

# Early Warning Signs of Displacement



Are people in your neighborhood<sup>1</sup> at risk of being displaced?

[changes are from 2020 to 2023 unless otherwise noted]



## Is Housing/Living Becoming More Expensive?

- ☐ Did the **median rent increase** by an amount at least 1.5 times as great as the statewide increase of \$285?
- ☐ Did the **number of cost-burdened renter households** (those paying more than 30% of their gross income on housing costs) increase by at least 15%?
- ☐ Did the **percentage of renter households who are cost-burdened** increase by at least 10 percentage points?
- ☐ Is the **number of ALICE households**<sup>2</sup> (ALICE = asset-limited, income-constrained, employed) increasing? Did the number of ALICE households in the neighborhood's host municipality increase at a rate more than double the statewide increase of 7.0% between 2021 and 2023?
- ☐ Is the supply of **income-restricted housing units** decreasing? Did the number of affordable units in the neighborhood's host municipality, as listed on the DCA inventory of affordable housing,<sup>3</sup> decrease between 2010 and 2022?



## Is Your Neighborhood Experiencing Demographic and Socioeconomic Shifts?

- ☐ Is the neighborhood's income distribution shifting upward? Did the **20th percentile income** (the income level having 20% of households falling below it) increase at a rate that was at least 1.5 times the statewide percent increase? (Statewide, the 20th percentile income increased by 21.0%, from \$33,222 to \$40,193.)
- ☐ Did the **median household income for renter households** increase at a rate that was at least 1.5 times the statewide percent increase of 20.5%?
- ☐ Did the **percentage of residents who are non-Hispanic White** increase between 2020 and 2023 from a level that was less than 50% in 2020?
- ☐ Did the **number of people with a bachelor's degree or higher** increase by a rate at least 1.5 times the statewide increase of 10.3%?



### Other Warning Signs...

- Are **waiting lists for public housing** getting longer?
- Are **vacancy rates for public/income-restricted housing** low and decreasing?
- What does the local job market look like? Are there employment options that promote financial and residential stability, or are **employment options relatively low-paying and unstable**, leaving residents vulnerable to shifts in housing affordability?
- Are there growing signs of **real estate agents getting directly involved in buying and flipping homes** in the area to profit from a housing market they see as being on a significant upswing?
- Are real estate agents operating in the area increasingly non-local, suggesting that they are **recruiting potential buyers or renters from elsewhere in the broader region**?
- Are new projects in the neighborhood increasingly **being actively advertised to outside communities**, like neighborhoods in parts of New York City, through social media platforms and other channels?
- Is the cost of housing and new development becoming a dominant **topic of discussion in online community groups** on platforms such as Facebook?



### You May Already Have a Displacement Problem if...

Housing costs have increased so much that lower-income households have already left...

- The total number of cost-burdened renter households is decreasing
- The number of households with incomes of \$30,000 or less is decreasing
- The total number of ALICE households is decreasing

Neighborhood demographics have changed substantially...

- The number of Black residents is decreasing
- The number of Hispanic residents is decreasing
- The number of residents with a high school diploma or less is decreasing

<sup>1</sup> Census tracts, for which a wide variety of data items are available, are used to represent the concept of a "neighborhood." Some variables, as noted, are only available at the municipal level and not at the tract level.

<sup>2</sup> The "ALICE" concept was originally developed by the United Way of Northern New Jersey to capture hardship among households with incomes that are not low enough to meet the federal poverty threshold but who nonetheless struggle to make ends meet. See more at <https://www.unitedforalice.org/overview>. ALICE households are calculated at the municipal level but not the census tract level.

<sup>3</sup> "List of Affordable Developments by County" at <https://www.nj.gov/dca/codes/publications/developments.shtml>