

**entrata**

# COVID-19 Rental Housing Trends

---

REPORT

[ENTRATA.COM/COVID19](https://entrata.com/covid19)

# COVID-19 Rental Housing Trends



As the widespread impact of COVID-19 develops around the country, Entrata continues to pay close attention to the trends among its multifamily clients. Entrata will update these findings regularly as we gauge the economic impact that this pandemic is having in the multifamily space. These findings will cover four main areas of impact: Rent Payments, Fees and Repayment Agreements, Leasing, and Operations.

All findings in this study are specific to Entrata’s conventional multifamily clients. The data for these findings consists of the available information through the first week of April 2020. Be aware that factors such as days of the week, property policies and office closures, local shelter-in-place regulations, and other circumstances may affect how this data is processed, recorded, and interpreted.

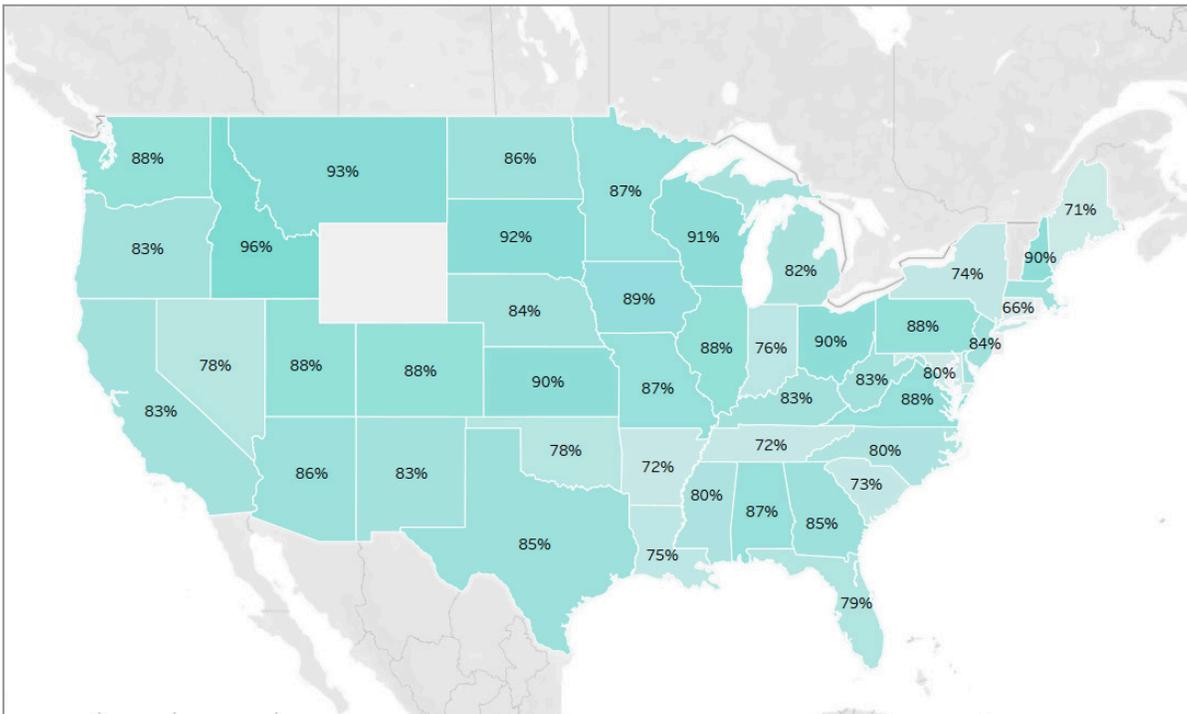


## PAYMENTS

### RENT PAYMENTS

Initial numbers for April rent payments are encouraging, with 83 percent of occupied units making a rent payment in the first week. This is in line with year-over-year payment data (82 percent in 2019) and down only slightly from last month’s numbers (84 percent in March 2020). The majority of these units paid rent in full, only five percent were partial payments.

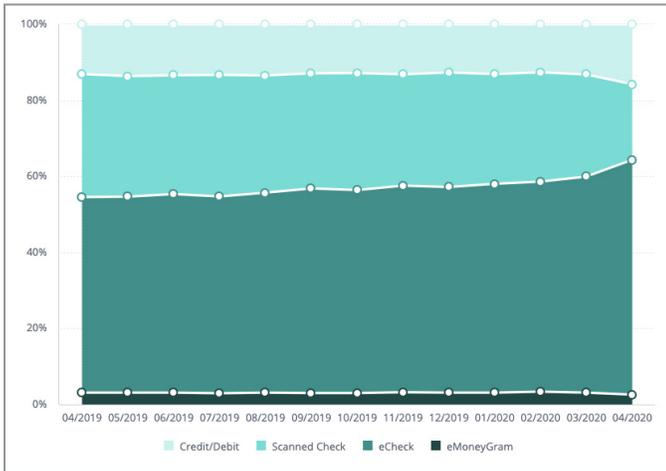
### PERCENTAGE OF UNITS MAKING A RENT PAYMENT IN THE FIRST WEEK OF APRIL



**FEES**

One of the factors contributing to strong April numbers may be the willingness of many properties to absorb convenience fees for residents choosing to pay rent online via ACH or credit card. Residents with a free online payment option took advantage of it to submit a rent payment, on average, seven percent more than residents whose properties did not absorb transaction fees. Across the country, payments via credit card increased over seven percent, and ACH payments were up four percent from April 2019. Social distancing had a clear impact on the number of checks turned in at the office, with scanned check payments down nearly 12 percent year-over-year. Money order payments were nearly the same.

**RENT COLLECTION DISTRIBUTION BY CHANNEL**

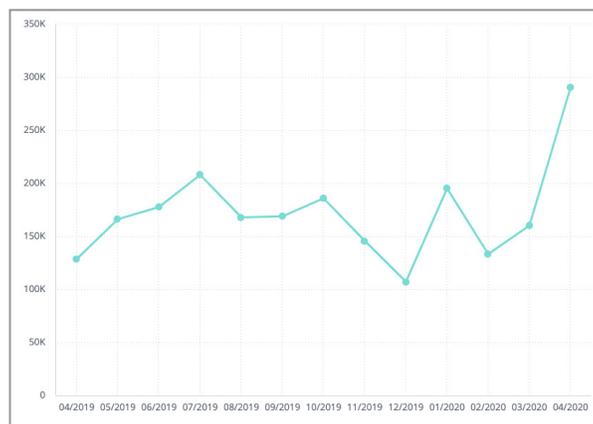


Not surprisingly, apartment communities have responded to their renters' new economic landscape by significantly dropping the volume of fees charged to residents compared to previous months and year-over-year. In April of 2020, only \$2.9MM in late fees were posted compared with just over \$5MM in April of 2019 and over \$7MM in March of 2020. A similar adjustment is indicated by the increased number of late fees that were waived this month. In the first week of April 2020, \$290K in late fees have been waived compared to \$128K in April of 2019 and \$160K in March of 2020.

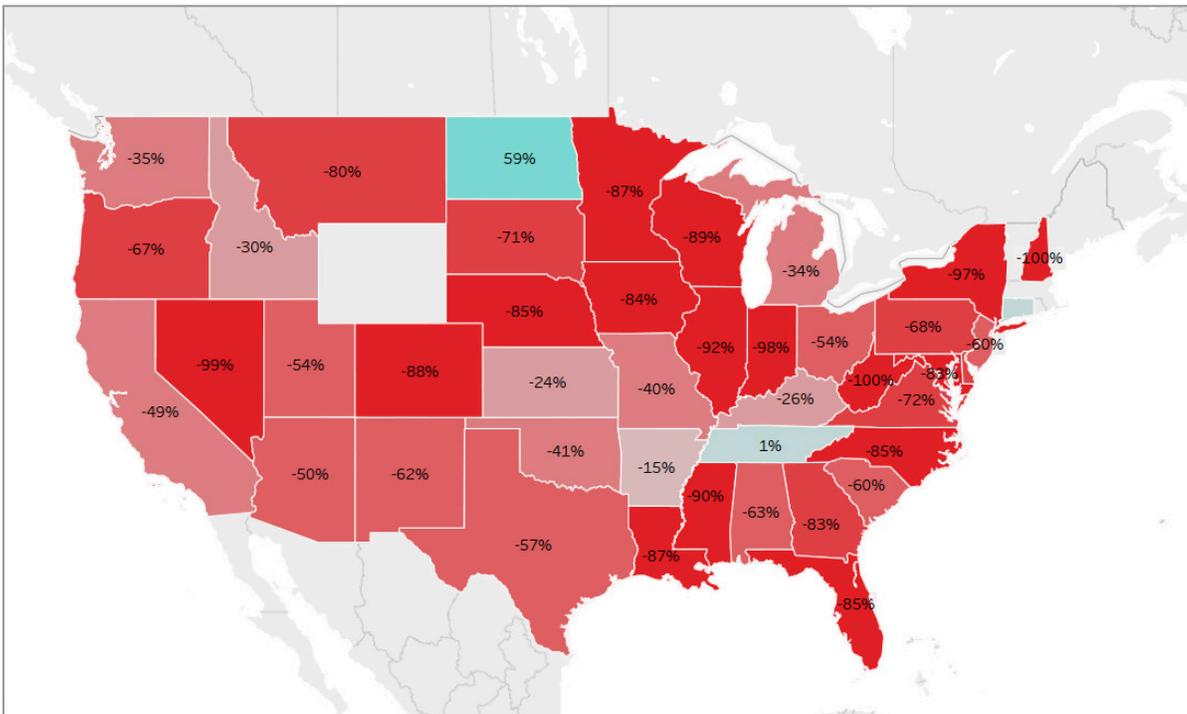
**LATE FEES POSTED**



**LATE FEES WAIVED**



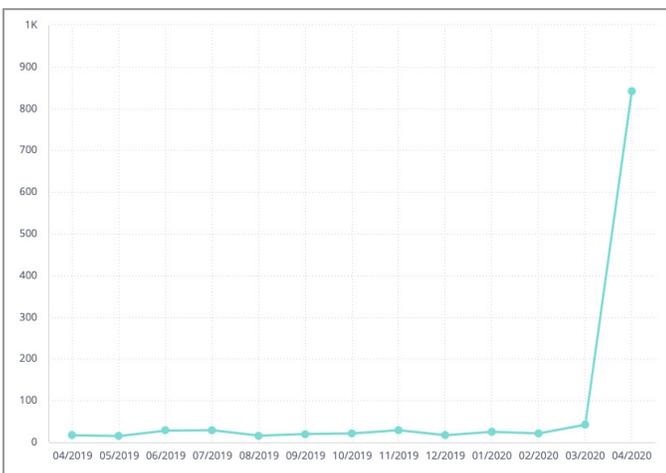
PERCENTAGE CHANGE IN LATE FEES BY STATE



REPAYMENTS

Although repayment agreements are just getting started, Entrata has observed a significant spike in the number created in April. In the first week properties generated 842 repayment agreements compared to 17 in April of 2019 and 42 in March of 2020. We anticipate this number will continue to rise sharply as more properties work with their residents to make payment plans.

OVERALL NUMBER OF REPAYMENT AGREEMENTS CREATED BY THE 7TH OF EACH MONTH



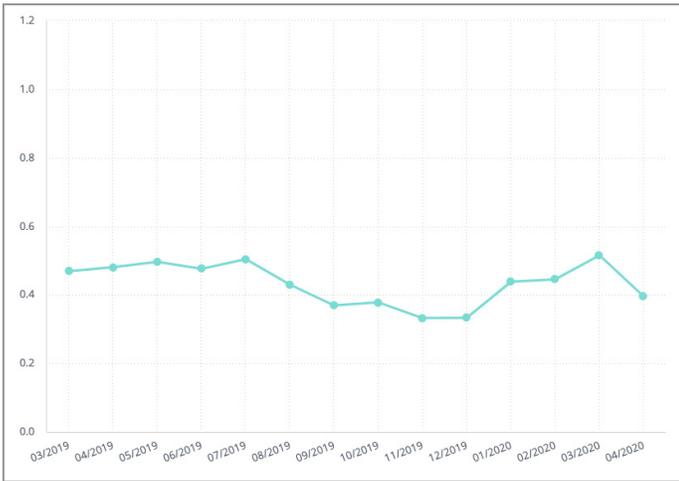
 LEASING

Several factors affect the leasing velocity of any given property. Entrata tracks a variety of leasing metrics, including the number of new leads per unit, new applications completed, how many resident screenings are conducted, and the number of leases properties generate. Early indications show mild dips in most of the leasing metrics we monitor, but nothing yet that falls outside the range of observed leasing behavior in the last 12 months.

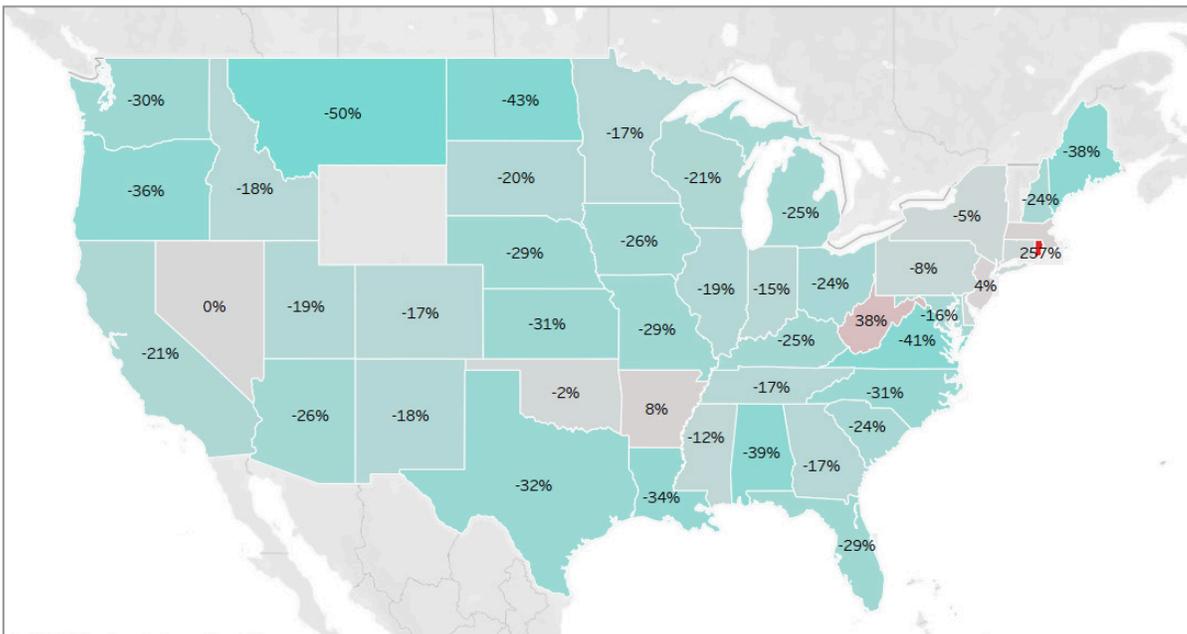
**LEAD GENERATION**

Case in point: the number of new leads per unit in the first days of April 2020 was 0.40. Over the last 12 months this metric has ranged from a low of 0.35 leads per unit in November 2019 to a high of .55 leads per unit in March 2020. The number this month is slightly lower compared to April of 2019 at 0.45.

**NEW LEADS PER UNIT OVER THE LAST YEAR**



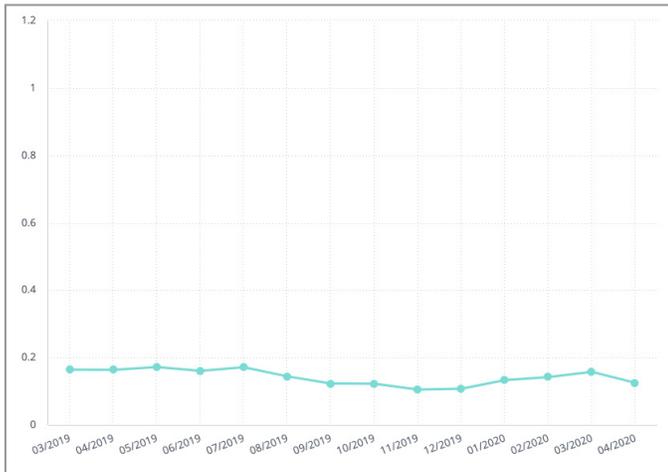
**MONTH-OVER-MONTH PERCENT CHANGE IN NEW LEADS BY STATE**



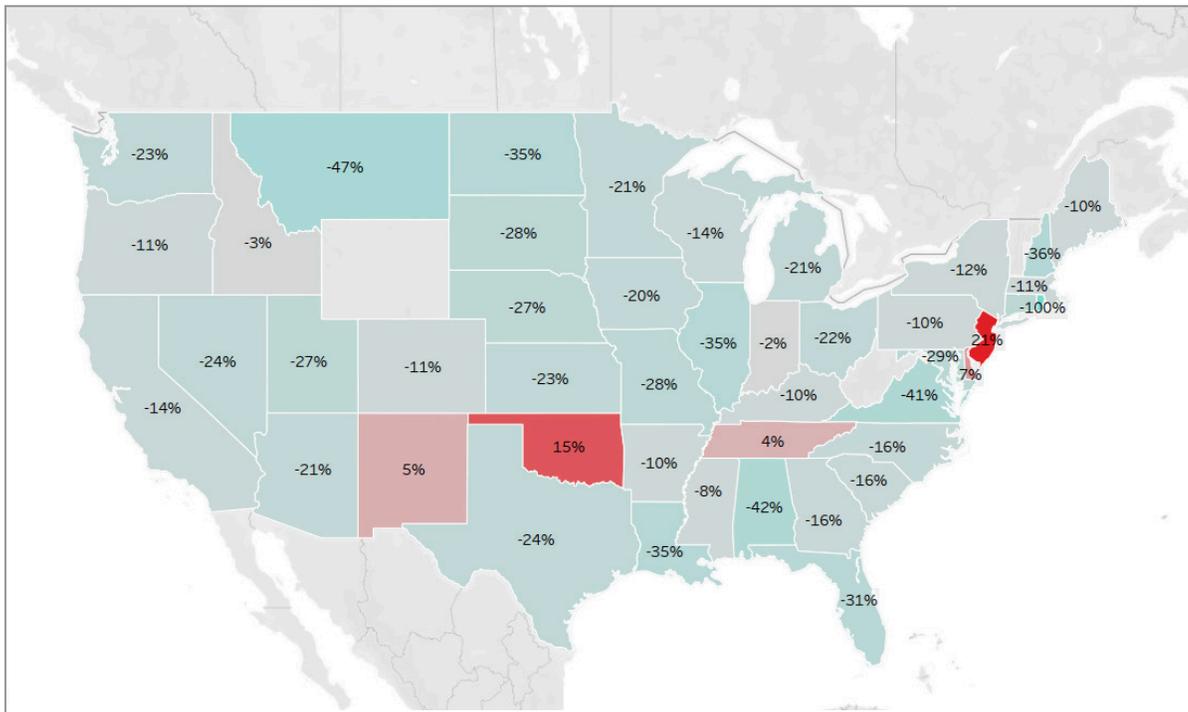
### APPLICATIONS AND SCREENING

Applications tell a similar story. Although new applications per unit dropped from March 2020 to April 2020, the numbers are currently within the normal application rates observed over the course of the last year. Applicant screening rates, on the other hand, are less consistent. While the average of applicant screenings across the country appears consistent with historical activity, state-by-state analysis shows jumps in the number of screenings in some locations while others reflect lower screening activity compared to March 2020.

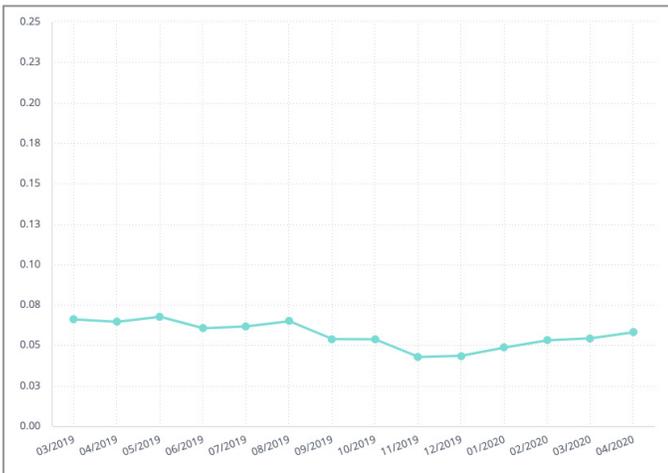
#### NEW APPLICATIONS PER UNIT OVER THE LAST YEAR



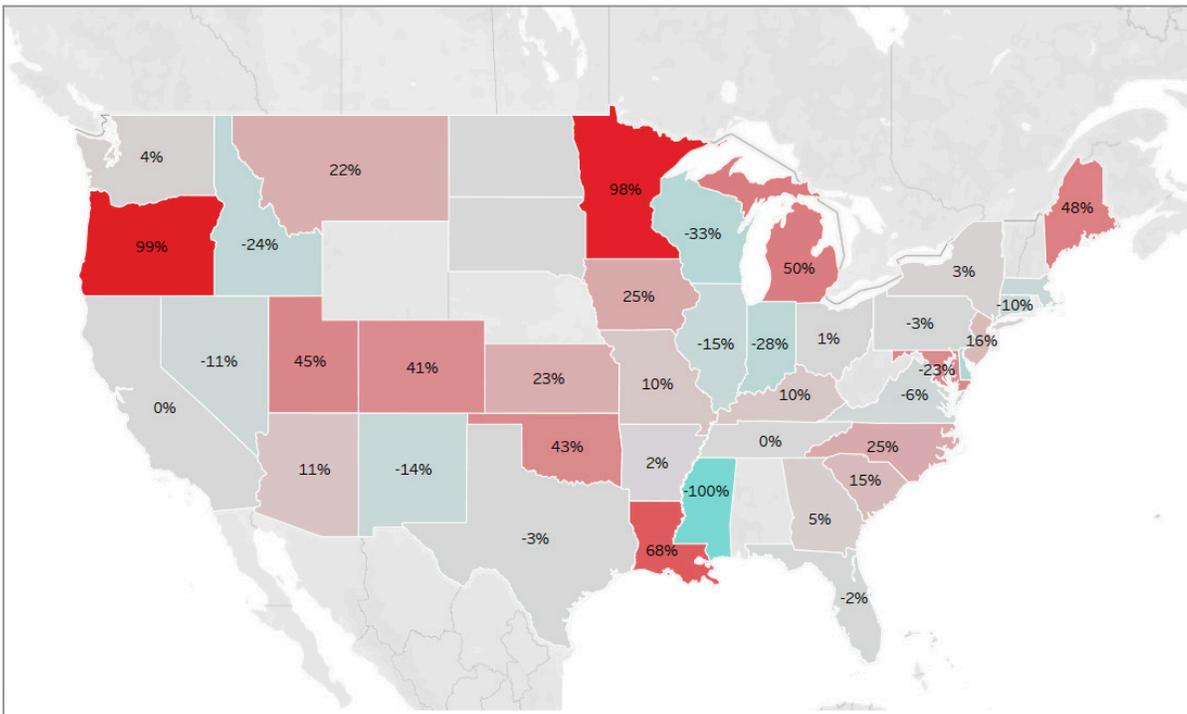
#### PERCENTAGE CHANGE IN NUMBER OF NEW APPLICATIONS STARTED BY UNIT



SCREENINGS PER UNIT



PERCENTAGE CHANGE IN SCREENINGS PER UNIT VS. MARCH 2020



**LEASES**

As expected, fewer leases have been generated and approved over the last few days than we would normally expect to see in early April. A number of states experienced double-digit drops in the number of leases generated compared to just last month.

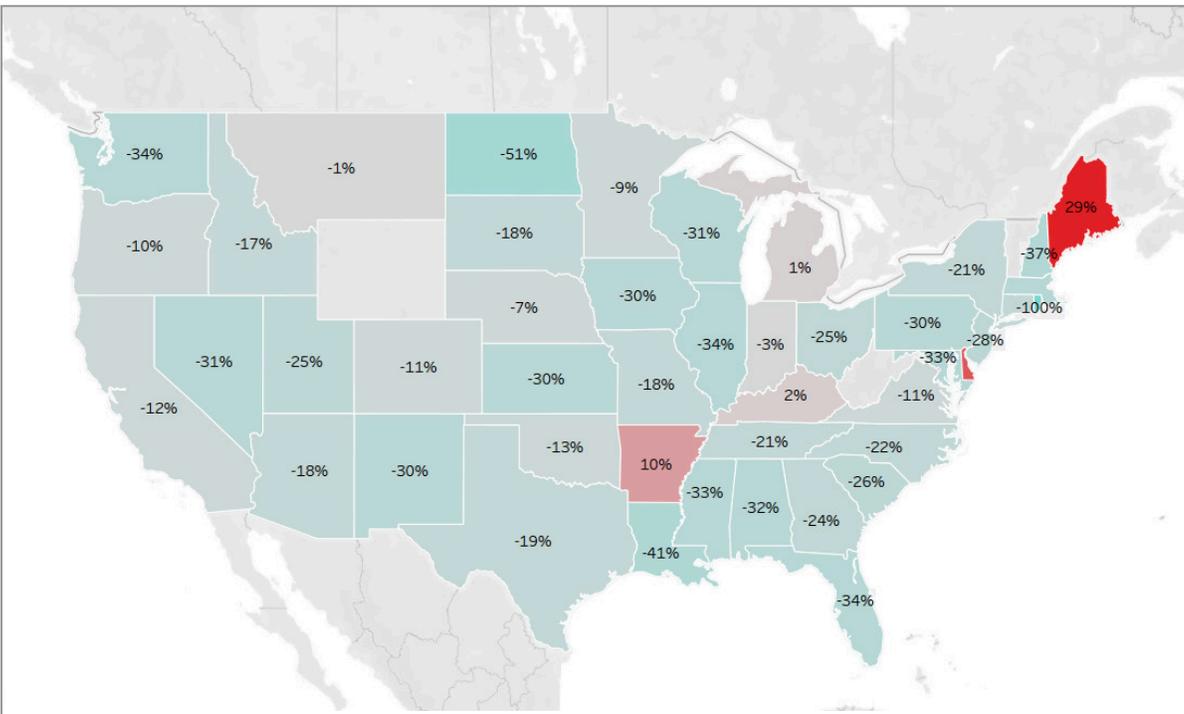
**LEASES GENERATED PER UNIT**



**LEASES APPROVED BY UNIT**



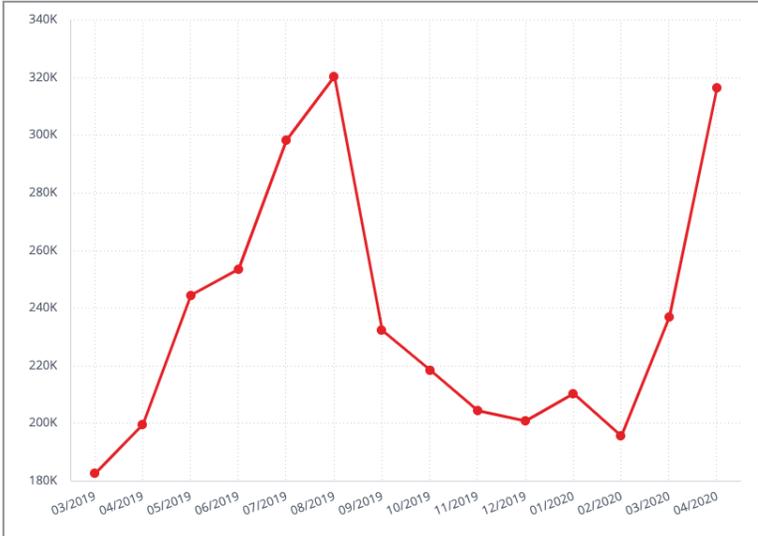
**PERCENTAGE CHANGE IN LEASES GENERATED BY STATE COMPARED TO MARCH 2020**



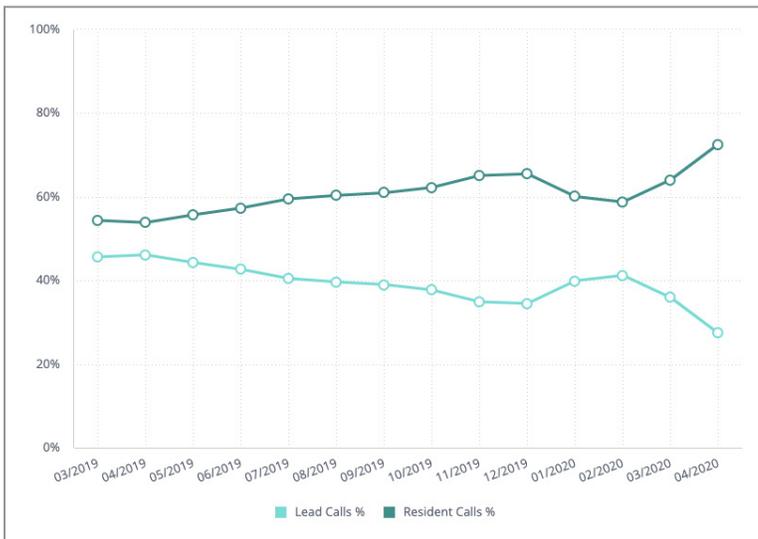
### CALLS

One indicator of leasing velocity monitored by Entrata is call volume. Surprisingly, call volume for leads is nearly identical to April of 2019. Not surprisingly, our Leasing Center is receiving a higher number of phone calls from residents this month, driving a spike in overall call volume.

#### OVERALL CALL VOLUME



#### PERCENTAGE OF LEAD CALLS VS. RESIDENT CALLS



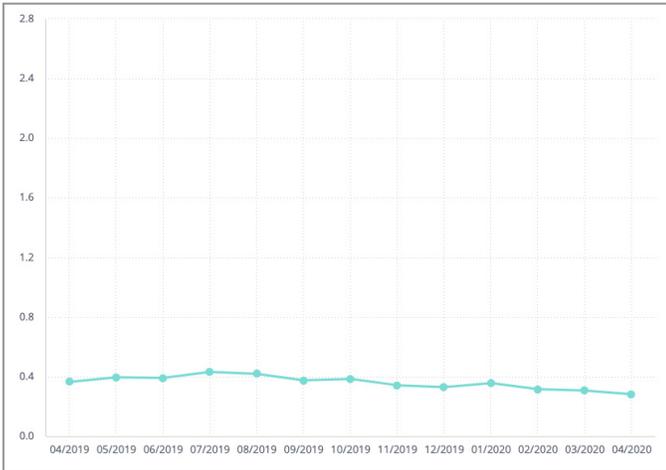


**OPERATIONS**

**MAINTENANCE**

Maintenance requests in the first week of April are reported at 0.3 work orders per unit, down slightly from March 2020 and more significantly from 0.4 maintenance requests per unit reported in April 2019. Many properties are changing processes to protect staff, with some limiting maintenance to emergencies only. Speculation that residents are less likely to report maintenance issues due to an unwillingness to allow maintenance technicians into their homes cannot be confirmed with these early numbers.

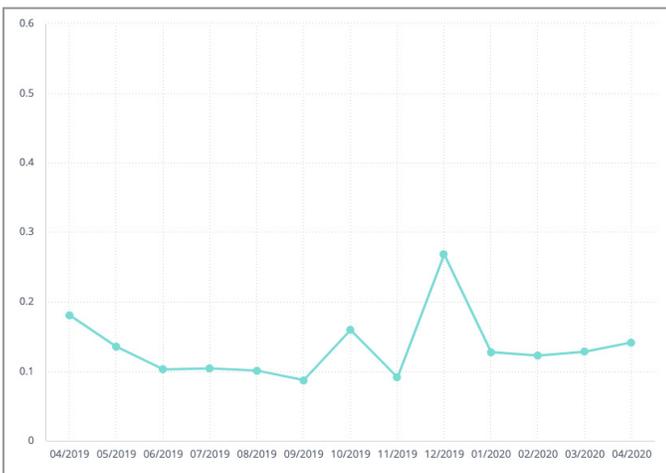
**MAINTENANCE REQUESTS PER UNIT**



**PACKAGE TRACKING**

We’re beginning to observe a rise in the number of package deliveries tracked through Entrata’s ParcelAlert as more communities fall under state and local shelter-in-place orders. However, the current volume does not yet match the activity levels we observe during seasonal high points (i.e., holiday shopping). This number may also be impacted by changes to on-site processes made for social distancing, such as offices being closed to package deliveries or communities routing deliveries directly to residents’ units.

**PARCELALERT PACKAGES PER UNIT**





## CONCLUSION

---

The COVID-19 pandemic is having a measurable impact on multifamily properties' ability to market their communities, lease, and collect rent. However, based on Entrata's data from conventional properties across 50 states, property managers' mitigation efforts (absorbing transaction fees, waiving late fees, etc.) have so far kept rent payment rates and leasing activity close to normal rates.

As the crisis unfolds, communities will undoubtedly feel the sting of the wider economic downturn, but early indicators suggest that the industry is positioning itself to weather the pandemic well while providing housing and essential services to American families.