

# Cost of Housing

## DEFINITION

*Cost of housing* is the percentage of income needed by a very low-income family to cover the average cost of rent.<sup>1</sup> The U.S. Department of Housing and Urban Development (HUD) defines a very low-income family as a family with an income less than 50% of the Area Median Income. A cost burden exists when more than 30% of a family's monthly income is spent on housing.

## SIGNIFICANCE

Poor quality, unaffordable, or crowded housing has a negative impact on children's physical health, development, school performance, and emotional well-being and on a family's ability to meet a child's basic needs. In contrast, when children live in high-quality housing that is safe, affordable, and located in well-resourced, low-poverty neighborhoods, they do better in school and their parents report improved mental health.<sup>2,3</sup>

In 2025, a worker had to earn \$45.34 an hour or \$94,303 per year to be able to afford the average rent in Rhode Island (\$2,358 per month for a two-bedroom apartment) without a cost burden. This hourly wage was over three times the minimum wage of \$15.00 per hour in 2025.<sup>4,5</sup> In 2025, Rhode Island required the 17th highest hourly wage of any state to afford the rent for a two-bedroom home.<sup>6</sup> For the first time the median renter with an income of \$48,434 could

not affordably rent in any Rhode Island city or town.<sup>7</sup>

Federally-funded Section 8 Housing Choice rental vouchers can help low-income individuals and families afford the cost of rent; however, there are not enough vouchers to meet the need and long waiting periods are common.<sup>8</sup> In 2021, the General Assembly enacted legislation that prohibits discrimination in housing based on lawful source of income, including housing vouchers.<sup>9</sup>

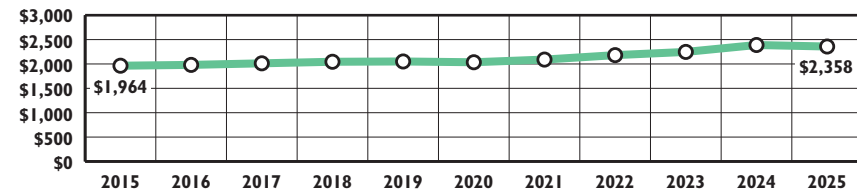
According to HousingWorks RI, a household earning the state's median household income of \$86,372 would not be able to affordably buy in any of Rhode Island's cities or towns.<sup>7</sup>

Rhode Island law establishes a goal that at least 10% of every community's housing stock qualify as Low- and Moderate-Income Housing (LMIH).<sup>10</sup> Eight cities and towns (Burrillville, Central Falls, East Providence, Newport, Pawtucket, Providence, West Warwick, and Woonsocket) now meet that goal.<sup>7</sup>

Rhode Island continues to heavily rely on federal funding to meet its housing needs. Rhode Island contributes less state funding to housing than other New England states. In Federal Fiscal Year 2024, more than 80% of Rhode Island's housing expenditures came from federal sources. More state investments will be needed to meet the state's housing goals.<sup>7</sup>



**Average Rent, Two-Bedroom Apartment, Rhode Island, 2015-2025**



Source: Rhode Island Housing, Rhode Island Rent Survey, 2015-2025. Rents are adjusted to 2025 dollars and include adjustments for the cost of gas, fuel, water, and electricity. Adjustments for utilities for each year vary according to U.S. Census American Community Survey's (ACS) annual one-year estimates.

- ◆ In 2025, the average cost of rent for a two-bedroom apartment in Rhode Island was \$2,358. Even when adjusting for 2025 dollars, rents have increased 20% from 2015 to 2025.<sup>11</sup>
- ◆ Nationally, households with children are twice as likely as other households to be threatened with eviction, and Black renters are about five times more likely to be evicted than white renters. Studies show that experiencing an eviction increases a child's likelihood of lead poisoning, food insecurity, emotional trauma, and academic decline.<sup>12,13</sup>
- ◆ States can reduce evictions by investing in eviction diversion programs, providing a right to counsel for those facing eviction, automatically sealing eviction records, enacting just cause eviction legislation, and passing source of income discrimination laws.<sup>13</sup>



## Legislative and Budget Initiatives Addressing Affordable Housing

- ◆ Rhode Island's FY 2025 budget included approval for a \$120 million bond to be included on the ballot for the November 2024 election. The bond was the largest housing bond in the state's history. Rhode Island voters overwhelmingly approved the bond, which is providing funding for affordable housing, homeownership programs, community revitalization, site acquisition, housing-related infrastructure, and municipal planning.<sup>14,15</sup>
- ◆ Rhode Island's FY 2026 budget increased the real estate transfer tax and established a new property tax on homes valued at over \$1 million that are not primary residences. Funding from these new revenue sources will support housing and homelessness initiatives, including the development of affordable housing.<sup>16</sup>

Table 6.

## Cost of Housing for Very Low-Income Families, Rhode Island, 2025

CITY/TOWN	FAMILY INCOME		HOMEOWNERSHIP COSTS		RENTAL COSTS		
	2025 POVERTY LEVEL FAMILY OF THREE	2025 VERY LOW-INCOME FAMILY	TYPICAL MONTHLY HOUSING PAYMENT	% INCOME NEEDED FOR HOUSING PAYMENT, VERY LOW-INCOME FAMILY	AVERAGE RENT 2-BEDROOM APARTMENT	% INCOME NEEDED FOR RENT POVERTY LEVEL FAMILY OF THREE	% INCOME NEEDED FOR RENT VERY LOW-INCOME FAMILY
Barrington	\$26,650	\$51,450	\$6,234	145%	\$1,936	87%	45%
Bristol	\$26,650	\$51,450	\$4,786	112%	\$2,037	92%	48%
Burrillville*	\$26,650	\$51,450	\$3,690	86%	\$1,614	73%	38%
Central Falls	\$26,650	\$51,450	\$3,454	81%	\$1,718	77%	40%
Charlestown*	\$26,650	\$51,450	\$4,818	112%	\$1,614	73%	38%
Coventry	\$26,650	\$51,450	\$3,507	82%	\$2,281	103%	53%
Cranston	\$26,650	\$51,450	\$3,646	85%	\$2,415	109%	56%
Cumberland	\$26,650	\$51,450	\$4,372	102%	\$2,539	114%	59%
East Greenwich	\$26,650	\$51,450	\$6,621	154%	\$2,033	92%	47%
East Providence	\$26,650	\$51,450	\$3,576	83%	\$2,315	104%	54%
Exeter*	\$26,650	\$51,450	\$4,425	103%	\$1,614	73%	38%
Foster*	\$26,650	\$51,450	\$4,308	100%	\$1,614	73%	38%
Glocester*	\$26,650	\$51,450	\$3,781	88%	\$1,614	73%	38%
Hopkinton*	\$26,650	\$55,700	\$3,854	83%	\$1,576	71%	34%
Jamestown*	\$26,650	\$51,450	\$8,927	208%	\$1,614	73%	38%
Johnston	\$26,650	\$51,450	\$3,793	88%	\$2,400	108%	56%
Lincoln	\$26,650	\$51,450	\$4,612	108%	\$1,884	85%	44%
Little Compton*	\$26,650	\$51,450	\$6,944	162%	\$1,614	73%	38%
Middletown	\$26,650	\$62,800	\$5,661	108%	\$2,388	108%	46%
Narragansett	\$26,650	\$51,450	\$6,641	155%	\$3,265	147%	76%
New Shoreham*	\$26,650	\$55,700	\$13,043	281%	\$1,576	71%	34%
Newport	\$26,650	\$62,800	\$7,691	147%	\$2,194	99%	42%
North Kingstown	\$26,650	\$51,450	\$5,207	121%	\$2,360	106%	55%
North Providence	\$26,650	\$51,450	\$3,612	84%	\$2,291	103%	53%
North Smithfield	\$26,650	\$51,450	\$4,191	98%	\$2,506	113%	58%
Pawtucket	\$26,650	\$51,450	\$3,216	75%	\$1,983	89%	46%
Portsmouth	\$26,650	\$62,800	\$5,486	105%	\$2,433	110%	46%
Providence**	\$26,650	\$51,450	\$3,754	88%	\$2,396	108%	56%
Richmond*	\$26,650	\$51,450	\$3,762	88%	\$1,614	73%	38%
Scituate*	\$26,650	\$51,450	\$4,888	114%	\$1,614	73%	38%
Smithfield	\$26,650	\$51,450	\$4,392	102%	\$2,094	94%	49%
South Kingstown*	\$26,650	\$51,450	\$5,098	119%	\$1,614	73%	38%
Tiverton	\$26,650	\$51,450	\$3,729	87%	\$2,146	97%	50%
Warren	\$26,650	\$51,450	\$4,374	102%	\$2,748	124%	64%
Warwick	\$26,650	\$51,450	\$3,470	81%	\$2,508	113%	58%
West Greenwich*	\$26,650	\$51,450	\$5,130	120%	\$1,614	73%	38%
West Warwick	\$26,650	\$51,450	\$3,447	80%	\$2,423	109%	57%
Westerly	\$26,650	\$55,700	\$4,481	97%	\$1,538	69%	33%
Woonsocket	\$26,650	\$51,450	\$3,291	77%	\$1,652	74%	39%
Five Core Cities	\$26,650	\$53,720	\$4,281	96%	\$1,988	90%	44%
Remainder of State	\$26,650	\$52,493	\$4,956	113%	\$2,311	104%	53%
Rhode Island	\$26,650	\$53,550	\$3,957	89%	\$2,358	106%	53%

### Source of Data for Table/Methodology

Family Income: 2025 poverty level for a family of three as reported in: *Federal Register*, 90(11), January 17, 2025, pages 5917-5918.

A very low-income family as defined by the U.S. Department of Housing and Urban Development (HUD) is a three-person family with income 50% of the Area Median Income and is defined separately for each of the three metropolitan areas comprising Rhode Island and for the state as a whole. Core city and remainder of state are calculated by Rhode Island KIDS COUNT using unweighted community data. Reported by Rhode Island Housing. (2025). *FY2025 Rhode Island income limits for low- and moderate-income households*. <https://www.rihousing.com/wp-content/uploads/FY-25-HUD-Income-Limits.pdf>

Homeownership costs: Data on typical monthly housing payments are from HousingWorks RI's *2025 Housing Fact Book*. They are based on the median selling price of a single-family home using year-end 2024 data and calculated based on a 30-year mortgage at a 6.72% interest rate with a 3.5% downpayment. The typical monthly housing payment for the state comes from HousingWorks RI, but core city and remainder of state are calculated by Rhode Island KIDS COUNT using unweighted community data.

Rental Costs: Rhode Island Housing, Rhode Island Rent Survey, 2025. Estimates include rent and utility costs. Starting with the *2019 Factbook*, the average rent is calculated using the CoStar database for two bedroom units. Average utility costs are from the U.S. Census American Community Survey's (ACS) annual one-year sample, which includes gas, fuel, water, and electricity for two-bedroom units. For 2021, 2019 ACS data were used for utility costs due to COVID-related data collection issues for the 2020 ACS. All values are adjusted for 2025 dollars. Statewide average based on all units in state. Core city and remainder of state are calculated by Rhode Island Housing. Data cannot be compared to Factbooks prior to 2019.

(continued with References on page 174)

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- Source of Data for Table/Methodology for Cost of Housing**
- \*Rhode Island Housing 2025 Rhode Island Rent Survey data are not available. Average rent used for these communities is the HUD FY 2025 Fair Market Rent for the metropolitan area as reported by the U.S. Department of Housing and Urban Development. The average rents calculated for the five core cities and the remainder of the state do not include communities for which data from the 2025 Rhode Island Rent Survey was not available.
- \*\*Typical monthly housing payment for Providence includes the East Side and therefore cannot be compared to data reported for Providence in Factbooks between 2013 and 2021.
- Five core cities are Central Falls, Newport, Pawtucket, Providence, and Woonsocket.
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- Source of Data for Children Experiencing Homelessness**
- Rhode Island totals are not the sum of all the districts because some students move districts during the school year and are counted as homeless in both districts.
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