

Incentivizing Landlords to Rent to Refugees

RESULTS OF AN ANONYMOUS SURVEY



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Introduction

Refugee Housing Solutions (RHS) — a Church World Service (CWS) initiative — comprises housing and refugee resettlement experts dedicated to addressing the U.S. housing crisis as it affects refugees.

Housing is a pivotal component for resettlement agencies' success in welcoming refugees, so housing providers are crucial stakeholders. As part of its aim to expand housing options for refugees, RHS conducted an anonymous Landlord Incentive survey to gain insight to better understand how to attract more housing providers to the refugee/newcomer tenant pool.

Methodology

RHS created an email survey to gather insights into the factors that influence the review of rental applications from potential tenants. The survey also sought to discover what incentives could help landlords appreciate how choosing refugee tenants can positively affect their business operations. The survey was distributed through three channels: first, it was shared through the National Apartment Association network; second, resettlement agencies distributed it to their current landlord partners; and finally, it was shared with attendees at the 2024 Apartmentalize conference.

From February 2024 to March 2024, the survey had a lower-than-expected response rate. In an effort to gather more information and data, the survey was relaunched at the National Apartment Association Apartmentalize conference in June 2024. This led to 115 invaluable responses from a diverse range of stakeholders, including property owners, property managers, leasing agents, realtors, regional property managers, fee managers, and other professionals in the real estate industry. For detailed survey findings, please refer to the comprehensive survey included in Appendix A of this document.

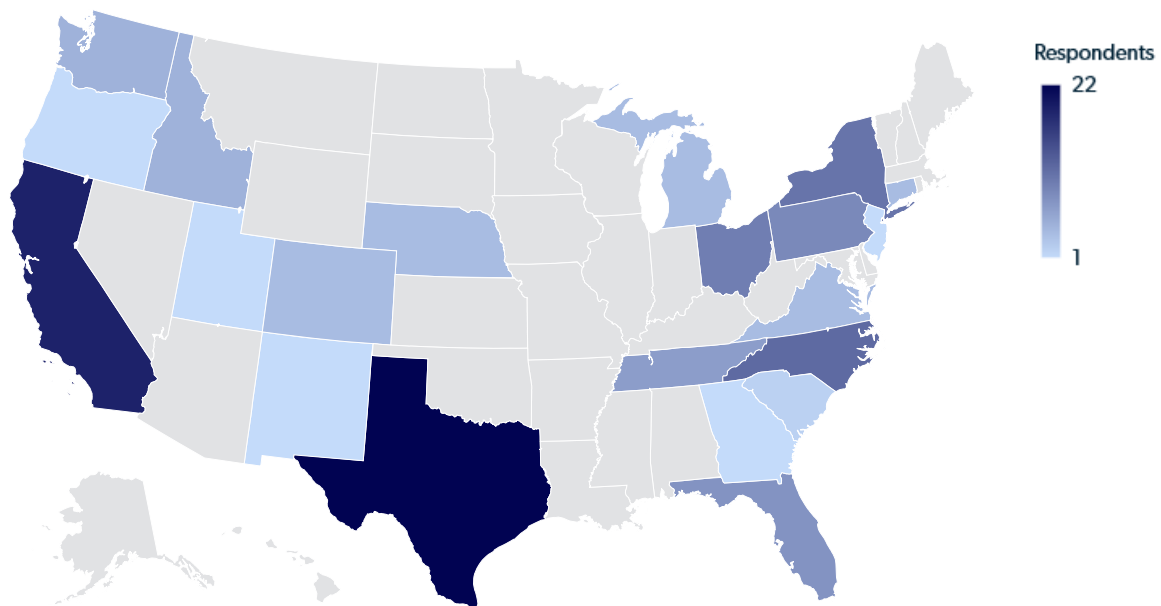
Results

To gather both qualitative and quantitative data, the survey asked questions that focused on the factors influencing the review of rental applications from prospective tenants and incentives that could help housing providers select refugee / newcomer tenants.

Respondent Information

Of the 115 respondents, 21 states (figure 1) were represented by 16 leasing agents, 48 property managers, 7 regional property managers, 61 property owners, 3 fee managers, 8 realtors, and 15 other similar positions. Of the 115 participants, 62 (54%), reported they are private landlords who rent directly to tenants without the assistance of property management companies or real estate agents.

Figure 1. States of Rental Housing



The average portfolio of rental properties among survey participants ranged from 1-50 units and up to 401 or more units (figure 2). The makeup of the survey respondents' rental portfolios included 98 market-rate, 37 mixed-income, 15 project-based Section 8, 54 that accept Section 8 vouchers, 9 Low-Income Housing Tax Credit (LIHTC), and 9 others (figure 3).

Figure 2. Total Size of Rental Housing Portfolio

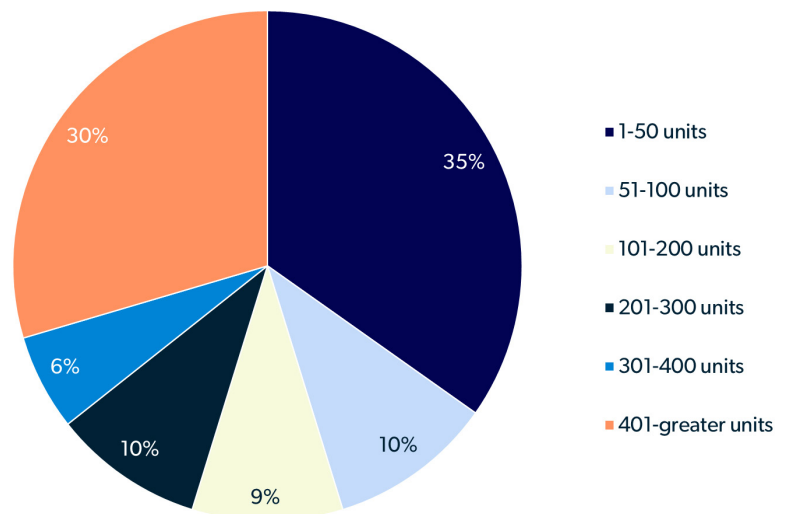
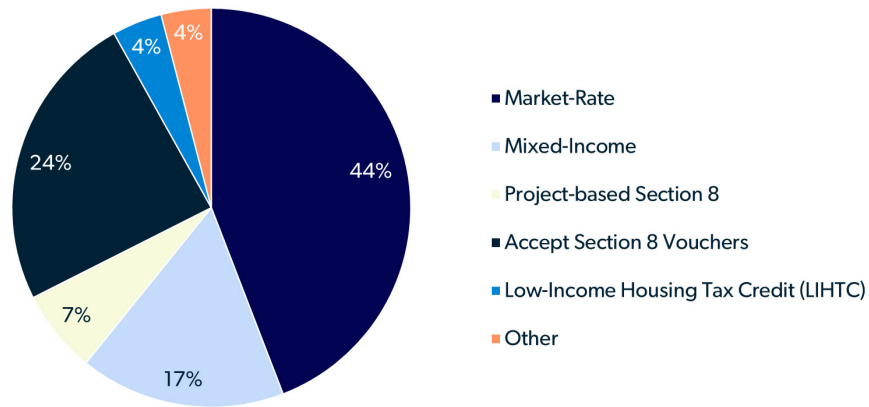


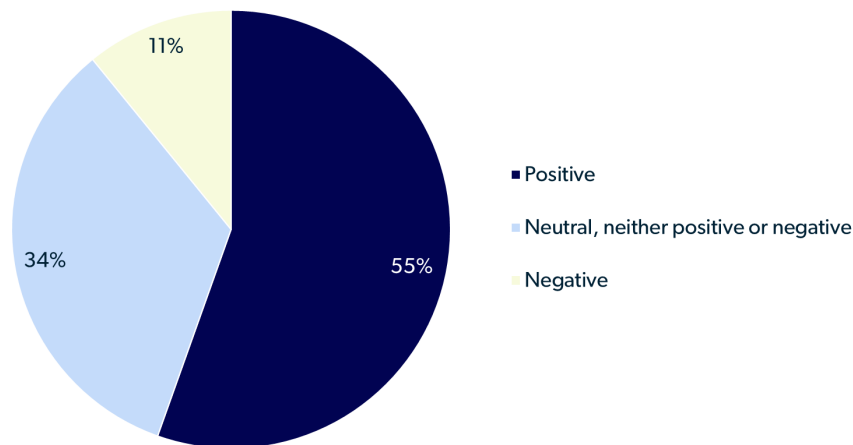
Figure 3. Rental Housing Portfolio Makeup



Renting to Refugees

Most participants (74.8%) have rented to a refugee or other newcomer to the United States. When asked to rate their experience renting to refugees, 55.4% reported a positive experience, 33.7% reported it as neutral, i.e., neither positive or negative, and 10.9% reported a negative experience (figure 4). It is important to note, only 86 of the 115 participants reported previously renting to refugees, but 92 participants provided feedback on their experience.

Figure 4. Renting Experience



A key aim of the survey was to consider (i) what property owners and/or their rental agents seek in a tenant and (ii) their concerns, if any. To better understand both aspects, the survey measured both qualities and concerns for renting to refugees.

Cleanliness, ability to pay, good communication, respect for space and the community, good credit history, and no criminal background were cited very often as key qualities. When asked to share any general or specific concerns they have when vetting a protentional tenant who is a refugee, survey participants' answers echoed similar themes of concern, including lack of credit, rental, and criminal history; communication issues, including language limitations; uncertainty about stable income and ability to pay rent and adhere to lease terms, plus cross-cultural misunderstanding and tenant norms for property upkeep, including cleanliness.

Rental Screening Criteria

To better understand the factors influencing the review of rental applications, the survey asked about screening criteria. Income verification (23.5%), credit reports (22.2%), rent history (21.7%), and criminal history checks (21.5%) were the most cited screening criteria (figure 5). Personal references (9.1%) were cited as another tool for screening applications.

More than half of survey participants (54.8%) responded that they are open to waiving some of the requirements for rental application screenings.

When asked if they would be willing to accept a Letter of Support from one or more Federal government agencies to meet background check requirements in their tenant screening process, the majority (78.3%) of participants responded that they were willing to accept such a letter. Furthermore, 83.5% of survey respondents are willing to accept rent assistance, rent guarantees, or other financial support for a refugee tenant from a resettlement agency to meet the “ability to pay” requirement and satisfy the credit check process. Lastly, 78.3% of survey participants reported that if a resettlement agency provides a letter verifying that a refugee tenant receives supportive services, it could meet their rent payment history and reference criteria.

Additionally, survey participants were asked if there is room to adapt their screening process to accommodate newly arrived refugees, who usually do not have the documents customarily required for background and rent history checks and/or cannot pay their rent in full on a specified monthly date (figure 6). On the latter point, more than half of those who took the survey were open to the concept of multiple rent payments throughout one month. These respondents also reported that they would consider all household income, including public and private assistance.

Figure 5. Screening Criteria for Rental Properties

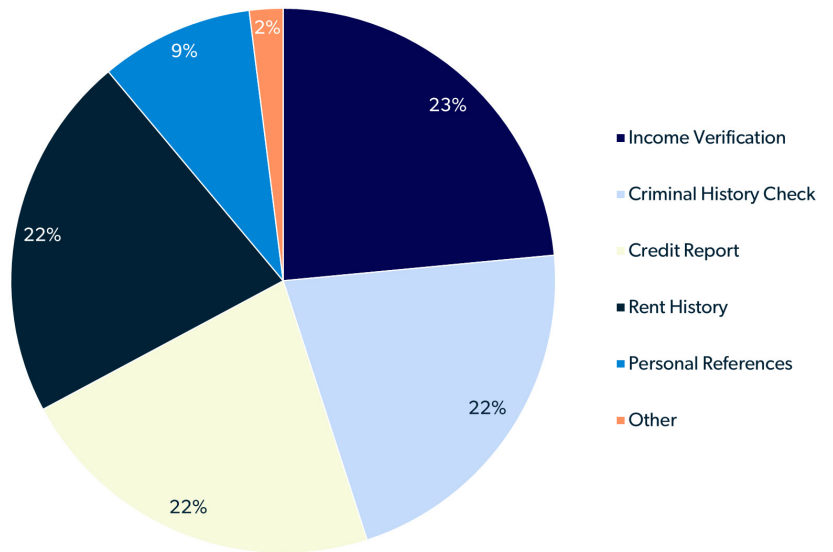
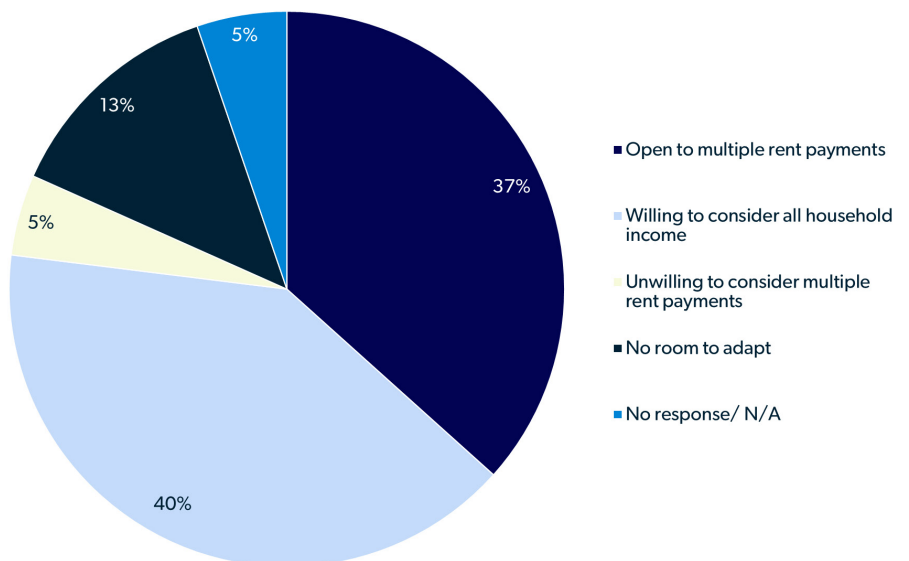


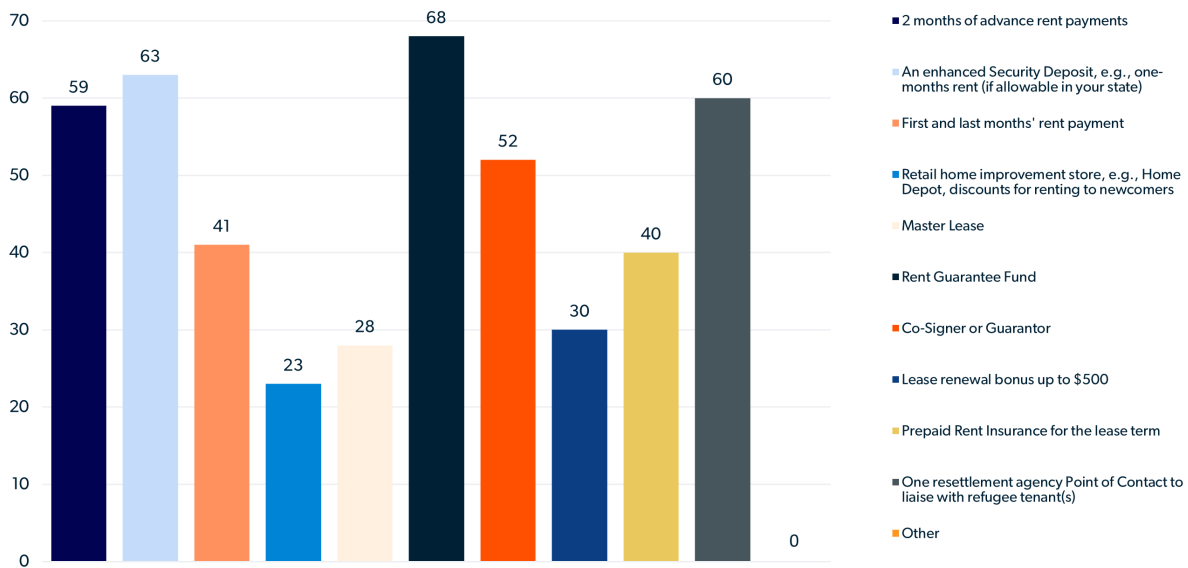
Figure 6. Room to Adapt the Screening Process



Rental Incentives

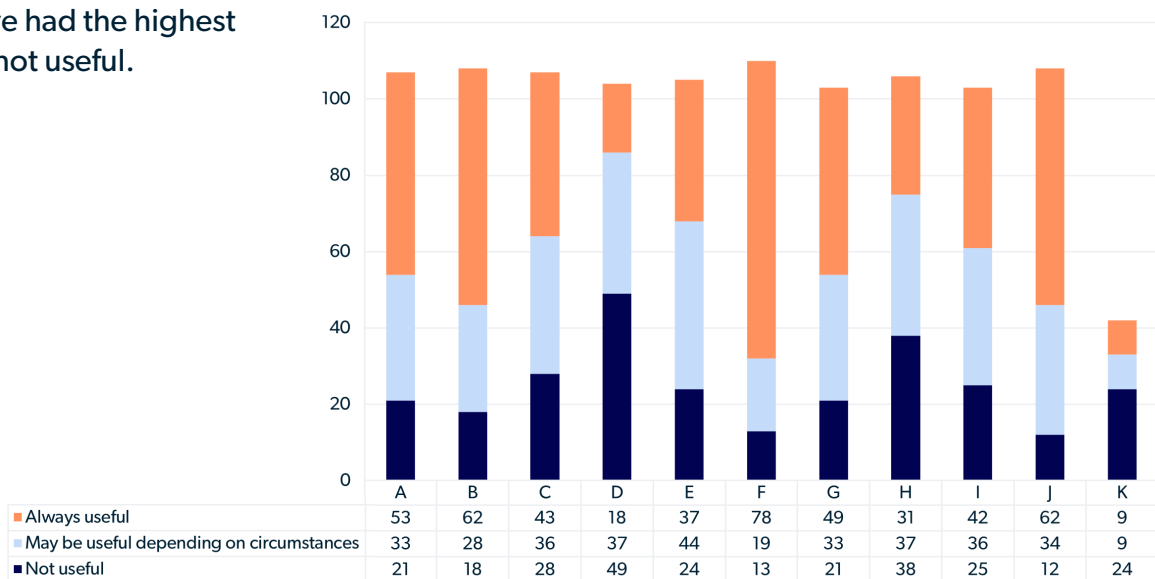
Incentives can help housing providers decide to rent to refugees. Landlords were asked what incentives they would be of interest to them in they were to partner with a resettlement agency (figure 7). Among the various incentive ideas presented, (i) a Rent Guarantee, (ii) an enhanced Security Deposit, e.g., one-months' rent (if allowable by state law), (iii) one designated resettlement agency Point of Contact to liaise with tenant(s), and (iv) 2 months' advance rent payments were the most popular incentives.

Figure 7. Incentives of Interest



Survey participants were asked to rate the incentives as either always useful, may be useful depending on the circumstances, or not useful (figure 8). Similarly to the first question, the respondents most often rated an enhanced security deposit, a Rent Guarantee Fund at the resettlement agency, one resettlement agency Point of Contact for refugee tenant(s), and two months of advance rent as always useful. In contrast, the discounts at retail home improvement stores incentive had the highest total rating of not useful.

Figure 8. Incentive Rating Scale



Key Takeaways

The Landlord Incentive survey results led to these findings about m(i) factors influencing the review of rental applications from prospective tenant and (ii) incentives that could help when deciding to rent to refugees/newcomers.

First, concerns about things like lack of credit, rental history and criminal past, communication problems, including language limitations, stable income and the ability to pay rent and follow lease terms/conditions, plus cultural disconnects, including cleanliness standards, were all mirrored in the landlords' comments. **It is essential to demystify the concerns about renting to newcomers and highlight the benefits to landlords and other property managers.**

Second, one of the most significant barriers in the screening process is the practical fact that landlords and other housing providers rely on documentation that newcomers do not typically have, such as credit and/or rent history, or a U.S. employment record. **It is crucial to advocate for adaptability in the screening process to accommodate newly arrived refugees, who usually do not have the documents landlords and rental agents customarily require. It is similarly crucial to accommodate tenants who cannot pay their rent all at once on a specified date.** Considerations may include accepting alternative documentation with resettlement agency support for the application process to assure landlords and other housing providers of risk mitigation.

Finally, survey findings highlight the **value of incentives that can help educate housing providers about the business value of renting to refugees.** Additionally, since the survey shows that many housing providers are willing and interested to rent to newcomers, it suggests that there is an openness to making the rental application and vetting process more newcomer- and refugee-friendly. Finally, introducing incentives like those cited in the survey results -- and perhaps others that individual housing providers and resettlement agencies agree to -- can be useful in facilitating the process of renting to newcomers.

APPENDIX A: FULL EMAIL SURVEY

Anonymous Landlord Incentive Survey

Introduction

You can directly impact your community by partnering with a ***resettlement agency*** and renting to newcomers who recently arrived in the United States seeking safety and the chance to rebuild their lives. The U.S. housing market has undergone significant fluctuations, particularly since the onset of the pandemic in 2020. Housing is a pivotal component for the success of resettlement agencies, with all housing providers emerging as crucial stakeholders. We invite your insights through participation in this **brief anonymous survey** to better understand the factors influencing the review of rental applications for prospective tenants. Additionally, we seek to identify any **incentives** that could aid us in navigating the business landscape.

As the United States continues to embrace refugees and other newcomers, such as Afghans and Ukrainians, housing emerges as a foundational necessity for individuals embarking on the journey to build new lives here. Establishing robust partnerships with housing providers offering safe and affordable accommodations to newcomers is indispensable. Such collaborations, vital for successful resettlement, are only achievable with valued partners like you.

Definitions

Refugee: Refugees are people who have fled war, violence, conflict, or persecution and have crossed an international border to find safety in another country. Refugees are defined and protected in international law by the United Nations High Commissioner for Refugees (UNHCR). The U.S. incorporated our obligations to international law through the Refugee Act of 1980, which is part of the U.S. Immigration and Nationality Act.

***Resettlement Agency*:** Non-profit national resettlement agencies and their local offices and affiliates assist refugees during their initial resettlement in the U.S. The assistance includes helping them enroll in employment services and in finding jobs, registering children and youth for school, accessing medical care, connecting with social services, and with language classes. In coordination with publicly supported refugee service and assistance programs, resettlement agencies' local affiliates and offices focus on helping newcomers achieve economic self-sufficiency through employment, money management support, and credit history creation as soon as possible after their arrival in the U.S.

Survey Questions

1. Please select the state(s) in which you own and/or manage rental housing.

Part I: Background Questions

1. In what cities do you own and or manage rental housing?
2. What is the total size of your rental housing portfolio?
 - 1-50 units
 - 51-200 units
 - 101-200 units
 - 201-300 units
 - 301-400 units
 - 401-greater units
3. What is the makeup of your rental housing portfolio? Select all that apply.
 - Market-Rate
 - Mixed-Income
 - Project-based Section 8
 - Accept Section 8 Vouchers
 - Low-Income Housing Tax Credit (LIHTC)
 - Other
4. Are you a private landlord, i.e., someone who rents directly to tenants without the assistance of a property management company or real estate agent/agency?
 - Yes
 - No
5. What is your position (e.g., leasing agent)? Select all that apply.
 - Leasing Agent
 - Property Manager
 - Regional Property Manager
 - Property Owner
 - Fee-Manager
 - Realtor
 - Other
6. What is your preferred tool to advertise vacancies? Select all that apply.
 - Trulia
 - Zillow
 - Apartments.com
 - Craigslist
 - Hotpads
 - Realtor.com
 - Apartment List
 - Print Ads
 - Word of Mouth

- Social Media (Please specify which platform(s) you use.)
 - Other
7. Select all screening criteria that apply to your properties.
- Income Verification
 - Criminal History Check
 - Credit Report
 - Rent History
 - Personal References
 - Other
8. Are you open to waiving any of the requirements listed in Question 7?
- Yes
 - No

8a. If “No”, please indicate N/A. If “Yes”, please specify which requirements you might or will waive and under what circumstances.

Part II: Renting to Refugees

1. Have you ever rented to a refugee or other newcomer to the U.S.? If your answer is “No,” please go to the next page and start with question 3.
- Yes
 - No
2. Please rate your experience renting to a refugee on a scale of 1 to 3.
- 1- Positive
 - 2- Neutral, neither positive or negative
 - 3- Negative
- 2a. Please explain your experience, whether positive, neutral, or negative.
3. How are your tenants screened to determine their ability to sustain rent payment?
4. Is there room to adapt the screening process to accommodate newly arrived refugees, who usually do not have the documents you customarily require or cannot pay their rent all at once on a specified date? For example, would you consider letting tenants make multiple payments throughout the month instead of paying 100% of rent at the beginning of the month? Can you consider all household income, including public or private assistance, etc.
5. Do you have any general or specific concerns when vetting a potential tenant who is a refugee?
6. Please list key qualities you seek in a reliable tenant?
7. Please check the incentives you would be interested in order to be a partnering landlord with a resettlement affiliate.
- 2 months of advance rent payments
 - An enhanced Security Deposit, e.g., one-months rent (if allowable in your state)
 - First and last months’ rent payment
 - Retail home improvement store, e.g., Home Depot, discounts for renting to newcomers

- Master Lease
- Rent Guarantee Fund
- Co-Signer or Guarantor
- Lease renewal bonus up to \$500
- Prepaid Rent Insurance for the lease term
- One resettlement agency Point of Contact to liaise with refugee tenant(s)
- Other

8. For incentives listed in Question 7, please rate them on a scale of 1 to 3: 1- Always Useful, 2- May be Useful Depending on Circumstances, 3- Not Useful.

	1 - Not useful	2-May be useful depending on circumstances	3-Always useful
2 months of advance rent payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An enhanced Security Deposit: One-Month Rent (if allowable in your state)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
First and Last Months' Rent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Discounts at retail home improvement stores	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A Master Lease signed by an officer of the resettlement agency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A Rent Guarantee Fund at the resettlement agency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A lease Co-Signer or Guarantor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lease renewal bonus up to \$500	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prepaid Rent Insurance for the lease term	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
One resettlement agency Point of Contact for your refugee tenant(s)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8a. If you checked other, please explain.

9. Would you be willing to accept a Letter of Support from one or more Federal government agencies to meet your background check requirements in your tenant screening process? If "No", please explain what documentation you will accept to meet your background check requirements.

- Yes
- No

10. If a resettlement agency is willing to provide rent assistance, rent guarantee, or other financial support for a refugee, will this meet your “ability to pay” requirement and satisfy your credit check process? If “No”, please explain what you might accept to meet the “ability to pay” and credit check criteria.
 - Yes
 - No
11. If a resettlement agency provides a letter verifying that a refugee tenant receives supportive services, will that meet your rent payment history and reference criteria? If “No”, please explain what documentation you will accept.
 - Yes
 - No
12. What action and support would you like to see from your own local community organizations and resettlement agencies to foster a positive relationship between landlords and refugee tenants?
13. Local resettlement agencies provide services such as cultural orientation, housing search navigation, language interpretation and translation, social service case management, medical/health care referrals, employment support, education, youth mentoring, legal services, and other service referrals. Knowing this, are you interested in being a partnering landlord with a local resettlement agency? If “No”, please explain.
 - Yes
 - No
14. Please include your contact information if you want to talk with a local resettlement agency about the possibilities of being a partnering landlord.



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