"Mass Evictions" Rise in Cities with Influx of Higher-Income Renters

By **PAM BAILEY** | August 30, 2017

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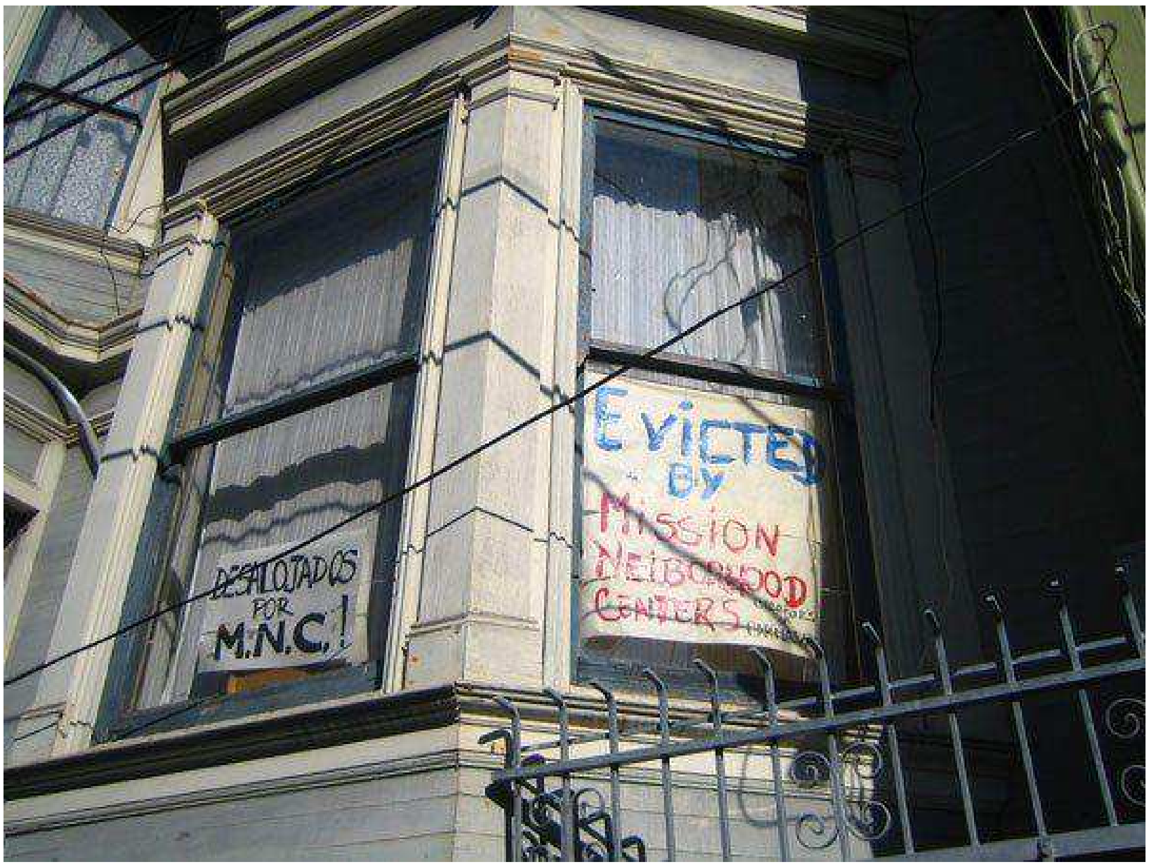

(http://nonprofitquarterly.org/wp-content/blogs.dir/56/files/2017/08/eviction-window-sign.jpg)

"Evicted (https://www.flickr.com/photos/spine/1820380759/in/photolist-3LRVMa-eb15mu-b5c8FK-4LALCp-3TSrF-2MZ4Lf-9QQ2Mh-aMfJEp-aMfLpx-aMfJSM-aMfKNz-5s46hc-6V5zPV-aMfL7D-aMfJet-aMfGXH-4ZcLvP-aDDUAk-rPHLf-rs4Fm-atJg4g-otRntN-hFnYok-6iVz1J-97MRkQ-hFn2JU-kWMYuS-pjkxyF-asnSGv-hsFC2U-asGx7f-5Es1q7-aMfJsi-aMfKng-aMfHFe-aMfHpZ-aMfK6R-599tZm-aMfKzT-aMfHWz-aoaczA-dHZc7-4bEhSo-oWUsG-TukVSj-arkDT7-cYsgeY-7mDLDT-aqrGbq-hFnxMY) ." Credit: Rick

August 28, 2017; Curbed Boston (https://boston.curbed.com/2017/8/28/16211438/mass-evictions-in-boston-building-clearouts)

A housing advocacy nonprofit in Boston is reporting a wave of "mass evictions" by landlords, investors, and developers as they push out lower-income tenants in favor of redevelopment and higher rents.

Boston isn't alone. Last year, the *Los Angeles Times* reported (http://www.latimes.com/local/california/la-me-apartments-demolished-20160402-story.html) that more than 1,000 rent-controlled apartments had been taken off the market—a nearly threefold increase since 2013. Evictions from such units doubled during the same period. Replacing them are high-priced McMansions, condos, and luxury rentals. And in Silicon Valley, about 670 tenants were displaced in what the *Guardian* called (https://www.theguardian.com/technology/2016/jul/07/silicon-valley-largest-eviction-rent-controlled-tenants-income-inequality) the area's "largest-ever mass eviction of rent-controlled tenants." In that incident, a 216-unit complex was demolished to make way for market-rate housing.

As Matthew Desmond, author of the bestselling *Evicted*, noted in an interview with *Slate* (http://www.slate.com/articles/business/metropolis/2016/03/an_interview_with_matthew_desmond_on_evicted_his_book_about_the_eviction.html) , "We are evicting hundreds of thousands of people, probably in the millions, every year. There's this divergence between what low-income families are making and what they have to pay to keep a roof over their heads and heat in their house."

What's driving this eviction epidemic? In part, it is the rising share of rentals owned by institutional investors, according to the U.S. Census Bureau's recently released 2015 Rental Housing Finance Survey (https://www.census.gov/newsroom/press-releases/2017/rental-housing.html) . And as suggested by a 2016 discussion paper (https://www.frbatlanta.org/-/media/documents/community-development/publications/discussion-papers/2016/04-corporate-landlords-institutional-investors-and-displacement-2016-12-21.pdf) published by the Federal Reserve Bank of Atlanta, large corporate owners and private equity investors are far more likely to evict tenants than small landlords.

Commercial investors capitalize on market trends that will earn them the most money—in this case, the demand for high-end rentals. According to a June report (http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/harvard_jchs_state_of_the_nations_housing_2017_chap5.pdf) issued by Harvard's Joint Center for Housing Studies, the share of high-income households (earning at least $100,000) that rented their homes increased from 12 percent to 18 percent between 2005 and 2016. High-income households drove 22 percent of the overall growth in renters. The number of units renting for $2,000 per month or more increased 97 percent.

Yet, as the report describes, "despite the influx of higher-income households into the market, the typical renter household had an annual income of just $37,900 in 2015—only about half the $70,800 annual income of the average homeowner household…Sixteen million renter homes had annual incomes of less than $25,000, including 11 million with incomes below the federal poverty threshold." They are, however, ill served: The supply of units renting for less than $800 declined by two percent, with most of the loss occurring at the lowest rent levels. According to the JCHS report, the number of units renting for less than $800 declined by more than 260,000 from 2005 to 2015, a time when the overall rental stock increased by over 6.7 million units.

The surge in rental demand that began in 2005 is broad-based and includes several types of households, notably older adults and families with children. This trend reflects the fallout from the mortgage foreclosure crisis as well as larger demographic shifts, particularly the aging of the U.S. population. Older households aged 55 and over accounted for 44 percent of renter growth between 2005 and 2016.

In his *Slate* interview, Desmond commented (http://www.slate.com/articles/business/metropolis/2016/03/an_interview_with_matthew_desmond_on_evicted_his_book_about_the_eviction.html) , "When you ask people why they were evicted the big reason is nonpayment of rent. They can't afford to keep a roof over their heads…Most Americans think the typical low-income family lives in public housing or gets housing assistance. The opposite is true. In years where you've had a growing gap between incomes and housing costs, only one in four families that qualifies for housing assistance gets any."

What happens when these families are evicted? In his book, Desmond documents that their children are displaced from their schools and family members experience higher rates of depression even two years later. Suicides attributed to eviction doubled between 2004 and 2010. And once people are evicted, a record is created that reduces their chances of moving into stable housing, since many landlords will reject them. Even in public housing, an eviction record is counted as a strike.

If evictions are allowed to increase in response to this "bipolar" set of market dynamics, communities across the country may well see a long-term rise in more systemic ills that will have ripple effects for years to come.—Pam Bailey