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New Orleans Substandard Rental Housing Crisis Continues

Background

New Orleans is a majority-renter city. Updated American Housing Survey (AHS) data released this month reveals that thousands of families continue to live in substandard rental housing. Despite slight improvements in housing quality, the 2015 AHS data reveals consistent housing trends since the last time AHS data was released in 2011. As an example, the number of units with leaks from the inside is down from 6,850 to 4,400, and units with leaks from the outside are down from 5,300 to 4,900.¹ Still, housing quality is not keeping pace with recent dramatic increases in rent.

Rent Increases

Between 2012 and 2015, median rents have increased faster in New Orleans than in the rest of the metro area, and are up 20%-25%.²

	2012	2013	2014	2015	Total Increase 2012-2015
1 bedroom	\$825	\$875	\$995	\$1,000	21%
2 bedroom	\$1,000	\$1,100	\$1,200	\$1,250	25%
3 bedroom	\$1,100	\$1,200	\$1,300	\$1,350	23%
4+ bedroom	\$1,400	\$1,400	\$1,500	\$1,675	20%

New Orleans renters also pay a greater share of their income toward rent and utilities than the national average. Almost 56% of renters are paying more than 30% of their income toward rent and utilities in New Orleans compared to 47% nationally. Similarly, 33% of the city's renters are paying more than half their income toward housing costs, compared to 24% nationally.³ When families pay such high housing costs, repairs and moving costs may remain out of reach for many tenants who are then stuck in uninhabitable conditions.

Substandard Housing

With few standards enforced, many landlords may lack incentives to reinvest in properties, resulting in thousands of rental buildings across the city in disrepair. Existing landlord-tenant law also provides few protections for renters who attempt to report substandard conditions. When these conditions force tenants out, nothing prevents landlords from bringing in new tenants. Those landlords that do try to be good neighbors may face unfair competition from unregulated, negligent landlords who don't play by the rules.

New Orleans has about 63,700 private renter-occupied units that are not subsidized.⁴ In 2015, families in approximately **4,600** of these units reported major problems with the plumbing, heating, electricity, or upkeep of their apartment.⁵



Thousands of other families are living in units with other specific problems, including:

- **5,600** units with signs of rodents
- **4,900** units with leaks from outside the unit
- **4,400** units with leaks from inside the unit
- **3,200** units with a crumbling foundation
- **1,200** units with holes in the floors
- **1,000** units with broken windows

"The mold was terrible, but we had rodents and roaches too. Living in that apartment, I started to develop respiratory problems. I coughed constantly, I had nosebleeds, and I would go through half a box of tissues a night." – GNOFHAC client

Impacts on Children

U.S. census bureau estimates suggest more than 40,000 children live in rental homes throughout New Orleans. Research shows that housing quality can significantly impact their health and school performance.⁶

- **12,725** units had uncovered electrical outlets and children under seven living in or regularly visiting the home.
- **2,300** units had mold (a 30% increase from 2011).
- It is no surprise, then, that over one-quarter of all renter families with children (5-17) have an asthmatic child in the home, over **4,100** families.
- Children with asthma in these families accounted for **839** emergency room visits in the past year and **4,197** asthma medicine prescriptions in the past three months.

Louisiana hospital discharge data also reveals disparities in age-adjusted asthma emergency department (ED) rates by race and zip code, with African American residents experiencing much higher rates. For example, in zip code 70118 where African Americans are more likely to be renters, age-adjusted aggregated asthma ED rates per 1,000 residents for Black residents is 13.7, compared to 1.1 for White residents in the same zip code.⁷

The Healthy Homes Ordinance

New Orleans complaint-driven code enforcement system is clearly failing renter families. Tenants are fearful to report landlords and those who do have little protection from eviction. Lawmakers should support the Healthy Homes Ordinance and other efforts to improve substandard conditions and increase housing access.



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- ¹ U.S. Census Bureau, 2015 American Housing Survey. Sample size for the survey in the New Orleans metro area is approximately 3,000 households. Available: www.census.gov/programs-surveys/ahs/
- ² Mallach, A. (2016) *Where Will People Live? New Orleans' Growing Rental Housing Challenge*. Center for Community Progress. pp.6. Available: www.noraworks.org/images/NORA-Rental-Housing-Report.pdf
- ³ U.S. Census Bureau, 2015 American Community Survey, 1 year estimates.
- ⁴ New Orleans has 84,000 renter-occupied units (ACS, 2015). HANO operates roughly 20,300 public housing and voucher units, leaving approximately 63,700 renter-occupied units on the private market.
- ⁵ 2015 AHS data shows that 13,600 rental units in the area reported major problems with the plumbing, heating, electricity, or upkeep out of a total of 189,800 rental units in the New Orleans-Metairie-Kenner area. Assuming this share of units with major problems (7.2%) is equal across the area, it's possible to estimate that New Orleans has approximately 4,600 rental units with major problems with the plumbing, heating, electricity, or upkeep. The same methodology is used for subsequent estimates. Because New Orleans likely has a disproportionate share of housing problems, these estimates are likely lower than the actual figures.
- ⁶ 2015 ACS, 1 year estimates; Coley, R.L., et. al. (2013) "Poor Quality Housing is Tied to Children's Emotional and Behavioral Problems," *How Housing Matters*. MacArthur Foundation. Available: www.macfound.org/media/files/HHM_Research_Brief_-_September_2013.pdf.
- ⁷ Louisiana Department of Health, Hospital Discharge Data; 2015 ACS, 5 year estimates.