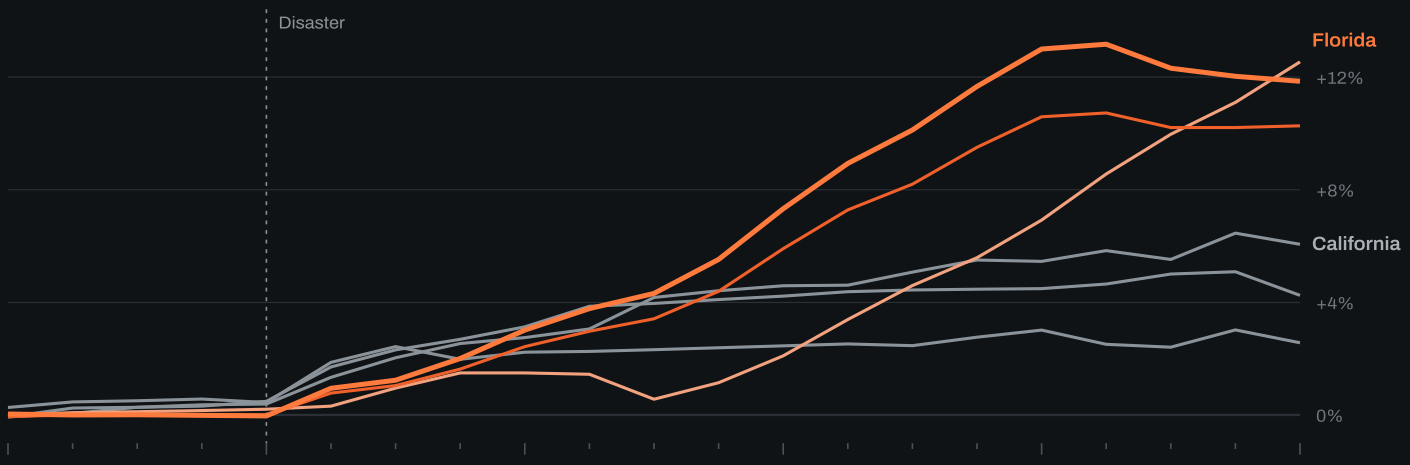
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Rents after a disaster. Estimated effect on apartment rents, California and Florida, by quarter. Full detail in Exhibit 1.

Housing & climate risk

Preparing for the Next Rental Housing Disaster

A "Super El Niño" is brewing, climate change is accelerating, and more frequent and more severe natural disasters are coming for US cities. New research shows that rental affordability is threatened and stakeholders—from tenants to landlords to policymakers—are not prepared.

The findings in brief

0.2–1.3%
Rent increase right after a disaster

6.5–12.5%
Higher rents three to four years later than without the disaster

20 yrs
Of quarterly rent data, 2000–2020, across California and Florida

Anthony W. Orlando

Based on An et al. (2026), RSF Journal of the Social Sciences

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01
Why it matters now

According to multiple reputable datasets, the severity of natural disasters has been increasing for the past 50 years.[1] This trend will only continue worsening as the global temperature climbs.[2] This year's "El Niño" is forecasted to be especially severe, killing hundreds of thousands of people worldwide.[3]

All of this collides with a national housing affordability crisis that is putting homeownership out of reach for millions of first-time homebuyers, making it harder for businesses to recruit top talent, and reducing the productivity of the US economy.[4]

02
How we looked

We collected 20 years of data, from 2000 to 2020, from major metropolitan markets across California and Florida: average apartment rents and vacancy rates for zip codes throughout the big cities, changing quarterly. We used two different statistical models to measure the impacts of federally declared natural disasters: earthquakes, flooding, hurricanes, tornadoes, wildfires, and winter storms. We tracked the cumulative effects for four years after each disaster, showing how one disaster compounded another in succession.

03
What we found

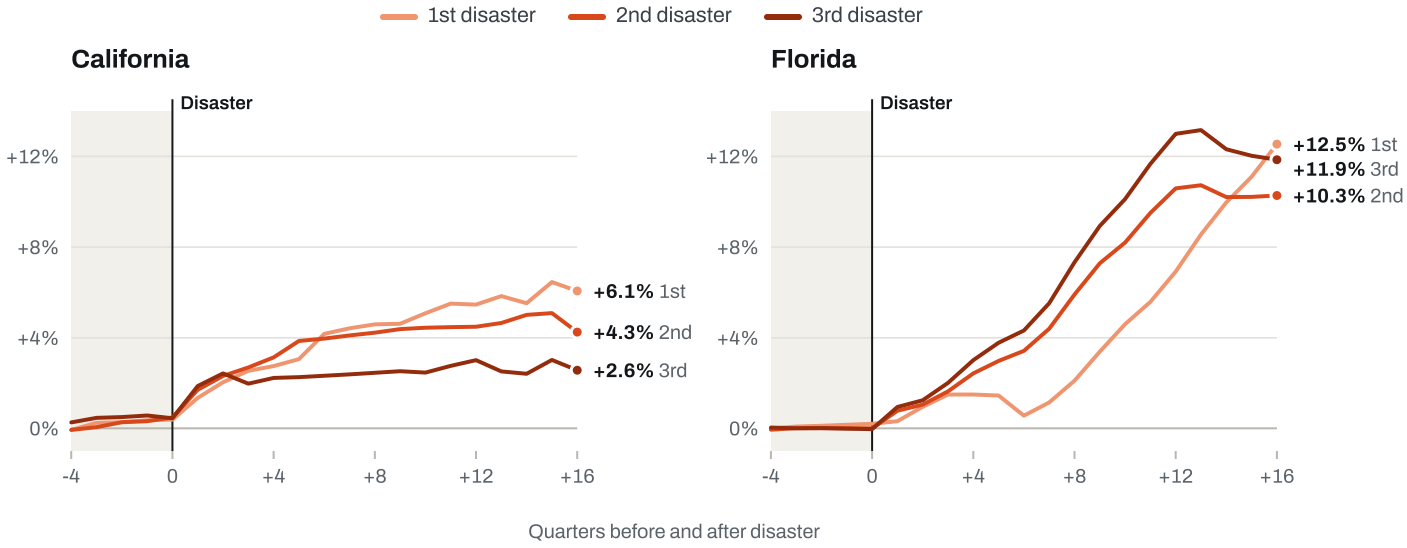
Natural disasters increase rents, on average, by 0.2 to 1.3 percent after a disaster—and the problem doesn't go away over time. In fact, it gets worse. Three to four years after the disaster, rents are 6.5 to 12.5 percent higher than they would have been in the absence of the disaster.

But not all disasters have that effect. Hurricanes and wildfires are the worst offenders. Winter storms raise rents too. Earthquakes, flooding, and tornadoes are less impactful.

Exhibit 1

Rents stay elevated four years after a disaster—and in Florida, repeat disasters push them up faster

Estimated effect on average apartment rent per unit, relative to comparable areas without the disaster, by quarter



Note: Point estimates of the average treatment effect on ln(rent per unit), shown as approximate percent changes (log points × 100). Shaded area marks the four quarters before the disaster. Source: An, Jakabovics, Orlando, Rodnyansky & Bostic (2026); authors' calculations.

04
What's going on here?

Natural disasters reduce housing supply. They destroy and damage units. That alone should raise rents. But if that were the whole story, we'd expect vacancy rates to decline dramatically—and they don't. Maybe that's because natural disasters reduce housing demand too. People leave, and not all of them come back.

Besides, if it were just a temporary supply shock, it would go away when communities rebuild the lost housing. It doesn't.

Our research shows that disasters permanently reshape rental housing markets, likely in at least three ways:

1. **Disasters reduce homeownership rates** because people are afraid to take the risk of losing their most valuable asset in a future disaster. Some of these former homeowners will turn to renting instead, driving up demand and therefore rents.
2. **Disasters motivate insurance companies to increase premiums, deductibles, and non-renewals.** Landlords may pass some of these costs on to tenants with higher rents.
3. **Disasters destroy older, more affordable units.** What gets built in their place? Newer, more expensive units. The *composition* of the housing stock changes.

05
See around it

Implications for landlords, local businesses, and policymakers:

For landlords

If you're located in a disaster-prone area, make sure you have access to the liquidity you'll need if and when a disaster strikes. Have a line of credit ready to go. Track your cash reserves carefully. Don't overleverage yourself. And have a plan to work with your tenants to get through a crisis together.

For local businesses

If you own, take all the precautions noted for landlords. If you rent, ask your landlord how they're preparing. Make sure your insurance coverage is current, and read your policy. Make a plan to continue serving your clientele even if you are displaced, especially because they may be relying on you in a crisis more than ever.

For policymakers

Housing markets will need capital to rebuild. Our research shows that federal funding helps communities rebuild faster, especially for affordable housing—which significantly reduces the upward pressure on rents. Policymakers should identify funds now and free them up to start flowing as soon as they're needed.

Full article
Read the research

An, B.Y., Jakabovics, A., Orlando, A.W., Rodnyansky, S., & Bostic, R.W. (2026). "The Trajectory of Rental Housing in the Wake of Natural Disasters: Evidence from California and Florida." *RSF: The Russell Sage Foundation Journal of the Social Sciences,* 12(4), 54–76. **https://doi.org/10.7758/RSF.2026.12.4.03**

Notes

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