

Q: What will the impact be of ending the eviction moratorium?

Brian Lockhart: A better way of asking the same question might be: What will the impact be of restoring private property rights? The unprecedented restrictions placed on property owners during the Covid pandemic have had unintended consequences that many are ignorant of or simply choose to ignore. It was the Centers for Disease Control (CDC) that instituted the most visible ban on foreclosures and evictions. Yes, a group of doctors and scientists are setting policies impacting property owners. The need to help people who were displaced by Covid lockdowns is understandable, but putting the burden on landlords hardly seems reasonable. According to Pew Research data, more than 70% of rental properties in the US are owned by small, individual investors. For-profit companies own less than 20% of residential rentals. CDC policies have forced investor landlords to make mortgage payments, pay taxes, and maintain their properties, all while receiving no income in many cases. Because this policy is virtually impossible to deal with on a case-by-case scenario, many renters have simply taken advantage of landlords by refusing to pay rent even if their income was not impacted by the pandemic. So, the impact of ending the moratorium is to return to some level of sanity in how we make public policy. If we revert back into lockdowns from Covid, the government should direct any additional stimulus or enhanced unemployment benefits to landlords as needed.

Clint Pekrul, CFA: One certain outcome will be political rumblings from both sides of the aisle. The Supreme Court made a ruling that the Center for Disease Control had overstepped its authority by imposing a nationwide moratorium on evictions. Now, for the moratorium to continue, it must go through Congress, which poses several challenges. On the one hand, there's a real concern for people who have been adversely impacted by the COVID pandemic and will now face the real possibility of homelessness if they cannot make the rent. By some estimates this would cover some 11 million households. On the other hand, landlords have become saddled with debt as they are unable to collect rent, but not allowed to evict tenants.

The political fallout from millions of evictions could be substantial. However, there are many opportunities for employment compared to a year ago. We simply can't allow homelessness to run rampant. Likewise, tenants can't live rent free indefinitely. I think the core of the issue is a lack of affordable housing, but, as history suggests, there's no easy solution to this supply issue. Unfortunately, I think we're going to see more homelessness, especially in the larger cities.