

Surging Rents: 30% of American Adults Now Live with a Roommate

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A new study from Zillow shows that a record 30% of American single adults, up from 21% in 2005, have been compelled to take on roommates to afford monthly rent payments. High rents have resulted from central banking policies that provide low-interest loans that drive up asset bubbles (like real estate) while wage growth is minimal. -GEG

A staggering new analysis from [Zillow](#) highlights perfectly the unintended consequences of central banking policies that drive massive asset bubbles but minimal job/wage growth. According to the study, surging home prices and rising rents have now resulted in a record 30% of American adults, up from 21% in 2005, being forced take on roommates just to afford monthly rent payments.

As rent consumes a growing share of household income in many cities, some people must relocate or find ways to offset rising prices. An increasingly popular way to cut costs is by adding a roommate. Nationally, 30 percent of working-age adults—aged 23 to 65—live in doubled-up households, up from a low of 21 percent in 2005 and 23 percent in 1990. We define a doubled-up household as one in which at least two working-age, unmarried or unpartnered adults live together. For example, a 25-year-old son living with his middle-aged parents would constitute a doubled-up household, as would two 23-year-old roommates who are not partnered to each other. A doubled-up household contains people who might choose to live apart under different circumstances, financial or otherwise.

Not surprisingly, large metropolitan areas like New York, LA, Miami and San Francisco saw the highest percentage of their adult populations doubling up on housing.

"As rents have outpaced incomes, living alone is no longer an option for many working-aged adults," said Zillow senior economist Aaron Terrazas. "By sharing a home with roommates – or in some cases, with adult parents – working adults are able to afford to live in more desirable neighborhoods without shouldering the full cost alone. But this phenomenon is not limited to expensive cities. The share of adults living with roommates has been on the rise in historically more affordable rental markets as well. Unless current dynamics shift and income growth exceeds rent growth for a sustained period of time, this trend is unlikely to change."

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