

How A New Model of Office to Co-living Conversions Can Reduce Homelessness With Low-Cost Housing

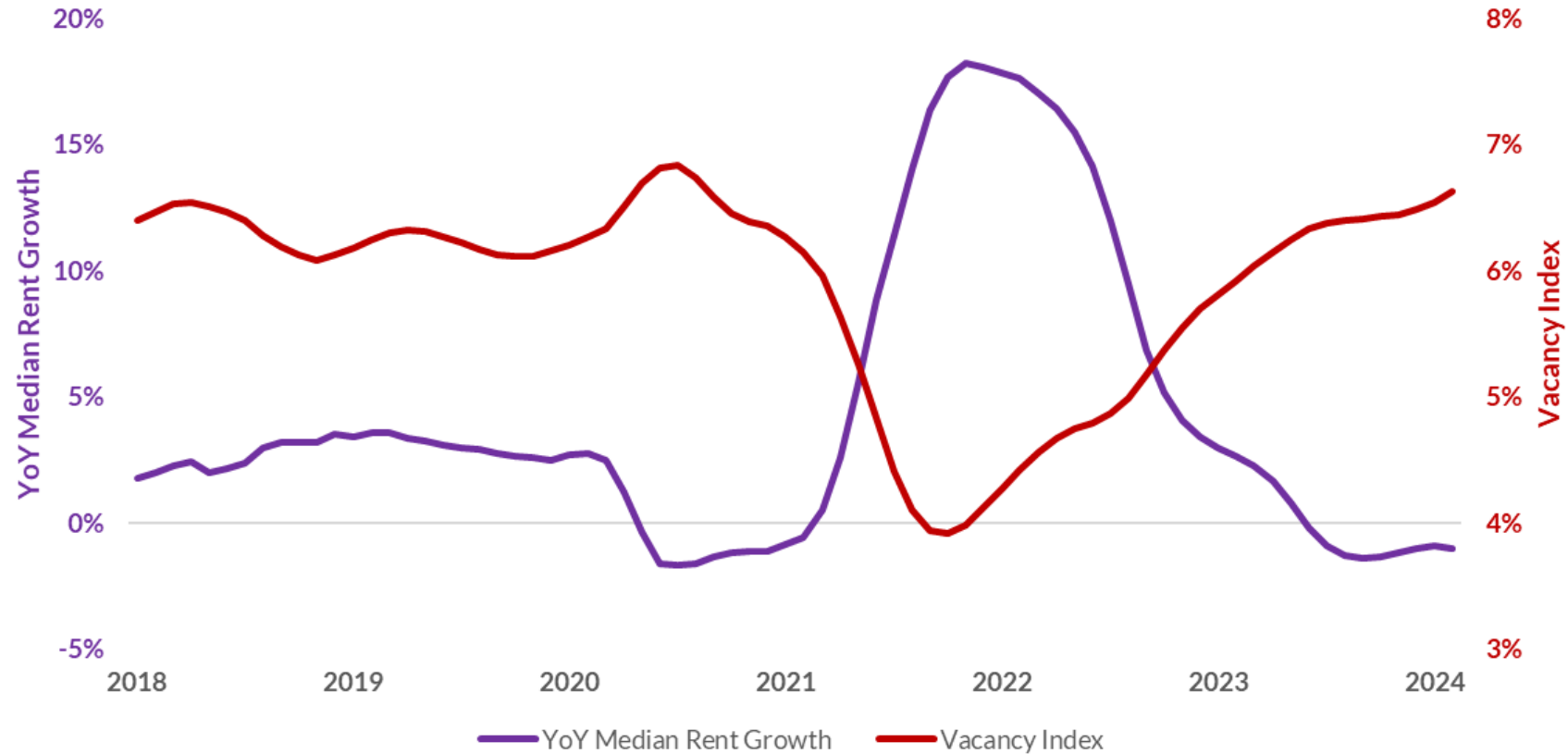
Alex Horowitz, The Pew Charitable Trusts

July 17, 2025

Pew

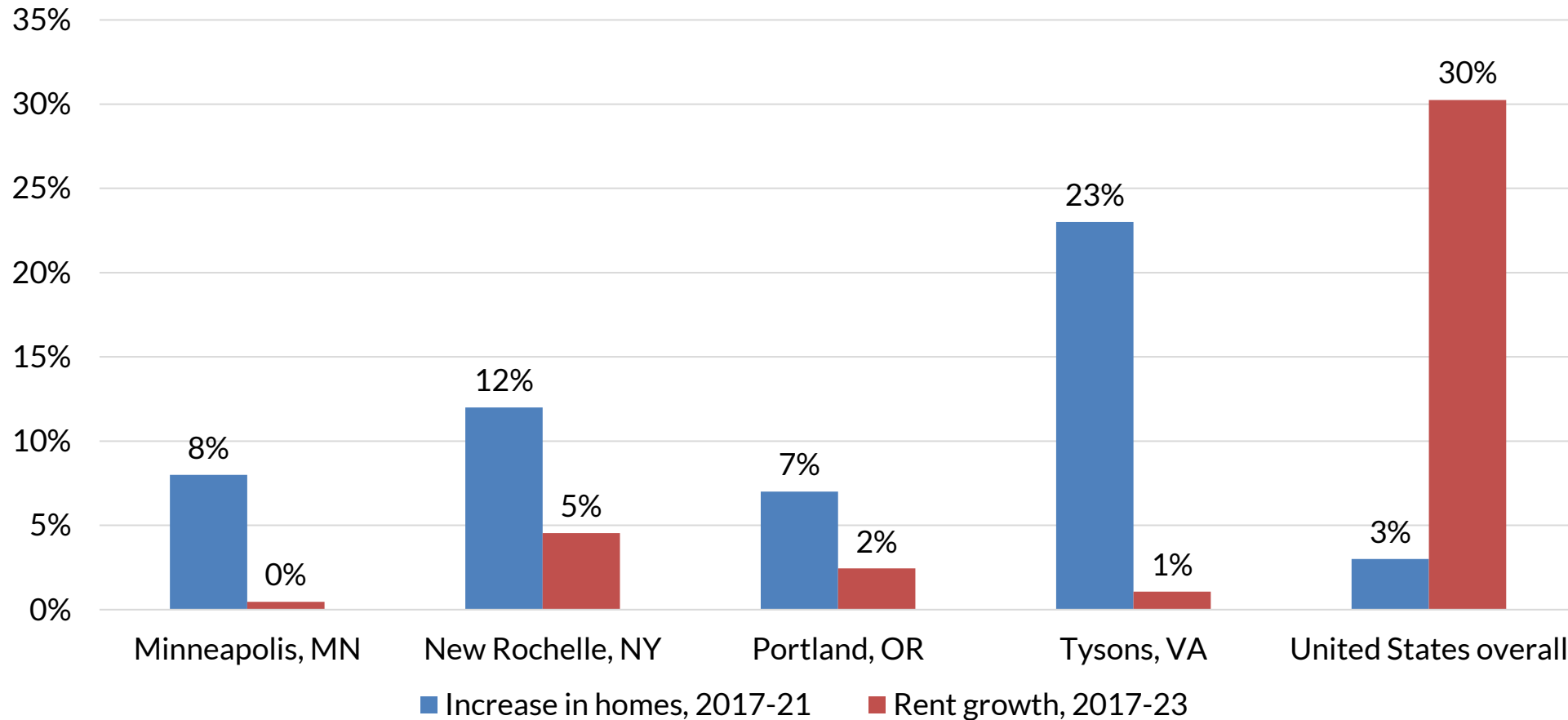
Rents Rise Quickly When Shortages Occur

Rent Growth vs. Vacancy Rate in the United States



Source: Data from Apartment List

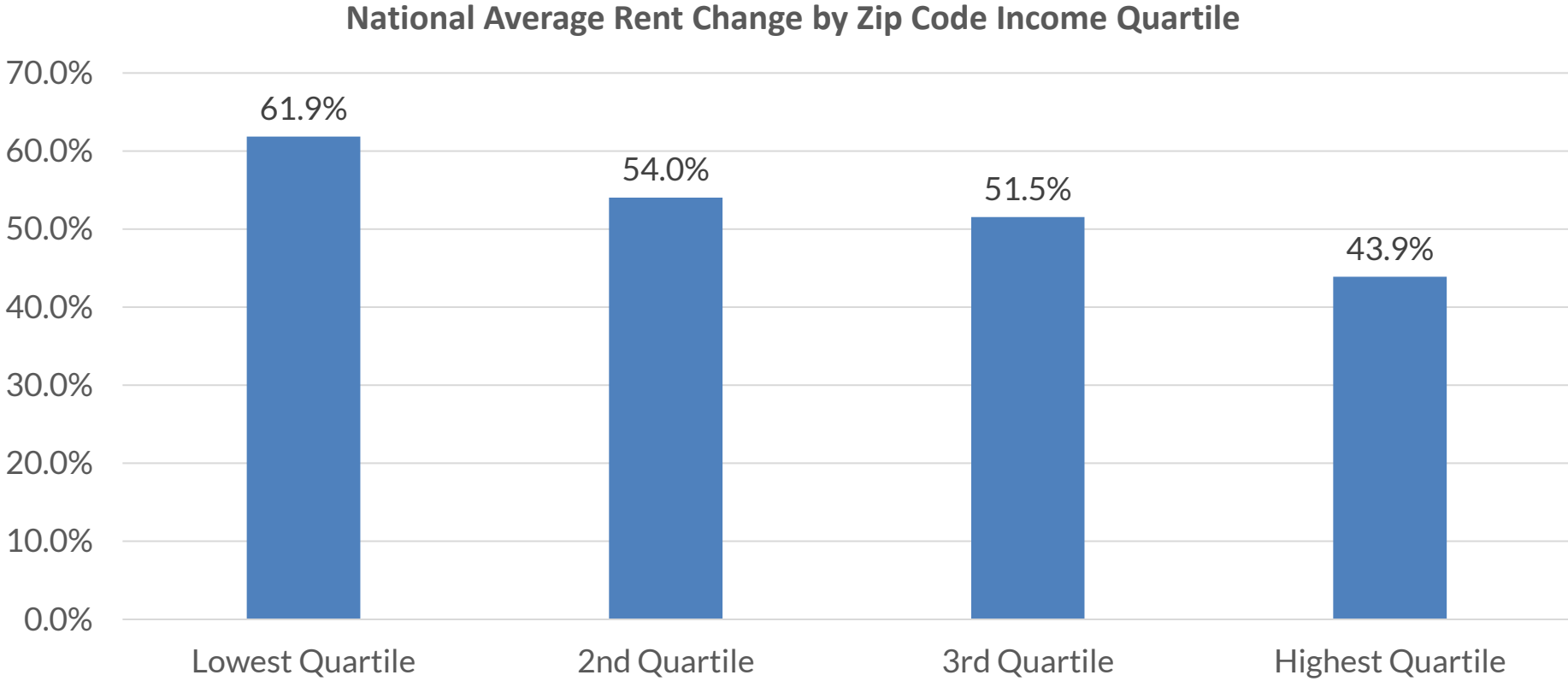
Rent Growth Is Low Where Housing Has Been Added



The four local jurisdictions shown added proportionally more households than the U.S. overall from 2017-21—indicating low demand was not the cause of their slow rent growth.

Source: Pew's analysis of Apartment List rent estimate data (Jan. 2017-Jan. 2023) and U.S. Census data on housing units (2017-2021)

Housing Shortage Hurts Low- and Moderate-Income Households Most



Source: Pew's analysis of Zillow rent estimate data (Sep. 2017-Sep. 2024) and IRS Income by ZIP Code data (2017)

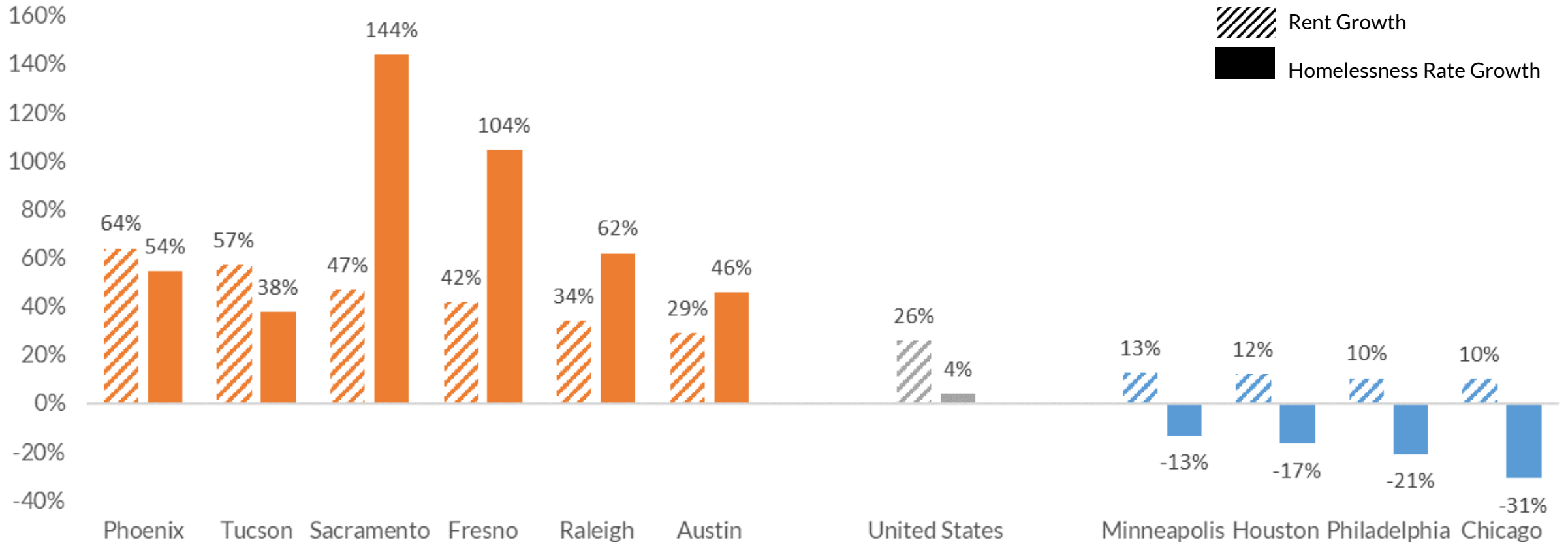
Supply Boost Has Driven Down Rents in Lower-Cost Apartments

Market	Effective Rent Change in 2023			
	Market Average	Class A	Class B	Class C
Austin	-6.0%	-4.4%	-5.7%	-7.9%
Dallas	-1.4%	-0.4%	-1.9%	-1.5%
Orlando	-4.0%	-2.9%	-5.1%	-3.1%
Phoenix	-4.3%	-1.9%	-3.9%	-7.2%
Salt Lake City	-3.4%	-1.9%	-3.9%	-3.6%
San Antonio	-2.9%	-1.7%	-3.6%	-2.8%

Source: RealPage rent data

Homelessness Increased in Areas Where Rents Soared

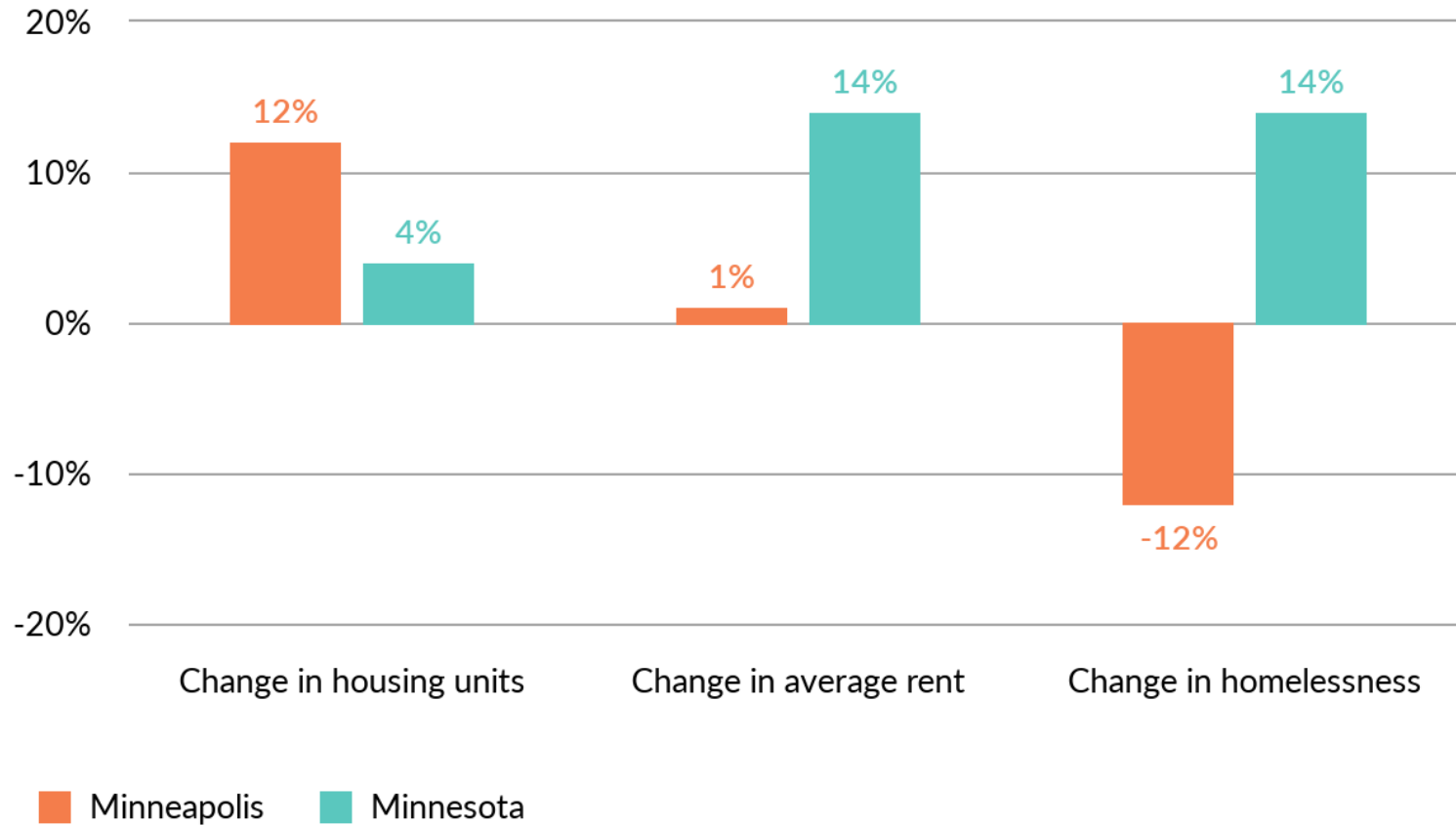
Percent change in homelessness per 10,000 residents, 2017-2022



Sources: HUD, Census ACS, Apartment List

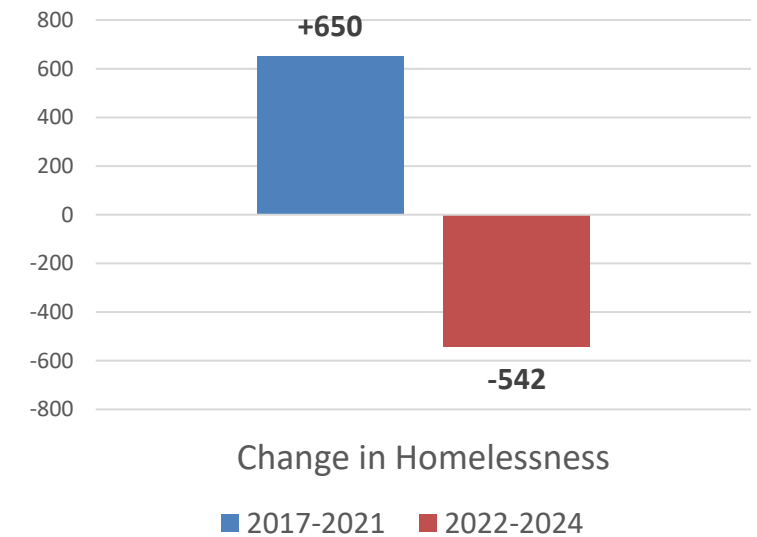
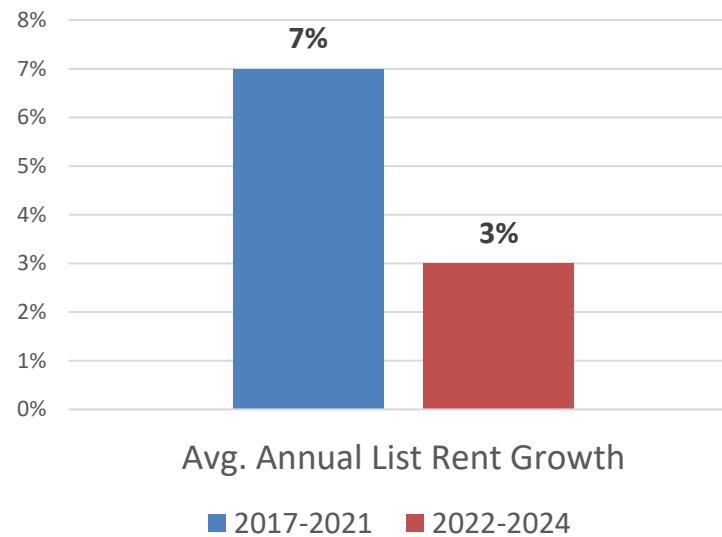
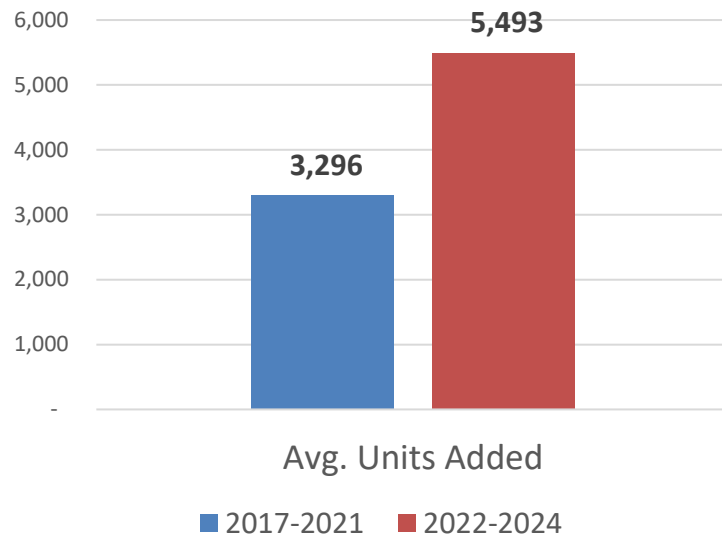
After Zoning Reform, Minneapolis Rent Growth Slowed, Homelessness Dropped

Percent change, 2017-2022



Sources: ACS Census Bureau for housing supply; Apartment List Rent Estimate data for rents; HUD Point-in-Time count data for the CoC covering the listed jurisdiction for homelessness

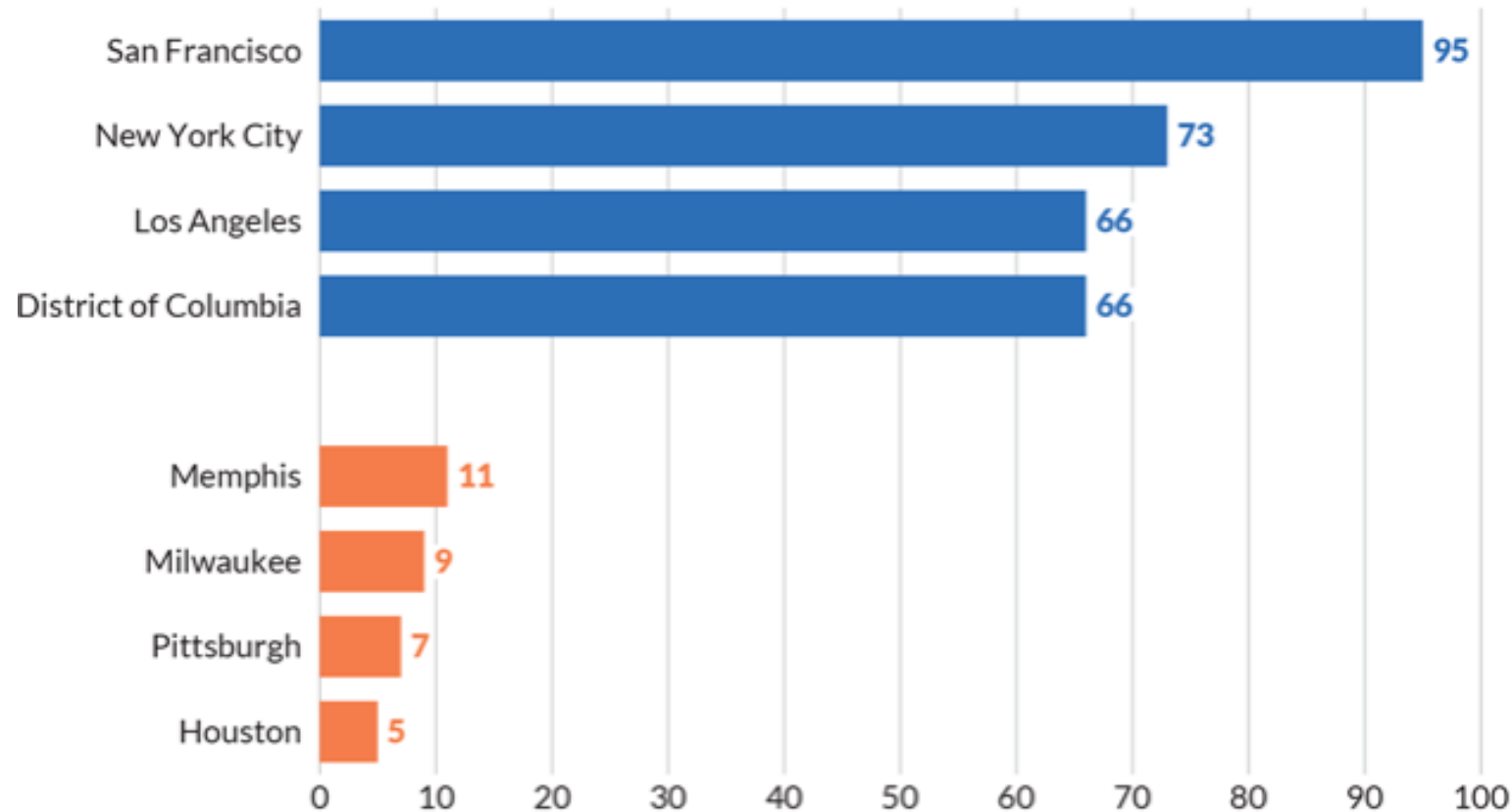
Raleigh's 2021 & 2022 Land-Use Reforms Enabled More Apartments, Townhouses



Sources: Zillow Observed Rent Index (ZORI), U.S. Census Bureau, HUD Building Permits Database

Homelessness is High Where Rents Are High

Rate of homelessness per 10,000 in January 2022



Avg. Rent (Mar. 2024):
\$2,284

Avg. Rent (Mar. 2024):
\$1,203

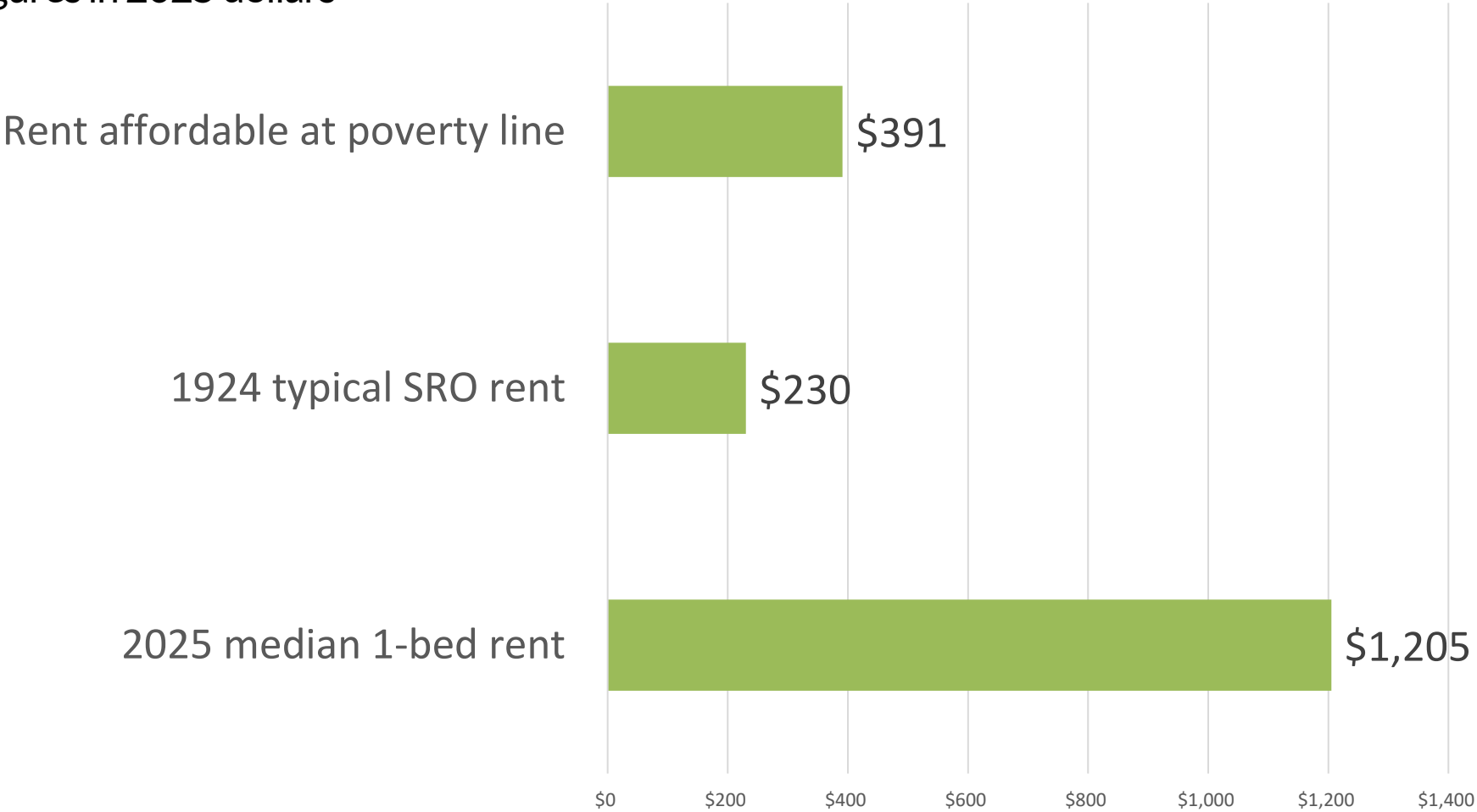
Sources: Homelessness data comes from the Department of Housing and Urban Development's 2022 Point-in-Time estimates. Population data comes from the 2021 American Community Survey (ACS) one-year population estimates from the U.S. Census Bureau. Rent levels come from Apartment List's [Rent Estimates](#) data in January 2022, downloaded on June 15, 2023. City names refer to the Continuum of Care (CoC) covering the city, which sometimes spans the county encompassing the city. When a CoC was comprised of multiple counties, rent data for the largest county in the CoC was used.



State and Local Policies Decimated Single-Room Occupancies (SROs) & Launched Widespread Homelessness

20th-century SROs had rents affordable to those below poverty line

All figures in 2025 dollars



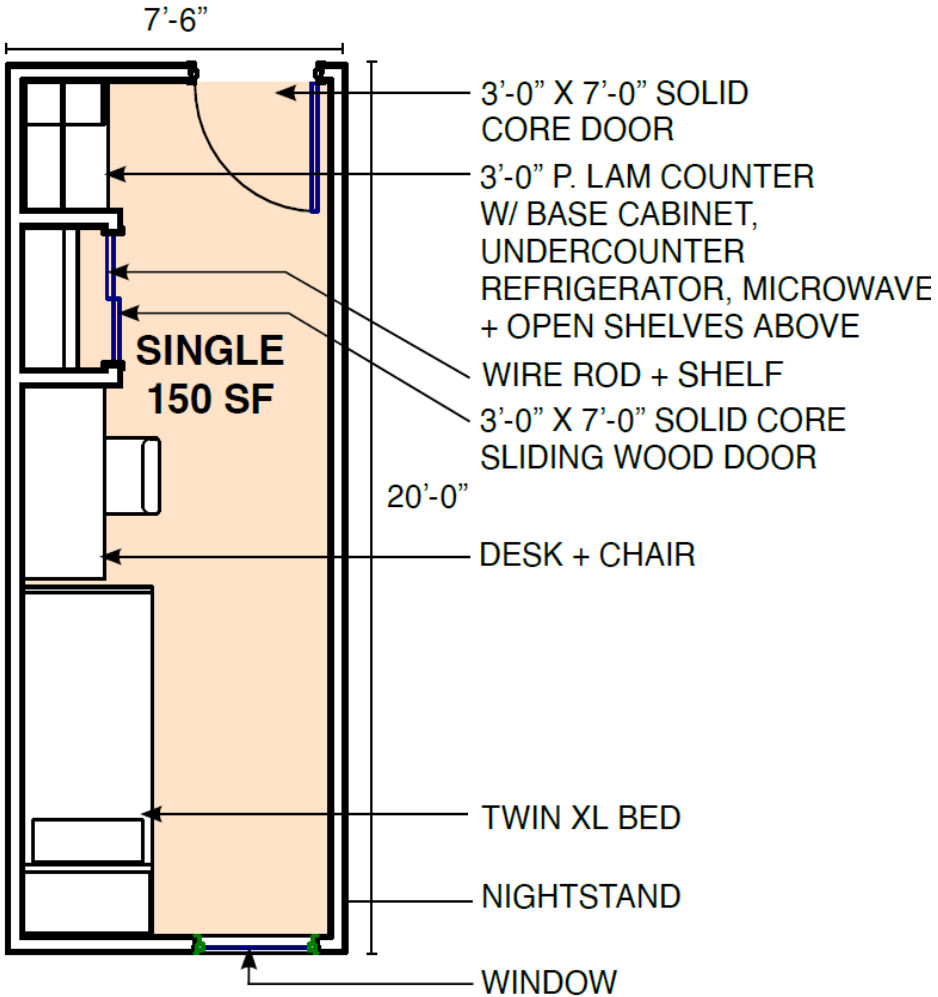
Sources: SRO rent from Paul Groth, "Living Downtown;" 2025 rent from Apt. List

Reviving Low-Cost Housing: Safe, Modern Office to Co-Living

- 40% of U.S. renter households have 1 person
- 86% of homeless households have 1 person (comprising 66% of people)
- Cost per unit 2x-4x lower than either new build or office to conventional apartment.
- Centralizing plumbing reduces costs by avoiding the expensive construction of kitchens and bathrooms in each unit.
- Construction costs are 25-35% lower per square foot than office to conventional apartments.

Co-living Unit vs Traditional Studio Layout

Co-living Unit Model



Traditional Studio Layout

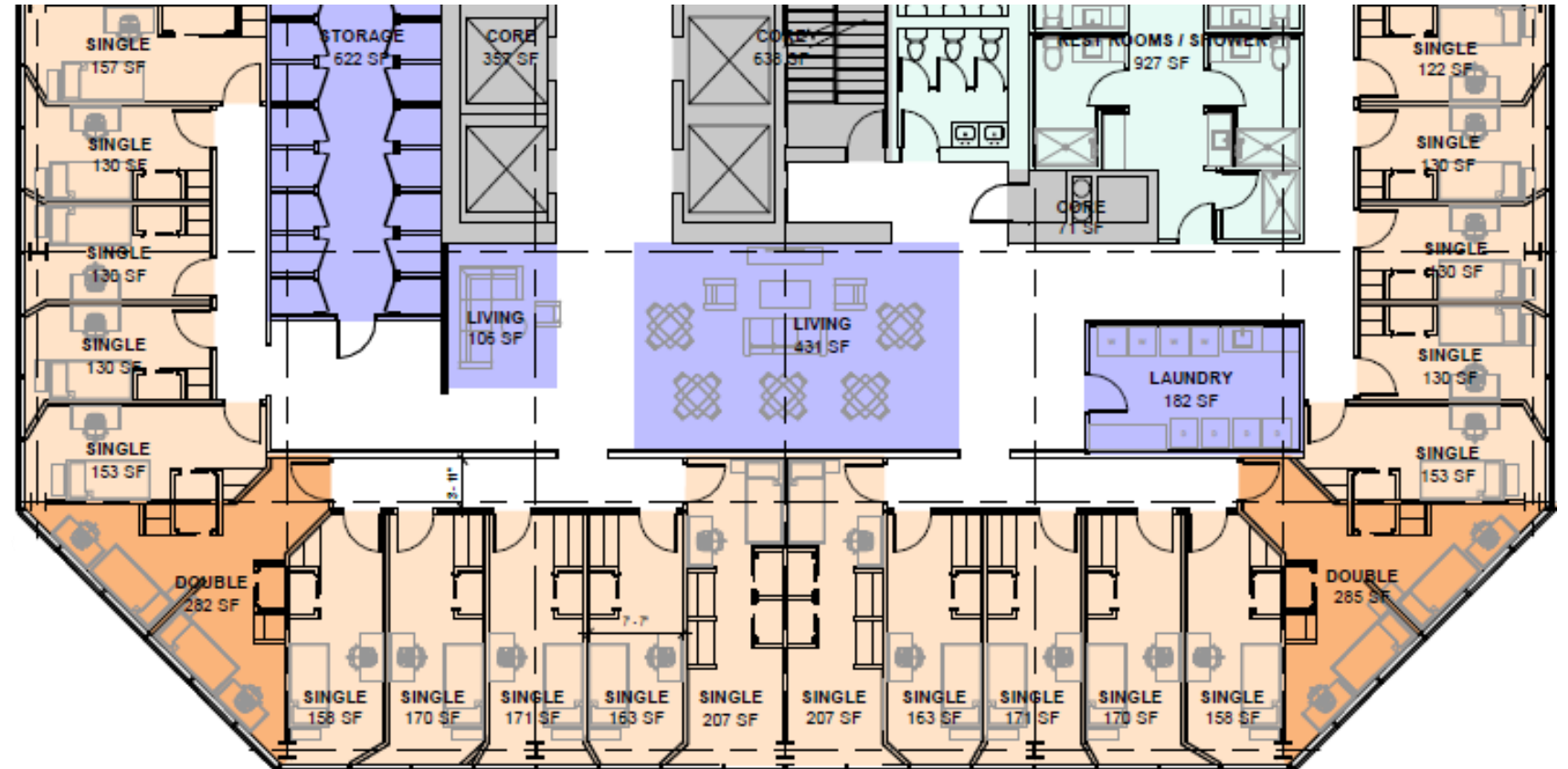
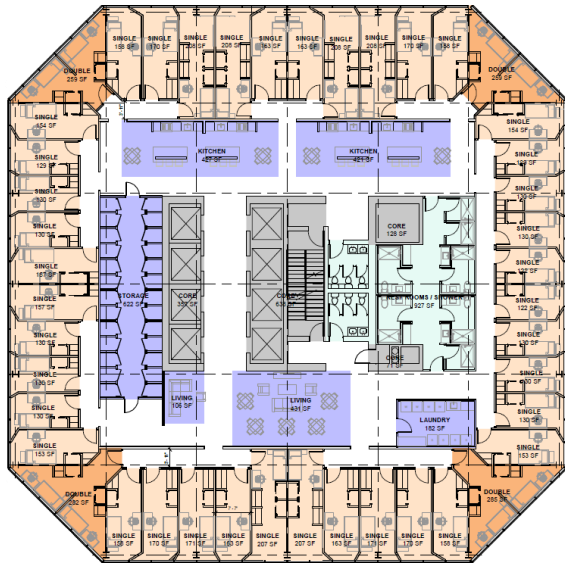


Rendering of a Micro-Unit



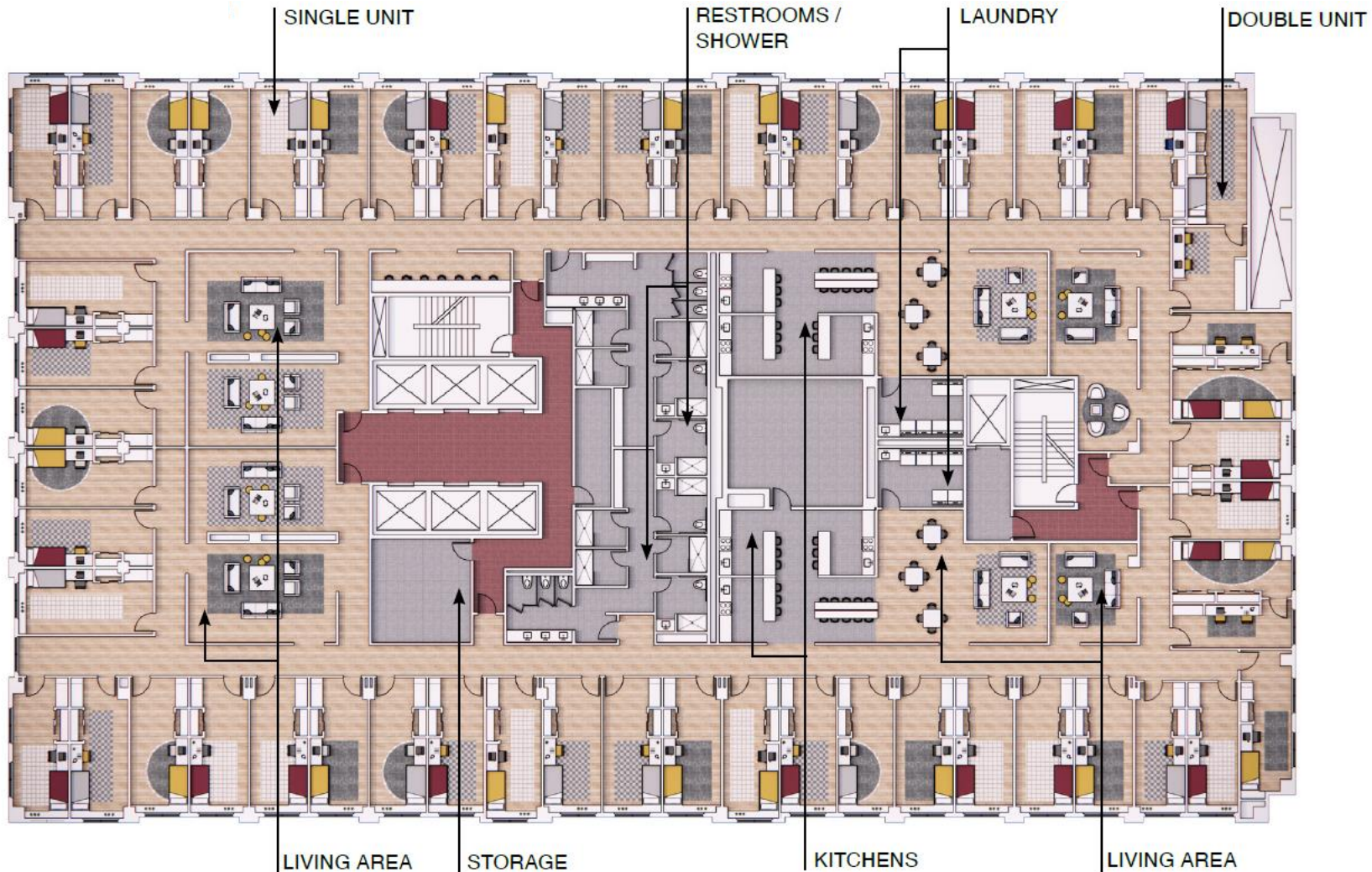
Source: Gensler

Denver Building Floor Plan



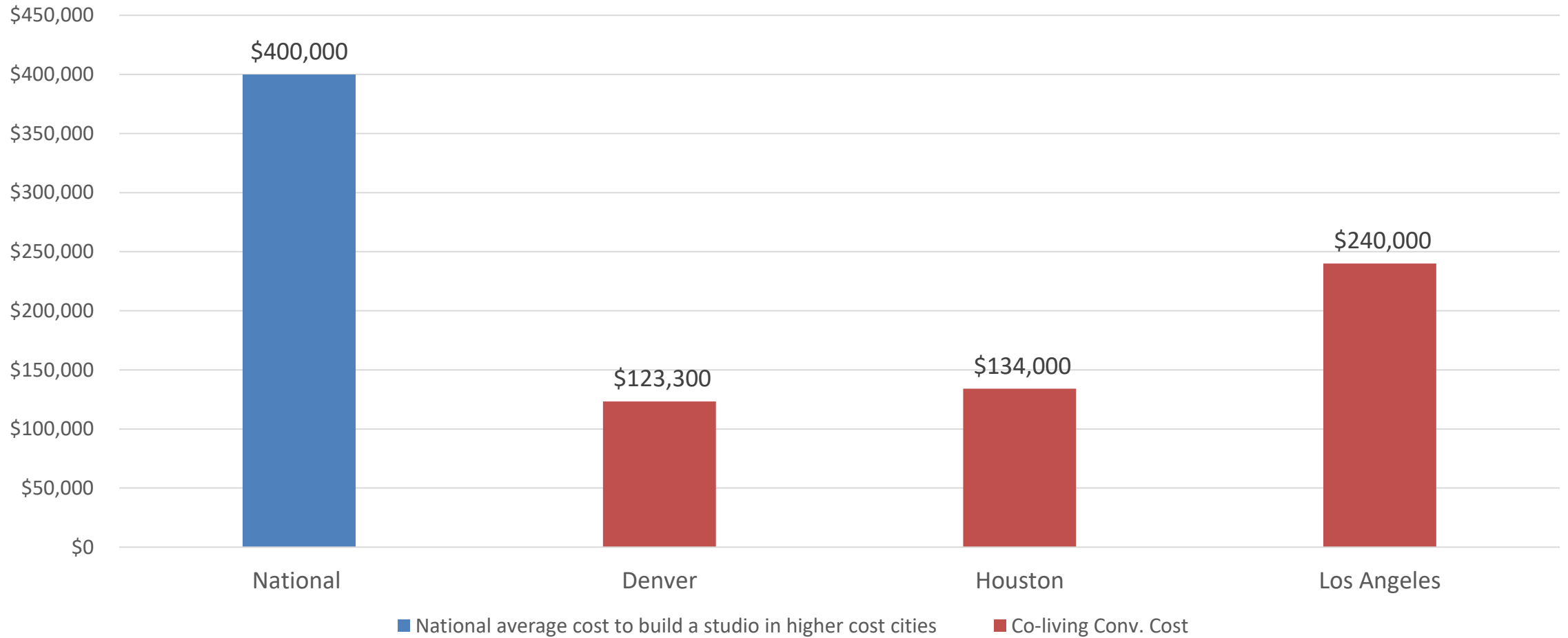
- 28 residential floors
- 44 units (inc. 4 doubles)
- Total of 1,232 units (1,344 residents)

Washington, D.C. Building Floor Plan



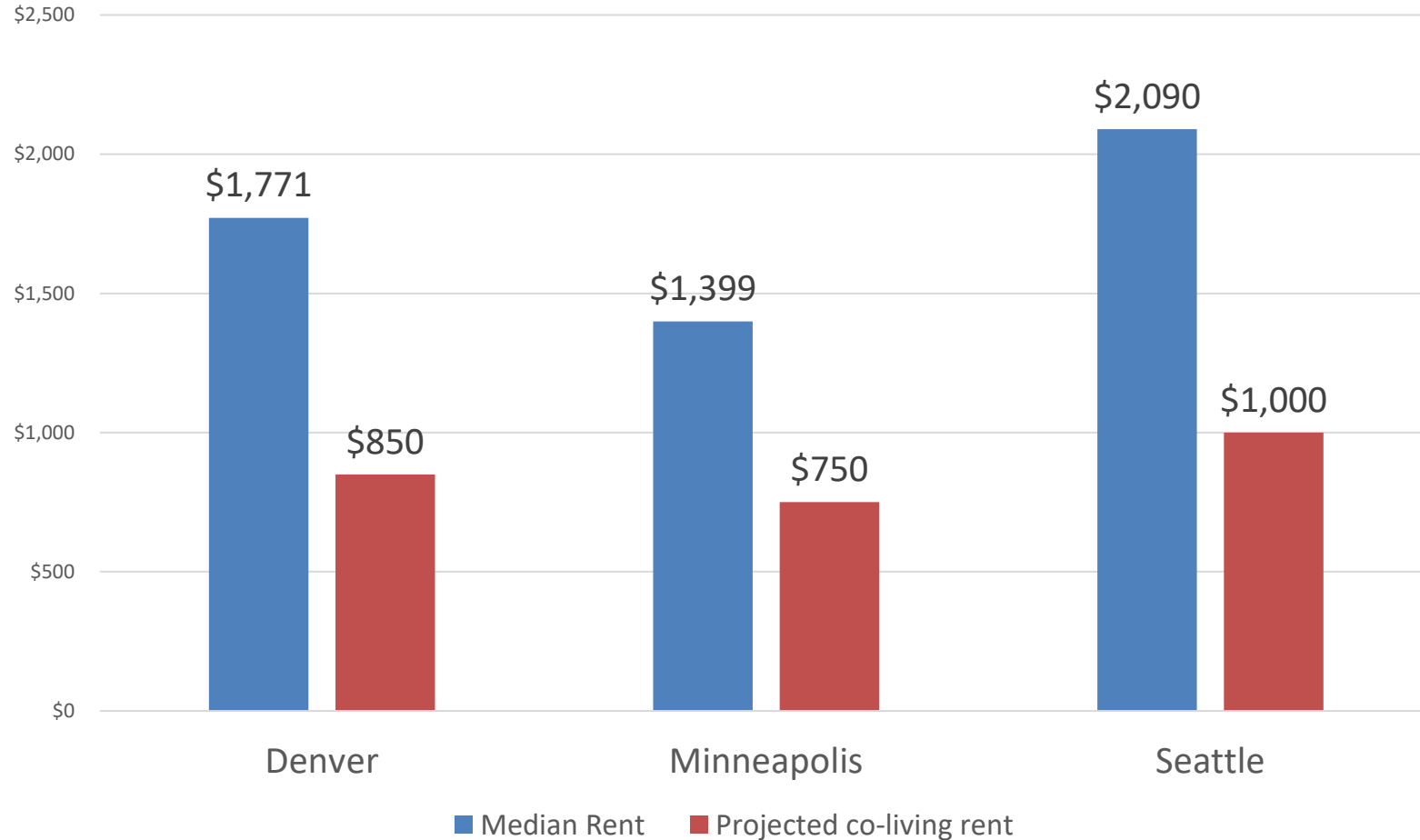
- 10 residential floors
- 56 beds per floor
- Total of 530 units (560 residents)

Co-living conversions cost far less than new-build studios



Source: Studio costs from Gensler and Turner Construction; co-living development costs estimated by Gensler and The Pew Charitable Trusts, 2024

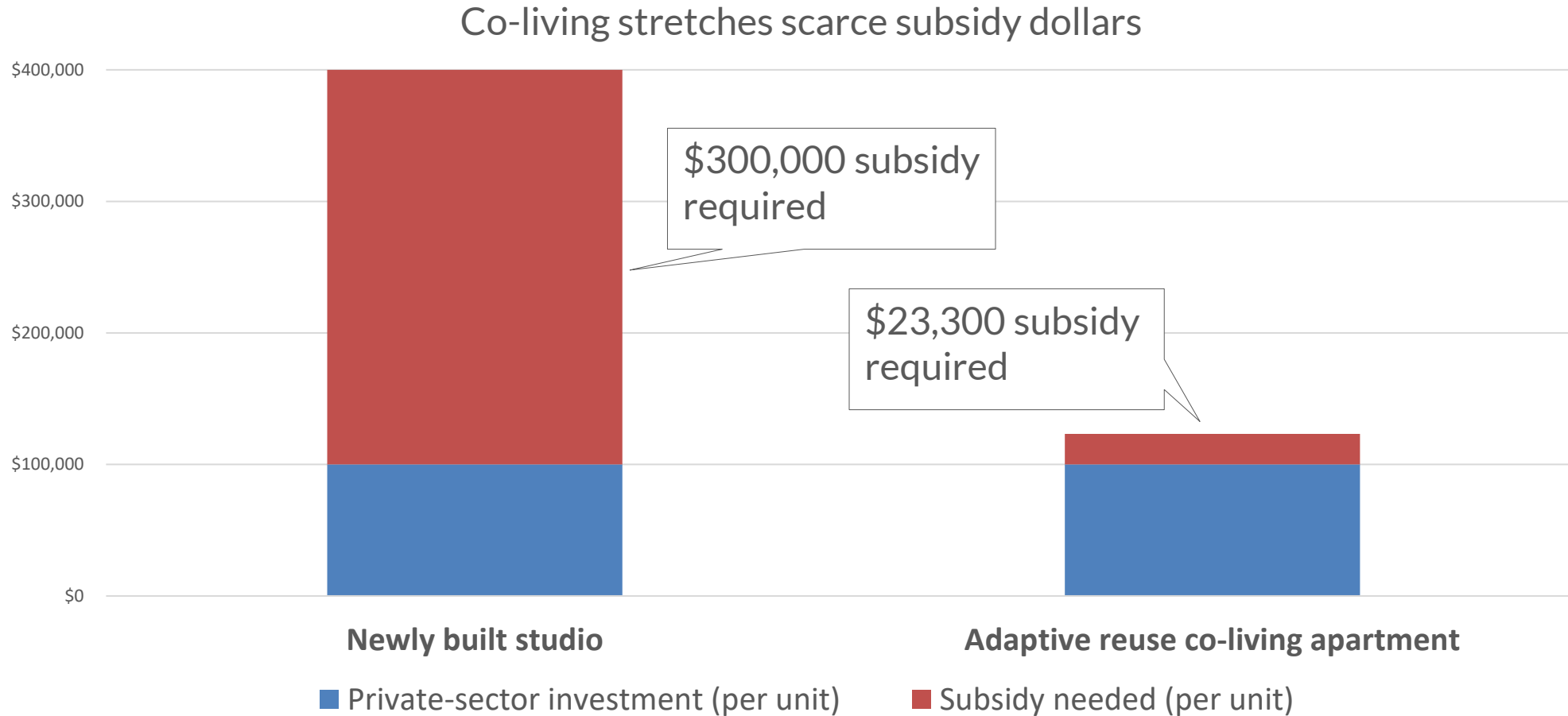
Office to Co-Living Conversions Can Produce Low-Cost Housing, but Often Blocked by Decades-Old Local Regulations



Source: median rents from Apt. List; projected rents estimated by Gensler and The Pew Charitable Trusts, 2024

Co-Living Conversions Are Far More Cost Effective

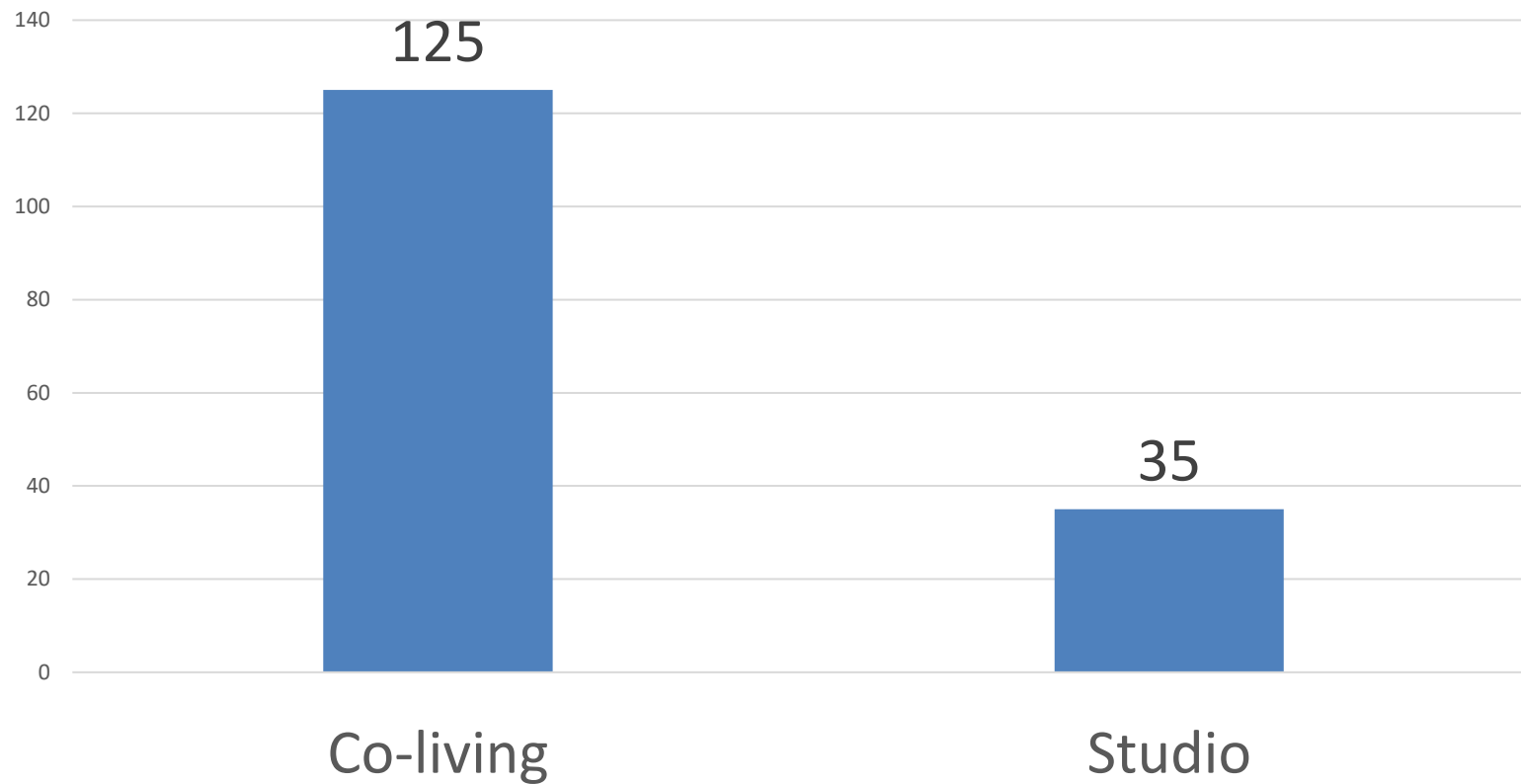
Denver subsidy and private costs by unit type, affordable at 35% of area median income



Source: estimates from Gensler and The Pew Charitable Trusts, 2024

Office to Co-Living Conversions Can Produce More Homes with Same Spending

50% AMI homes that would be created with \$10 million in subsidies, Chicago



Source: Gensler and The Pew Charitable Trusts, 2025

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