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U.S. SENATE COMMITTEE ON THE BUDGET

ENTITLED

"SENATE BUDGET COMMITTEE ROUNDTABLE TO EXAMINE FEDERAL HOUSING ASSISTANCE PROGRAMS"

STATEMENT FOR THE RECORD OF THE NATIONAL ASSOCIATION OF REALTORS®

SEPTEMBER 16, 2020

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Thank you for holding this important roundtable to Examine Federal Housing Assistance Programs. The National Association of REALTORS® represents more than 1.4 million real estate professionals involved in all aspects of the real estate industry, including the ownership and management of single-family and multifamily rentals.

As unemployment rates continue to fall from highs reached early this spring, our nation has started on the path to economic recovery. But countless Americans are still feeling the economic impacts of the COVID-19 pandemic, including many renters who may be struggling to pay their rent. The prohibition on eviction ensures these residents will not lose their housing, but this temporary solution could make their housing situations more unsustainable in the long run.

According to the Rental Housing Survey of the U.S. Census Bureau, more than 40 percent of the nation's 48 million total rental units are owned by mom-and-pop individual investors.¹ Without rental income, it will be difficult for these housing providers to pay their mortgages, taxes, insurance, maintenance workers, and other expenses. In addition, many of these owners rely on this rental income to cover their own necessities, including housing, food, and medical needs. The forbearance period provided for federally-connected properties was helpful, but limited and short-lived. Now, with the CDC eviction moratorium, property owners are left with no relief from their financial obligations as renters face ever-increasing debt.

The National Association of REALTORS® urges support for emergency rental assistance. Direct federal rental assistance to housing providers will help alleviate some of the financial strain on property owners and stop the cascading effects on local economies. The U.S. apartment industry supplies more than 17 million American jobs, most of which are in middle-and-low income jobs. Without rental revenue, these jobs are in jeopardy. In addition, residents of rental housing have ongoing maintenance needs to their homes. Without rental income, how will small housing providers be able to pay for those repairs? According to Moody's analytics, roughly \$25 billion is already owed in back rent, which will climb to nearly \$70 billion by the end of the year². The large majority of this revenue will never be repaid.

Renters will be in an untenable situation come January 1st, with significant obligations of past rent. Housing providers cannot go without revenue and still maintain our much-needed rental housing stock. Unlike the great recession, the current economic situation is the result of a health emergency. Let us make sure we do not end up with a larger housing crisis as a result. REALTORS® stand ready to work with you on this important issue.

¹ https://www.census.gov/data-tools/demo/rhfs/#/?s_tableName=TABLE2&s_type=2

² Zandi, Mark, "The Week Ahead – The U.S.; The Economy is Struggling," *Capital Markets Research*, (Aug. 13, 2020), <https://www.moodyanalytics.com/-/media/article/2020/weekly-market-outlook-markets-avoid-great-recessions-calamities.pdf>.