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Vt. landlords defend state's high rents

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The head of a statewide group said landlords aren't to blame for making Vermont one of the least affordable states to rent an apartment.

"Landlords and builders want their costs as low as possible," said Stuart Bennett, director of the Vermont Apartment Owners Association. "Costs associated with labor, materials, debt service, taxes, insurance, utilities, repairs, maintenance, impact and permit fees, code compliance (including lead removal) and uncollectible back rent, make housing increasingly expensive to create and maintain."

Bennett responded in an e-mail to a report last week from the National Low Income Housing Coalition and the Vermont Affordable Housing Coalition.

The report found that Vermont is the 15th least affordable state for apartment renters. To afford a modest two-bedroom apartment and utilities, a worker needs to earn \$17.70 per hour, or \$36,812 a year. The national wage is \$18.44 an hour.

The wage is based on a statewide average "fair market rent" of \$920 a month. Excluding the greater Burlington-South Burlington metro area, the average fair market rent for the rest of the state is \$821 a month for a two-bedroom apartment.

James Theodore, who owns 88 apartments in the Rutland area, said the poor economy has exacerbated rental problems for both landlords, tenants and those looking to rent.

"We have a higher vacancy rate now because of the economy," Theodore said.

He added that finding good tenants, especially in a poor economy, is increasingly difficult.

Theodore's company, JTT Properties, is going through Chapter 11 bankruptcy because of what he said was a perfect storm of an economy that tanked, resulting in more vacancies and delinquent rents, and lenders who refused to modify his loan terms.

Theodore said he has reduced rents but said he can only go so far.

"I can't afford to cut the rent price in half and have the apartments full of people who aren't qualified and still not be able to pay the bills," he said.

According to the report, the average rent for a modest two-bedroom apartment in Rutland County is \$794 a month. With rent and utilities, the report said a worker needs to earn \$15.27 an hour. In Bennington and Windsor counties, the rent is \$843 a month requiring a wage of \$16.21 an hour.

The Vermont Affordable Housing Coalition last week cited several factors in making Vermont one of the least affordable states, including the lack of new construction, an aging housing stock and a shortage of public resources dedicated to new rental housing.

At the time the report was released, Erhard Mahnke, the coalition's coordinator, also noted that many jobs in the state are low wage and that the cost of living here is higher than in many other states.

Mahnke said, however, what's puzzling is that rents have not reflected the economic downturn.

But Bennett of the Vermont Apartment Owners Association said as is the case with many other businesses, most of the landlords' costs are fixed or have increased while incomes for people looking to rent have declined.

The report listed Hawaii as the least affordable state for apartment rentals. Among the states topping the list ahead of Vermont include California, New Jersey, New York, Massachusetts, Connecticut, Florida, New Hampshire and Rhode Island.