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# NEWS

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## **Analysis shows renters in Housing Credit homes pay average of \$7,800 per year less than market, reflecting rental rates 38% lower than market-rate properties across U.S.**

*AHTCC study of Moody's data across 80 U.S. metro areas reveals Housing Credit-financed properties ask monthly rents averaging \$653 lower than those of market-rate homes*

Washington, D.C. – The [Affordable Housing Tax Credit Coalition](#) (AHTCC) today released a first-of-its-kind analysis showing that households in homes financed with the Low-Income Housing Tax Credit (LIHTC or Housing Credit) save a significant amount on monthly rent compared to rents charged in market-rate properties, allowing renters in Housing Credit homes to direct more resources toward other essentials such as health care, groceries, transportation and child care.

Using data provided by [Moody's](#), the AHTCC found that rents charged in Housing Credit homes are an average of \$7,800 per year less than market, or 38 percent lower than market-rate properties, across 80 large U.S. metro areas. The analysis, which compared 1.2 million LIHTC homes to 12.7 million market-rate homes for fiscal year 2023, found that properties financed with the Housing Credit result in monthly rents averaging \$653 lower than those of market-rate properties.

“This first-of-its-kind analysis provides insight into the substantial real-world savings for people living in homes made possible by the Housing Credit,” said AHTCC Chief Executive Officer [Emily Cadik](#). “The numbers underscore that the Housing Credit does not just expand the country’s affordable housing supply, but also directly supports household well-being and economic security, which in turn stimulates the economy.”

The Housing Credit, established in 1986, has financed more than 3.85 million affordable homes, serving nearly 9 million households. The Housing Credit typically serves tenants living at or below 60 percent of area median income, providing homes for low-income households, including veterans, seniors, people with disabilities, essential workers, and families with children.

A pro-growth policy that supports more than 6.3 million jobs, more than \$250 billion in annual tax revenue, and over \$716 billion in wages and income, the Housing Credit also plays a vital role in addressing inflation by reducing housing costs, which accounted for over two-thirds of the Consumer Price Index increase in 2023, according to the Bureau of Labor Statistics.<sup>1</sup>

“The rent savings highlighted by the Moody’s data demonstrates the important role LIHTC plays in the housing landscape,” said [Nick Luettker](#), Associate Economist at Moody’s. “Households renting LIHTC-funded units are better able to afford rent and engage in their local economies with their rent savings. While the level of savings varies based on the local housing environment and economy, rent saving outcomes are observable across the country.”

The AHTCC analysis examined some of the nation’s most housing-constrained cities<sup>2</sup>, including the following:

Market	Housing Credit rent as % below market rate	Rent savings per month in \$
Boston, MA	- 48%	\$1,045
Charleston, SC	- 42%	\$754
Los Angeles, CA	- 50%	\$1,206
Nashville, TN	- 33%	\$537
New Orleans, LA	- 38%	\$510
Phoenix, AZ	- 40%	\$623
Portland, OR	- 34%	\$541
San Francisco, CA	- 54%	\$1,686
Seattle, WA	- 42%	\$957
St. Louis, MO	- 34%	\$393
Tampa, FL	- 42%	\$678

In January 2024, the Tax Relief for American Families and Workers Act, a bill that included provisions to expand the Housing Credit, passed the House by an overwhelming bipartisan majority of 357 – 70. Measures in the bill would finance over 200,000 more affordable rental homes than otherwise possible. Though it failed to pass the U.S. Senate in August, advocates remain optimistic that action will still be taken to strengthen the Housing Credit. More than half of the 118<sup>th</sup> Congress has signed on in support of the underlying legislation to strengthen the program, the Affordable Housing Credit Improvement Act (S. 1557/H.R. 3238).

“The need for affordable housing in communities across the country has never been more acute and our call to action has never been more urgent,” said [Ryan Sfredo](#), President of the AHTCC Board of Directors and CEO of Red Stone Equity Partners. “Our findings show what we have known for some time — that the savings made available to low-income renters through the Housing Credit are significant, and demonstrate the need to expand this vital and successful public-private partnership program.”

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#### **About the Affordable Housing Tax Credit Coalition**

Founded in 1988, the AHTCC is a trade association of housing professionals who advocate for affordable rental housing financed with the Housing Credit. For over 35 years, the organization has been at the forefront of every effort to expand, strengthen and protect the Housing Credit. The AHTCC’s more than 265 for-profit and non-profit members—including syndicators, investors, lenders, developers, legal and accounting professionals, state allocating agencies, public agencies, and coalitions—have financed or developed well over half of all affordable housing nationwide.

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<sup>1</sup> <https://www.reuters.com/markets/us/us-consumer-prices-rise-more-than-expected-january-2024-02-13/>

<sup>2</sup> <https://www.zillow.com/research/affordability-housing-shortage-34153/>