

COVID and Housing

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Economic impact of COVID

- COVID had a dramatic effect on employment and income
- Government-mandated stay-at-home orders and social distancing requirements → layoffs and lost hours
- Service sector jobs particularly vulnerable to loss/reductions
 - Food service, retail, leisure and hospitality
- Unemployment benefits have not made up for losses
- Meanwhile, the rent is still due every month

COVID's effect on housing

- Loss of income makes it hard to cover housing costs
- Renters face greatest difficulties
 - Often work in service and other at-risk industries
 - Fewer recourses when faced with an economic shock
- Mortgage market dominated by federal agencies
 - Require servicers to offer forbearance
 - Forbid COVID-related foreclosures
- Government involvement in rental market is more limited
- Most landlords continue to expect timely rent payment

Table 5: Weighted Percentage of Low-Income* U.S. Renter Households Not Up to Date With Rent Payments, by Reported Economic and Social Experiences, Household Pulse Survey (Phase 2, Week 14)**

Reported Experience	% (SE)	p-value***
<i>Have you, or has anyone in your household, experienced a loss of employment income since March 13, 2020?</i>		
Yes	27.2 (4.37)	0.0054
No	10.7 (3.77)	
<i>Do you expect that you or anyone in your household will experience a loss of employment income in the next 4 weeks because of the coronavirus pandemic?</i>		
Yes	32.6 (5.82)	0.0039
No	13.4 (3.13)	

Note: SE=standard error.

*"Low-income" defined as households with a prepandemic annual income of less than \$50,000.

**Week 14 covers the period from September 2, 2020, to September 14, 2020.

***P-value based on chi-square testing.

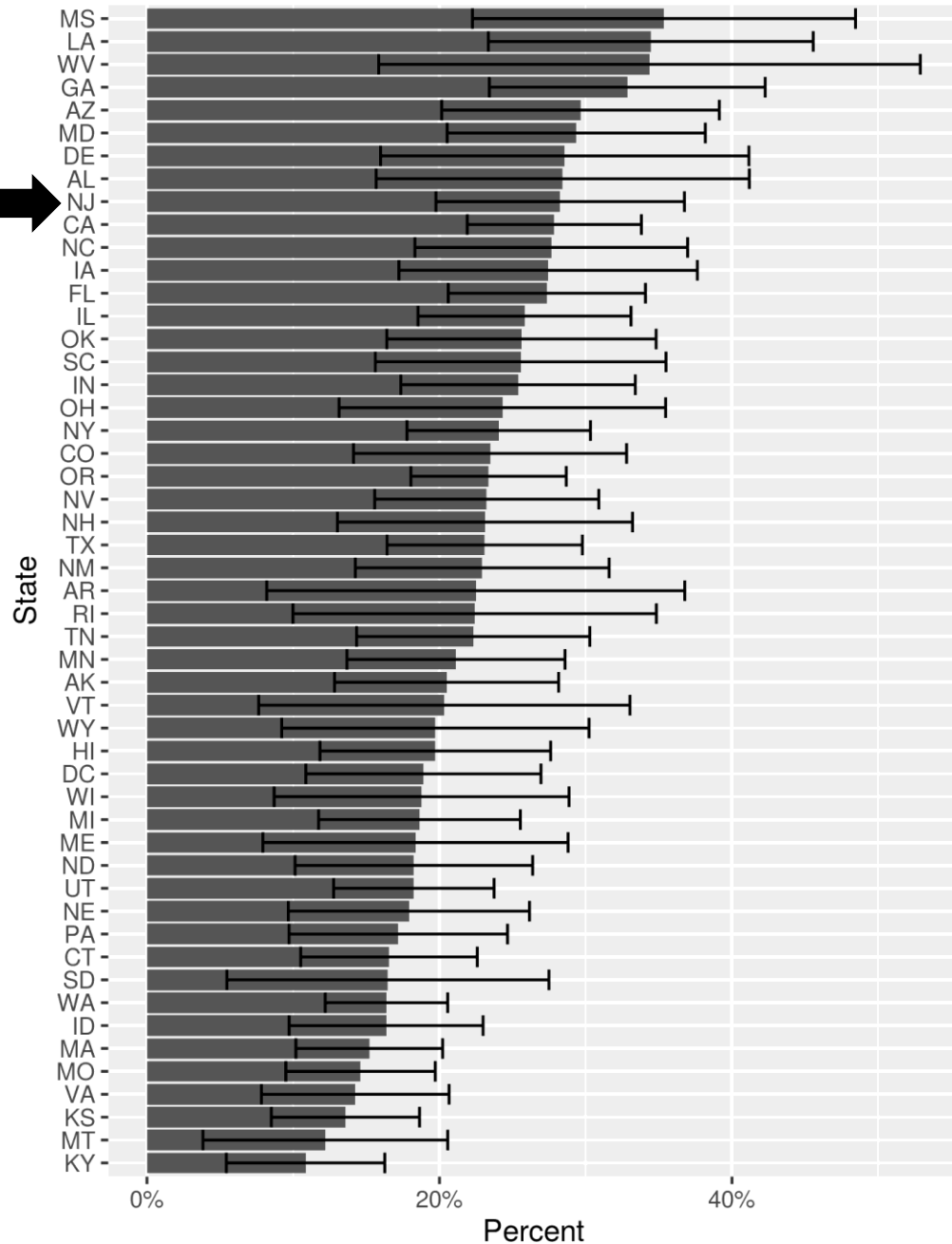
<https://www.huduser.gov/portal/pdredge/pdr-edge-spotlight-article-092820.html>

Variation in tenant protections

- Patchwork of eviction moratoria and assistance programs
- CDC eviction moratorium
 - Sept 4, 2020, to June 30, 2021
 - Prevents evictions, but allows filings
 - Requires tenant to proactively seek protection, provide documentation
- Statewide eviction moratoria
 - NJ: March 19, 2020, until two months after end of crisis
- Federal assistance for arrears (CVERAP I and II)
 - Allocated on lottery basis

No/slight confidence in paying next month's rent

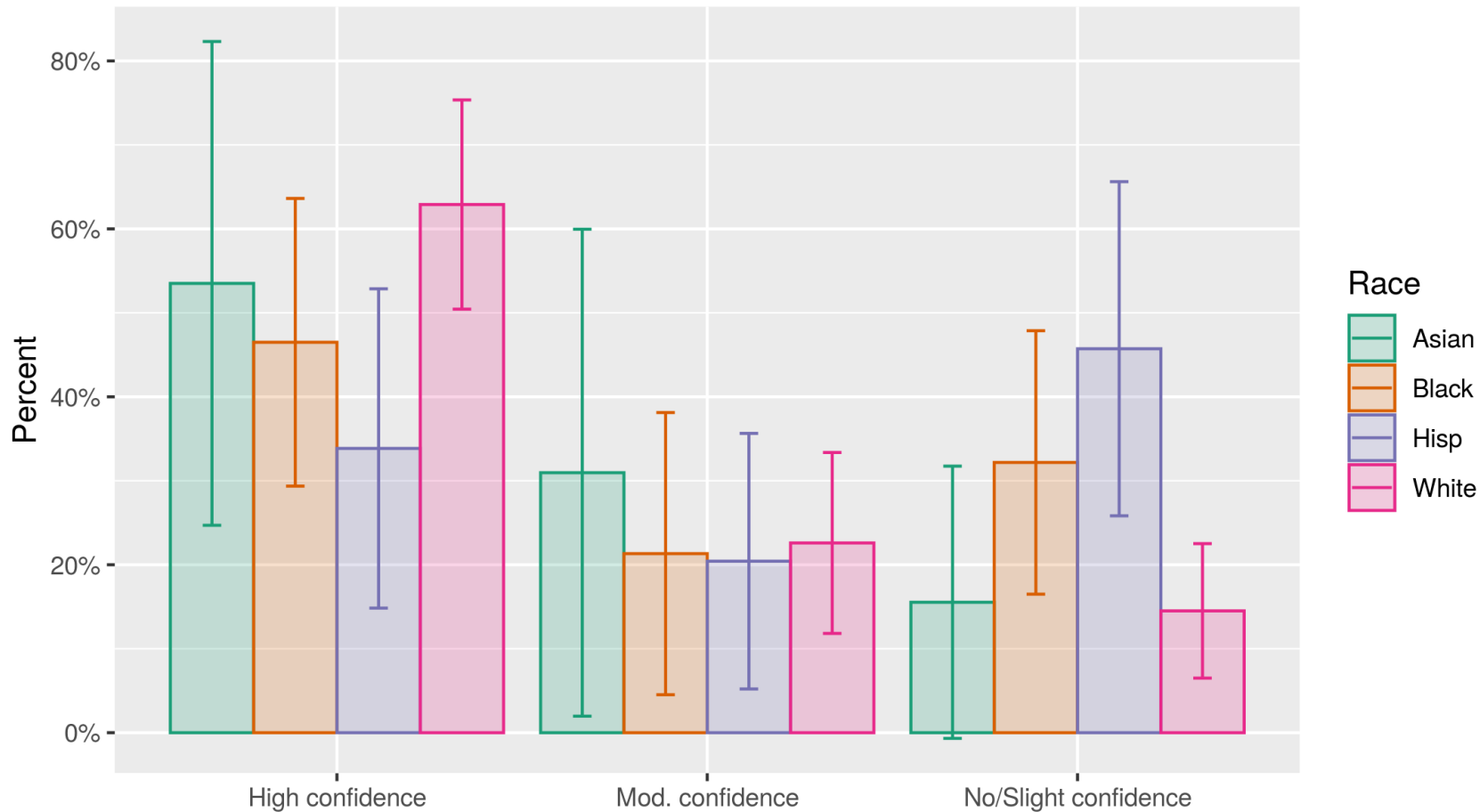
New Jersey, March 17 – March 29, 2021



- Analysis of Census Household Pulse Survey microdata
 - Error Bars = 90% CI
- US: 24% of renters have little or no confidence in their ability to pay next month's rent
- NJ: 28% of renters
 - Highest rate in the Northeast

Racial disparities in housing insecurity

Confidence in paying next month's rent
New Jersey, March 17 – March 29, 2021

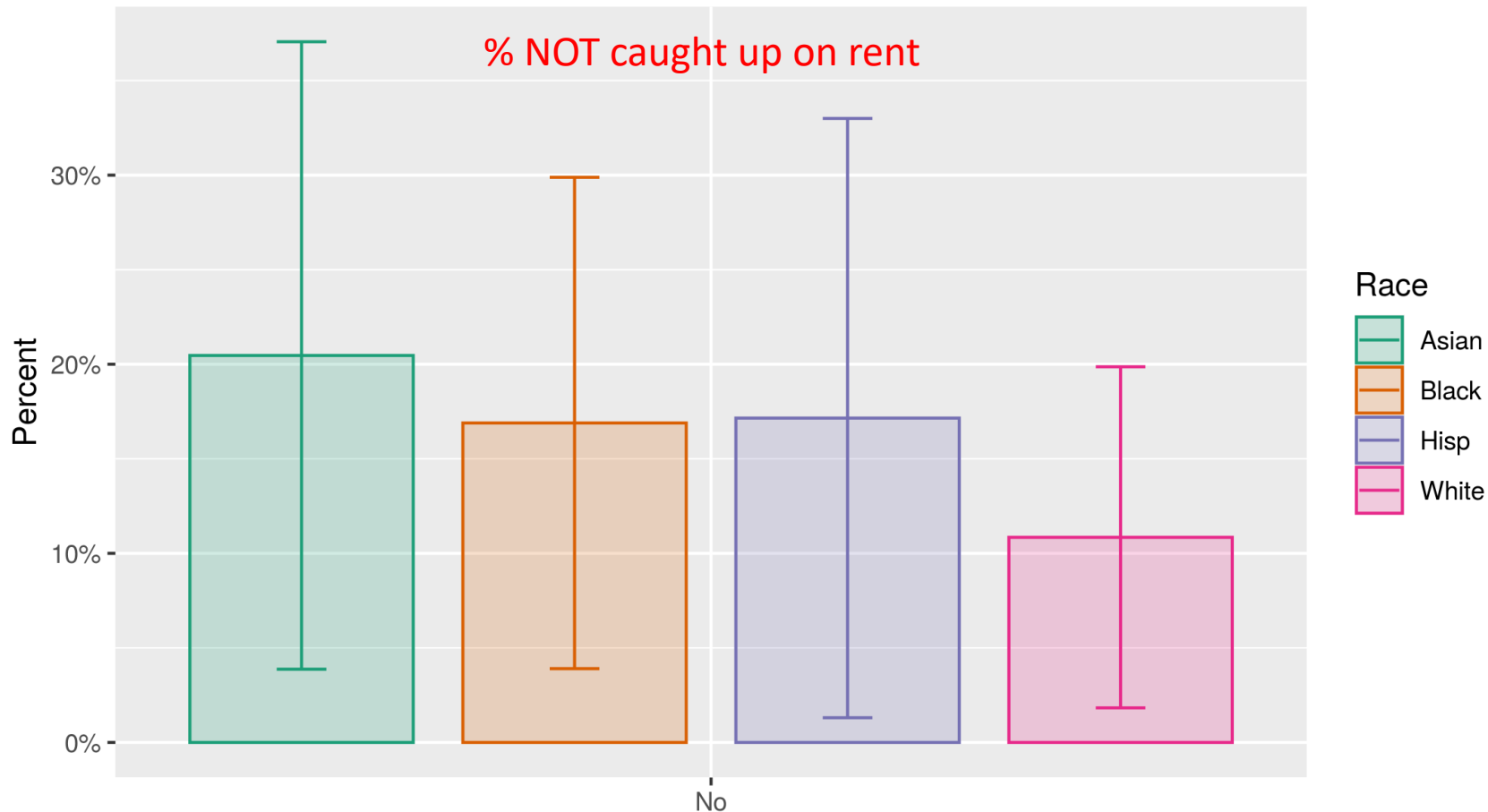


- Hispanic and Black renters far less confident in ability to pay rent
- More than 40% of Hispanic renters
- More than 30% of Black renters
- Roughly 15% of White renters

Racial disparities in housing insecurity

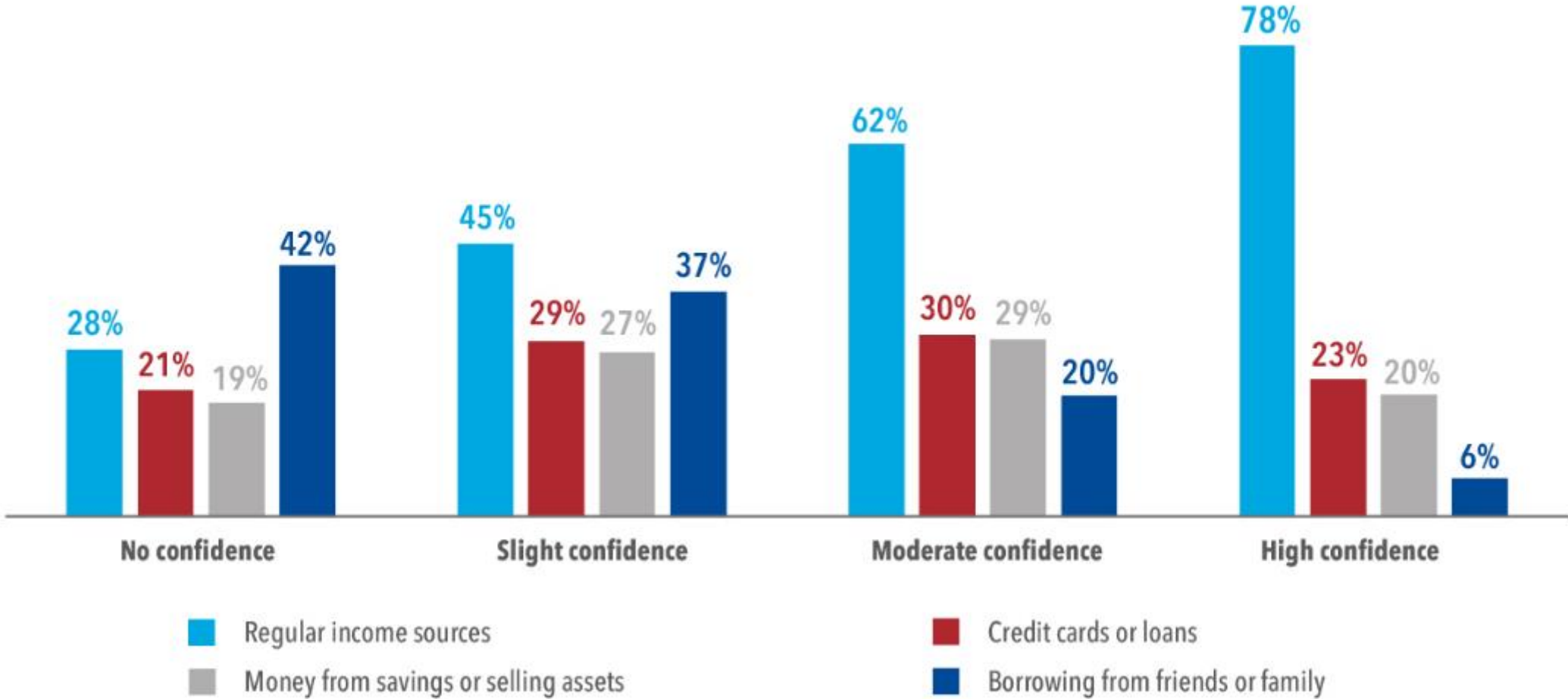
Caught up on rent?

New Jersey, March 17 – March 29, 2021



- Renters of color less likely caught up on rent
- More than 15% for all groups except White renters
- But more likely to pay rent using sources other than income

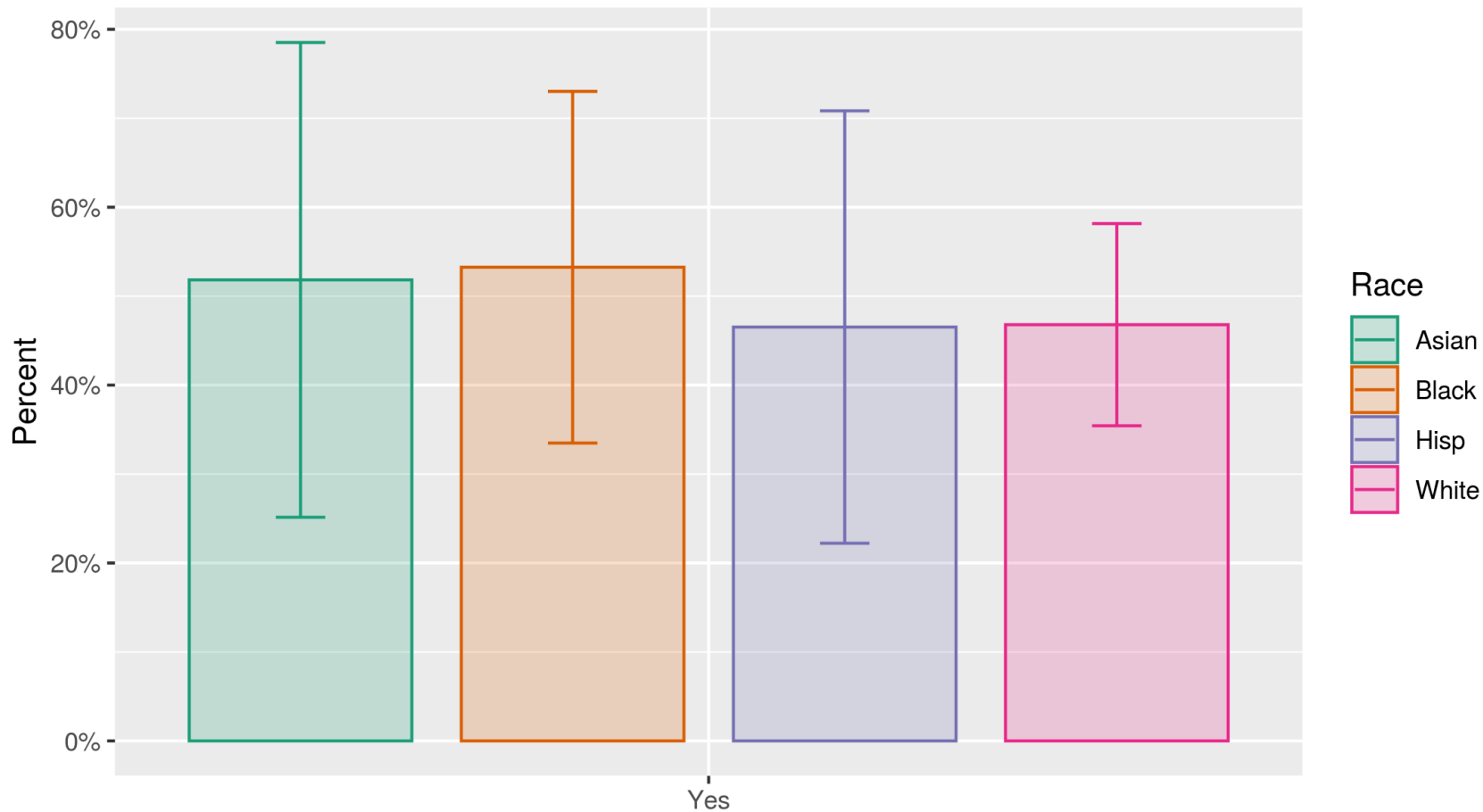
Methods Renters Used to Meet Spending Needs, by Level of Confidence to Pay Next Month's Rent



Source: US Census Bureau, Household Pulse Survey Week 12 (July 16-July 21). Households asked to identify all methods they had used in last 7 days to meet spending needs and how confident they were they could pay next month's rent on time.

Racial disparities in lost wages

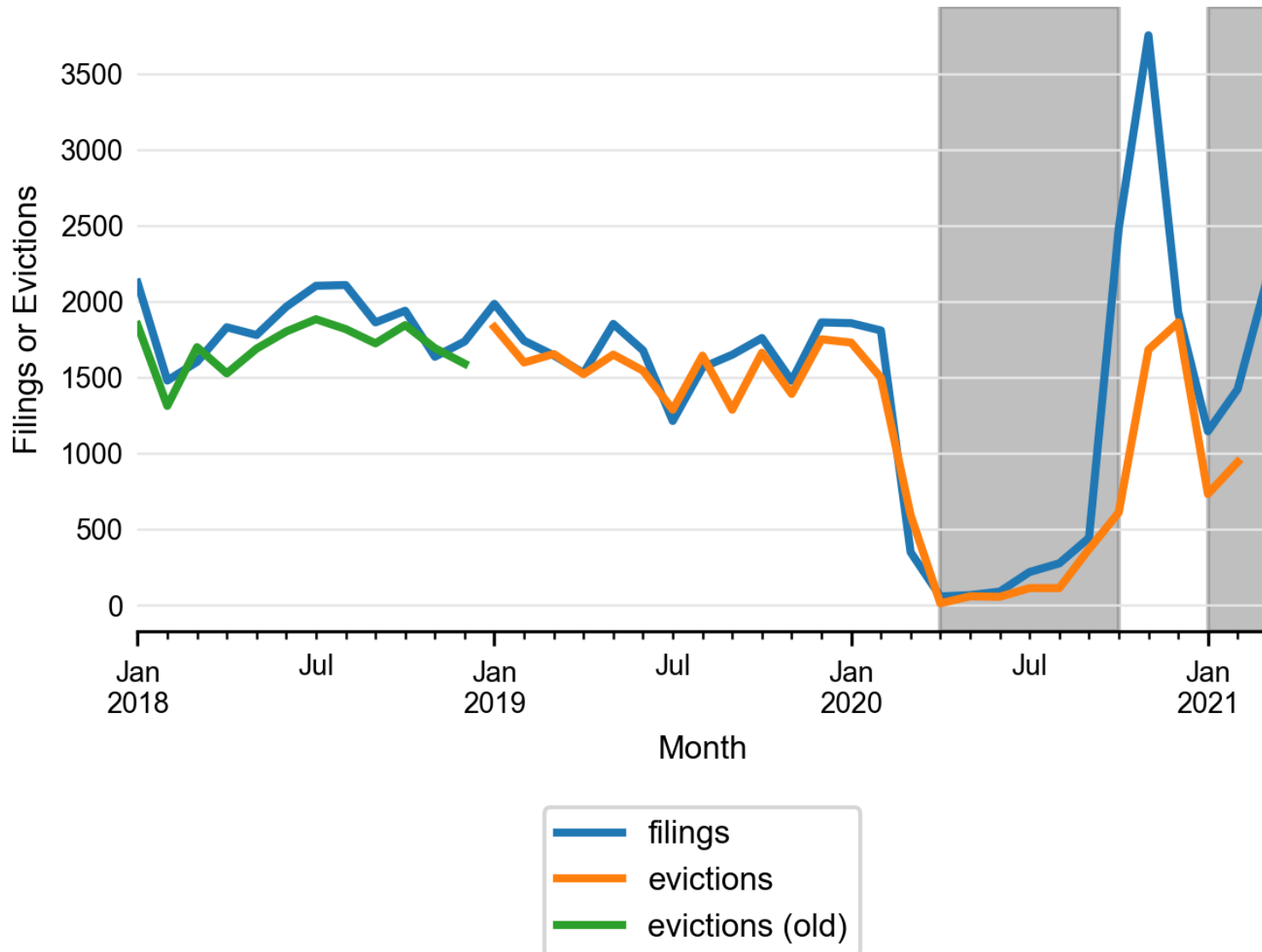
Loss of employment income since March 13, 2020? (Renters)
New Jersey, March 17 – March 29, 2021



- More than half of Asian and Black renters lost income
- Nearly 50% of Hispanic and White renters lost income
- Does not address depth of loss for each group

What happens when protections end?

Las Vegas Township Filings and Evictions



- Researching evictions in Las Vegas area over the past decade
- Evictions and filings fell after statewide moratorium enacted
- Ban lapsed Oct-Dec 2020, leading to a surge in filings and evictions

How will NJ prevent a tsunami of evictions and foreclosures when the moratorium ends?

[Ashley Balcerzak](#) NorthJersey.com

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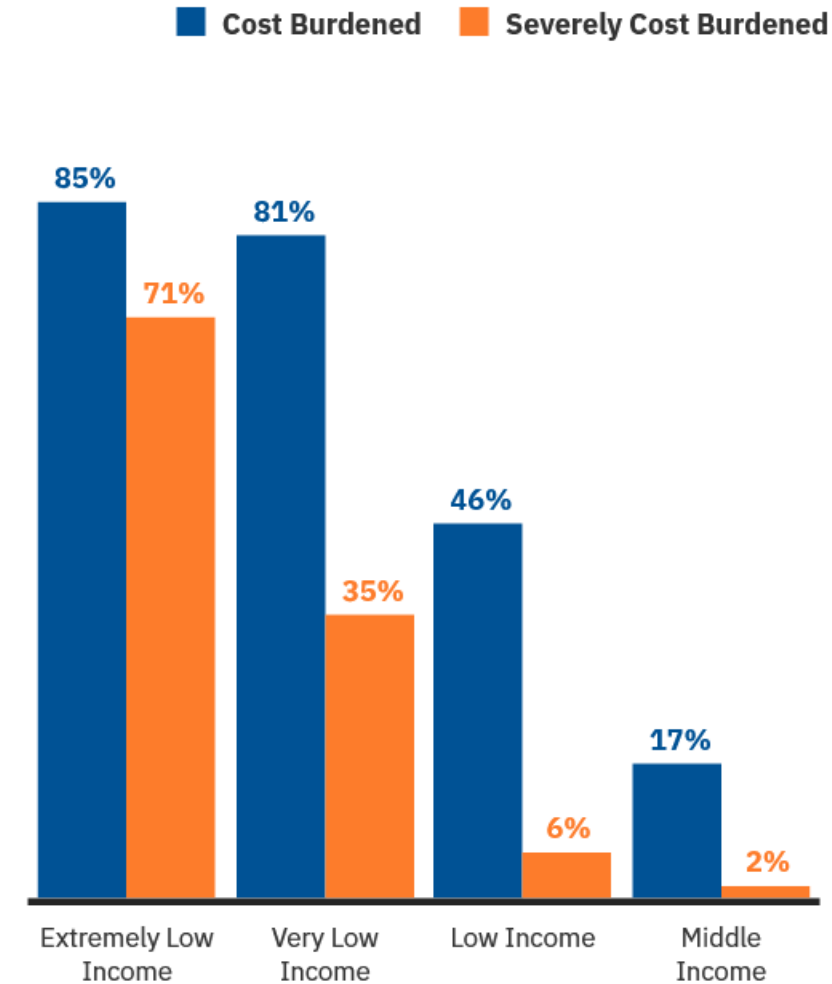
Landlords have already filed 58,861 eviction cases with the courts between April 2020 and March 2021, according to the Administrative Office of the Courts. While tenants cannot be physically locked out of their homes, landlords can still start the legal process.

Once the moratorium ends, the Department of Community Affairs calculated, 191,000 people may be subject to eviction, said Lt. Gov. Sheila Oliver, who also heads the DCA. A higher estimate from the think tank Center on Budget and Policy Priorities shows that nearly 400,000 New Jerseyans are behind on rent.

HOUSING COST BURDEN BY INCOME GROUP

Crisis atop crisis

- Renters in NJ already cost burdened
- In 2019, ≈25% of NJ renter households spent at least 50% of their income on rent (ACS 2019)
- Payment plans under discussion, but low-income renters already have a hard time paying rent
 - Adding more is likely unsustainable
- Late rent can lead to eviction, but also abandonment and change in ownership in rental housing stock
 - Large landlords, backed by private equity, poised to purchase distressed rental properties
- Downstream consequences on emergency service providers



Note: Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened.

Source: NLIHC tabulations of 2019 ACS PUMS