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New Jersey is the fourth most expensive place in the nation to rent a two bedroom apartment, behind only Hawaii, Washington, D.C., and California, according to a national report released Tuesday by the National Low Income Housing Coalition.

A family must earn an hourly wage of \$25.04 in order afford to rent in New Jersey, where more than a third of residents rent a house or apartment. In 2011, New Jersey ranked in the top five and the new status represents an 18 percent increase over a five year period.

"New Jersey has become less affordable in the last year," said Diane Sterner, Housing and Community Development Network of New Jersey director. "We need our leaders to invest in New Jersey's future, and help create the homes our residents need and empower municipalities to transform their neighborhoods into vibrant, affordable, safe communities. Unfortunately, Governor Christie's proposed fiscal year 2013 state budget takes housing funds away from their intended purposes. This will gut efforts to restore vacant, foreclosed houses into affordable homes and apartments. Instead of creating more homes that people can afford, the governor is putting our economic prosperity out of reach."

To gauge affordability, the NLIHC and the Housing and Community Development Network use an accepted measure that no more than 30 percent of a person's income should be spent on housing. Housing advocates said with the fair market rent in the state for a two bedroom rental set at \$1,302, a family must earn \$52,081 annually in order to afford a two bedroom rental. Using that formula, a minimum wage worker would have to work 138 hours or 3.5 full time jobs per week, 52 weeks per year to afford a modest two-bedroom apartment. Another alternative would be for a household to have 3.5 minimum wage earners working 40 hours per week year-round.

"We're seeing a trend of an increasing cost of living that is negatively impacting low income households and moderate incomes alike," Assemblyman Albert Coutinho (D-Essex) said. "Despite this trend, we have a proposed state budget that doesn't make the investments our residents need to prosper like the development of affordable homes."

Sterner said the typical renter in the state earns \$16.40 per hour which is \$8.64 less than the hourly wage needed to afford a modest 2 bedroom rental at fair market rent. An estimated 62 percent of New Jersey renters do not earn enough to afford a two-bedroom unit at the fair market rent.

According to the report, "Out of Reach 2012," Bergen and Passaic are the most expensive

counties in the state with where the average rent for a two bedroom is \$1,515. The biggest change over the past year was in Cape May County where the estimated percentage of renters unable to afford a two bedroom at fair market rent jumped 6 percent to 58 percent.

"The communities we serve continue to be hurt by foreclosures, which affect homeowners, property owners, tenants as well as the surrounding homes," Raymond Ocasio, director of the Newark-based La Casa de Don Pedro and Network board president. "The ongoing troubled economy translates into too many 'For Sale' and 'For Rent' signs in addition to boarded up and vacant buildings. Furthermore, families are doubling up because the rents are not affordable. Investing in affordable homes today would help boost the economy while providing long term benefits to working families throughout New Jersey."

"The huge overhang of unoccupied, boarded up foreclosed homes has depressed property values in neighborhoods, created safety problems and impeded economic recovery," Sen. Raymond J. Lesniak (D-Union) said.. "Transforming these foreclosed homes into occupied affordable homes should be a top priority of our elected officials."

The report provides the housing, wage and other housing affordability data for every state, metropolitan area, and county in the country and is available at www.nlihc.org/oor/2012.