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 student housing clients. Entrata will update these findings regularly as we gauge the economic impact that this pandemic is having in the student housing 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 student housing clients. The data for these findings consists of the available information through the 19th of April 2020. Be aware that factors such as days of the week, property policies and office closures, campus closures and local shelter-in-place regulations, and other circumstances may affect how this data is processed, recorded, and interpreted.

**OCCUPANCY**

**OCCUPANCY PERCENTAGE**

At 90 percent, occupancy rates, while down slightly from March, are still in line with the generally high numbers observed over the last twelve months for student multifamily properties.

**RENEWAL PERCENTAGE**

Renews, at 69 percent, have surprisingly increased month over month and year over year.
Rent collection numbers for April continue to show encouraging trends across our nationwide sample. Through the third week of April, 91.62 percent of units have made a rent payment (compared to 94.06 percent in March). We are observing an expected increase in the dollar amount of uncollected rent, at 6.43 percent, which jumped from 3.98 percent in March.

**PERCENT OF UNITS THAT MADE A RENT PAYMENT AS OF APRIL 20, 2020**

**PERCENTAGE OF UNCOLLECTED RENT AS OF APRIL 20, 2020**
PAYMENT TYPES & CONVENIENCE 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. Properties that absorb convenience fees for online payments maintain a slight edge on those that pass fees along to residents. Across the country, student housing payments via credit card increased over four percent, and ACH payments were up seven percent from the first week in April. Social distancing had a clear impact on the number of checks turned in at the office, with scanned check payments down nearly seven percent. Money order payments were nearly the same.

PAYMENT TYPE

REPAYMENT AGREEMENTS
As anticipated, the number of repayment agreements posted in Entrata’s system has ballooned since the first week of the month, up 456.25 percent since April 7 as properties work with students to make payment plans.

REPAYMENT PLANS CREATED BY THE 20TH OF EACH MONTH
LATE FEES
Not surprisingly, apartment communities have responded to their renters’ new economic landscape by significantly dropping the volume of fees charged to residents. Averaged over unit counts, properties have posted only $1.78 per unit in late fees, while waiving $0.48 per unit.

LATE FEES POSTED PER UNIT
LATE FEES WAIVED PER UNIT

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. Indications through April show continued softening across most of the leasing metrics we monitor.

NEW LEADS

The average number of new leads per unit through April 19 dipped to 0.6, down from March 2020 and 14.28 percent lower than the numbers reported in the first week of the month. Regional analysis shows COVID-19 hotspots seeing the greatest drop in new lead activity.

NEW LEADS PER UNIT

![Graph showing new leads per unit over time with a dip to 0.6 and a decrease of 14.28% since April 19, 2020.]

PERCENT CHANGE IN LEADS MONTH OVER MONTH

![Map showing percent change in leads month over month with various regions marked in different colors indicating changes.]

NEW APPLICATIONS AND SCREENING
New applications showed a slight growth (10.53 percent) since earlier in the month and, while lower than March, remain in line with rates for the last twelve months. Screening numbers are sharply lower, at 0.09 per unit, down 35.71 percent from earlier in the month.

NEW APPLICATIONS PER UNIT

PERCENT CHANGE IN NEW APPLICATIONS STARTED PER UNIT MONTH OVER MONTH
NEW APPLICATIONS AND SCREENING
Continued...

SCREENINGS PER UNIT

PERCENT CHANGE IN SCREENINGS PER UNIT MONTH OVER MONTH
LEASES
Fewer leases have been generated and approved this month than we would normally expect to see in early April. This identifies another point of drop off where leases may be created but are not getting signed.

LEASES GENERATED PER UNIT

PERCENT CHANGE IN LEASES GENERATED PER UNIT MONTH OVER MONTH
LEASES
Continued...

LEASES APPROVED BY UNIT

PERCENT CHANGE IN LEASES APPROVED PER UNIT MONTH OVER MONTH
CONCESSIONS
As leases drop, we expect to see the number of concessions posted increase. Student housing generally sees its highest concession rates at the beginning of the term (August & January). Recent months have seen higher rates than usual for this time of year. Through the 19th of April we’ve observed an average of $33.45 per unit in concessions, down slightly from March.

CONCESSION DOLLARS PER UNIT

$33.45

PRE-LEASING
One new area of data that we’ve collected is the number of pre-leases for our student properties. At a national level we are seeing a 55 percent pre-lease rate. This varies greatly by region but is typically in the 70-80 percent range at this time of year.

PRE-LEASE PERCENTAGE BY STATE
CALLS
Another indicator of leasing velocity monitored by Entrata is call volume. As anticipated, resident calls are at 74 percent, forming a higher than normal percentage of total calls over the last three weeks. Lead calls are down slightly in increased overall call volume.

CALLS PER UNIT

CALLS PER UNIT BY STATE AS OF APRIL 20, 2020

0.61
NATIONAL AVG.
CALLS
Continued...

LEAD & RESIDENT CALLS AS PERCENT OF TOTAL CALLS

![Graph showing lead and resident calls as percent of total calls]

74%
26%

LEAD FUNNEL
We have observed that the impacts of the coronavirus pandemic become more pronounced as we move deeper into the leasing funnel. The following chart shows sample effects for a 200 unit student property compared to March 2020 and April 2019.

<table>
<thead>
<tr>
<th>STUDENT PROPERTIES</th>
<th>APR 2020</th>
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<tr>
<td>LEASES APPROVED</td>
<td>30</td>
<td>74</td>
<td>72</td>
</tr>
</tbody>
</table>
MAINTENANCE
Maintenance requests recorded through April 19 continue to drop off, down 43 percent from an average of 0.17 work orders per unit to 0.13 in recent weeks. This may reflect changing processes in place to protect staff, with some properties limiting maintenance to emergencies only. We expect to see a jump in service requests as social distancing initiatives relax.

PACKAGE TRACKING
The average number of packages being scanned through leasing offices, although up 600 percent in the last two weeks, at 0.14 packages per unit is still lower than March’s numbers. Anecdotal data indicates a number of leasing offices are closing package distribution rooms and re-routing deliveries directly to residents.
CONCLUSION

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 student housing properties’ ability to market their communities, lease, and collect rent. However, based on Entrata’s data from properties across the country, student property managers’ mitigation efforts (absorbing transaction fees, waiving late fees, etc.) have so far kept rent payment rates close to normal rates.

As the crisis unfolds and campus closures create economic ripple effects through their communities, student property operators will undoubtedly feel the sting, but early indicators suggest that the industry is positioning itself to weather the pandemic well while providing necessary housing and essential services to American students.