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CORPORATE LANDLORDS, INSTITUTIONAL INVESTORS, AND DISPLACEMENT: EVICITION RATES IN SINGLE FAMILY RENTALS

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CORPORATE LANDLORDS, INSTITUTIONAL INVESTORS, AND DISPLACEMENT

Eviction Rates in Single Family Rentals



The views expressed are mine and not necessarily those of the Atlanta Fed or the Federal Reserve System.

Topics covered in this presentation

How bad is the eviction crisis in Atlanta?

Where are eviction rates the highest?

Do some landlords evict more often than others?

HOW BAD IS THE EVICTION CRISIS IN ATLANTA?

Eviction Rates in Fulton County

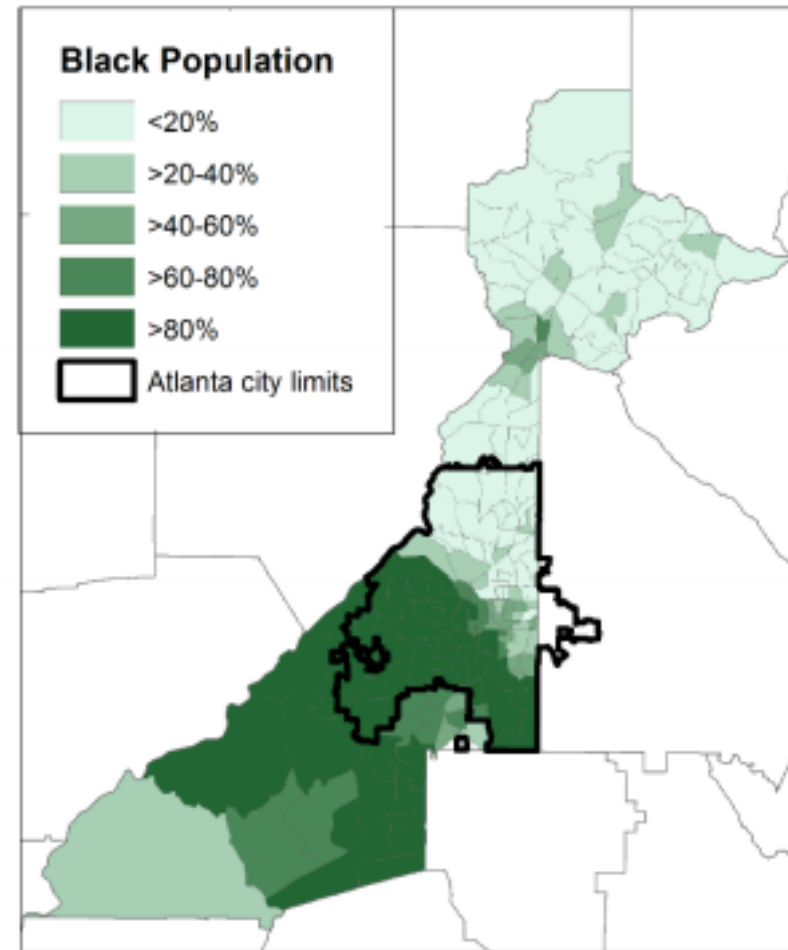
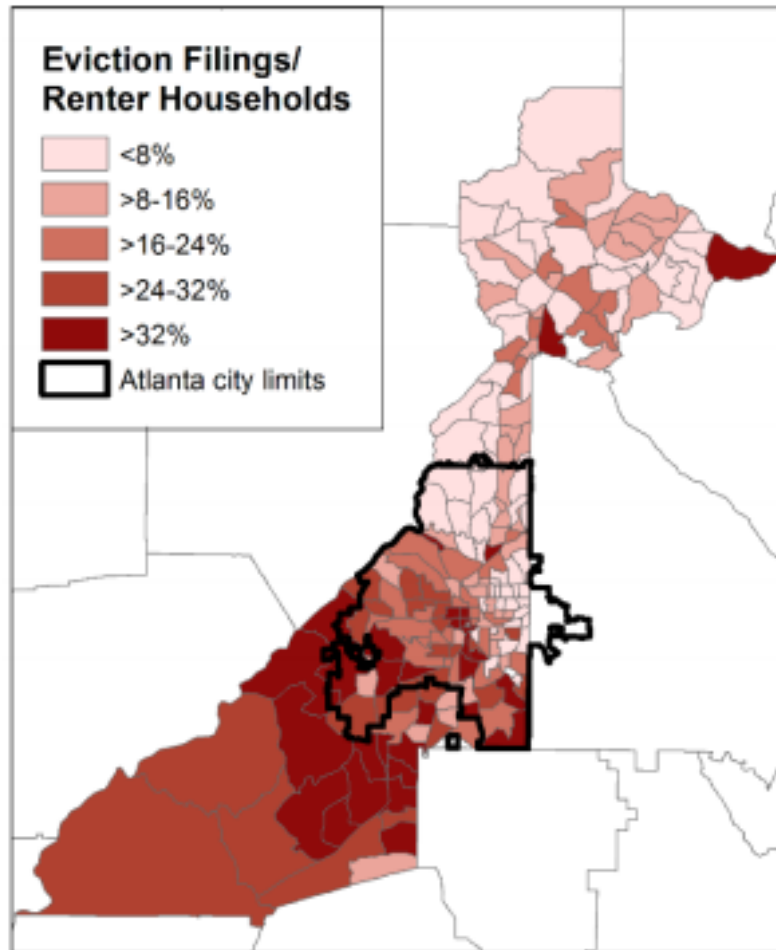


Eviction filings	39,221
Rental households	176,985
Evictions filings rate	22%

Sources: Author calculations, Fulton County Magistrates Court, U.S. Census Bureau's American Community Survey 2010–14 5-year estimates

WHERE ARE EVICTION RATES THE HIGHEST?

Eviction Rates and Percent Black by Census Tract



Sources: Author calculations, Fulton County Magistrate Records, Fulton County parcel tax Assessors data; U.S. Census Bureau's American Community Survey 2014 5-year estimates

WHERE ARE EVICTION RATES THE HIGHEST?

Eviction Rates by Zip Code



Zip Code	Eviction Notice Filed	Eviction Notice Filed and Never Dismissed	Writ of Possession Issued or Tenant Vacated/ Ejected	Census 2010 # Rental Households	Eviction Notice Filed	Eviction Notice Filed and Never Dismissed	Writ of Possession Issued or Tenant Vacated/ Ejected	
1	30344	3,031	2,180	1,021	6,564	46%	33%	16%
2	30291	1,888	1,062	555	4,260	44%	25%	13%
3	30337	1,478	1,138	499	3,339	44%	34%	15%
4	30331	4,088	2,490	1,196	10,063	41%	25%	12%
5	30336	145	73	36	384	38%	19%	9%
6	30311	2,591	2,045	975	7,524	34%	27%	13%
7	30213	1,090	581	250	3,236	34%	18%	8%
8	30314	1,472	1,137	462	4,407	33%	26%	10%
9	30315	2,238	1,491	688	7,473	30%	20%	9%
10	30310	1,842	1,406	580	6,395	29%	22%	9%
11	30354	932	596	286	3,376	28%	18%	8%
12	30303	282	184	100	1,081	26%	17%	9%
13	30349	2,657	2,105	747	10,756	25%	20%	7%
14	30318	2,652	1,684	785	11,428	23%	15%	7%
15	30350	2,216	950	545	10,531	21%	9%	5%
Total	Fulton	39,221	21,658	9,247	176,985	22%	12%	5%

Sources: Author calculations, Fulton County Magistrate Records; excludes zip codes that cross Fulton County boundaries. These rates would be understated for these zip codes, as we do not have eviction counts for surrounding counties

CORPORATE LANDLORDS AND DISPLACEMENT



Are new entrants into rental housing contribute to housing instability?

Private Equity bought estimated an 350,000 single family homes during the housing crisis.

What kind of landlords are they?

CORPORATE LANDLORDS AND DISPLACEMENT

Are new entrants into rental housing contribute to housing instability?

Housing Instability

Landlord
Characteristics

Tenant
Characteristics

Property
Characteristics

Neighborhood
Characteristics



CORPORATE LANDLORDS AND DISPLACEMENT IN SINGLE FAMILY RENTALS



Model results

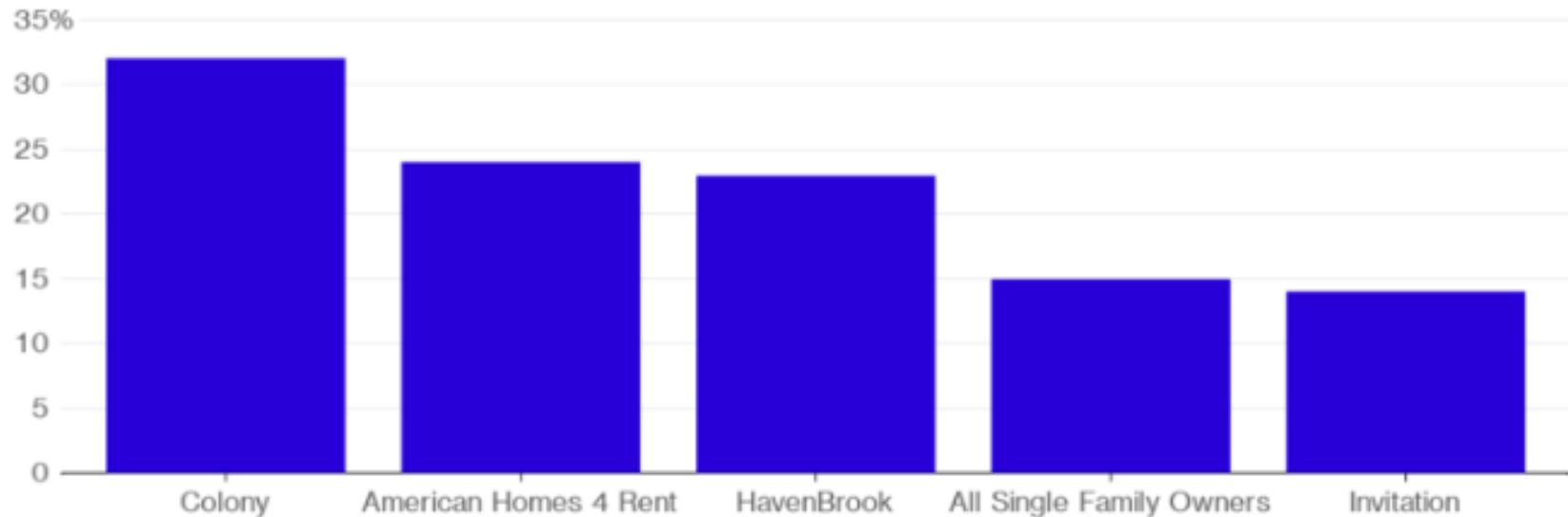
Dep Var: Service of Eviction Notice (binary)		Coef.	Std. Err.	t	P>t	90% Confidence Interval	
Owner characteristics	Large investor-owner (binary)	0.080	0.012	6.510	0.000	0.056	0.105
	Post-foreclosure (binary)	0.031	0.003	11.880	0.000	0.026	0.037
Neighborhood change census tract characteristics	Change in median home value	0.000	0.000	-1.130	0.267	0.000	0.000
	Change in employment-population ratio	-0.053	0.026	-2.030	0.049	-0.106	0.000
	Change in percent of population with BA	0.043	0.035	1.230	0.226	-0.028	0.114
	Change in percent black	0.001	0.040	0.030	0.975	-0.080	0.082
	Change in median income	0.000	0.000	0.690	0.492	0.000	0.000
Static census tract demographic characteristics	Median income (\$)	0.000	0.000	0.750	0.458	0.000	0.000
	Median house value (\$)	0.000	0.000	-0.870	0.390	0.000	0.000
	Average commute time (minutes)	-0.001	0.000	-1.710	0.094	-0.001	0.000
	Percent black	0.053	0.009	5.730	0.000	0.034	0.072
	Percent of population with BA	-0.070	0.034	-2.040	0.048	-0.140	-0.001
Property characteristics	Year built (z-score)	0.007	0.002	3.030	0.004	0.002	0.012
	Appraised value of improvement/sq. ft (z-score)	-0.004	0.002	-2.200	0.034	-0.007	0.000
	Appraised value of the land/acre (z-score)	-0.002	0.001	-3.190	0.003	-0.004	-0.001
	Constant	0.042	0.016	2.650	0.011	0.010	0.074

CORPORATE LANDLORDS AND DISPLACEMENT IN SINGLE FAMILY RENTALS

Some evict more often than others

On the Street

Private equity firms in Atlanta more likely to file eviction notices on single-family homes



Source: Georgia State University Professor Ben Miller

Note: Percentage of properties with eviction filings

CONCLUSIONS

- Atlanta's eviction rates are extremely high.
- Large landlords evict more often than mom and pop landlords, even if we compare properties in the same census tracts, and control for property quality.
- This average driven by some firms while other large firms manage their properties with less displacement.
- Eviction rates are concentrated in South Atlanta and South Fulton, in predominantly minority neighborhoods.
- Even when we look at single family rentals and control for neighborhood education, income, home values, and the number of post-foreclosure properties, minority neighborhoods have higher eviction rates.



Thank you!