

The background of the slide is a dark red color with a white line-art map of Rochester, New York, showing the city's street grid and major waterways like the Erie Canal and Lake Ontario.

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Rochester Covid-19 Landlord Survey: Wave 2 Analysis

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Preview of Results

1. 44.4 percent of rental properties owned by small landlords (around 50 percent of City rental housing stock) had at least one unit in arrears for October 2020, a 3.7-percentage point increase from June 2020
2. Estimates of the magnitude of rent arrears for October 2020 range from \$3.2 to \$5.1 million
3. More vulnerable neighborhoods were disproportionately impacted by arrears in October 2020, which may reflect the pandemic's outsized economic impact on those at the bottom of the earnings distribution
4. Small landlords' tenants – particularly those in arrears – have experienced and remain at risk of experiencing deferred maintenance due to the pandemic
5. Small landlords' tenants who live in vulnerable neighborhoods are more likely to have been evicted or face future eviction, and less likely to have been granted or to be granted rent decreases relative to tenants in less vulnerable neighborhoods

Survey Overview

Target sample

- Landlords in Rochester and Albany, NY who own three or fewer properties

Questions

- What is the impact of COVID-19 on rent arrears (October 2020) and how are landlords responding?

Response rates

- Wave 1
 - Albany: 1,850 invites, 243 responses (13.1 percent); Rochester: 2,271 invites, 285 responses (12.5 percent)
- Wave 2
 - Albany: 1,621 invites, 152 responses (9.4 percent); Rochester: 2,289 invites, 232 responses (10.1 percent)

Caveats

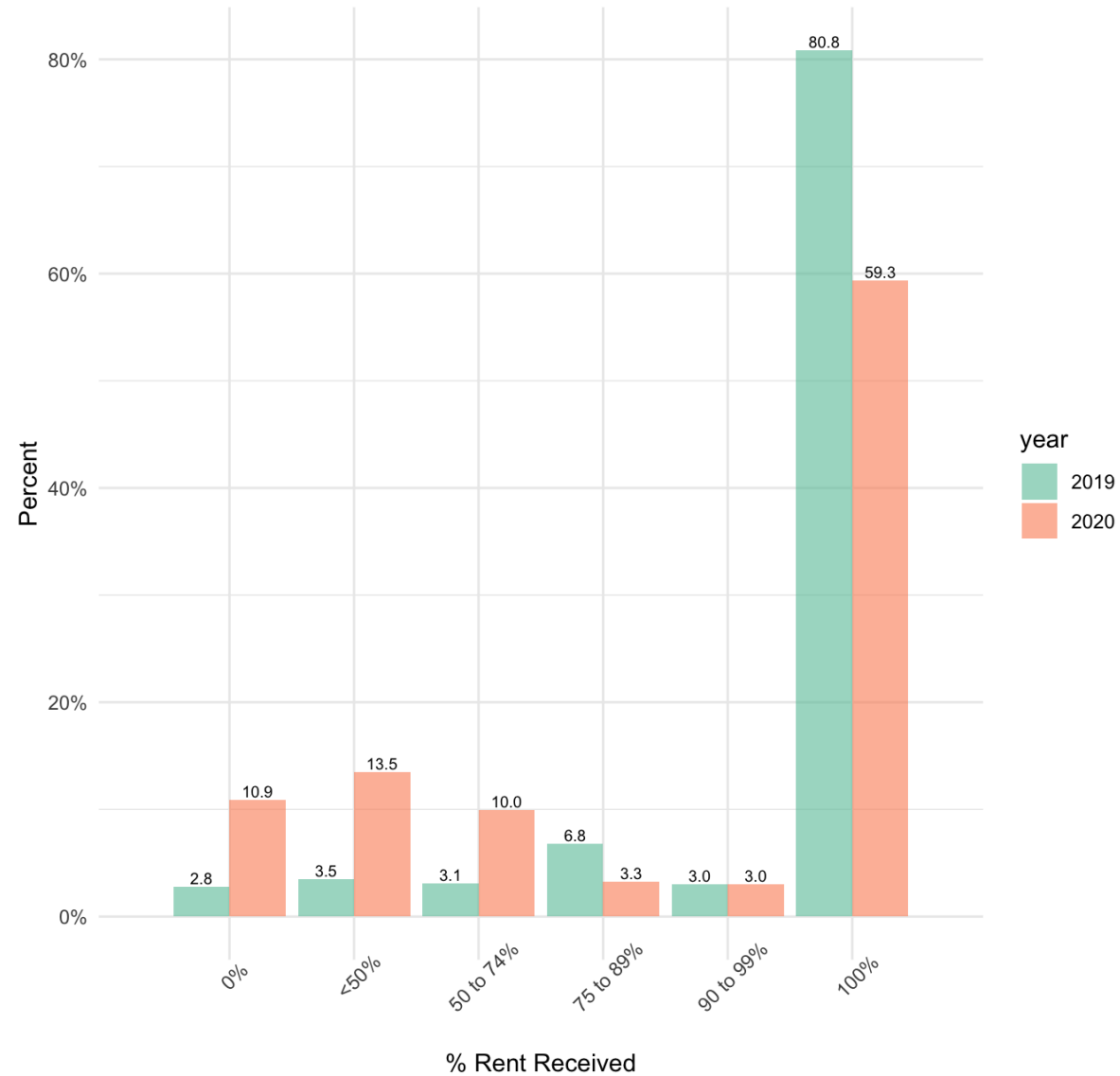
- Results only meant to be reflective of rental properties owned by small landlords

October Rent, by the Numbers

Number of properties behind on rent	6,915 (46.7%)
Average number of units behind on rent	9,801 (37.8%)
Rent captured per property (as percent of total)	75-89 percent
Lower bound of rent arrears	\$3.2 million
Upper bound of rent arrears	\$5.1 million

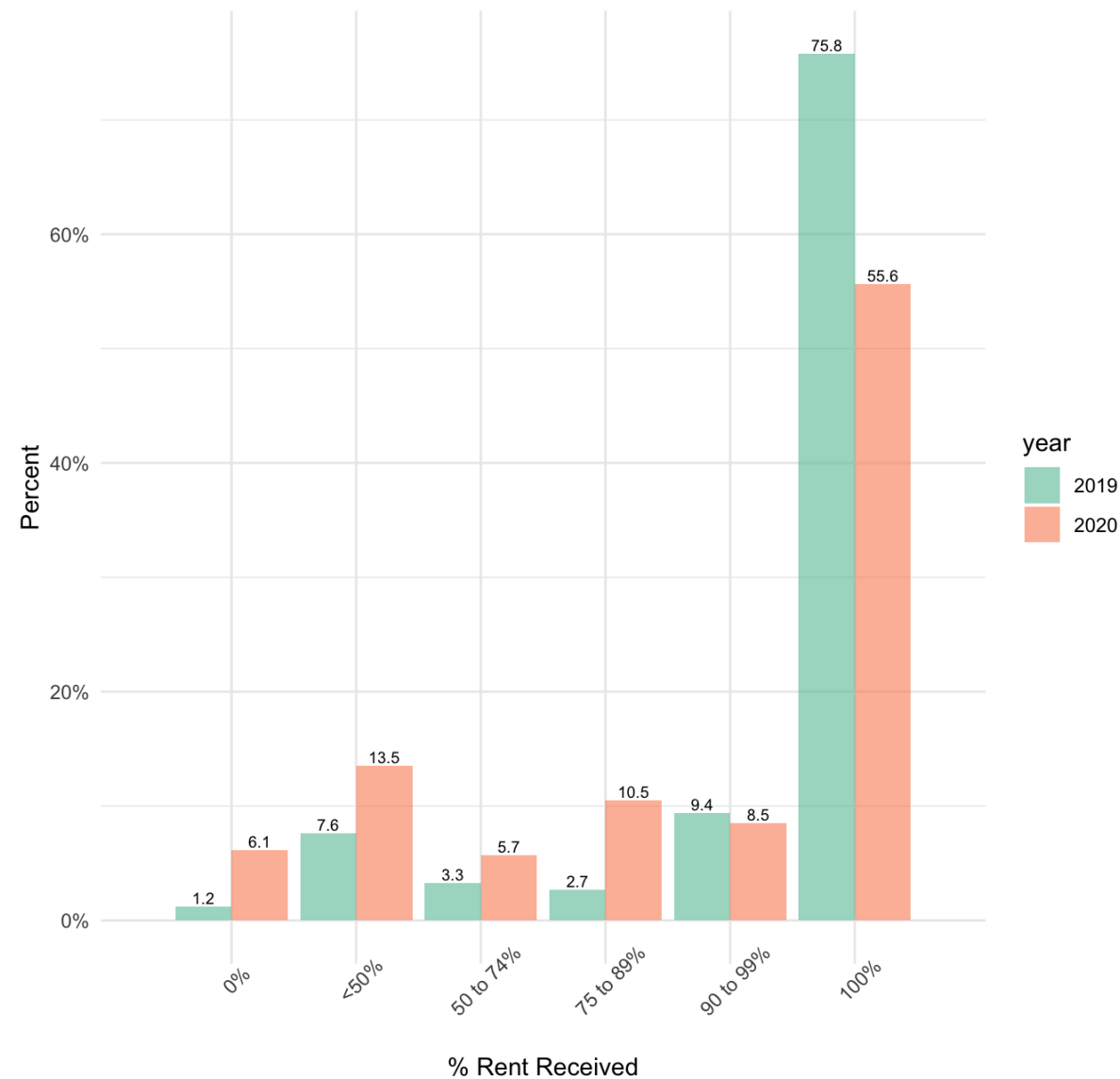
Notes: These numbers are estimates constructed from a weighted survey sample size of 14,810 rental properties owned by small landlords. Small landlords are defined as those landlords who own three or fewer rental properties. To calculate bounds on rent arrears, we assumed a contract rent of \$698, which is the median contract rent across Rochester census block groups (CBGs) as reported in the 2018 ACS. Data on rent arrears come from the Wave 2 Covid-19 landlord survey.

June Rent, 2020 vs. 2019



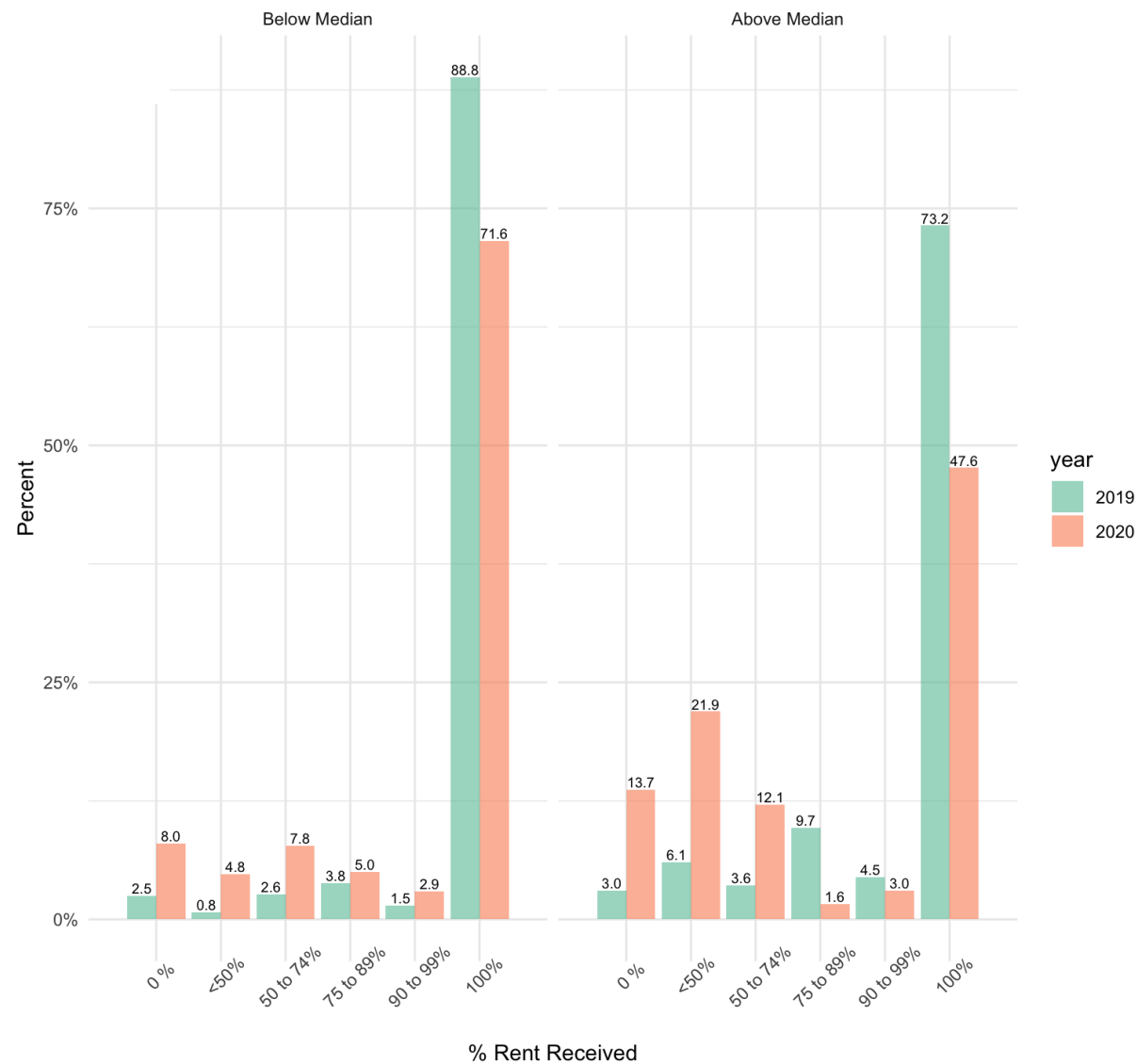
Notes: These numbers are estimates constructed from a weighted survey sample size of 14,810 rental properties. The minimum number of non-vacant properties owned by landlords in this sample is 1, while the maximum is 3. Data on rent arrears come from the Wave 1 Covid-19 landlord survey.

October Rent, 2020 vs. 2019



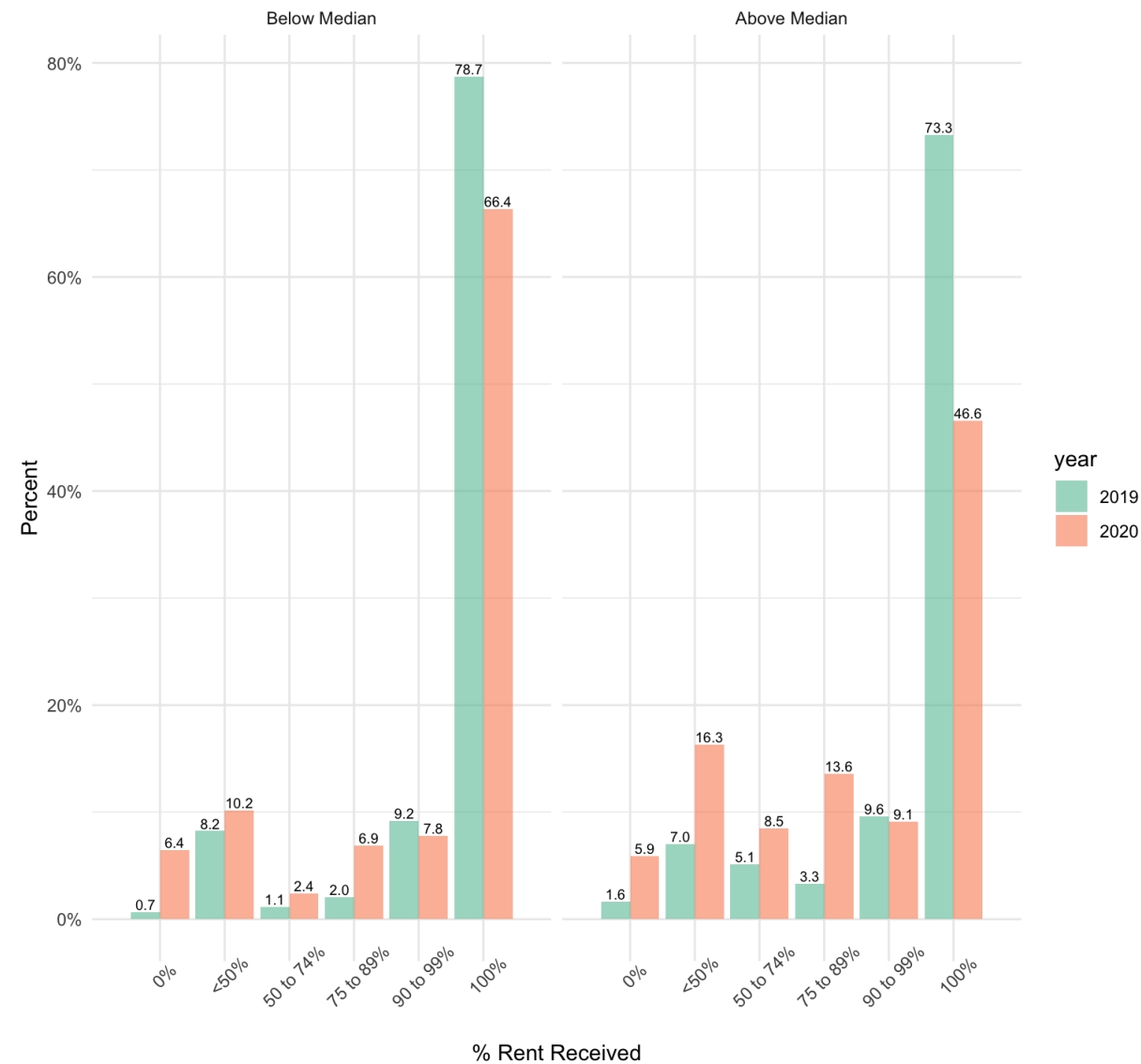
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June Rent, by N'hood % Non-White



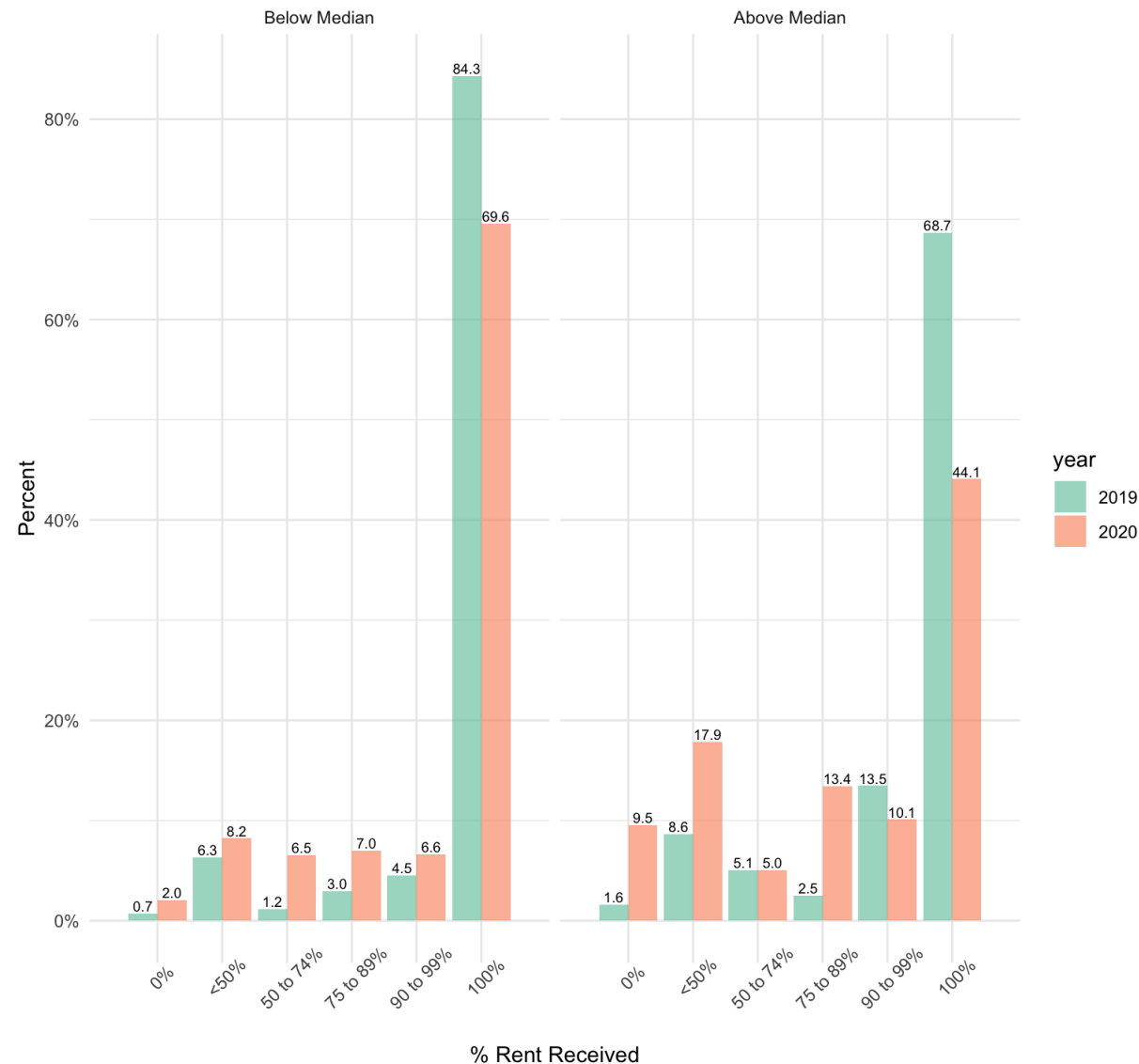
Notes: These numbers are estimates constructed from a weighted survey sample size of 14,810 rental properties. The minimum number of properties owned by landlords in this sample is 1, while the maximum is 3. Properties are classified according to whether they are located in a census block group (CBG) with a below median (45.1 percent) or above median (54.9 percent) proportion of non-White residents. The median percentage of non-White residents across CBGs is 73.6 percent. Data on rent arrears come from the Wave 1 Covid-19 landlord survey. Data on neighborhood race come from the 2018 ACS.

Oct. Rent, by N'hood % Non-White



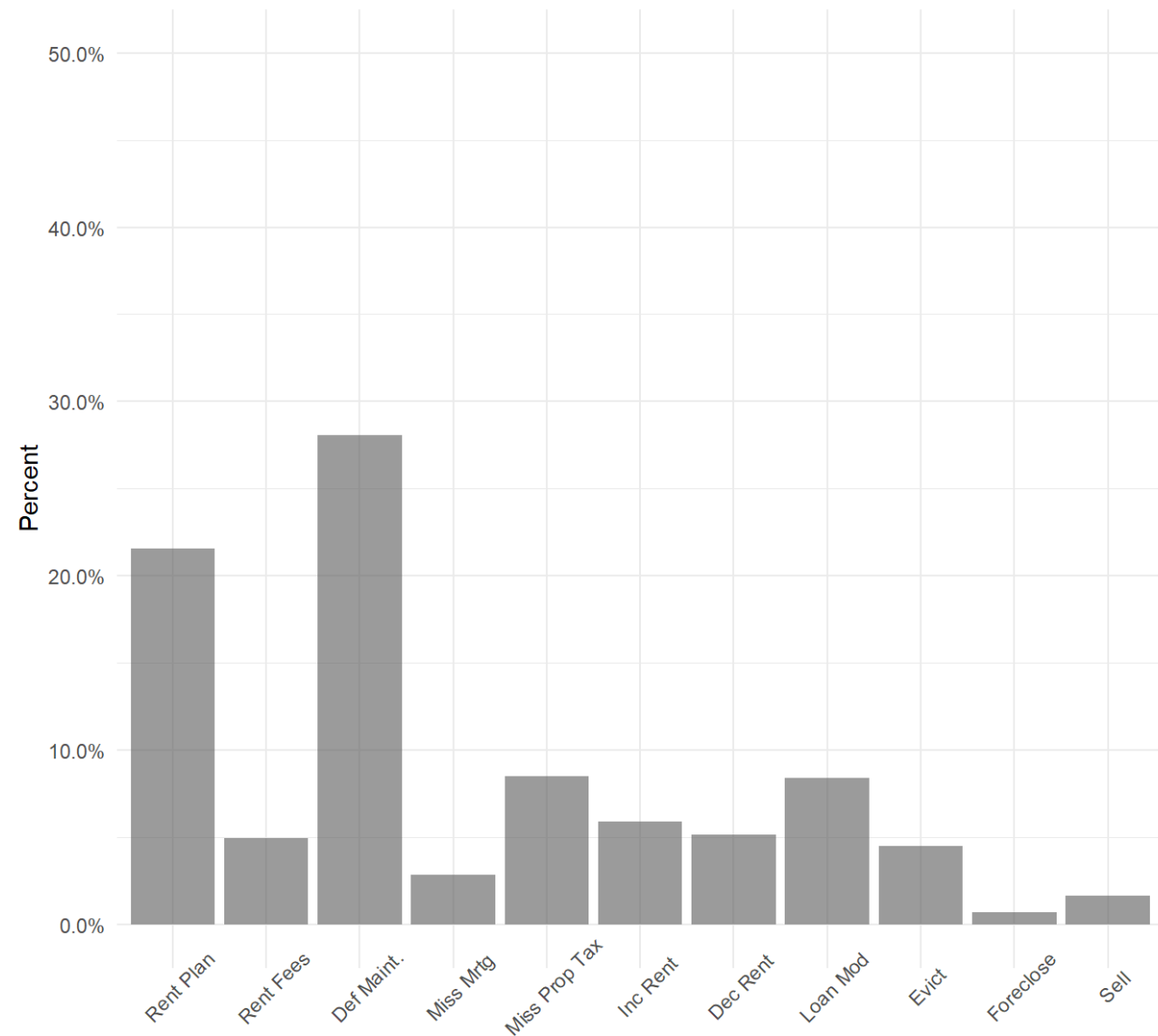
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Oct. Rent, by N'hood Cost-Burden



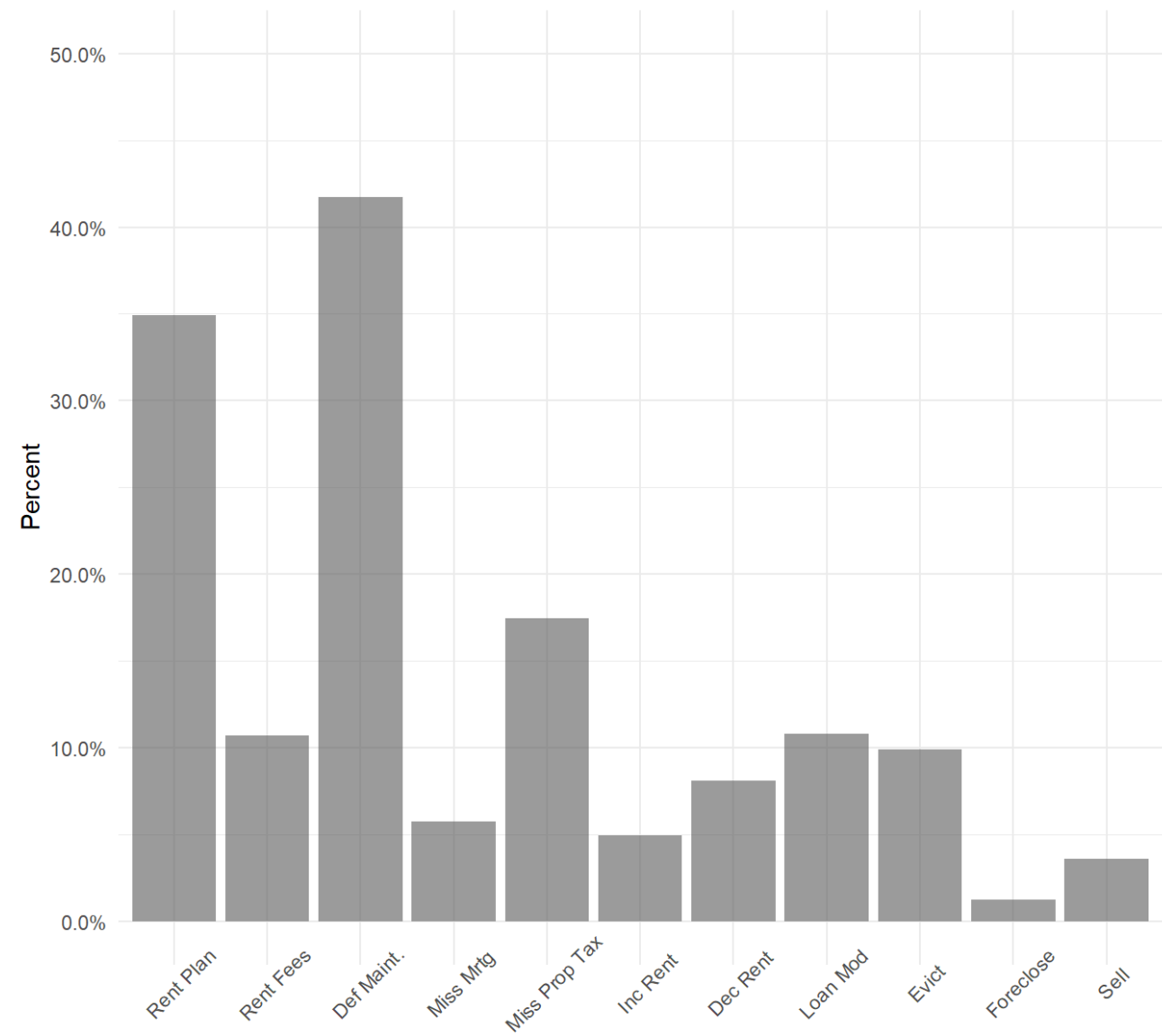
Notes: These numbers are estimates constructed from a weighted survey sample size of 14,810 rental properties. The minimum number of properties owned by landlords in this sample is 1, while the maximum is 3. Properties are classified according to whether they are located in a census block group (CBG) with a below median (42.6 percent) or above median (57.4 percent) proportion of cost-burdened renter households. Renter households are defined as cost-burdened if their yearly household income is less than or equal to \$35,000, and they spend 50 percent or more of their income on gross rent. The median percentage of cost-burdened renter households across CBGs is 54.3 percent. Data on rent arrears come from the Wave 2 Covid-19 landlord survey. Data on neighborhood cost-burden come from the 2018 ACS.

Landlords' Responses to Covid



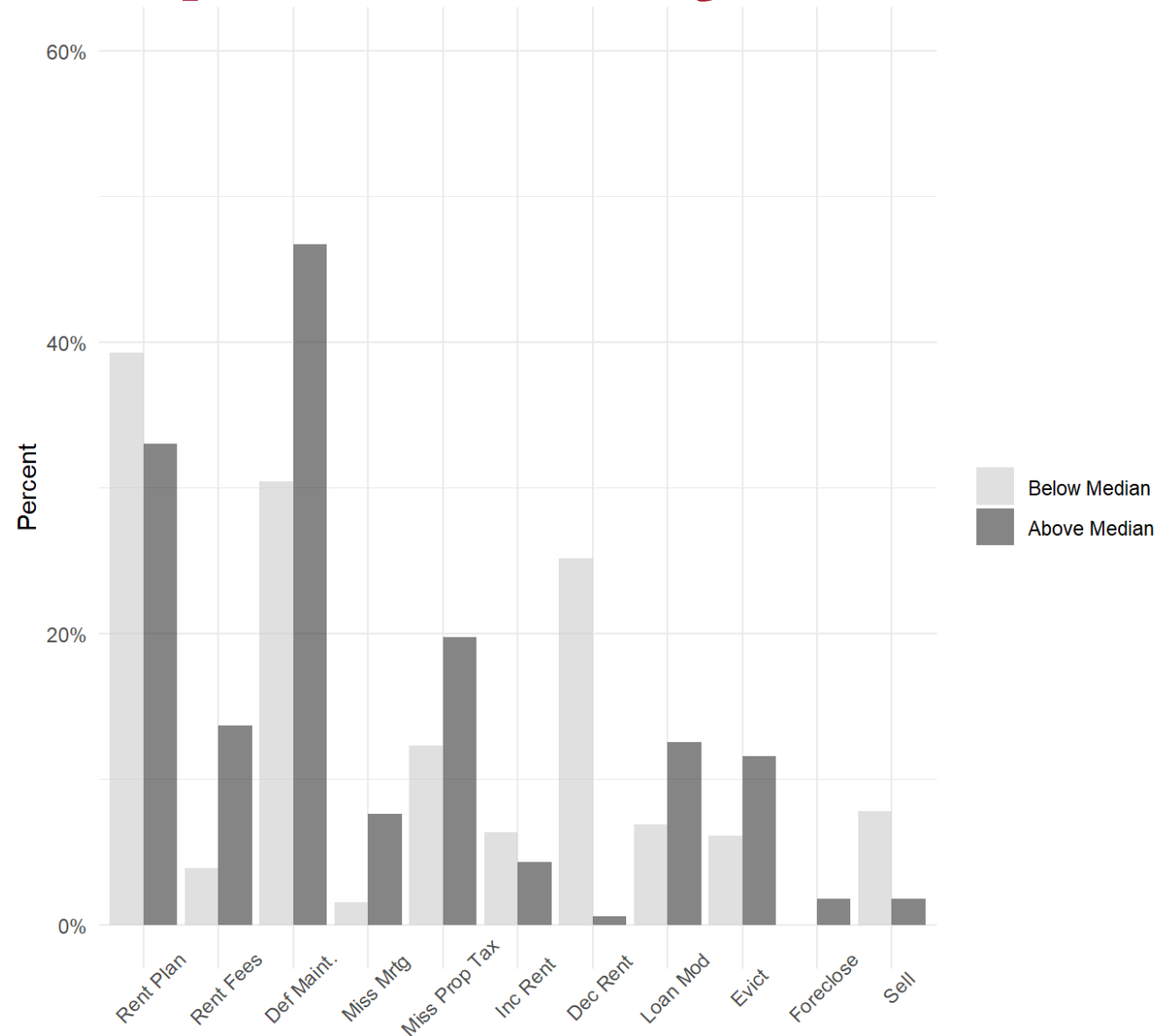
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Landlords' Responses to Arrears



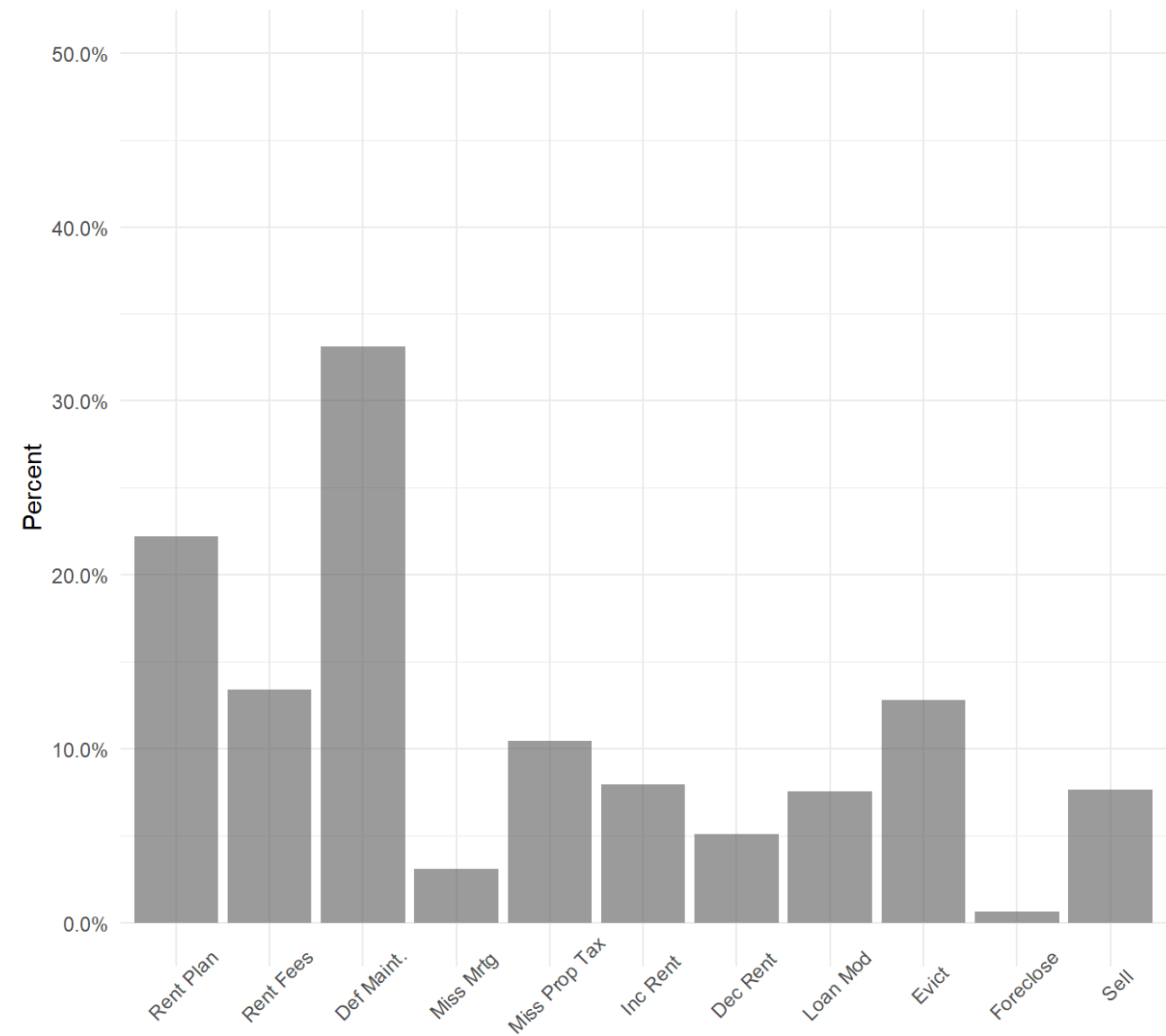
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Arrears Responses, by N'hood % Non-White



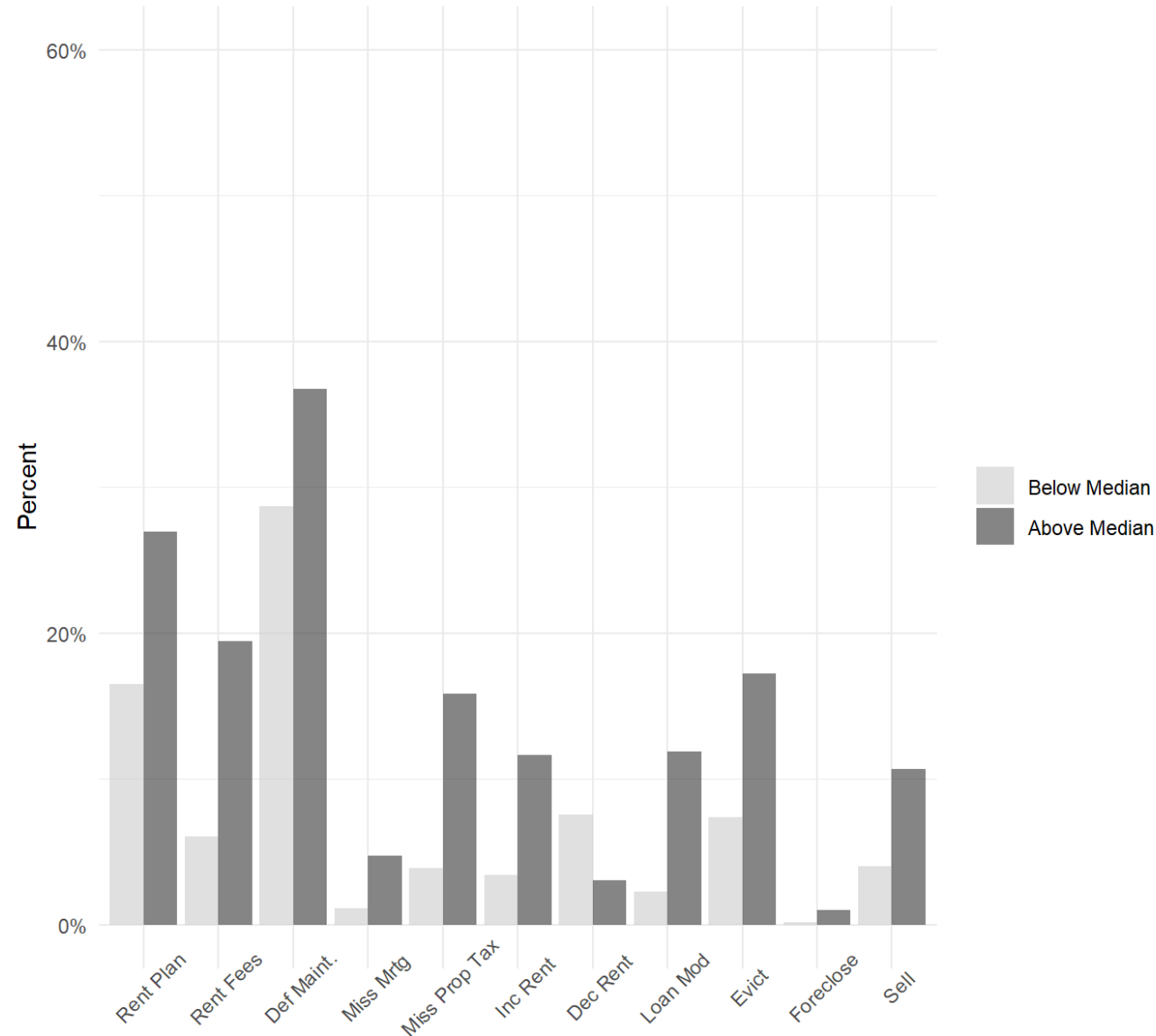
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Landlords' Future Responses to Covid



Notes: These numbers are estimates constructed from a weighted survey sample size of 14,810 rental properties. The minimum number of non-vacant properties owned by landlords in this sample is 1, while the maximum is 3. The landlord responses in question are steps landlords may take in the next 6 months due to continued financial strain from Covid-19. Data come from the Wave 2 Covid-19 landlord survey.

Future Responses, by N'hood % Non-White



Notes: These numbers are estimates constructed from a weighted survey sample size of 14,810 rental properties. The minimum number of non-vacant properties owned by landlords in this sample is 1, while the maximum is 3. Properties are classified according to whether they are located in a census block group (CBG) with a below median (45.1 percent) or above median (54.9 percent) proportion of non-White residents. The landlord responses in question are steps landlords may take in the next 6 months due to continued financial strain from Covid-19. Data come from the Wave 2 Covid-19 landlord survey.

Conclusions

- The percent of small landlords' rental properties in arrears increased from 40.7 in June to 44.4 in October 2020
- While October rental payment rates exhibited signs of recovery in more advantaged neighborhoods, tenants in more vulnerable neighborhoods continue to struggle to meet rental payment obligations
- Tenants of small landlords have faced (28 percent) and are likely to continue to face (33 percent) substandard housing conditions due to deferred maintenance caused by the pandemic
- Rental properties with tenants in arrears are particularly at-risk of facing substandard housing conditions (42 percent)
- Small landlords' responses to arrears differ significantly by property location, with tenants in vulnerable neighborhoods significantly more likely to experience rent fees, deferred maintenance, and eviction, and less likely to experience rent payment plans and rent decreases (both now, and in the future)

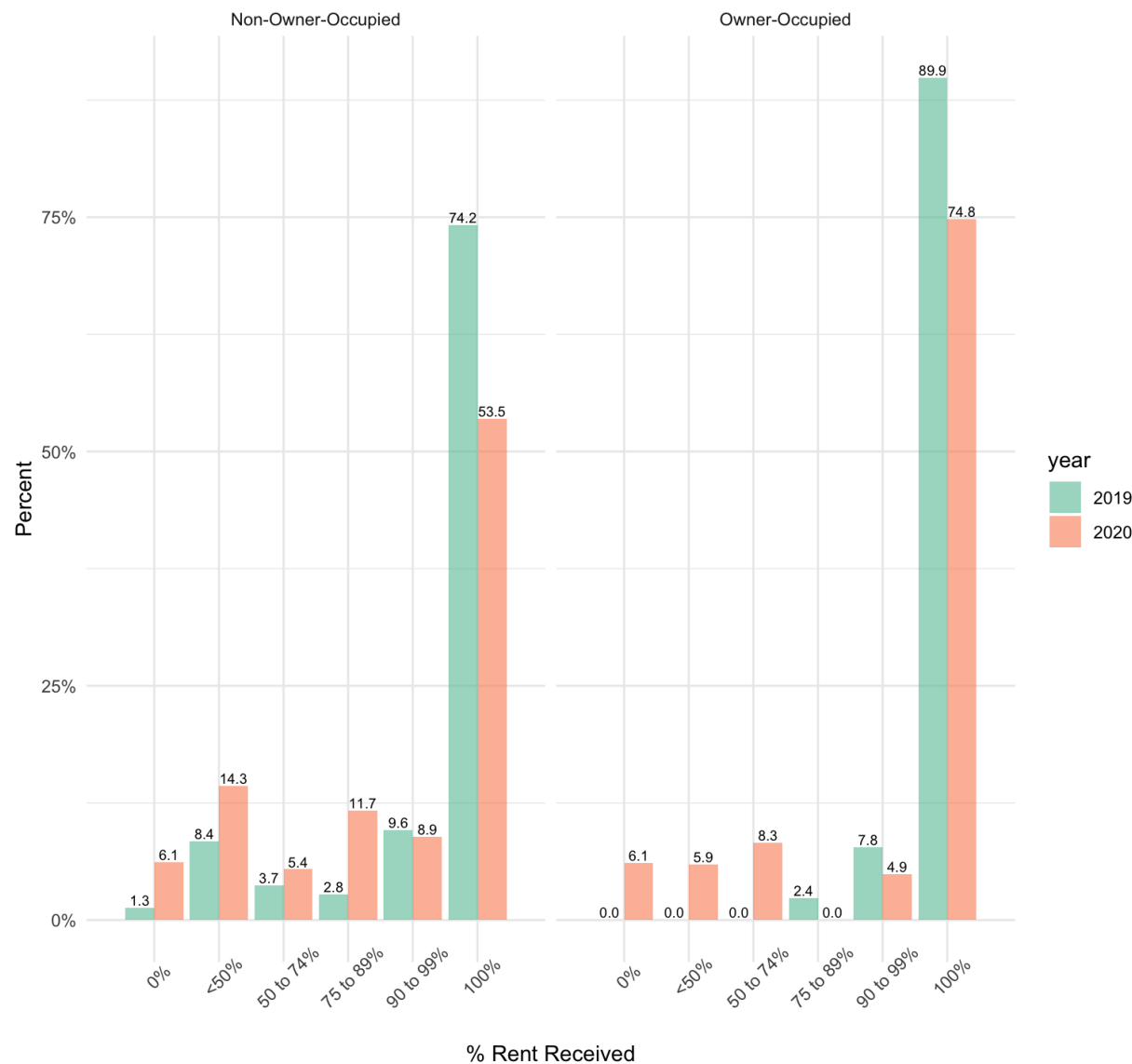
Appendix

June Rent, by the Numbers (updated)

Number of properties behind on rent	5,896 (39.8%)
Mean number of units behind on rent	9,112 (33.8%)
Rent captured per property (as percent of total)	75-89%
Lower bound of rent arrears	\$3.9 million
Upper bound of rent arrears	\$6.1 million

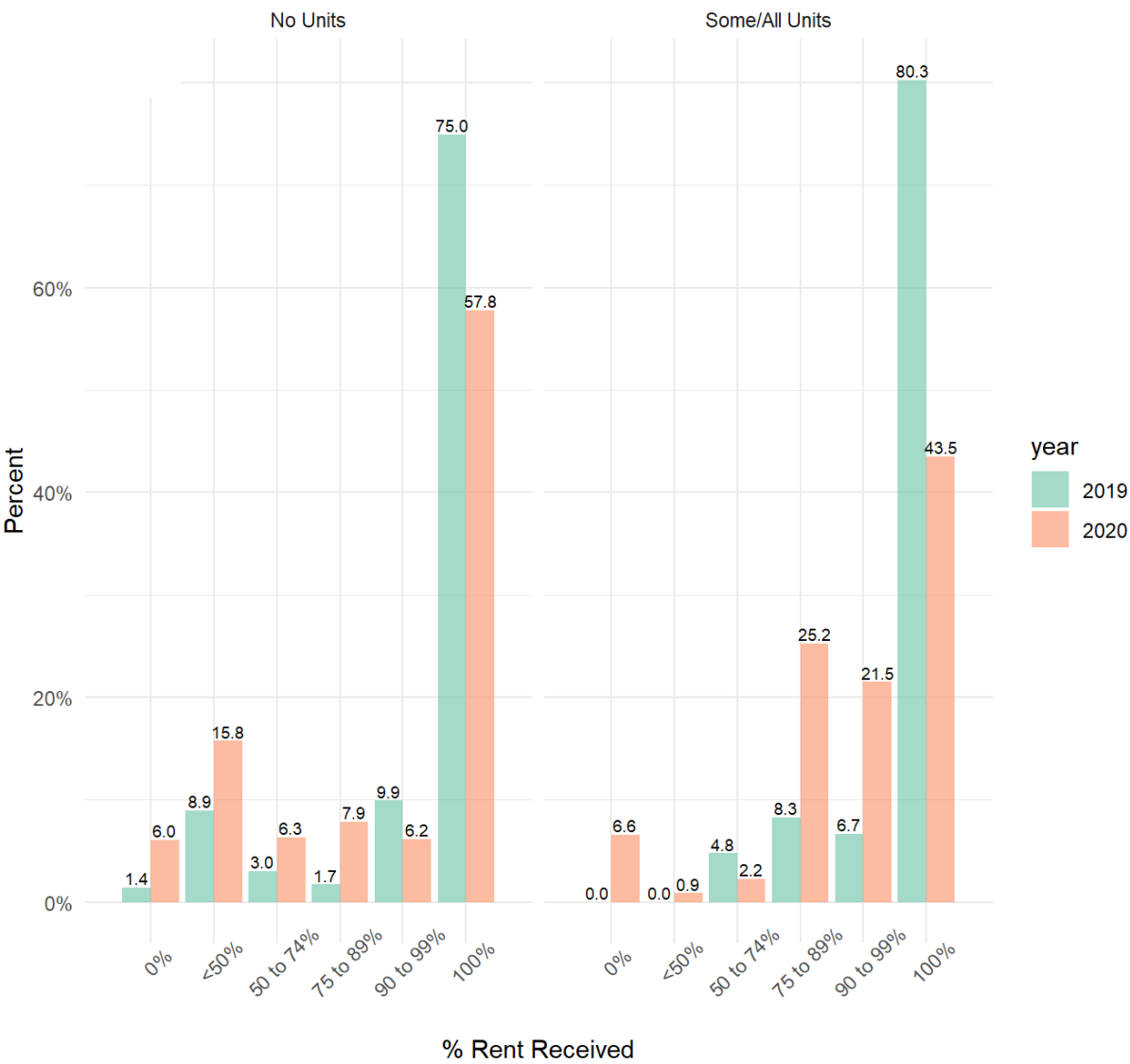
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Oct. Rent, by Occupancy Status



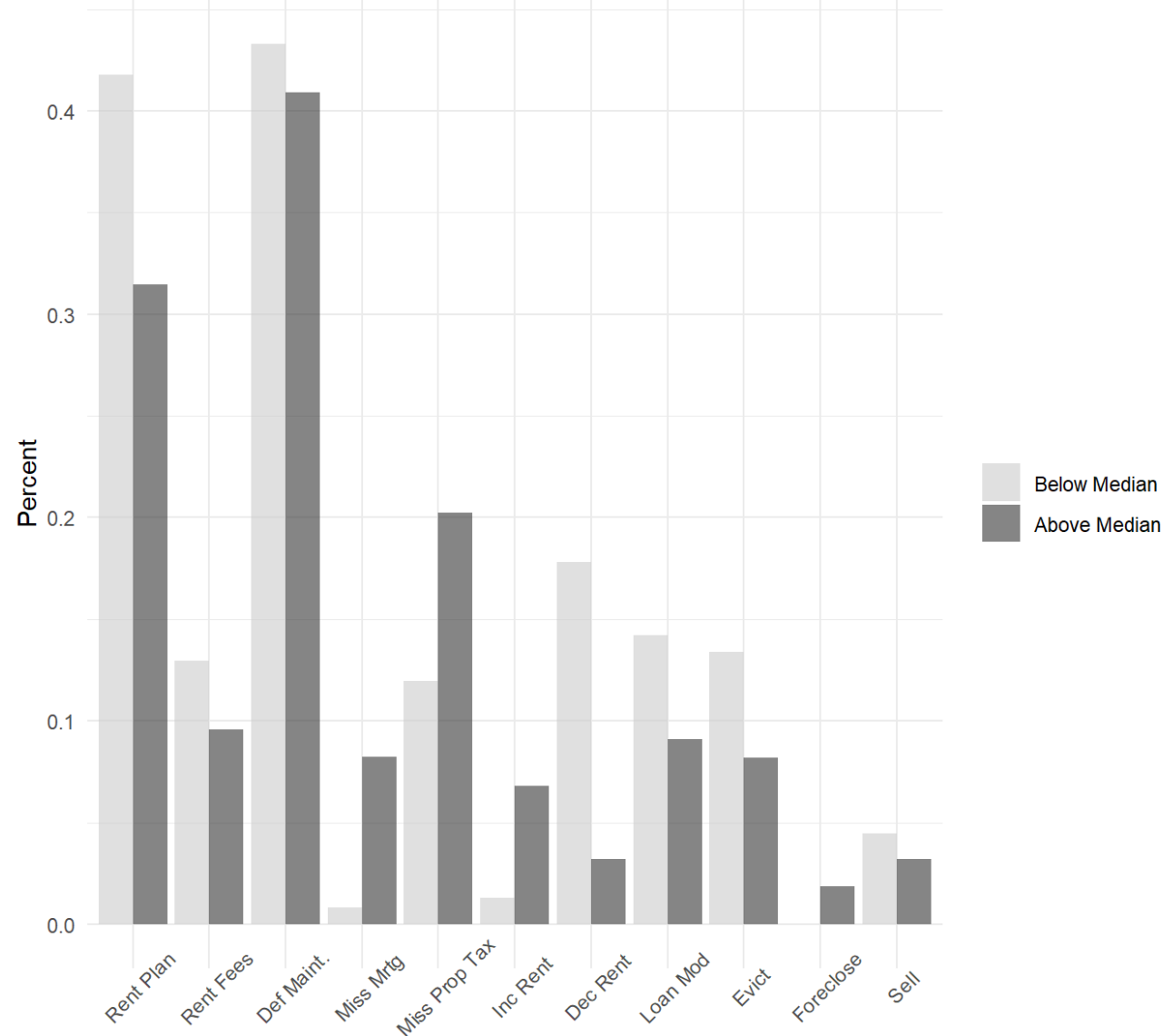
Notes: These numbers are estimates constructed from a weighted survey sample size of 14,810 rental properties. The minimum number of properties owned by landlords in this sample is 1, while the maximum is 3. Properties are classified as owner-occupied if the landlord lives in one of the property's rental units and rents out one or more additional units to tenants (9.4 percent), and non-owner-occupied otherwise (90.6 percent). Data on rent arrears come from the Wave 2 Covid-19 landlord survey.

Oct. Rent, by Section 8 Status



Notes: These numbers are estimates constructed from a weighted survey sample size of 14,810 rental properties. The minimum number of properties owned by landlords in this sample is 1, while the maximum is 3. Properties are classified according to whether none (85.5 percent) or some/all (14.5 percent) of the rental units utilize Section 8 housing vouchers. Data on rent arrears come from the Wave 2 Covid-19 landlord survey.

Arrears Responses, by N'hood Cost Burden



Notes: These numbers are estimates constructed from a weighted survey sample size of 14,810 rental properties. The minimum number of non-vacant properties owned by landlords in this sample is 1, while the maximum is 3. In this graph, the sample is restricted to just those properties in arrears in October 2020 (weighted n=6,915). Properties are classified according to whether they are located in a census block group (CBG) with a below median (42.6 percent) or above median (57.4 percent) proportion of cost-burdened renter households. Renter households are defined as cost-burdened if their yearly household income is less than or equal to \$35,000, and they spend 50 percent or more of their income on gross rent. The median percentage of cost-burdened renter households across CBGs is 54.3 percent. The landlord responses in question occurred anytime from March-October 2020. Data come from the Wave 2 Covid-19 landlord survey.

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