

**URBAN**

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# Renters and Rental Market Crisis Working Group

*Note to participants:*

*Please keep your camera turned off until the facilitated discussion*

# Housekeeping

- Webinar is being recorded
- All participants are muted until the discussion portion
- Type your questions or comments into the **chat box** at any time
- When it comes to the discussion, please raise your hand to be called on
- It's encouraged to share your camera during the discussion



Wednesday, April 29, 2020

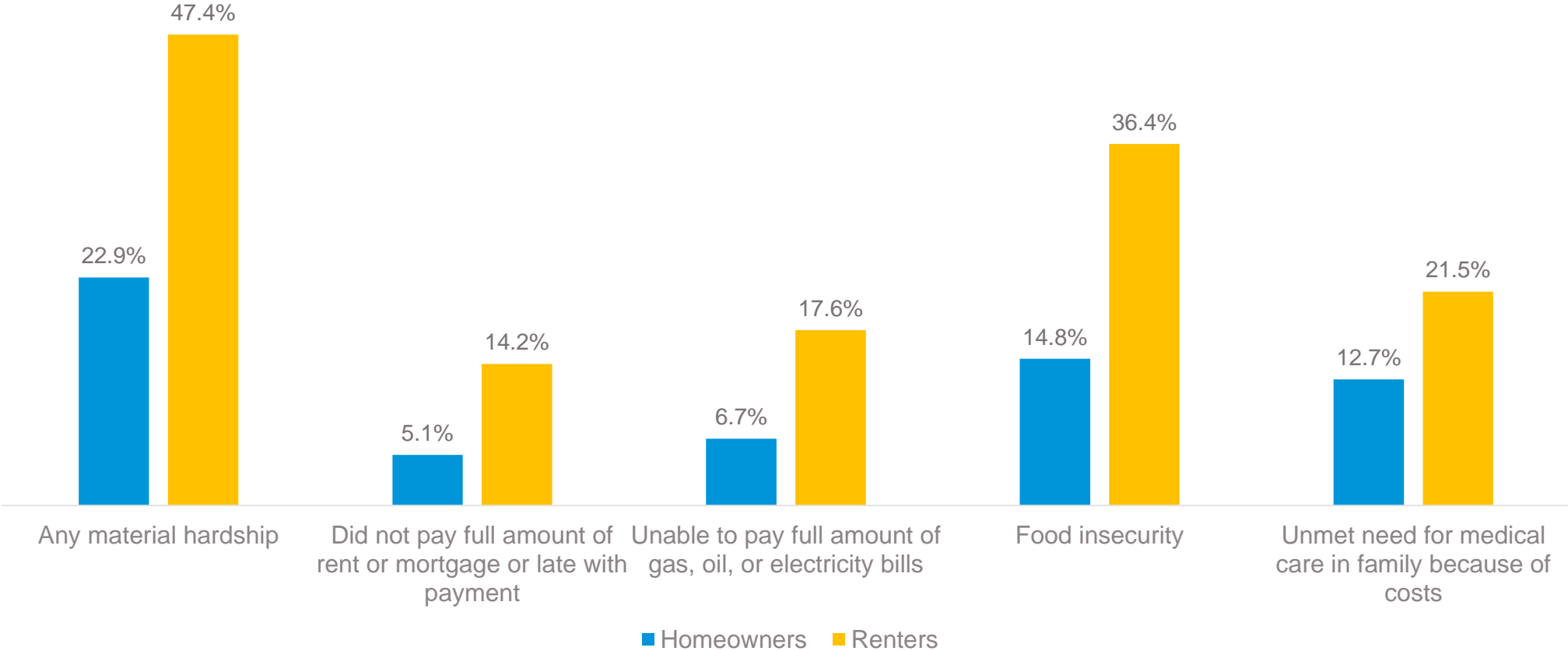
# Renters and Rental Market Crisis Working Group



**When will renters fall behind on their payments?**

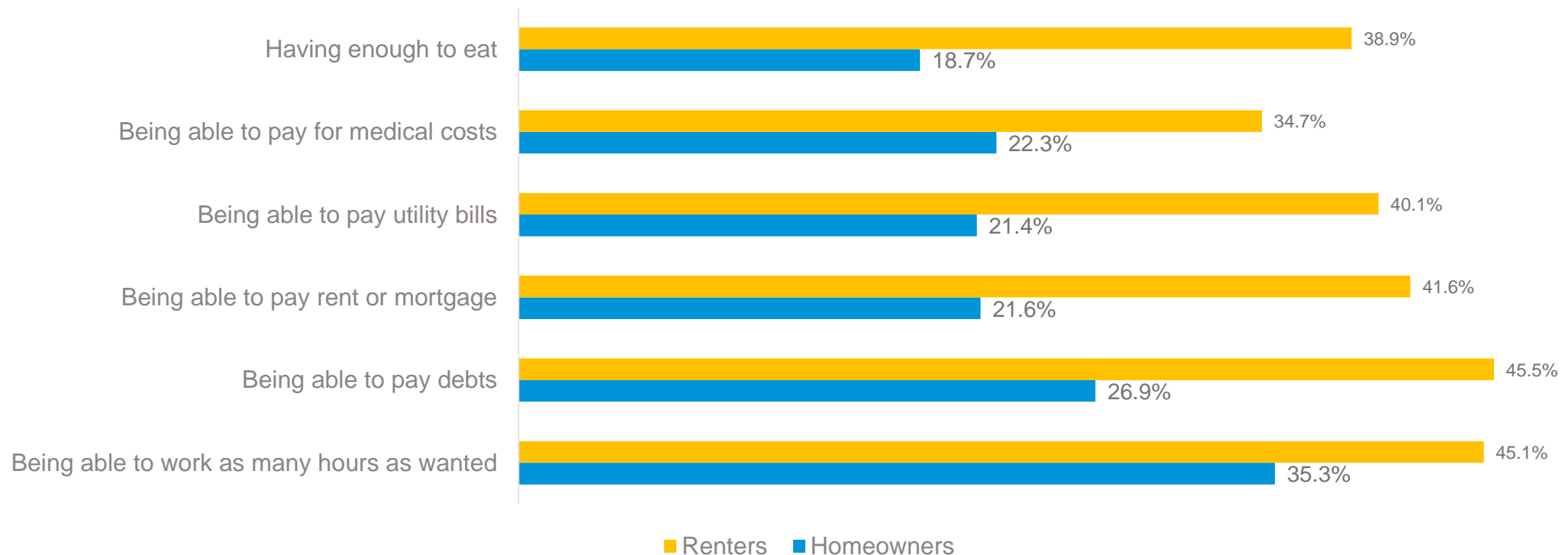
# Early survey findings show nearly half of renters report material hardship, and 14% didn't pay full rent or were late.

Material Hardship in the Last 30 Days Reported by Adults Ages 18 to 64, March/April 2020



# Early in pandemic, almost half of working age adults were worried about being able to work enough to pay rent.

Share of Adults Ages 18 to 64 Who Are Very or Somewhat Worried about Being Able to Work Enough Hours and Pay Debts and Bills in the Next Month, March/April 2020



# Rent Burden Drivers: Cliffs and Rocky Roads

COVID-19 impacts and milestones	Timeline
Lower-income, severely rent burdened pre-pandemic	March 2020
Federal eviction moratorium	July 2020
Unemployment Insurance + \$600	July 2020
Unemployed, material hardship, and medical bills accumulation	March 2020-March 2021
Sudden medical hardship	March 2020-March 2021

# How much rental assistance is needed?

# Sizing the problem

- Turner Center for Housing Innovation and Harvard Joint Center for Housing Studies each released estimates
- Additional categories to include in future estimates:
  - Estimate of number of vulnerable households not covered by UI and not visible in the data (homeless and undocumented families)
  - Use rent payment data from May to impute a trend line for future months
  - Make assumptions about COVID recovery and how industries will recover to determine long term impacts

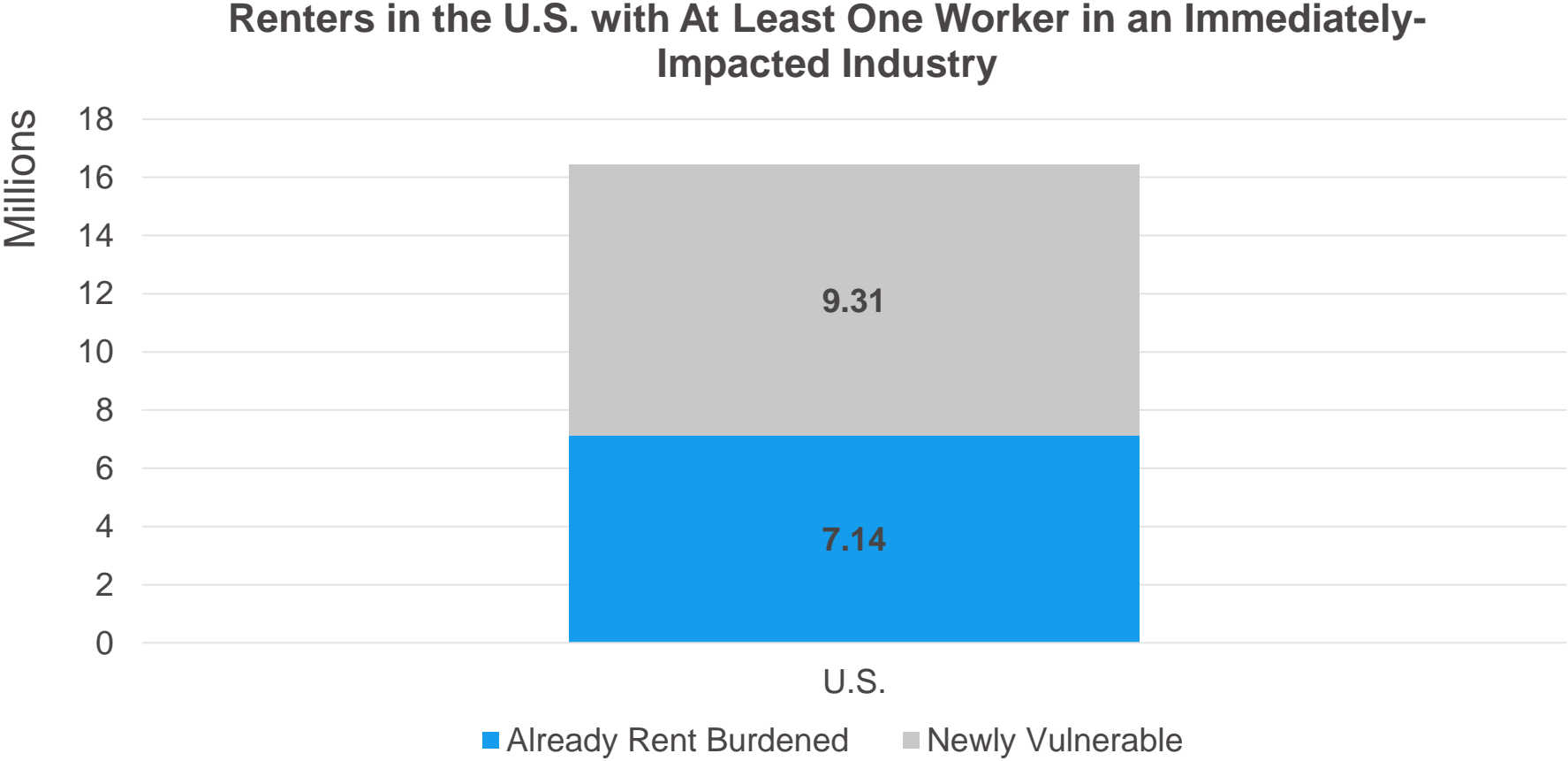
# Goals of the Turner Center analysis

- Focus on industries likely to be immediately impacted by social distancing guidelines and stay at home orders
  - How many renter households have at least one worker in those industries?
  - How many of those households were already struggling with rent burdens?
- Explore geographic variations
  - How does incidence of potentially impacted renter households vary across different labor markets?
  - How do typical rents vary? How do they compare with augmented UI benefits

# Identifying “immediately impacted” industries

- Industries (4-digit NAICS) likely to be considered non-essential and that do not translate easily (or at all) to telework:
  - Service-oriented sectors, such as: retail, entertainment, personal services, food service, tourism (travel, accommodation)
  - Non-essential manufacturing, mining/extraction
- Caveats...
  - Both too broad and too narrow
  - Does not account for variation in local and state level orders

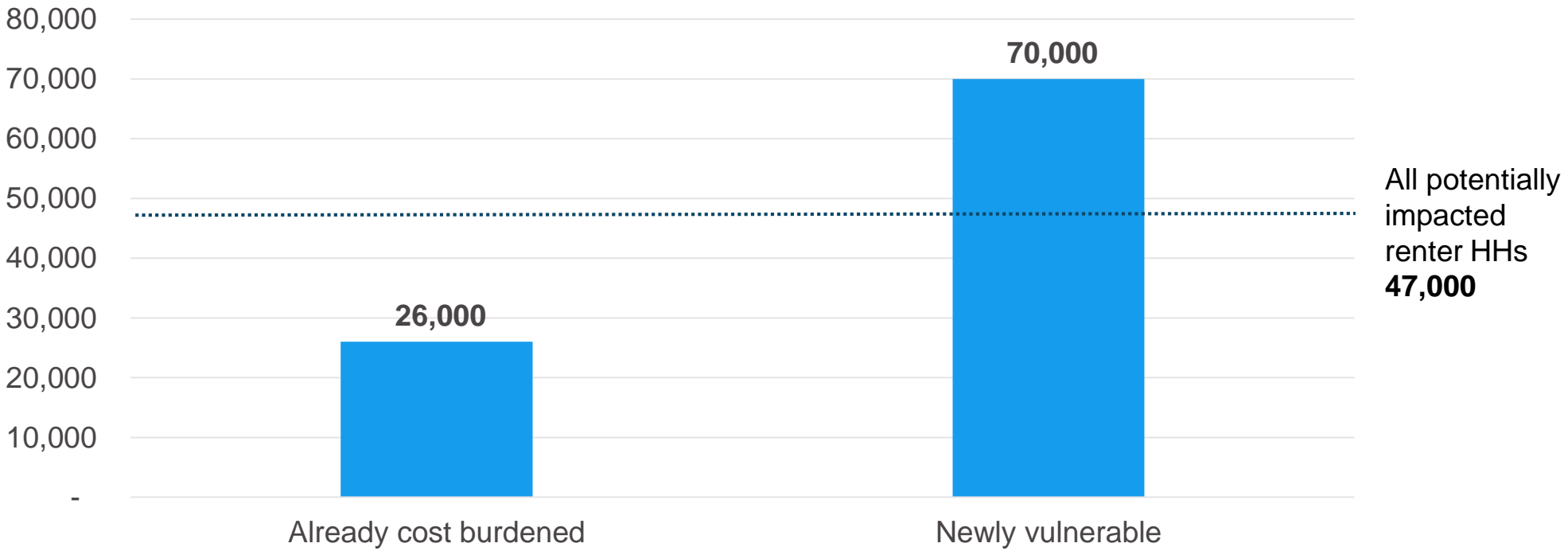
# Nearly 16.5 million renter households have at least one worker in an immediately impacted industry—7.1 million were already cost burdened



Source: Turner Center analysis of 2018 American Community Survey microdata

# Households that were already burdened tend to have much lower incomes than the newly vulnerable

Median Household Income for Renter Households with a Worker in an Immediately-Impacted Industry



Source: Turner Center analysis of 2018 American Community Survey microdata

# Expanded UI benefits do not stretch as far in higher-cost areas

State	Median Gross Rent of Potentially Impacted Renters	Minimum Monthly UI + 600	Maximum Monthly UI + 600	Rent % of Min.	Rent % of Max.
Hawaii	1,700	2,405	4,920	<b>71%</b>	<b>35%</b>
California	1,580	2,440	4,200	<b>65%</b>	<b>38%</b>
District of Columbia	1,460	2,450	4,100	<b>60%</b>	<b>36%</b>
Maryland*	1,400	2,450	4,120	<b>57%</b>	<b>34%</b>
Washington	1,390	2,588	5,396	<b>54%</b>	26%
New York	1,360	2,504	4,140	<b>54%</b>	<b>33%</b>
New Jersey*	1,360	2,520	5,184	<b>54%</b>	26%
Massachusetts*	1,350	2,498	5,580	<b>54%</b>	24%
Colorado	1,340	2,425	4,788	<b>55%</b>	28%
Florida	1,220	2,432	3,500	<b>50%</b>	<b>35%</b>

\*Indicates that minimum benefits can vary. The lowest minimum value is used in these estimates (for details see: <https://oui.doleta.gov/unemploy/content/sigpros/2020-2029/January2020.pdf>). **Bold** indicates where typical rents would take up more than 30% of UI benefits, assuming one worker in the household receives assistance. Note that rent estimates come from the 2018 American Community Survey.

# Expanded UI benefits do not stretch as far in higher-cost areas

<b>Metropolitan Area</b>	<b>Number of renter households with a worker in an immediately impacted industry</b>	<b>Median gross rent of potentially-impacted renter households</b>	<b>Rent % of Min. UI Benefit (\$2,440)</b>	<b>Rent % Max. UI Benefit (\$4,200)</b>
San Jose-Sunnyvale-Santa Clara	126,200	2,280	<b>93%</b>	<b>54%</b>
San Francisco-Oakland-Berkeley	269,100	1,990	<b>82%</b>	<b>47%</b>
Santa Cruz-Watsonville	16,000	1,890	<b>77%</b>	<b>45%</b>
Oxnard-Thousand Oaks-Ventura	41,600	1,800	<b>74%</b>	<b>43%</b>
Vallejo	23,100	1,800	<b>74%</b>	<b>43%</b>
Napa	7,400	1,780	<b>73%</b>	<b>42%</b>
Santa Maria-Santa Barbara	28,200	1,760	<b>72%</b>	<b>42%</b>
Santa Rosa-Petaluma	24,300	1,750	<b>72%</b>	<b>42%</b>
San Diego-Chula Vista-Carlsbad	215,700	1,650	<b>68%</b>	<b>39%</b>
Los Angeles-Long Beach-Anaheim	993,700	1,600	<b>66%</b>	<b>38%</b>

Source: Turner Center analysis of 2018 American Community Survey microdata