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YOUR MONEY

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Finding an apartment now takes more work

By Carolyn Bigda, special to Tribune Newspapers

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You recently graduated from college and moved back home. After months of searching, you finally found work, and you need to move again. Now you must navigate the rental-housing market, which has become a significant job in itself.

According to a survey published recently by RealFacts, which tracks the multifamily housing market, rents from July through September climbed close to 2008 highs.

Nationally, the average rent was \$994 per month in the third quarter, compared with \$997 per month for the same period in 2008.

Occupancy rates have also peaked, helping drive rent increases.

According to the survey, the occupancy rate nationally in the third quarter averaged 93.4 percent, the highest level ever, according to RealFacts. Space was especially tight in areas of the country where job growth remains strong. In Salinas, Calif., near tech-heavy Silicon Valley, the occupancy rate averaged 97 percent in the third quarter.

"It's rare that we see all of the major markets with occupancy rates 90 percent or better," said Sarah Bridge, owner of RealFacts.

Today's tight rental market is a sharp turnaround from the experience of two years ago. Then, move-in concessions such as security deposit waivers and a month of free rent were readily available, and rents were flat or declining.

"That's no longer common," said Albert Berriz, CEO of McKinley, a real estate investment firm.

Be ready for competition

If you're looking for an apartment, you'll likely be competing with several people for the same space.

"The rental population today is not just people between the ages of 18 to 35," Berriz said. "Today, it's more like 18 to 65, and that's something we haven't seen before."

In many cases, older households are renting because they were foreclosed out of a home after the real estate bubble popped. Other renters prefer the flexibility of being able to move quickly if, say, a job opportunity arises, Berriz said.

They may also prefer to live in urban areas where amenities are accessible by walking. "This may be as much a cultural change as an economic one," Berriz said.

At the very least, the housing crisis has left a bitter taste with many. According to a recent survey from Rent.com, 87 percent of adults no longer think owning a home essential to living the American dream.

There are still ways to save

Still, while tenants may not have the upper hand, rental units come in a variety of sizes and prices. "What's nice about apartments is that there are options at many different price levels," said Bridge, of RealFacts.

Studio and one-bedroom apartments in urban areas have been in high demand and therefore may go for a premium, Bridge said.

So instead, look for what type of unit a management company has the most of, and find a roommate if necessary. "That's where you'll get the deal," she said. "Don't concentrate on those concessions."

Renters with top credit scores will have an easier time qualifying for their apartment of choice.

"Credit history is more important than it's ever been," said Chris Brown, vice president of product management at Apartments.com. "Landlords are less likely to let a poor credit record in than in the past, when occupancy rates were lower."

Also, consider signing a two-year lease.

"The No. 1 tip I would have for saving money on rent is to look into a longer-term lease," Brown said. "A lot of communities now manage rents the same way that hotels manage room rates: The longer you stay, the better the price."

Now if only room service were included too.

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