

**entrata**

# COVID-19 Rental Housing Trends

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RENT WEEK REPORT

**DISCLAIMER**

The data for these findings consists of the available information for Entrata Clients through the date of publication of this document or as otherwise indicated. Data has been aggregated and normalized to provide trends, and Entrata makes every effort to ensure accuracy and completeness, but does not guarantee, warrant, or represent the information is accurate or complete.

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

CONVENTIONAL

MAY 08, 2020

# COVID-19 Rental Housing Trends

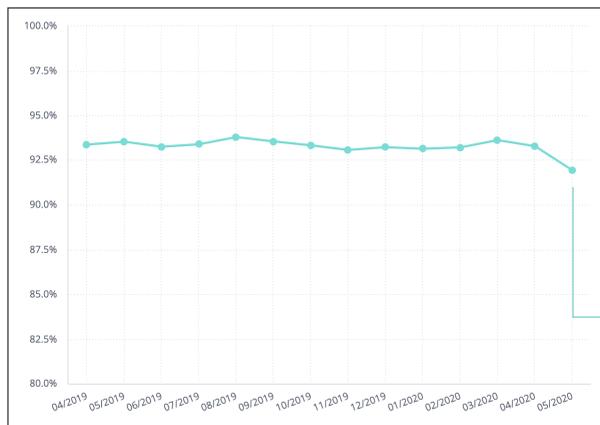


As the widespread impact of COVID-19 develops around the country, Entrata continues to pay close attention to the trends among its multifamily clients. Entrata will update these findings regularly as we gauge the economic impact that this pandemic is having in the multifamily space. These findings cover several main areas of impact: Occupancy & Renewals, Rent Payments, Fees & 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 information available through May 6, 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.

## → OCCUPANCY

### OCCUPANCY PERCENTAGE



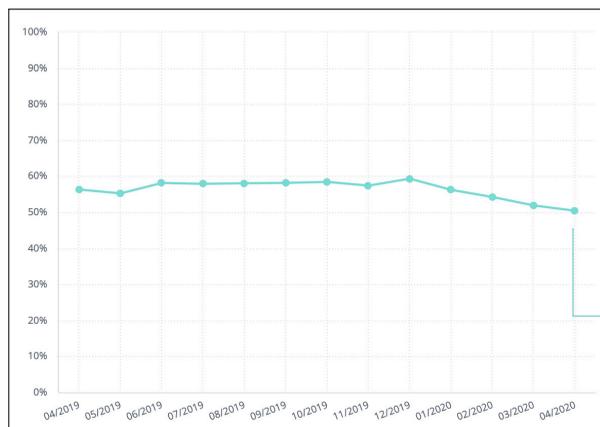
### OCCUPANCY

At the beginning of May, occupancy rates are just under 92 percent, down only about 1.6 percent year-over-year and in line with the generally high numbers observed over the last twelve months for conventional multifamily properties. We anticipate these numbers will go up and down as the pandemic wanes and markets begin to normalize.

91.9%

↓1.1%  
SINCE 04/22/2020  
↓1.6%  
YOY

### RENEWAL PERCENTAGE



### RENEWALS

Renewals climbed from 48 to 50 percent in recent days, down only 6 percent year-over-year as of the first week of May. The level numbers may reflect changes in local leasing regulations as properties move to month-to-month leases and wait for the lifting of economic restrictions before signing renewals.

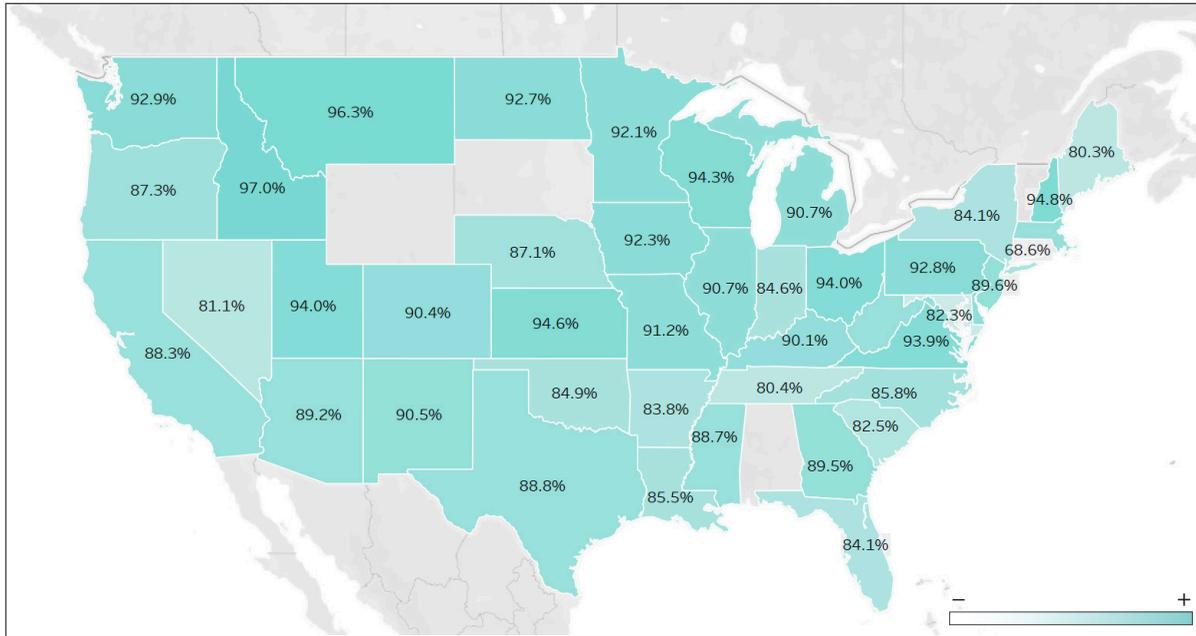
50%

↑2%  
SINCE 04/22/2020  
↓6%  
YOY

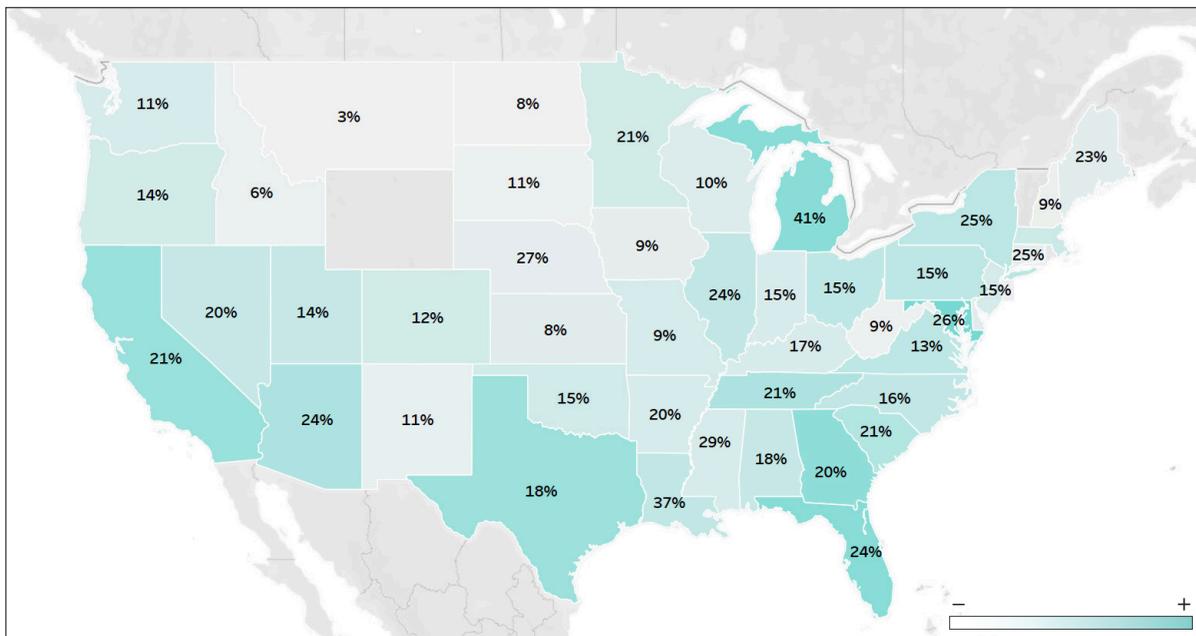


During the first week of May 2020, rent payments were made for 88.3 percent of conventional multifamily units measured, up one percent from April 2020 and down only 0.6 percent from May 2019. As in April, the percentage of uncollected rent for May 1-6 is, at 12.7 percent, lower than either April 2020 (14.5 percent) or the first week of May 2019 (13.1 percent).

**PERCENTAGE OF UNITS PAID RENT - MAY**



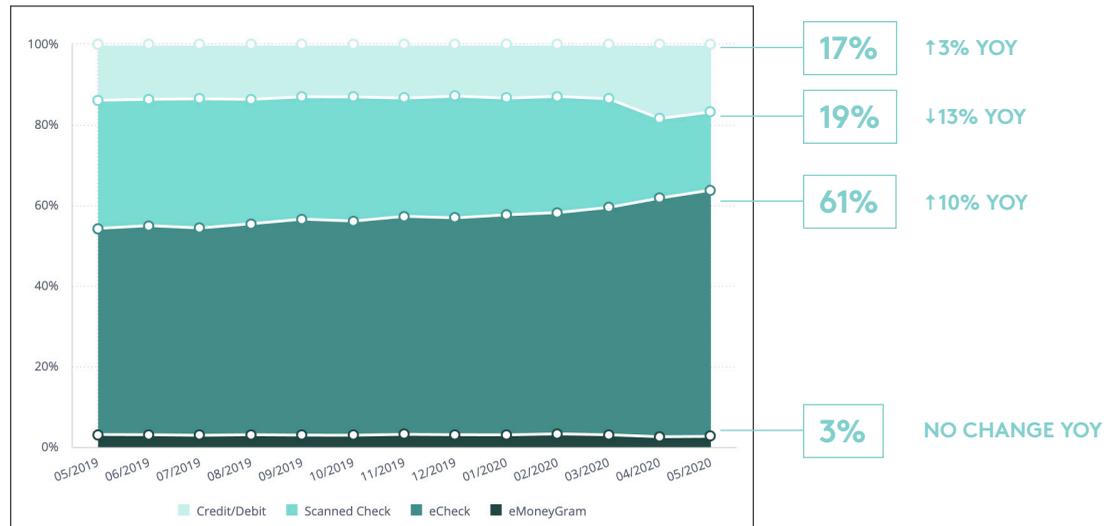
**PERCENTAGE OF UNCOLLECTED RENT - MAY**



### PAYMENT TYPES & CONVENIENCE FEES

The number of residents choosing to pay online via credit card grew to 17 percent in April and has held steady in the first week of May. This reflects a growth of 3 percent year-over-year. Renters also took advantage of eCheck payments at growing rates in May. At 61 percent, online ACH payments are up 10 percent from May 2019. Scanned checks fell to just 19 percent of payments received, down 13 percent from a year ago, and money order payments held steady at 3 percent.

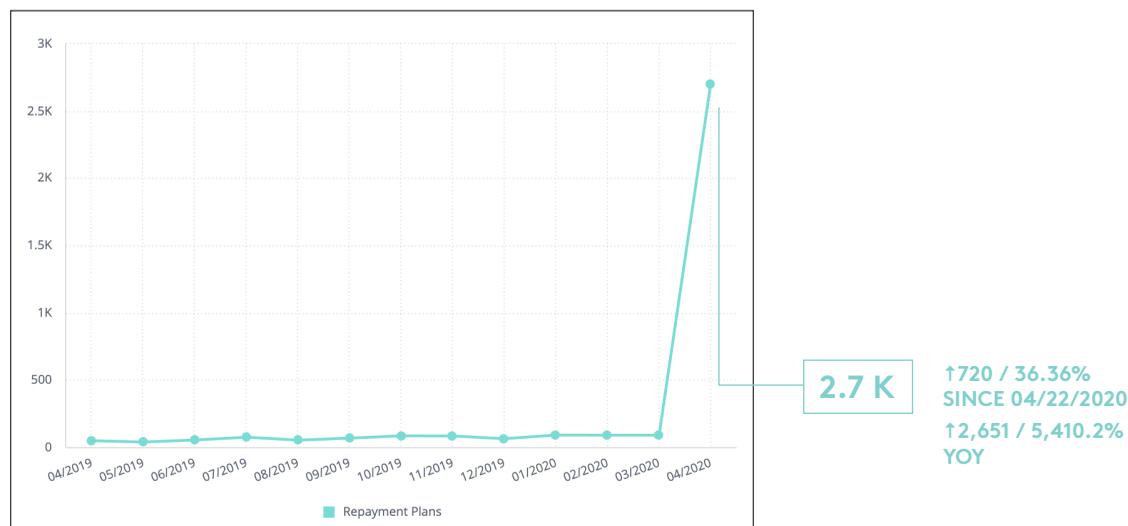
#### PAYMENT TYPE



### REPAYMENT AGREEMENTS

While the charts for repayment agreements seem dramatic, up to 2,700 as May begins, the relative number is surprisingly low. Anecdotal data from properties indicate renters are inquiring about options, taking advantage of the flexibility their communities offer, and paying on payment plans at a faster rate than expected.

#### REPAYMENT PLANS CREATED BY THE 19TH OF EACH MONTH





**FEEES**

**LATE FEES**

Apartment communities continue to embrace flexibility for renters and in May are posting 58.06 percent less in late fees than this time last year, averaging \$5.21 per unit over the properties surveyed. Late fees are being waived at higher rates than ever, up 13.76 percent from just a few weeks ago, and a whopping 235.14 percent year-over-year.

**LATE FEES POSTED PER UNIT**



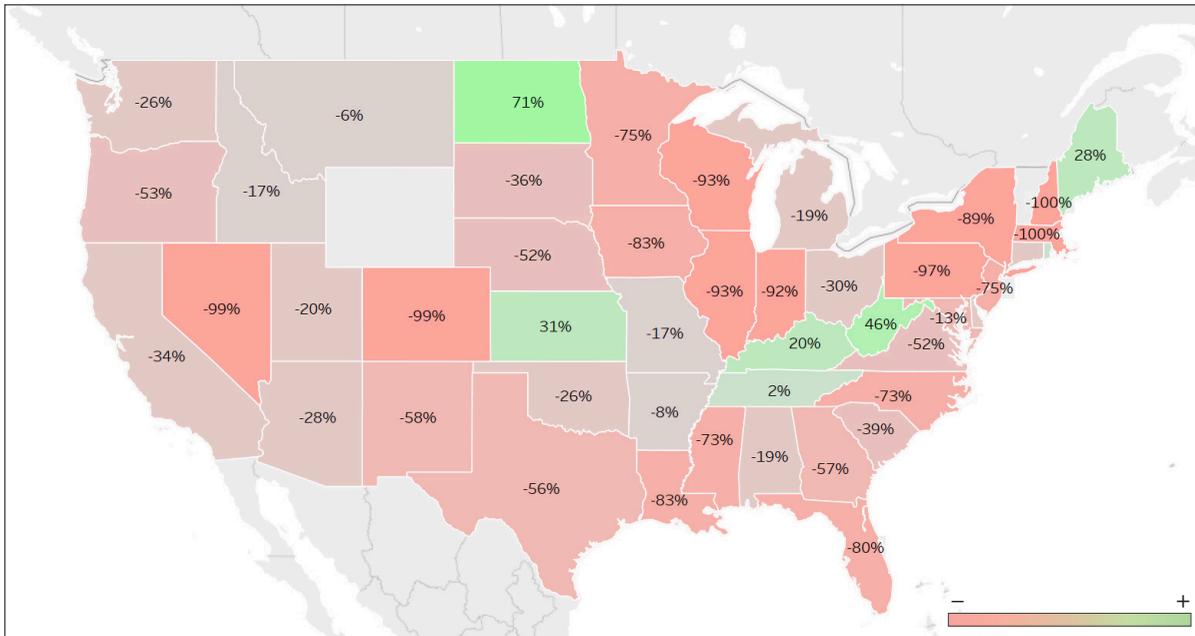
↑\$0.28 / 7.64% SINCE 04/22/2020    ↓\$7.22 / 58.06% YOY

**LATE FEES WAIVED PER UNIT**



↑\$0.15 / 13.76% SINCE 04/22/2020    ↑\$0.87 / 235.14% YOY

**PERCENT CHANGE IN LATE FEES MONTH OVER MONTH**



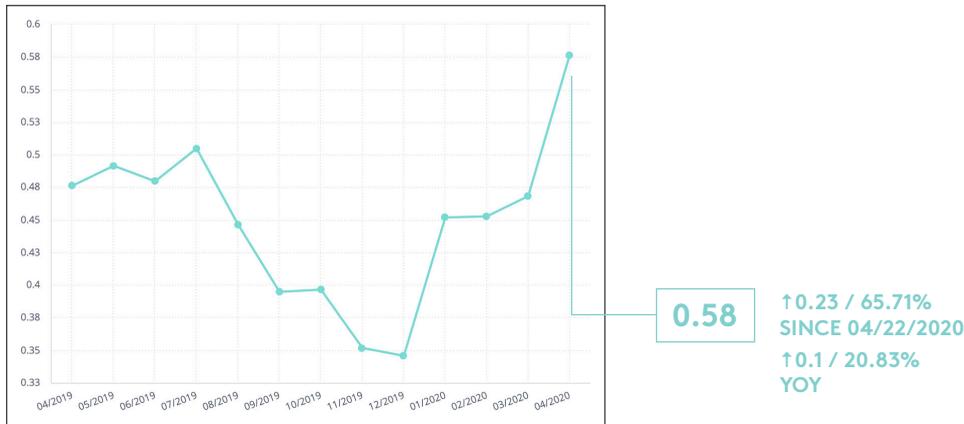
 LEASING

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. May brings promising numbers, as early metrics in the leasing funnel bounced back in the last week of April and continue stronger.

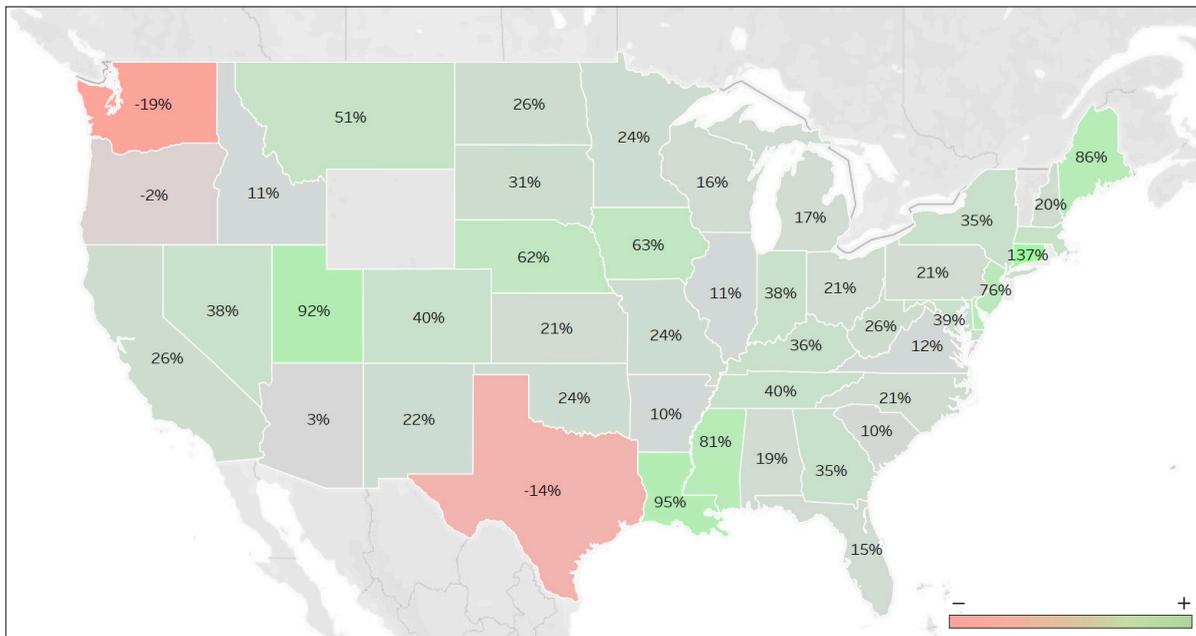
**NEW LEADS**

The average number of new leads per unit is up to 0.58, a 65.71 percent jump from April 22 and 20.83 percent higher than year-over-year leads. Regional analysis shows only a few areas unaffected by this late April rebound.

**NEW LEADS PER UNIT**



**PERCENT CHANGE IN LEADS MONTH OVER MONTH**

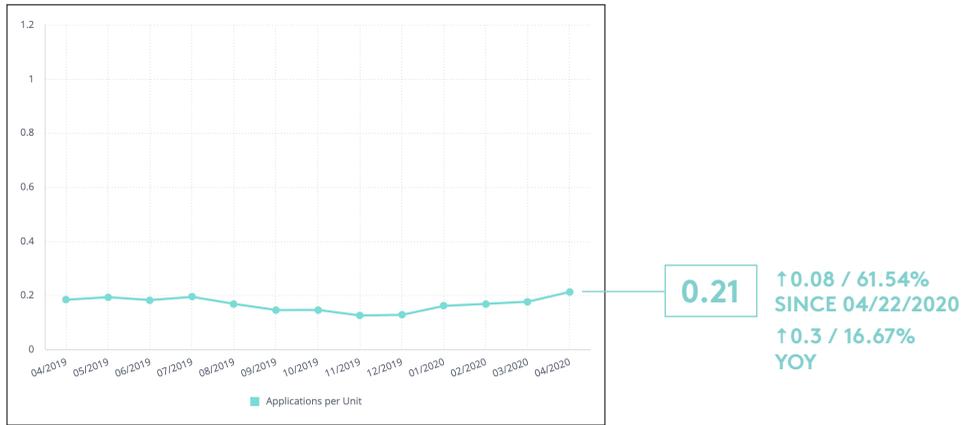


### NEW APPLICATIONS AND SCREENING

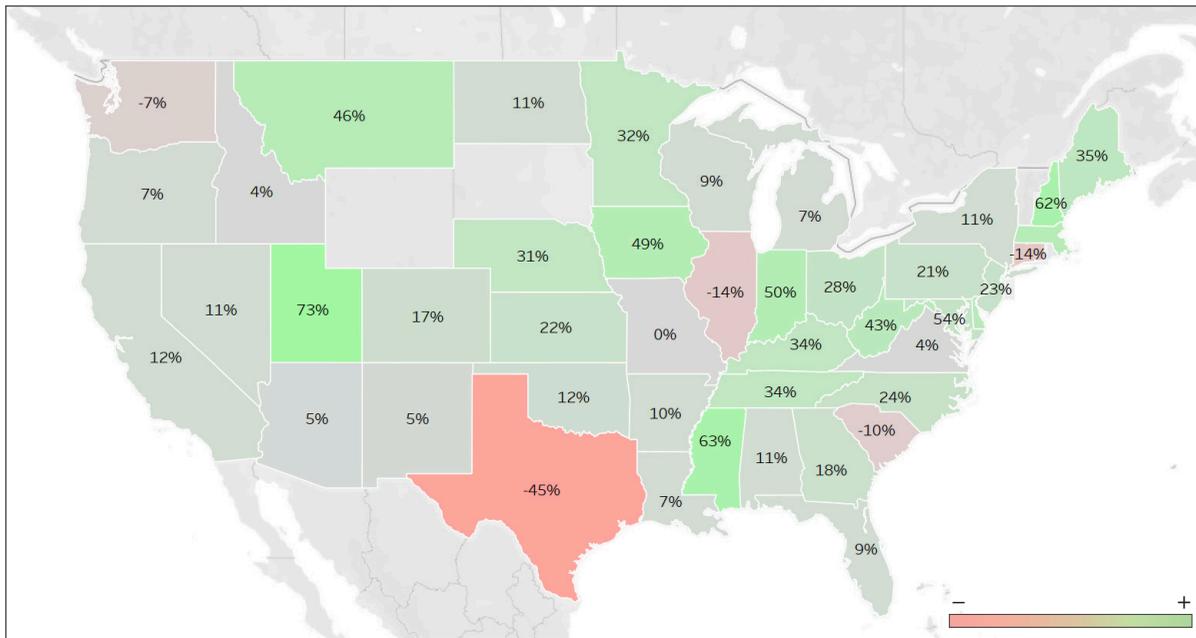
As with leads, new applications also reflected an unexpected upturn in recent weeks. At 0.21 new applications per unit, properties are experiencing 61.54 percent growth since April 22 of this year, and 16.67 percent year-over-year growth for new applications. Regional variations indicate most states doing moderately better, with a few outliers on either end of the spectrum.

Further down the leasing funnel, screenings have yet to reflect quite the same degree of growth. At 0.054 screenings per unit, rates are still 21 percent lower than last year. However, screenings per unit are 68.75 percent higher than mid-April numbers, and are expected to reflect growing momentum in coming months as economies reopen.

### NEW APPLICATIONS PER UNIT



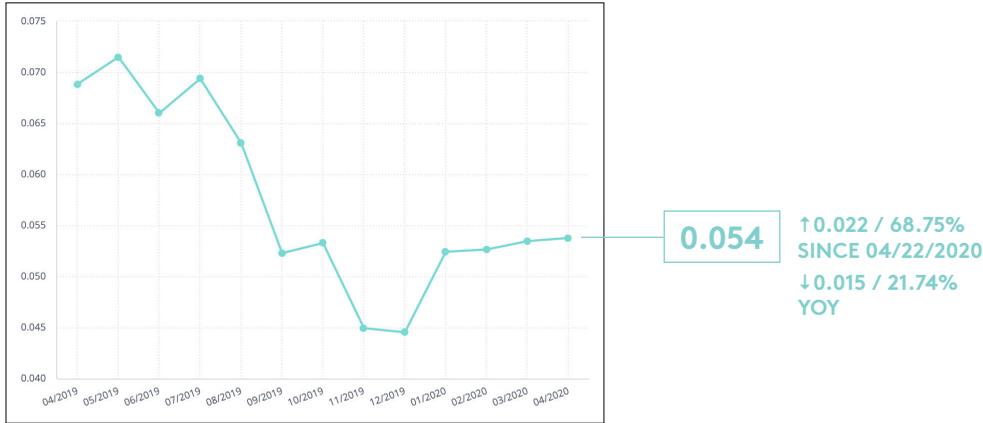
### PERCENT CHANGE IN NEW APPLICATIONS STARTED PER UNIT MONTH OVER MONTH



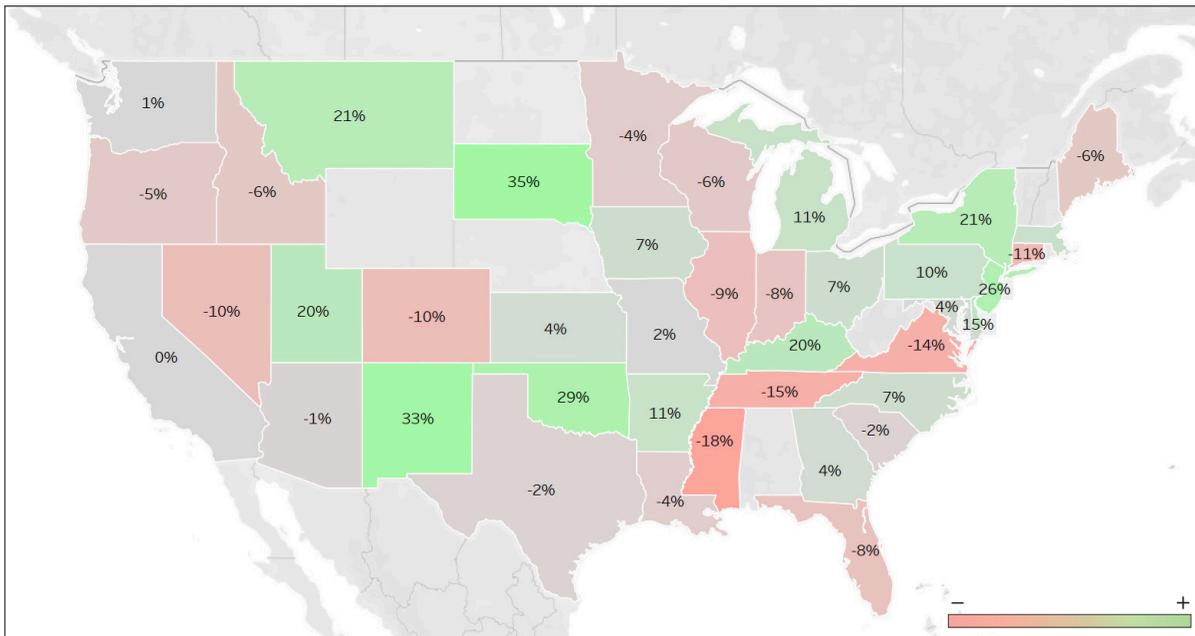
## NEW APPLICATIONS AND SCREENING

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### SCREENINGS PER UNIT



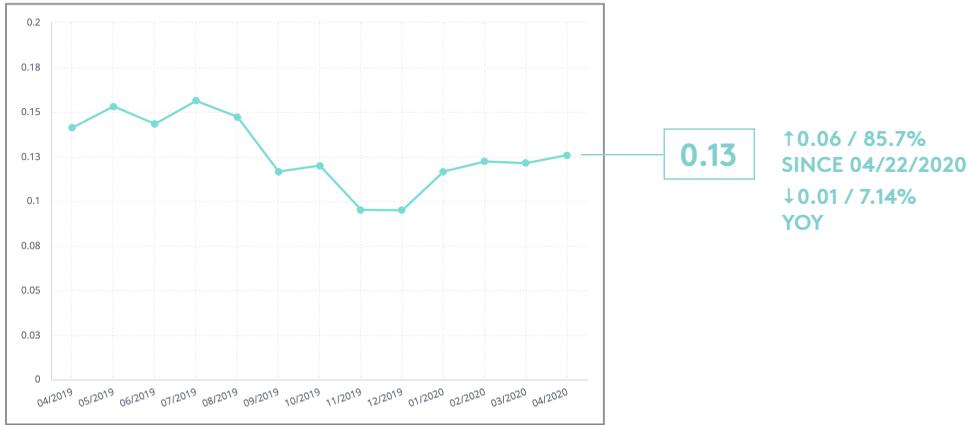
### PERCENT CHANGE IN SCREENINGS PER UNIT MONTH OVER MONTH



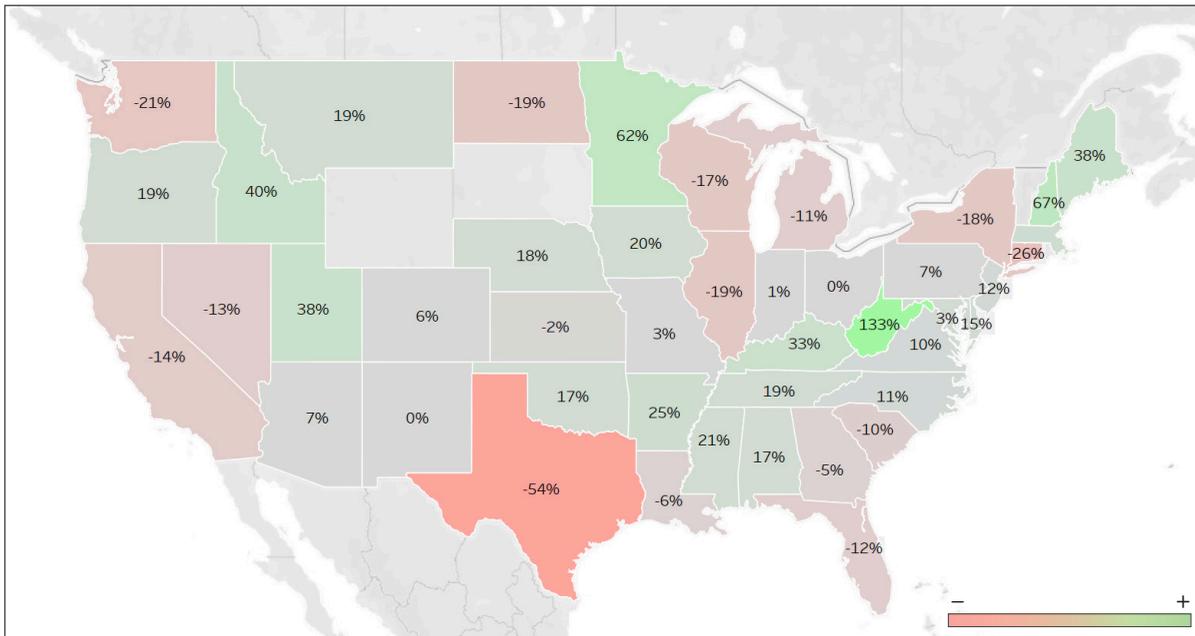
### LEASES

New leases, both generated and approved, have bounced back from the lows of mid-April and are, as of the first week in May, climbing back to normal seasonal rates. Currently, new leases generated per unit remain 7.14 percent lower than year-over-year numbers, and leases approved per unit are down 14.29 percent.

### LEASES GENERATED PER UNIT

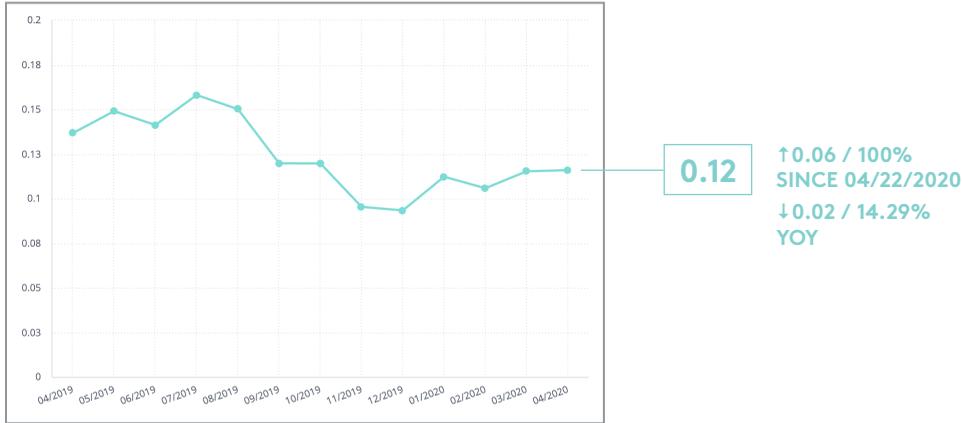


### PERCENT CHANGE IN LEASES GENERATED PER UNIT MONTH OVER MONTH

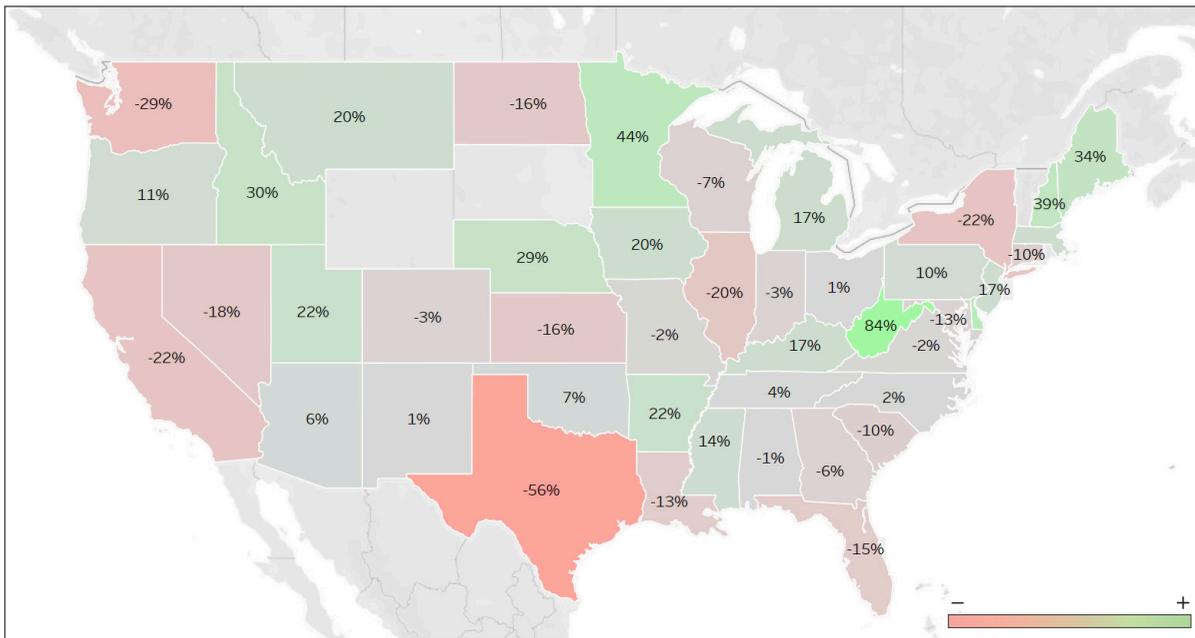


**LEASES**  
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**LEASES APPROVED PER UNIT**



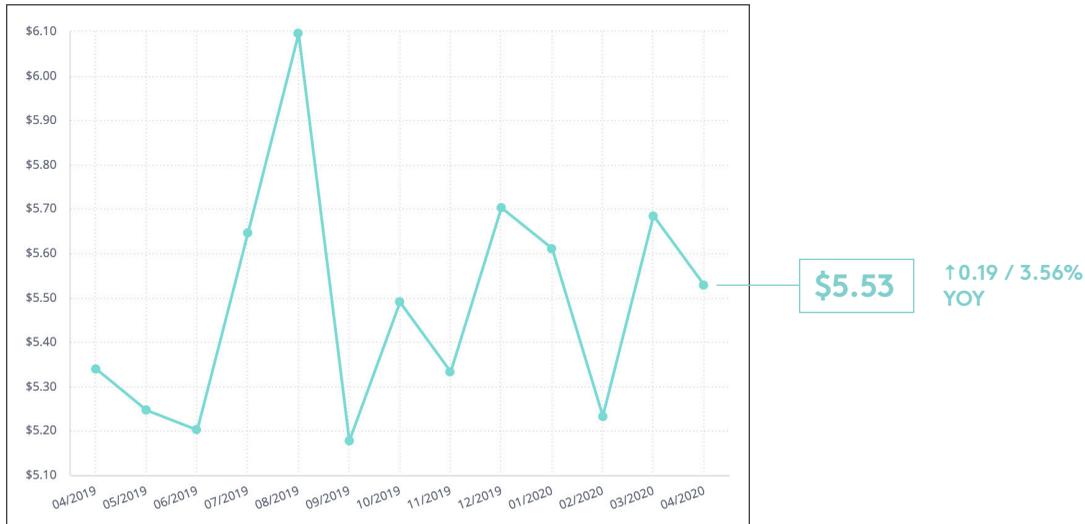
**PERCENT CHANGE IN LEASES APPROVED PER UNIT MONTH OVER MONTH**



### CONCESSIONS

The number of concessions posted has also settled since last month's high of \$6.19 per unit to \$5.53 per unit, only 3.56 percent higher year-over-year.

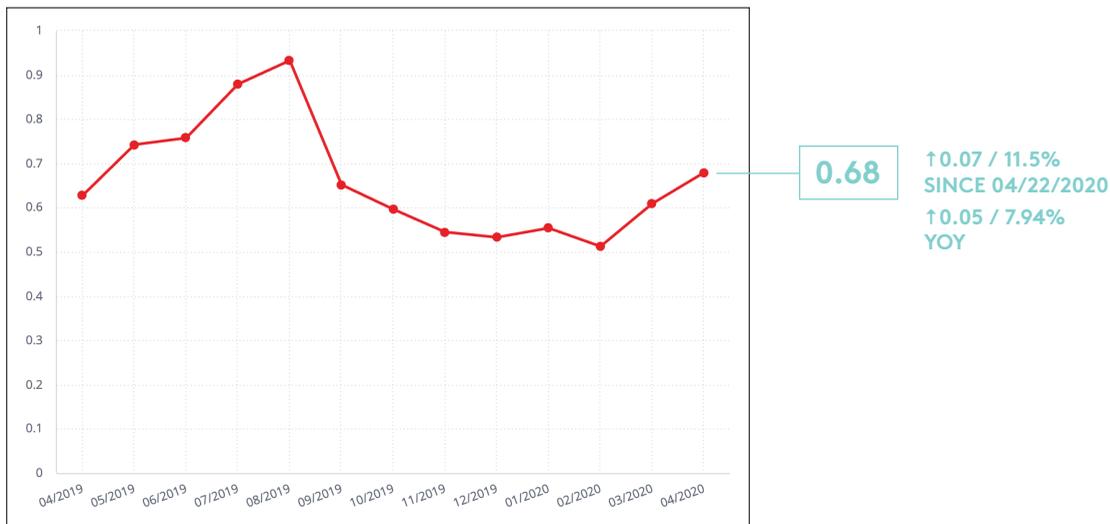
#### CONCESSION DOLLARS PER UNIT



### CALLS

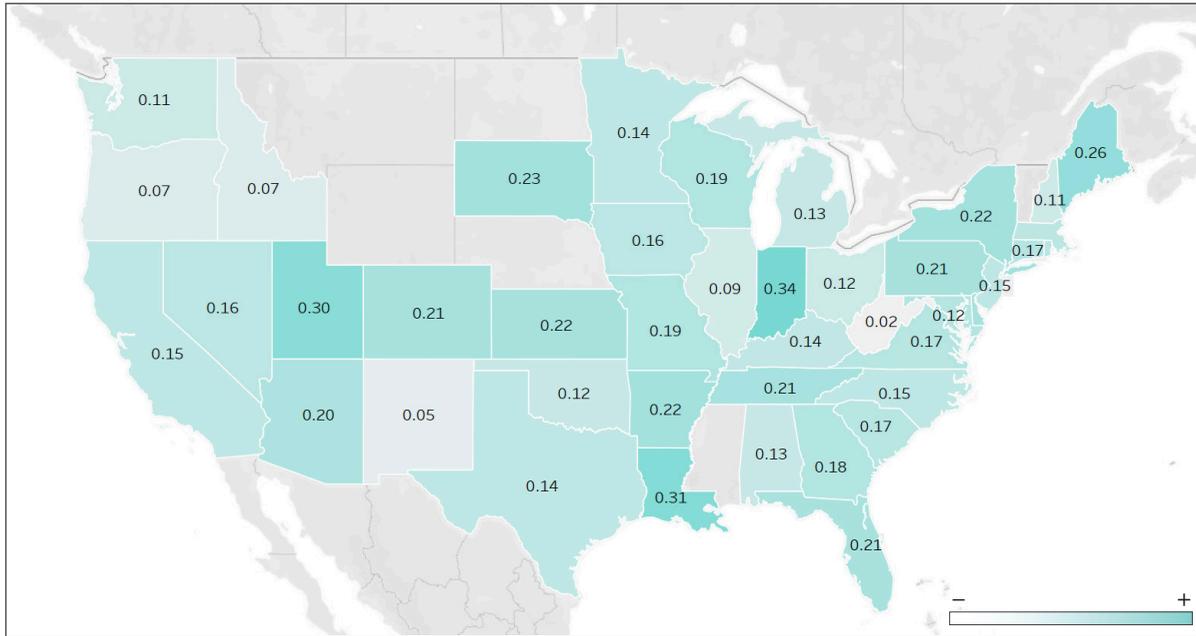
One indicator of leasing velocity monitored by Entrata is call volume. Call volume is also ticking up in recent weeks, registering an average of 0.68 calls per unit, a 7.94 percent increase from last year. We anticipate this number will continue to climb through the leasing season to come. As expected, resident calls are, at 73 percent, forming a higher than normal percentage of total calls over the last three weeks. The percent of lead calls, while 17 percent lower than last year, should be viewed in balance with the increase in overall call volume.

#### CALLS PER UNIT

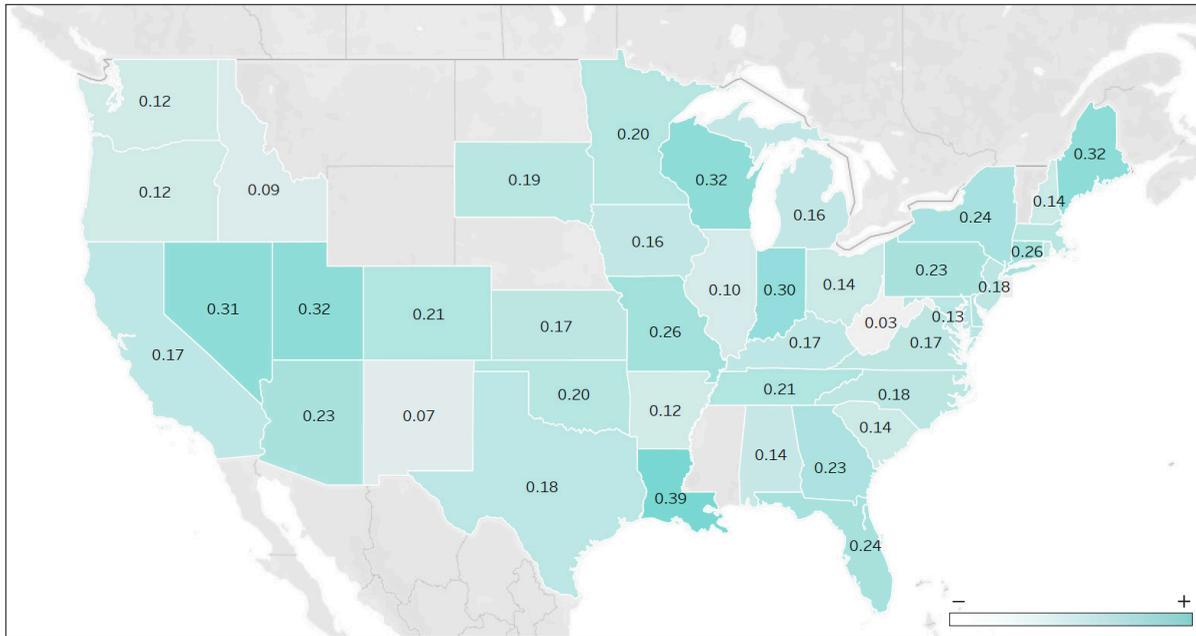


**CALLS**  
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**CALLS PER UNIT BY STATE - APRIL**



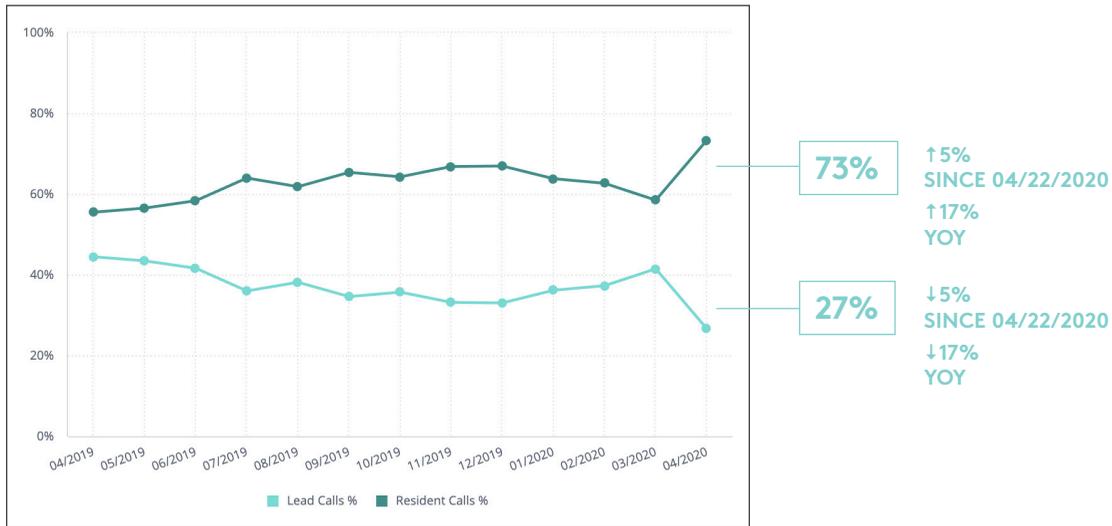
**CALLS PER UNIT BY STATE - MAY**



**CALLS**

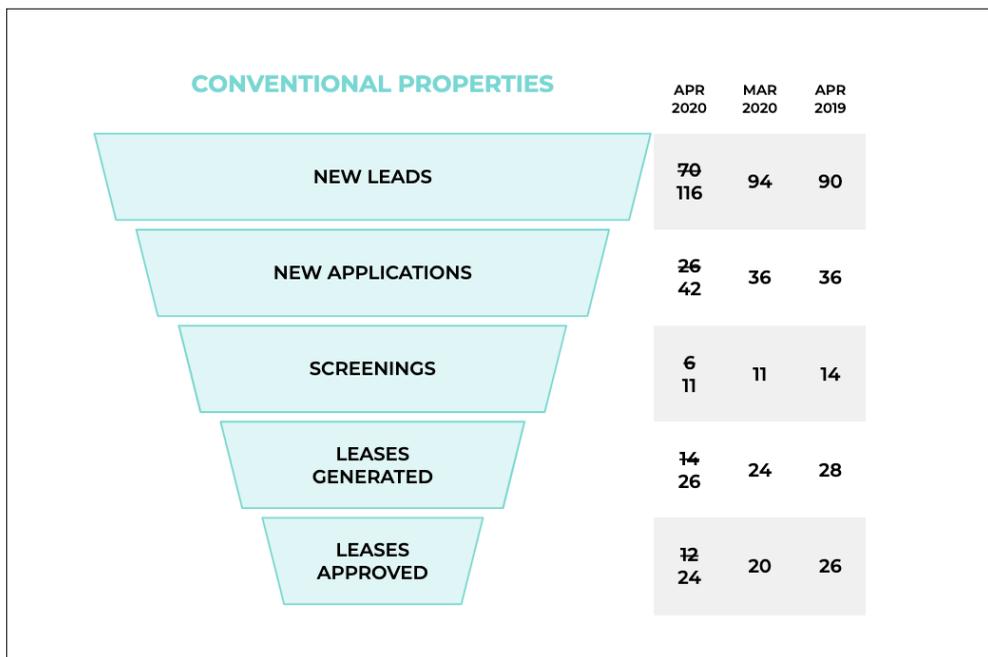
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**LEAD & RESIDENT CALLS AS PERCENT OF TOTAL CALLS**



**LEAD FUNNEL**

As expected, the impacts of the coronavirus pandemic become more pronounced as we move deeper into the leasing funnel. Recent growth in the numbers of new leads and applications are likely to be echoed in screenings and leases generated and approved in the weeks to come. The following chart shows sample effects for a 200 unit conventional multifamily property compared to March 2020 and April 2019. Note the difference between numbers measured on April 22, 2020 (displayed with strikethrough text) and the end-of-month totals.



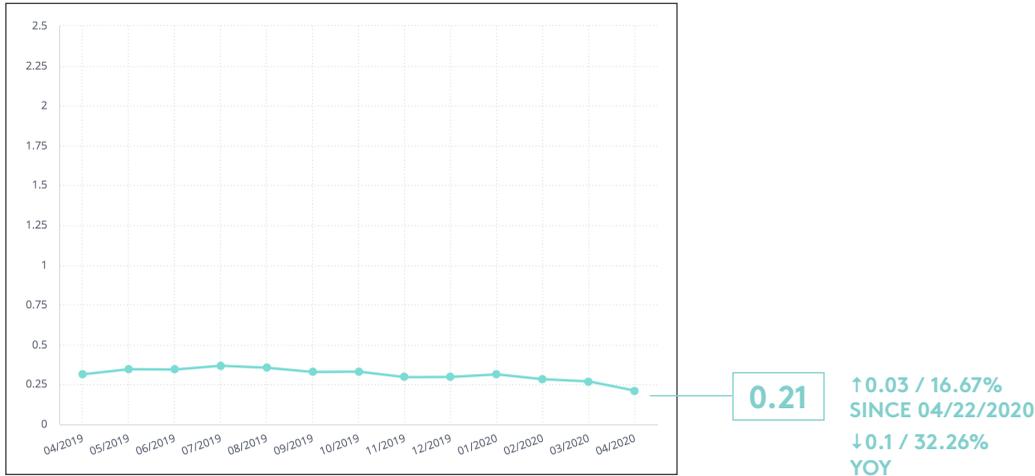


OPERATIONS

**MAINTENANCE**

Maintenance requests recorded in the first week of May remain low, down 32 percent year-over-year to 0.21 per unit. This may reflect changing processes in place to protect staff, with some properties limiting maintenance to emergencies only. Properties are well advised to take time to plan preventive maintenance and prepare for a jump in service requests as social distancing initiatives relax.

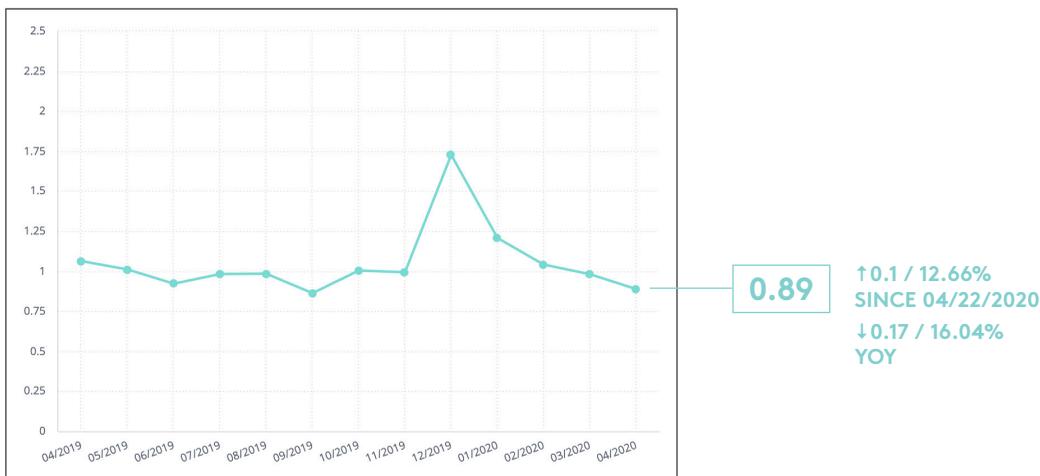
**MAINTENANCE REQUESTS PER UNIT**



**PACKAGE TRACKING**

The number of packages being scanned through leasing offices is, at 0.89 packages per unit, lower than many expected. It's likely that the total number of deliveries to residents is much higher, and the ParcelAlert numbers reflect the implementation of social distancing procedures to keep traffic in leasing offices to a minimum. Anecdotal data indicates a number of leasing offices are closing package distribution rooms and re-routing deliveries directly to residents' doors.

**PARCELALERT PACKAGES PER UNIT**





## CONCLUSION

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Entrata has announced enhanced reporting capabilities available to partners with new COVID-19 delinquency reports. These reports are built to help property managers track delinquency and collection trends with increased granularity through the coronavirus outbreak.

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 kept rent payment rates close to normal, and although leasing activity slowed significantly in April, early May numbers indicate a rebound may already be underway.

With maintained flexibility and responsiveness to resident needs and early planning for post-COVID's new normal, property management companies have a lot to prepare for. As the crisis unfolds, communities will undoubtedly feel the sting of the wider economic downturn, but ongoing indicators suggest that the industry is positioned to weather the pandemic well while providing housing and essential services to American families.