



FOR RELEASE: 10/12/2023

Contact: Denise B. Muha 202/785/8888

New Survey Finds Increased Significantly Increased Insurance Costs for Affordable Housing Providers

Deductibles are rising and restrictions or changes in policies are becoming more common

A new [survey](#) focusing on affordable housing providers and insurance costs and availability has found that rental businesses are facing much higher premiums - nearly one in every three policies had rate increases of 25 percent or more.

The survey, conducted by ndp analytics and commissioned by the [National Leased Housing Association](#) (NLHA), aligns with other recent [research](#) released earlier this year by the National Multifamily Housing Council (NMHC) that found a staggering 26 percent of property insurance costs increased over the past year.

Nearly all housing providers are taking actions such as increasing insurance deductibles, cutting expenses, or being forced to raise rents (when possible) to manage higher operating costs due to higher insurance premiums driven by limited markets, claims history, and renter populations.

Key findings include:

- For 2022-23 renewals, 29 percent of housing providers experienced premium increases of 25 percent or more, compared to 17 percent the previous year;
- Limited markets and capacity are responsible for most premium increases; followed by claims history/loss and renter population;
- 67 percent of respondents reported increasing insurance deductibles to manage the increases followed by decreasing operating expenses and increasing rent.

“The impact of rising insurance premiums coupled with the ability to obtain necessary coverage has already begun to impact affordable housing development and preservation efforts said Denise B. Muha, NLHA Executive Director. Further, existing property owners are faced with difficult choices as they struggle with operating deficits related to mounting insurance costs. These cost increases are not sustainable.”

“This is further evidence of the overwhelming majority of rental housing providers already understand – insurance costs are drastically rising across the board,” said NMHC President Sharon Wilson Géno. “This report demonstrates that while insurance costs and availability are negatively impacting all housing providers, the problem is especially acute for affordable housing providers in particular. Many

affordable firms are limited in the cost mitigation steps they can take and already face smaller operating margins – creating even deeper affordability challenges.”

The following organizations distributed the survey to their members:

- Affordable Housing Tax Credit Coalition (AHTCC)
- Enterprise Community Partners
- Housing Advisory Group (HAG)
- Institute of Real Estate Management (IREM)
- National Apartment Association (NAA)
- National Association of Home Builders (NAHB)
- National Affordable Housing Management Association (NAHMA)
- National Housing & Rehabilitation Association (NHRA)
- National Multifamily Housing Council (NMHC)
- National Leased Housing Association (NLHA)
- Stewards of Affordable Housing for the Future (SAHF)