Covid-19 Survey July Results
About the Survey

• NAA and IREM sponsored a joint survey of our memberships and partnered with CEL & Associates to conduct the survey. The results will be used in advocacy efforts to inform and educate policymakers on the impacts of COVID-19 to the vital rental housing industry.
• The survey was open from July 20 – July 24 and received 82 responses.
• The final survey will take place in September.
Respondent Profile – Properties

- Respondents’ rental housing portfolios
  - 5 or more units: 324,789 units
  - 2-4 units: 923 units
  - Single-family units: 580 units
Evictions

• Compared to 7% last month, only 5% of owners say that 11-20% of residents would be facing an eviction, if eviction moratoriums weren’t in place. The vast majority still believe it would be fewer than 10%.
What are your thoughts on the CARES Act 30-day “notice to vacate” requirement?

- All of the above: 40% of respondents
- It is making the eviction process more complicated: 25% of respondents
- It is confusing to interpret: 10% of respondents
- It conflicts with local termination/eviction procedures: 20% of respondents
- None of the above/Not applicable: 5% of respondents

92% of rental owners and operators find the CARES Act 30-day “notice to vacate” requirement conflicting, confusing and/or complicated.
Unemployment Benefits

- More than a quarter of respondents expect that 11-20% of residents will be unable to pay rent if the $600 federal unemployment benefit expires.
What percentage of your residents have used a local assistance program to pay either current rent or back rent?

- Most owners indicated fewer than 10% of residents have used a local assistance program to pay rent.
What percentage of residents up for renewal have extended their leases to short-term or month-to-month leases since March?

- 20% of survey participants say that 11-20% of residents up for renewal have extended their leases to short-term or month-to-month since March.
Operating Expenses

How has COVID-19 impacted your operating expenses such as utilities, payroll, contracts services on a net basis?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant decrease in expenses</td>
<td>1.2%</td>
</tr>
<tr>
<td>Marginal decrease in expenses</td>
<td>9.8%</td>
</tr>
<tr>
<td>Significant increase in expenses</td>
<td>11.0%</td>
</tr>
<tr>
<td>Marginal increase in expenses</td>
<td>48.8%</td>
</tr>
<tr>
<td>No significant changes</td>
<td>29.3%</td>
</tr>
</tbody>
</table>

- Nearly 50% of owners and operators have experienced marginal increases in operating expenses.
Operators are Feeling Less Optimistic

- Compared to 17% in April, 23% of multifamily owners and operators anticipate it will take at least 1-2 years for operating metrics to return to pre-pandemic levels.
How is the COVID-19 crisis impacting your company’s 2021 budget strategy?

- Freeze on capital improvement projects
- Increase in vacancy and delinquency
- Lower rent growth
- Increased operating expenses