

Rent.™

2022

Multifamily State of the Industry Report

The year's biggest industry trends
and how your property can prepare



We stand at a unique point in multifamily history.

Renters are migrating and seeking new rentals at record levels. Nationwide, the workforce is also migrating in its own right and multifamily communities have been impacted by resignation spikes. In this complex market, renters are highly active. Virtual tools and communication channels for finding an apartment home are more diverse and more prevalent than they have ever been.

Shifts due to the pandemic have upended traditional renter journeys and typical industry seasonality. We have entered 2022 with a wealth of insights on how the industry has changed and how apartment communities can thrive in this new era.

Owners and operators are at the cross-section of three major multifamily market trends occurring nationwide:



The Great Resignation

Leasing teams and community staff are seeking other opportunities at record levels, placing pressure on remaining team members and prompting a need for operational efficiency.



The Changing Market

Apartment occupancy has been at an all-time high, but so is renter activity in the market. Market analysts also predict that the [rental market will soften](#) in the coming years. Owners need to be prepared for future renter turnover by prioritizing their new resident marketing and communication while not losing sight of resident retention strategies.



The Renter Research Revolution

The multifamily marketing landscape is now more diverse and more digital than ever. The Covid-19 pandemic transformed the traditional renter journey, accelerating the adoption of virtual tools to discover and assess new apartment communities.

Let's dive into each of these trends and the best ways for your multifamily community to successfully navigate them in the future.



The Great Resignation



Keep onsite staff happier with simplified processes and technology upgrades

Like other industries across the nation, the multifamily industry has been hit hard by The Great Resignation, the post-pandemic phenomenon where record numbers of employees are leaving their current positions. Rental owners and operators have reported up to [70% of their workforce resigning](#), a contrast to historical employee turnover of 30-50% annually.

In employee morale surveys investigating the reasons behind such high turnover, [onsite teams shared major stressors](#) that have come as a result of the pandemic. Lack of hazard pay for working onsite, the overwhelming onslaught of communication, and constantly changing policies contributed to lower job satisfaction. Staffing shortages and new responsibilities as a result of virtual touring also piled on the workload for many leasing teams without the [support and time-off](#) needed for staff to recoup.

This has served up greater responsibility for onsite staff left to manage multifamily apartment communities during a time that has also been marked by record levels of apartment demand. In roles that often require “wearing many hats” to keep up with prospective renters and resident requests, this adds pressure to already busy leasing teams.

A leasing team stretched thin impacts more than the wellbeing of your current talent. It directly affects resident satisfaction and new lead conversion. Renters rely on timely communication and the team’s ability to resolve outstanding issues.

Core responsibilities impacted by The Great Resignation:

- Keeping up with the high volume of prospective renter inquiries
- Maintaining organized lead management across a variety of digital channels
- Fielding maintenance requests and additional resident inquiries
- Finding focused time to develop multifamily marketing materials and campaigns
- Creating and delivering new digital offerings such as virtual tours, 3D tours, and online applications that renters have come to expect

Finding new talent can be costly.

The average cost of onboarding a new employee is close to \$4,000, according to Bersin and Deloitte. For multifamily specifically, properties can also spend \$2,500 to \$3,500 a month¹ on salary for each staff member that manages onsite communication.



Build a winning team during The Great Resignation:

Modernize repetitive and monotonous tasks to free up time for your best talent so they can focus on building relationships with current and prospective tenants.



Effortlessly communicate with renters

Brainstorm ways that your team can cut down on manual communication and automate the most common requests that come through. An easy way to do this is through [renter communication platforms](#) that integrate with your PMS (property management system) and allow you to monitor and respond to email and texts in one place. Common ways that leasing teams use this are to automatically send a video tour, survey residents' satisfaction, generate new reviews and opt renters into marketing communications.

1. Rent. client interviews and testimonials.



Delegate with virtual leasing centers

For onsite teams that could use extra support, there are also options that fully cover prospect communication and early lead qualification. Virtual leasing centers like [RentEngage](#) offer services to book in-person and virtual appointments as well as qualify leads on behalf of the property. These services are often available 24/7 to communicate with prospects via call centers, chat and email.



Quickly qualify new leads with online applications

Give renters the option to complete online applications early on in their evaluation of your property. Online applications can often be selected by the resident when they request a tour on [apartment site listings](#) as well, so onsite staff can identify tenants that are most interested before they even show the unit. [Tenant screening services](#) also automate the process of credit and background checks so leasing staff can focus on critical tasks.



Advertise without duplicating efforts

After gathering quality photos, descriptions, 3D videos and other content to showcase your vacant listings it can be daunting to duplicate efforts when it comes time to create the advertisements. Automated advertising solutions integrate with your property's ILS (internet listing service) listings to source graphics and descriptions. So, ads are created without your team having to slog through countless revisions and come up with campaigns on the fly.



The Changing Market



Take advantage of high demand while getting ahead of future renter turnover

Record-breaking [occupancy rates](#) have made headlines as renters confidently seek new living situations suited to their needs. According to RealPage, occupancy hit 97.5% in November 2021, breaking the typical trend of occupancy cooling off with the arrival of colder weather.

Yet, in June 2022, the US year-over-year vacancy rate rose for the [first time in 14 months](#). The U.S. Census Bureau also reported a [0.2% increase in vacancy rates](#) at 5.8% in the first quarter of 2022 compared to 5.6% in Q4 2021.

As the market evolves, owners and operators need to plan for the future. A future in which occupancy rates are expected to reach an equilibrium in the second half of 2022, with further uncertainty in 2023.

Currently, renters are contending with rising inflation, more flexible working arrangements, and uncertain political times, all of which influence people's propensity to move.

Renter migration started to rise at the beginning of the pandemic. The Wall Street Journal found that in 2020 alone, more than seven million households moved to a different county. There was also a [23% higher rate](#) of people moving out of big cities in favor of midsize and small communities.

Renters are also redefining what an ideal home means to them, and where that ideal home should be. Working from home is the new normal for many companies with [70% of renters](#) saying they will continue to work remotely as often, if not more, in the future. With less pressure to live near the office, renters are assessing their options and using digital resources available to more efficiently find the next best home.

Other factors have also motivated renters to relocate, from ideological reasons to the need for outdoor space. [Redfin predicts](#) that renters will “vote with their feet,” moving to areas that

High demand means that renters, including your current residents, are active in the market.

align with their politics. Renters have also [cited](#) saving money, finding a property with outdoor space, and living in a safer neighborhood as the top three factors motivating their upcoming move.

Budget is a growing concern for many renters and the real estate industry is booming with the median sale price for homes [up 15%](#) in 2021. The Federal Reserve Bank of New York predicts a median increase in the price of rent at 10.1%. Renters that are unable to sustain increasing rent prices and have been priced out of the housing market are seeking more affordable communities. Families that went into a rental with a short-term mindset hoping to eventually purchase a home are now faced with highly competitive housing markets on top of new work environments and day-to-day needs.

The cost of losing a resident

Losing a resident is no small cost for owners and operators. After adding up advertising and marketing expenses, repairs to the unit, and concessions, [average turnover cost will be \\$3,976 this year](#)—jumping from \$3,850 in 2021.



Attract new leads and keep current residents happy

With the right strategies in place, properties can avoid being blindsided when renters begin their migration to new opportunities.



Take advantage of high-demand on each digital touchpoint

Capture renters migrating to your area by giving them what they need in their search. A holistic marketing approach that reaches high-intent renters through [social media](#), [search advertising](#) and [email marketing](#) in addition to [marketplace listings](#) will multiply your lead count. Optimizing your online listings with virtual touring options and online applications will also alleviate long-distance leasing concerns for [renters searching remotely](#).



Streamline resident communications

Prospects and residents have come to expect prompt, seamless correspondence from onsite teams. An easy way to do this is with renter communication platforms, like [RentEngage](#), after platforms and before that integrate with PMS (property management systems) so staff can monitor and respond to email and texts in one place. Virtual leasing teams also offer 24/7 support so onsite staff can delegate common inquiries like maintenance requests, frequently asked questions and tour scheduling during busy times or hours when the team is offline.



Encourage feedback and be responsive on apartment review sites

Prospective renters look at the number of reviews and recency of those reviews with many only paying attention to reviews up to [three months old](#). Similarly, a majority of renters surveyed say they will not visit a community due to negative online reviews. To mitigate this, leasing teams should continuously monitor their ratings and reviews while actively and professionally addressing feedback.



Simplify the search process with virtual tools

Our research shows that listings with 3D Tours receive three to six more leads per month than similar listings without a 3D Tour. This and other digital touring methods were critical tools for helping renters relocate during social distancing, and have remained popular options because of their convenience.



Maximize marketing budget with sophisticated ad targeting

Utilizing robust renter data can improve your targeting and boost your campaign performance. For instance, properties can track visitors to their website and remarket to them with ads on search and social to stay top of mind. Property marketers can also utilize lookalike audiences or [geofencing](#) to better target those similarly looking for new apartment homes. Additionally, some vendors offer [advertising solutions](#) powered by their proprietary audience of in-market renters for more automated and highly-effective targeting that eliminates wasting ad budgets on users who aren't actively searching for an apartment home.



The Renter Research Revolution



Exceed renter expectations in an increasingly competitive landscape

Options abound for renters and many are more empowered than ever to find a perfect-fit home—with the digital tools to do so. At the height of social distancing, virtual tours, 3D tours, ILS, and online ratings were critical to helping renters find their next home. As the world has opened back up, many prefer these digital options and have come to expect the ease of use and time savings that virtual tools bring to the renter experience.

With high resident turnover on the horizon, apartment communities will need [strong digital curb appeal](#) to attract new tenants and stand out from competitors. This means building an online reputation that is consistent, succinct and shines across digital touchpoints from ratings to search marketing and social media.

What savvy renters want to see in their apartment search:



A wealth of information sources

53% of in-market renters¹ are researching more than 6 properties at once across multiple online touchpoints. Renters don't leave any stone uncovered. Their research extends across internet listing sites, search results, social media, review platforms, video, email, referrals, property websites, and by phone. [Holistic marketing strategies](#) that integrate with PMS (property management systems) give renters the resources they need while providing your team with insight on renter leads.



Realistic reviews

People value both positive and negative reviews and read an average of [10 reviews](#) before making a decision. In fact, [Google](#) says, “Reviews are useful when they are honest and objective. Customers find a mix of positive and negative reviews more trustworthy.” Maintaining a strong presence on ratings and review sites will allow your property to capture high-quality feedback that is helpful to renters.



Quick communication

Just over [half of consumers](#) want businesses to be available for communication 24/7, and [46%](#) expect responses to reviews within two business days. Fast response times give you a better chance of booking tours, sending applications and qualifying interested renters before competing properties. Virtual leasing centers and automated communication platforms make it easy to respond effectively.



Modernized touring options

Our research shows that listings with 3D Tours¹ receive three to six more leads per month than similar listings without a 3D Tour. By including 3D tours, video and live tour scheduling options with your property photos, you can empower renters to see the unit’s layout, space, appliances, and lighting—all from the safety of their home.

1. Rent. Internal Data 2021



2022 Market Trends Recap



With an all-encompassing strategy that delivers great experiences to both prospective renters and to current residents (as well as your on-site team), your property can thrive in the new year.



The Great Resignation

High employee turnover happening across communities is in line with what we're seeing nationwide. Yet, owners and operators can improve the workload for employees with technology solutions that save time and make tasks more efficient.



The Changing Market

Apartment occupancy has been at an all-time high, but so is renter activity in the market. Market analysts also predict that the [rental market will soften](#) in the coming years. Owners need to be prepared for future renter turnover by prioritizing their new resident marketing and communication while not losing sight of resident retention strategies.



The Renter Research Revolution

Renters have more options than ever and they are eager to research the variety of resources you have available. Prepare for the complexity of the multifamily marketing landscape by modernizing your listings, providing digital options for touring, attracting high-intent renters with effective ads, and streamlining communication.

Step into the future of leasing

Rent. supports your team at each stage of the renter journey by providing holistic technology solutions that maximize leads and occupancies with unparalleled ROI.

The Rent. platform powers a full suite of best-in-class digital marketing solutions across search advertising, social media, email marketing, web chat, resident communication, reputation management and more. Our broad network of rental listing sites including Rent.com, ApartmentGuide.com, Rentals.com, and Redfin.com., also connects property owners and managers with nearly 50 million home seekers per month.

[Request your free consultation](#) to start solving your property's biggest marketing challenges.

Visit solutions.rent.com for your free consultation.

Property success stories



As apartment marketing has evolved in the 40+ years I've been in the industry, I've always been impressed with Rent.'s ability to adapt to new technologies and remain on the cutting edge of new avenues to reach consumers."

Jerry Norman
Marketing Director
Pedcor Homes Corporation



We went from a sleepy office to a busy non-stop office overnight. Our occupancy and pre-leased has increased. We closed out the month of May at 100% occupied and 100% preleased. We have a very healthy waitlist list of applicants waiting for apartments to come available."

Robin Stephens
Community Manager
Pacific Bay Club Apartments