

## FACT SHEET

# How the Property Insurance Crisis Impacts Multifamily Rental Housing and Renters

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Read the full CCI report: [Insurance: The Hidden Market Force Threatening Affordable Housing](#).



Property insurance costs are on the rise, and this is not just a problem for homeowners and the single family housing stock: it impacts the feasibility and stability of the United States's rental housing stock. **The insurance crisis makes the nation's affordable housing crisis even more dire.** Insurance is a requirement for financing multifamily housing; thus, the insurance industry holds immense influence over what projects exist and their viability over time.

### The insurance crisis strains the development and operations of multifamily rental housing.

Renters occupy the vast majority of the nation's multifamily housing stock, and the rise in insurance costs are threatening the viability and operating costs of their homes.

Multifamily housing is disproportionately on the frontlines of the climate crisis: More than **18 million occupied rental units** (41 percent) are located in areas with substantial expected losses.

Monthly insurance costs increased **more than 75 percent** for the average multifamily unit from 2019 to 2024.

Insurance costs for multifamily rental properties across the country are increasing roughly **three times faster** than total operating costs, with especially fast increases in the Southeast.

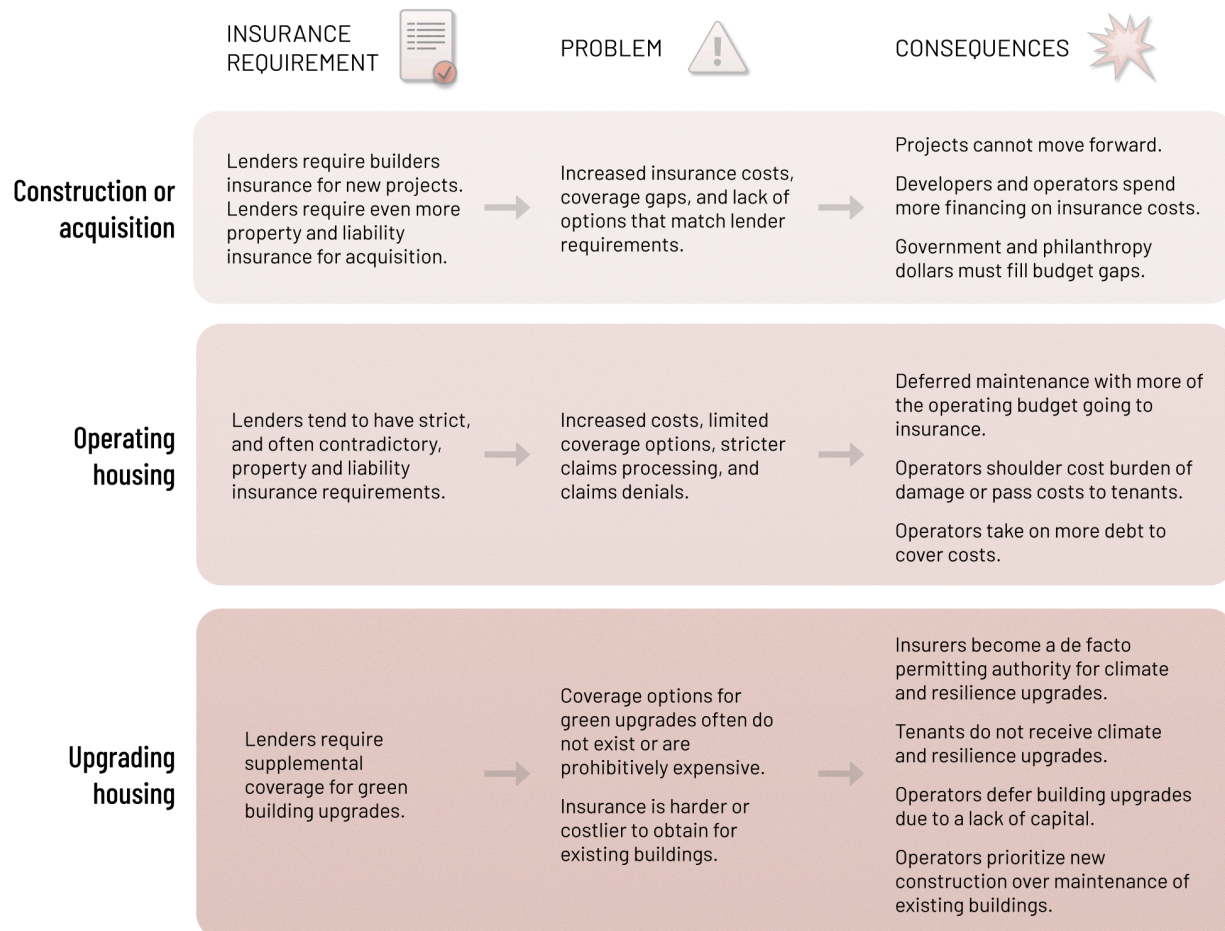
### Subsidized housing (often called "affordable housing") is in peril.

Affordable housing—subsidized by federal, state and local financing and operated by a wide range of actors—is especially in peril as the insurance industry raises costs and changes tact. [Research from Climate and Community Institute](#) shows that:

- **The insurance crisis is hampering the development and viability of affordable housing supply.** Faced with rising premium costs and even all-out denials of coverage, developers struggle to ensure adequate insurance coverage for new construction and acquisition/rehabilitation. Housing operators also shoulder more costs from damages, which they may pass on to tenants where legally permissible.

- **Insurers have significant power over what gets built, serving as a de facto “permitting authority.”** With their underwriting and claims payout decisions, they decide which existing buildings or locations are worthy of improvements, renovations, or retrofits.
- **Housing operators are postponing building upgrades and green retrofits, often indefinitely, because of rising insurance costs.** This impedes progress toward climate goals for the housing sector and can lead to deteriorating housing conditions for tenants.

## Insurers shape affordable housing at every step.



## Insurance costs and burdens trickle down to tenants.

The United States’ 44 million renting households bear the brunt of the complex impacts that the insurance industry has on the affordable housing sector. This includes:

- Costs passed on to tenants in the form of rent increases and fees, to the extent possible under affordable housing financing stipulations
- Deferred maintenance and property management cutbacks due to more limited operating budgets in a housing stock where rent increases are regulated
- Fewer subsidized affordable housing units getting built, further squeezing the supply of safe and affordable places to live
- The stalling of green upgrades at existing affordable properties, thwarting climate resilience and healthy living efforts