

Topic in Brief

Cost and distance of Berkeley student rentals, 2011 and 2014

May, 2016

Median rental prices have increased in areas where undergraduate students find off-campus housing. Students living in areas with lower rent lived farther from campus in 2014 than 2011.

EXECUTIVE SUMMARY

- In both 2011 and 2014, the majority of undergraduates lived in Berkeley's Southside and Northside.
- In areas where students lived, median rents increased in real dollars from 2011 to 2014.
- For lower-rent areas, students lived farther from campus in order to pay the same amount of rent in 2014 as in 2011.
- Higher-rent areas where students lived were closer to campus in 2014 than 2011.

We used ZIP code to match student residence with median gross rent from US Census data. The rental prices in this brief are median gross rent for the ZIP code and are used as a proxy for rent paid by students whose self-reported addresses were within that ZIP code. Two cross-sectional populations of enrolled undergraduates were included: Fall 2011 (N = 9,226) and Fall 2014 (N = 12,871).

RENTS INCREASED IN STUDENT RESIDENTIAL AREAS

In 2011 and in 2014, campus residence halls housed about one-fifth of the undergraduate population.¹ However, only off-campus housing was considered in this report on areas where students live and how rental prices may have changed over time. Not including on-campus housing, the most common areas for undergraduates to live were Berkeley's Southside (ZIP code 94704) and Northside (94709). The median

gross monthly rent in Southside was \$1299 in 2011 (in 2014 dollars) and \$1338 in 2014. In Northside, the median rent was \$1391 in 2011 (in 2014 dollars) and \$1425 in 2014.

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Median rent increased from 2011 to 2014 by 3.0% in Southside and 2.4% in Northside, the most common areas for undergraduates to live off-campus.

The next most common areas were west of campus from Martin Luther King, Jr Way to Sacramento St (94703), south of Southside (94705), and farther west from Sacramento St to San Pablo Ave (94702). Similar to Southside and Northside, median rent in these Berkeley city areas increased 2.1% to 8.9% from 2011 to 2014.

Other areas where Berkeley students lived were Albany (ZIP code 94706), Emeryville (94608), El Cerrito (94530), west Berkeley from San Pablo Ave to the Bay (94710), and Oakland's Temescal area (94609). With the exception of Emeryville, rent increased from 2011 to 2014 in these areas, most notably in west Berkeley near the Bay, which saw a 13.1% increase, from \$1137 (in 2014 dollars) to \$1286.

To explore if changes in rent were related to distance from campus, we limited analysis to ZIP codes within 10 miles of campus and with student counts of more than 20 in 2011 and in 2014. Within these criteria, the data suggests that the closer to campus an area was, the larger its increase in median rent from 2011 to 2014. The

graph below illustrates the relationship between distance from campus and change in rent. Notably, all areas within two miles of campus saw an increase in median rent.

DIFFERENTIAL CHANGE

Survey data suggests that Berkeley undergraduates who identify as low-income or poor are less likely to live close to campus, as compared to all students.¹ In order to investigate potential differences in distance from campus by rental prices, we created groups of rental prices in stable 2014 dollars. Our results are in concert with the survey findings: rental price or students’ ability to afford rent is related to distance from campus.

For the lowest rent categories, students lived farther from campus in order to pay the same amount of rent in 2014 as in 2011. The lowest rent category (<\$1099 per

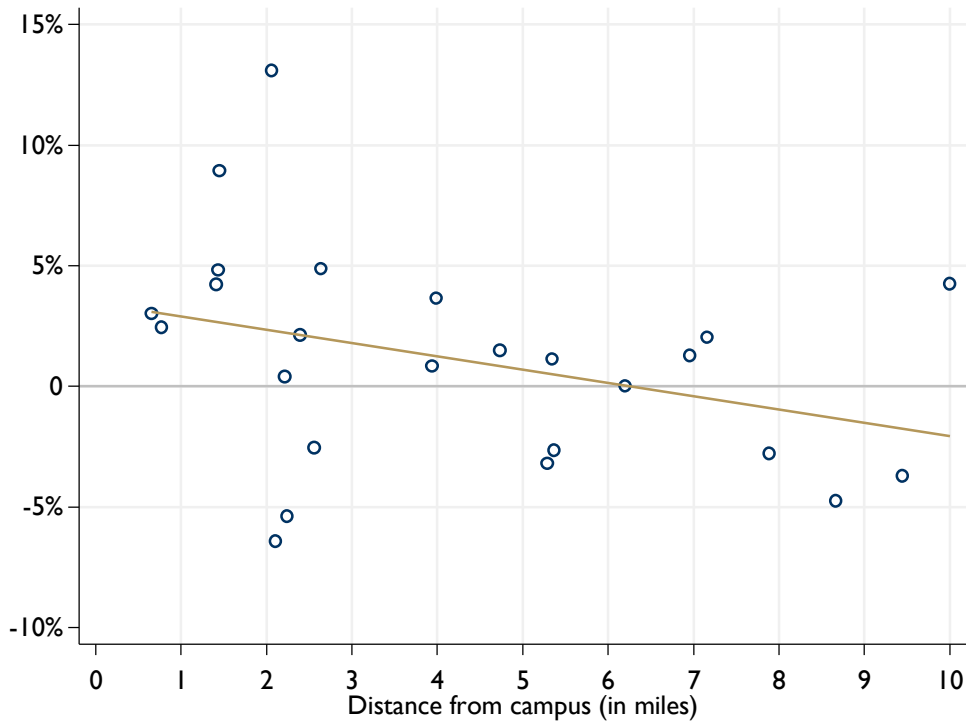
month, darkest blue line in the graph on following page) had a median distance from campus of 4.7 miles in 2011 and 5.3 miles in 2014.

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Students in the lowest rent groups lived farther from campus in 2014 to pay the same rent as in 2011.

In the next highest rent category, areas with rents between \$1100 and \$1298 (in 2014 dollars) were 1.4 miles from campus in 2011, as compared to 2.6 miles in 2014.

At 2.6 miles from campus and with median rent of \$1090 (in 2014 dollars), Temescal was the closest area to campus with median rent less than \$1099 in 2011. By 2014, median rent in Temescal had increased by 4.9% to \$1143, placing it in the next more expensive rent category.

Distance from campus and change in rent, by ZIP code



Source: Data from student records. Rent information from US Census.

Note: Only ZIP codes with at least 20 students in 2011 and in 2014, and within 10 miles of campus are included.

This reclassification of Temescal from the lowest to the next more expensive rent group moved the median distance for the lowest rent group farther from campus. Temescal then became the farthest area for its new rent group (\$1100 to \$1298), pushing this group’s median distance farther from campus as well.

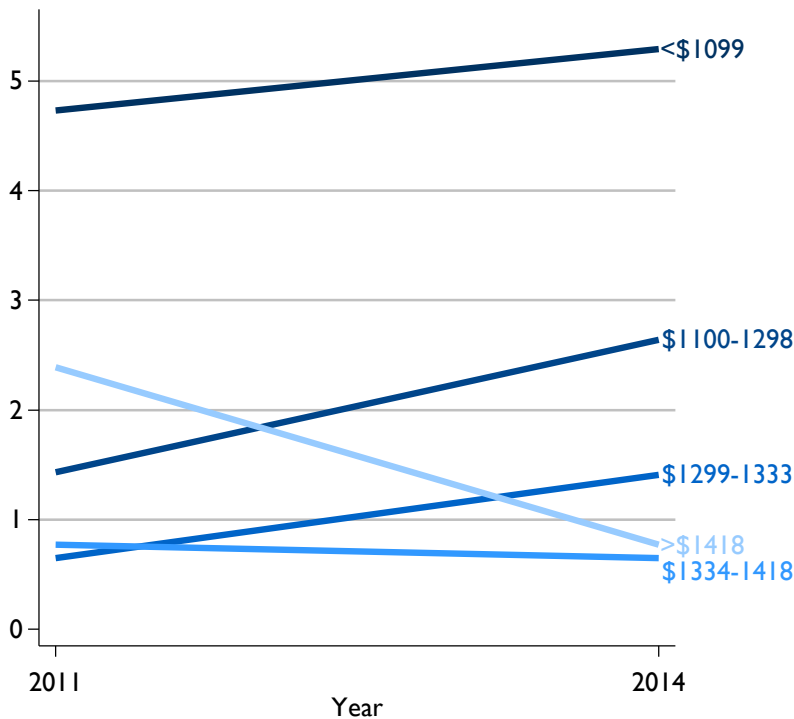
At the other end of the spectrum, areas with median rents of more than \$1418 per month (lightest blue line in the graph below) were Albany (2.4 miles from campus) and El Cerrito (3.9 miles) in 2011. By 2014, the Northside (0.8 miles) moved into the highest rent category. This reclassification of Northside moved the median distance for the highest rent group closer to campus. Since Northside is one of the most common areas for students to live, the reclassification resulted in an

increase in the proportion of students living in areas where the median rent was greater than \$1418 per month.

METHODOLOGY

For time periods ending 2011 and 2014, 5-year estimates of median gross rents by ZIP code were obtained from the US Census.² According to survey data, the vast majority of Berkeley students (94%) lived within 10 miles of campus, and this figure remained stable from 2011 to 2014.¹ To be very inclusive at the outset, rental information was obtained on ZIP codes within a 40-mile radius of the Berkeley campus. This area stretches to parts of San Jose in the south, beyond Livermore to the east, and includes Vacaville and Rohnert Park to the north.

Median distance from campus in 2011 and 2014, by rent group in 2014 dollars



Source: Data from student records. Rent information from US Census.

Note: Only ZIP codes with at least 20 students in 2011 and in 2014, and within 10 miles of campus are included.

Some analyses in this report limited the distance from campus to 10 miles, and these are noted in the text and in the graph captions.

Addresses for UC Berkeley undergraduates enrolled in Fall 2011 or Fall 2014 were used for this analysis. An address was excluded if: it was greater than 40 miles from campus or the ZIP code was non-numeric or not five digits (five-digit ZIP codes were extracted from ZIP+4). Students were not included in the analysis if they were not in residence for the term or if their address was on campus (ZIP 94720). For students with more than one address, we used the ZIP code closest to campus. Some analyses in this report required that a ZIP code have at least 20 students to be included, and these are noted in the text and in the graph captions.

ENDNOTES

1 Where Berkeley students live. Topic in Brief. Office of Planning & Analysis, May 2016.

http://opa.berkeley.edu/sites/default/files/where_berkeley_students_live.pdf

2 Table B25064, U.S. Census Bureau, American Community Survey 5-Year Estimates. <http://factfinder.census.gov>

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