



Understanding the potential rental housing market impact of COVID-19

Presented by the Institute for Housing Studies

Understanding potential rental housing impact

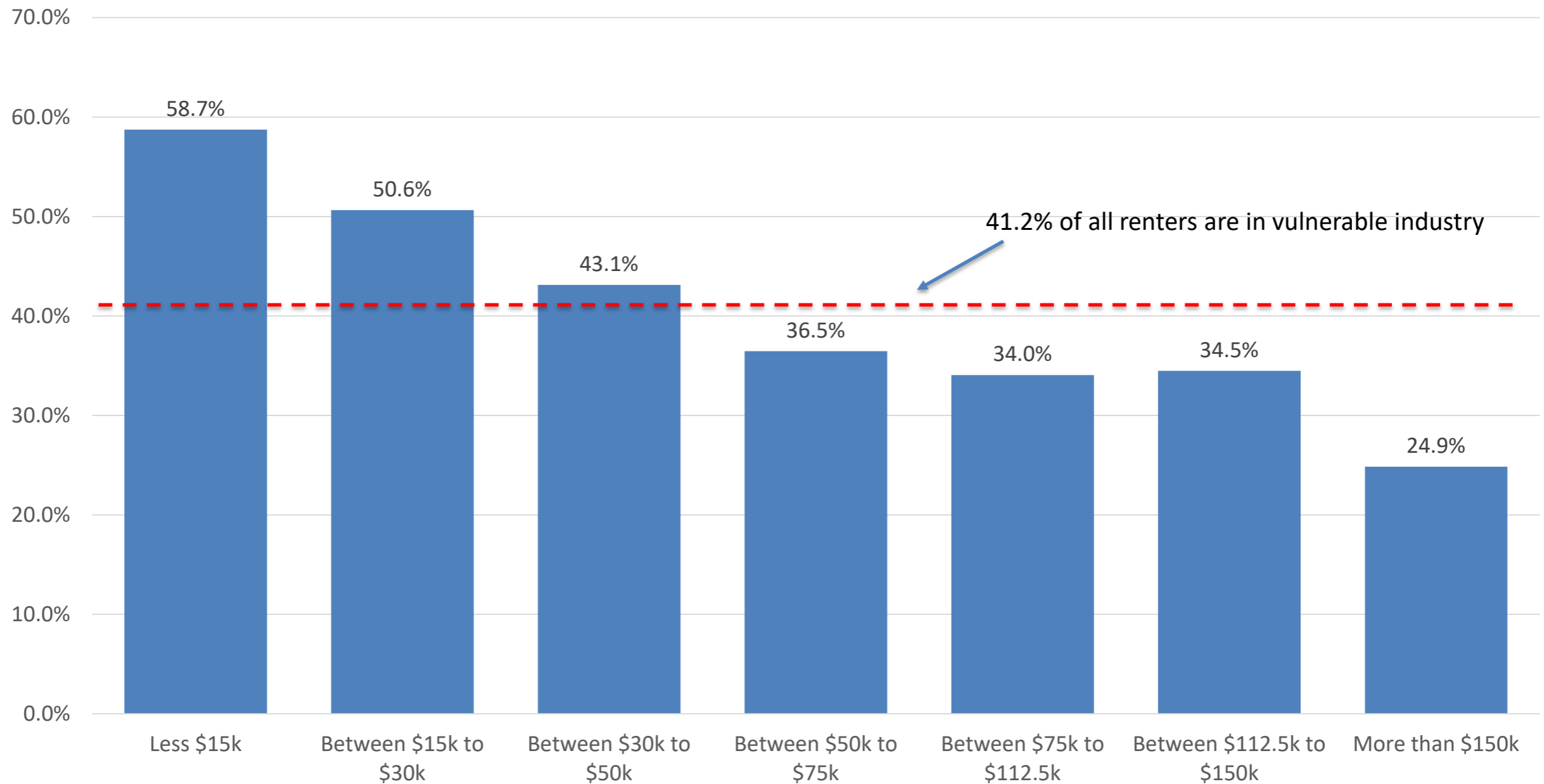
- Analysis is starting point to better understand the potential rental housing market impact of economic downturn related to COVID-19
- Analysis identifies a set of occupations that are at the most risk of significant disruption and layoffs due to COVID-19
- Top Chicago occupations in impacted industries:
 - Cashiers - 32,753 workers
 - Retail salespersons - 29,207
 - Janitors and building cleaners - 26,009
 - Cooks - 19,831
 - Waiters and waitresses - 19,019
- These occupations will likely remain highly vulnerable in the short- to medium term as certain industries restructure or are slower to recover

Understanding potential rental housing impact

- Analysis focuses on working households and individuals and therefore excludes:
 - Non-wage earners
 - Individuals less than 16 years old
 - Individuals not in the labor force (who last worked more than 5 years ago or never worked)
 - Households make up entirely of the above
- Analysis focuses on households with at least one member in potentially impacted industry or individual workers
- Although unemployment benefits help in short term, findings highlight risk that economic crisis will disproportionately impact lower-income renters, people of color, and neighborhoods already experiencing rental housing affordability challenges

Lower-income renters at more risk of economic impact

Share of Chicago working renter households with at least one member in vulnerable industry by HH income level, 2018

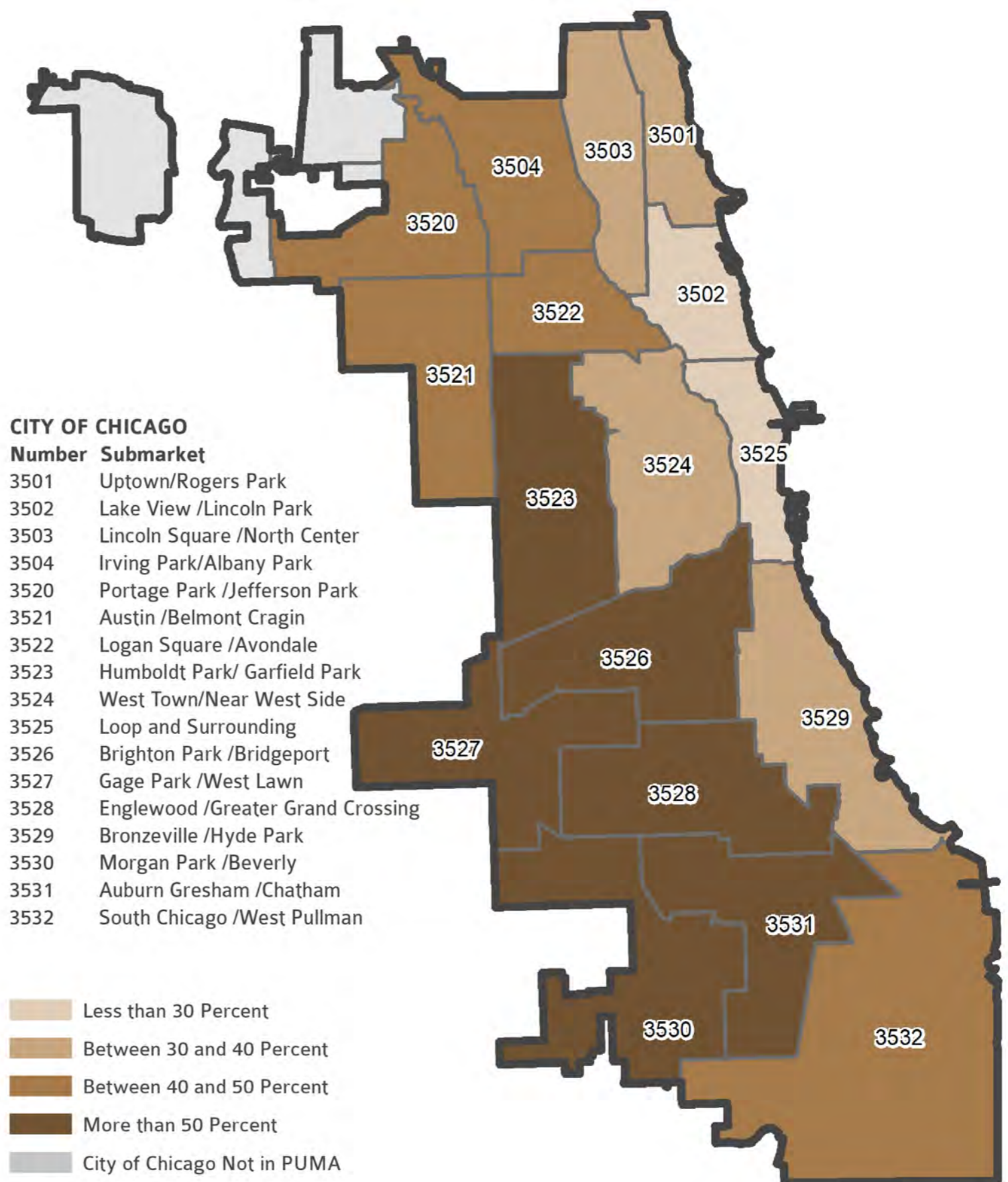


SOURCE: 2018 ACS MICRODATA ,IPUMS USA, IHS CALCULATIONS BASED ON CODE DEVELOPED BY NYU FURMAN CENTER

Share of working renter households in vulnerable industries by PUMA

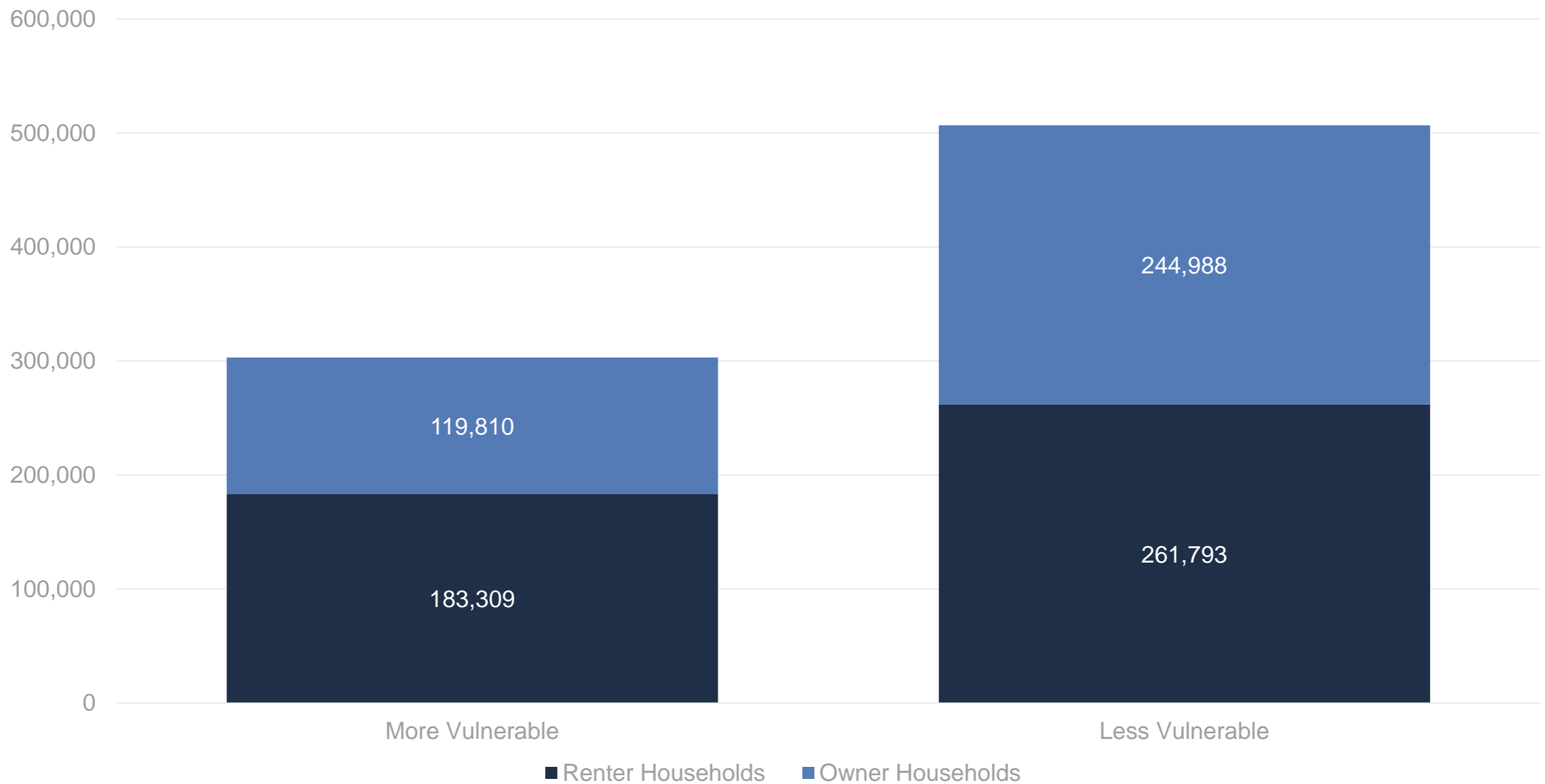


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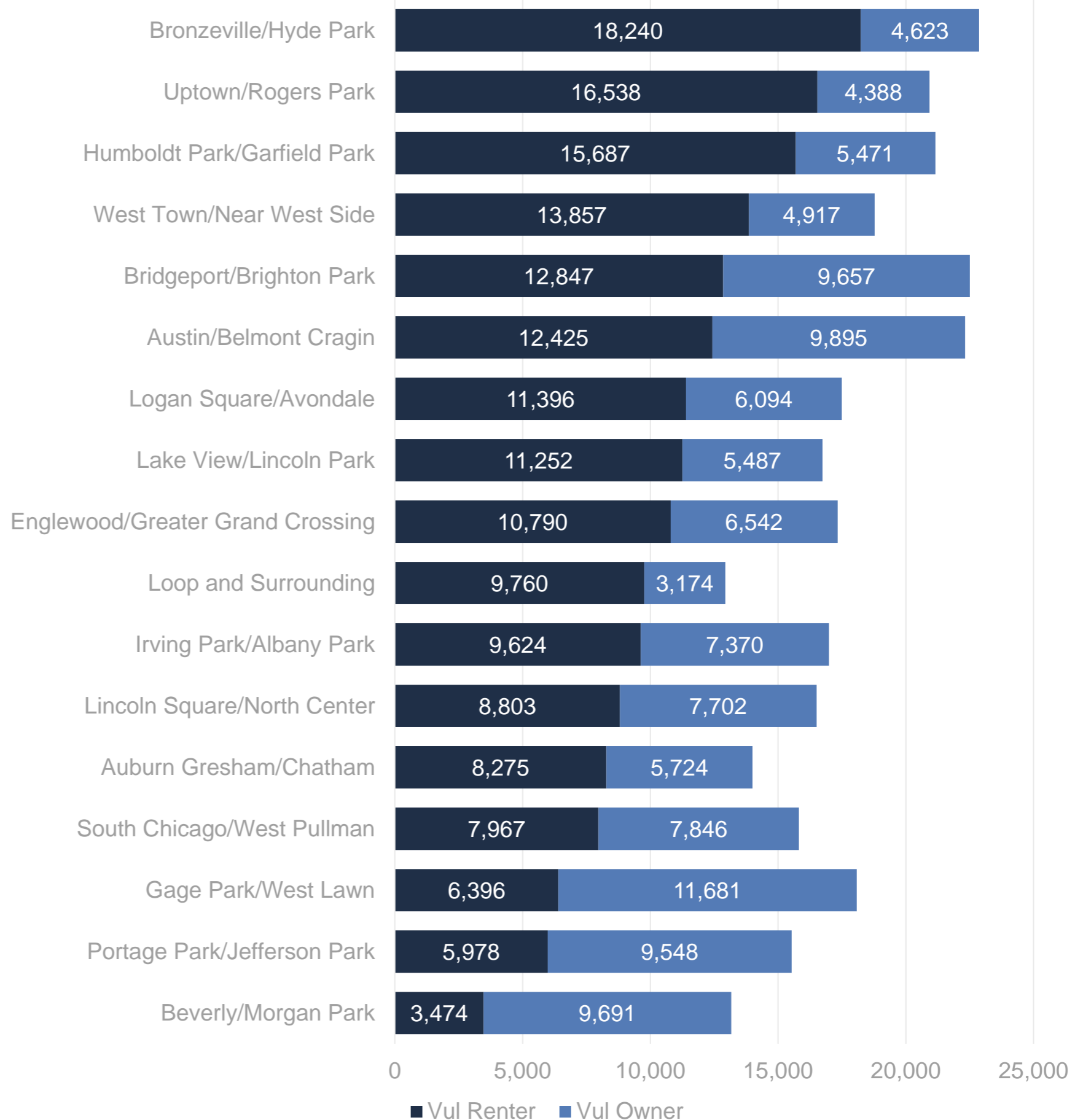
Potentially impacted households more likely renters

Number of vulnerable and less vulnerable working households in Chicago by tenure, 2018



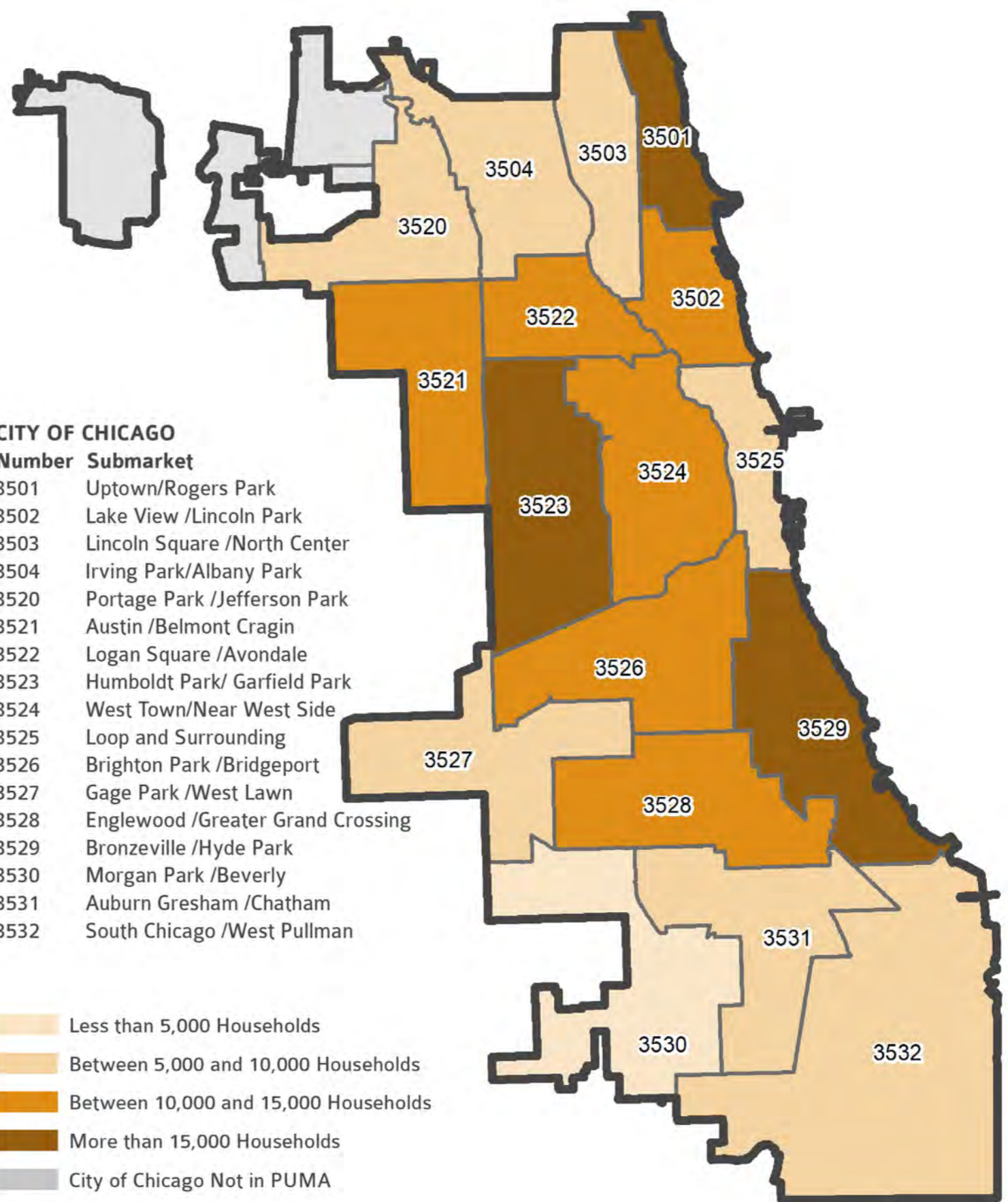
SOURCE: 2018 ACS MICRODATA ,IPUMS USA, IHS CALCULATIONS BASED ON CODE DEVELOPED BY NYU FURMAN CENTER

Number of potentially impacted working households by tenure and PUMA



SOURCE: 2018 ACS MICRODATA ,IPUMS USA, IHS CALCULATIONS BASED ON CODE DEVELOPED BY NYU FURMAN CENTER

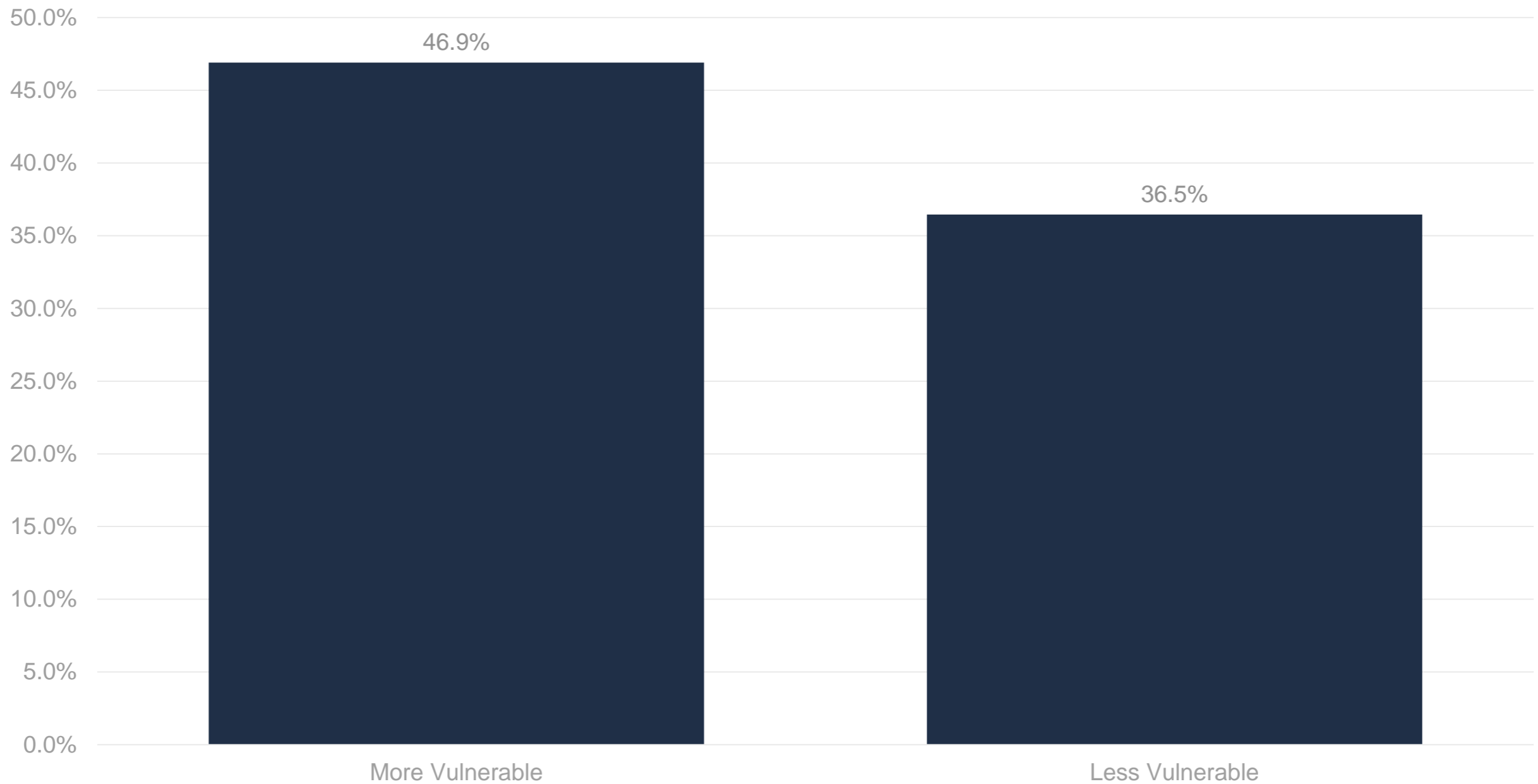
Number of potentially impacted working renter households by PUMA



SOURCE: 2018 ACS MICRODATA ,IPUMS USA, IHS CALCULATIONS BASED ON CODE DEVELOPED BY NYU FURMAN CENTER

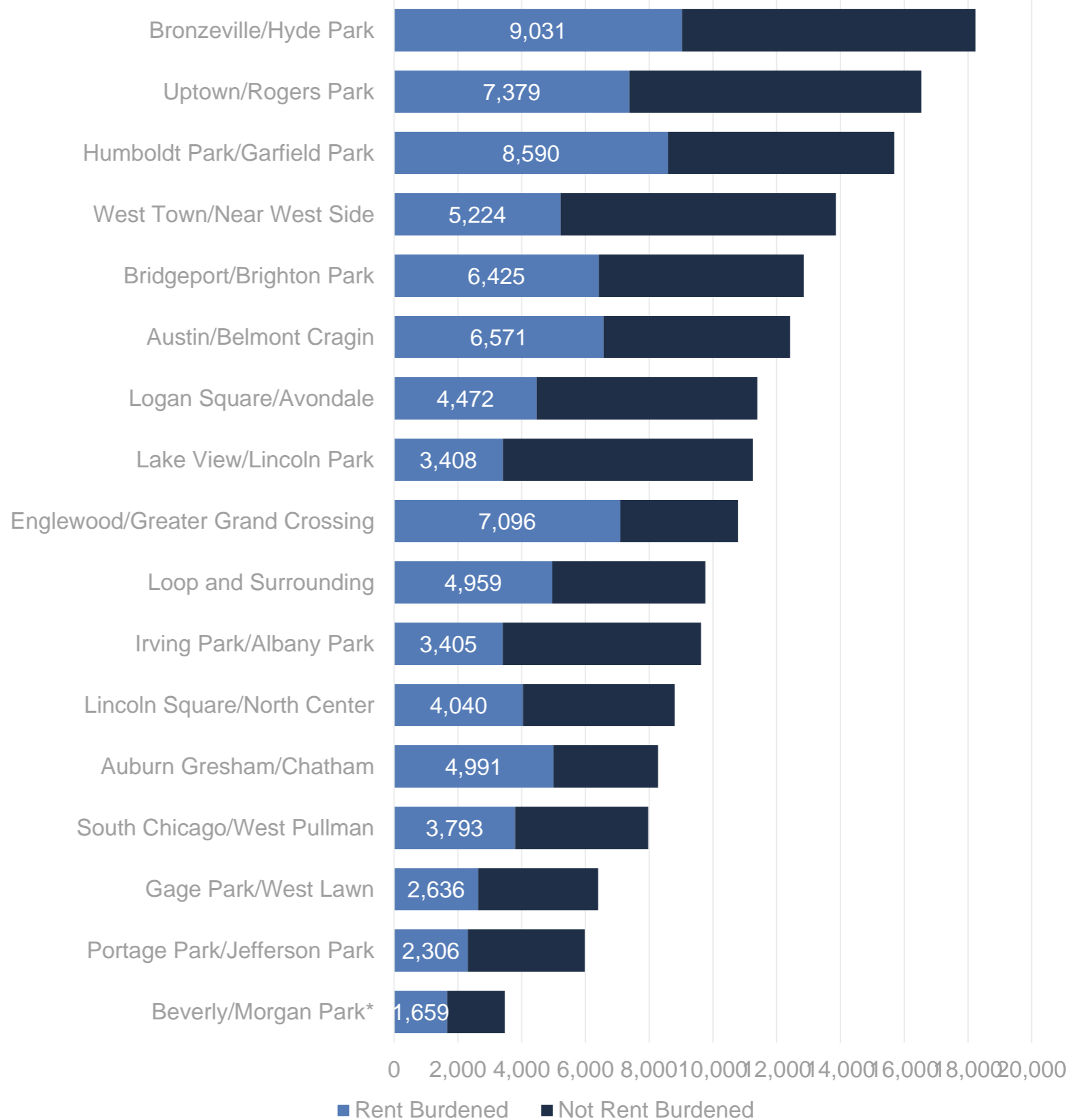
Potentially impacted renters more likely cost burdened

Share of vulnerable and less vulnerable working renter households in Chicago that are cost burdened, 2018



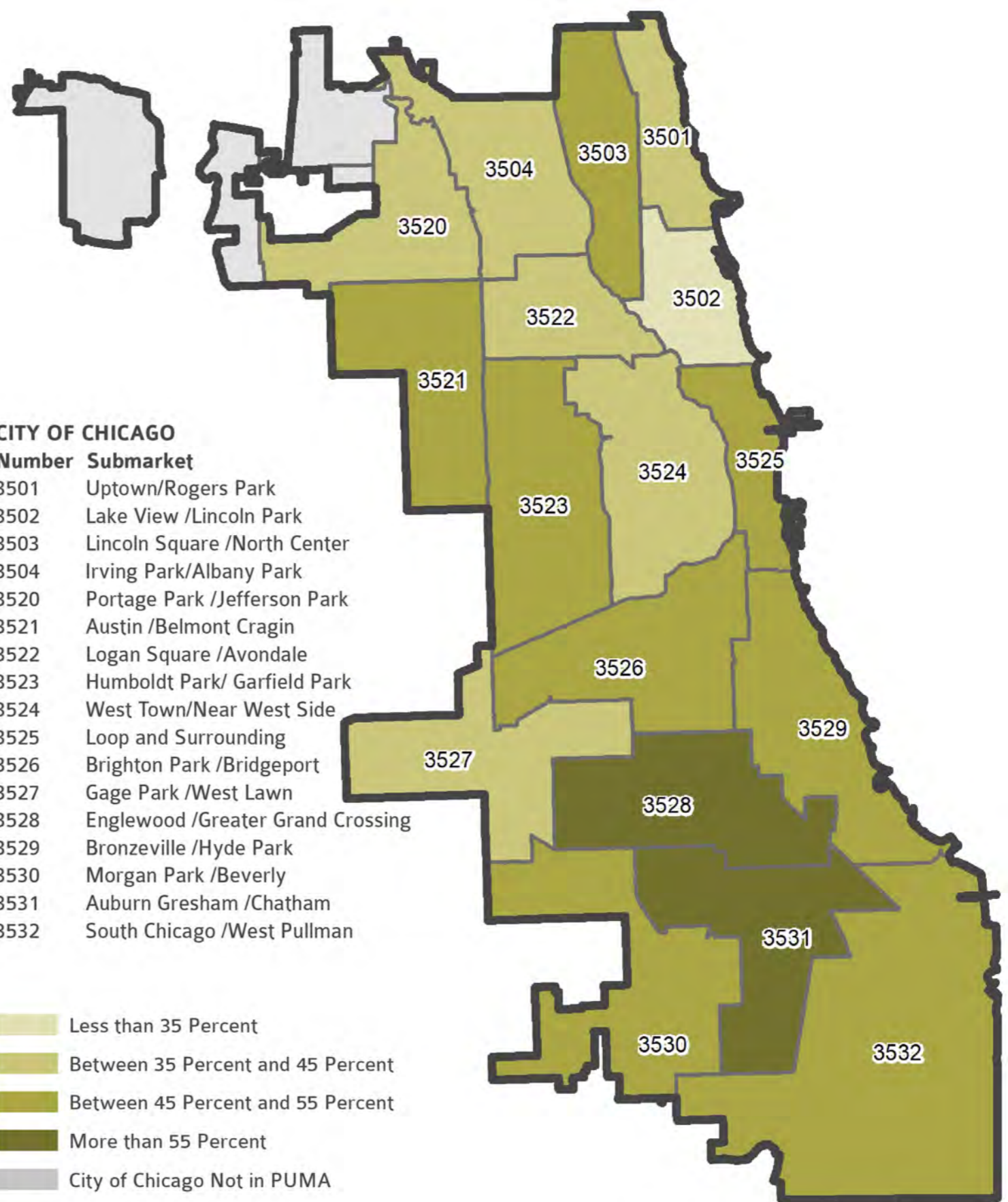
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Number of working renter households in vulnerable industries that are cost burdened by PUMA



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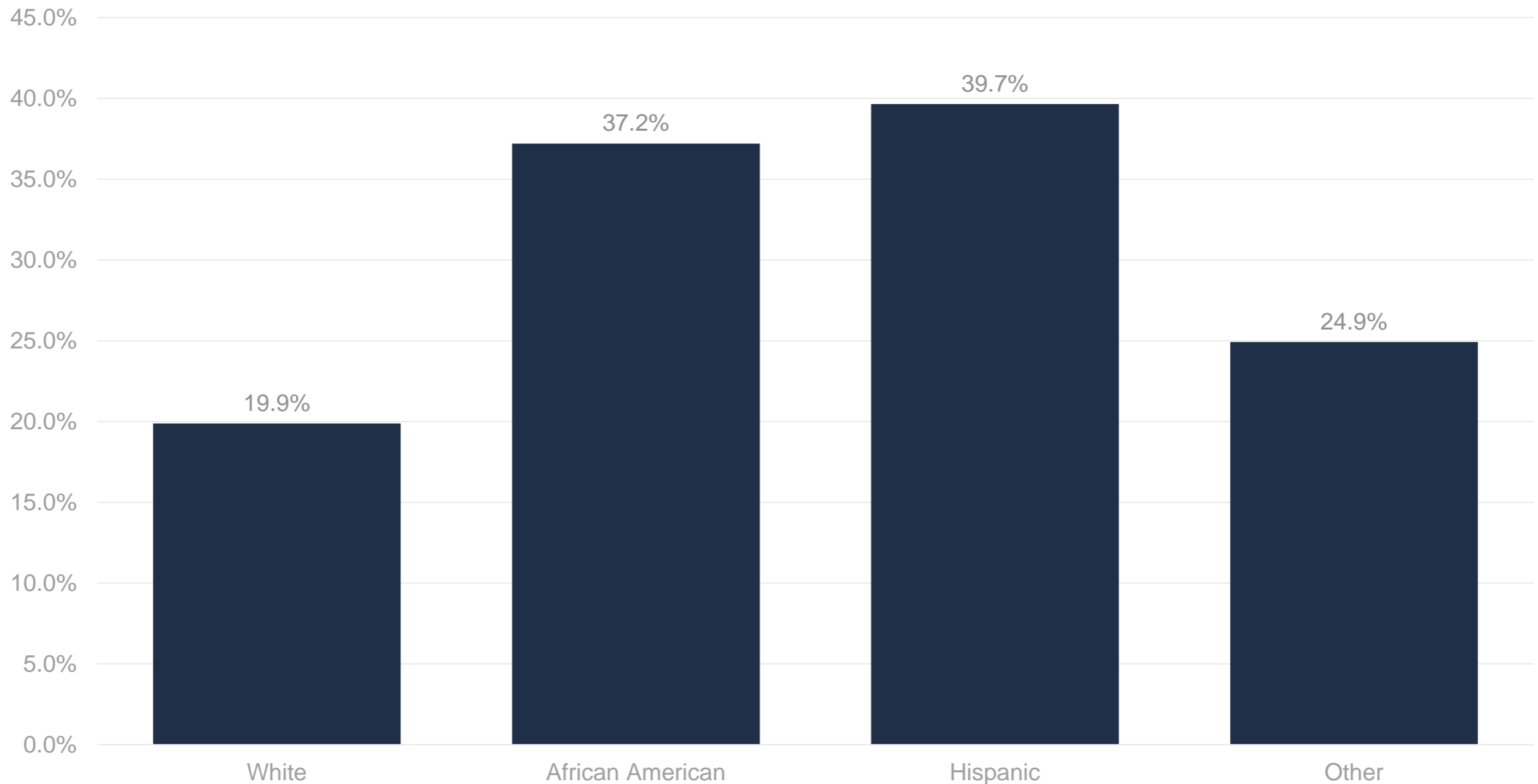
Share of working renter households in vulnerable industries that are cost burdened by PUMA



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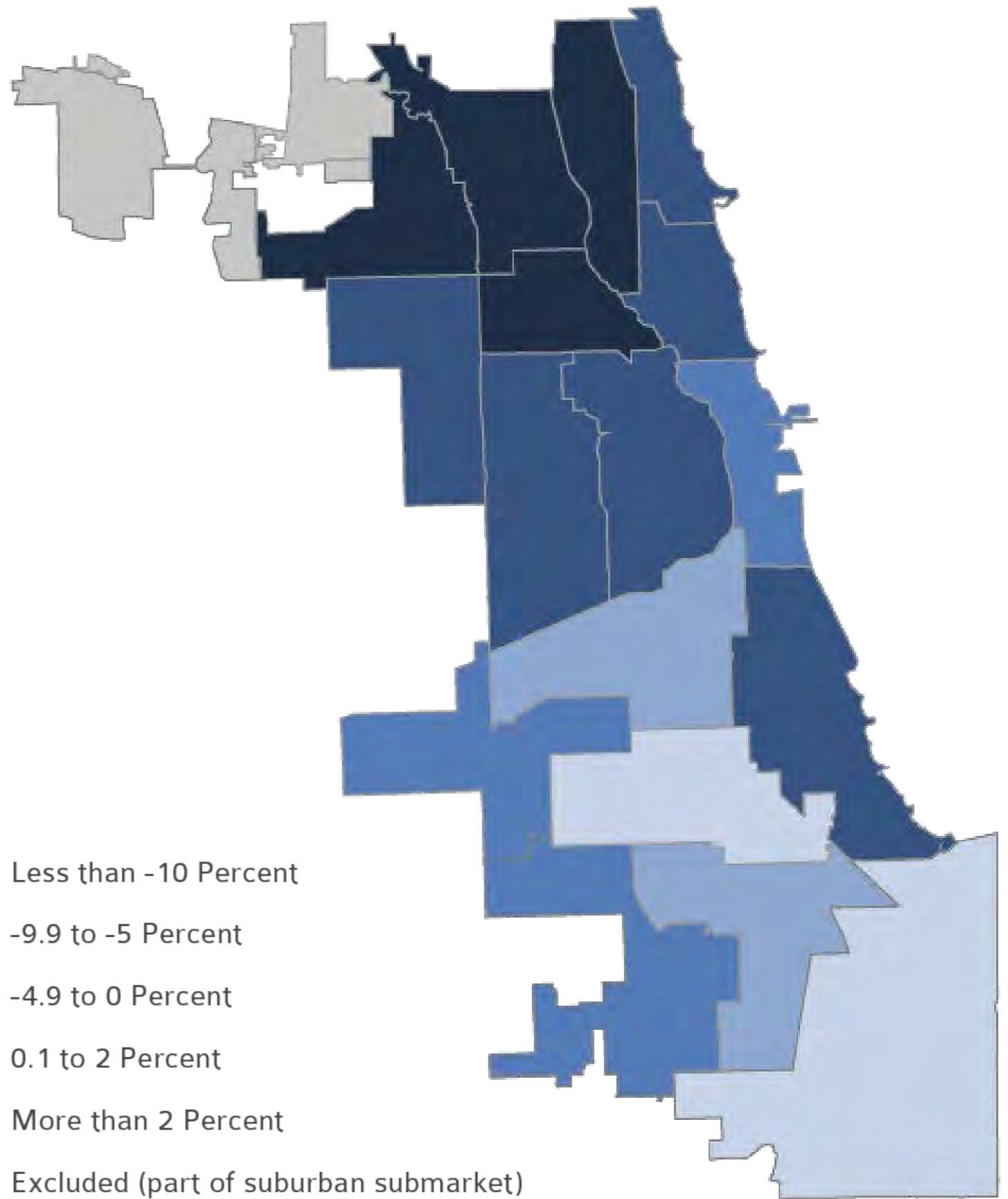
People of color more likely in impacted industries

Share of working individuals in impacted industry by race/ethnicity, 2018



SOURCE: 2018 ACS MICRODATA ,IPUMS USA, IHS CALCULATIONS BASED ON CODE DEVELOPED BY NYU FURMAN CENTER

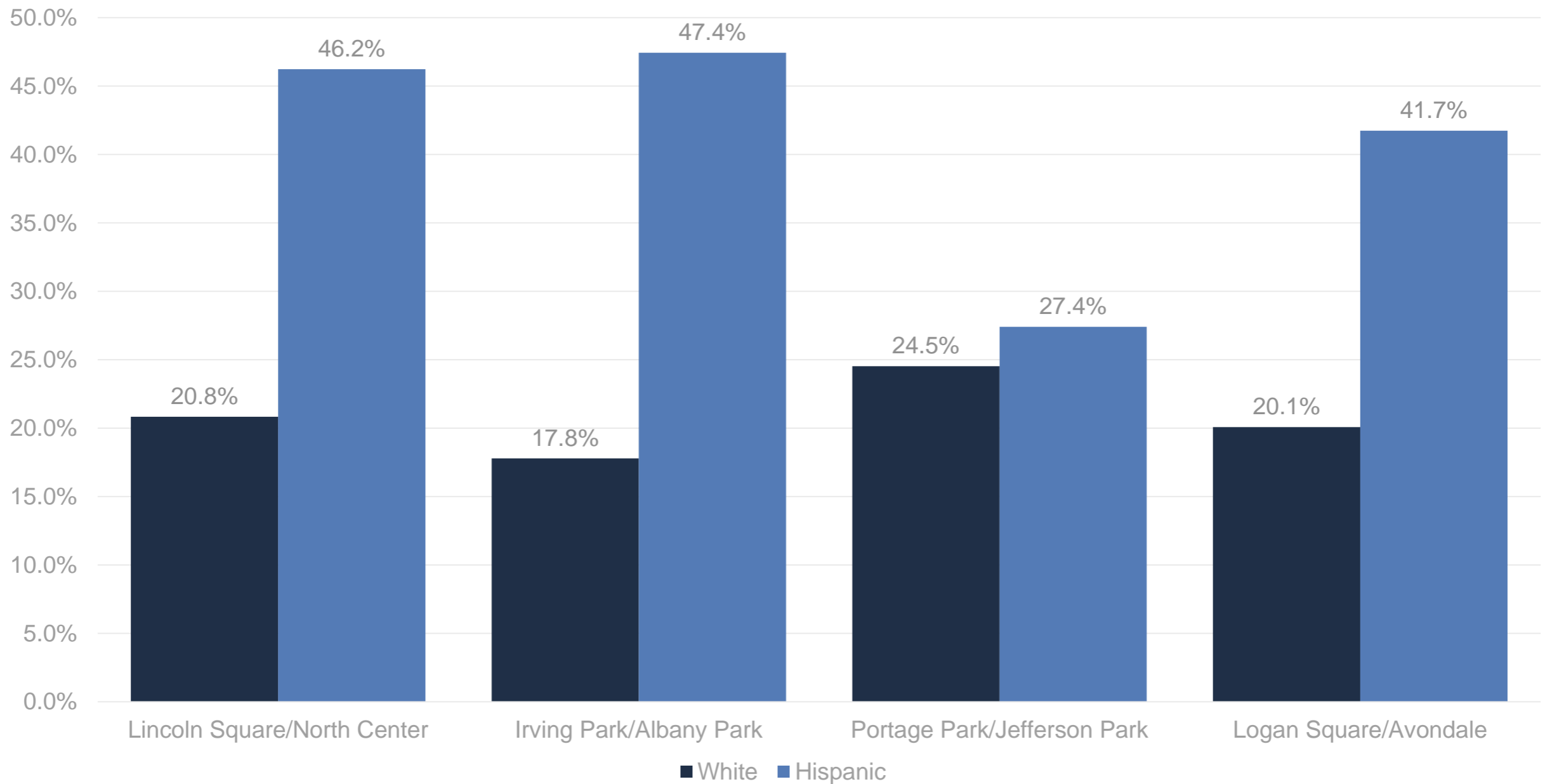
Percentage Point Change in the Share of Units that are Affordable



SOURCE: US CENSUS BUREAU, PUBLIC USE MICRODATA SAMPLES (PUMS)

Risk of unequal impacts in areas losing affordable housing

Share of vulnerable workers by race/ethnicity in four areas that lost most affordable rental housing



SOURCE: 2018 ACS MICRODATA ,IPUMS USA, IHS CALCULATIONS BASED ON CODE DEVELOPED BY NYU FURMAN CENTER

Will Enhanced Unemployment Benefits Cover Housing Costs?

- CARES Act provides enhanced unemployment benefits of \$600 per week in addition to existing benefit
- Hiccups in implementation for some states
- What are implications for housing?
- Terner Center analysis for Illinois:
 - Minimum monthly UI benefit + \$600 is \$2,451
 - “Affordable rent” at 30% of minimum monthly benefit is \$735
 - Maximum monthly UI benefit + \$600 is \$4,992
 - “Affordable rent” at 30% of maximum monthly benefit is \$1,497

How will UI cover rent for potentially impacted households

Median rent of Chicago renter households with at least one member in vulnerable industry by HH income level, 2018



SOURCE: 2018 ACS MICRODATA ,IPUMS USA, IHS CALCULATIONS BASED ON CODE DEVELOPED BY NYU FURMAN CENTER, TERNER CENTER CALCULATIONS



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Contact: gsmith33@depaul.edu or sduda1@depaul.edu