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Keeping shelters in place: Understanding the relationship between residential rental property owner decision making and post-disaster housing stability

Introduction

Rentals comprise a significant portion of the housing stock in US metropolitan areas, yet researchers know very little about the specific characteristics of non-institutional owners who determine housing supply, rents, and the conditions of both buildings and units. The decisions that RRPOs (Residential Rental Property Owners) make in the midst of a disaster/shock, most specifically COVID-19, affect both their tenants' ability to remain housed and the ability of the city to respond to and recover from the event, thus having a significant impact on housing stability.

This research is intended to bridge a significant lack of RRPO-oriented research and assist local government officials and planners in evaluating existing disaster policy responses facilitating rental housing stability.

Objectives

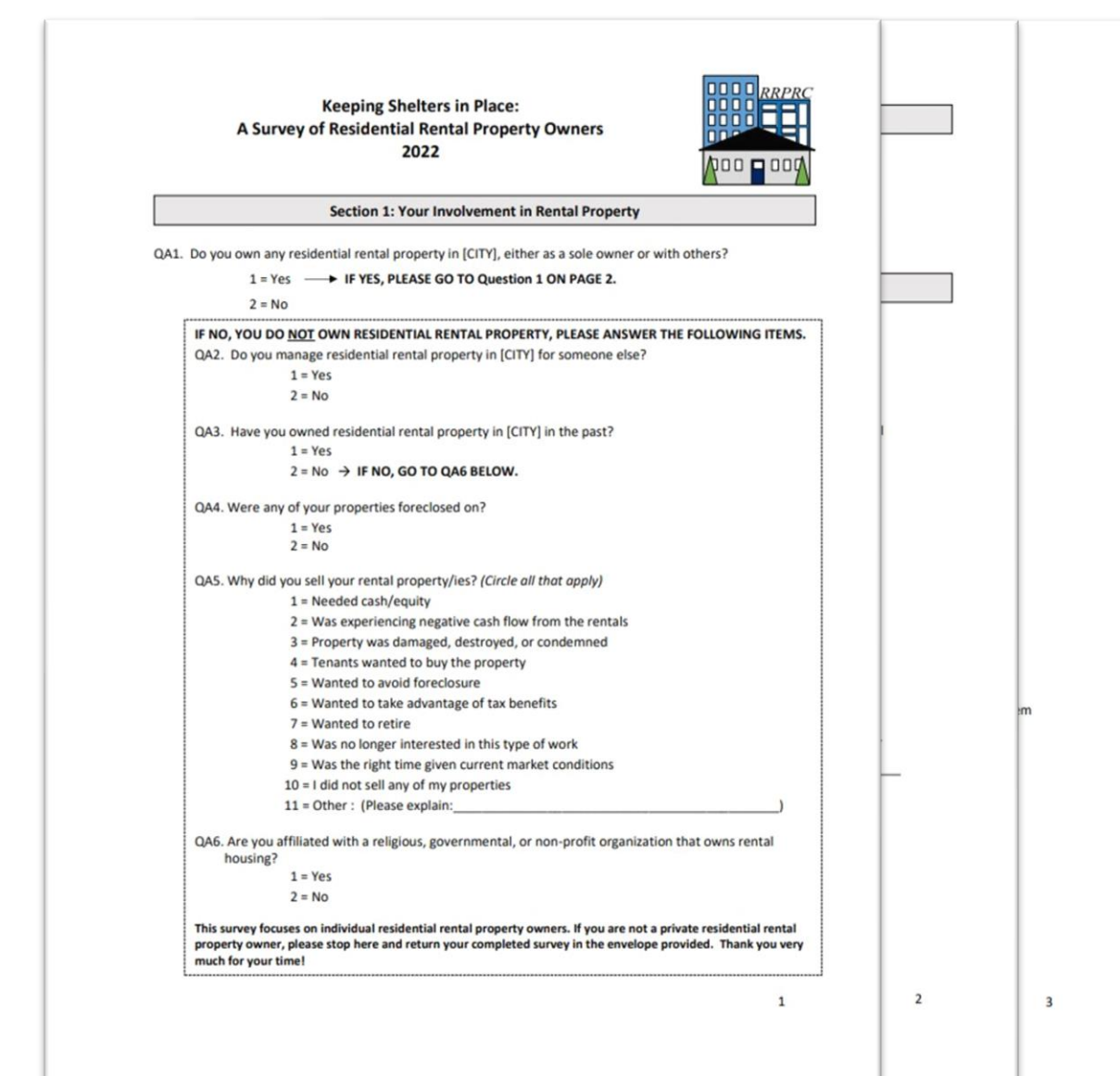
This portion of the study is investigating the following two research questions:

1. How do RRPO business operations, including tenant relations, change as a result of a disaster/shock?
2. How do RRPO career paths and their perceptions of the viability of their residential rental businesses change as a result of a disaster/shock?

Data Collection Process

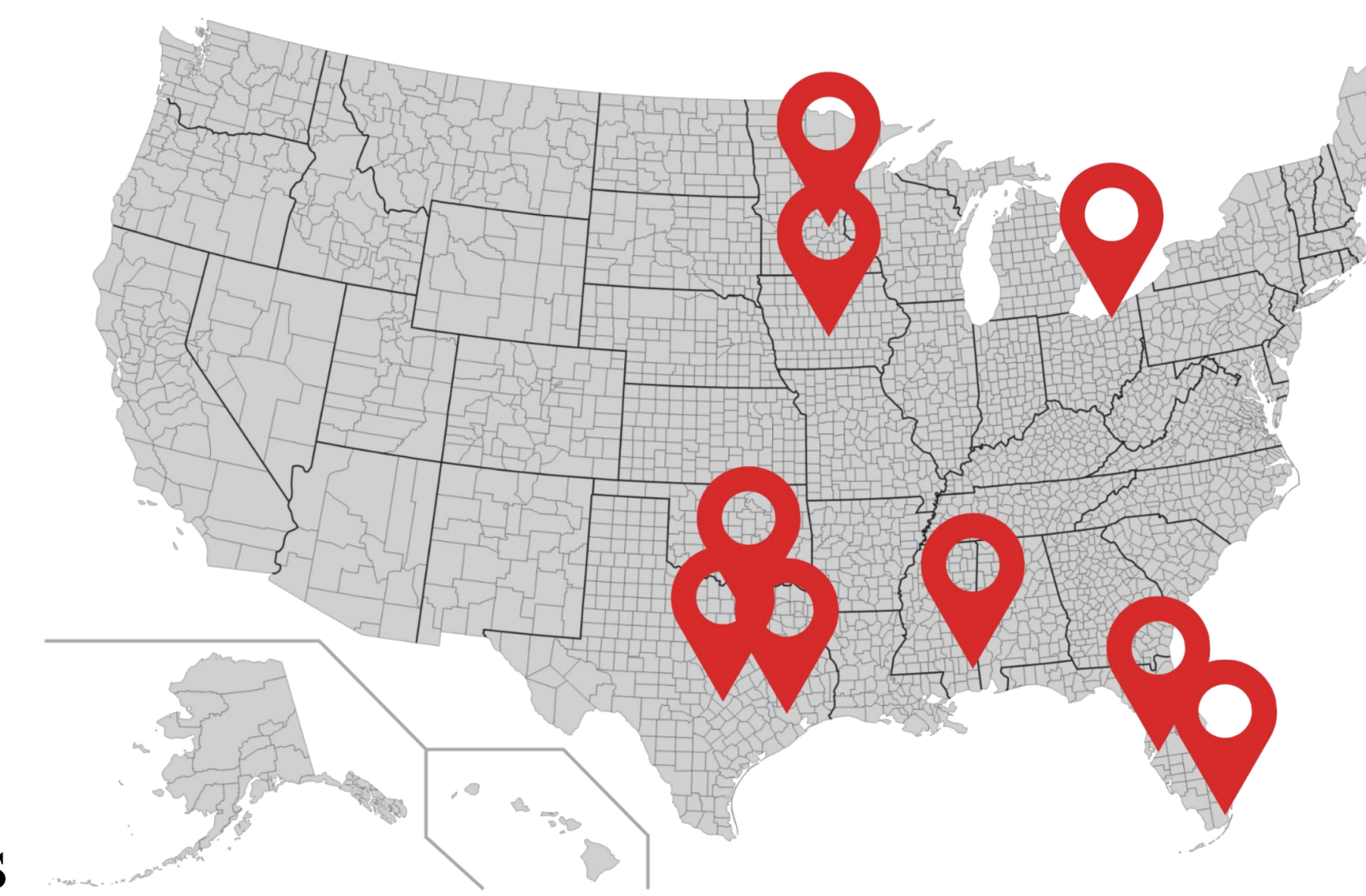
Surveys

The study utilizes rounds of online surveys with nearly **2,500 RRPOs, distributed using information about RRPOs from local rental registries or tax appraisers.** Spanning nine metropolitan U.S. cities, this survey strives to build a comprehensive longitudinal dataset of RRPO characteristics and decision data. Questions cover RRPOs' financial motivations, tenant selection process, rent setting, and property management in relation to disasters/shocks.



Interviews

Preliminary review of survey responses allows researchers to tailor interviews and **more comprehensively explore RRPOs' specific business challenges.** Survey participants who agree to virtual follow-up interviews often share their experiences with tenants, regional policies, insurance coverage, and property taxes in a way that contextualizes their business practices in response to disasters/shocks. Follow-up interviews are transcribed and coded by researchers.



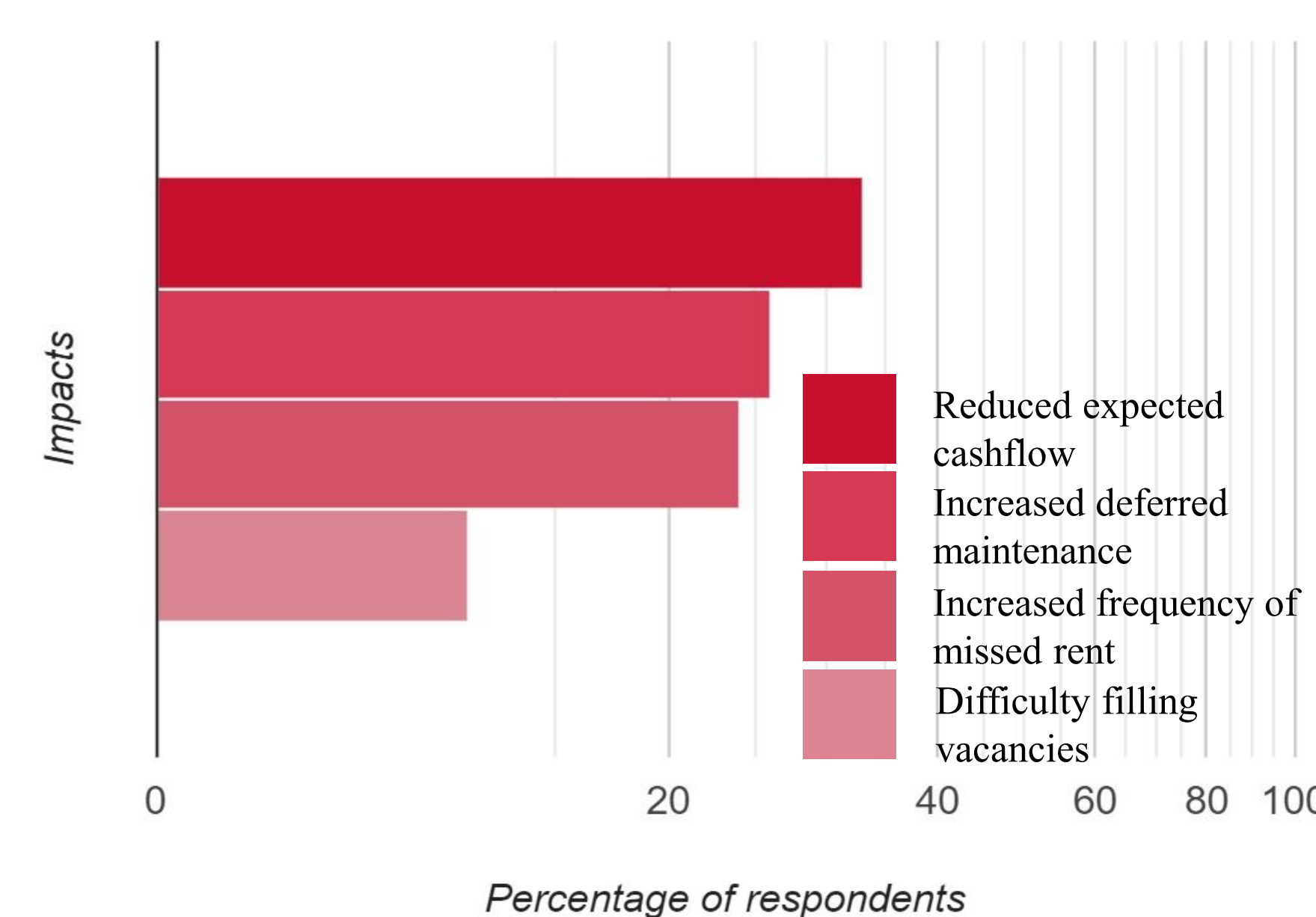
Analysis

Initial survey data highlight important characteristics of RRPOs, including business motivations (build retirement income, 41%) and length of business operation (2-7 years, 25%). In order to better evaluate post-disaster/shock stress, a deeper analysis of RRPO characteristics is required to determine what statistically significant factors contribute to housing stability. The ~120 interview transcriptions of the current round will be coded to investigate topics including: RRPO/tenant relationships; business models; property tax perceptions; property tax incidence; property tax appeals; institutions (attitudes and interactions); tenant selection; rating tenants; and RRPO career origins and pivots.

Preliminary Post-Pandemic Findings

Preliminary findings indicate that 49% of survey respondents experienced pandemic-related stress on their rental business, with the most common challenges depicted in the figure. Regression analysis reveals that pandemic stress is positively associated with three specific "risk" factors: (1) portfolio size, (2) ownership of distressed units, and (3) whether the owner is Black. In contrast, experienced stress is negatively correlated with higher rents.

Most common symptoms of pandemic-related stress



Acknowledgements

This research discussed in this poster is part of a larger, longitudinal project investigating the impacts of RRPO decision making on post-disaster housing stability. This study has received funding from the Polk County Housing Trust Fund and the National Science Foundation (RAPID NSF #2050264 and NSF #2139816). We would like to acknowledge the following people who have contributed to the ongoing work of the project: Daniel Kuhlmann (Co-PI, University of Arizona), Jake Wegmann (Senior Personnel, University of Texas at Austin), Lily Wang (Co-PI, George Mason University), and GuanNan Wang (Senior Personnel, William and Mary University).



More data and analysis from the **Residential Rental Property Research Consortium**