



# MULTIFAMILY INDUSTRY LEADERS SURVEY

ATTITUDES AND OUTLOOK  
ABOUT THE MULTIFAMILY INDUSTRY  
FROM INDUSTRY LEADERS

DECEMBER 2020



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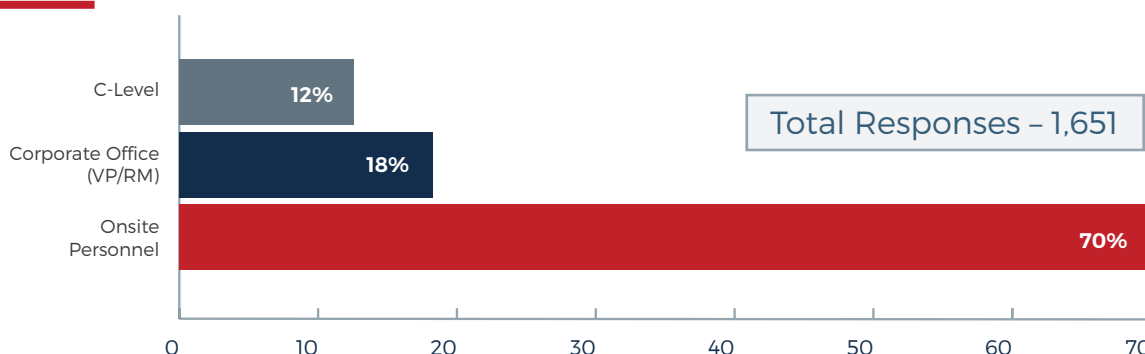


## ABOUT THE SURVEY

Since 2008, J Turner Research has conducted the Leaders Survey – An annual study of senior-level executives in the multifamily industry. The purpose of the survey is to gauge their attitudes and expectations about pertinent issues. Questions range from leaders' expectations and predictions for their portfolio, concessions, occupancy, availability of finance, optimism regarding the U.S. economy, and their most challenging concerns. For certain questions, we compare the difference in opinion of C-level executives and onsite personnel. The 2020 Leaders Survey trend report represents the responses and trends for the last 12 years. This year, we added a new section on questions to understand the impact of COVID-19 on property management.

For any questions about the survey, please contact us at [research@jturnerresearch.com](mailto:research@jturnerresearch.com).

## DEMOGRAPHICS



## ABOUT J TURNER RESEARCH

[J Turner Research](#) is the leading full circle online reputation management firm empowering multifamily companies with data to drive revenue. With our unique 360-degree process encompassing resident and prospects surveys along with reputation management, we enable clients to enhance resident satisfaction, increase closing ratios, and improve online reputation. J Turner pioneered Online Reputation Assessment™ (ORA™) Score, the industry standard to measure and benchmark a property's online reputation.

We have produced more than 25 national research studies that highlight emerging trends, shifting demographics, industry best practices, and new market opportunities.

To download our research studies, please visit <https://www.jturnerresearch.com/research>.

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## KEY FINDINGS

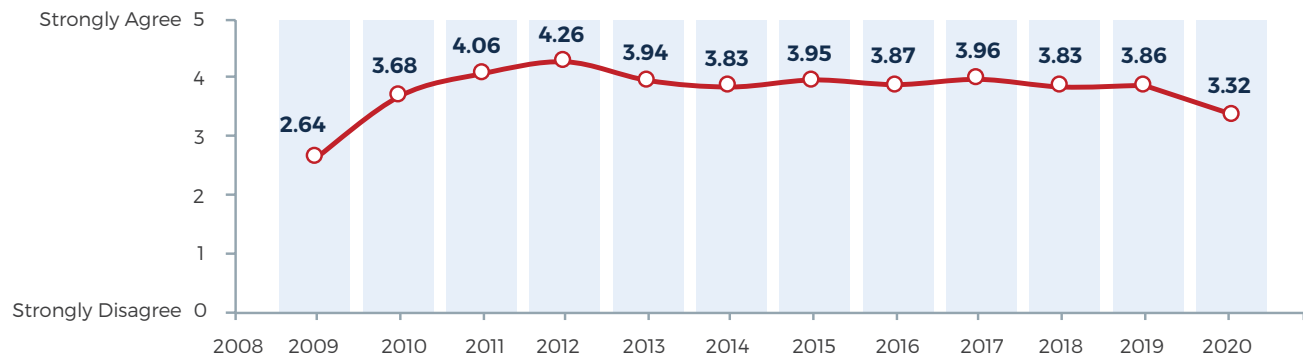
1. Optimism about rent growth fell to 3.32, its lowest level since 2010. (It was 2.64 in 2009 and 3.68 in 2010.)
2. The percentage of portfolio offering rent concessions has risen to 66%, highest since 2010. It was 13% in 2019.
3. The effective rent increase for the year came to 4.27%, slightly higher than 2019.
4. The average length of stay of residents in 2020 is reported at 25.63 months, up from 21.83 in 2019.
5. Regarding the most challenging issues reported by the respondents:
  - a. Timely payment at 52% is number one: This was not a big challenge until 2019. Next is raising rent at 40%, followed by hiring/talent management at 30%.
  - b. In 2019, hiring/talent management was reported as the biggest challenge.
  - c. The largest discrepancy between C-level and onsite personnel where onsite personnel have reported a bigger challenge: Team motivation, package management and timely rental payments.
  - d. The largest discrepancy between C-level and onsite personnel where C-level has reported a bigger challenge: hiring/talent management and government regulation.
6. The respondents reported no impact on the availability of financing.
7. Optimism for the national economy for the next 12 months has dropped to 3.00, down from 3.71 in 2019.
8. More than half (51%) of C-level executives indicated cutting back capital expenditures from the 2020 budget.
9. One-third of C-level executives indicated that their 2021 capital expenditure budget will be greater than 2020, 30% indicated it will be less, and 37% indicated that it will be the same as 2020.
10. Besides rent and location, the top three amenities in order of importance to prospective residents are:
  - a. In-unit laundry continues to be critical (first in importance since 2008).
  - b. Pet policies and upgraded appliances. The latter is a new factor added in this year's research.
  - c. Online reputation.
11. We asked the respondents to rate their opinion on the short-term rental business model on a scale of 1 to 5 with 5 being the most favorable. C-level rated the short-term rental business model at 2.91. Onsite teams were marginally more positive at 3.08.

### IMPACT OF COVID-19

12. The five biggest challenges of coping with COVID-19:
  - a. Onsite personnel reported the following as bigger challenges: Managing resident expectations, closing and opening amenities, and securing safety equipment.
  - b. C-level executives reported the following as bigger challenges: Employee schedule management (work from home, shutdowns, etc.), eviction moratorium/dealing with evictions, adapting to CDC and government guidelines related to the pandemic.
13. The respondents reported that 68% of their properties are under a local eviction moratorium.
14. With a focus on virtual and self-guided tours to manage COVID-19 safely, we asked the respondents to report leases tracked from virtual and self-guided tours. C-level executives reported tracking the percentage of leases from virtual and self-guided tours at 39%, while onsite personnel reported this at 23%.
15. According to the onsite personnel, in-person tours accounted for 42% of leases, the largest share from each tour type. Virtual tours came in at 35%; followed by self-guided tours at 28%.
16. Overall, the satisfaction level with the corporate's handling of the pandemic is high. (On a 5-point scale with five being the highest). C-level rated it at 4.41 and the onsite personnel rated it at 4.07.

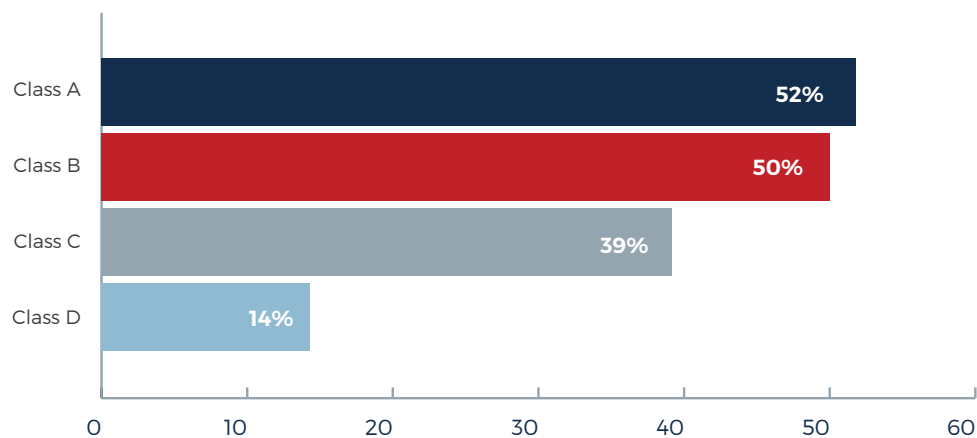


## I FEEL OPTIMISTIC ABOUT RENT GROWTH IN THE NEXT 12 MONTHS.

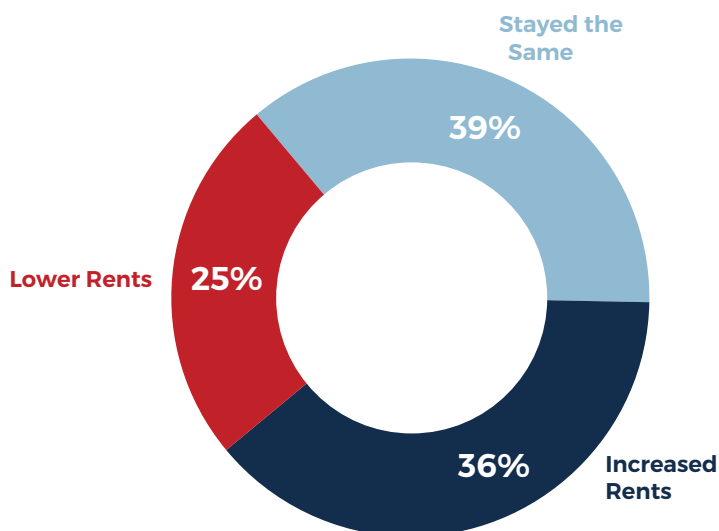


Number of Responses – 1,651

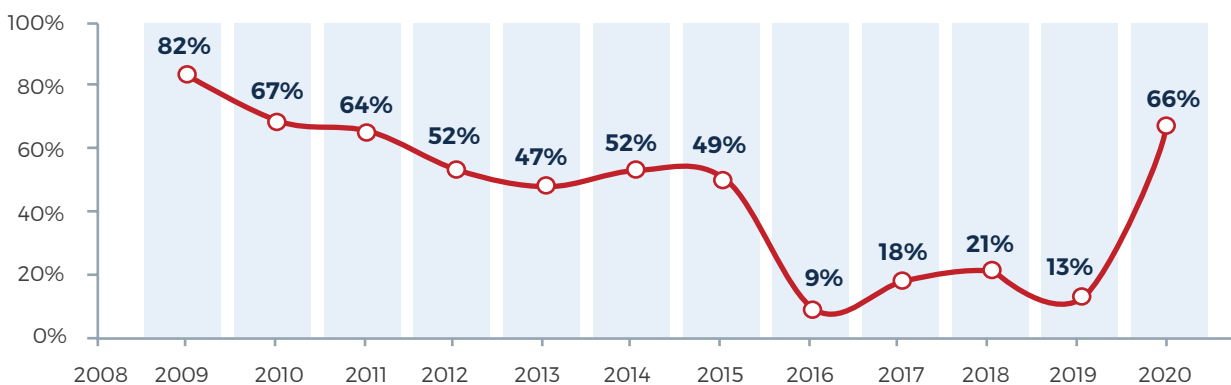
## WHAT'S THE APPROXIMATE PERCENTAGE BREAKDOWN OF YOUR COMPANY'S MULTIFAMILY ASSETS?



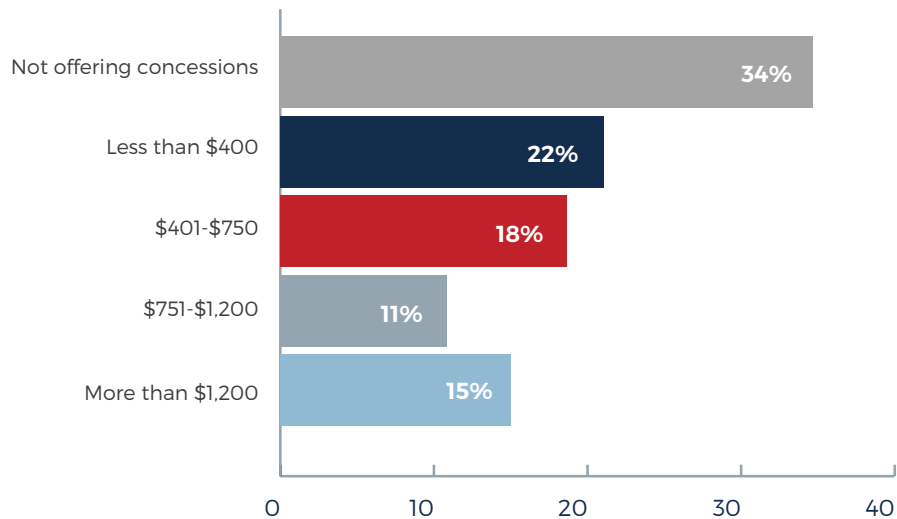
## GENERALLY SPEAKING, WHAT HAS BEEN THE **RENT TREND** FOR YOUR PORTFOLIO FOR THE YEAR?



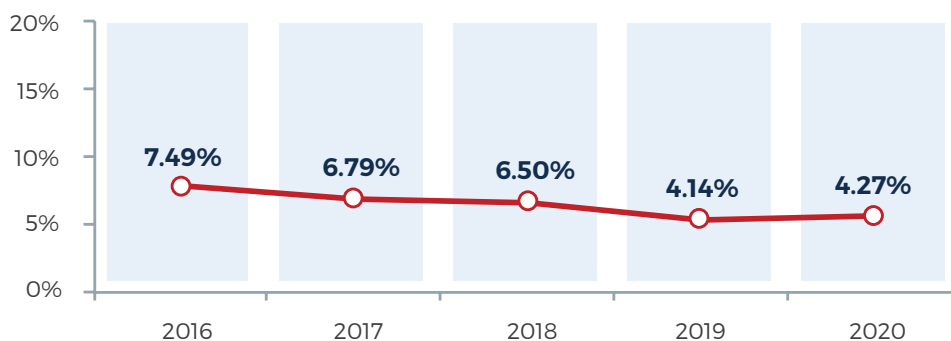
## PERCENT OF PORTFOLIO OFFERING **RENT CONCESSIONS**



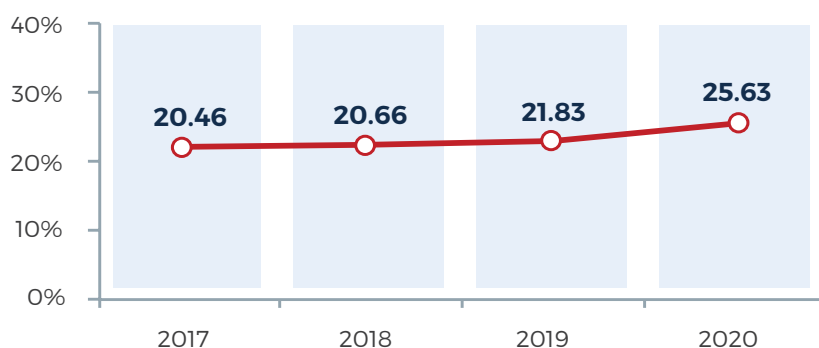
## AVERAGE **VALUE OF CONCESSIONS** THE COMMUNITIES IN YOUR PORTFOLIO ARE OFFERING



## AVERAGE EFFECTIVE **RENT INCREASE** FOR THIS YEAR

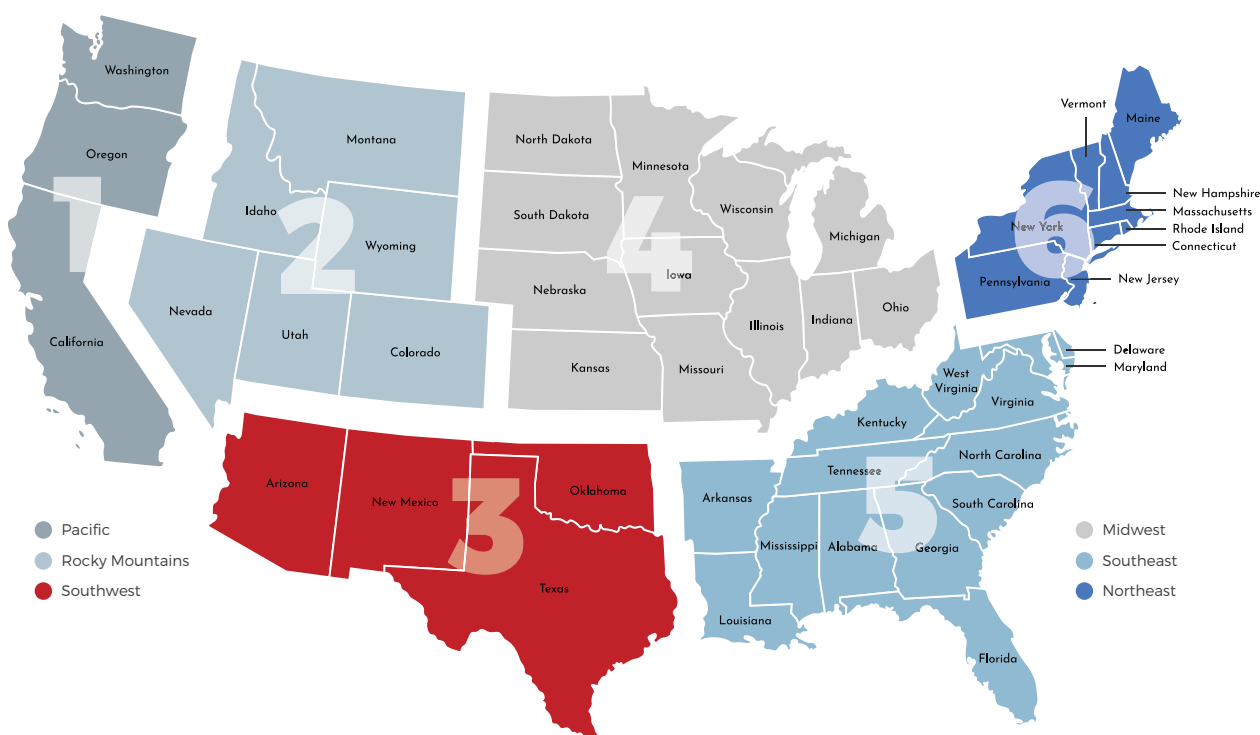


## AVERAGE LENGTH OF STAY OF RESIDENTS (IN MONTHS) FOR YOUR PORTFOLIO



## REGIONAL TRENDS

We asked the leaders to answer questions based on regions around the country. The regions are divided as follows:

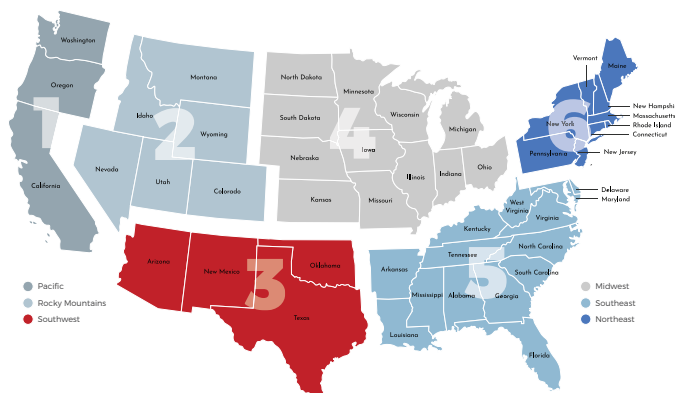




## REGIONAL TRENDS

Approximately, how many units do you own/manage in each region?

Region 1 – Pacific	460,697
Region 2 – Rocky Mountains	129,450
Region 3 – Southwest	611,518
Region 4 – Midwest	423,661
Region 5 – Southeast	754,629
Region 6 – Northeast	11,6250



How do you think rents will perform across each region in your portfolio in 2021?

	No units in the region	5%+ rent growth	1-5% rent growth	0% rent growth	1-5% rent decline	5%+ rent decline
Region 1 – Pacific	65% (68%)	4% (8%)	14% (21%)	10% (3%)	5% (0%)	3% (0%)
Region 2 – Rocky Mountains	68% (66%)	3% (6%)	21% (25%)	6% (2%)	2% (1%)	0% (0%)
Region 3 – Southwest	45% (37%)	3% (9%)	36% (47%)	11% (7%)	4% (0%)	1% (1%)
Region 4 – Midwest	48% (54%)	4% (8%)	31% (33%)	12% (4%)	4% (1%)	2% (0%)
Region 5 – Southeast	40% (32%)	4% (10%)	43% (53%)	9% (4%)	4% (0%)	1% (0%)
Region 6 – Northeast	71% (66%)	2% (3%)	16% (25%)	5% (4%)	3% (1%)	3% (0%)

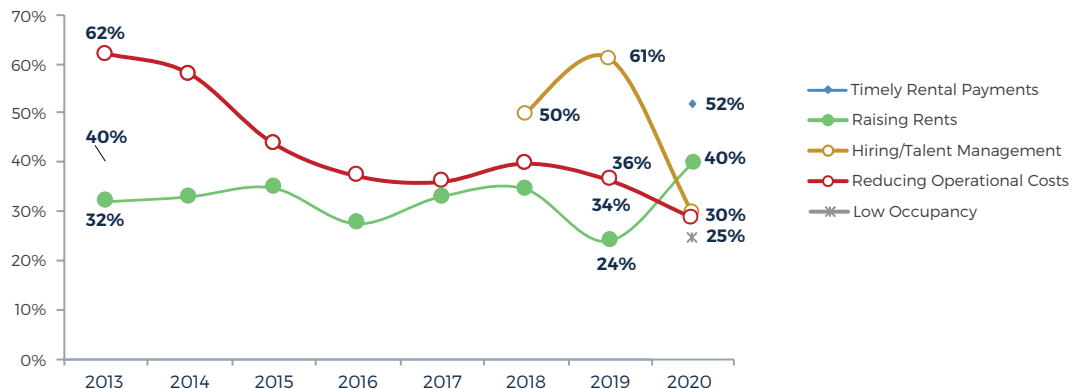
What is your portfolio's overall occupancy rate in each region?

	No units in the region	Less than 85%	85-89%	90-94%	95-100%
Region 1 – Pacific	69% (69%)	2% (1%)	2% (0%)	10% (11%)	17% (18%)
Region 2 – Rocky Mountains	73% (69%)	2% (1%)	2% (1%)	14% (13%)	10% (16%)
Region 3 – Southwest	50% (38%)	3% (2%)	5% (5%)	23% (25%)	19% (30%)
Region 4 – Midwest	54% (55%)	2% (1%)	4% (2%)	15% (17%)	24% (25%)
Region 5 – Southeast	43% (33%)	1% (2%)	5% (2%)	28% (26%)	23% (37%)
Region 6 – Northeast	75% (69%)	1% (0%)	2% (0%)	9% (9%)	12% (21%)

*The numbers in parenthesis are from last year.*



## WHAT ARE THE THREE MOST CHALLENGING ISSUES YOU FACE TODAY?



## DIFFERENCE IN THE CHALLENGING ISSUES BETWEEN C-LEVEL AND ONSITE PERSONNEL

	Overall	C-Level	Corporate Office (VP/RM)	Onsite Personnel	Percent Points Difference
Team Motivation	22%	12%	28%	22%	-10%
Package Management	12%	5%	10%	14%	-9%
Timely Rental Payments	52%	46%	46%	54%	-8%
Managing Online Reputation	19%	13%	20%	20%	-8%
The Need for Affordable Housing	10%	5%	4%	12%	-8%
Raising Rents	40%	36%	31%	43%	-7%
Low Occupancy	25%	22%	20%	27%	-5%
Reducing Operational Costs	29%	27%	28%	29%	-2%
Diversity and Racial Equality	4%	4%	4%	5%	-1%
Rehab and Capital Improvements	15%	15%	11%	15%	0%
Finding Assets for Expansion	6%	23%	11%	2%	21%
Government Regulation	24%	42%	28%	20%	22%
Hiring/Talent Management	30%	45%	51%	22%	23%

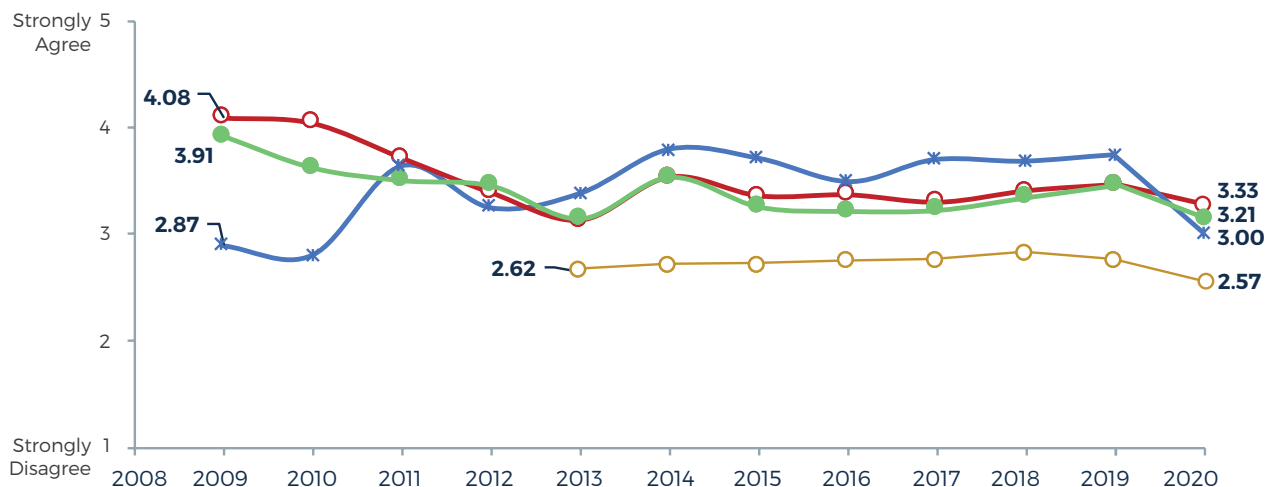
The table lists the percentage of responses given by each level of management for each issue. The last column represents the difference in percent points between C-level and onsite personnel for each issue. The table is sorted by the difference in opinion of the two groups.



## IN YOUR OPINION, WHAT IS THE AVAILABILITY OF FINANCING TODAY?



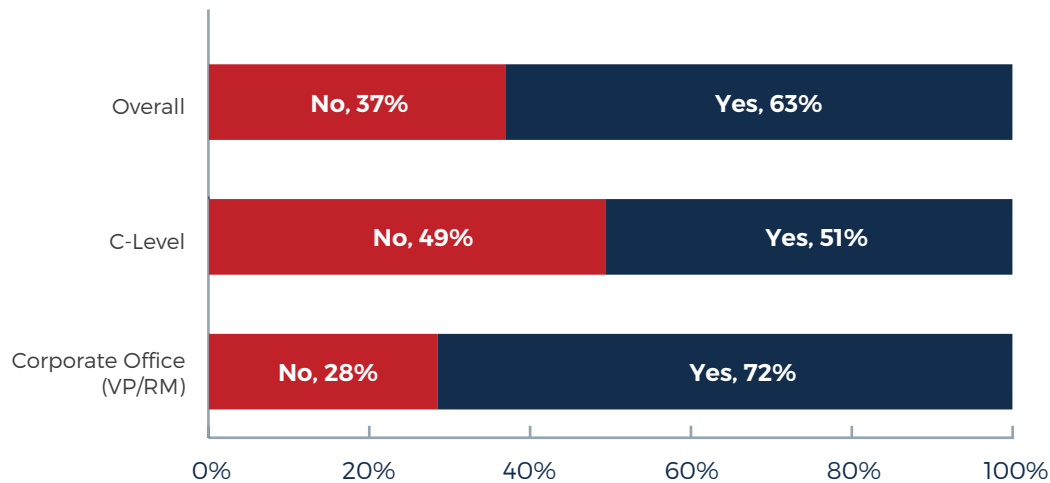
## ECONOMIC OUTLOOK



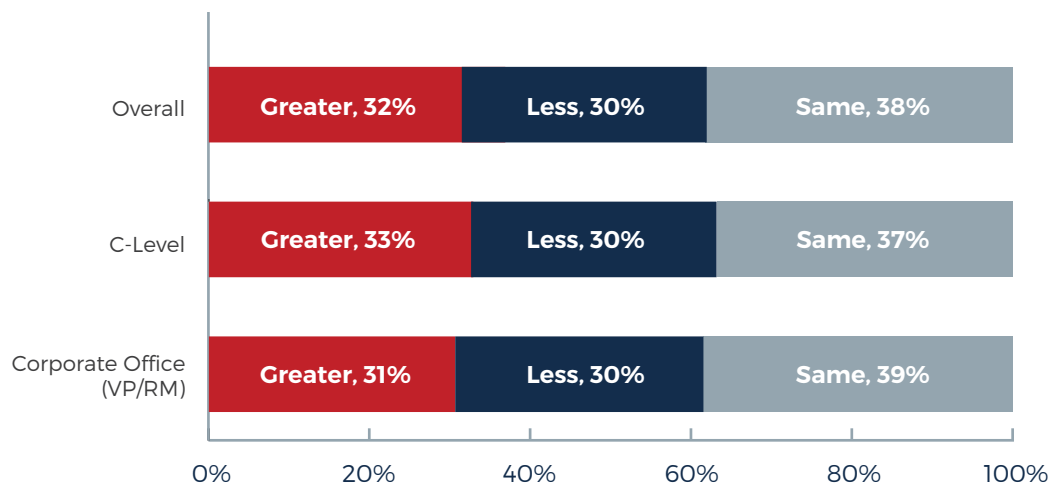
- \*— Generally speaking, I feel optimistic about the national economy in the next 12 months.
- The current state of the economy has had an impact on my plans to develop new apartment assets.
- The current state of the economy has had an impact on my plans to purchase new apartment assets.
- I will be a net seller this year.



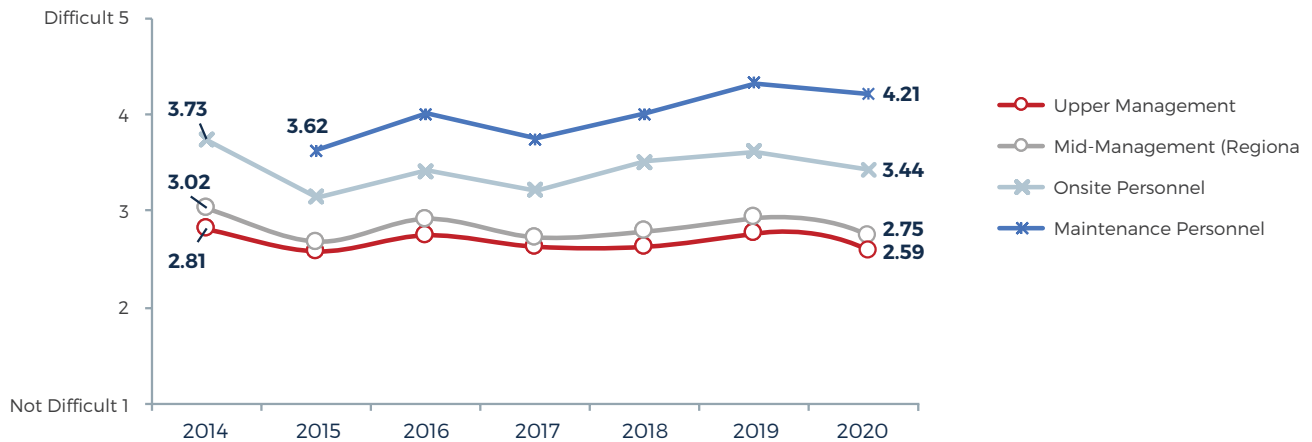
## HAVE YOU CUT BACK ON **CAPITAL EXPENDITURES** FROM YOUR 2020 BUDGET?



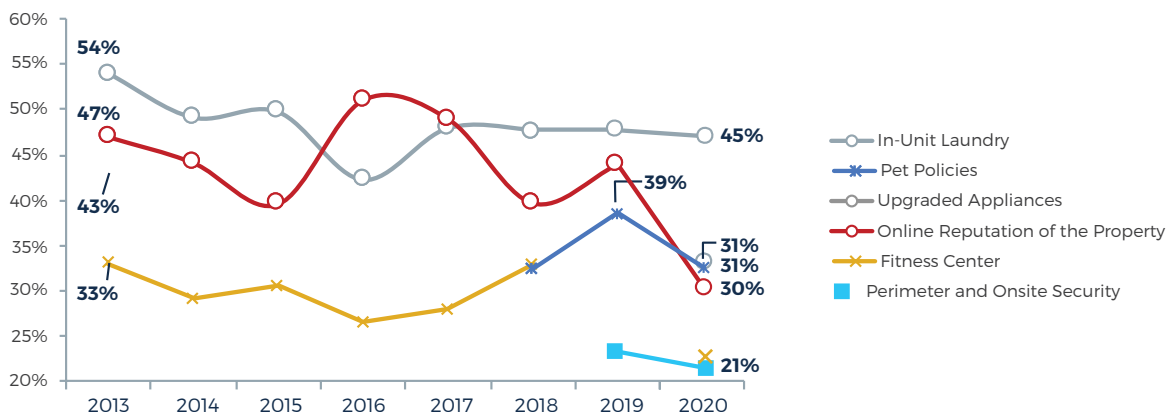
## COMPARED TO 2020, **YOUR 2021 CAPITAL EXPENDITURE BUDGET WILL BE:**



## PLEASE RATE THE **LEVEL OF DIFFICULTY** FOR STAFFING AT EACH LEVEL.



## BESIDES RENT AND LOCATION, PLEASE CHECK THE **TOP 3 AMENITIES IN IMPORTANCE** TO YOUR PROSPECTIVE RESIDENTS.



### Other Options

- Bundled Telecom Packages
- Business Center
- Covered Parking
- Electronic Payments
- Fitness Center
- In-Unit Security
- Multimedia Community Center
- Onsite Green Features
- Pool
- Smart-Home Technology
- Wellness Classes

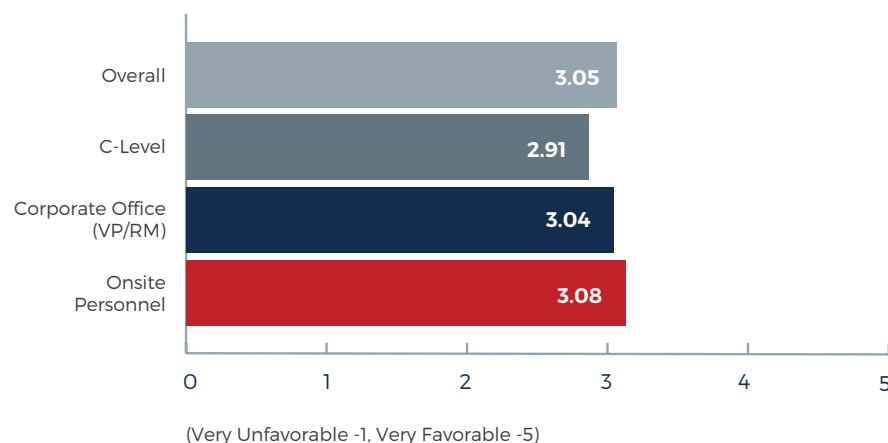


## DIFFERENCE IN PROSPECT PREFERENCES BETWEEN C-LEVEL AND ONSITE PERSONNEL

	Overall	C-Level	Corporate Office (VP/RM)	Onsite Personnel	Percent Points Difference
Perimeter and Onsite Security	21%	30%	19%	19%	11%
Pet Policies	31%	36%	30%	30%	5%
Smart Home Technology	4%	7%	7%	2%	5%
Online Reputation of the Property	30%	32%	41%	28%	5%
In-Unit Security	4%	8%	3%	4%	4%
Bundled Telecom Packages	3%	5%	2%	2%	3%
Pet Yard	6%	7%	6%	6%	1%
Electronic Payments	16%	16%	15%	17%	0%
COVID Sanitization	12%	11%	11%	13%	-2%
Upgraded Appliances	31%	27%	32%	31%	-4%
Covered Parking	15%	10%	12%	17%	-7%
Pool	17%	11%	17%	18%	-7%
In-Unit Laundry	45%	39%	41%	46%	-8%
Fitness Center	21%	13%	20%	23%	-9%

The table lists the percentage of responses given by each level of management for each amenity. The last column represents the difference in percent points between C-level and onsite personnel for each amenity. The table is sorted by the difference in opinion of the two groups.

## OPINION ON THE SHORT-TERM RENTAL BUSINESS MODEL FOR THE MULTI-FAMILY INDUSTRY?



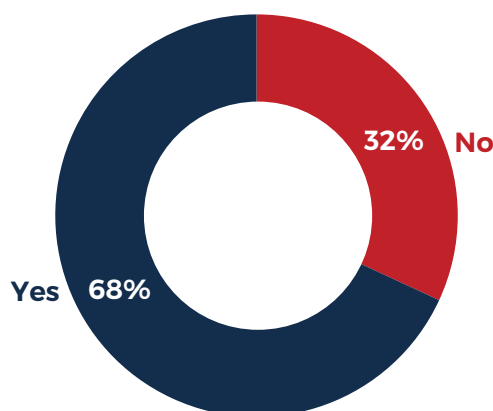
## Impact of Covid-19 on Property Management

# FIVE BIGGEST CHALLENGES OF COPING WITH COVID-19

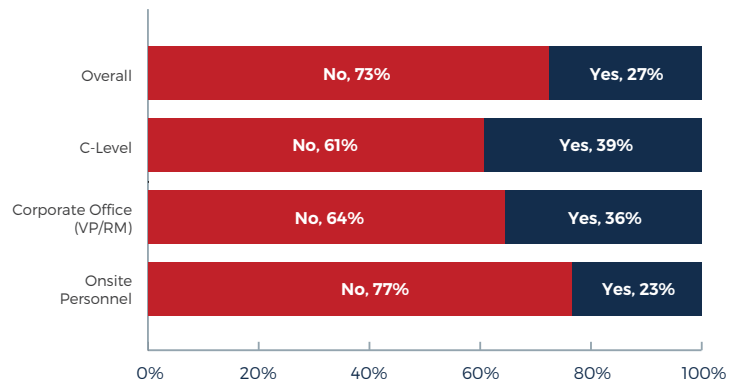
	Overall	C-Level	Corporate Office (VP/RM)	Onsite Personnel	Percent Points Difference
Managing Resident Expectations	78%	60%	71%	83%	-23%
Closing and Opening Amenities	67%	55%	61%	71%	-16%
Securing Safety Equipment	28%	22%	24%	30%	-8%
Rent Collection	74%	70%	72%	75%	-5%
Layoffs and Furloughs	15%	16%	11%	16%	-1%
Keep the Team Motivated	54%	56%	66%	51%	5%
Adapting to CDC and Government Guidelines	64%	71%	55%	65%	5%
Eviction Moratorium/Dealing With Evictions	74%	84%	83%	70%	14%
Employee Schedule Management (Work From Home, Shut Downs)	37%	60%	50%	30%	31%

*The table lists the percentage of responses given by each level of management for each challenge. The last column represents the difference in percent points between C-level and onsite personnel for each challenge. The table is sorted by the difference in opinion of the two groups.*

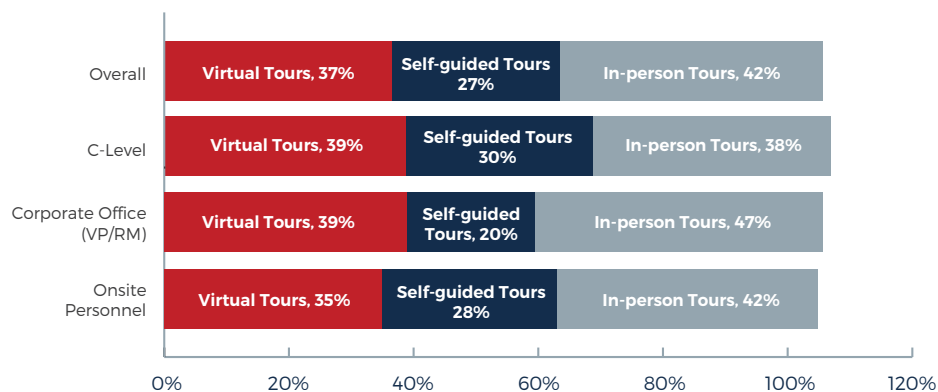
## DO YOU HAVE ANY PROPERTIES CURRENTLY UNDER A LOCAL EVICTION MORATORIUM?



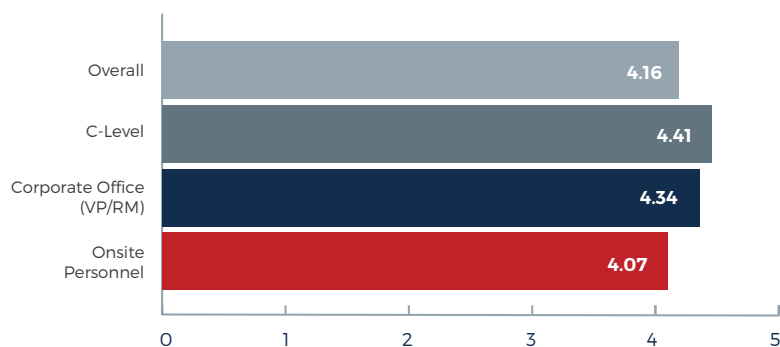
## DO YOU TRACK THE **PERCENTAGE OF LEASES** FROM VIRTUAL AND SELF-GUIDED TOURS?



## **PERCENTAGE OF LEASES** FROM EACH TOUR TYPE



## **SATISFACTION** WITH YOUR COMPANY'S HANDLING OF THE CORONAVIRUS PANDEMIC









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