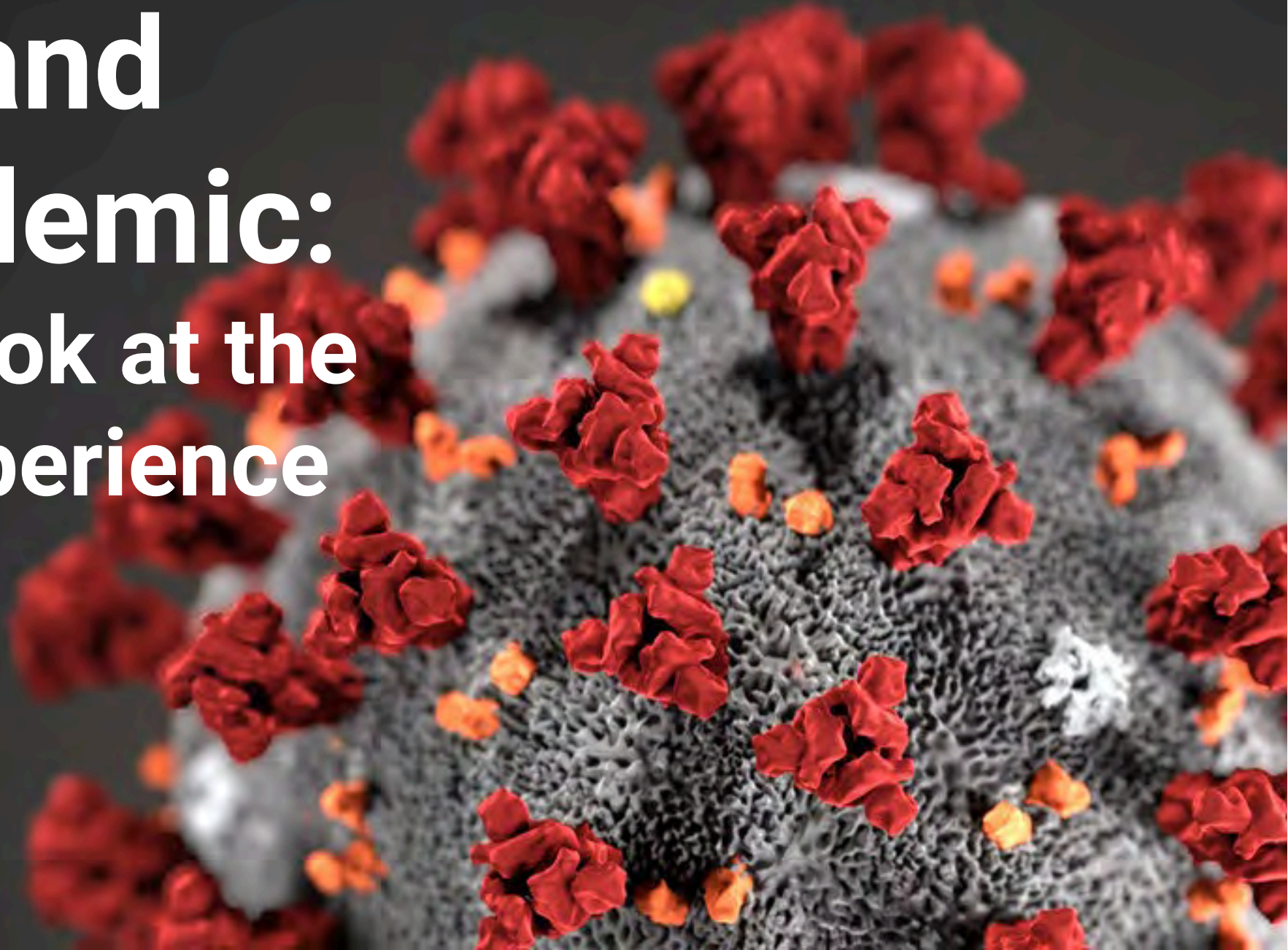


Renters and The Pandemic: An Inside Look at the Resident Experience



Presenters



Lia Nichole Smith
VP of Education and Performance



Jennifer Carter
Director of Client Performance

ApartmentRatings and SatisFacts

COVID-19 NATIONAL RENTER STUDY

Round 1 Results & Analysis



A national study to determine the impact of the COVID-19 pandemic on today's renters

COVID-19 NATIONAL RENTER STUDY

Addendum: Round 2 Results & Analysis



Uncovering emerging trends related to the pandemic's ongoing impact on renters across the nation.

Respondent Demographics

Round 1: 4/1/2020 – 4/30/2020

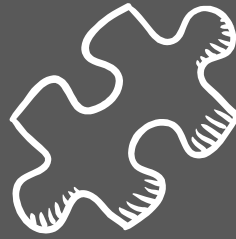
Round 2: 5/1/2020 – 5/31/2020

Age	Round 1	Round 2
18-24	11.3%	9.1%
25-34	32.3%	21.6%
35-44	20.8%	19.6%
45-54	15.1%	18.0%
55-64	1.7%	16.4%
65+	8.7%	15.3%

Rent	Round 1	Round 2
Less than \$1,000	20.8%	27.1%
\$1,000 to \$1,249	28.6%	26.5%
\$1,250 to \$1,499	23.8%	19.2%
\$1,500 to \$1,750	14.8%	13.3%
More than \$1,750	11.9%	13.9%



**DATA
DUMP**



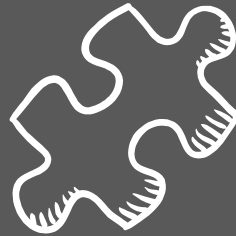
**PIECE IT
TOGETHER**



**PROVIDE
SOLUTIONS**



**DATA
DUMP**



**PIECE IT
TOGETHER**

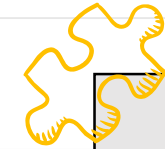


**PROVIDE
SOLUTIONS**

Changes In Operations



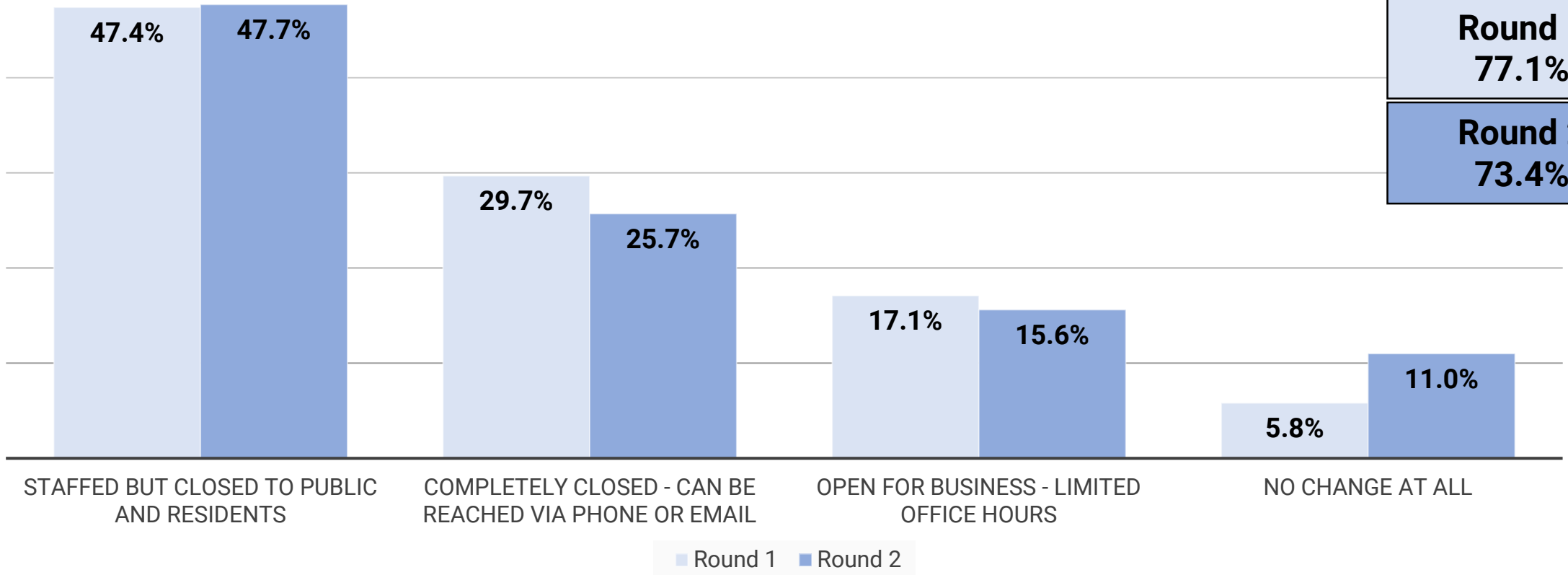
What is the current status of your leasing office?



CLOSED

Round 1
77.1%

Round 2
73.4%



Communication From Management



**Has your management team been in communication with you
regarding COVID-19?**

Round 1

“NO”

18.1%

Round 2

“NO”

29.3%

Please rate your level of satisfaction with the following:	Round 1	Round 2
<u>Amount</u> of communication from management regarding community updates/changes due to COVID-19	3.86	3.81
<u>Frequency</u> of communication from management regarding community updates/changes due to COVID-19	3.74	3.71
The <u>use of social media</u> to keep residents connected to the management team	3.20	3.33

Working From Home



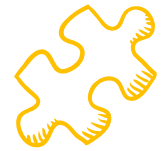
Due to COVID-19, have you transitioned to working from home?

Round 1

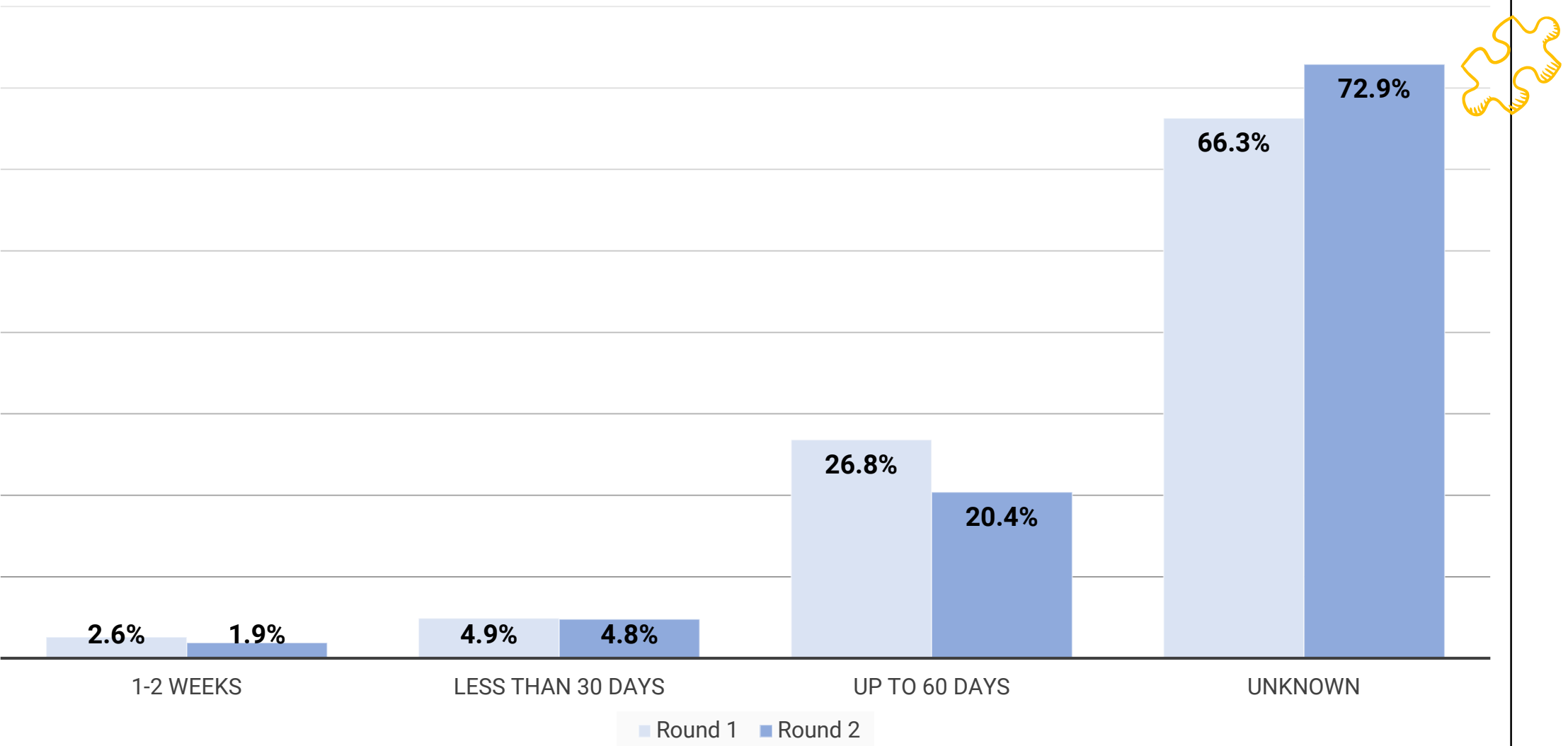
42.5%

Round 2

60.6%



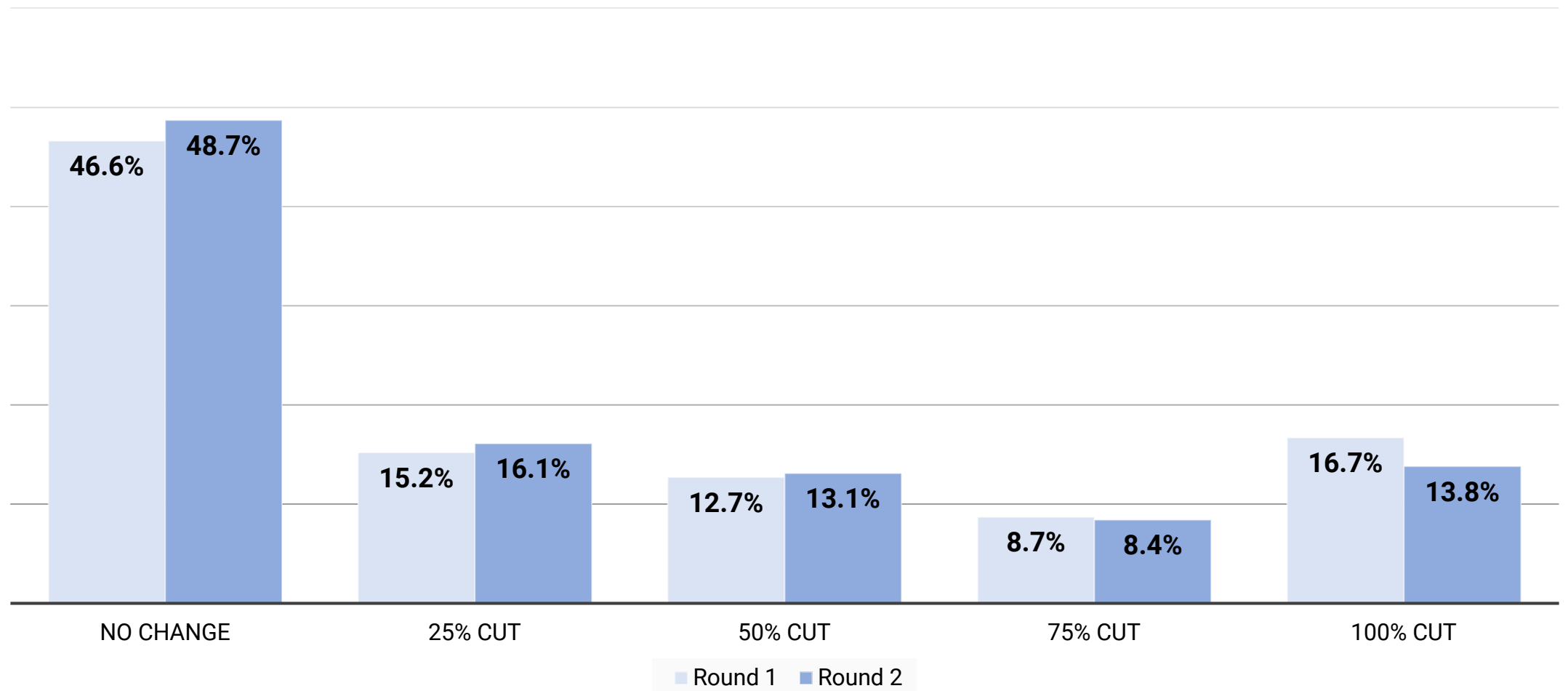
How long are you expected to be working from home?



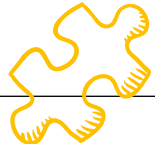
Financial Implications



How has your income been impacted due to COVID - 19?



Are you concerned about your income being impacted due to COVID-19 in the near future?		Yes	No
	Round 1	47.6%	52.4%
	 Round 2	42.5%	57.5%

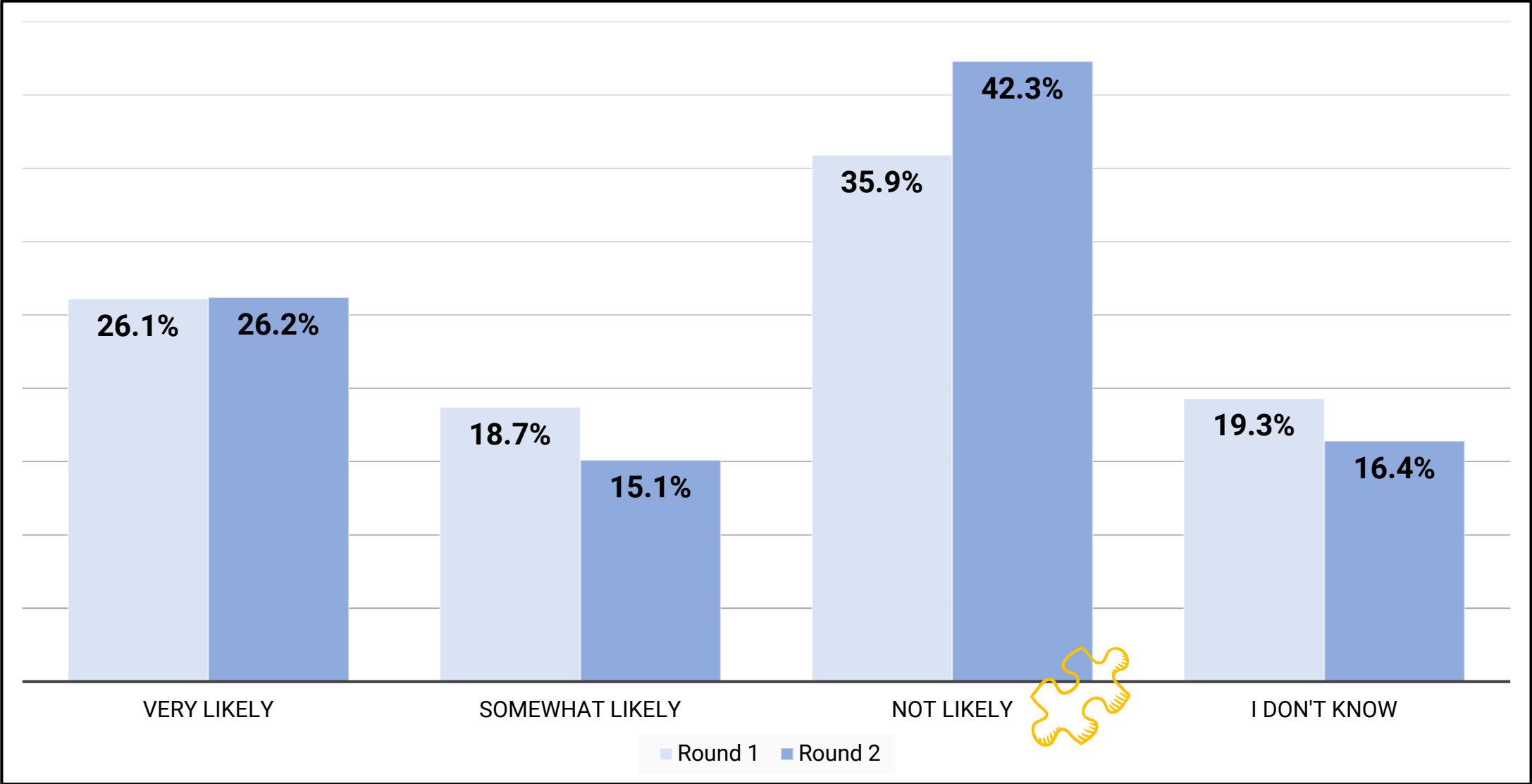
Are you worried about your ability to pay rent next month?		Yes	No
	Round 1	47.5%	52.5%
	 Round 2	40.8%	59.2%

Renewal Intentions

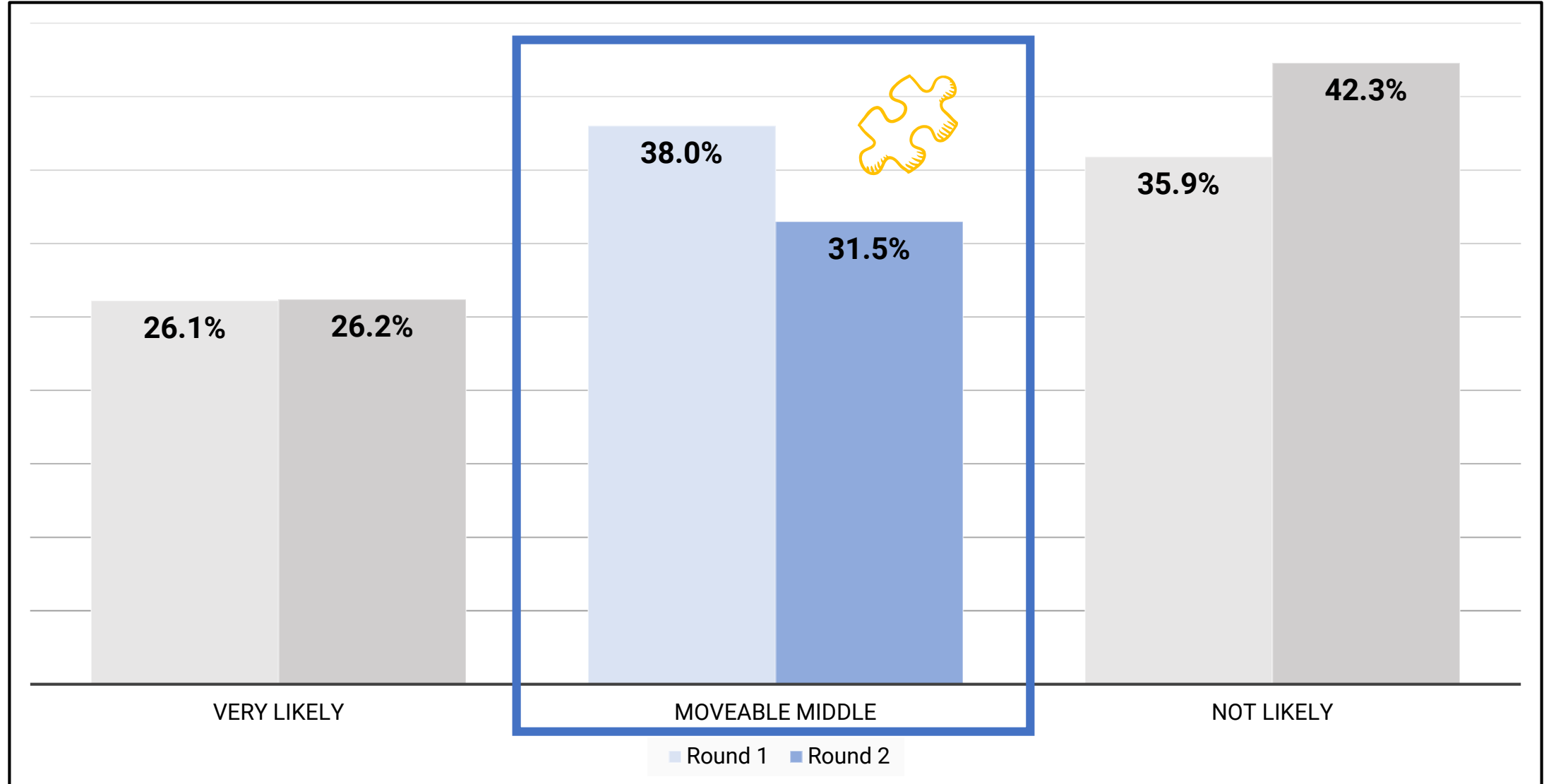


Leases expiring in the next 6 months

Round 1	Round 2
56.2%	56.1%



The “moveable middle” is shrinking



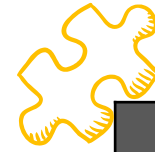
**Why didn't you answer
“very likely” to renew?**

Round 1	Ranking	Round 2
Rent Increase	1	Rent Increase
Apartment - Appearance, Condition	2	Office Staff
Neighbors	3	Apartment - Appearance, Condition
Management Decisions Due to COVID-19	4	Management Decisions Due to COVID-19
Office Staff	5	Safety - Sense of Security
Community - Overall Quality	6	Neighbors
Can't Afford	7	Community - Parking
Value, Found Better Deal	8	Can't Afford
Life change: Illness/Medical, Marital Status, Relocating, Graduating	9	Life change: Illness/Medical, Marital Status, Relocating, Graduating
Community – Appearance, Cleanliness	10	Community – Appearance, Cleanliness
Safety - Sense of Security	11	Community - Overall Quality
Apartment - Pests/Bugs	12	Value, Found Better Deal
Community - Parking	13	Community - Amenities
Apartment – Better/newer features	14	Apartment – Better/newer features
Community - Amenities	15	Maintenance Staff
Maintenance Staff	16	Apartment - Pests/Bugs
Buying Home	17	Lost Job
Lost Job	18	Buying Home
Cell Phone Reception Poor	19	Cell Phone Reception Poor

Round 1	Ranking	Round 2
Rent Increase	1	Rent Increase
Apartment - Appearance, Condition	2	Office Staff
Neighbors	3	Apartment - Appearance, Condition
Management Decisions Due to COVID-19	4	Management Decisions Due to COVID-19
Office Staff	5	Safety - Sense of Security
Community - Overall Quality	6	Neighbors
Can't Afford	7	Community - Parking
Value, Found Better Deal	8	Can't Afford
Life change: Illness/Medical, Marital Status, Relocating, Graduating	9	Life change: Illness/Medical, Marital Status, Relocating, Graduating
Community – Appearance, Cleanliness	10	Community – Appearance, Cleanliness
Safety - Sense of Security	11	Community - Overall Quality
Apartment - Pests/Bugs	12	Value, Found Better Deal
Community - Parking	13	Community - Amenities
Apartment – Better/newer features	14	Apartment – Better/newer features
Community - Amenities	15	Maintenance Staff
Maintenance Staff	16	Apartment - Pests/Bugs
Buying Home	17	Lost Job
Lost Job	18	Buying Home
Cell Phone Reception Poor	19	Cell Phone Reception Poor

Round 1	Ranking	Round 2
Rent Increase	1	Rent Increase
Apartment - Appearance, Condition	2	Office Staff
Neighbors	3	Apartment - Appearance, Condition
Management Decisions Due to COVID-19	4	Management Decisions Due to COVID-19
Office Staff	5	Safety - Sense of Security
Community - Overall Quality	6	Neighbors
Can't Afford	7	Community - Parking
Value, Found Better Deal	8	Can't Afford
Life change: Illness/Medical, Marital Status, Relocating, Graduating	9	Life change: Illness/Medical, Marital Status, Relocating, Graduating
Community – Appearance, Cleanliness	10	Community – Appearance, Cleanliness
Safety - Sense of Security	11	Community - Overall Quality
Apartment - Pests/Bugs	12	Value, Found Better Deal
Community - Parking	13	Community - Amenities
Apartment – Better/newer features	14	Apartment – Better/newer features
Community - Amenities	15	Maintenance Staff
Maintenance Staff	16	Apartment - Pests/Bugs
Buying Home	17	Lost Job
Lost Job	18	Buying Home
Cell Phone Reception Poor	19	Cell Phone Reception Poor

Round 1	Ranking	Round 2
Rent Increase	1	Rent Increase
Apartment - Appearance, Condition	2	Office Staff 25.2%
Neighbors	3	Apartment - Appearance, Condition
Management Decisions Due to COVID-19	4	Management Decisions Due to COVID-19
Office Staff 19.8%	5	Safety - Sense of Security 20.3%
Community - Overall Quality	6	Neighbors
Can't Afford	7	Community – Parking 17.9%
Value, Found Better Deal	8	Can't Afford
Life change: Illness/Medical, Marital Status, Relocating, Graduating	9	Life change: Illness/Medical, Marital Status, Relocating, Graduating
Community – Appearance, Cleanliness	10	Community – Appearance, Cleanliness
Safety - Sense of Security 15.6%	11	Community - Overall Quality
Apartment - Pests/Bugs	12	Value, Found Better Deal
Community – Parking 14.7%	13	Community - Amenities
Apartment – Better/newer features	14	Apartment – Better/newer features
Community - Amenities	15	Maintenance Staff
Maintenance Staff	16	Apartment - Pests/Bugs
Buying Home	17	Lost Job
Lost Job	18	Buying Home
Cell Phone Reception Poor	19	Cell Phone Reception Poor





	Overall Average*	Renters “very likely” to renew*	Renters “not likely” to renew*
<u>Amount</u> of communication from management regarding community updates/changes due to COVID-19	3.85	4.26	3.32
<u>Frequency</u> of communication from management regarding community updates/changes due to COVID-19	3.73	4.13	3.19
The <u>use of social media</u> to keep residents connected to the management team	3.25	3.66	2.53


*Rounds 1 & 2 combined

Renters Searching For New Homes




In the last 30 days, have you been actively searching for a new apartment?	
YES	NO
Round 1 25.6%	Round 1 74.4%
 Round 2  35.9%	Round 2 64.1%

Have you been able to view apartment communities in person?	
YES	NO
Round 1 15.7%	Round 1 84.3%
Round 2  18.3%	Round 2 87.7%


Have you been able to view apartment communities virtually (i.e., self-guided tours, online tours)?	
YES	NO
Round 1 82.7%	Round 1 17.3%
Round 2 80.4% 	Round 2 19.6%



Did viewing the community virtually provide you with sufficient information towards making a decision?	
YES	NO
Round 1 48.7%	Round 1 51.3%
Round 2 ???	Round 2 ???

Have you been able to view apartment communities virtually (i.e., self-guided tours, online tours)?	
YES	NO
Round 1 82.7%	Round 1 17.3%
Round 2 80.4% 	Round 2 19.6%



Did viewing the community virtually provide you with sufficient information towards making a decision?	
YES	NO
Round 1 48.7%	Round 1 51.3%
Round 2 47.8% 	Round 2 52.2%

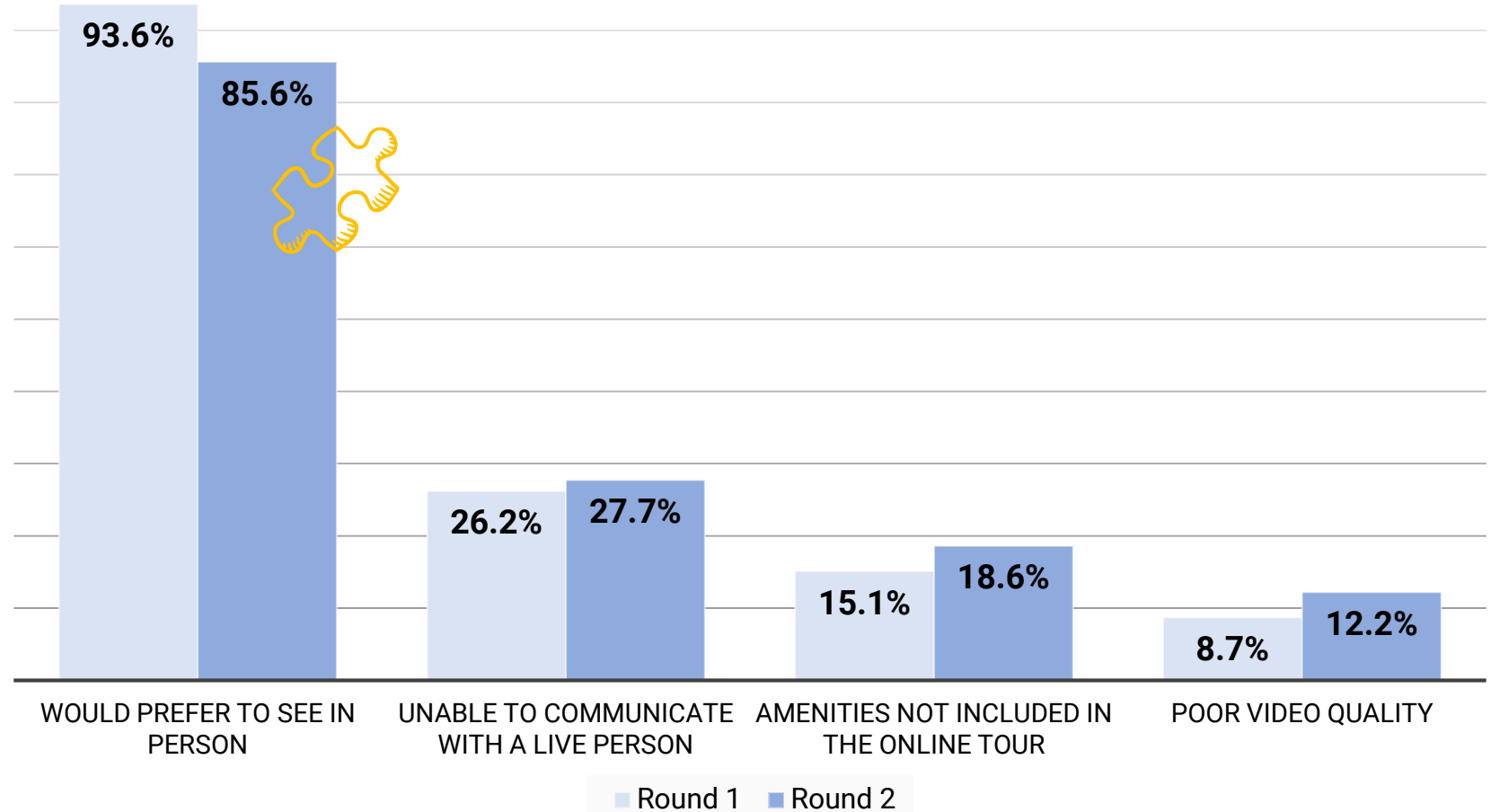
Did viewing the community virtually provide you with sufficient information towards making a decision?

NO

Round 1
51.3%

Round 2
52.2%

Why did you answer "no"?





**DATA
DUMP**



**PIECE IT
TOGETHER**



**PROVIDE
SOLUTIONS**



Telling the story

1. More renters are working from home

- They are unsure when that will change
- More residents working from home elevates the perception that the community is over crowded (parking) and heightens safety concerns

2. Majority of offices remain closed

- Residents can not see their dollars “at work”
- They are heavily reliant on the communication from management

3. Renters need communication

- Amount and frequency (impacts renewal likelihood)
- Decisions made (#4 renewal detractor)



Telling the story

4. Renters are financially optimistic

- There is growing confidence among renters in their ability to pay rent
- Although rents are increasing, renters citing “can’t afford” is decreasing

5. Renewal intent is driven by the experience

- Residents are considering their management team’s ability to navigate through the crisis (office staff #2 renewal detractor)
- They feel as though they have experienced enough to substantiate their renewal decisions



Telling the story

6. Renters are poised to make a move

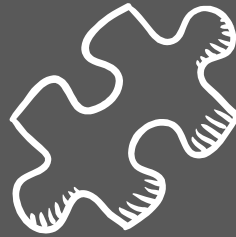
- Due in part to their finances becoming more stable
- They believe better deals and experiences are out there

7. Apartment hunters are trying to be flexible

- As their current management offices are most likely closed, they understand others will be as well
- Those searching are in need of a virtual leasing experience, not just a virtual tour



**DATA
DUMP**



**PIECE IT
TOGETHER**



**PROVIDE
SOLUTIONS**



Solutions for retaining existing residents

- **Visibility**
 - “We are still here”
- **Communication**
 - Consistent and transparent
- **Tone of messaging**
 - “You are important and valued”
- **Sense of community**
 - Connect residents to management and each other
- **Social media**
 - Minimal posts of vacancies/specials



Solutions
for **attracting**
new residents

- **Personal connection**
 - Video chat before/during the tour and follow-up
- **Comprehensive virtual experience**
 - As close to “normal” as possible
- **Fill the renter’s void**
 - What’s missing from their current experience
- **Curate success stories**
 - Market with positive COVID-19 related reviews
- **Social media**
 - Celebrate the resident experience – offer a glimpse

Final Thoughts...





Final thoughts

- **Renters want apartment living to get back to normal as quickly as possible**
- **Those with impending lease expirations and minimal financial strain are realizing they have options**
- **Be on the lookout for an increase of residents electing to go month-to-month instead of renew**

COVID-19 NATIONAL RENTER STUDY

Round 1 Results & Analysis



A national study to determine the impact of the COVID-19 pandemic on today's renters

COVID-19 NATIONAL RENTER STUDY

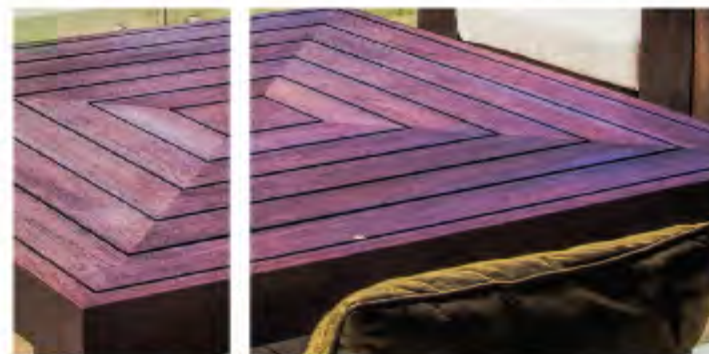
Addendum: Round 2 Results & Analysis



Uncovering emerging trends related to the pandemic's ongoing impact on renters across the nation.



Covid-19 Surveys May Results

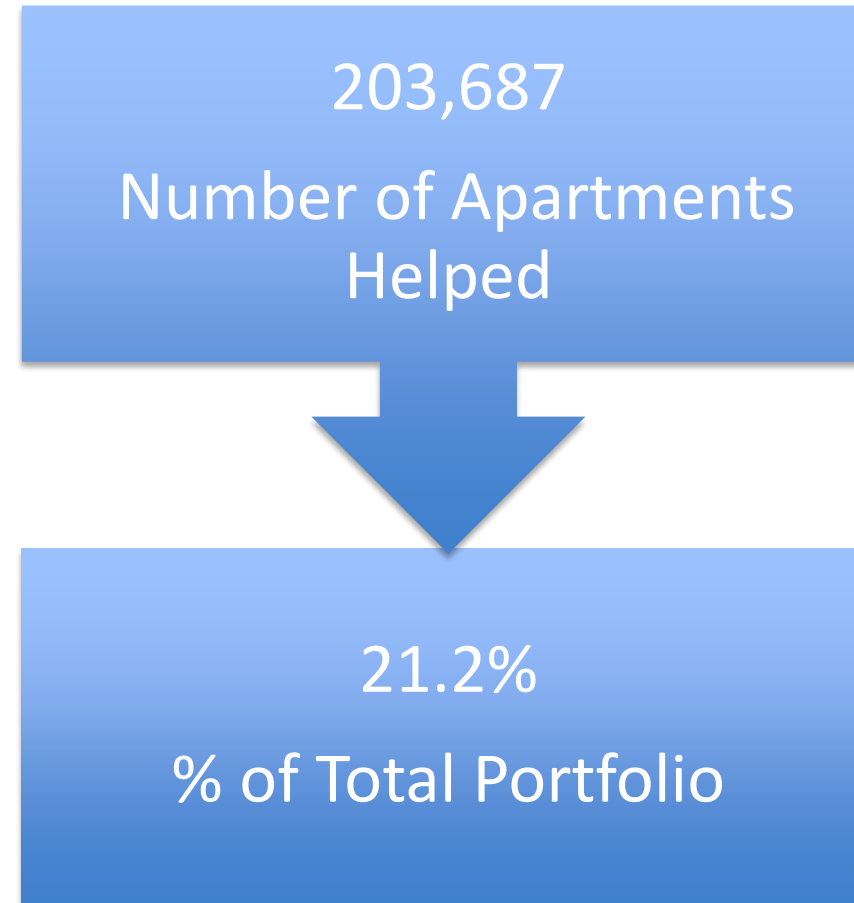


About the NAA/IREM Survey

- NAA and IREM sponsored a joint survey of our memberships and partnered with CEL & Associates to conduct the survey. The results will be used in advocacy efforts to inform and educate policymakers on the impacts of COVID-19 to the vital rental housing industry.
- The survey was open from May 11 – May 15 and received 116 responses.
- Recurring monthly survey.

Renter Assistance

- Approximately how many residents did your company help with rental obligations, either through payment plans, late fee waivers, etc.?

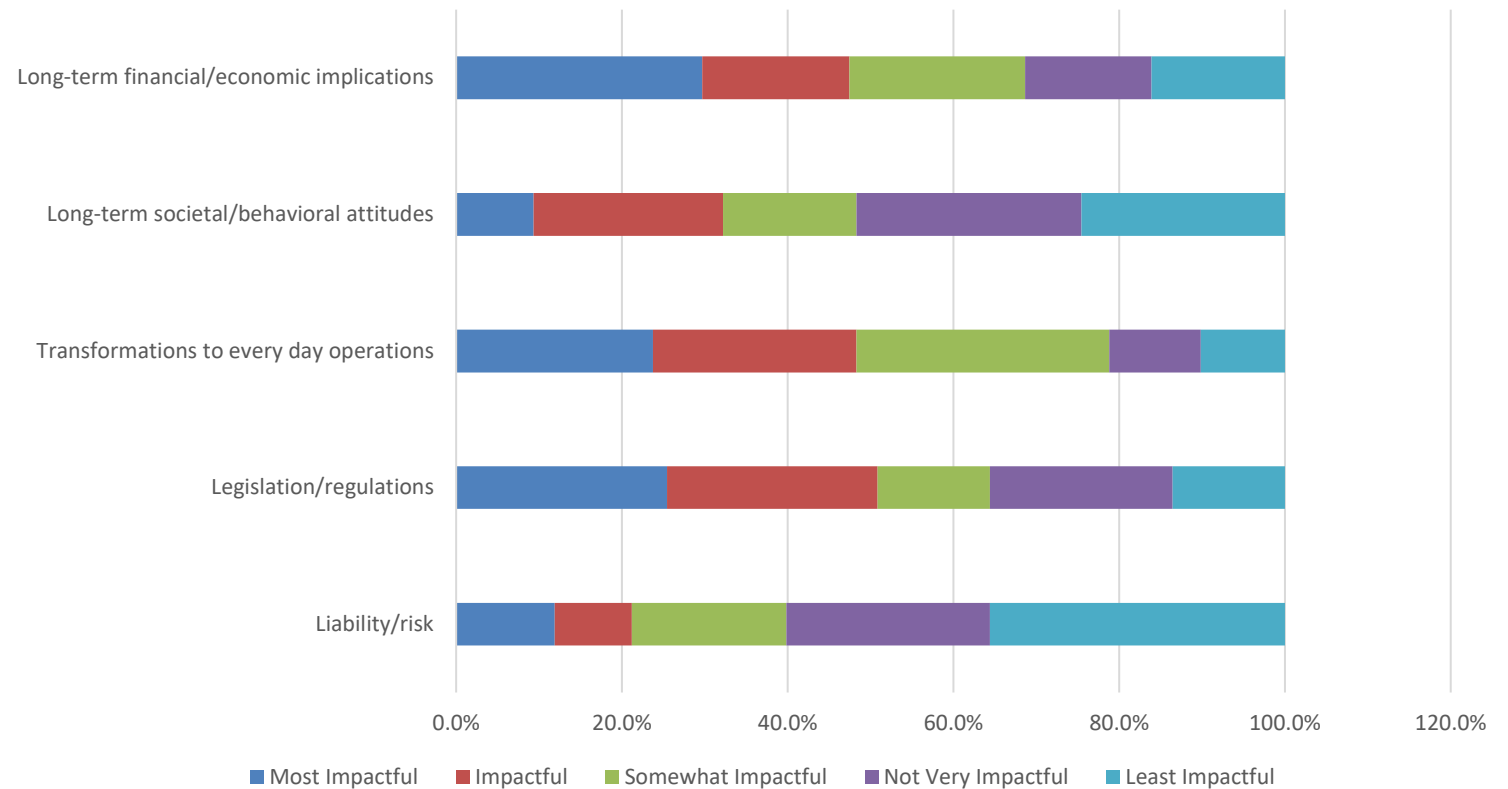


Measuring Impact

The top-ranking concerns among apartment owners and operators are:

1. Long-term financial and economic implications
2. Legislative/regulatory
3. Transformations to operating procedures.

Rank the following in terms of magnitude of impact you feel it will have on your business



What would you like to see included to help rental housing providers in the next round of COVID-19 relief legislation?

ability **assistance** business collect
covid current direct directly end
eviction fees financial forbearance
funding government **help** housing impact
income **landlords** loan loss lost manager money
months moratorium mortgage needs offer option
owners paid **pay** **payment** people plan
programs property providers **relief** **rent**
rental renters **residents** restrictions
small tenants unemployment working

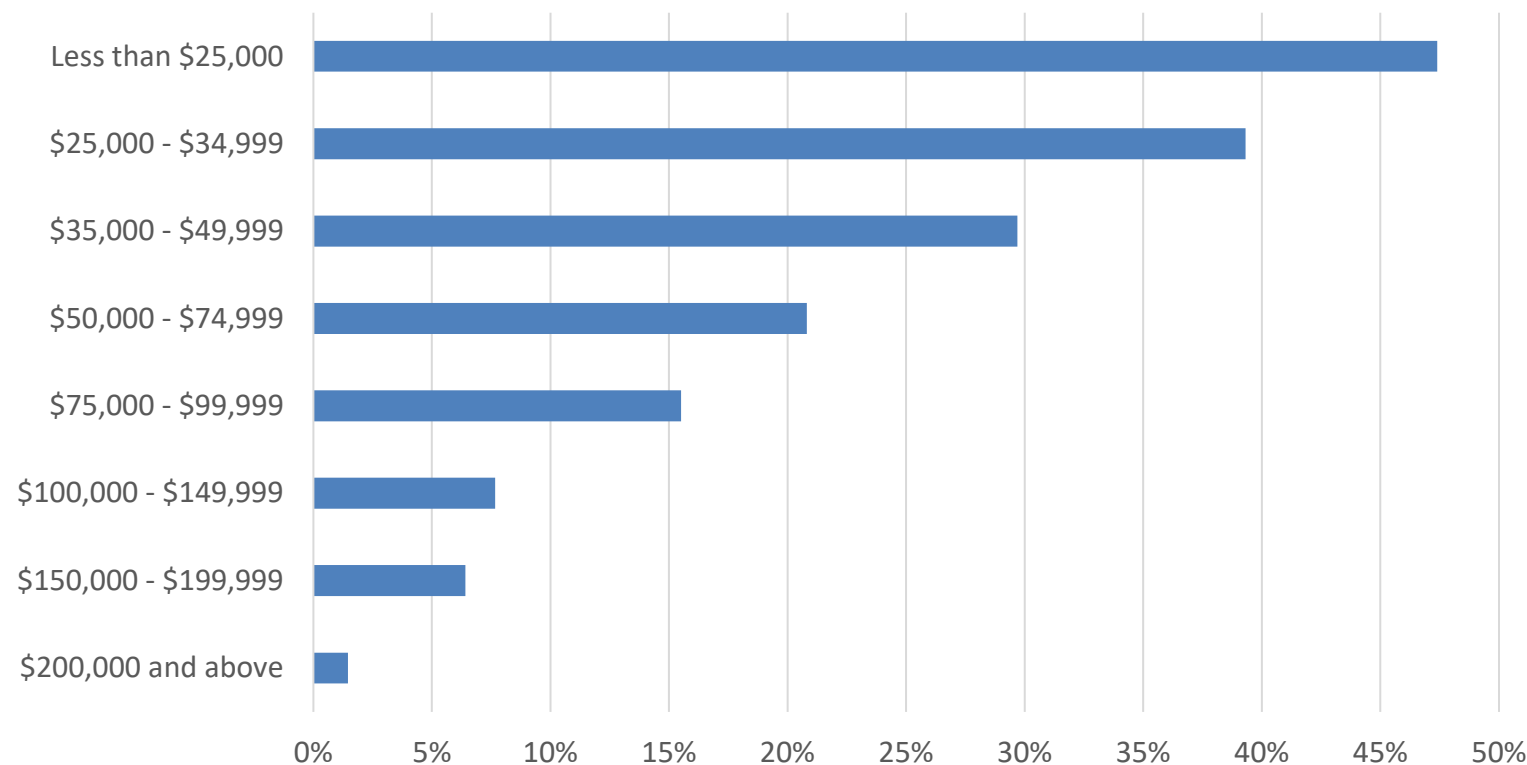
- Rental assistance tops the list of what owners and operators want to see in future legislation.
- Many are concerned about evictions and would like to see blanket moratoriums lifted.
- Expansion of Payment Protection Program.

Working with Financially Burdened Residents

- GoFundMe account for basic needs
- Food – directly to residents, connecting residents, donations to food banks
- Hotlines to help with community resources
- “Care team” – e.g. help with unemployment claims
- Payment plans – 90 days to 6 months
- Waiving fees – late, credit/debit, month-to-month
- No rent increases on renewals
- Online payments
- Self-guided and virtual tours
- San Antonio rental assistance program
- Connecting potential roommates

Census Household Pulse Survey

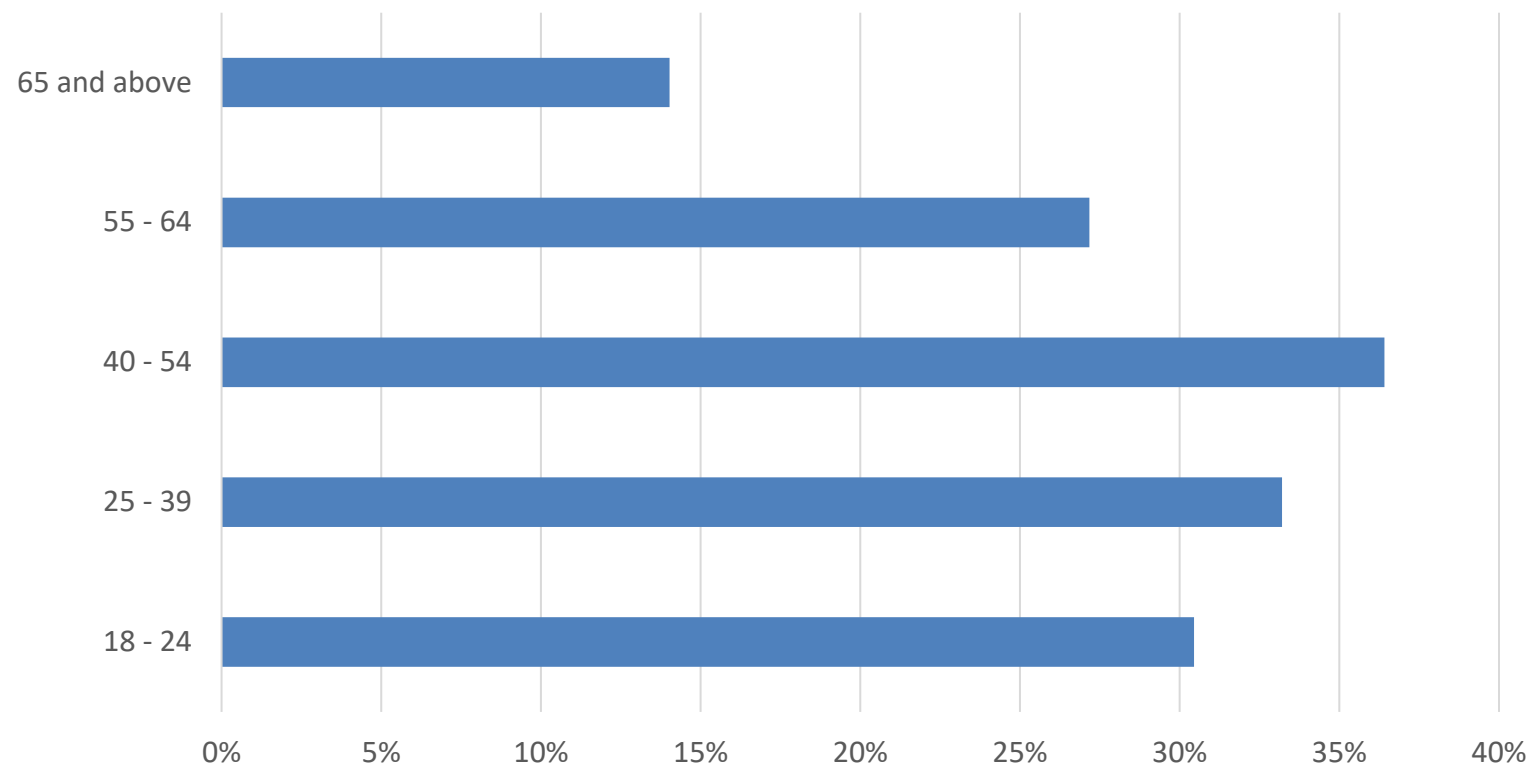
Percent of Renters With Slight or No Confidence in Ability to Pay Next Month's Rent



- Nearly half of renters making less than \$25,000 per year reported they have slight or no confidence in their ability to make their next rent payment.
- 31% of all renters, regardless of income, reported slight or no confidence in being able to pay next month's rent.

Census Household Pulse Survey

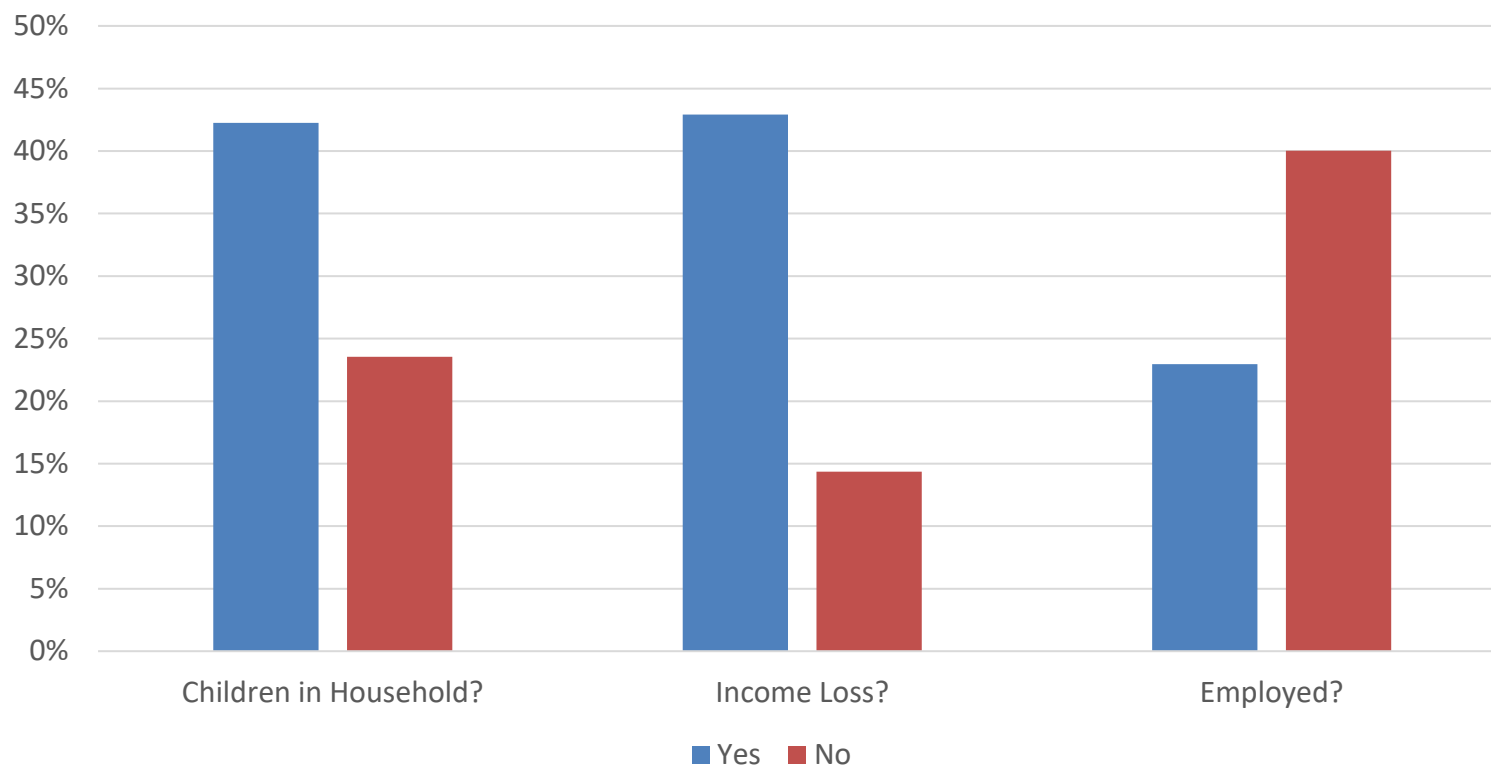
Percent of Renters With Slight or No Confidence in Ability to Pay Next Month's Rent



- 36% of renters in the 40-54 age group are concerned about their next rent payment.
- Those over 65, many on fixed incomes, are generally confident about paying rent.

Census Household Pulse Survey

Percent of Renters with Slight or No Confidence in Ability to Pay Next Month's Rent



- Renters who have experienced a loss of income are 3 times more likely to have little to no confidence in their ability to pay rent.
- 42% of renters with children are concerned about rent payments.



Contact
pmunger@naahq.org