NO PREP

Housing Needs vs. Housing Wants

Includes: Student reading, case study, differentiated questions, teacher key

Name: Period: Date:

Housing Needs vs. Housing Wants

The Question Behind Every Move

Every person who has ever looked for a place to live has run into the same problem, usually in the parking lot outside the second apartment they toured. The place they liked best costs more than the place they can afford. That gap is not a personal failure and it is not bad luck. It is the ordinary condition of housing, and the skill that separates people who handle it well from people who get buried by it is the ability to sort what

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What Counts as a Need

Needs in housing are narrower than most people expect, and they are largely defined by law rather than preference. Every rental unit in the United States must meet a standard called habitability, which is the legal floor below which a dwelling cannot be rented at all. Habitability generally requires working heat, safe electrical wiring, running hot and cold water, working plumbing, a roof and windows that keep out weather, functioning locks on exterior doors, and freedom from serious pest infestation. Local building and housing codes fill in the details and inspectors enforce them. Beyond the legal floor sit needs specific to the household. Adequate space is

one, and the common standard used by housing agencies is that a unit is overcrowded when there is more than one person per room excluding bathrooms. Location is another genuine need when it determines whether a person can reach work or school at all, since a cheap apartment ninety minutes from a job may cost more in transportation and lost hours than a closer unit that rents for more. Accessibility becomes a hard need for a household that includes someone who uses a wheelchair or cannot manage stairs. Proximity to medical care can be a need rather than a preference. The test to apply is simple and unsentimental. Ask whether the household could function safely without it. If the honest answer is no, it is a need, and it belongs at the top of the list where it cannot be traded away.

Where Wants Come From

Wants are not frivolous, and treating them as shameful is a mistake that leads people to ignore them until they overspend impulsively. Wants are the features that shape daily satisfaction: an extra bedroom for guests, a dishwasher, a balcony, granite counters, an in-unit washer and dryer, a garage, a pool, a fashionable neighborhood, or simply more square footage than the household strictly requires. Wants come from several places at once. Some are learned from family, so a person raised in a house with a big kitchen tends to want one. Some come from culture and marketing, since listing photographs, home improvement shows, and social media are built to make certain finishes read as normal rather than optional. Some come from anticipated life changes, like wanting a second bedroom because a child is expected within two years. That last category deserves respect, because planning ahead is legitimate even though it is technically a want today. The useful move is not to eliminate wants but to rank them. Housing counselors often have clients list every desired feature and then force a numbered order, one through ten, with no ties allowed. Forcing the ranking is what makes it work, since almost everyone can name fifteen things they want and almost nobody can defend which one matters least until they must. Once ranked, wants become a shopping tool. The top two or three get pursued seriously, and the rest become tiebreakers between otherwise equal units.

The Thirty Percent Rule and Its Critics

The most widely used affordability guideline in American housing is the thirty percent rule, which holds that a household should spend no more than thirty percent of its gross monthly income on housing costs. For a renter, housing costs mean rent

plus any utilities the tenant pays. The federal government uses this threshold to define housing burden, and a household spending more than thirty percent is called cost burdened while a household spending more than fifty percent is called severely cost burdened. The math is straightforward: a person earning two thousand four hundred dollars a month before taxes has a housing target of about seven hundred twenty dollars. The rule has real critics and they make a fair point. Thirty percent of a very low income can still leave too little for food and transportation, while thirty percent of a high income leaves plenty of room to spare, so the same percentage does not mean the same hardship. An alternative approach called the residual income method works backward instead, subtracting all non-housing necessities from income and asking what is genuinely left for rent. Both methods point the same direction in practice. The percentage is a fast screening tool for narrowing listings, and the residual method is the honest check before signing. Roughly half of American renter households have been found to spend more than thirty percent of income on housing, which is why this arithmetic is worth doing before a tour rather than after.

Trade-Offs Nobody Escapes

Once needs are fixed and wants are ranked, housing becomes a trade-off problem, and the trades repeat so reliably that they are worth memorizing. Space trades against location, because square footage gets cheaper as distance from a city center increases. Location trades against transportation cost, since the money saved on rent farther out reappears as fuel, fares, vehicle wear, and time. Condition trades against price, because an older unit with dated fixtures rents below a renovated one on the same block. Privacy trades against cost, which is the entire logic of roommates, since splitting a two-bedroom is usually cheaper per person than renting a studio alone. Flexibility trades against stability, as a month-to-month agreement allows a fast exit but permits rent increases and non-renewal with short notice, while a twelve-month lease locks the rent and also locks the tenant. Nobody escapes these trades; people only choose which ones to accept. That is why two households with identical incomes reasonably end up in very different apartments. A person who values a short commute above all else will accept a smaller, older unit to get it, and a person who works from home will trade the commute away for space without a second thought. Neither is wrong. The failure mode is not choosing badly among

trade-offs. It is refusing to admit a trade is happening, signing for a place that satisfies every want, and discovering that the needs, including eating, were what got traded.

Key Information: Sorting Housing Needs from Housing Wants

Detail	Information
Housing Need	Required for the home to be safe, functional, and workable
Housing Want	Adds comfort or appeal, but the home works without it
Habitability	Legal floor: heat, water, safe wiring, weather-tight, locks
Overcrowding Standard	More than one person per room, excluding bathrooms
Thirty Percent Rule	Spend no more than 30% of gross monthly income on housing
Cost Burdened	Over 30% of income on housing; over 50% is severely burdened
Residual Income Method	Subtract all other necessities first, then see what remains
Core Trade-Offs	Space vs. location, condition vs. price, privacy vs. cost

Case Study: Deven Tours Two Apartments

Deven is nineteen and earns two thousand two hundred dollars a month before taxes at a warehouse job. He tours two apartments on the same Saturday. The first rents for six hundred fifty dollars, sits eleven minutes from work, has an ancient kitchen and no dishwasher, and the bedroom window sticks. The second rents for nine hundred forty dollars, has a dishwasher, a balcony, and a washer and dryer in the unit, and sits thirty-five minutes away. He wants the second one immediately and says so out loud in the parking lot. That night he runs the numbers his FACS teacher made the class practice. Thirty percent of his income is six hundred sixty dollars. The second apartment would take forty-three percent, before the extra fuel. He writes in his notes, the balcony is not a need, the stuck window is a repair, and I keep pretending those are the same size problem. He signs for the first apartment and asks the landlord in writing to fix the window before move-in.

1. Deven calls the balcony a want and the stuck window a repair. Use the reading's definition of habitability to explain why those two belong in different categories.

2. Deven's second apartment would cost 43% of his gross income. Explain what the reading says that number means, and why the extra fuel cost makes it worse than it looks.

Multiple Choice

1. According to the reading, what makes something a housing need rather than a want?

    a) It appears in the listing photographs for the unit

    b) Most people in the neighborhood already have it

    c) The household could not function safely without it

    d) It was included in the last place the person lived

2. A household spending more than 50% of income on housing is described as what?

    a) Rent-stabilized household

    b) Cost burdened

    c) Severely cost burdened

    d) Residually housed

3. What criticism of the thirty percent rule does the reading present?

    a) The same percentage does not mean equal hardship at all incomes

    b) It counts utilities but refuses to count the monthly rent

    c) It applies only to people who own rather than rent

    d) It is illegal for landlords to use it when screening potential tenants

Matching

Write the letter of the correct definition on the line next to each term.

Term	Definition
1. ___ habitability	A) Subtracting all other necessities to see what is left for rent
2. ___ cost burdened	B) Having more than one person per room, not counting bathrooms
3. ___ residual income method	C) The legal minimum condition below which a unit cannot be rented
4. ___ overcrowded	D) A feature that adds comfort but is not required to live there
5. ___ housing want	E) Spending more than thirty percent of income on housing

Fill-in-the-Blank

1. The legal floor a rental must meet is called _____.

2. The rule of thumb says housing should stay under _____ percent of income.

3. A unit is overcrowded above one person per _____.

Short Answer

Answer each question in 2-4 complete sentences.

1. Why does the reading say wants often arrive disguised as needs?

_____

_____

_____

2. Explain why a cheaper apartment far from work may not actually be cheaper.

3. Why does forcing a ranked list with no ties make wants more useful?