

Florida landlords face ‘far-reaching and detrimental’ impact from COVID-19 economic fallout | Opinion

By **AMANDA GILL**

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According to recent data from Entrata, a software company that tracks rent payments, only 79 percent of Florida renters paid rent by April 7. The Florida Apartment Association and the South East Florida Apartment Association, in an op-ed, write that the apartment rental business faces "far-reaching and detrimental" impact from COVID-19. CARLINE JEAN/STAFF PHOTOGRAPHER (Carline Jean / Sun Sentinel)

We are in unprecedented times. The COVID-19 health crisis has proved that no industry is immune from the negative impacts of the virus. This includes the Florida apartment industry, which houses 2.8 million residents and employs 25,000 people statewide.

As we continue to navigate our way through this crisis one thing remains clear: The need for quality rental housing has never been more important. While Florida grapples with the adverse effects of COVID-19, we must come together to preserve the communities we call home.

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In an effort to ease the burden for residents, housing providers are offering flexibility in a variety of forms including payment plans, rent deferment and more.

May 1 is quickly approaching, which begs the question, “What will happen if residents cannot afford to pay rent for an extended period of time?”

First, we want to stress that in these financially challenging times, open communication between residents and property managers is critically important. If you are an apartment resident who is financially impacted by COVID-19 and unable to pay rent, you should contact your property manager as soon as possible to discuss your situation.

Your housing provider cannot help you if he or she is unaware that you are experiencing a financial hardship. While many communities have closed their offices to visitors to keep staff safe, they are still available by phone, video chat, and e-mail to support residents during this time.

A lack of revenue creates a far-reaching and detrimental financial impact for the property, residents, and the community. According to data from the National Apartment Association, 27 cents of every dollar of rent pays for ongoing maintenance, utilities, and insurance, as well as payroll expenses for the staff members who keep the property running. In addition, 39 cents of every dollar pays for the property’s mortgage, which is crucial to preventing foreclosures and keeping residents in their homes.

Unfortunately, the CARES Act passed by Congress only provides mortgage forbearance flexibility for federally-backed mortgages, which leaves most multifamily mortgages unprotected, even as building owners are working with residents who are unable to pay rent due to no fault of their own.

Now that we’ve accounted for two-thirds of every dollar of rent, what about the remaining third? An additional 14 cents pays for property taxes, which

ultimately supports our communities by funding our schools, parks, and essential services that we all depend on at the local level.

About 10 cents of every dollar is used for capital expenditures, which can include roof and HVAC replacement to help ensure quality housing for apartment residents.

After all of these ongoing expenses are accounted for, that leaves just 9 cents of every dollar that is returned to apartment owners. This includes many apartment owners who operate small businesses and rely on this limited revenue to make ends meet each month.

It is clear that the nonpayment of rent for an extended period of time could threaten Florida's housing supply, which is already insufficient and stretched thin. More importantly, though, this financial instability could have a damaging effect on the fabric of our local communities. That is why now more than ever, we must come together to protect rental housing and the communities we call home.



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