

Landlords Account for Rising Student Housing Costs

By Adam Ontiveros-Oberg

SYRACUSE, N.Y., July 10, 2018 – Proponents of supply-side economics argue that the laws of supply and demand are a sufficient explanation for the substantial costs that students are forced to pay for housing. The students who have to shoulder those costs, however, often feel that a more detailed explanation is needed.

A search of the Syracuse apartment listing website orangehousing.com reveals a range of prices available for students attending local universities. Per person rates range from \$292 to \$1,750 per month. On the site it appeared that rent prices did not always correlate with more monthly utilities being included or furnishings provided. What then is the cause of this disparity? What are the lesser-known factors that influence the pricing of rental properties?

David Din has been a landlord in Syracuse for years and owns numerous properties in the area. Din is one of many landlords that focus on owning less expensive buildings situated further from campus instead of more expensive alternatives. When asked what he believes drives up rent, Din responded, “I think it depends on what the market can bear, but you need to adjust sometimes. I learned early that barriers to entry like security deposits and first and last month’s rent don’t work for full time students... It is because they don’t have the capital to pay that much up front... I made it my policy to have a low security deposit, and somewhat increased rent to make up for the risk.”



Eight-person student apartment, Syracuse, NY.

This is not a local trend. Andrew Doerflinger is a landlord in Livingston County. He owns four buildings, and his rent policies mirrored those of Din. Doerflinger mentioned that his rent included utilities because, “most of the places I have don’t cost much to heat or power, so I

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slightly increase the rent to cover it. For furniture and other stuff in the houses, I leave it to the incoming and outgoing tenants to make arrangements.” He admitted that these policies are rare in student housing.

Increases in rent have been accelerated by corporations and landlords who purchase as many properties as possible to increase revenue. Referring to Aspen Heights, a development half a mile from one of his properties, Din explained, “places like that are really just catering to demands... everyone has different expectations for their housing. Boys and girls each want different things from their housing choices. The need for security, transportation, it varies. And it works on racial lines too. A lot of places like Aspen cater to international students, and the wealthier students who can afford to pay their prices and want to live in luxury buildings like that when they see what houses are like in Syracuse’s suburbs.”

Student rental prices are not going to decrease any time soon. But Doerflinger recommended renting more strategically, saying that there were simple informal rules of the trade by which landlords had to abide in order to run their business. He said, “I’d have trouble filling my buildings if I charged too much for too little. Landlords who have more rooms tend to have less reasons [*sic*] to maintain buildings as well as they would otherwise, because the number of rooms they have means they’re making money regardless... Empty rooms don’t hurt their bottom line like they would mine.”

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