

THE VOICE OF THE PROPERTY MANAGER

Assessing the State of Property Management



The National Apartment Association (NAA) conducted a survey of property managers, sponsored by MRI Software, in November 2022. More than 2,000 industry professionals responded to the survey. This report focuses on the 1,600+ individuals who identify themselves as property managers.

Nearly 88% of respondents identified as women, with 54% in the 35–54-year-old age category. The plurality of respondents work for owners/operators (45%) in market-rate apartment communities (54%). The majority, 55%, work for smaller owners (less than 5,000 units), 29% work for mid-sized owners (5,000-29,999 units) and the remaining 16% work for larger owner/operators. About 52% personally manage fewer than 200 units, and more than three-quarters manage fewer than 300 units.



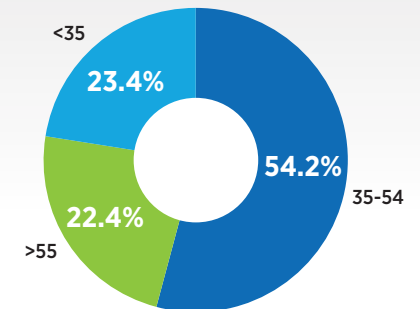
While there will always be some geographical bias based on NAA member concentration, overall, the survey results represented the apartment market well. The top 12 states for apartment dwellers account for 65% of renter-occupied households, according to the Census Bureau, while these same 12 states comprised 56% of the survey responses.

PERCENTAGE OF RESPONDENTS **88%** of 1,600 respondents identified as women

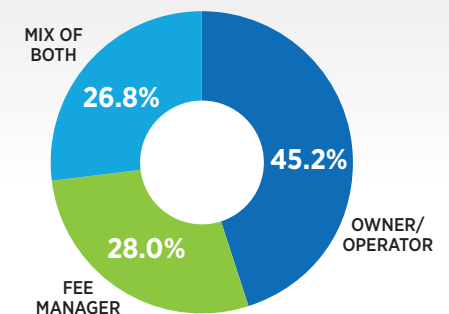


OVERVIEW OF RESPONDENTS

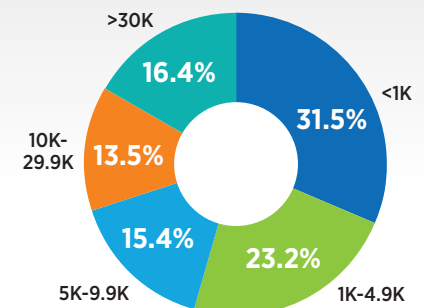
AGE



TYPE OF BUSINESS



NUMBER OF UNITS MANAGED



For Complete Overview of Respondents, see page 11

THE CURRENT STATE OF PROPERTY MANAGEMENT

OVERALL SENTIMENT

An overwhelming majority (83%) of property managers say they enjoy their jobs, report that they feel that their positions are secure (75%), have the tools and resources to do their jobs correctly (75%), are given the flexibility they are looking for (73%) and are proud to work for their company (83%). In addition, 86% of survey respondents say they think the people they work with are great.

JOB SATISFACTION OF PROPERTY MANAGERS

I enjoy working there



My role is secure



I have the tools and resources to do my work correctly



I am given the flexibility I am looking for



I am proud to work there



The people I work with are great



Partially/Completely Agree

NET PROMOTER SCORE

Using a standard net promoter score scale of ratings of 9-10 being promoters, 7-8 being passive and 6 and lower being detractors, property managers had a higher number of detractors when asked whether they would recommend

working in property management to a friend or colleague, resulting in a slightly negative net promoter score of -3. While some detractors might have chosen a lower score because they felt that while they can deal with the challenges of property management, it is not for everyone, it is worth exploring how this group of detractors differs and what is causing their dissatisfaction. To be clear, the average response rating was 7.1 on a 10-point scale, with 10 being “extremely likely,” but more survey participants chose ratings of 0-6 (34.3%) than ratings of 9-10 (31.3%), with passives (7-8 rating) slightly edging out detractors at 34.4%.

More than half of detractors say they do not have a good work-life balance, 92% cite negative impacts on mental health and 39% are dissatisfied with their salaries. About one-third are unsure whether they’ll be in property management in three years while nearly one in five say they will not. Slightly more than 48% feel they have been provided with proper training.



Property Management Promoters have a good work-life balance, fewer negative impacts on mental health and are satisfied with their salaries.

	Good work-life balance	Negative impacts on mental health*	Salary Satisfaction	Flexibility Satisfaction	Technology Satisfaction	Management Support Satisfaction	Suitable Level of Training
DETRACTORS (0-6 RATING)	35.8%	91.6%	38.6%	53.0%	57.2%	52.5%	48.1%
PROMOTERS (9-10 RATING)	81.6%	52.4%	71.0%	90.3%	82.1%	88.2%	71.5%

* Mild, moderate & significant

DETRACTORS

Challenges

- 1 Dealing with aggressive and abusive residents and tenants
- 2 Mental health and the inability to switch off after hours
- 3 Maintaining proper staffing levels

Lack of Training

- 1 Mental Health and Wellness
- 2 Legal and compliance
- 3 Thought Leadership – future trends and technology

As far as top challenges are concerned, both promoters and detractors put dealing with difficult residents on top. For detractors, mental health and the inability to switch off is also challenging, as is maintaining proper staffing levels. When one considers the fact that nearly 45% of detractors see their next role as a lateral one or one with more responsibility within property management, it

**DEALING WITH
DIFFICULT RESIDENTS
ARE THE TOP
CHALLENGES FOR
BOTH PROMOTERS
AND DETRACTORS**

is clear that it is not the job itself, but the lack of work-life balance, the workload and the impacts on mental health. This is also confirmed by the fact that nearly 69% say they enjoy their job and 68% say they are proud to work at their organizations. With more mental health resources, including training, and a focus on managing workloads, these detractors do not have to become burnt out, former employees.

PROMOTERS

Challenges

- 1 Dealing with aggressive and abusive residents and tenants
- 2 Maintaining proper staffing levels
- 3 Working with residents who are at risk of an eviction

Lack of Training

- 1 Legal and compliance
- 2 Leadership skills
- 3 Existing products or services/ Internal systems & processes (tie)

WORKLOAD & HEALTH

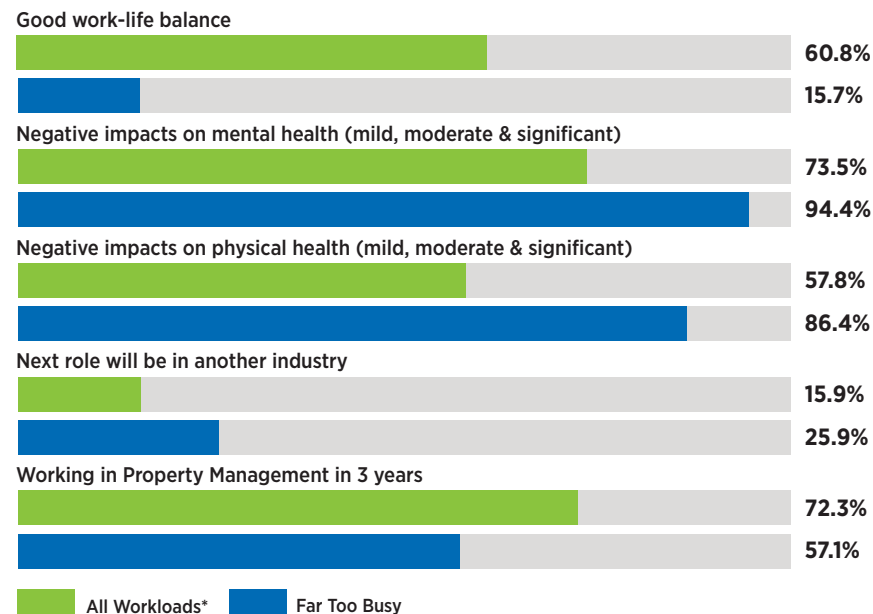
When it comes to workloads and health concerns, not everything is so rosy among otherwise satisfied property managers. Although nearly 61% of property managers say they have a good work-life balance, 15% describe the amount of work they have as “just right” while 43% say it is on the busy side. However, workloads that are far too busy were cited by just 13% of respondents.

An astonishing 74% of respondents said their job negatively impacts their mental health, while 58% feel their jobs impact their physical health. It’s important to note the severity of impacts cited by respondents, with fewer than 10% saying their jobs had a significant impact on their mental health, and the plurality (39%) saying the impact was mild.

WORKLOAD AND WORK/LIFE BALANCE BY UNITS PERSONALLY MANAGED



HEAVY WORKLOADS AND WORK-LIFE IMBALANCE CONTRIBUTE TO RESIGNATIONS



*Fairly quiet, far too busy, just right, on the busy side, up and down

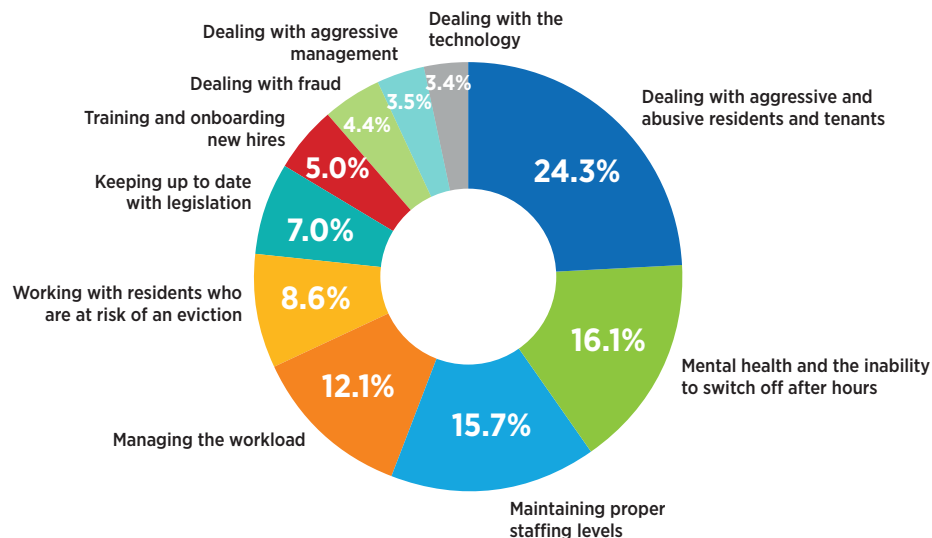
The picture changes for those with overwhelming workloads, with 71% saying they do not have a good work-life balance and 94% answering that their jobs negatively impact their mental health, and more than one-third of those saying the impact is significant. Additionally, 86% feel their physical health is negatively impacted. About 15% do not see themselves in property management three years from now while more than one in four plan to leave the industry altogether. These final two metrics are double the level of those who described their workloads as either on the busy side or just right.

Nearly 23% of survey respondents personally manage more than 300 units, which appears to be the tipping point for heavier workloads and their repercussions. As anticipated, these property managers were the most likely to choose the “far too busy” response, and nearly 80% said their jobs had a negative impact on their mental health. Additionally, about 38% responded that they did not have a good work-life balance, a significant difference compared to the entire survey profile of less than 30%.

CHALLENGES

Abusive or aggressive residents garnered 24% of responses to the biggest challenges question. The next three challenges are likely tied together: Mental health and the inability to switch off (16%), maintaining proper staffing levels (16%) and managing the workload (12%). At the other end of the spectrum, respondents found dealing with technology (3%), aggressive management (4%) and fraud (4%) to be less taxing.

WHAT WOULD YOU SAY ARE YOUR BIGGEST CHALLENGES WORKING IN PROPERTY MANAGEMENT?



TRAINING AND DEVELOPMENT

More than half (60%) of property managers either partially or completely agree that they have been given suitable training for their roles. For the 21% who do not agree, the training they said they were most lacking was internal systems and processes, and mental health and wellness, tied for first.

During the past 12 months, property managers have received training on legal and compliance issues, existing products and services and internal processes. Mental health and wellness training came in last place on a list of eight possible answers, comprising just 7% of responses, so it should come as no surprise that it placed first in training that property managers feel is lacking. And even though many are being trained on legal issues, it came in second place for lack of training. Thought leadership, future trends and technology came in third.

Other desired training covered evictions, budgeting/finance, conflict resolution and dealing with difficult people, a mentor or buddy system, as well as intensive training for any new technology, procedures or initiatives. Some seasoned professionals discussed the need for refresher training, being exposed to new ideas and being able to keep up with the changing needs of the industry. A need for continual training throughout the property management career lifecycle came through loud and clear in the open-ended responses.

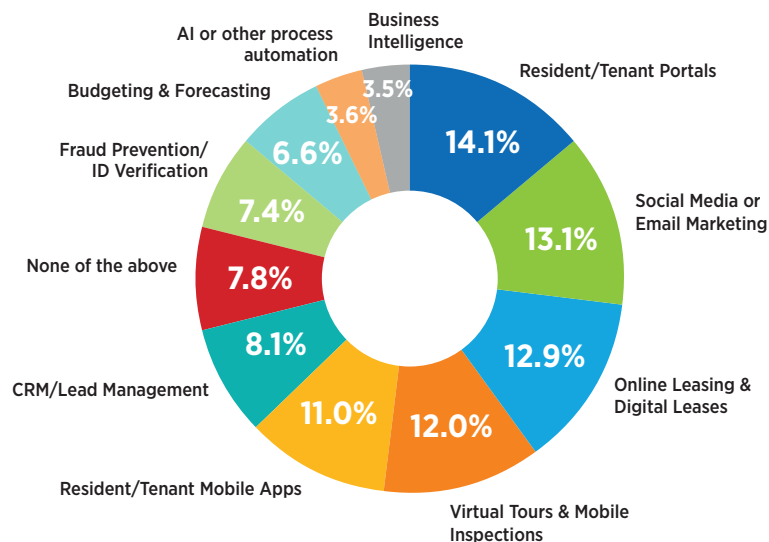
60%
OF PROPERTY
MANAGERS EITHER
PARTIALLY OR
COMPLETELY AGREE
THAT THEY HAVE
BEEN GIVEN SUITABLE
TRAINING FOR THEIR
ROLES

TECHNOLOGY

Just about equal proportions of property managers were somewhat and extremely satisfied with the technology they use for a total satisfaction score of 71%.

In terms of adopting new property management technology, on average, property managers felt there was about a 25% chance. Of those, achieving more efficiency was far and away the top reason for spurring their companies to make the switch, with 43% of respondents citing it. Open-ended comments around software changes focused on the fact that it is a decision made at the corporate level and most property managers do not have influence over it. Several said they just recently changed applications, while others said it was either the decision of the owner or fee manager.

WHICH TECHNOLOGIES HAVE YOU ADOPTED WITHIN THE LAST 18 MONTHS?



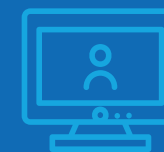
During the past 18 months, the top five technologies adopted were: Resident portals; social media or email marketing; online and digital leasing; virtual tours and mobile inspections; and resident mobile apps.

As expected for seasoned property managers, the technologies they found most intuitive and easy to use were

property management and accounting, followed by resident portals and online/digital leasing. Technologies ranked challenging included AI or other process automation, virtual tours and mobile inspections, as well as fraud prevention/ID verification.

71% Satisfaction Score for Technology Used by Property Managers

TOP 5 TECHNOLOGIES ADOPTED BY PROPERTY MANAGERS



1. RESIDENT PORTALS



2. DIGITAL MARKETING



3. ONLINE LEASING



4. VIRTUAL TOURS



5. RESIDENT MOBILE APPS

CAREER PATHS

Many survey respondents are seasoned professionals with nearly 47% in their current roles for seven or more years. About 54% said their companies offer internal career opportunities, but that is not the experience of approximately 23%. While nearly one in five are unsure if property management will be right for them in three years, a significant number (72%) see themselves in the field at that time. Approximately 39% say the next step will be taking on more responsibilities within property management, while 24% think a corporate role will be the right fit for them.

Property managers are somewhat satisfied with their salaries, at 39%, but fewer than one in five are extremely satisfied. A sizable three-quarters of respondents are either extremely or somewhat satisfied with the flexibility their jobs provide them.

COMPENSATION SATISFACTION

With COVID-19 disrupting the labor market, hiring and retention has become increasingly competitive as companies struggle to attract and keep skilled talent in a shrinking labor pool. In addition to fierce demand, increased workloads brought on by the pandemic and subsequent record-breaking levels of demand have upturned employee salary expectations.

Property managers in the Northeast are the most content with their salaries, boasting an overall satisfaction rate of 61%, while Midwestern and Southern property managers weren't far behind at 60% and 59%, respectively. The survey revealed that property managers located in the Western region are the most discontented with their salary. About 28% feel that they do not earn enough money for their hard work.

Although property managers working in the Northeast are among the most satisfied with their pay, they are also feeling

the most overwhelmed and overworked, as 18% cited they were far too busy. Those located in the West have a more balanced workload, as 18% reported that their workloads are just right.

61%
OF PROPERTY
MANAGERS IN THE
NORTHEAST ARE THE
MOST CONTENT WITH
THEIR SALARIES

A clear majority of property managers across all regions indicated satisfaction with their jobs. Despite feeling overburdened at work, property management professionals in the Northeast have a higher level of job satisfaction than those in other regions, with 87% reporting that they enjoy their job. Although only fewer than one in 10 expressed negative sentiment, the West had the highest percentage of dissatisfied property managers, with just under 7% of them stating they do not enjoy their work.

SALARY SENTIMENTS BY REGION

MIDWEST

Total Satisfaction	59.7%
Total Dissatisfaction	27.0%
Neutral	13.3%

NORTHEAST

Total Satisfaction	60.8%
Total Dissatisfaction	26.5%
Neutral	12.7%

WEST

Total Satisfaction	49.9%
Total Dissatisfaction	28.2%
Neutral	21.9%

SOUTH

Total Satisfaction	59.0%
Total Dissatisfaction	25.7%
Neutral	15.3%

COMMITMENT TO INDUSTRY

Experienced property managers in their late 40s and early 50s represented the top age group to remain working in the rental housing industry; 78% want to continue working in property management for the next three years. Over half of this group have seven or more years of tenure in their current role. Not only does this age group want to continue in the industry, but they want to move up the ladder and take on greater challenges.

Nearly 47% want their next role to be in property management but with more responsibilities.

As the 35-to-44 age bracket looks ahead, a staggering three out of four plan to stay in property management for the next three years. About 47% are aiming to take on additional property management responsibilities in their next role, while a third are seeking a corporate level position.

Young property managers (under 35) appear the most uncertain regarding their future in the industry. Most foresee themselves

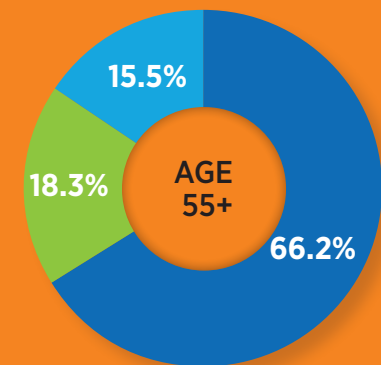
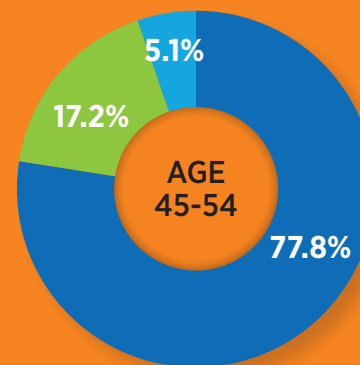
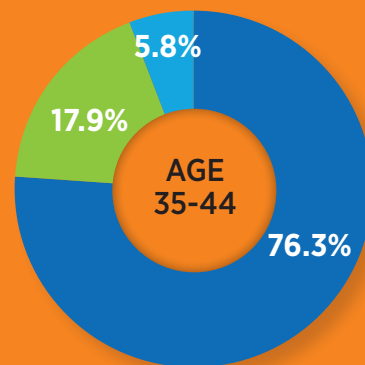
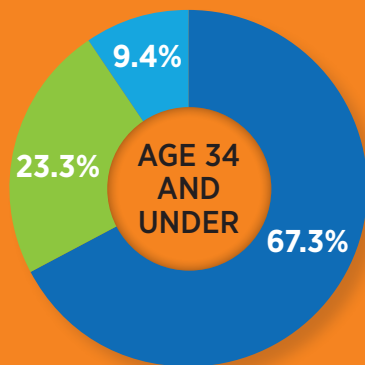
78%
OF 40-50 YEAR-OLD
PROPERTY MANAGERS
WANT TO REMAIN IN
THE INDUSTRY

staying in this field for at least three years, but over 23% have yet to make up their minds. The plurality (35%) of this cohort has one to two years of experience. However, an impressive 65% noted that they have been

offered internal opportunities to advance their career in the industry, signaling that property management is rife with potential for young professionals.

With imminent retirement in sight, the 55 and older demographic is leading the trend away from working in property management; 16% reported that they do not plan to work in the field in the next three years. This finding coupled with the uncertainty of the younger cohort means succession planning will become increasingly important for the industry.

DO YOU SEE YOURSELF WORKING IN PROPERTY MANAGEMENT IN 3 YEARS?



■ YES ■ UNSURE ■ NO

THE FUTURE OF PROPERTY MANAGEMENT

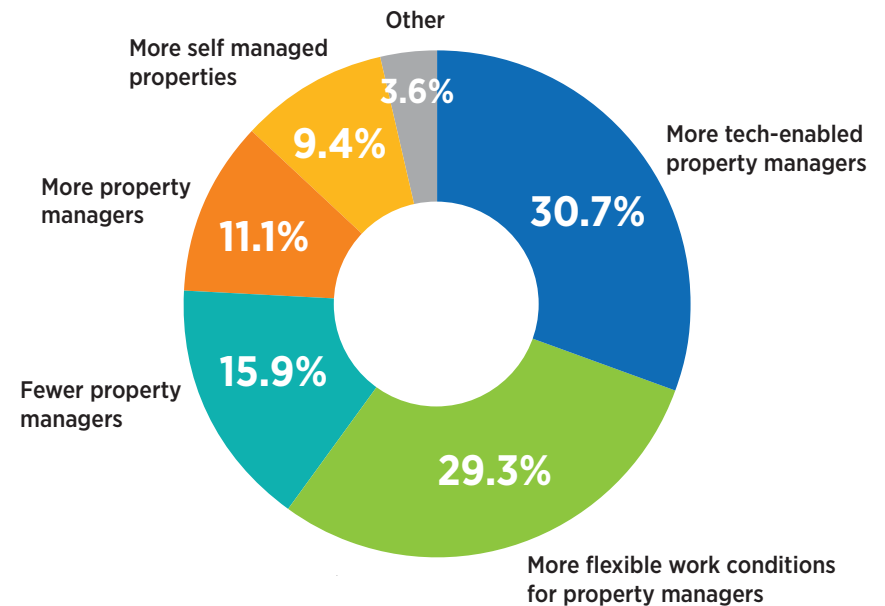
KEY ISSUES

Property managers were asked to rate eight issues impacting the industry now by whether they saw it as an opportunity, a challenge, a significant problem or essential for the industry to embrace. Very few respondents said any of the issues posed significant problems, and the only issue that came out on top as a challenge was changing regulations. Most saw these issues as opportunities, reflecting their passion for the industry, with the top opportunity being property market performance; followed by digital and social media

marketing, and changing work practices including flexibility and outsourcing. Top issues that property managers thought were essential for the industry to embrace were digital and social media marketing; changing work practices including flexibility and outsourcing; and digital disruption and new technology. Almost equal amounts of property managers view the centralization of functions as either having no impact or being an opportunity. Short-term and holiday rentals were largely thought to have no impact on the industry.

The top three changes respondents expect in property management over the next five

HOW DO YOU THINK PROPERTY MANAGEMENT WILL CHANGE OVER THE NEXT FIVE YEARS?



years are more tech-enabled property managers (31%), more flexible work conditions (29%) and fewer property managers (16%). Just over 11% of survey participants expect there to be a need for more property managers. Open-ended comments focused on increased turnover during the next five years with seasoned employees leaving the industry, largely due to excessive workloads, low pay and burnout. Other comments included the expectation for

more technology, leading to more self-managed properties. Finally, some participants think the industry should embrace more flexibility. It is noteworthy that one in four property managers sees either fewer property managers or more self-managed properties in five years. But they are outnumbered by those who see their roles expanding through technology rather than being replaced by technology.

LOOKING AHEAD



With 22% of property managers at age 55 and older, it is vital to the industry that the property management talent pool stay stocked with workers who may be replacing retirees in 10 years' time. It's evident that owners and operators are already using tactics to attract and retain talent including allowing flexibility, giving employees basic tools and resources, as well as tech-heavy ones, and providing legal and compliance training. What owners and operators need to do better is providing solutions to manage workloads to enable better work-life balances, offering more career opportunities, augmenting training on future trends and technology and furnishing plenty of mental health resources.

OVERVIEW OF RESPONDENTS

HOW OLD ARE YOU?

35-44	29.1%
45-54	25.1%
55+	22.4%
25-34	21.8%
Under 25	1.6%

WHAT TYPE OF BUSINESS DO YOU WORK IN?

Owner/Operator (100%)	45.2%
Fee Manager (100%)	28.0%
Mix of Owner/Operator and Fee Manager	26.8%

WHAT SERVICES DOES YOUR COMPANY PROVIDE?

Multifamily property management (market rate)	53.6%
Affordable Housing Management	15.5%
Commercial property management incl. mixed use	9.1%
Senior Housing Management	8.3%
Single Family Housing Management	6.4%
Student Housing Management	4.8%
Condo/HOA Management	2.4%

HOW MANY UNITS DOES YOUR COMPANY MANAGE?

Less than 1,000 units	31.5%
1,000 - 4,999 units	23.2%
30,000 or more units	16.4%
5,000 to 9,999 units	15.4%
10,000 to 29,999 units	13.5%

HOW MANY UNITS DO YOU PERSONALLY MANAGE?

100 - 199	35.5%
200 - 299	25.1%
Less than 100	16.7%
300 - 399	11.7%
400 or More	11.0%

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