

Out of Reach in 2016

Renters' Housing Wage

The average rent for a 2-bedroom, 1-bathroom apartment in the City of Los Angeles is about **\$2,169 per month**.¹ In order for housing to be considered affordable, a family should not spend more than 30% of its income on rent. Thus, a working family needs to earn nearly **\$42 per hour** – or **\$86,760 per year** – to afford the average rent in Los Angeles.

At **\$10.50**² per hour, one minimum wage worker supporting a family would have to work **159 hours per week** to afford the average 2-bedroom, 1-bathroom rent. The annual median renter household income in Los Angeles is **\$36,036**⁴— indicating that the majority of all renter households earn less than half the average rent.

Rents and homeownership are out of reach for:⁵

Teaching Assistants	\$29,872/year
Office Clerks	\$32,342/year
Substitute Teachers	\$42,232/year
Reporters	\$46,896/year
Food Service Managers	\$50,759/year
Postal Service Mail Carriers	\$55,094/year
Electricians	\$60,519/year
Real Estate Agents	\$69,104/year
Middle School Teachers	\$69,426/year
Chemists	\$70,674/year
Insurance Appraisers	\$76,230/year
Podiatrists	\$78,593/year
Accountants	\$78,679/year
Surveyors	\$86,512/year
Firefighters	\$86,571/year

¹ RealFacts Market Comparison, 2016 – 1st quarter

² City of Los Angeles minimum wage as of July 1, 2016

⁴ American Fact Finder, 2010-2014 American Community Survey 5-Year Estimates

⁵ California Employment Development Department, 2015 – 1st quarter Occupational and Wage Estimates for Los Angeles – Long Beach – Glendale MSA

⁶ Core Logic SoCal Home Resale Activity by Zip Code – April 2016

⁷ Core Logic, SoCal Home Sale Activity by City – April 2016

⁸ Assumes PMI is 1.0% of loan amount, taxes are 1.25% of sale price, insurance is .25% of loan amount and interest rate is 4.25%. Source: Neighborhood Housing Services.

⁹ California Employment Development Department, 2015 – 1st quarter Occupational and Wage Estimates for Los Angeles – Long Beach – Glendale MSA

Los Angeles City Housing Wage:

Renters in Los Angeles City

\$42/hour

\$86,760/year

Homebuyers in Los Angeles City

\$79/hour

\$165,247/year

Homebuyers' Housing Wage

Home prices in several traditionally low-income Los Angeles neighborhoods have risen dramatically in the past year. Home resale prices have increased by 101% in Boyle Heights, 45% in Crenshaw, 58% in Pico-Union, 19% in Vermont Square, and 24% in Watts.⁶

In April 2016, the median-priced single family home in Los Angeles sold for approximately **\$669,000**.⁷ The monthly mortgage payment required to buy the median-priced Los Angeles home is **\$4,544 per month**.⁸ A family would need to earn **\$165,247 per year** to support this mortgage, assuming they spend no more than 33% of the family's income on housing.

Homeownership is out of reach for:⁹

Financial Analysts	\$98,679/year
Biochemists	\$103,090/year
Economists	\$111,354/year
Nurse Practitioners	\$116,911/year
Software Developers	\$122,376/year
Chiropractors	\$128,571/year
Aerospace Engineers	\$124,637/year
Law Professors	\$127,152/year
Pharmacists	\$130,102/year
Producers and Directors	\$136,977/year
Dentists	\$148,729/year
Financial Managers	\$154,701/year
Engineering Managers	\$161,657/year

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