

Housing Voucher Lease-Up Rates

Ingrid Gould Ellen, Katherine O’Regan, and Sarah Strochak

TAKEAWAYS

Housing choice vouchers provide significant benefits to the low-income households who successfully use them, yet nearly 40% of recipients fail to lease homes with their vouchers.

Voucher lease-up rates are lower for Black and Hispanic renters and their search times are longer.

Potential policy interventions include extending search times, setting neighborhood-based rent ceilings, and enacting and enforcing source-of-income protections.

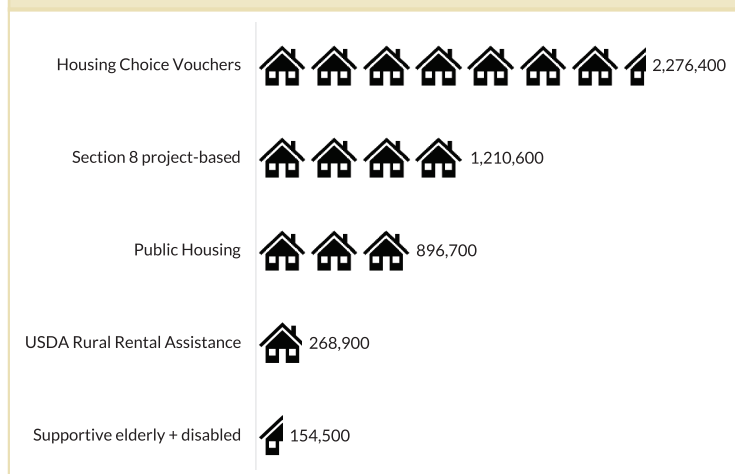
Of the various federal rental-assistance programs available in the United States, housing choice vouchers support far more households than any other. Public housing agencies within cities across the nation facilitate housing choice voucher programs for approximately 2.3 million households with low incomes (see Figure 1).¹ Research shows that housing vouchers reduce rent burdens, help resolve overcrowding, and decrease the risk of homelessness.² But there is little research on voucher lease-up or success rates.

Here we summarize new research on voucher success rates using administrative data from about 85,000 voucher recipients (annually), in 433 U.S. metropolitan housing authorities, between 2015 and 2019.³ In short, we find that location (i.e., housing markets) and neighborhood racial composition act as significant factors in predicting successful lease up. In metro areas with fewer housing vacancies, more spatial variation in rent prices, and an older housing stock, lease-up rates are significantly lower. We also find significant racial disparities. Black and Hispanic voucher recipients are less likely to successfully lease a home with their voucher within a typical 60-day window than other recipients in the same area, though lease-up rates tend to even out within a 180-day period.

Predicting Successful Lease Up

One of the most obvious factors in finding a rental unit is availability; in markets with lower vacancy rates (i.e., a tighter market, or fewer available units overall), it is generally more difficult to lease a home with a voucher. The age and condition of a neighborhood’s housing stock are also important factors. Because HUD requires its own housing inspection—separate from any municipal inspection—newer buildings may more easily pass HUD’s quality inspection, thus creating more rental opportunities compared to markets with older units. It’s also

Figure 1. Number of U.S. Households Receiving Major Types of Federal Rental Assistance.



Source: Center on Budget and Policy Priorities, 2022, Federal Rental Assistance Fact Sheets. <https://www.cbpp.org/research/federal-rental-assistance-fact-sheets#US>

likely that markets with more spatial dispersion in rents may be challenging for voucher holders because the share of units within the rent band that is affordable to voucher holders may be lower and those units will be concentrated in just a few neighborhoods.

Neighborhood characteristics where voucher recipients currently live are also important for many home seekers. Those starting off in neighborhoods with high rents may have to search further to find a willing landlord and a home with rent low enough to qualify for the voucher program. Those starting off in neighborhoods with older homes that can't pass HUD's inspections may also be at a disadvantage.

Housing agencies can also be influential. Practical and actionable guidance, information, and search assistance can reduce time spent searching across housing options. Some housing agencies work to foster and maintain relationships with landlords, expanding the number who are willing to accept vouchers.

Lease-up rates are significantly lower in metro areas with fewer housing vacancies, more spatial variation in rent prices, and older housing stocks.

Societal factors may create barriers for some of the neediest voucher recipients. Structural racism is one such barrier. Black and Hispanic households tend to take longer to find adequate housing, face spatial constraints in terms of social networks within segregated cities, and tend to search through personal networks rather than online systems.⁴

Select Findings and Policy Implications

We estimate that 61% of voucher recipients successfully leased a home within six months of receiving their vouchers during the five years of our study, 2015 to 2019. On average, it took renters in this study between 59 and 63 days to secure a lease. Search times were generally longer, and lease-up rates generally lower, in metro housing markets with lower vacancy rates (i.e., fewer housing options) and higher cross-neighborhood variations in rent prices.

Even after controlling for various market factors in our analysis, however, we find significant differences along racial and ethnic lines. Simply put: Black and Hispanic voucher recipients are less likely to successfully use their vouchers—and, on average, take longer to do so. While our data do not allow us to definitively state cause-and-effect relationships, it appears that housing conditions within historically Black or Hispanic neighborhoods—often showing the effects of decades of disinvestment—play a key role in the struggles to find adequate housing. Potential systematic

IRP Related Resource



Podcast: On the Concept of Who Deserves to Access to Public Housing. Prentiss Dantzler. February 2022. <https://www.irp.wisc.edu/resource/prentiss-dantzler-on-the-concept-of-who-deserves-to-have-access-to-public-housing/>

discrimination from landlords and other factors, such as more limited pools of resources among these families, also suggest that racist attitudes and longstanding struggles toward wealth accumulation have roles to play as well.

Public housing agencies can implement policies that would simultaneously boost voucher lease-up rates and reduce racial disparities in search outcomes. Racial gaps are lower for 180-day lease-up rates than for 60-day rates, for example, so extending allowable search times would likely increase lease-up rates while also benefiting Black and Hispanic voucher recipients.

Reducing or eliminating source-of-income discrimination—exemplified by landlords’ refusal to accept housing vouchers to pay rent—could also help boost lease-up rates while reducing racial disparities.⁵

Aligning with one of our recommendations, starting in 2025, a new HUD requirement will take effect in 41 metro areas across the nation to use Small Area Fair Market Rents (SAFMRs) as ZIP Code-level rent caps—this is in addition to the 24 metro areas that were previously mandated to use SAFMRs beginning in 2018.⁶ Using SAFMRs, rather than city-wide fair market rent values to set rent subsidies, has the potential to help voucher recipients find homes in more neighborhoods since SAFMRs expand the geographical possibilities for finding affordable housing for voucher holders.

Housing conditions within historically Black or Hispanic neighborhoods—often showing the effects of decades of disinvestment—play a key role in the struggles to find adequate housing.

One final adjustment regarding HUD policy would be to reconsider or modify its housing inspection policy. Homes having recently passed a municipal inspection, for instance, might qualify for housing choice vouchers without a subsequent, and largely duplicative, HUD inspection. Alternately, virtual inspections could also be considered as a means of documenting housing conditions while saving time and resources.

Reforms to the policies, processes, and practices of the housing choice voucher program could increase efficiencies, create greater opportunities for successful lease ups across a wider array of neighborhoods, and reduce racial and ethnic disparities in cities nationwide. ■

Ingrid Gould Ellen is the Paulette Goddard Professor of Urban Planning at New York University Wagner School of Public Service

Katherine O'Regan is a Professor of Public Policy and Planning at New York University Wagner School of Public Service

Sarah Stochak is a doctoral student at New York University Wagner School of Public Service

¹Center on Budget and Policy Priorities. (2022, Jan. 19). Federal Rental Assistance Fact Sheets. <https://www.cbpp.org/research/federal-rental-assistance-fact-sheets#US>

²Mills, G., Gubits, D., Orr, L., Long, D., Feins, J.D., Kaul, B., Wood, M., Amy Jones and Associates, Inc., Cloudburst Consulting, The QED Group. (2006, Sept.). *Effects of Housing Vouchers on Welfare Families*. Technical report. U.S. Department of Housing and Urban Development, Washington, D.C. https://www.huduser.gov/publications/pdf/hsgvouchers_1_2011.pdf

³Gould Ellen, I., O'Regan, K., & Stochak, S. (2024). Race, space, and take up: Explaining housing voucher lease-up rates. *Journal of Housing Economics*, 63(101980). <https://doi.org/10.1016/j.jhe.2023.101980>

⁴Krysan, M., Crowder, K., Scott, M.M., Hedman, C., Adeeyo, S., Diby, S., Latham, S. (2018). *Racial and Ethnic Differences in Housing Search*. Technical report, U.S. Department of Housing and Urban Development, Washington, D.C., p. 283. <https://www.huduser.gov/portal/publications/HousingSearch.html>

⁵U.S. Department of Housing and Urban Development. (n.d.). *Source of income protections for Housing Choice Voucher holders*. https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/source-of-income-protections

⁶Center on Budget and Policy Priorities. (2023, Nov. 1). "HUD expands promising policy to support housing choice." <https://www.cbpp.org/blog/hud-expands-promising-policy-to-support-housing-choice>

Type of analysis: Quantitative

Data source: Housing and Urban Development individual-level administrative data for voucher issuances and use. American Community Survey 5-year data for area market conditions and neighborhood compositions.

Sample definition: 60-day and 180-day voucher lease-up rates and search times for 85,000 new voucher recipients annually in 430+ metropolitan public housing agencies (PHAs) in the United States.

Time frame: 2015 through 2019

Limitations: Results do not demonstrate causal relationships between policy interventions and voucher search experiences but, rather, provide suggestions for refined interventions to boost lease-up rates as well as reduce significant racial disparities in search experiences.

Upcoming IRP Webinar

Wednesday, September 25, 2024

2:00–3:00 Eastern | 1:00–2:00 Central | 12:00–1:00 Mountain | 11:00–12:00 Pacific

Approaches to Reducing Administrative Burdens in Accessing and Maintaining Services from Government Agencies and Public Programs.

Panelists: Carolyn Barnes, Associate Professor, Crown Family School of Social Work, Policy, and Practice, The University of Chicago; Elizabeth Bell, Assistant Professor, Lyndon B. Johnson School of Public Affairs, The University of Texas at Austin; Meredith Dost, PhD, IRP National Poverty Fellow in residence at the Office of the Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services (HHS); and Donald Moynihan, Professor, Gerald R. Ford School of Public Policy, University of Michigan

Administrative burden occurs when individuals are faced with obstacles that hinder their ability to fully participate in society and to access programs and benefits for which they qualify. This can affect many aspects of life, including voting, enrolling for health care coverage or educational opportunities, and applying for social safety net programs like SNAP, Unemployment Insurance, or the Housing Choice Voucher program. While most people will interact with one or more of these systems on a regular basis, low-income people and those from otherwise marginalized groups are particularly vulnerable to the barriers that are in place. In this webinar, the presenters will discuss their research on the causes and impacts of administrative burden as seen in several programs. They will offer applications and implications for policy and practice approaches that can alleviate administrative burden for affected individuals and communities.

Register for event or view recording: <https://www.irp.wisc.edu/resource/approaches-to-reducing-administrative-burdens-in-accessing-and-maintaining-services-from-government-agencies-and-public-programs/>