Housing profiles to support healthy homes and well-being for vulnerable low-income renters in Newark, New Jersey.
Table of Contents

Overview
1. Demographics
2. Quality of Life and Environmental Factors
3. Housing Tenure and Inventory
4. Inequality and Gap Analysis
   Next Steps
he following housing profile highlights key indicators and comparisons to help inform efforts by our community partner, Ironbound Community Corporation, to support the well-being of low-income renters in Newark, NJ. Thanks to support from the Robert Wood Johnson Foundation, the Housing and Community Development Network of NJ (HCDNNJ) has collaborated with Regional Plan Association (RPA) to highlight inequality and affordability challenges for renters. We present this information as a resource for community advocates and local, county, and state government officials to inform policy decisions to ensure healthy homes and well-being for New Jersey’s most vulnerable residents.

**Newark, New Jersey**

- Population: 281,054
- Number of households: 100,262
- Median income: $35,199
- Median home value: $245,200
- Rent-burdened households: 58%
Demographics

When reflecting on the factors that have shaped a community, it is helpful to start with a demographic snapshot of who lives there. Decisions around zoning and industry, for example, contribute significantly to the type and supply of housing available. Discriminatory practices of the past, such as redlining, have generational impacts on where people live that can be seen today. In New Jersey, the impact of these kinds of policies reduced opportunities for homeownership for Black and Brown New Jerseyans which, in turn, has led to stark differences in wealth accumulation. The NJ Institute for Social Justice estimates the median wealth for white households in NJ to be $322,500 compared to $17,700 for Black households and $26,100 for Latinx households. This wealth disparity impacts where people can live and further limits the communities that low-income households have access to. The information below highlights who lives in Newark, and how the city compares to other anchor communities and the state overall.

Population Change

Population change can indicate a number of positive qualities in a community. Growth can reflect desirability, quality housing, good schools, and economic prosperity. On the other hand, change can also reflect big challenges. Decline could indicate little access to opportunity, poor performing schools, concerns around public safety, environmental challenges, or limited housing. External shocks can also have broad impacts in a short amount of time. The financial crisis of 2007-2008, for example, led to excessive rates of foreclosures and evictions. Most recently, the COVID-19 pandemic has shifted many trends, including work-from-home policies, which have led to new demands for housing size and local amenities.

From 2000 to 2019, New Jersey’s population grew by 5.5% overall. However, Newark grew by about half that rate (2.7%), while several anchor communities saw declines.
Household Type and Family Size

Household type and size data is helpful to understand the housing needs of a community. Large developments with studio and one-bedroom apartments will not meet the needs of local families. Single family homes may not be accessible or desirable for new graduates who want to live in vibrant, walkable neighborhoods, or for seniors who are looking to downsize. Housing production goals should factor in population change and balance the type of housing necessary to prevent displacement of existing residents while accommodating newcomers who want to live there.

In Newark, we see that small families and those living alone make up the bulk (85.1%) of households.
Age

As residents age, housing needs change. Younger residents may want smaller units to rent, while households with children may want larger homes with more space. Older residents may seek to downsize or find ways to subsidize their cost of living so they can age in place. People usually need a variety of different housing types throughout their life. Accommodating for changes in the age of a population is an important part of creating inclusive communities.

Since 2000, Newark has experienced an 8.8% decline in households with young people, compared to the state’s 4% decline. There has also been a small gain in its senior population, but less than half compared to the state’s 4.9% increase.
Race and Segregation

Not everyone gets to choose where they live. Redlining, deed restrictions, and other forms of institutionalized racism have prevented non-white residents from accessing homes in many communities. The legacy of such discriminatory policies is reflected in how integrated or segregated a population is.

Black and Latinx residents make up over 80% of the population in Newark, compared to about a third of the population statewide. All of our anchor communities are home to a large Black and Latinx population, while statewide 35.4% of the population is white. Since 2010, however, the white population in NJ has declined by over 15% while other racial groups have increased. Should these trends continue, the state may be a minority-majority state by the next census.
Access to inclusive economic opportunity is critical to reducing poverty. Newark has a range of industries and jobs and is dominated by Trade, Transportation and Utilities, Educational and Health Services, and Professional Services. However, most jobs across all sectors are occupied by people commuting into the city. It is estimated that the unemployment rate in Newark was 4.8% as of September 2022, more than the state’s rate of 2.7% — and residents earn far less on average than workers commuting in from elsewhere.
A number of factors influence the health of a community. Being able to access opportunity, recreation, open space and clean air are as important as being able to afford a home.

Across the state, there are communities that have been forced to take on an unfair share of polluting facilities, which impacts the health of residents who live in these places. In 2020, New Jersey passed the Environmental Justice Law requiring the NJ Department of Environmental Protection to evaluate how polluting facilities would impact low-income communities of color. Overburdened Communities (OBC) already face environmental and public health stressors, and the law is meant to ensure they do not end up with an unfair share of polluting facilities.

Newark is designated an OBC and is ranked at the 66th percentile nationally for lead paint exposure, and 87th percentile nationally for proximity to traffic pollution.

Almost half (46%) of renter households in Newark do not have access to a personal vehicle, almost twice the rate statewide. There are around 314,000 jobs accessible within a 30-minute commute, but almost 50% of these jobs are occupied by employees with at least some college education. Only 27% of these jobs are occupied by those with high school or less education. While the city does earn an AllTransit score of 8.7/10 from the Center for Neighborhood Technology, limited inter-city travel options and a Manhattan-centric rail network limits the usefulness of existing transit options. Given limited connectivity, only 26.75% of commuters actually use transit to get to work.

Access to open space and safe streets are important for encouraging healthy outcomes, through exercise, recreation, and reducing reliance on vehicles. In Newark, 6% of the land is used for parks and recreation. This provides 87 parks across the city, with 94% of residents living within a 10-minute walk, compared to a national average of 55%. There is room for improving pedestrian and cyclist safety as the city’s Walk Score is 76 and its Bike Score is 51.

A decade after Superstorm Sandy, climate change continues to create challenges for vulnerable communities throughout New Jersey. Fortunately, Newark’s critical assets such as schools, fire stations, child care facilities, and evacuation shelters, among others,
are not at risk of a 100-year flood. However, a number of vulnerable groups are. Over 26% of Newark’s residents are below the poverty line, and 11.6% (8,602) of them are in a 100-year flood plain. 11.6% of seniors (3,433), youth (8,033) and people with disabilities (4,817) also reside in the 100-year flood plain.\textsuperscript{8}

It is critical that housing development and policies not only encourage more resilient housing, but also work to adapt vulnerable households at risk from the impacts of climate change.
Housing Tenure and Inventory

Land use policies impact housing supply, and housing metrics are helpful in understanding how decisions have impacted the built environment. For example, single-family zoning can be used to limit housing options and growth. Multi-family units can provide expanded housing options and, when part of transit-oriented development efforts, give people access to opportunities while reducing reliance on vehicles and improving the environment.

In Newark, 81.2% of housing units are multi-family, while 18.8% are single-family units. Across many of the anchor communities, multi-family housing makes up the bulk of housing units, especially where rentals exceed homeownership. Newark has the largest supply of housing units out of all the anchor communities.

Housing Units by Type

Newark

- Multifamily Units: 81.2%
- Single Family Units: 18.8%

American Communities Survey, 2015-2019
Being able to own or rent a home each offers opportunities and challenges. Homeownership provides a vehicle for building wealth, but requires the owner to pay for maintenance and property taxes — of which New Jersey has some of the highest rates in the country. Rental properties allow households to be flexible, but put their housing security at risk if landlords do not provide the required upkeep and services. With recent increases in average home values across the state, homeownership in New Jersey is becoming more and more out of reach for low-to-moderate income residents, while rents have climbed at much higher rates than increases in income.

In Newark, a majority of units are renter-occupied (68%) and there are a high number of vacant units (13%). Statewide, renters occupy about a third of housing units. A majority of New Jerseyans are homeowners.
As mentioned before, housing needs can vary by household types. However, if the unit sizes in a community cannot accommodate various household types — due to lack of production, or limited supply and being unaffordable — this could result in dangerous scenarios such as overcrowding or illegal conversions leading to unsafe housing conditions.

In Newark, there is a mix of small to medium sized rental units (1-3 bedrooms), but a limited number of larger units.

Housing production illustrates how demand and land use policies are realized in a given community. Development in Newark over the last decade has been dominated by
higher-density projects. Even prior to the pandemic, buildings of five or more units were the bulk of new permits.

Subsidized housing helps to offset housing costs and is a critical support system for many low-to-moderate income households. A comprehensive understanding of the types and source of housing subsidy available in a community, and expiration dates on existing affordable units, can help us better understand the demand and need for funding and producing affordable units. The data below represents only the federal portion of subsidized units. Effort should be made to provide accessible open data on local subsidy and other metrics to help localities get a deeper understanding of the affordable housing stock.

As illustrated above, 30% of rental units in Newark have some sort of federal subsidy. This is more than twice the statewide rate of 14%. The share of public housing — with 6,601 units in Newark — is also critical, as it is often one of the only sources of permanently affordable housing. Continued underfunding of capital and operating expenses for public housing authorities puts tenants at risk for a number of health issues and housing insecurity.
Code enforcement brings up a host of housing equity issues. Older housing typically requires more upkeep and is less efficient than new housing. New Jersey’s Lead Safe Certification is a good first step to safeguard tenants. It will require lead-paint inspections for all rental properties built before 1978 when tenants turnover or every three years. Better and more consistent code enforcement data would also help officials and advocates hold landlords accountable for tenant health and safety. Creating a statewide hotline to enable tenants to report on violations can help build a comprehensive understanding of common issues and bad actors. Instituting a proactive rental inspection program could also help to address issues before tenants face serious consequences.

In Newark, almost half (48.5%) of units were built before 1960, but there is also a mix of newer construction. Ownership of rental housing has changed over time to be dominated in some markets by institutional investors. Since 2017, 40% of home sales in Newark have gone to LLCs, which own 13% of the housing stock as of 2021. Having more clarity on property ownership could help better assess risks and inform policy solutions to prevent affordable units from falling into disrepair or being lost.
Housing Units by Year Built

Newark

<table>
<thead>
<tr>
<th>Year Built</th>
<th>Units</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 or later</td>
<td>2658</td>
<td>2.3%</td>
</tr>
<tr>
<td>2000 to 2009</td>
<td>14718</td>
<td>12.8%</td>
</tr>
<tr>
<td>1990 to 1999</td>
<td>11825</td>
<td>10.1%</td>
</tr>
<tr>
<td>1980 to 1989</td>
<td>12533</td>
<td>10.9%</td>
</tr>
<tr>
<td>1970 to 1979</td>
<td>13820</td>
<td>12.0%</td>
</tr>
<tr>
<td>1960 to 1969</td>
<td>13213</td>
<td>11.5%</td>
</tr>
<tr>
<td>1950 to 1959</td>
<td>13213</td>
<td>11.5%</td>
</tr>
<tr>
<td>1940 to 1949</td>
<td>13213</td>
<td>11.5%</td>
</tr>
<tr>
<td>1939 or earlier</td>
<td>26762</td>
<td>23.0%</td>
</tr>
</tbody>
</table>

American Communities Survey 2015-2019
Inequality and Gap Analysis

Understanding the socio-economic characteristics of a community is necessary to gauge housing needs. The gap in income and challenges with housing affordability highlight residents at risk of displacement without the proper protections in place.

In Newark, the median household income is $35,199 compared to $82,545 for the state. It is important to note that Black residents in Newark have the lowest median income when compared to residents of other races. Statewide, Black residents have the lowest median income as well, earning $41,215 less than white residents and almost $70,000 less than Asian residents, who have the highest median income statewide.

Income inequality is also highlighted in the gaps between renters and homeowners. Median income for homeowners in Newark is $69,692, more than twice that of renters ($29,784). This gap can be seen across all of the anchor communities. Statewide, median income for renters is $48,156, less than half that of owners ($108,325). The pandemic has also made worse an existing racial wealth gap between white and non-white households. There has been a surge in home values, creating more wealth for some homeowners and more insecurity for renters — widening the racial wealth gap now estimated to be over $300,000. This further highlights the need to focus on improving security for low-income renters.
Inclusive prosperity is important to help move people out of poverty and prevent displacement. In every anchor community, median income for workers is greater than the median incomes for residents. In Newark, there is a nearly $58,000 income gap between residents and workers in the City. This highlights the challenges residents have in competing for higher-earning local jobs. This also raises concerns that as efforts to improve a range of factors — housing, schools, open space, culture, transit, public safety, etc. — move forward, existing residents may be unable to access new amenities and further risk getting displaced as workers with more means are encouraged to move in.
A household that spends more than 30% of its income on housing is considered cost burdened. Those that spend 50% or more are considered severely cost burdened. Pandemic-related trends, recent inflation and supply chain issues have given many businesses, including real estate, a reason to increase their prices. Median home values in the state were around $300,000 in April 2019. In April 2022, median home values were over $430,000. And a recent survey from rent.com found that between August 2021 and August 2022, rents have increased an average of over 30%.

For residents already dealing with housing cost burden, these changes exacerbate housing insecurity and put them at risk of displacement through evictions or foreclosure.

In Newark, the median rent is **$1,085 per month**. Over the last 20 years, **housing costs have increased nearly 27% while income has decreased by over 10%**, adjusted for inflation. Statewide, costs have risen nearly 22%, while income has only increased by 2.7%. This creates more housing insecurity for low-income renters, who may be forced into unsafe situations - overcrowded housing, unregulated illegal units, or the shelter system. In the worst situations this escalating crisis will push more people into homelessness.

The COVID-19 pandemic has put enormous pressure on renters at a time when safe and healthy housing has never been so important. Some relief has come from the US Treasury Department, which has allocated over $45 billion in Emergency Rental Assistance (ERA) nationwide. However, getting the funds disbursed to those who need it most has not been easy. As of March 2022, Newark has received $22.9 million dollars in ERA funding, and dispersed 78% of it to over 2,000 households (NLIHC 2022).
Statewide, about half of all renters are cost-burdened. However, across all anchor communities, a much larger share of households are cost burdened, including 58% of renters in Newark.

**Percent of Rent-Burdened Households**

![Percent of Rent-Burdened Households](chart.png)

**Newark Renters**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Renter Median Income</td>
<td>$29,758</td>
</tr>
<tr>
<td>Median income of all households</td>
<td>$35,199</td>
</tr>
<tr>
<td>Median gross rent</td>
<td>$1,085/mo.</td>
</tr>
</tbody>
</table>

Source: ACS 2015-2019

**Housing Wages in Essex County**

<table>
<thead>
<tr>
<th>Income needed to afford a 1-bedroom</th>
<th>$23.52/hour</th>
<th>$48,920 annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income needed to afford a 2-bedroom</td>
<td>$28.44/hour</td>
<td>$59,160 annual</td>
</tr>
<tr>
<td>Income needed to afford a 3-bedroom</td>
<td>$36.29/hour</td>
<td>$75,480 annual</td>
</tr>
</tbody>
</table>

Source: National Low Income Housing Coalition
Looking holistically at the range of issues impacting renters — incomes, housing costs, types of housing, subsidy, etc. — helps advocates and policy makers better understand what is missing and inform policy and development decisions to address the gap. Understanding unique characteristics of vulnerable renters can help develop targeted approaches to ensure safe and affordable housing for all.

The table above shows 4-person household needs by income group. In Newark, extremely low-income renters would be unable to afford the median rent ($1,085). Over 58% of renter households are cost burdened in Newark. Of these, **17,915 renter households (42%)** spend more than thirty percent of income on housing, while **24,795 of renter households (58%)** spend more than half of their income on housing.

Households making less than 50% AMFI in Newark tend to be cost burdened, with the largest share of severely cost burdened households making under 30% of AMFI. This speaks to the need to preserve and create more deeply affordable housing.
The stress falls heavily on Asian or Pacific Islander, Black, and Latinx households, as over a third of renters in each of these groups are severely cost burdened.

Moreover, of households in Newark with a member who has disabilities, 60% live in inadequate housing.\(^{10}\)

In Newark, despite the tremendous need for deeply affordable housing, only about 22% of rental units are affordable for households making under 30% AMFI, while the bulk of rental units are available for those making over 30% AFMI.
In order to begin addressing housing inequality, a multi-pronged approach must be taken across the state. Funding for more affordable housing, especially in exclusive communities, is critical, as are programs to promote community-based wealth building. It needs to be easier to get families into affordable homes, along with support programs to keep them housed. Institutional investment needs to be transparent and accountable to protect tenants from displacement, and tenants need to be able to report code violations without fear of landlord reprisal. Racial discrimination, in all its forms, must be stopped. By working comprehensively to address these challenges, protect tenants, and create new housing, New Jersey can support more integrated communities where everyone has a place to call home and thrive.
Acknowledgements

Authored by

Maulin Mehta
New York Director

Zoe Baldwin
New Jersey Director

Ellis Calvin
Data Research Manager

Amy Cunniff
Former Advocacy Intern

Leah Robinson
Former Public Health & Planning Intern
END NOTES

/  All data from US Census 2019 ACS 5-Year Estimates
0  New Jersey Department of Labor and Workforce Development: Unemployment Rates and Labor Force Estimates, September 2022
1  EPA’s Environmental Justice Screening and Mapping Tool (EJScreen)
2  U.S. Census Bureau, 2015-2019 American Community Survey 5-year estimates.
3  AllTransit Performance Score. Center for Neighborhood Technology
4  Parkscore. Trust for Public Land.
5  Walkscore. Trust for Public Land
6  NJFloodMapper. Created by: Rutgers’ Grant F. Walton Center for Remote Sensing and Spatial Analysis (CRSSA), Edward J Bloustein School for Public Policy and Planning – Environmental Analysis and Communications Group, New Jersey Agricultural Experiment Station – Office of Research Analytics, Rutgers Climate Institute and the Jacques Cousteau National Estuarine Research Reserve (JC NERR), and in collaboration with the NOAA Office for Coastal Management (OCM)
7  New Jersey Institute for Social Justice
/ ., Inadequate Housing is an index capturing several problems including housing quality, overcrowding, cost-burden, etc.