

# 2023 Entrata Resident Report

An in-depth look at the resident experience, what they value, and areas where property management companies can leverage processes and technology to enhance the value of their product offerings



## Introduction

With the recent volatility in the housing marketplace, it is becoming more and more difficult for individuals to find and secure a new home. Because prices have skyrocketed beyond the reach of many families' budgets or financial hardships have impacted credit ratings, limiting the options available to them, renters need all the help they can get to navigate the rental process. What they do now can help position themselves for their next move, whether that be an owned or rental property.

Renters are consumers at heart and are navigating the rental process in the same manner they would when they buy a new car. However, the renting experience doesn't always follow the same steps. As such, they are increasingly in need of help navigating the process. That's where property management companies can really step in and implement procedures and technology that allow their residents to seamlessly guide them through the renters journey.

It is in this environment that Entrata endeavored to get a grasp on the current mindset of renters, including their perspectives on the environment and their place in it, along with their thoughts on the rental process as a whole. The following are the results of our survey of more than **2,000 renters** at medium, large, and very large properties (ranging from **50 units** to more than **250 units**) across North America.

Entrata partnered with Qualtrics to conduct this survey. With a total addressable market of **44 million** renters, the sample size of **2,000 respondents** results in a **~3.5% margin** of error.

Executive Summary

Over the course of July and August 2023, Entrata surveyed just over 2,000 residents living in properties that averaged approximately 149 units. We found the following key highlights.

 Demographics

Male: **31%**  
 Female: **67%**  
 Non-binary: **1%**  
 Chose not to identify: **1%**

 Age

18-24 **19%**  
 25-34 **24%**  
 35-44 **29%**  
 45-54 **14%**  
 55-64 **7%**  
 65+ **9%**

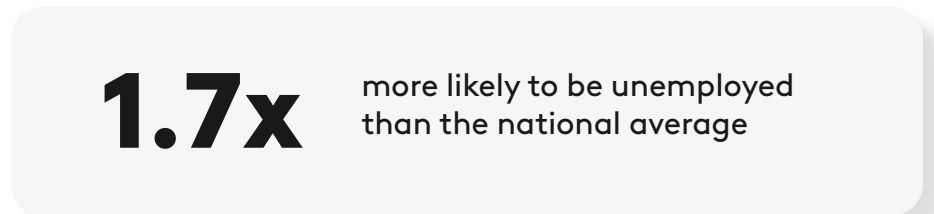
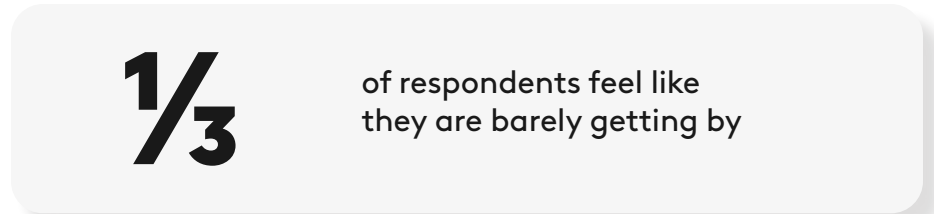
 Geography

Northeast **17%**  
 Midwest **21%**  
 West **24%**  
 South **38%**

Feeling unsettled about the economy and their place in it

When asked their opinion on how well they felt the economy was doing, nearly **60%** of respondents felt that the economy was either in a recession (**37%**) or a depression (**22%**), while just **21%** felt the economy was growing. To top that off, one third of respondents felt they were barely getting by, while **23%** found it difficult to get by. As a result of these unsettled feelings about the economy, there was a strong sentiment throughout the survey about the need for flexibility from property managers when it comes to both fees and flexibility in the methods and timing of payment for rents, deposits and fees.

Additionally, renters are **1.7x** more likely to be unemployed than the national average (**6%** vs. **3.5%**), which could be due to a number of factors, including working in industries that are more impacted by an economic downturn.



**Will your next move be to an owned property or a rental**

 **Owned**

**43%**

 **Rented**

**34%**

 **Unsure**

**23%**

**Rise in individuals renting by choice**

More and more people are choosing to rent, not because they have to, but because they like the lifestyle that renting can afford them. More than one third of all respondents indicated their next move would be to another rental property, with flexibility being the prime driver, and **37%** plan on renting for three or more years.

**37%** of respondents plan to continue renting for three or more years

**Rental rates stabilizing**

Forty-one percent of respondents said their rental rates have stayed the same over the past **12 months** while **31%** indicated it increased, with just **2%** saying their rates decreased. This is consistent with findings by NMHC who projects rent will decrease by **3.3%** in **2023**. Prior to the pandemic, rents would grow by approximately **3.6%** annually. For those aged **18-34**, only **25%** saw a rental increase and **44%** saw no increase in rent year over year.

**Renting provides residents with flexibility**

Likely as a result of the financial position they find themselves in, residents are looking for more financial flexibility and they feel like they can find that by renting as opposed to home ownership. When asked why they prefer renting to home ownership, the number one reason respondents cited is they didn't want to be tied down to a mortgage, followed by the flexibility and freedom offered by renting.

Another area where flexibility comes into play is rent payment. Respondents expressed a preference for properties offering flexible payment options, such as being able to split or spread out rent payments over a month. Over half of respondents indicated they would participate in a program like that if given the opportunity by their property management company.

With the historic rent increases that happened over the past three years, residents are looking for more bang for their buck. Oftentimes the expectation is a higher level of service or improved amenities at their property and a better overall living experience. How your property deals with that expectation will show up when the time comes for residents to renew their lease.

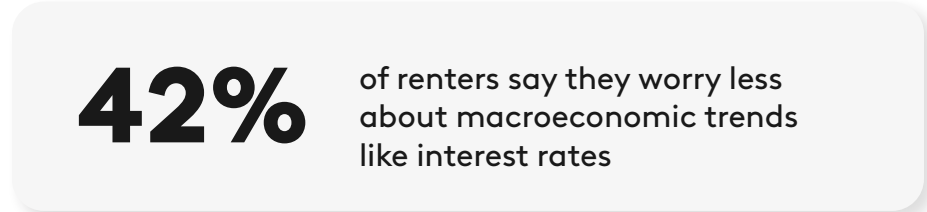


**Top 5 reasons why people plan to rent for five years or longer**

1. Don't want to be tied to a mortgage
2. Like the flexibility renting provides
3. Can't afford a down payment
4. Bad credit rating
5. Don't want to deal with maintenance and upkeep required by home ownership

While lowering rent isn't always the best course of action to help residents in financial distress and still achieve your goals, there are a number of things property managers can do to help alleviate the stress felt by residents. One way to do this is by making it easier to get into an apartment home by offering deposit alternatives. This gives renters a less expensive option to meet the deposit requirements, while still offering the protection and coverage your property needs.

And it's not just financial flexibility that renting provides residents. For **57%** of American renters, having maintenance taken care of is the best part of renting, which gives them extra time to bond with family and pursue passions, rather than being tied up in tasks like mowing the lawn or patching up a leaky roof. Additionally, **42%** of renters say they worry less about macroeconomic trends like interest rates because they are renting.



On the flip side, many folks find themselves pushed towards renting due to their financial situation—such as struggling with the upfront costs or having a limited credit history. Both of these factors are crucial for navigating all the hoops required for owning a home.

**Renters crave convenience**

Whether it be a streamlined application and approval process or engaging with property management to submit a maintenance request, residents want as little friction as possible. One of the biggest areas where property management companies are giving their residents more convenience is through self service apps that can do everything from apply for a lease, pay rent, make maintenance requests, and even renew leases.

**Top 5 factors when deciding where to rent**

- 1. Rental Rates **70%**
- 2. Location **69%**
- 3. Neighborhood /Neighbors **48%**
- 4. Amenities **43%**
- 5. Responsiveness of management **36%**

**Location and rental rates are primary drivers in renter’s choice**

Location and rental rates are overwhelmingly the reason people choose to rent from one property over the other. Respondents also rated neighborhoods and neighbors contained in the community highly, followed by how easy the application process is.

**Property management companies need to focus on what they can control**

Start focusing on factors you can control. Update your amenities. Improve your online reputation. Make your pet policy more inclusive. Offer varying lease lengths to give residents more flexibility. Doing these things will go a long way toward making your property more appealing to prospective renters.

Above all, communities that want to improve the leasing process should look for ways to make it less complicated. The top reasons cited to make the leasing process easier were to reduce the number of steps for approval, make the process less complex, and decrease the amount of time it takes to get approved. Additionally, renters crave the ability to complete the process online and want to be able to do the whole thing in just one step.

**How to make the renting process easier**



- 1. Make the process less complex
- 2. Reduce the number of steps for approval
- 3. Reduce the amount of time it takes the application to be approved
- 4. Provide the ability to complete all the steps at once
- 5. Manage the entire process online

**Current renters insurance coverage**

- 56%** Have renters insurance
- 35%** Do not have renters insurance
- 9%** Are unsure

**Only a little more than half of respondents have renters insurance**

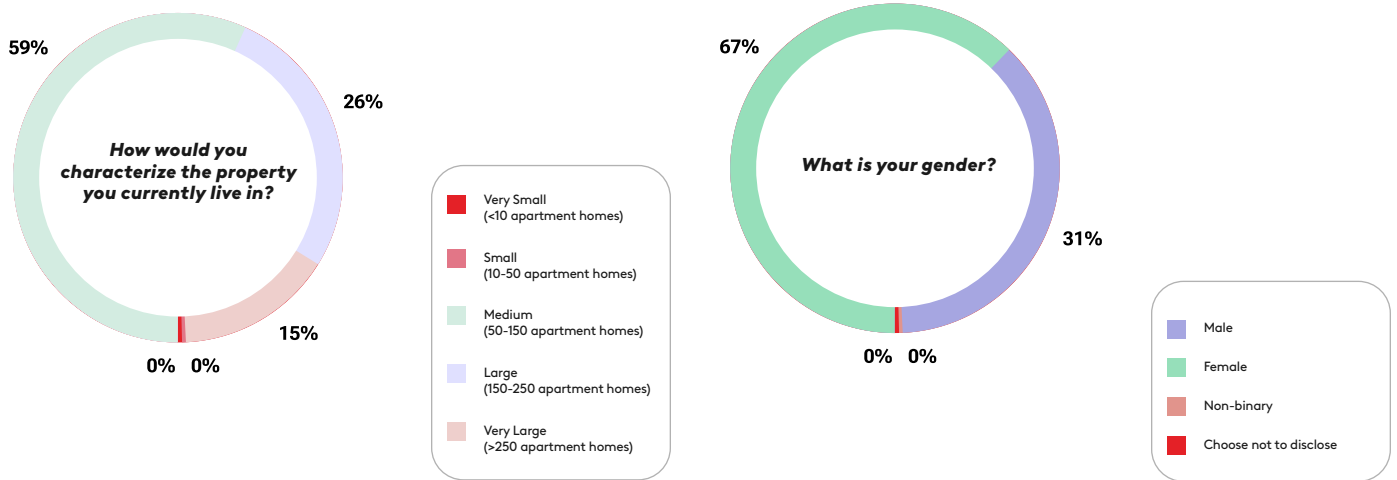
Fifty-six percent of respondents currently have renters insurance with the primary reason for having a policy being it's required by the property management company. Nearly half of respondents also cited protecting their property as a driver for having a policy. With **44%** of respondents not having any renters insurance policy at all, this is a good opportunity for owners and operators to look for opportunities to increase that number, including making it easy to purchase renters insurance directly through the application process, which effectively answers renters' demands for convenience. Additionally, increasing the number of renters with policies in place reduces the property's exposure to loss from resident caused damages such as fire and water damage.

One reason to encourage renters to purchase insurance is that more than one third of respondents have made a claim against their policy in the past three years, meaning there's a high likelihood that renters will have a need for insurance in the future.

## Resident Report Results

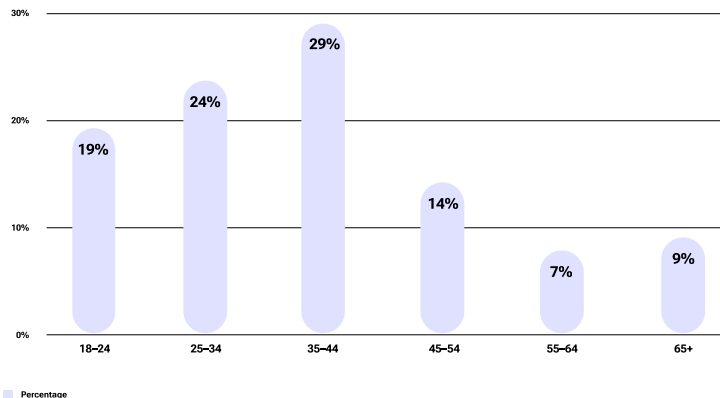
### Demographic and economic information

Of the **2,004 respondents**, **59%** were living in medium sized properties (**50-100 units**), **26%** were living in large properties (**100-250 units**), and **15%** were living in very large properties (**250+ units**). Sixty-seven percent identified as female, while **31%** identified as male, and another **2%** identified as non-binary or chose not to disclose. Please keep in mind that responses will fluctuate based on market and/or property size.

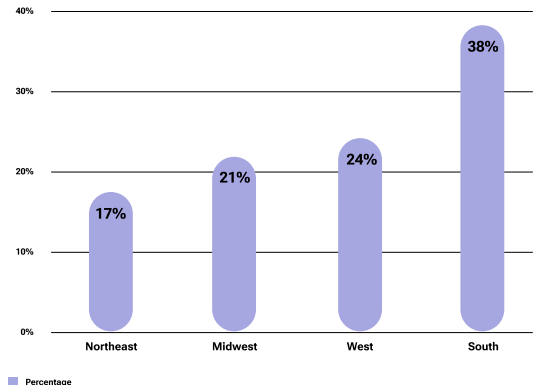


Entrata tried to keep the age and geography of responses as close to the most recent census as possible. The age splits are as follows: **18-24 (19%)**, **25-34 (24%)**, **35-44 (29%)**, **45-54 (14%)**, **55-64 (7%)**, **65+ (9%)**. While the geographic breakdown is as follows: Northeast (**17%**), Midwest (**21%**), West (**24%**), South (**38%**)

**What is your age?**

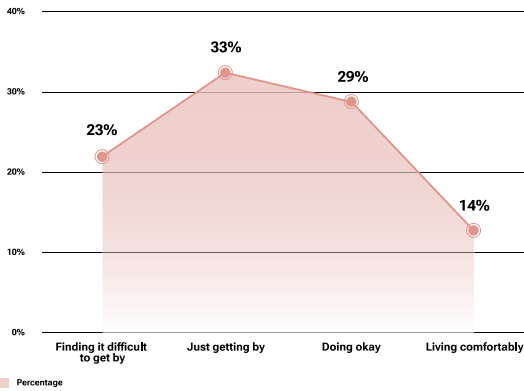


**Please select the region you reside in?**

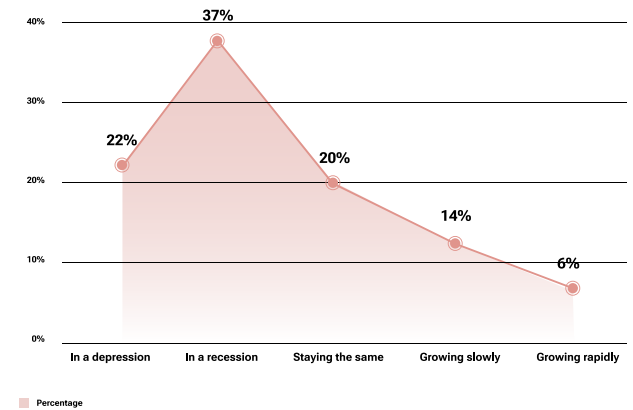


When it comes to the economy, a majority of respondents (57%) were having a difficult time or felt like they were just getting by. Only 14% felt like they were living comfortably. This is in line with their thoughts on the economy where 59% of respondents said that the economy was in a recession/depression and only 21% felt it was growing with the remainder expressing that the economy was staying the same.

**Which one of the following best describes how well you are managing financially these days:**

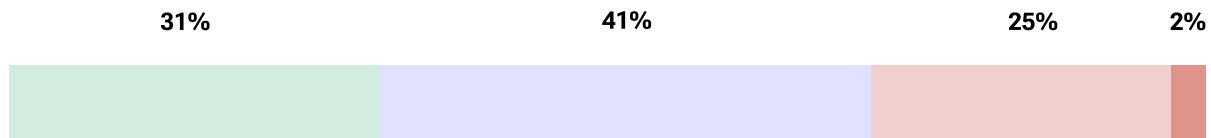


**When you think about the economy today do you think it is:**



Over the past 12 months, 31% of respondents have seen an increase in their rent, while 41% have stayed the same. This is consistent with findings by NMHC that shows rent has seemingly stabilized as rent growth is currently negative, which is a far cry from 18% increases seen in the early days of the pandemic.

**How much has your rent increased, by percentage, in the last 12 months?**



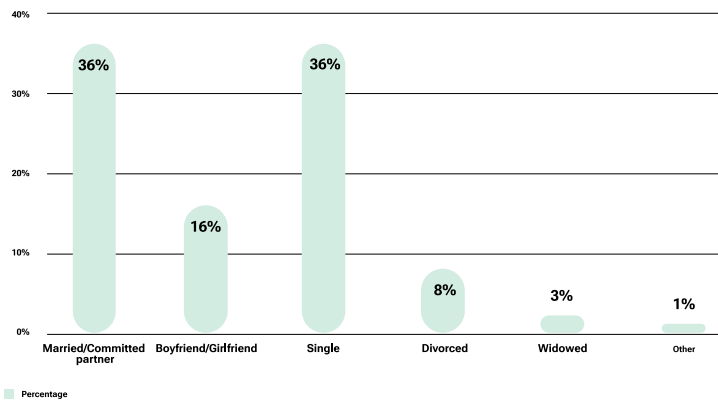
- They have increased by %
- They have decreased by %
- They have not changed
- Unsure



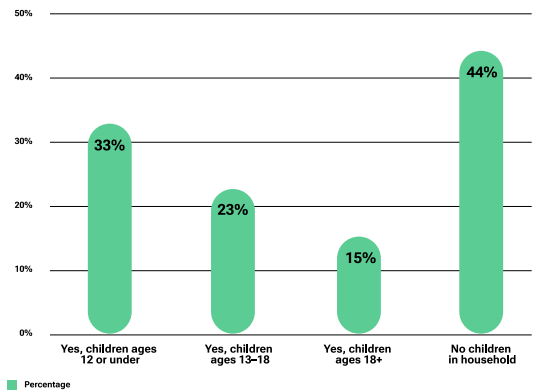
## Relationship status

There was an equal split between married/committed couples and singles with each taking up **36%** of the respondent pool, while **16%** had a partner, **8%** were divorced and **3%** were widowed. Nearly half of the respondents had no children living in the household, but **15%** said they had adult children living with them, which could be a result of the downturn in the economy or the cost of housing becoming untenable for a certain segment of the population.

Which of the following best describes your current relationship status?

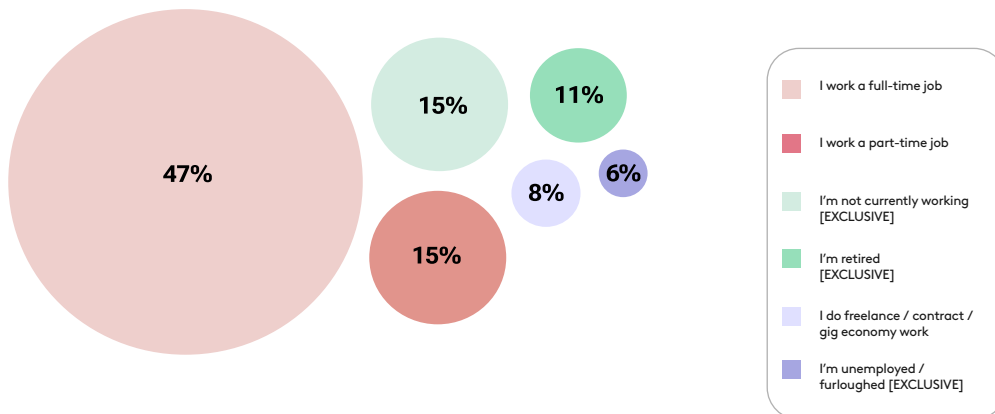


Do you have children in any of the following age groups?



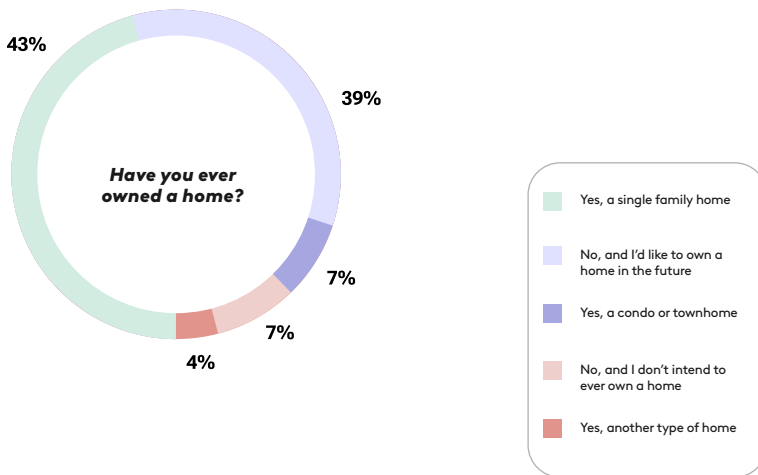
Six percent indicated they were unemployed, which is higher than the national average of **3.5%** in **July of 2023**. This could be a result of a number of factors, such as renters working in industries that are more likely to be affected by economic downturn, especially as we come out of the recession caused by the COVID-19 pandemic.

What is your current employment status? if you work multiple jobs, you can select multiple answer



## Renting vs. Owning

There is a pretty even split between those who have owned a home previously (**54%**) and those who have never owned a home (**46%**). Of those who have owned a home, **43%** owned a single family home, **7%** owned a townhouse or condo, and **4%** owned some other type of home. Seven percent of respondents said they have never owned a home and don't plan to in the future. That could be because they feel like home ownership isn't affordable or, as we'll note later in the report, they enjoy the flexibility that comes with renting.



Rental rate is overwhelmingly the number one factor that impacts the decision on whether or not to renew a lease. That was followed fairly closely by improvements made to the unit and amenities offered by the property management company. Further down are neighbors/neighborhood where they live, reviews, and how convenient it is to engage with management.

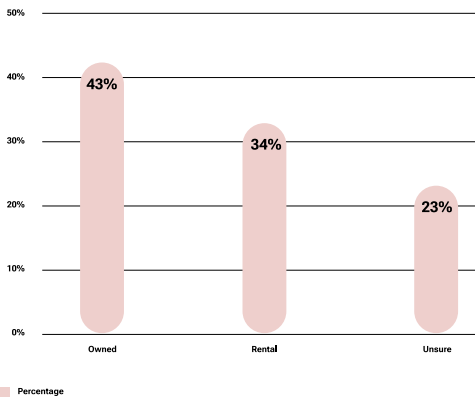
### Top factors that impact lease renewal (mean ranking)

	Mean
Rental rates	<b>1.71</b>
Improvements to unit	<b>2.98</b>
Amenities	<b>3.60</b>
Responsiveness of management	<b>4.03</b>

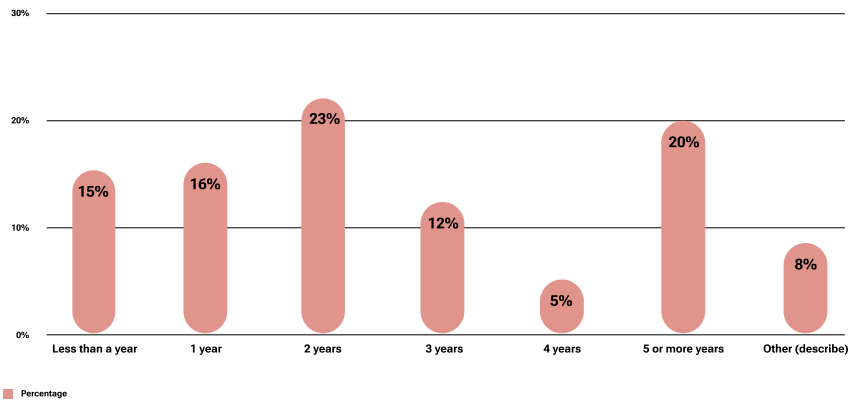
	Mean
Neighborhood / neighbors	<b>4.43</b>
Reviews / Other people's experience at the property	<b>5.50</b>
Convenience of doing business / Engaging with property management	<b>5.97</b>
Other	<b>7.81</b>

When the time comes to renew that lease, **43%** plan on moving to an owned property and **34%** plan to continue renting, while **23%** are unsure what they will do. However, **47%** plan on renting for at least three or more years with **31%** planning to move within the next year.

**Will your next move be to an owned property or rental?**



**How long do you plan to rent?**



For those that are considered long-term renters, the primary reason they choose to do so is not wanting to be tied to a mortgage along with the flexibility and convenience to move more freely than they would be able to if they owned a home. This includes not having to deal with maintenance upkeep required by home ownership. Beyond that there are financial deterrents keeping them from renting including thin credit rating and not being able to afford a down payment.

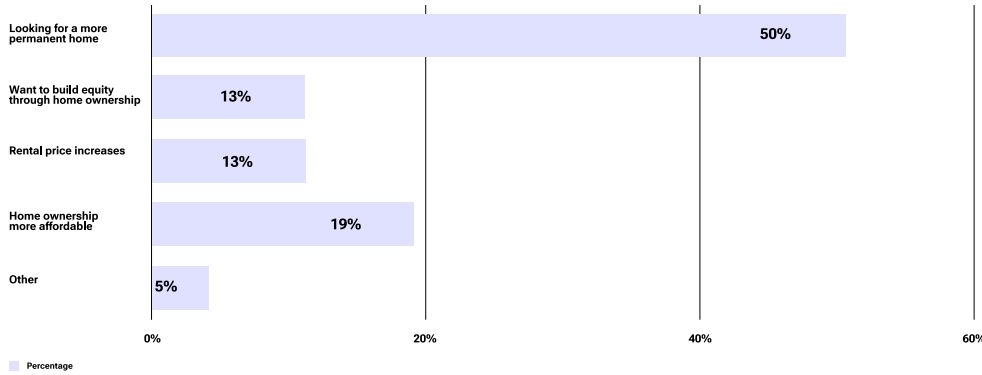
**Top reasons long-term renters choose to rent (mean ranking)**

	Mean
Don't want to be tied to a mortgage	2.67
Like the flexibility renting provides	3.02
Can't afford a down payment	3.22
Bad credit rating	4.38

	Mean
Don't want to deal with the hassle of maintenance and upkeep homeowners have to deal with	4.49
I like the amenities offered where I rent and wouldn't be able to afford them if I bought	5.11
Renting is more convenient / fits my lifestyle better	5.27
Other	7.84

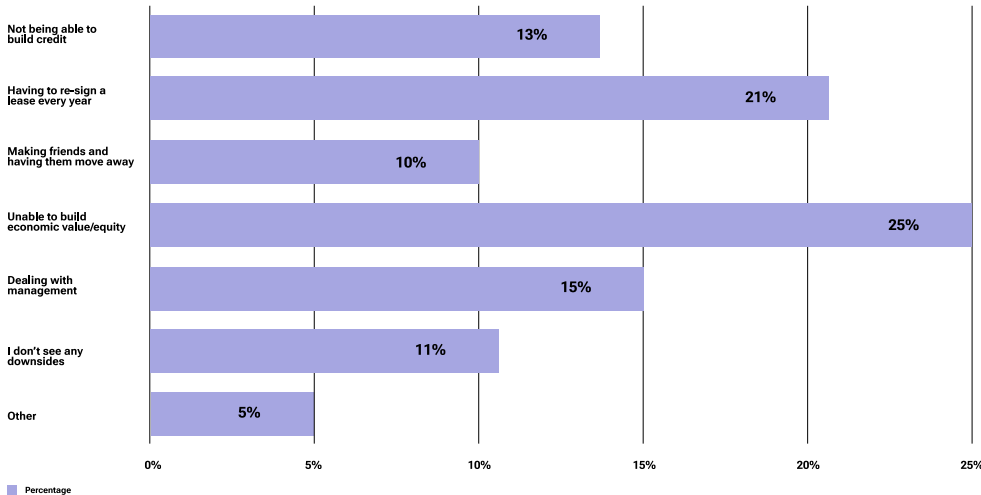
Short term renters are looking for a more permanent home and that's why owning a home is more appealing to them. They also feel that as rental rates have risen in recent years (even though they appear to be stabilizing), home ownership is more affordable, and they hope to be able to build equity in the process.

**Why do you see yourself no longer renting in the future?**



On a related note, **25%** of respondents said the biggest downside to renting is not being able to build economic value. A little further down the list is not being able to build credit, which makes it harder for some to make it through the mortgage application process. This is in addition to the the inconveniences associated with renting cited by respondents like having to renew a lease every year, dealing with management, and making friends only to have them move away and losing contact. However, there were **11%** of respondents who see no downside to renting, which is aligned with the theory that more and more people are renting out of choice and not by necessity.

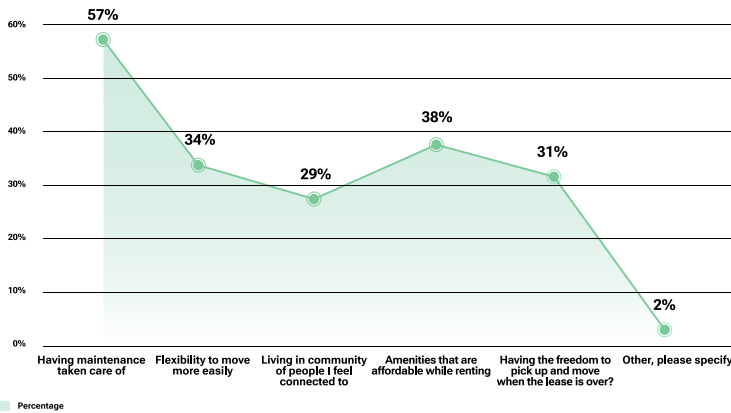
**What is the biggest downside of renting for you personally?**



## Convenience is the main reason to keep renting

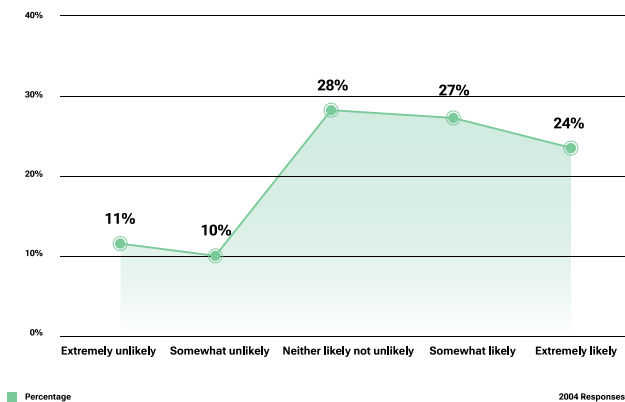
Topping the list of benefits for reasons why people keep renting is the convenience associated with not having to take care of maintenance around their home, flexibility to move more easily, and having access to amenities they wouldn't be able to afford if they owned a home. An added benefit is being able to live in a community of people they feel connected with. A vast majority of respondents (95%) agreed that it's at least somewhat important for the property management company to be flexible, with 30% saying it's extremely important.

**Which of the following benefits of renting is most important to you? Select up to three.**



One area where property management companies could be more flexible is with rent payment. Renter's aren't only looking for a variety of payment options, but also for the opportunity to split up rent payments over the course of the month. Just over half of respondents said they would be likely to utilize flexible payment opportunities if they were an option.

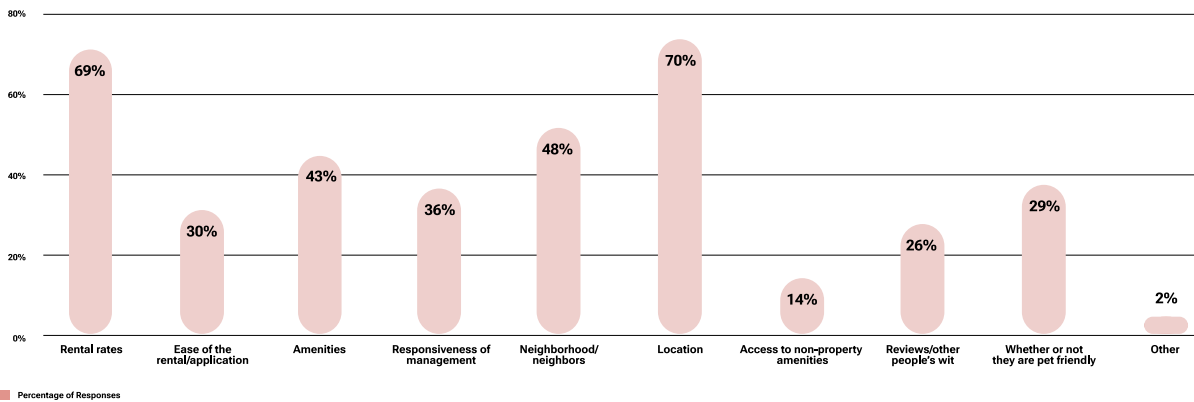
**If your apartment offered flexible payment options for rent (similar to buy now, pay later programs like Klarna), how likely would you be to participate?**



## Location and cost are primary drivers for where to live

Location and neighborhood/neighbors are at the top or near the top of the list for renters followed closely by rental rates as primary drivers in the renting decision process. Amenities, responsiveness of management and ease of the application process are also important when it comes to making a decision of where to live.

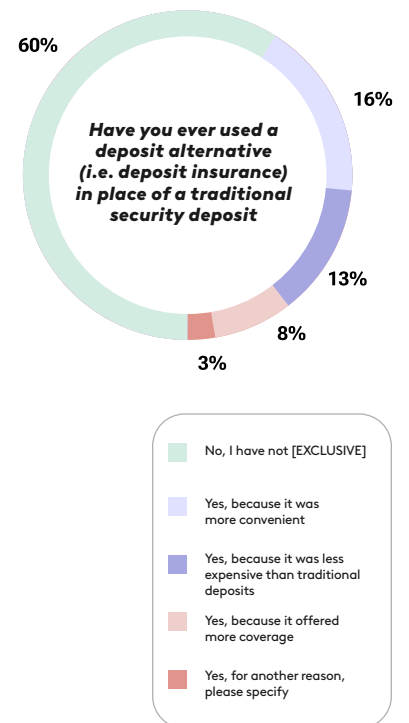
**When deciding where to live, what are the primary factors that go into the decision**



## What would prevent renters from moving into an apartment they like and that's in their budget

Some of the factors that would keep prospects from moving into an apartment they like and can afford are related to additional costs and fees that come with moving into a new place, including security deposits, non-refundable application fees, and fees for breaking the lease early. Respondents also balked at the unit not being pet friendly, not being close to public transportation, and being too far away from their place of work.

One way to reduce move-in costs is by utilizing deposit alternatives that are more cost effective and easier for site team to manage, instead of security deposits that they have to keep track of over the life of the lease and then return after the resident moves out. While deposit alternatives are a viable substitute for security deposits, only **40%** of respondents used them in the past, which opens up a huge opportunity to properties to educate their residents on the value deposit alternatives offer, while also adding ancillary revenue to their bottom line. More than a third of respondents said they would use a deposit alternative if it was offered and was significantly cheaper than traditional deposits.



## Reducing complexity of the rental process improves the experience

The top five improvements to the rental process requested by respondents all have to do with simplifying it, including:

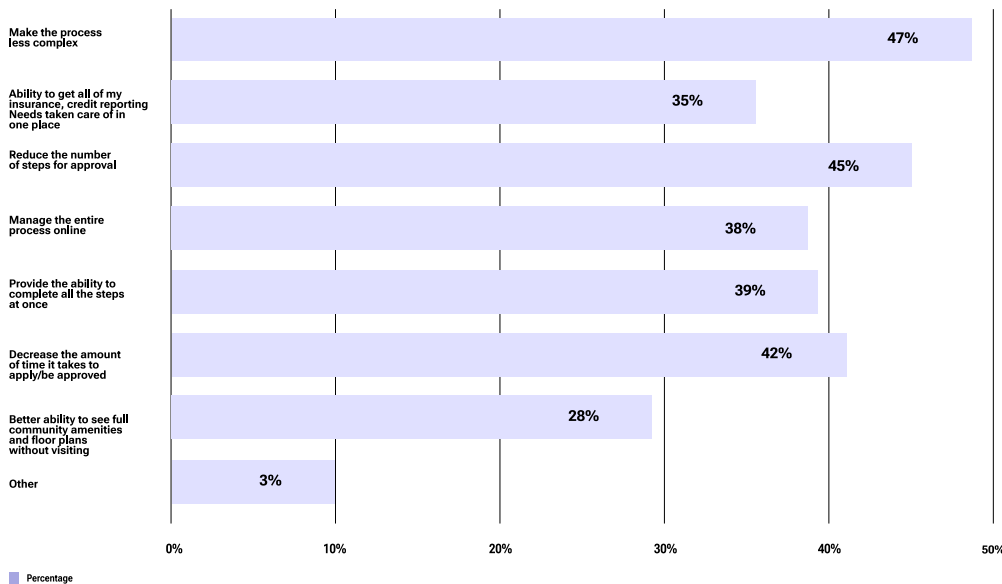
### How to make the renting process easier



1. Make the process less complex
2. Reduce the number of steps for approval
3. Reduce the amount of time it takes the application to be approved
4. Provide the ability to complete all the steps at once
5. Manage the entire process online

Additionally, renters are looking for the ability to build credit while renting. Given that rent is their biggest financial obligation, they want to make sure it is reflected on their credit report, so in the event they want to move to an owned property they'll be able to pass the credit check. Finally, renters would like the ability to view all floor plans and amenities offered without visiting the property.

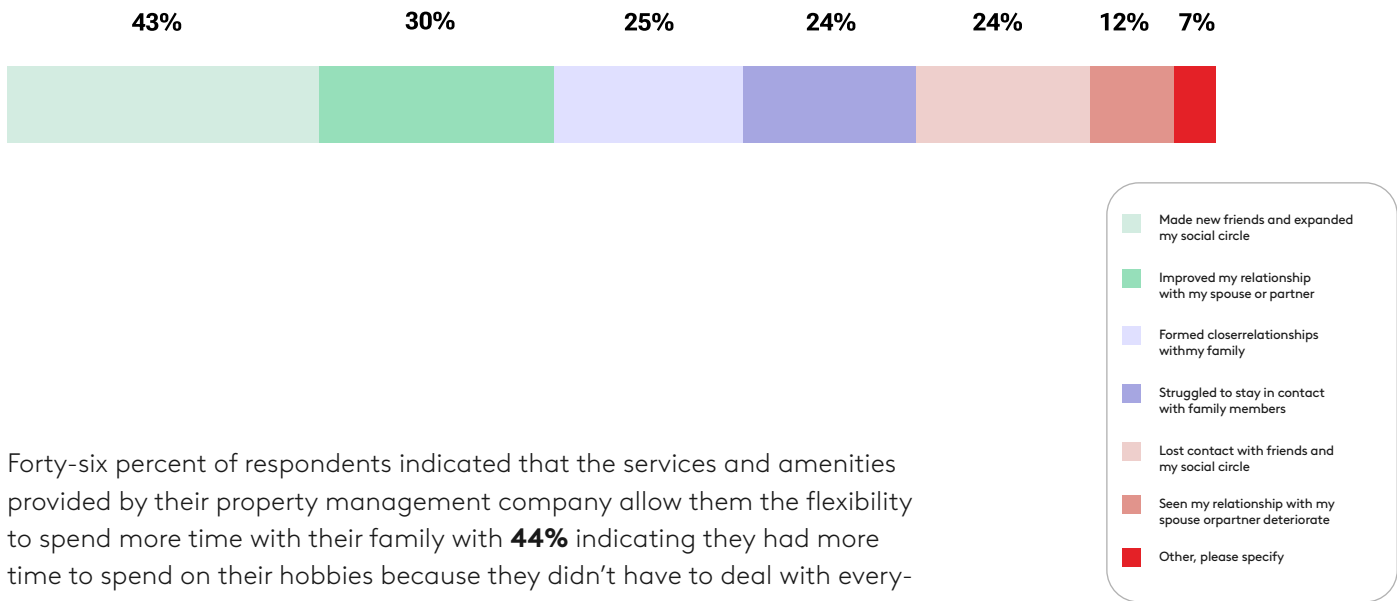
### What are the biggest improvements that could be made to the leasing/application process?



## Renting has both positive and negative impacts on family relationships

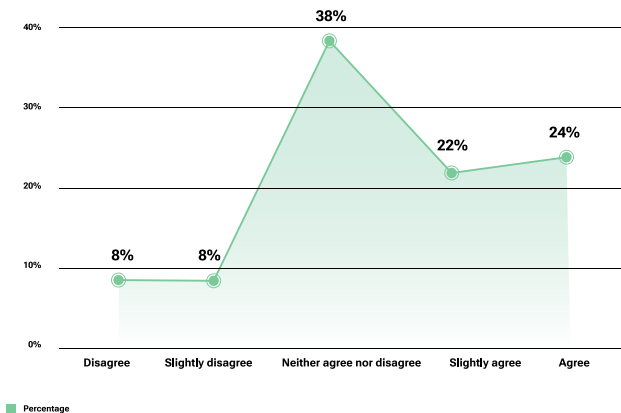
One possible unseen downside for renting is the effect it has on personal relationships. On the positive side, **43%** of respondents said that renting helped them expand their social circle and make new friends. Thirty percent said it improved their relationship between their spouse or significant other. However, **24%** struggled to stay close with family members, **24%** lost connection with their social circle, and **12%** saw their relationship with their partner deteriorate

### How has moving affected your relationships?

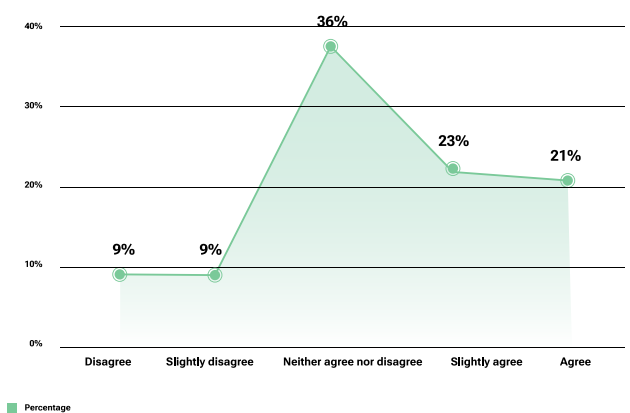


Forty-six percent of respondents indicated that the services and amenities provided by their property management company allow them the flexibility to spend more time with their family with **44%** indicating they had more time to spend on their hobbies because they didn't have to deal with everything that goes into home ownership.

### My community amenities and services allow me to spend more time with my family



### I can spend more time on my hobbies and interests because I am renting

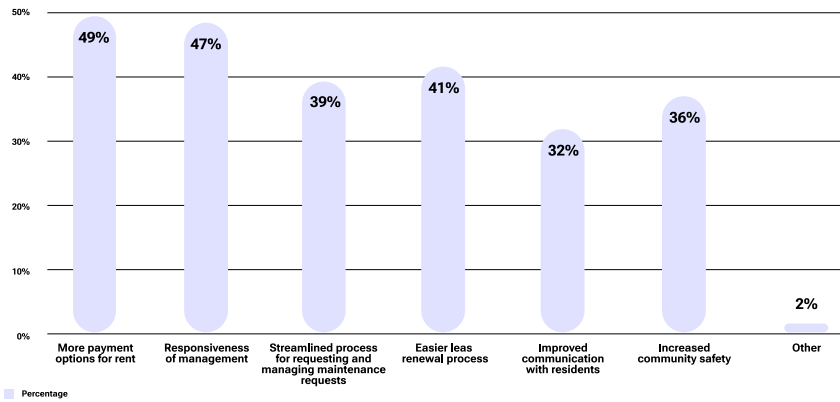




## Simplifying everyday tasks is what renters are looking for from management

Once the application is complete and move-in has occurred, renters want as little friction as possible and want to interact with management on their terms. As such, they would like as many options as possible to pay rent, whether that be online, in person, or spread out across multiple payments. Also high on the list is improved communication and responsiveness from management, including for maintenance requests. And when the time comes, the process for renewal should be as easy as possible.

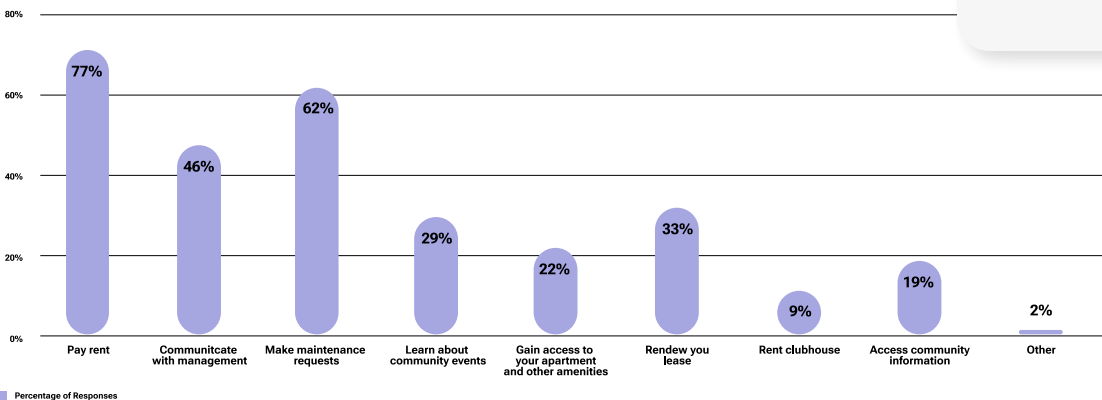
What are the biggest improvements that could be made to the renting process after moving in?



## Resident app can reduce friction

When it comes to simplifying the day-to-day processes of living in an apartment, deploying an app that residents can use to communicate with management, make requests, and pay rent tops the list of streamlining these processes. Forty-two percent of respondents have an app and they use it, 11% have one and don't use it, while 34% don't have one at all.

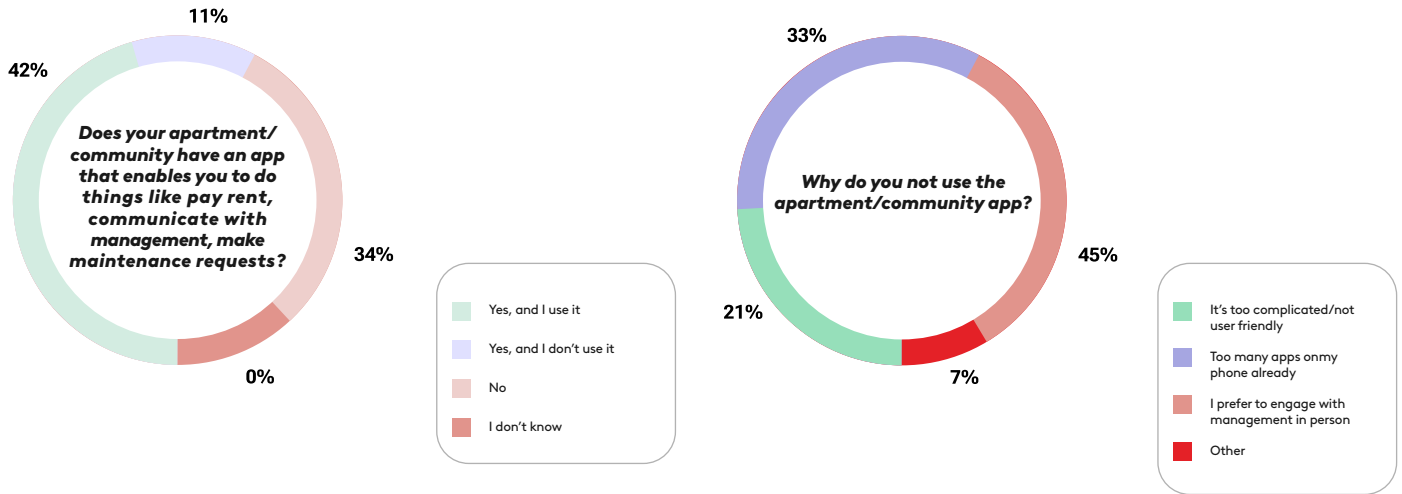
What do you use the apartment / community app for?



### Top items to use an app for

1. Pay rent **77%**
2. Make maintenance requests **62%**
3. Communicate with management **46%**
4. Renew Lease **33%**
5. Learn about community events **29%**

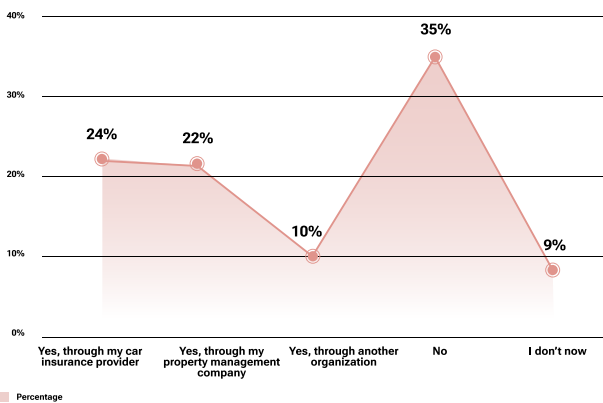
For those that don't use the app, **45%** said they prefer to engage with management in person while another **21%** said it's too complicated and **33%** said they already have too many apps on their phone.



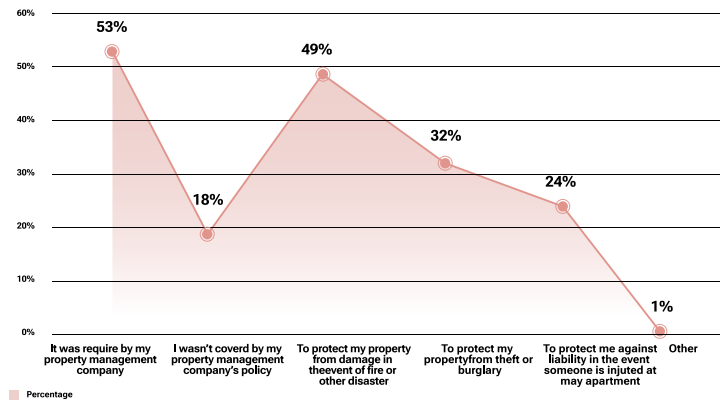
### A need for more renters insurance coverage exists

Of those surveyed, **35%** of respondents did not have any renters insurance, with **43%** of those citing cost as the main reason for not securing a policy. Others didn't know what renters insurance was, while another group thought that they were covered by their property's policy. Those without a policy could be in trouble in the near future as **30%** of policy holders have made a claim against their renters insurance in the past three years.

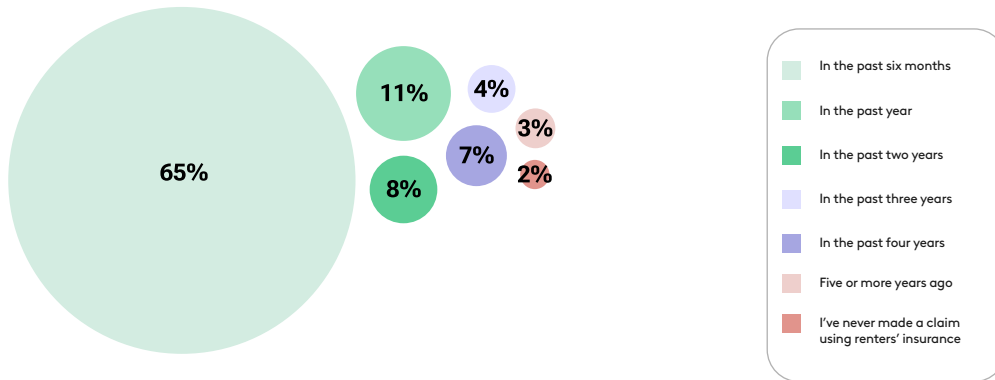
**Do you currently have renters insurance for you apartment or rental property?**



**If yes, why did you purchase renters insurance**



**When was the last time a claim was made using your renters' insurance policy?**

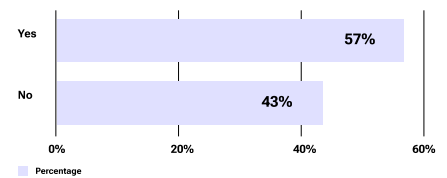


**Renters showed a willingness to purchase insurance from property management companies**

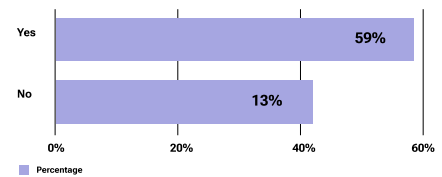
Thirty-seven percent of respondents said they would be either somewhat or very likely to purchase renters insurance from their property management company with **45%** on the fence. Another opportunity to add ancillary revenue for property management companies, beyond renters insurance and deposit alternatives, is offering rent credit reporting.

As noted previously, one of the biggest downsides of renting is not being able to build up credit from rent payments, but what many renters aren't aware of is it's possible to report on-time payments to the top three credit bureaus. Nearly **60%** of respondents are aware of this, but only **41%** of them actually do.

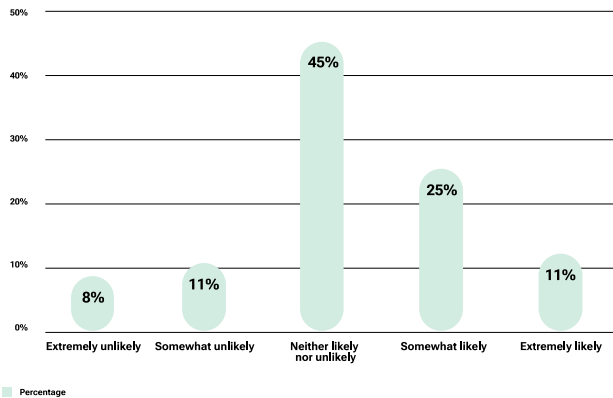
**Did you know it was possible to report rent payments to credit bureaus to help build credit?**



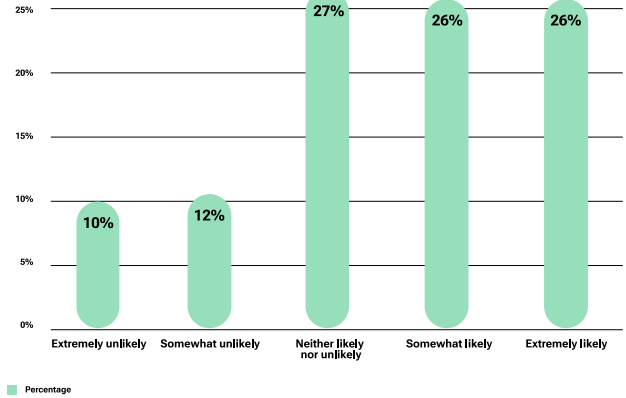
**If yes, do you choose to report your rent to credit bureaus?**



**How likely would you be to purchase a renters insurance policy as part of the leasing/application process?**



**How likely would you be to participate in a program that allowed you to report your rent payments to credit bureaus to help build your credit?**



## How renting impacts residents' state of mind

For many residents, renting has a positive impact on their mental well being with **40%** saying renting gives them peace of mind to focus on what's important to them, rather than their living space, **42%** saying they worry less about macro economic trends like interest rates because they are renting, and **36%** saying they have better mental health because they are renting.

