

Do Landlords Accept Housing Choice Vouchers?

Findings from Newark, New Jersey

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31%

of landlords in Newark refused to accept vouchers overall

38%

of landlords in Newark low-poverty neighborhoods refused to accept vouchers

In Newark, voucher holders were 8 percentage points more likely to be stood up by a landlord to discuss housing options.

Because of the high landlord denial rates in Fort Worth and Los Angeles, Newark was the only site where we collected enough in-person tests for rigorous analysis.

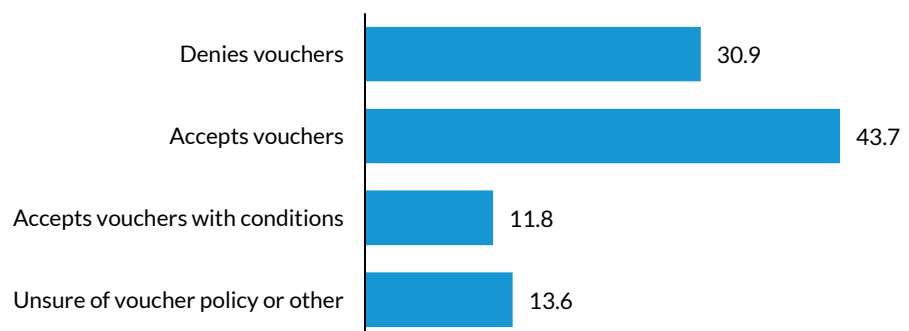
The Housing Choice Voucher program’s main goals are to provide low-income households with stable, affordable housing and to improve access to a wide range of neighborhoods. In theory, voucher holders can move anywhere they can find an affordable home; in practice, their choices also depend on finding landlords who accept vouchers. Our five-city study found that finding voucher-affordable housing and landlords that say yes to a voucher can be extremely challenging.

Three-stages of testing. In Ft. Worth, Los Angeles, and Newark, we found rental advertisements that met voucher requirements and used a three-stage testing approach to first ask landlords if they accepted vouchers and then track their interactions with matched pairs of testers (one with a voucher, one without) in phone and in-person interactions. In two other sites, we stopped after the first stage of testing.

Many Newark landlords refuse to accept vouchers. About 31 percent of Newark landlords refused to accept vouchers. An additional 25 percent placed conditions on voucher use or was unsure of their voucher policy. Denials were even more common in low-poverty areas (with poverty rates below 10 percent) compared with high-poverty areas (poverty rates above 30 percent): the denial rate was 37.7 percent in low-poverty areas compared with 26.1 percent in high-poverty areas.

Landlords were more likely to miss an appointment with voucher holders. In Newark, appointment no-shows were common during paired in-person testing; however, voucher holders were 8 percentage points more likely than testers without vouchers to be stood up by a landlord to discuss housing options.

FIGURE 1
Voucher Denial Rate, Newark



Finding rental housing is challenging for voucher holders. Our study shows that finding housing with a voucher is extremely difficult, from identifying an available unit and reaching landlords to finding landlords willing to accept vouchers to meeting with landlords to view available housing. In Newark, we screened about 112,000 ads to complete 782 voucher acceptance tests, or about 144 ads per test—more than any other site.

NEWARK TEST SITE

Voucher testing took place in four counties—Bergen, Essex, Hudson, and Passaic. Together, they consist of 593 square miles and house approximately 2.9 million people. In 2015, the rental vacancy rate for the four counties ranged from 3.8 to 9.0 percent. We partnered with the Fair Housing Council of Northern New Jersey to conduct 426 paired telephone tests and 374 paired in-person tests.

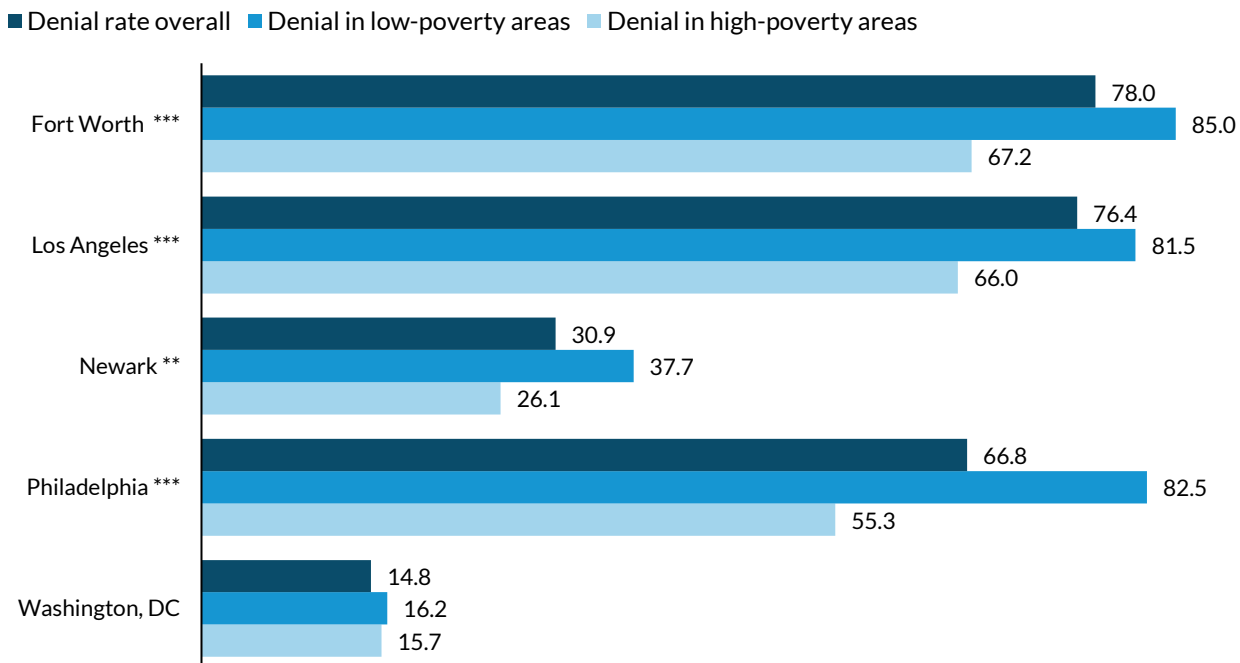
We used the statewide voucher program that the New Jersey Department of Community Affairs (NJCA) administers as the public housing authority for all tests in the Newark area. Testers posed as voucher holders from the state voucher program, which was authorized to administer nearly 23,000 vouchers in 2016. The state of New Jersey has source of income protections for voucher holders.

STUDY INFORMATION

This fact sheet pulls from the Urban Institute’s pilot study, *A Pilot Study of Landlord Acceptance of Housing Choice Vouchers*, sponsored by the US Department of Housing and Urban Development. This pilot study uses rigorous paired testing methodology to explore landlord treatment of Housing Choice Voucher (HCV) holders during the initial stages of the housing search process. It is the first study to use paired testing methods across multiple sites to examine landlord treatment of HCV holders. Most of the testing occurred in 2016.

urban.is/2MnYitw

FIGURE 2
Voucher Denial Rates by Site and Low- and High-Poverty Areas



Note: Significance tests measured the difference in denial rates in low-poverty tracts compared with denial rates in high-poverty tracts.
** $p < 0.05$, *** $p < 0.01$