're seeing similar issues on the homeownership side of the equation.

Zillow has a similar index for housing — and housing prices were at a 28% premium in Rochester this summer; the highest for Rochester since data first being recorded in 2000.

"I would be nervous about owning a home," Johnson said. "I think I would rent and reinvest monies that I would have put into a home otherwise."

'Overnight the landlord raised the rent'

Thirteen-year-old Geraldo Ocasio walked up to a podium inside City Hall this spring

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Yadira Susseth reads a prepared statement about her predicament outside her apartment on Jefferson Avenue as Rochester City Council member Mary Lupien, City-Wide Tenant Union of Rochester and supporters rally to fight her eviction and get people to rally behind good cause eviction practices. PHOTOS BY TINA MACINTYRE-YEE/ROCHESTER DEMOCRAT AND CHRONICLE

Rent

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with a twinge of nervous excitement. He knew what he was there to say: Rents in Rochester were too high and city leaders needed to find a solution. But Ocasio wondered if he would be taken seriously by the city councilors who had gathered to hear from residents during a regular speak-to-council session that evening.

He was a kid in a room full of adults. He had to adjust the microphone to his height just to be heard.

"A couple months ago, I had to move really suddenly," Ocasio said. "After seven years of living in the room apartment, overnight, the landlord raised the rent on us."

"I felt like something — a part of me — was gone because I had so many friends and people I depended on in my old neighborhood," he later continued. "Our new home is way smaller, and I don't even go outside anymore. There's no kids outside like where we used to live."

Ocasio and his family lived in the James Dobson apartments off Van Auken Street, which offer subsidized rents to families based on their income. The complex is a seemingly more affordable housing choice for some Rochester residents but comes with the caveat that as your income grows, so does your rent.

The teen's mom, Keishla Delgado, said her rent increased abruptly last year just a few days before the next month's payment was due: \$875 became \$1,173. The new rent would have consumed nearly half of her take-home pay, the 42-year-old mother of three said.

They had to move. A housing search turned up scams or landlords asking for three times the rent as a security deposit — money Delgado did not have. Finally, they found a small home across the city owned by a friend. Rent is \$600 a month, but the house came with water leaks and a rat infestation, Delgado said. She feels suffocated by the sounds of sirens and neighbors fighting.

"My plan is to try and get something else better next year," she said. "I feel like everything is on my back. Three kids, taking care of my husband, working full-time — it gets to a time where you get exhausted, but I can't think about it. I can't be tired. I can't allow myself to get sick. I cannot have no excuse because I gotta put a roof over their heads."

Ocasio spoke before City Council to ask them to consider a housing vacancy study and rent stabilization proposals.

"It's not (something) that's just happening somewhere else," he said. "It's the city's problem."

Spikes in housing costs for renters in Rochester

Facing a \$300 rent increase — or a 33% spike in her housing cost — Jayda Shaw Cooke moved from her Water Street Commons apartment this summer.

She had lived in the unit for five years and made it a home, dozens of houseplants hanging, sitting and vining across apartment-beige walls, bringing life to the space alongside her two black cats.

In those five years, her rent had increased a total of \$100. The biggest jump came in a \$50 rent increase last year, Cooke said. This year, she said, her landlord planned to hike her rent from \$900 to \$1,200.

"I expected maybe another 50 bucks this time, which I was not happy about," said Cooke, 42. "I was not expecting \$300."



Rochester Council member Mary Lupien, City-Wide Tenant Union of Rochester and supporters rally outside Yadira Susseth's apartment on Jefferson Avenue in Rochester to fight her eviction and get people to rally behind good cause eviction practices. Lupien has talked about the good cause eviction legislation before City Council and upcoming hearings.



More Online

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Some residents have started a tenant's association after the complex tacked on new utility fees last year — driving their housing costs up further.

Rather than stay at the new rate, Cooke moved in with her partner, but said it wasn't a move she was necessarily eager to make. Her partner lives in the suburbs; Cooke prefers the city. He has a house that's undergoing renovations.

"It seems to me that there's more and more of these sorts of high-end, luxury apartments," Cooke said. "But people who live here and have a Rochester income can't always afford that. Or if they do, they're in that position where all of your money is going to your rent and you can't ever save."

"And it seems like the other option is a lot of like, not great housing," she continued. "...It makes it kind of tricky for people who want to live in a neighborhood that has personality and want to live somewhere safe, but also want to live somewhere nice."

Her former neighbor doesn't have the

luxury of choice.

Joseph Becker has been living in the building for over 20 years. Last year, he was laid off from his library job and now lives off Social Security benefits. Between a rent increase and the added utility fees this year, his housing cost went up 7%.

Any more and the 71-year-old said he would be forced out of his apartment. He's been hit with a backlog of electric bills and food costs keep rising.

"The older ones in the building who are grandfathered in — we're looked at as a liability," he said.

New tenants in the building could pay anywhere between \$1,200 and \$1,800 for an apartment, according to recent listings. Becker said with high rents citywide, waiting lists and application fees, he's not sure where else to look for housing.

He's forced to stay put and hope the tenant's association can improve his living arrangements.

"I mean, I'm just an old man," he said. "I can't imagine if rents had gone this wacky when I had two kids at home. We'd be asking the same question: Where do we go?"

Lack of affordable rentals impedes stability, future homeownership

Rising rents force tenants out of their homes and destabilize their lives, said

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Lisle Coleman, a renter and with the City-Wide Tenant Union of Rochester, talks about the necessity of affordable housing. She was participating in a rally outside Yadira Susseth's apartment on Jefferson Avenue in Rochester to fight her eviction and get people to rally behind good cause eviction practices.

Rent

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Clianda Florence, a longtime Rochester renter and doctoral candidate in teaching at the University of Rochester.

Since facing what she believes to be a retaliatory eviction in 2020, Florence and her three children have moved from rental to hotel to rental in search of an affordable, livable home. They now live in a three-bedroom Gates townhome and pay \$1,950 monthly — but yearly rent increases, like the \$150 hike they got this year, still worry Florence.

A key challenge, Florence said, is finding safe rentals within her budget that operate legally and without code violations.

Soon after she moved her family to a Corn Hill home in 2019, she noticed rodent droppings around the building. It turned out the property had a rat infestation that the landlord hadn't addressed. Florence grew frustrated and ended up paying for a hotel stay away from the rats and an exterminator herself.

Frequent moves have made it difficult to make sure her 13-year-old son's schooling wasn't interrupted. On top of housing instability, stretching their income to make rising rent leaves families like hers struggling to put healthy food on the table, pay medical bills and invest in their kids, Florence said.

"It's a trickle-down effect. It's not just this housing thing," Florence said. "It doesn't just impact one thing. It impacts everything."

Being uncertain about where they'll live in a year, along with unregulated rents and scarce opportunities for tenants to build credit, leaves many Rochester renters outside future homeownership, said Ryan Acuff, a tenant organizer and member of the City-Wide Tenant Union of Rochester.

"Even if the goal of a current tenant was to become a homeowner, there's so many barriers in the way," Acuff said. "One of the key things is, if your rent is so high — say you're paying 50, 60, 70% of your income on rent — you're not going to create savings."

In early June, Rochester Mayor Malik Evans announced an added homeownership focus to the city's Housing Quality Task Force, convened in 2022 to draft recommendations for improving housing conditions. The conversation on increasing homeownership must focus on making it feasible for renters to become financially and housing stable, which requires rent regulation and security against arbitrary evictions, Acuff said.

"We believe tenant protections are a nec-



essary condition to put folks that want be homeowners on that pathway," he said.

How much can a landlord raise rent?

It depends. In areas without rent control, "the sky's the limit," says New York Law School professor and author Andrew Scherer. "In unregulated housing, a landlord has the right to ask for whatever rental amount he or she wants," Scherer says.

Some states prohibit rent control, which some argue can create unintended consequences like reducing the amount of rental housing in an area or higher rents in an uncontrolled market.

New York state doesn't have statewide rent control, but certain counties and cities have it.

Rental prices have surged 29% since the onset of the COVID-19 pandemic, averaging an annual increase of 7% over the last four years, according to Zillow.

A USA TODAY analysis found that in some swing states, which are critical to the election, rental costs have more than doubled in the past four years. In fact, 6 out of the top 10 markets and 34 of the top 100 markets with the largest increases are in swing states, according to the analysis of data obtained exclusively from Rent.com.

Syracuse is in the top 10 metro areas with the largest increases: Hickory-Lenoir-Morganton, North Carolina (111%); Oshkosh-Neenah, Wisconsin (106%); Racine, Wisconsin (100%); Waco, Texas (94%); Port St. Lucie, Florida (75%); Fayetteville, North Carolina (75%); Daphne-Fairhope-Foley, Alabama (67%); Burlington, North Carolina (64%); Syracuse (64%); Sierra Vista-Douglas, Arizona (63%).

Jayda Shaw Cooke has lived at Water Street Commons for eight years, during which she's seen issues to be addressed at the apartment building.

CHRISTINA CHKARBOUL/ROCHESTER DEMOCRAT AND CHRONICLE



More Online

Read about how intern Christina Chkarboul spent the summer digging into this topic.

Housing advocates have long called for rental caps.

Why not fast-track zoning?

One way that John Hopkins University analyzes affordability is through how wages and median rent are related. They recently completed a study focused on California, where rents increased around 35% and wages increased only 6%.

"When you have that sort of a gap, you're going to find yourself in an unaffordable situation," said Seydina Fall, senior lecturer of real estate and finance at John Hopkins.

Restrictive zoning is another factor causing supply issues, with the NIMBY crowd making it difficult for new housing to be built, especially multi-family housing. "I would just say overall, based on what I'm seeing, the No. 1 issue is housing policies that are very restrictive and are constricting the supply," Fall said.

NIMBYism, in Fall's opinion, is fueled by a supply-and-demand mindset where people fear more housing will cause property values to go down and desire restrictive policies that have the opposite effect.

A place where there has been pushback to these objectives is California, where the idea is to fast-track zoning and permitting, which can be barriers to development. Part of the study by John Hopkins in California was exploring the idea of accessory dwelling units to increase housing units. The "missing middle" is housing between single-family and high-rise apartment buildings, i.e. duplexes, triplexes, townhomes.

"A lot of studies have shown that if you want to tackle affordability, you need to build multifamily," Fall said. "The missing middle helps hopefully bring everyone to the table, understanding that we need more density — we may not need as much density as some of the multifamily proponents would like — but we can kind of find a middle ground."

On the topic of rent control, Fall said it may help current tenants but once they leave the apartment, the rent goes up. (There have been local efforts for rent stabilization.)

What does seem to work at times, however, are housing choice vouchers.

While not all property owners will accept Department of Housing and Urban Development vouchers, it has been successful and needs to be expanded, Fall said. "Even though they cannot afford 100% of their rent out-of-pocket, the vouchers help them so they're not camped in these sort of assisted housing dwellings that perpetuate bad stigma," she said.

— USA TODAY contributed to this article.