

**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)

STUDENT

MAY 08, 2020

# COVID-19 Rental Housing Trends

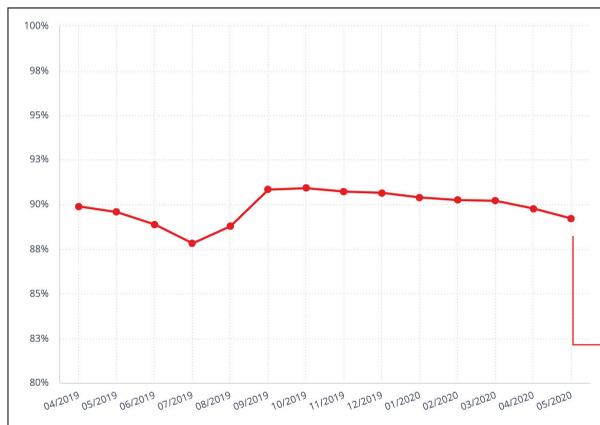


As the widespread impact of COVID-19 develops around the country, Entrata continues to pay close attention to the trends among its student housing clients. Entrata will update these findings regularly as we gauge the economic impact that this pandemic is having in the student housing space. These findings 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 May 6, 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



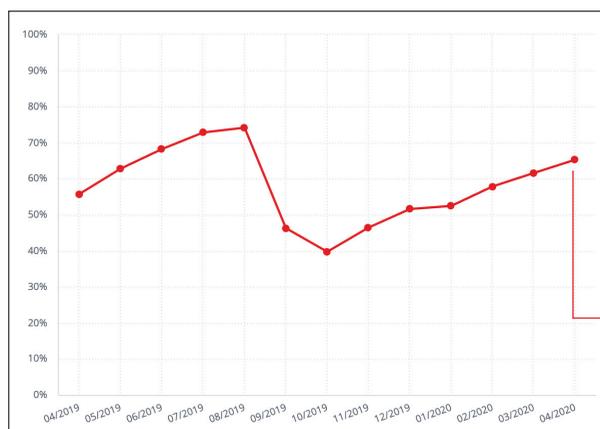
### OCCUPANCY

At the beginning of May, occupancy rates are just over 89 percent, down only about 0.4 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 schools make and publish plans to reopen.

**89.2%**

↓0.6%  
SINCE 04/22/2020  
↓0.4%  
YOY

### RENEWAL PERCENTAGE



### RENEWALS

Renewals, at 65 percent, continue a growth trend that began late last fall and reflect a 9 percent increase year-over-year.

**65%**

↓4%  
SINCE 04/22/2020  
↑9%  
YOY

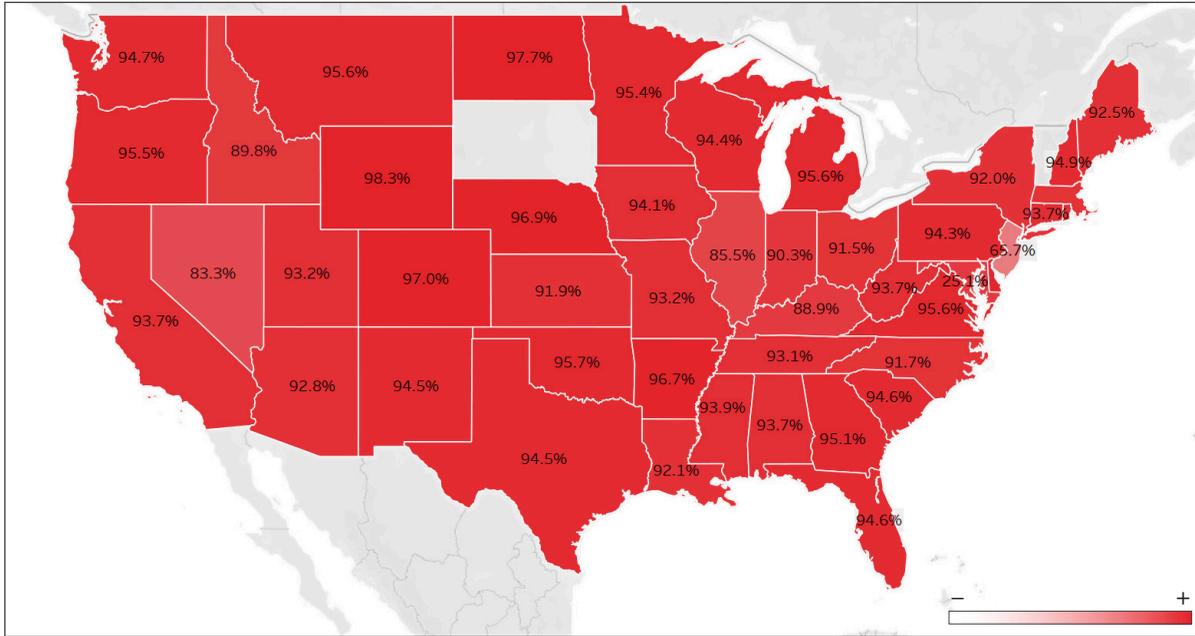


PAYMENTS

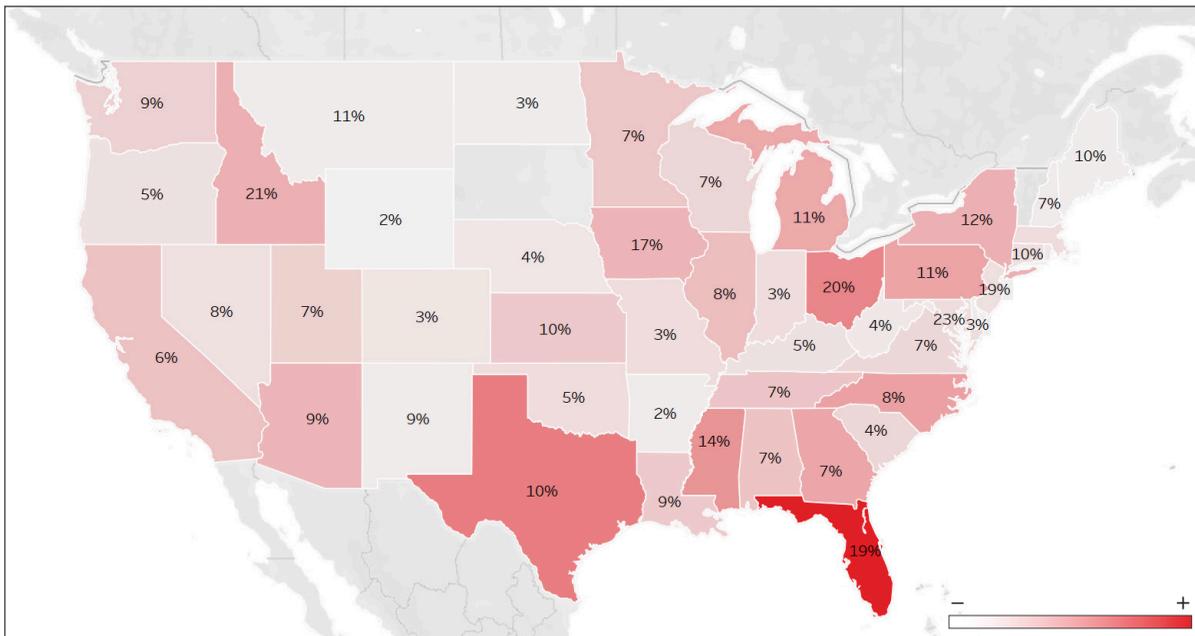
RENT PAID

Rent collection numbers finished strong in April and are off to a solid start in May. In the face of wider uncertainty, renters are prioritizing rent payments aided by stimulus and unemployment measures. Student properties received rent payments for 93.05 percent of units in the month of April - only slightly lower than March 2020 and year-over-year numbers. The percent of uncollected rent in April (6.4 percent) is about three times higher than it was in March (2.2 percent) or April of 2019 (2.7 percent).

PERCENTAGE OF UNITS PAID RENT - APRIL



PERCENTAGE OF UNCOLLECTED RENT - APRIL

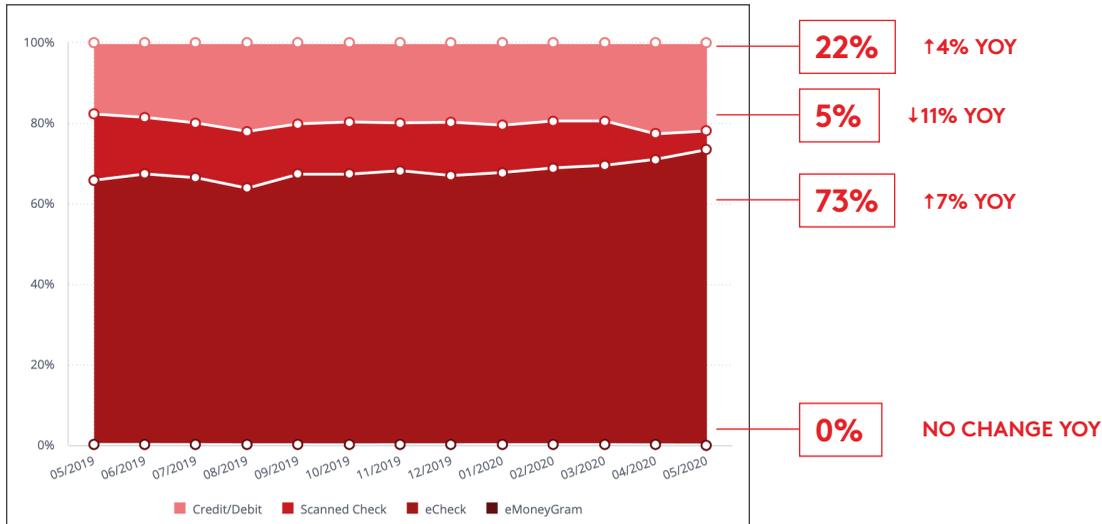




### PAYMENT TYPES & CONVENIENCE FEES

The number of residents choosing to pay online via credit card grew to 22 percent in April and has held steady in the first week of May. This reflects a growth of 4 percent year-over-year. Renters also took advantage of eCheck payments at growing rates in May. At 73 percent, online ACH payments are up 7 percent from May 2019. Scanned checks fell to just 5 percent of payments received, down 11 percent from a year ago.

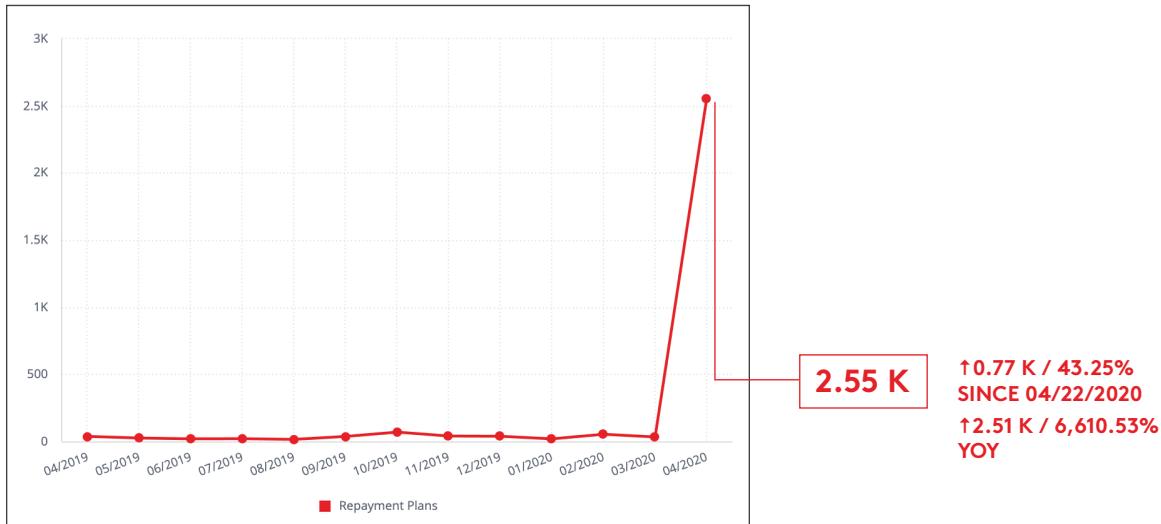
#### PAYMENT TYPE



### REPAYMENT AGREEMENTS

While the charts for repayment agreements seem dramatic, up to 2,550 as May begins, the relative number is surprisingly low. Anecdotal data from properties indicate students 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 61.55 percent less in late fees than this time last year, averaging \$1.78 per unit over the properties surveyed. Late fees are being waived at higher rates than ever, up 93.75 percent from just a few weeks ago and a whopping 745.46 percent year-over-year.

**LATE FEES POSTED PER UNIT**



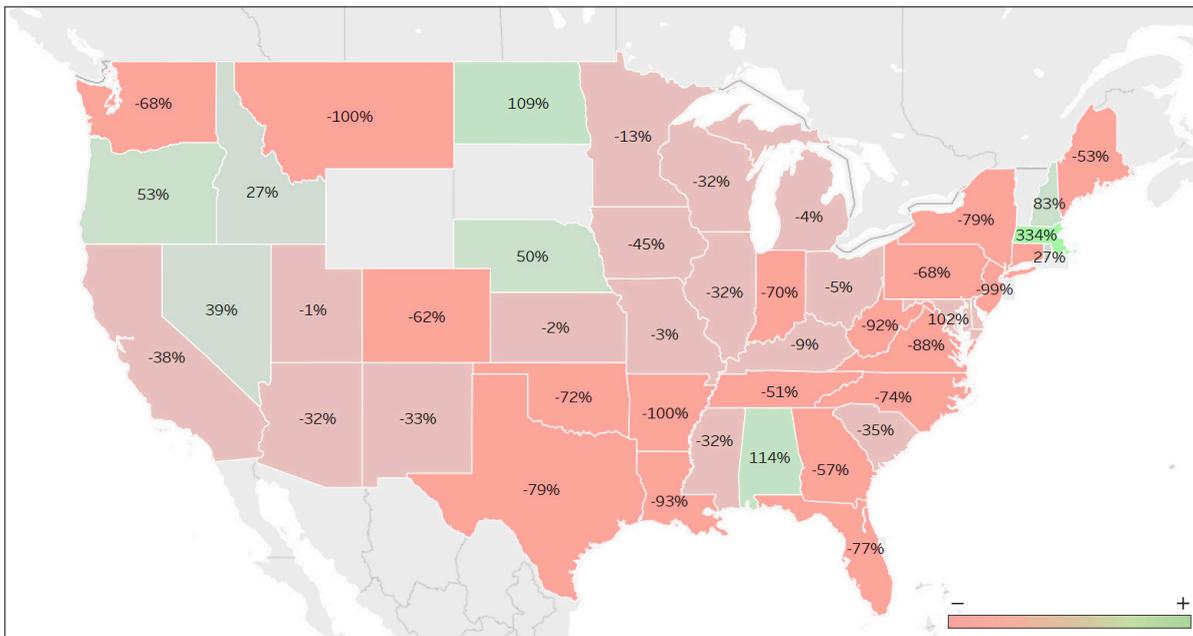
**NO CHANGE**      **↓\$2.85 / 61.55%**  
**SINCE 04/22/2020**      **YOY**

**LATE FEES WAIVED PER UNIT**



**↑\$0.45 / 93.75%**      **↑\$0.82 / 745.46%**  
**SINCE 04/22/2020**      **YOY**

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



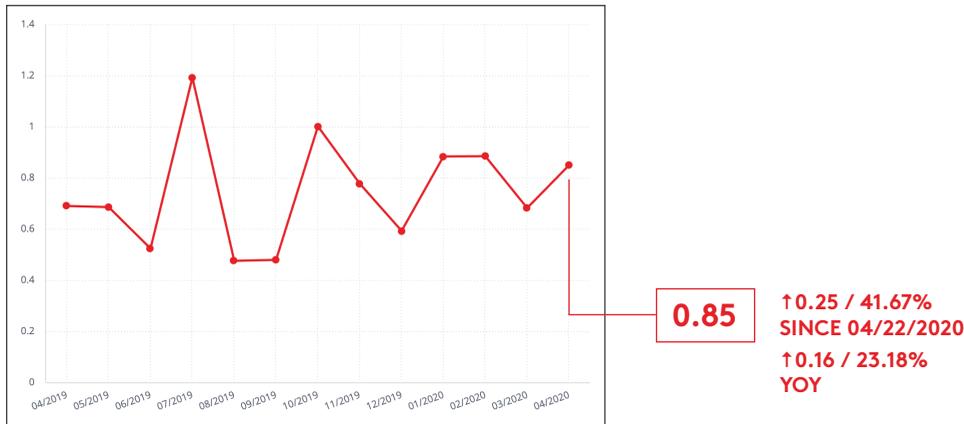
 LEASING

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.

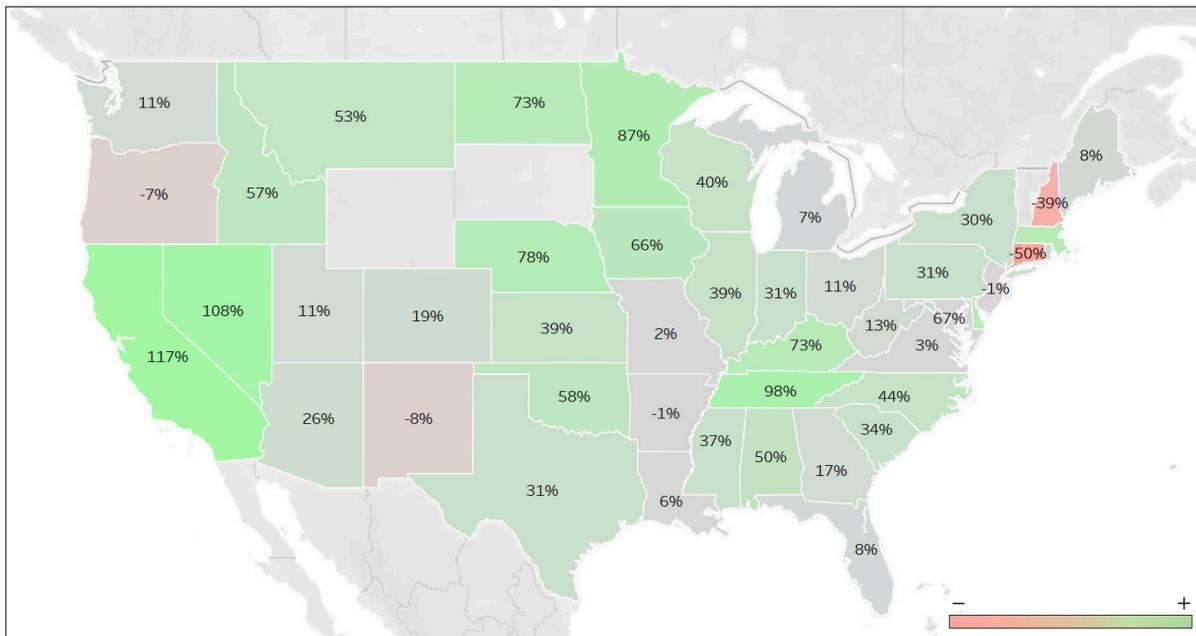
**NEW LEADS**

The average number of new leads per unit is up to 0.85, a 41.67 percent jump from April 22 and 23.18 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**

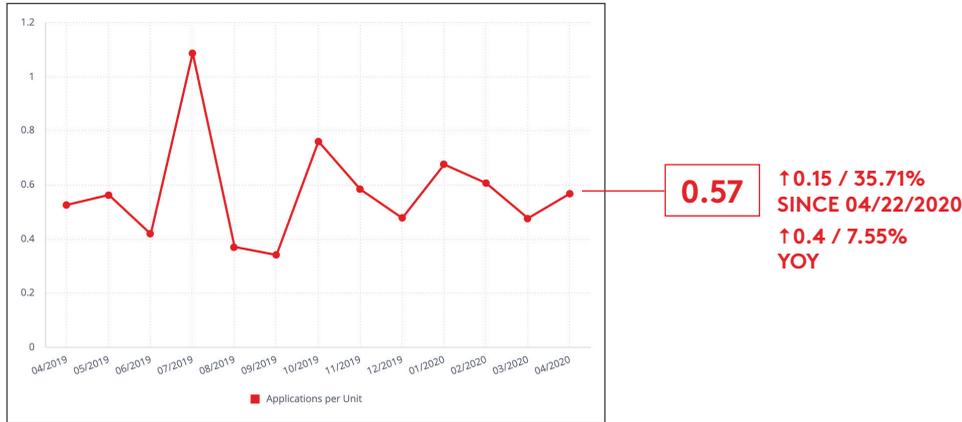


### NEW APPLICATIONS AND SCREENING

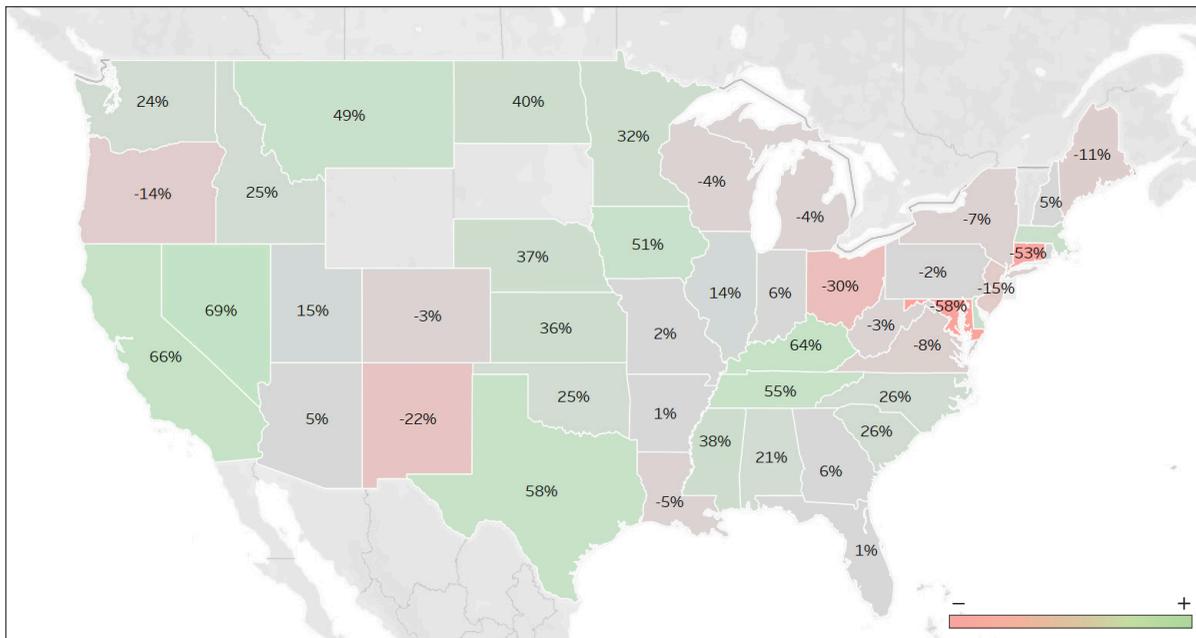
As with leads, new applications also reflected an unexpected upturn in recent weeks. At 0.57 new applications per unit, properties are experiencing 35.71 percent growth since April 22 of this year, and 7.55 percent year-over-year growth for new applications.

Further down the leasing funnel, screenings have yet to reflect quite the same degree of growth. At 0.14 screenings per unit, rates are still 44 percent lower than last year. However, screenings per unit are 55.56 percent higher than mid-April numbers, and are expected to reflect growing momentum in coming months as schools reopen.

### NEW APPLICATIONS PER UNIT



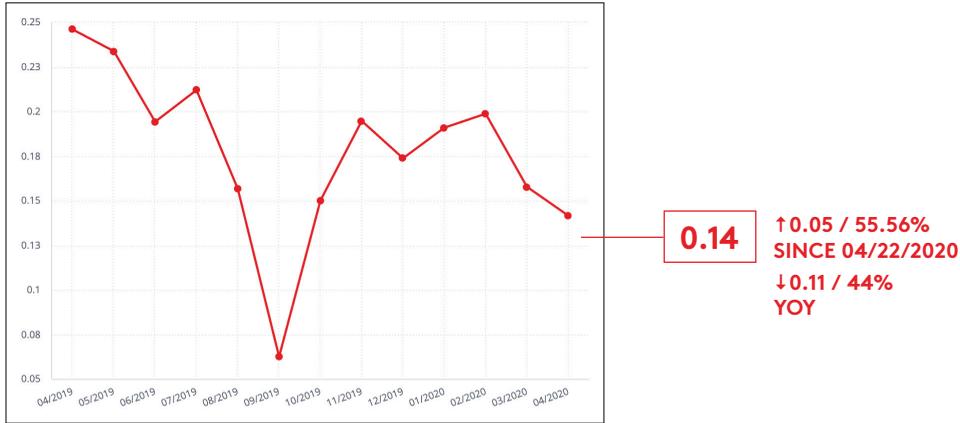
### PERCENT CHANGE IN NEW APPLICATIONS STARTED PER UNIT MONTH OVER MONTH



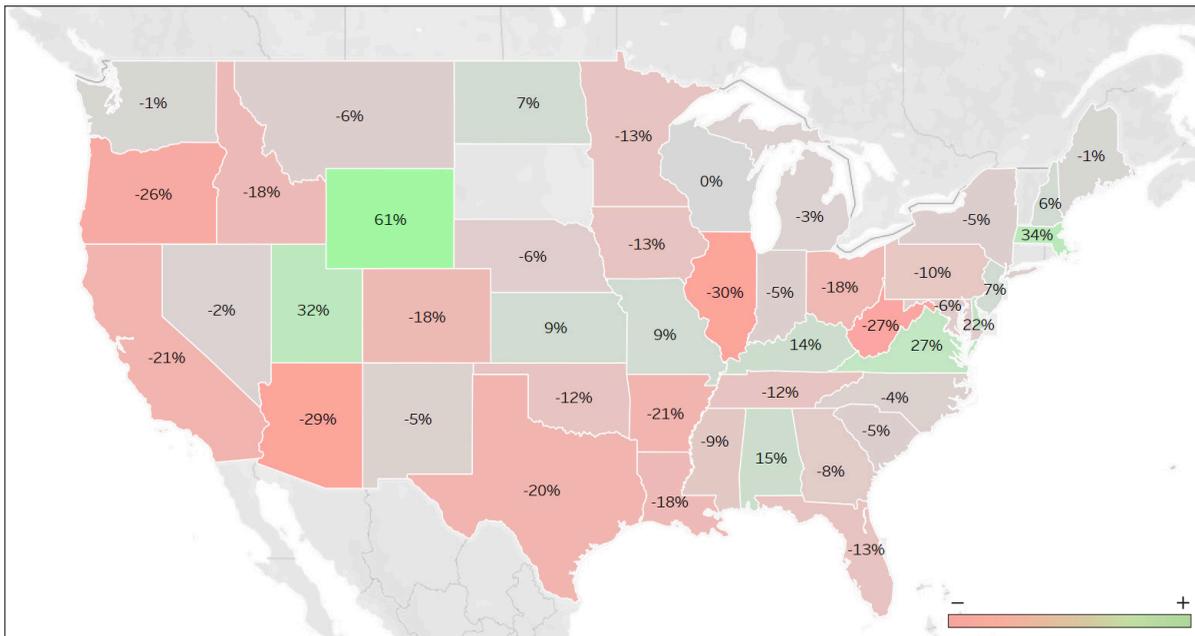
## NEW APPLICATIONS AND SCREENING

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### SCREENINGS PER UNIT



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



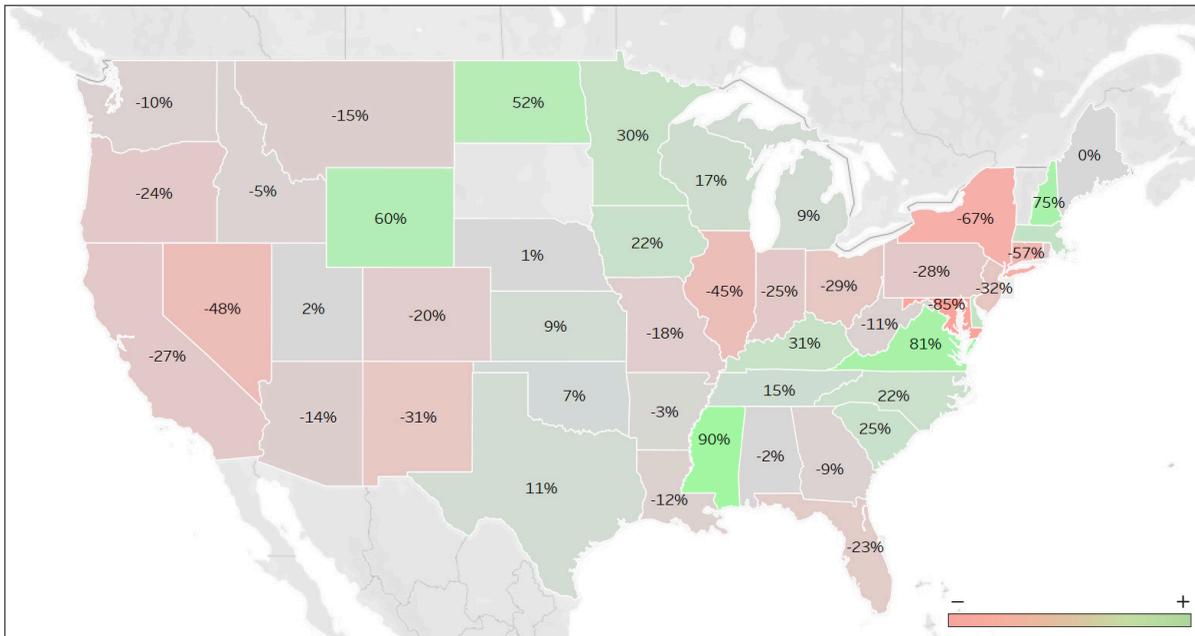
### LEASES

New leases, both generated and approved, have bounced back from the lows of mid-April but, as of the first week in May, still have some way to climb. Currently, new leases generated per unit remain 20 percent lower than year-over-year numbers, and leases approved per unit are down 28 percent.

### LEASES GENERATED PER UNIT

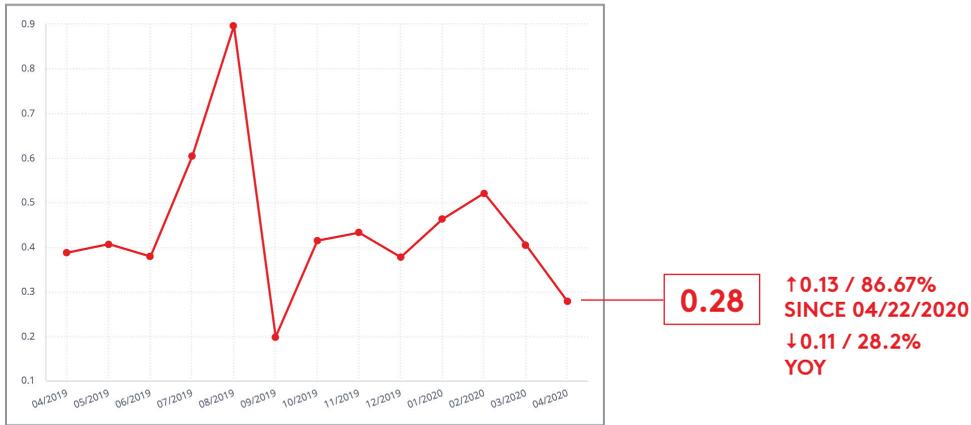


### PERCENT CHANGE IN LEASES GENERATED PER UNIT MONTH OVER MONTH

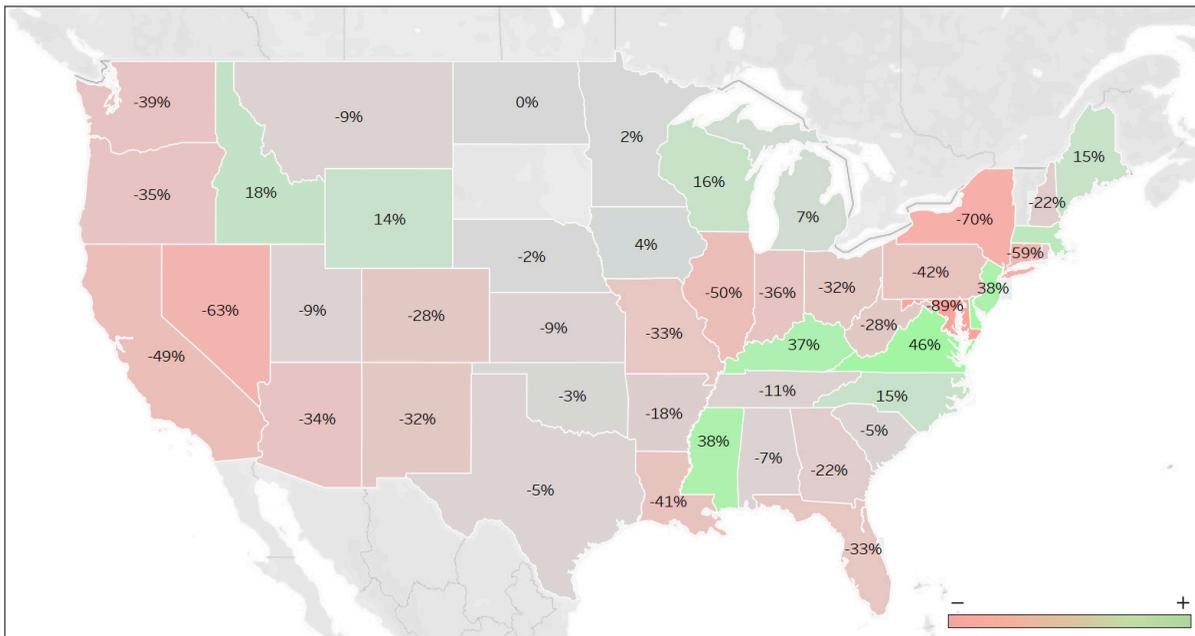


**LEASES**  
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**LEASES APPROVED PER UNIT**



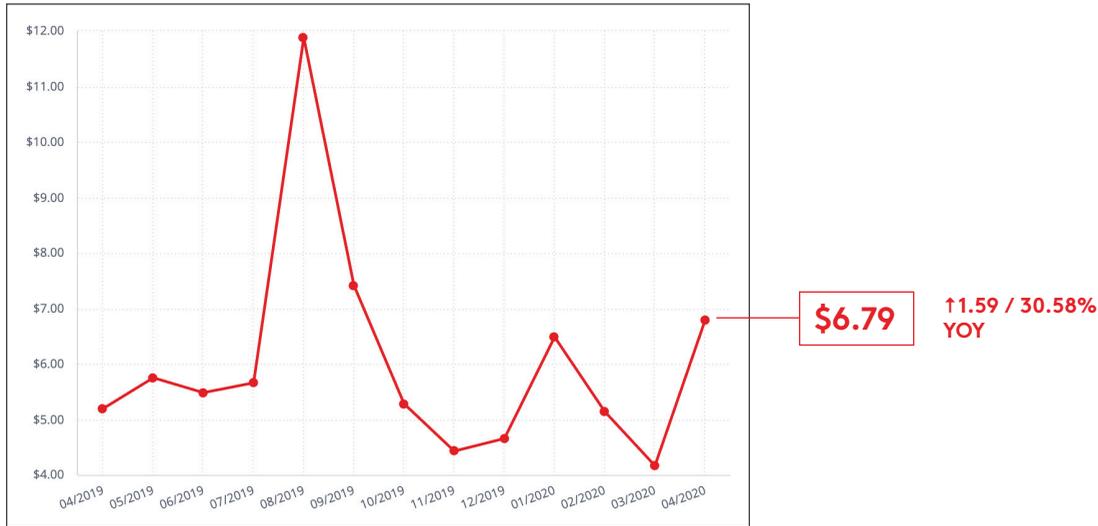
**PERCENT CHANGE IN LEASES APPROVED PER UNIT MONTH OVER MONTH**



### CONCESSIONS

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). Early May numbers measure concessions at \$6.79 per unit, an increase of 30.58 percent year-over-year.

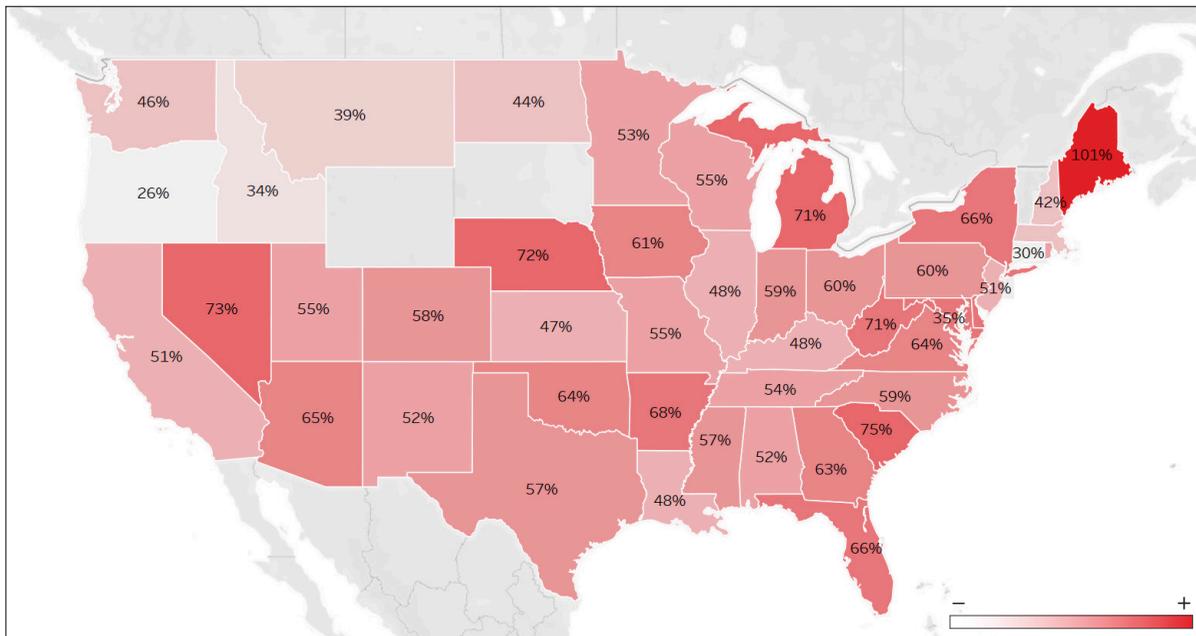
### CONCESSION DOLLARS PER UNIT



### 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 59 percent pre-lease rate. This varies greatly by region but is typically in the 70-80 percent range at this time of year.

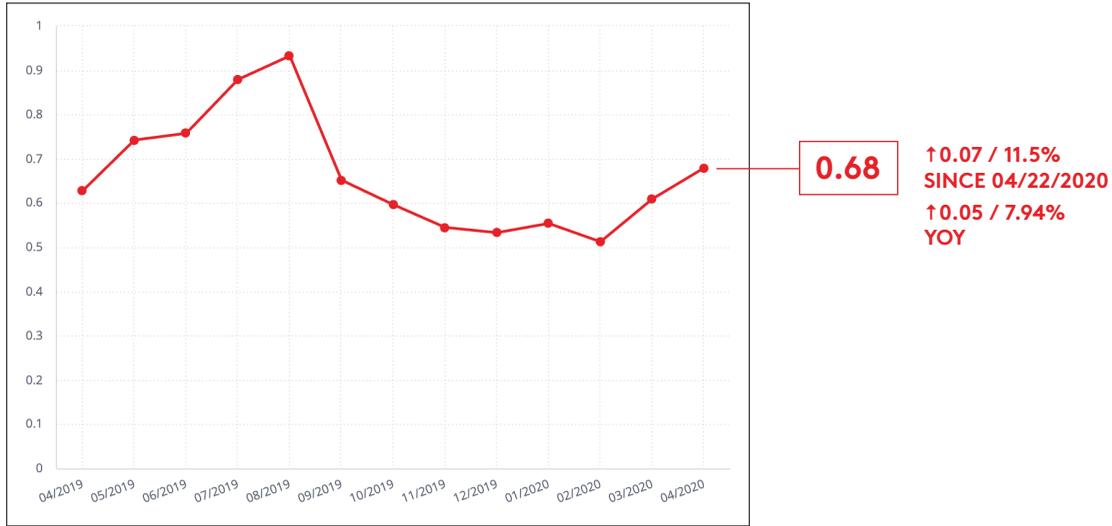
### PRE-LEASE PERCENTAGE BY STATE



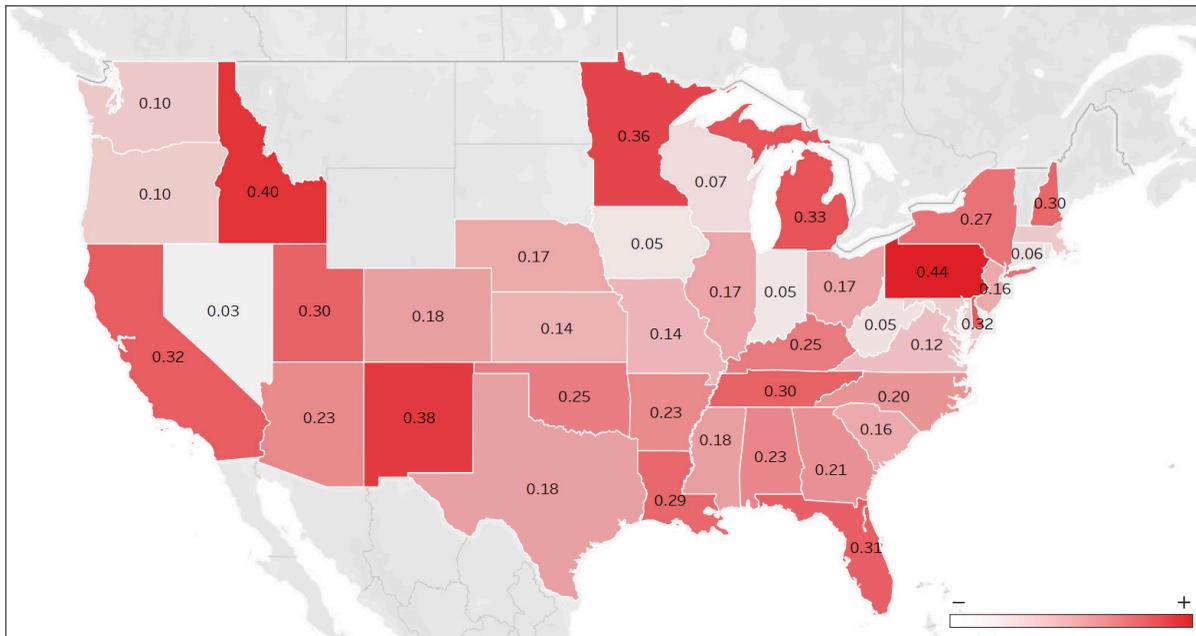
### CALLS

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

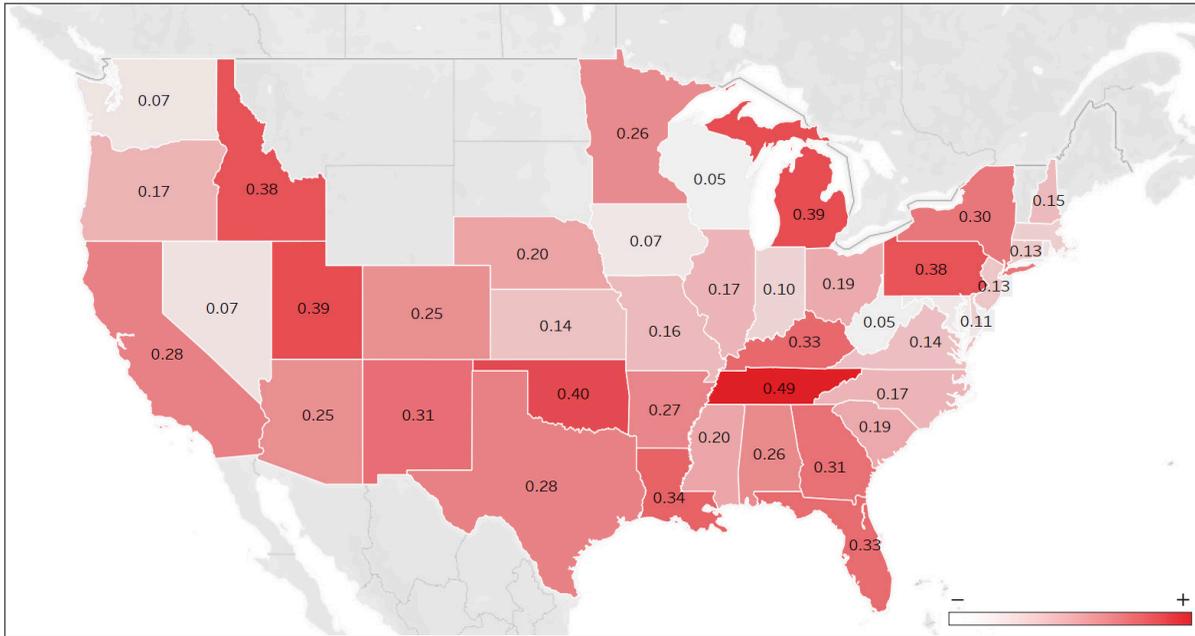


### CALLS PER UNIT BY STATE - APRIL

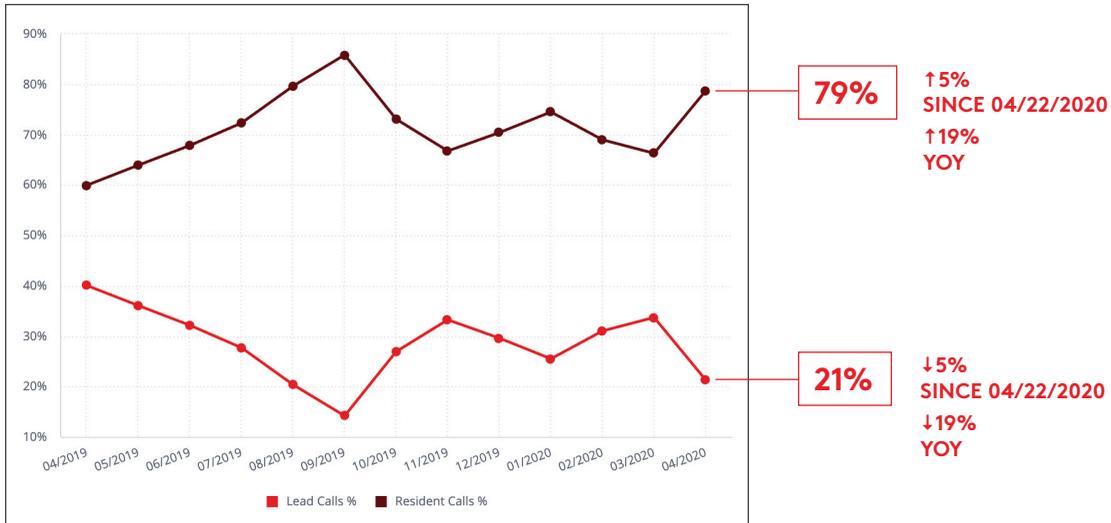


**CALLS**  
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**CALLS PER UNIT BY STATE - MAY**

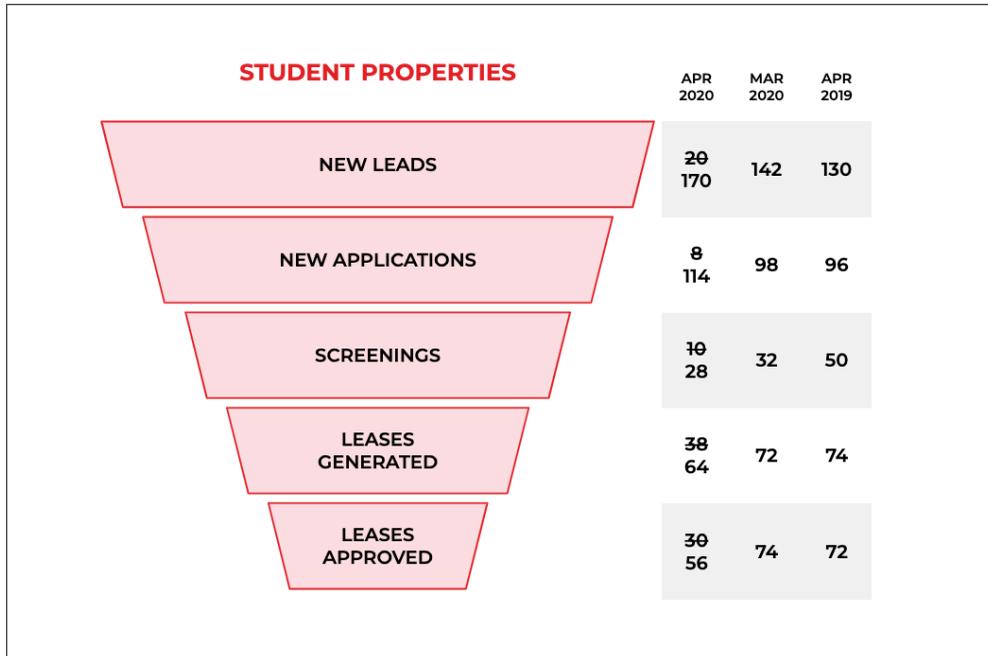


**LEAD & RESIDENT CALLS AS PERCENT OF TOTAL CALLS**



**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.



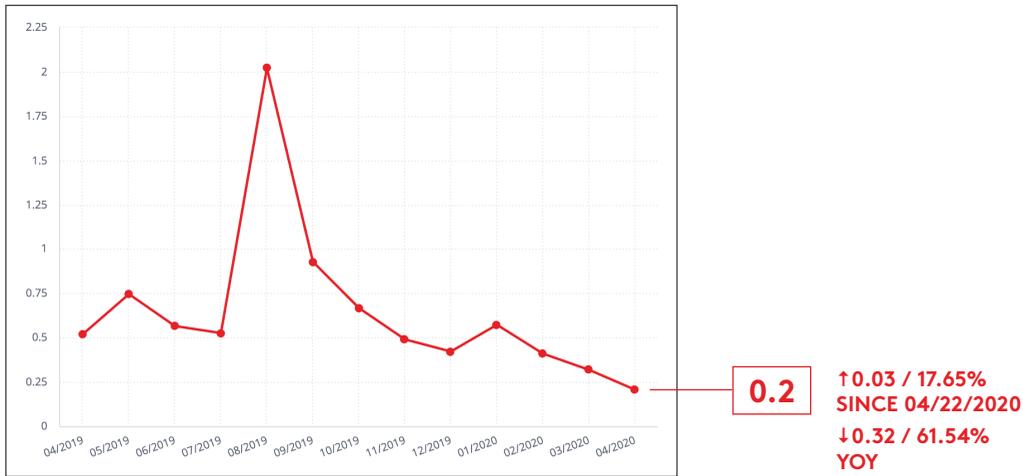


OPERATIONS

**MAINTENANCE**

Maintenance requests recorded in the first week of May continue to drop off, down 61.53 percent from an average of 0.52 work orders per unit to 0.20 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.

**MAINTENANCE REQUESTS PER UNIT**



**PACKAGE TRACKING**

The average number of packages being scanned through leasing offices is, at 0.21 packages per unit, lower than both month-over-month and year-over-year numbers. Anecdotal data indicates a number of leasing offices are closing package distribution rooms and re-routing deliveries directly to residents.

**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 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, and although leasing activity slowed significantly in April, early May numbers indicate a rebound may already be underway.

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.