

State of multifamily

2026

Data-backed guidance for smarter growth,
centralized operations,
and elevated resident experience.



entrata

Introduction: executive summary

Survey Methodology

The 2026 State of Multifamily Survey gathered responses from **301 multifamily executives** across the United States, representing property management, operations, and ownership roles. The survey explored sentiment, financial performance, resident trends, technology adoption, and compliance priorities. Data was collected in **Q4 2025** and analyzed by Entrata to uncover the key operational and technology themes shaping the year ahead.

After years of turbulence, multifamily is finding its footing.

Following the disruption and volatility of recent years, the multifamily market is entering a phase of measured stability. Operators report steadier occupancy rates, modest rent growth, and fewer day-to-day shocks. The industry's mindset has shifted from reacting to refining.

Nearly half of surveyed operators describe their outlook as moderately optimistic, reflecting a cautious confidence grounded in operational discipline rather than rapid expansion. With steadier conditions, teams can now plan for consistent, incremental growth instead of taking big swings.

Decisions driven by value, not price.

While affordability remains top-of-mind, residents increasingly base decisions on value: the convenience, reliability, and overall experience a community delivers. More than half of respondents cite value as the primary driver of leasing decisions, ahead of base rent.

This evolving mindset rewards operators who make value tangible. Amenities, dependable service, and seamless digital interactions are no longer perks, they're proof points that justify rent and foster retention. Leasing teams must shift their message from **what it costs to why it's worth it**.

Margins are stable—but still thin.

Despite steadier demand, operating margins remain under pressure. Rising insurance premiums, labor costs, and maintenance expenses continue to erode NOI. Many respondents report offering concessions between **10–20%**—a tactic that supports occupancy but compresses profitability.

In this environment, every percentage point matters. A **10–20%** concession can be the difference between breaking even and operating at a loss. Operators must approach concessions surgically, making decisions that are temporary, measurable, and tied directly to leasing or renewal performance.

Fragmented technology creates invisible costs.

There's still no clear consensus on property management or accounting software. Many operators juggle multiple disconnected systems, leading to lost time, inconsistent data, and friction across leasing, accounting, and resident experience teams.

The answer lies in centralization. A unified platform creates a competitive advantage by consolidating data, automating workflows, and providing end-to-end visibility. True efficiency isn't just about speed. It's about eliminating redundancy and empowering teams to focus on higher-value work.

Fraud and compliance concerns are reshaping priorities.

As fraud attempts and regulatory scrutiny increase, compliance has become a top operational concern. Operators are investing in tools that verify identity, automate fair housing compliance, and ensure financial transparency. Trust has become currency. The communities that demonstrate operational integrity and data security are the ones winning with both residents and owners.

The path forward: operationalizing stability.

2026 won't be defined by extremes, but by execution.
The most successful teams will:

Operationalize stability



through disciplined, predictable performance.

Sell on value



not price, to strengthen resident relationships.

Leverage automation & centralization



to save time, reduce errors, and boost NOI.

This year's State of Multifamily report points to one clear conclusion: **the next competitive edge will come from simplifying intelligently—eliminating complexity to create clarity, consistency, and confidence.**

Takeaway 1: Operators are cautiously optimistic about the year ahead

Nearly half of respondents describe themselves as moderately optimistic about the industry's outlook. Most expect steady occupancy and modest NOI growth, which is a notable shift from the uncertainty that defined the early pandemic years.

How optimistic are you about the rental market outlook?



58%

of respondents are moderately to very optimistic about rent growth

4%

of respondents are pessimistic

Very optimistic

8%

Moderately optimistic

50%

Neutral

39%

Mild pessimism

4%

76% plan to expand their portfolios in 2026, with affordable housing **31%** and mixed-use communities **31%** leading the way.

Are you looking to expand into any of the following housing areas?

| | |
|----------------------------|------------|
| Affordable | 31% |
| Single Family | 10% |
| Student | 3% |
| Commercial | 4% |
| Mixed-use | 31% |
| No current expansion plans | 21% |

Is your company currently focusing on buying properties or selling properties?

| | |
|---------------------------------|------------|
| Adding communities | 76% |
| Eliminating existing properties | 22% |
| Actively pursuing new markets | 37% |
| None of the above | 7% |

This signals the industry's move into a measured recovery. Operators are focusing on what works (refining leasing, renewals, and expense management) rather than taking large, risky swings. The emphasis has shifted from chasing growth to optimizing fundamentals.

The data also reflects a market leveling out after years of steep rent increases. Effective rents continue to rise slightly, but not enough to fully offset increased costs for owners and operators. Respondents recognize the value of consistency over rapid expansion, preparing their portfolios for a more sustainable future.

Historically, the multifamily industry has proven resilient through economic shifts. Properties that will win long-term are those that prioritize operational discipline and make safe, strategic moves focusing on dependable results over aggressive growth.

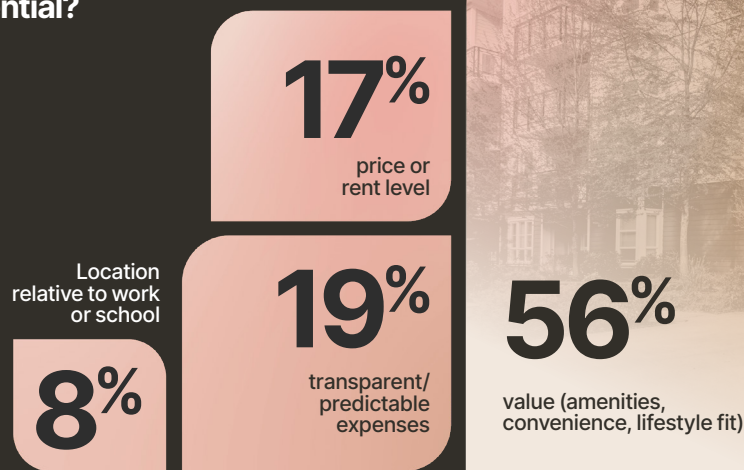
Things to consider:

- **Make occupancy stability a core KPI.** Track metrics like occupancy rate, renewal rate, turnover time, net move-ins, and exposure percentage.
- **Build forecasts around stability, not speed.** Factor in slower rent growth and steady occupancy while emphasizing loyalty and renewals.
- **Invest in efficiency.** Leverage AI, automation, and improved rent collection to reduce bad debt and boost predictability.
- **Reinforce stability as a strength.** Less market volatility makes it easier than in recent years to forecast NOI with confidence.

Takeaway 2: Low price isn't the only thing residents crave

Nearly **56% of respondents** point to value as the primary differentiator influencing resident decisions. That value often takes the form of **amenities, convenience, resident services, self-service options, and lifestyle fit**. Many residents also prize **transparency and predictability** of expenses—sometimes even more than the rent price itself.

When residents choose your community, what factor do you think is most influential?



Affordability remains critical: Entrata's Resident Report found that rent is still the top factor for prospective renters, but amenities are close behind. Many residents, especially younger demographics, are increasingly focused on whether an apartment feels worth it. It's not always about being the cheapest option; it's about how a property makes daily life easier, smoother, or more enjoyable.

This presents a clear opportunity for operators: shift marketing focus from cost to experience. Price is easy to find online, but value must be demonstrated. Showcase what it's like to live in your community: proximity to urban hubs, schools, nightlife, and shopping, as well as standout amenities and services that enhance convenience and peace of mind.

Value-driven renters are showing that once they find a community that meets their needs, they're increasingly inclined to stay put. That trend is evident in the industry's declining mobility numbers:

Renters are moving less frequently

Residents are moving less often

54%

About the same

34%

of residents are moving more often

12%



This reduced mobility underscores the importance of retention. When residents stay longer, marketing becomes less about acquisition and more about delivering consistent value.

How to highlight value over price

Move beyond feature lists (e.g., “two-bedroom, two-bath”) and spotlight the benefits behind them. For instance:

- Emphasize **24-hour maintenance** as peace of mind, not just a service line item.
- Promote **secure package rooms** as a safety and convenience feature.
- Use **value-driven messaging** in renewal campaigns, reminding residents that reliability and convenience are worth more than a small rent reduction.

Testing small upgrades can also reveal what residents value most. Run **A/B tests** on amenities such as:

- Super-fast Wi-Fi
- Smart home technology
- 24/7 maintenance request systems
- Unified resident portals for communication and payments
- Trash valet or other high-touch conveniences

Even simple improvements (like proactive communication, reliable maintenance, or intuitive digital tools) can reinforce value perception, drive loyalty, and improve renewals.

Takeaway 3: Concessions & incentives should be a tool, not a crutch

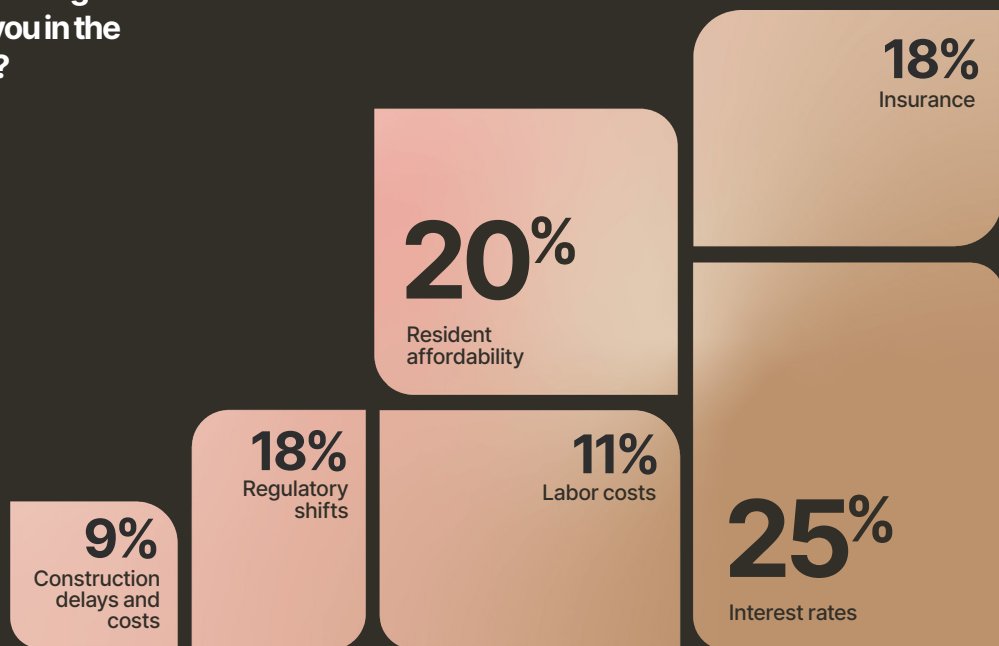
Concessions still have their place, especially in competitive markets, but they should be used strategically, not habitually. The challenge lies in balancing list prices that offer enough room to stay competitive while still maintaining profitability. It's a tightrope, but not an impossible one.

Rethinking the role of concessions

The industry's reliance on concessions needs a reset. They can be effective in limited, strategic use—but over time, they lose power and erode margins. The properties that perform best in 2026 will treat concessions as surgical instruments, not safety nets.

As one respondent trend revealed, interest rates remain the top concern heading into the year. That makes it even more critical to build stability and efficiency into every financial decision rather than relying on temporary discounts to drive results.

Which of the following factors most concern you in the next 12 months?



Operators are facing continued cost pressures – from rising insurance premiums to increased operational expenses – leaving little flexibility to rely on concessions as a go-to leasing tactic. As noted earlier, **price shouldn't be the first lever to pull** when attracting or renewing residents.

How much has your cost per unit increased this past year?

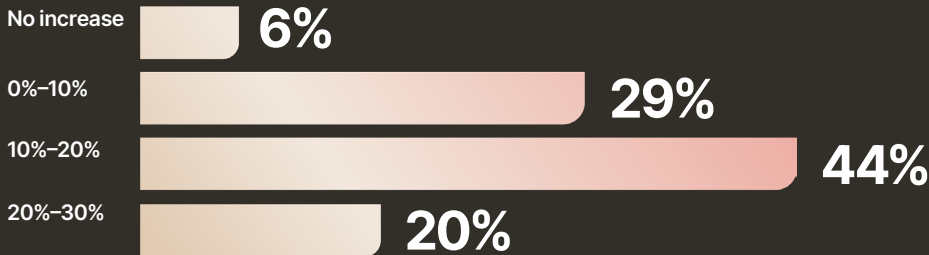
58%

cited an average 10–20% increase in cost per unit year-over-year

How has property and casualty insurance increased this past year?

37%

cited an average 0–10% increase in cost per unit year-over-year



Compete with transparency, not tricks

One risk in tightening markets is the temptation to hide rising costs within rent or fees. That can quickly backfire. Residents expect honesty, and **transparency around all-in costs** builds trust and prevents frustration when payments are due.

Instead of using concessions to mask costs, operators should use them as precise, temporary tools—offered for specific units, timeframes, or leasing goals. **Transparency is the new competitive edge.**

Keep close tabs on both **effective rent** and **gross** rent to understand true property performance and identify where adjustments can be made. Leverage technology to:

- Manage and automatically retire concessions once occupancy thresholds are met.

- Use **AI and automation** to increase conversion and renewal rates, reducing dependence on concessions.
- Gain real-time visibility into rent roll, occupancy, and leasing performance.

A strong property management platform makes this possible, allowing operators to act with precision rather than guesswork.

Takeaway 4: Fragmented tech holds teams back, a unified platform may be the answer

The multifamily industry remains highly fragmented when it comes to technology. There's still no single consensus provider of property management or accounting software. Each major platform holds less than **25%** market share. This fragmentation creates friction. Site teams spend extra time learning and managing multiple systems connected through patchwork integrations. The result: **blind spots in reporting, lower productivity, inconsistent data, and diluted resident experiences.**

There is no industry consensus on property management or accounting software.

What accounting software are you currently using?

| | |
|-----------------|------------|
| RealPage | 19% |
| Yardi | 14% |
| Appfolio | 19% |
| Entrata | 11% |
| Buildium | 7% |
| Quickbooks | 11% |
| Netsuite | 8% |
| Xeno | 10% |

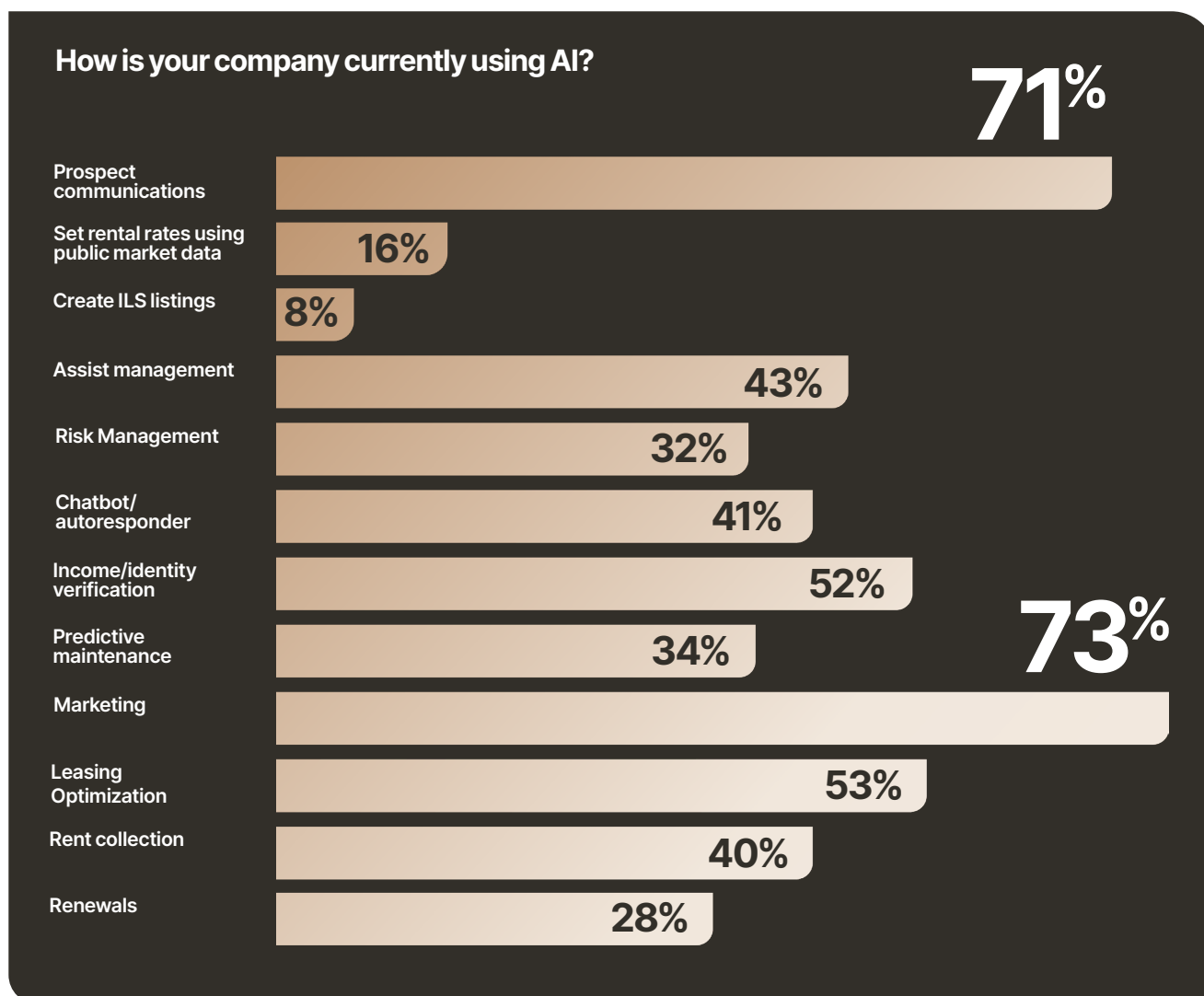
What property management software are you currently using?

| | |
|-----------------|------------|
| RealPage | 22% |
| Yardi | 18% |
| Appfolio | 19% |
| Entrata | 13% |
| Buildium | 10% |
| Rent Manager | 7% |
| ResMan | 4% |
| Venn | 6% |

Operators want AI, but barriers exist

In this fragmented landscape, many operators are turning to artificial intelligence to bridge the gaps between systems—using it to automate tasks and make smarter, faster decisions. But AI adoption is still in its early stages across the industry.

Interest in AI is strong, but adoption is uneven. Most properties using AI are leveraging it for marketing and communication functions, not yet for broader operational automation.



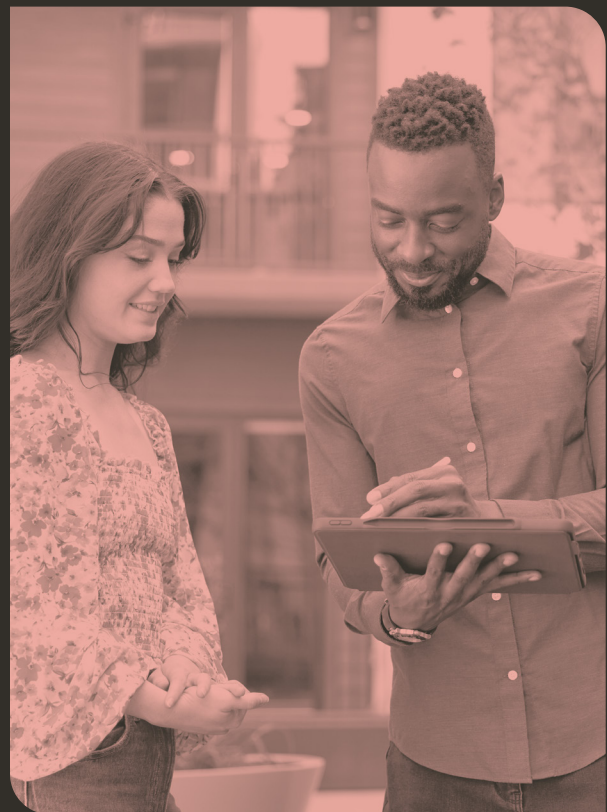
Headcount for those using AI is mostly steady. When it comes to staffing, AI hasn't yet caused major disruption:



The biggest barriers to broader AI adoption are a lack of in-house expertise **16%** and ethical or security concerns **16%**. These reflect the industry's cautious approach to new technologies, especially those that handle sensitive resident and financial data.

What are the biggest challenges you face as it relates to AI?

| | |
|--|------------|
| Training & developing employees | 14% |
| Lack of in house expertise | 16% |
| Deciding on the right solution | 12% |
| Access to the right data | 13% |
| Concerns about compliance with fair housing | 15% |
| Trust in the recommendations | 4% |
| Visibility of hand-offs between AI and human teams | 4% |
| Proof tools are actually creating efficiency | 3% |
| Cost | 4% |
| Ethical & security concerns | 16% |



Centralization is gaining traction

As operators wrestle with disconnected tools and inconsistent data, many are realizing that true efficiency doesn't come from adding more technology—it comes from unifying it. That's why centralization has become one of the strongest emerging strategies in multifamily operations.

Despite the challenges, many operators are moving toward consolidation.

69% of respondents said they have centralized at least part of their operations.

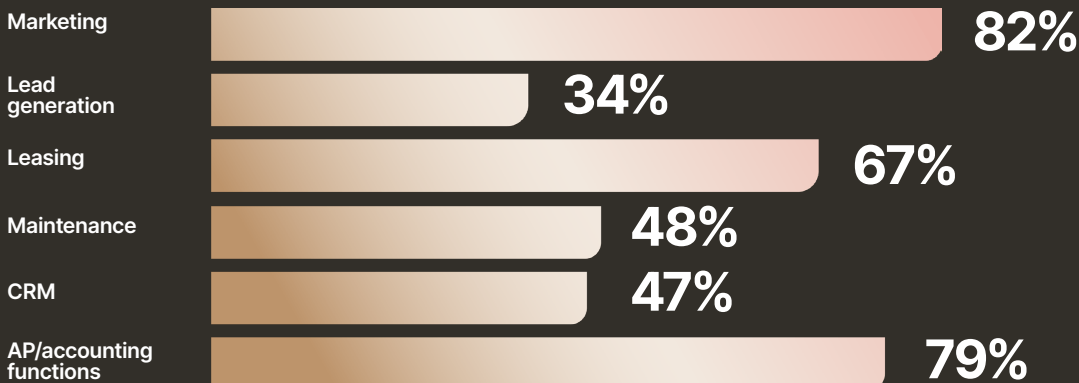
Have you centralized
any part of your business?

Yes
69%



No
31%

What operations have you centralized?



82% of those who have centralized some or all of their operations have centralized marketing, **79%** have centralized accounting/AP functions, and **67%** have centralized leasing.

Centralization has helped elevate roles and responsibilities **29%** and helped combine roles **23%**, with **24%** saying roles have stayed the same.

What are the biggest challenges you face when attempting to centralize operations?

| | |
|--------------------------------------|------------|
| Fragmented/disparate Tech stack | 44% |
| Resistance to change | 53% |
| Lack of process standardization | 46% |
| Data quality & visibility | 70% |
| Security/access control | 50% |
| Decentralized teams | 25% |
| Initial investment | 24% |

Because of centralization efforts, have you been able to make any of the following changes to the site or operations teams?

| | |
|---|------------|
| Elevate roles and responsibilities | 29% |
| Roles remain the same | 24% |
| Combine roles | 23% |
| Change job descriptions for associates | 11% |
| Decreased | 11% |
| Increased | 2% |

The most common roadblocks to centralization are data quality and visibility **70%**, resistance to change **53%**, and security or access control concerns **50%**.

How to simplify your tech ecosystem

To move toward a more unified, efficient system, start with a tech stack audit. Map out every workflow across the renter journey and evaluate which all-in-one solutions can handle those processes from start to finish.

The goal isn't just to connect systems, it's to eliminate friction and save time at every step. Prioritize platforms that fit your current workflows, not those overloaded with flashy but irrelevant features.

Consolidating with a single vendor can:

- Reduce costs and vendor management overhead.
- Strengthen data visibility and reporting accuracy.
- Save hours of redundant work across teams.

Your properties don't need more tools; they need **cohesion and scalability**. The right unified platform should do both.

Takeaway 5: Compliance builds trust

Survey respondents cite **Fair Housing compliance** as one of their top operational concerns, ranking even higher than staffing challenges. This growing anxiety reflects the increased scrutiny from federal, state, and local agencies, as well as expanding resident protections.

For multifamily operators, compliance isn't just a legal obligation, it's a **reputation safeguard**. Falling out of compliance or facing allegations of unfair treatment can quickly erode brand trust and invite costly liability. Leading operators understand that **compliance is a differentiator**, not a burden. By positioning themselves as the communities residents can trust, they build long-term credibility and loyalty.

What impact is fraud having on your business?



63%

of respondents have seen an increase in fraud over the past year.

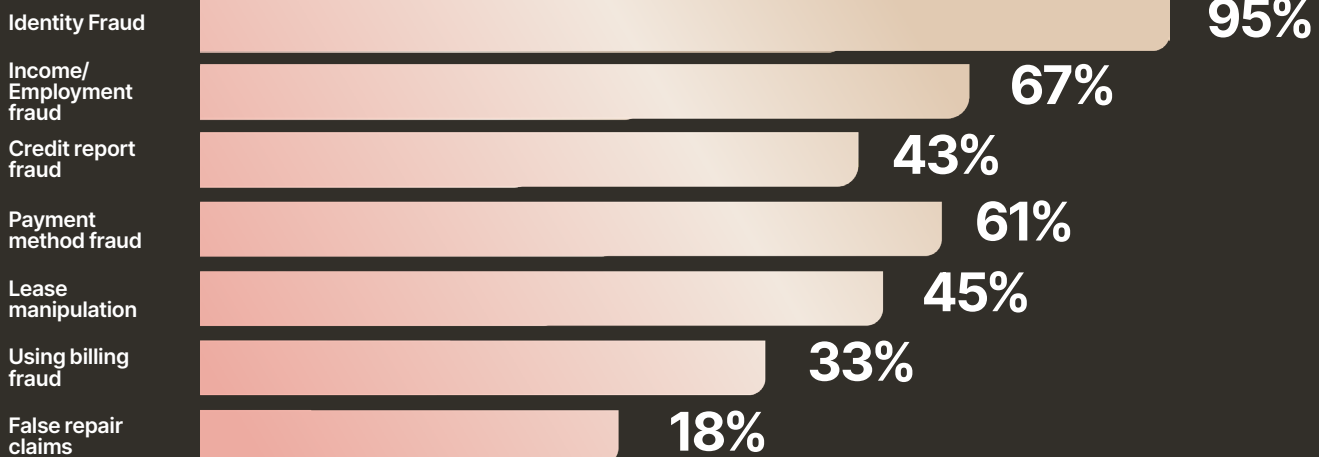
32%

Fraud has stayed the same

5%

Fraud decreased

What areas of business are you seeing the most uptick in fraud?



Protecting your business through proactive compliance

With identity and financial fraud on the rise, most operators are taking action:

- More than **three-quarters** of properties now use **identity verification tools** to help prevent fraud attempts.
- Many are embedding compliance checkpoints at every stage of the renter journey from application to renewal.

What tools are you currently using to combat fraudsters?

| | |
|--|------------|
| Identity verification | 77% |
| Income verification | 40% |
| Account verifications | 33% |
| No tools in use, but focused on training to identify red flags | 20% |



The next step is making compliance part of the culture, not just a process. That means:

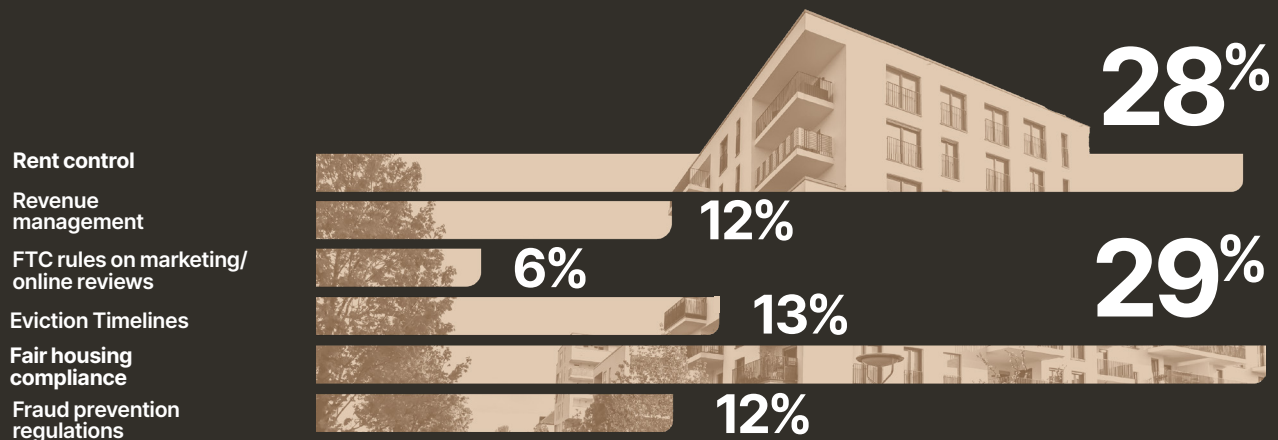
- Auditing workflows and vendors to ensure they meet compliance certifications.
- Training on-site teams regularly to stay ahead of evolving regulations.
- Automating policy guardrails with AI and digital tools to minimize the risk of human error.

Properties that weave compliance into daily operations project **maturity, transparency, and dependability**, qualities that strengthen both resident and regulatory trust.

The policy landscape

Respondents identified Fair Housing compliance and rent control as the two most closely watched regulatory issues. As these discussions evolve, operators who invest early in compliance readiness will not only mitigate risk but also signal integrity to residents, partners, and investors alike.

Which policy discussions are you most closely following?



Conclusion

The multifamily industry has entered a new chapter, one defined less by recovery and more by **refinement**. The turbulence of recent years forced operators to rethink what “growth” truly means, and the 2026 data makes that clear: success now depends on **consistency, integration, and operational intelligence**.

This year’s report reveals a market no longer chasing spikes in occupancy or rent, but instead focused on **protecting margins and strengthening fundamentals**. Operators are cautiously optimistic. Yet stability doesn’t mean stagnation—it creates the breathing room to innovate with intention.

Across every theme, resident behavior, concessions, technology, and compliance, the message is unmistakable:

- **Residents choose value, not just price.** Operators who deliver convenience, reliability, and lifestyle fit will win both leases and loyalty.
- **Concessions must become precision tools.** In a rising-cost environment, every discount should be intentional, measurable, and tied to outcomes.
- **Integration is the new innovation.** The tech stack doesn't need to grow, it needs to connect. Efficiency and visibility are now the most profitable features.
- **Compliance is trust at scale.** Teams that automate guardrails, verify identity, and demonstrate transparency are building lasting competitive advantage.

What emerges from the 2026 landscape is a simple but powerful truth:
multifamily's next era belongs to operators who simplify.

Simplicity doesn't mean doing less. It means doing **what matters most** with clarity and data-driven confidence. It means transforming resident experience, automation, and compliance into a unified operating model that drives both satisfaction and profitability.

To see how Entrata can
help you achieve this,

Request a
demo today.

