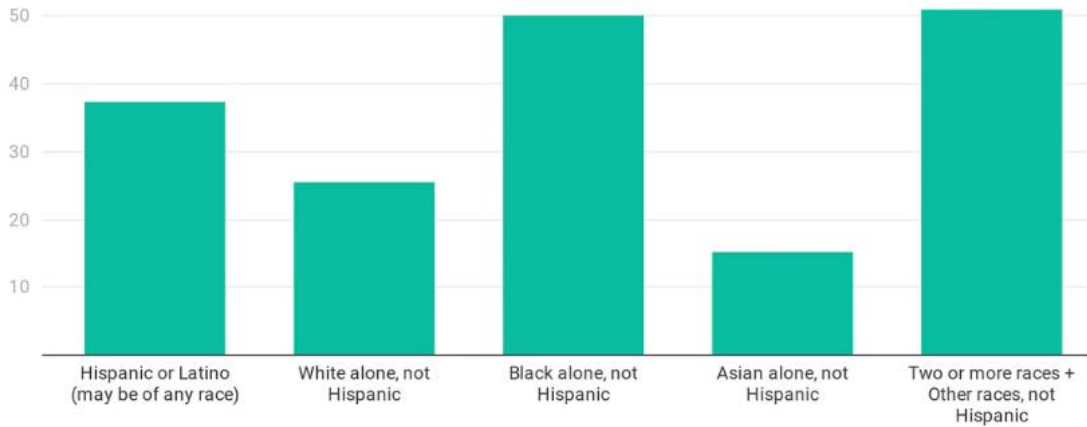


Minority, low-income Floridians hit hard financially by coronavirus, housing data show

Some experts worry that the pandemic will widen pre-existing racial gaps in homeownership and wealth.

Percentage of FL renters who are not confident they'll make next month's rent, by race and Hispanic origin



Before the pandemic threw the economy into a tailspin and left millions unemployed and worried about the future of their housing, a slower, quieter crisis was already well underway when it comes to who owns homes in America.

The gap between Black and white rates of homeownership — a key way that families acquire wealth — had widened by 2017 to be larger than it was in 1960, according to an analysis by the Urban Institute. That means the racial gap is greater today than it was before the passage of the Fair Housing Act, a time when redlining was common and Black home buyers were discriminated against by lenders.

The report found that Tampa Bay area's racial homeownership gap was the largest of Florida's major metropolitan areas, with the homeownership rate roughly half that of their white neighbors.

Fast forward to 2020, as the pandemic has taken a particularly harsh toll on service industries — jobs where people of color are over-represented, according to U.S. Bureau of Labor Statistics. Now, experts worry that wealth gaps that already existed have started to widen.

Evidence of that trend is starting to emerge in new housing data.

The U.S. Census Bureau began polling households in late April as part of an effort to release real-time metrics on the social and economic consequences of the pandemic, asking families about at-home schooling, food security, mental health and finances.

The most recent Housing Pulse Survey for June 25 through June 30 found that Black, Hispanic and multi-racial households in Florida were far more likely to doubt their ability to pay next month's rent than other demographics. The same trend was true in previous weeks' surveys.

The graphic below displays the percentage of each racial group's respondents who said they had either "no" or "slight" confidence in their ability to make rent, as opposed to "moderate" or "high" confidence.

Percentage of FL renters who are not confident they'll make next month's rent, by race and Hispanic origin

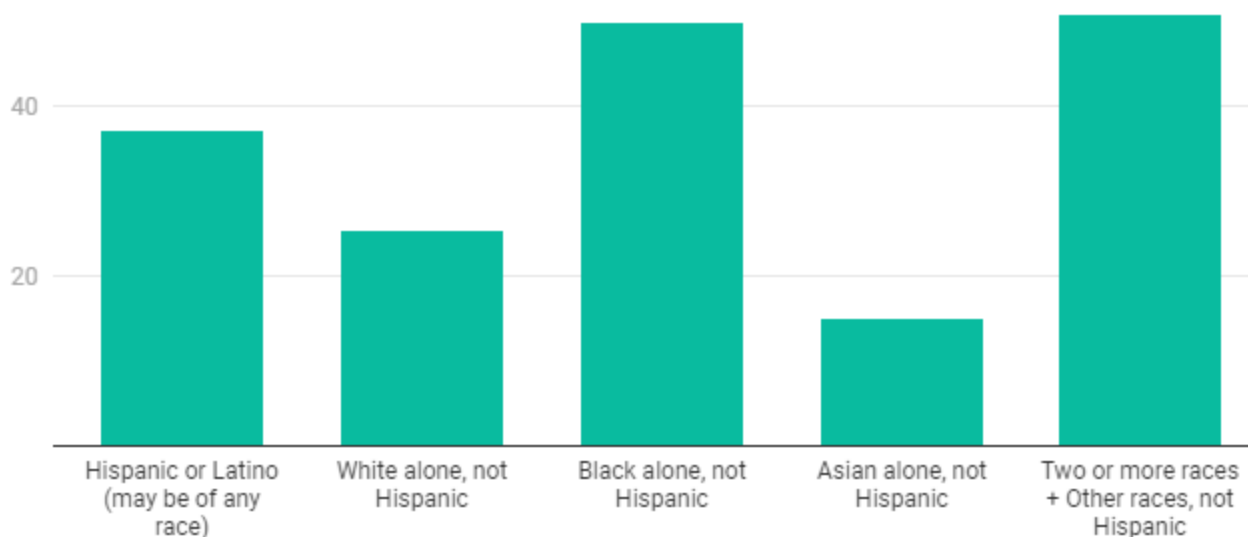


Chart: EMILY L. MAHONEY | Times • Source: [Census Bureau Household Pulse Survey: June 25 - 30](#) • [Get the data](#)

Monique King-Viehland, the director of state and local housing policy for the Urban Institute, said these findings can be explained by the fact that “the legacy of occupational segregation” has left Black and Hispanic people over-represented in lower-wage jobs. Those same jobs are in the industries — restaurants, tourism, hospitality — that have been most acutely affected by the pandemic because employees can’t easily transition to working from home.

“There were racial and economic disparities in access to safe and affordable housing that existed long before COVID-19,” King-Viehland said. “We’re seeing those existing disparities exacerbated.”

Florida’s percentage of Black and multi-racial households who were not confident about making rent were higher — about nine and 18 percentage points, respectively — than the national averages, according to the Census data.

Renters’ certainty in their ability to make their monthly payment was closely associated with their income.

Percentage of FL renters who are not confident they'll make next month's rent, by income

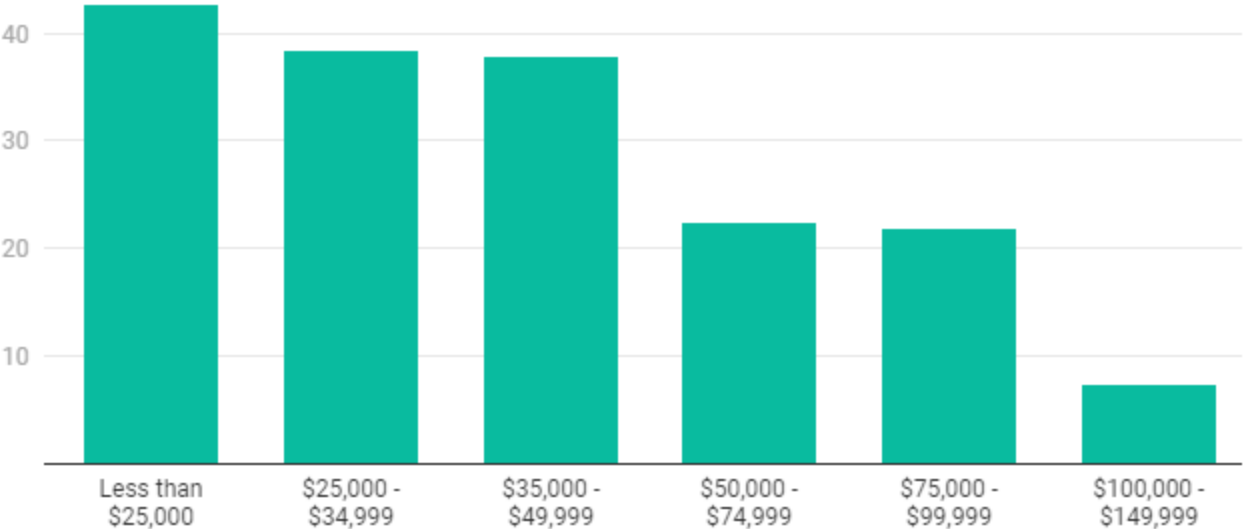


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That’s likely influenced by the fact that lower-income renters do tend to have jobs in industries that were hardest-hit by the pandemic’s shuttering of businesses in the service industries.

Researchers at the University of Florida’s Shimberg Center for Housing Studies found as much when they conducted a study in 2019 on the most common jobs among renters who make 60 percent or less of their area’s median income.

Top 10 most prevalent jobs among lower-income FL renters

Occupation	Median hourly wage
Maids and housekeeping cleaners	\$10.33
Cashiers	\$9.36
Waiters and waitresses	\$10.15
Janitors and building cleaners	\$10.69
Cooks	\$9.81-12.53
Nursing, psychiatric, and home health aides	\$10.97-12.07
Retail salespersons	\$10.53
Customer service representatives	\$14.34
Construction laborers	\$13.79
Driver/sales workers and truck drivers	\$10.07-18.39

Table: EMILY L. MAHONEY | Times • Source: [UF Shimberg Center for Housing Studies, 2019 Rental Market Study](#) • [Get the data](#)

That has also been playing out nationwide. RealPage, a property management software company, started tracking the rate of rent payments by apartment “class” at the beginning of the pandemic. Classes indicate a property’s quality, desirability and price, with Class A describing luxury apartments while Class C properties are older buildings with lower-income tenants seen as a higher risk by landlords.

Class C apartments typically have lower payment rates even in normal times, but RealPage found that Class C payments fell off at a steeper rate at the beginning of June than other apartment types.

During a presentation of these figures at an early June webinar put on by the National Multifamily Housing Council, an apartment industry group, RealPage chief economist Greg Willett noted this trend.

“There’s definitely some struggle beginning to emerge there,” he said.

Throughout the rest of June, though, those renters were able to make late payments at levels that normalized the month’s final statistics, which was likely made more possible by some landlords suspending late fees.

In the first week of July, all types of apartments saw fewer payments than last year, and the rates of decline for both Class B and C payments were steeper than Class A.

Rent payment rates by apartment type during pandemic

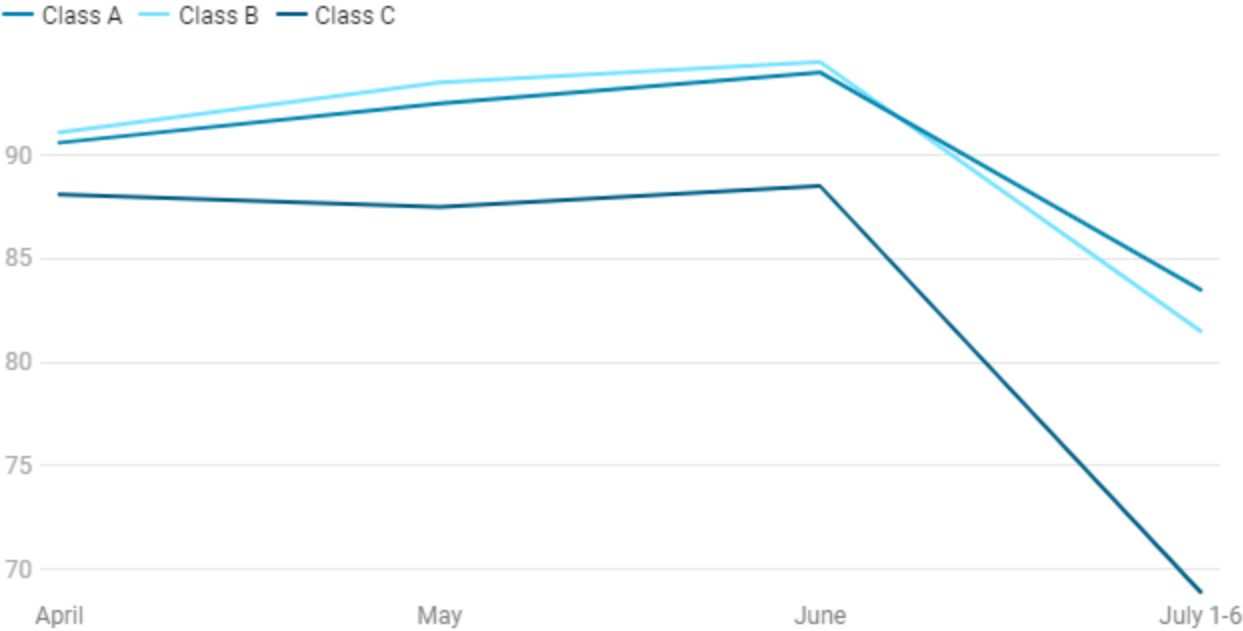


Chart: EMILY L. MAHONEY | Times • Source: RealPage • [Get the data](#)

During a subsequent webinar on Wednesday by the council, analysts from various property management software companies noted that the looming expiration later this month of the federal government's \$600 weekly unemployment check program could alter some tenants' ability to pay.

The council has advocated on Capitol Hill for an emergency rental assistance program, an idea contained in several bills that would dole out billions to help lower-income families pay missed rent payments and fees. The proposals, which have passed the House, have yet to succeed in the Senate.

But the coronavirus pandemic hasn't just been affecting renters. It's also created a stark trend in Tampa Bay's housing market: lower-priced home sales have plummeted while the sales of pricier homes have fared better. (Note: April home sales for the \$400,000-plus price range hardly changed compared to the same month last year, which is why that column is virtually at zero below).

Percent change in Tampa Bay home sales by price range, compared to previous year

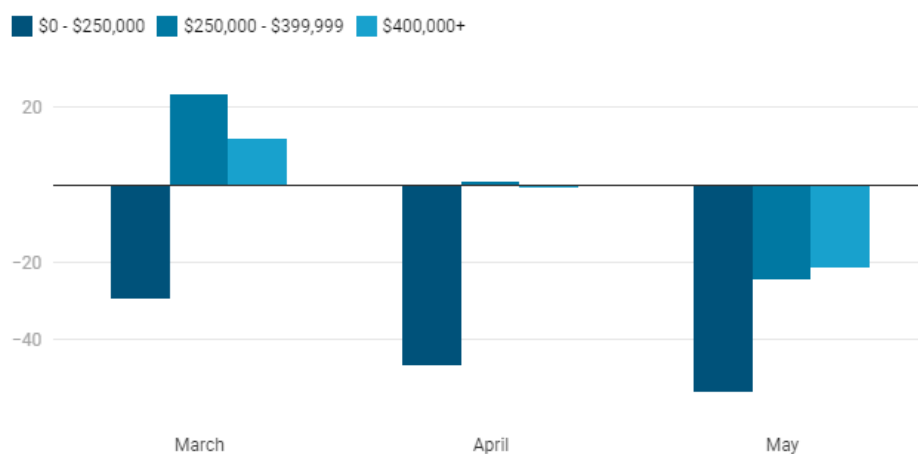


Chart: EMILY L. MAHONEY | Times • Source: Pinellas Realtor Organization • [Get the data](#)

That's another indication that lower-income people are being hit harder financially, local Realtors said, and therefore holding off on buying homes even at a time when interest rates on mortgages are at record lows.

Cheryl Howell, the director of affordable housing for Hillsborough County, said that could allow investors to come in and gobble up more lower-priced homes. Yet she worries those who might end up renting one of those units won't see the benefits of discounted sales.

"For investors, there are always opportunities in a crisis," she said. "Even though the homes will sell for less, typically rent is not reduced. Rent only goes up, not down."

King-Viehland, of the Urban Institute, is also concerned about the long-term financial effects on people who couldn't pay their rent or mortgage during the pandemic, including damage to their credit and their ability to build savings.

"Inevitably, there's definitely going to be people who are locked out of the marketplace," she said. "The market, frankly, was already struggling with affordable housing pre-COVID, particularly at low-income levels. We will only see this problem continue to grow."