

Entrata 2024 Resident Report

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Unlocking resident insights
for property managers



Introduction

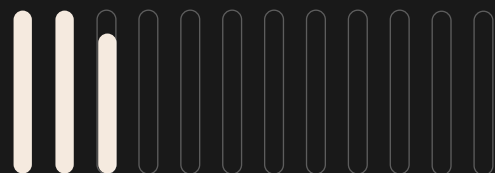
With more and more units coming online every day, the rental market is gradually shifting in favor of the renter. As a result, competition for new residents is going to increase significantly. Entrata surveyed **3,000 renters** across the US in an effort to better understand how they navigate the rental process and what their experiences are like finding, applying for, and moving into a new apartment. The following are key results we gleaned from the survey.

The reactive renter

Deciding where to live is one of the biggest decisions that people make, but renters aren't spending a lot of time, relatively speaking, looking for their next apartment. On average, respondents indicated they only started looking for their next apartment **2.9 months** before it was time to move, with **16%** looking for less than a month before moving and **28%** looking between **1-2 months**.

2.9 Months

average amount of time renters
look for a new apartment



Affordability trumps amenities

In today's rental market, it should be no surprise that finding an apartment that fits in their budget is far and away the most important factor respondents were looking for in a new apartment. Over the last decade, rental rates have increased by **36%** due to a number of factors, including inflation, higher interest rates, and increased operating costs. Over that same period of time median household income increased by only **17%** in the US. Renters are feeling that squeeze and are focused on finding the best possible deal they can.

Location, location, location

Location or neighborhood is the second most important criteria when looking for an apartment. Residents want to be close to where they work, recreate, go out to eat, and have access to public transportation. For individuals with children, the quality of the schools in a particular area play an important role in determining where they want to live.

Size matters

Finding an apartment that's the right size to meet their current living situation and needs is ranked as the third most important factor when choosing an apartment. Whether they're a young family looking for extra space or a single adult living a minimalist lifestyle, renters are looking for a specific number of bedrooms, bathrooms, storage space, etc. When it comes to the size of apartment, it's imperative to make it simple to access every floor plan option you offer so when they are searching they can easily discern what you have available.





Safety first

Respondents also want to live in areas that they deem safe and secure. While properties can't control when and where crime happens, they can put safeguards in place to give residents peace of mind that they are doing everything they can to protect members of their community from potential threats.

Top-10 factors considered when renting a new apartment



- | | |
|---------------------------------------|--|
| ① Budget/cost of rent | ⑥ Age and condition of the building |
| ② Location | ⑦ Amenities |
| ③ Size and layout of the apartment | ⑧ Maintenance |
| ④ Safety and security of the property | ⑨ Noise levels in the area (traffic, trains, loud neighbors, etc.) |
| ⑤ Terms of the lease | ⑩ Access to natural light |



Amenities matter less than you think

While amenities aren't at the top of the list for residents looking for a new apartment, they can act as a way to differentiate your property from one with similar rates, location, and size. When deciding which amenities to offer, you don't need to think or spend big. Respondents are looking for the basics first. Pools, fitness centers, and pickleball courts are nice to have, but they're not as important as on-site laundry, parking, storage, available outdoor space, and pet friendly policies. You don't need to be flashy and have the most high-end amenities. Keeping it simple will be enough to make your residents happy.

Which amenities are most important?



- | | |
|---------------------------------|-------------------------|
| ① On-site laundry | ⑥ Gym/fitness center |
| ② Parking | ⑦ Swimming pool |
| ③ Storage | ⑧ Smart home technology |
| ④ Outdoor space (patio/balcony) | ⑨ Pickleball court |
| ⑤ Pet-friendly | |

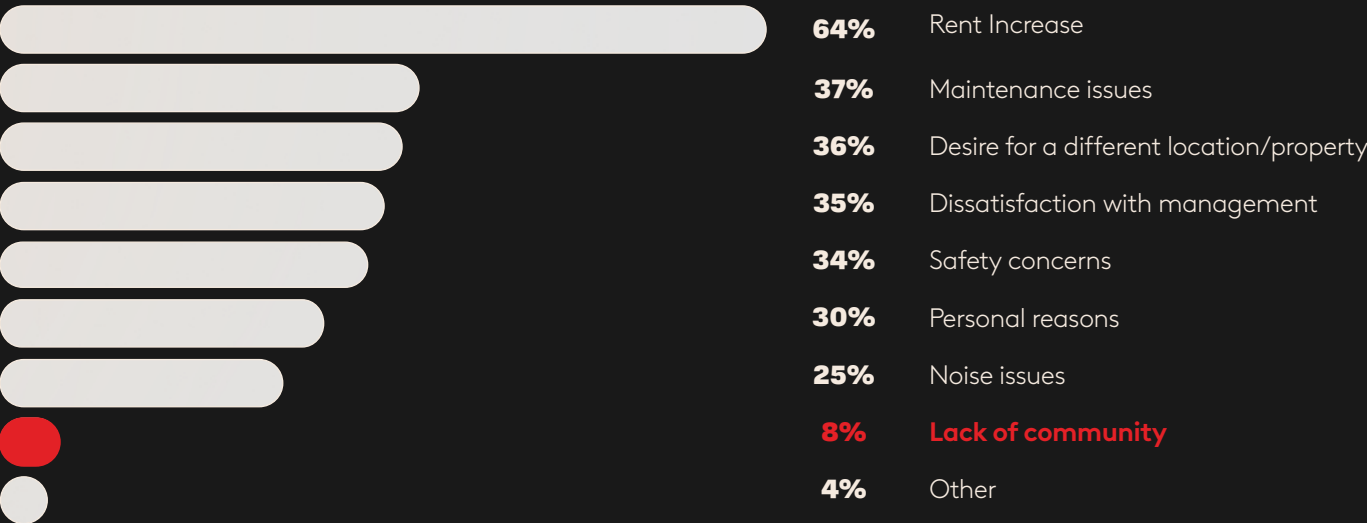
Maintenance helps with retention

One thing that’s interesting to note is that maintenance didn’t rank very high when residents are looking for an apartment **(8 out of 10)**, but when it came down to deciding whether or not they wanted to renew their lease it was the second most important factor, behind only competitive rent/**rent increase**. Other factors that are most important to individuals include overall satisfaction with the living experience, convenient location, positive relationships with management, incentives for renewing.

Community not a deciding factor

Despite a property’s best efforts to build a sense of community, it is not a top priority for residents. When asked what factors would prevent them from renewing their lease, lack of community ranked at the bottom with just **8%** saying that would be a deciding factor in renewing their lease.

Factors that would prevent renewal

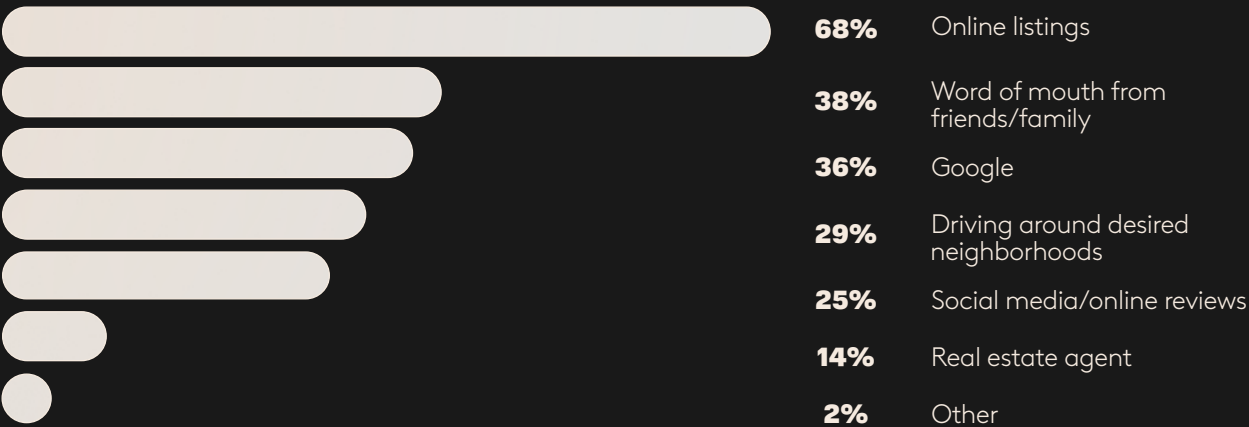


Navigating the renters’ journey

The internet plays a big role in how renters find their apartments with online listings and Google search taking up two of the **top-3** sources. Interestingly enough, recommendations from family or friends ranked second. This emphasizes the need to not only have a good digital marketing strategy in place, but also a top-notch resident experience to ensure good recommendations along with good online reviews.

Because location is such a big factor in the renter’s preference, driving around and looking for apartments in and around desired neighborhoods ranked high. Finally, social media and using a real estate agent rounded out the list. Beyond that, there were a small number of respondents that said they utilized government agencies like the VA or senior services to help them secure new apartments

Preferred method for finding apartments



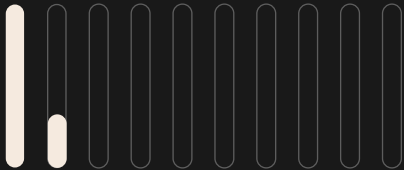


Transparent application process a must

Navigating the application process was easy-to-very easy for two-thirds of respondents, while **13%** of respondents said the process was difficult. While that's a small percentage, there is some work to be done by properties to make the process more seamless and intuitive.

13%

found the application
process difficult



For those who found the application process difficult, the biggest obstacle they faced was finding an apartment in their budget or in their preferred location. While properties have less control over solving those problems, the rest of the list is under the property’s control to fix. Respondents noted they were faced with misleading information on the listing and dealing with unresponsive or uncooperative management.

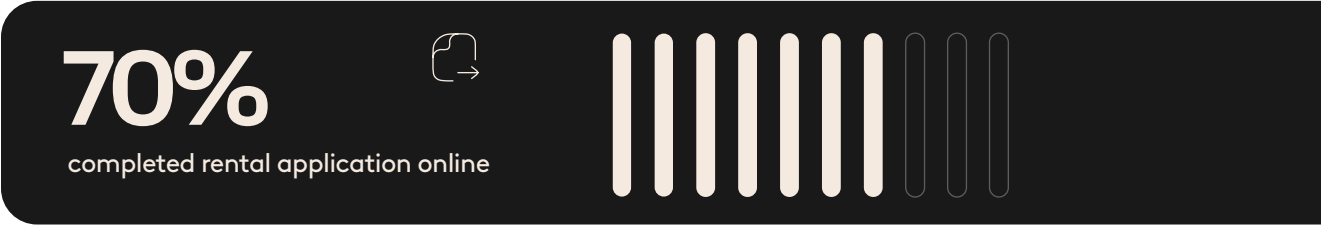
Transparency is key when trying to both attract and retain residents. Put safeguards in place to ensure that the information posted about your properties is accurate and easy to understand while also utilizing technology to make the process as simple as possible.

Difficulties renters face when searching for an apartment



Online applications preferred by most

It should be no surprise that **70%** completed the rental application online. That's the most efficient way for both residents to complete and for site staff to manage. It was however a little surprising that **22%** completed a physical application while another **8%** had the opportunity to complete online but preferred not to.

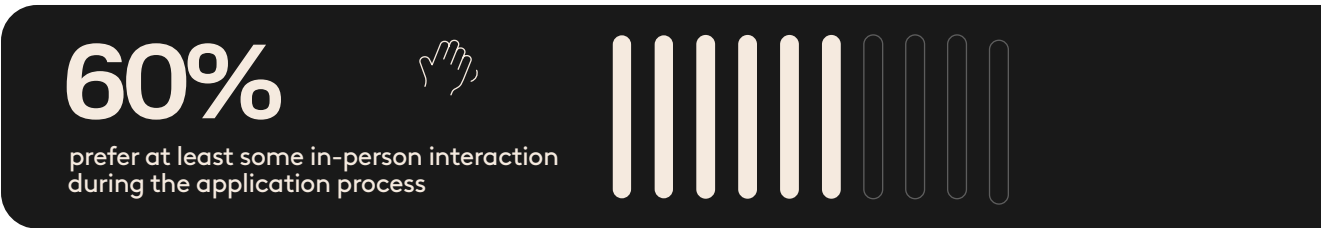


Properties are very responsive to new applications

Most properties were very responsive to applications with **¼** saying they received a response within the first **24 hours** and another **40%** got a response between **1-2 days**. Only **14%** had responses later than **5 days**, while **20%** received a response within **3-5 days**. For a majority of respondents (**82%**), the properties they engaged with met or exceeded their expectations, while **18%** did not have their expectations met with regard to how long the application process took.

In-person interactions still wanted

Nearly **⅔** of respondents would like to interact with site staff during the evaluation and application process, while **21%** would prefer the entire process be self-serve, the remaining **19%** had no preference. This shows that while automations are good and can accelerate the application and approval process, residents still do value some face-to-face interaction with someone at the property.





Screening process is fair and fast

An overwhelming majority (**92%**) felt the screening process was fair and transparent, while **93%** of respondents also indicated they were provided clear information about the reason for being approved or denied for the apartment. Another **93%** also felt that properties were doing enough to keep the personal information provided as part of the screening and application process private.

Transparency and quick communication about the screening is paramount in today's market as new legislation is being introduced and enacted in many states that requires a copy of the screening report is provided to the applicant when they are denied. The most common screenings during the application process include:

84%

Income/credit check

72%

Rental history and
eviction checks

47%

References

75%

Background check

56%

Criminal history



Renters willing to purchase services during application process

Respondents showed a willingness to purchase insurance and other services directly from the property as part of the application process, including renters insurance, deposit alternatives, rent credit reporting, and signing up for utilities. When it comes to rent credit reporting, more than half of respondents would pay a small fee to have on-time payments reported to the three major credit bureaus.

47%

would purchase renters insurance directly from the property



49%

would purchase deposit alternatives

69%

said if given the opportunity to connect utilities as part of the application/move-in process they were likely to do so.

69%

also said they would be likely to consolidate utilities and rent onto a single invoice if given the opportunity

69%

would sign up to have on-time payments reported to the three major credit bureaus



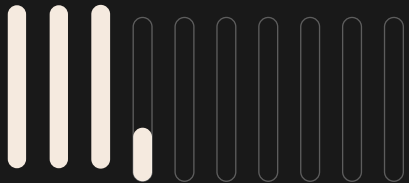


Automated, digital move-in process needed

Respondents noted the move-in process went smoothly for the most part. This can be attributed to the improved organization by properties as **54%** of respondents received a checklist prior to their move-in date. However, of those that received a checklist, **67%** received printed checklists while just **33%** received digital checklists. This is yet another opportunity for properties to become even more efficient by digitizing the move-in checklist, which makes it easier to track how far along the resident is on the checklist.

33%

of respondents received a digital
move-in checklist



Online payments are becoming the norm

Nearly **60%** of respondents pay their rent online, while **33%** pay with a physical check, the remaining **9%** use other payment methods like a money order. However, only **28%** of respondents have set up autopay for their rent.

58%**Pay rent online****28%****Have autopay
set up****26%****Said their property
management
company doesn't
offer automatic
payments**

The main reason cited is they preferred to pay rent manually, but **26%** said their property management company currently didn't offer automatic payments. Another **22%** said their income fluctuates from month to month so they didn't want to commit to a set date to pay every month. While **15%** said they don't trust the system to correctly debit the correct amount every month and another **15%** had concerns about the security and privacy associated with automatic payments.

Just because most renters aren't set up on automatic payments now, doesn't mean there isn't a path for them to get there in the future. Below are the top ways to overcome concerns about autopay:

- Offer incentives
- Adopt stricter security/privacy standards
- Send reminders before each payment is processed
- Guarantee refunds for incorrect or unauthorized debits
- Provide clear instructions on how to set up, including instructions on how to cancel
- Have a dedicated customer service line to answer questions related to autopay



Conclusion

While most property management companies are doing a stellar job meeting the needs of applicants and residents, there are a few areas where improvements can be made. First, and foremost, be transparent about what your properties have to offer. When your listings are misleading or you include fees that weren't discussed in initial meetings, that can be a turn off to residents and might push them to other properties.

Second, find a way to pair the online experience with in-person interactions at the properties. While a majority of applicants prefer to fill out applications online, they don't necessarily want the entire experience to be. Implementing a CRM that enables you to make seamless handoffs between offline and online experiences is key to ensuring a smooth application process for your residents.

Finally, make a push to increase the number of residents that opt in to automatic payments. Doing so will save you time and energy tracking down late payments, while also reducing the amount of bad debt on your books.



To learn more about how Entrata can simplify the moving process for prospects and residents, **request a demo** today.

Entrata powers over 20,000 communities worldwide helping clients achieve and exceed their goals.