COVID-19 Rental Housing Trends

MID-MONTH 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
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 June 21, 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 rates through mid-June have dipped slightly to just over 88 percent, down less than 1 percent year-over-year and down about 1 percent compared to May 2020. Though dipping slightly, these numbers are generally in line with high numbers observed over the last twelve months for student housing properties. We anticipate these numbers will go up and down as the pandemic wanes and schools make and publish plans to reopen over the summer.

OCCUPANCY PERCENTAGE

![Graph showing occupancy rates]
RENEWALS/PRE-LEASE

We have continued to see growth for student housing in recent weeks. The pre-lease national average through June 21 is at nearly 67 percent, up more than three percentage points from June 6. Approximately 40 percent of those pre-leases are renewals.

PRE-LEASE PERCENTAGE BY STATE

NATIONAL AVERAGE - 66.83%  RENEWAL RATE - 40.22%
RENT PAID
Rent collection numbers in student housing continue strong. Students are prioritizing rent payments aided by stimulus and unemployment measures. Student properties received rent payments for nearly 91 percent of units so far in June, aligned almost exactly with numbers at this point last month, though down about 3 percentage points year-over-year. The percent of uncollected rent through June 20, at just under 7 percent, is about 2.5 percentage points higher than June 2019 on average. These rates vary by region.
The number of residents choosing to pay online via credit card quickly grew to 22 percent in April, and after holding steady in May, this number has grown to 23 percent through mid-June. This reflects a growth of 6 percent year-over-year. While more student properties are making credit card payments free, it’s difficult to identify the exact reason as to why we’re seeing this sharp increase in credit card payments. We will continue to monitor this trend as we attempt to gain a better understanding of this behavior. At 71 percent, online ACH payments are up 1 percent from June 2019. Scanned checks, at 6 percent of payments received, are down 7 percent from a year ago.

### Rent Collection Distribution by Channel

<table>
<thead>
<tr>
<th>Channel</th>
<th>Year-Over-Year</th>
<th>Month-Over-Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit/Debit</td>
<td>23% ↑6%</td>
<td>6.7% ↑</td>
</tr>
<tr>
<td>Scanned Check</td>
<td>6% ↓7%</td>
<td></td>
</tr>
<tr>
<td>No Change</td>
<td>71% ↑1%</td>
<td>66.37% ↓</td>
</tr>
<tr>
<td>Late Fees Posted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Late Fees Waived</td>
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</tbody>
</table>

### Late Fees

Apartment communities continue to embrace flexibility for renters and, in June are posting 66 percent less in late fees than this time last year, averaging $1.91 per unit over the properties surveyed. Late fees are still being waived at higher-than-normal rates, up 320 percent year-over-year, though down 56 percent month-over-month. We are expecting to see this number increase by the end of the month.
PERCENT CHANGE IN LATE FEES

REPAYMENT AGREEMENTS
While the number of new repayment plans created through mid-June remains high at 701 (up 3,405 percent year-over-year) this is down from a 12-month high of 1,650 in April and we’ve observed a 57 percent decrease in new repayment plans created month-over-month. Anecdotal data from properties indicate students are still 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 EACH MONTH
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. June’s promising numbers have continued, as metrics in the leasing funnel show continued improvement compared to March, April, and May.

**NEW LEADS**

The average number of new leads continues to climb, as 1.38 new leads per unit through June 21 reveals a 20 percent growth from May 2020 and a 146 percent growth from this time last year. Regional analysis shows only a few areas unaffected by this rebound from March and April lows.

**NEW LEADS PER UNIT**

[Graph showing new leads per unit with data points for 0.56, 1.15, and 1.38, with month-over-month growth of 20% and year-over-year growth of 146.43%]

**PERCENT CHANGE IN LEADS**

[Map showing percent change in leads across different regions with various percentage changes indicated]
NEW APPLICATIONS AND SCREENING
The number of new applications per unit appears to be stabilizing. At 0.53 new applications per unit through June 20, there is no change compared to May 2020. Properties are experiencing a 15 percent growth compared to this time last year.

Further down the leasing funnel, screenings are beginning to show a similar degree of stabilization. Through June 20, student properties are seeing 0.15 screenings per unit, compared to 0.16 last month, and 0.19 in June 2019. While overall numbers appear down, the data seems to be following seasonal trends in student housing, and are expected to gain positive momentum in coming months as schools reopen.
NEW APPLICATIONS AND SCREENING
Continued...

SCREENINGS PER UNIT

PERCENT CHANGE IN SCREENINGS PER UNIT
LEASES
New leases, both generated and approved, continue to bounce back from the lows of mid-April. Currently, new leases generated per unit are more than 15 percent higher than year-over-year numbers, and nearly 3 percent higher than May 2020. New leases approved per unit are down 12 percent month-over-month.

LEASES GENERATED PER UNIT

PERCENT CHANGE IN LEASES GENERATED PER UNIT
LEASING
Continued...

LEASES APPROVED PER UNIT

MONTH-OVER-MONTH
+11.76%
YEAR-OVER-YEAR
↓14.28%

PERCENT CHANGE IN LEASES APPROVED PER UNIT
CONCESSIONS
As leasing numbers increase, we expect to see the number of concessions posted dip. Student housing generally sees its highest concession rates at the beginning of the term (August & January). Mid-June numbers measure concessions at $3.34 per unit, a decrease of 40 percent year-over-year.

CONCESSION DOLLARS PER UNIT

CALLS
One indicator of leasing velocity monitored by Entrata is call volume. Call volume had been steadily climbing since February 2020, reaching a YTD-high of 0.85 calls per unit in May. Through June 20, properties are registering an average of 0.65 calls per unit, a 24 percent decrease from last month. We anticipate this number will climb to at least May’s numbers by the end of the month.

As anticipated, resident calls are, at 64 percent, forming a higher than normal percentage of total calls in recent weeks. The percent of lead calls is up 6 percent month-over-month.

CALLS PER UNIT
CALLS PER UNIT BY STATE

BREAKDOWN OF LEAD VS. RESIDENT CALLS BY MONTH

RESIDENT CALLS
MONTH-OVER-MONTH
+ 6%
YEAR-OVER-YEAR
NO CHANGE

LEAD CALLS
MONTH-OVER-MONTH
+ 6%
YEAR-OVER-YEAR
NO CHANGE
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 student housing property comparing June 2020 to May 2020 and June 2019.
MAINTENANCE
Maintenance requests recorded since the first week of June are revealing a slight increase, with a growth from an average of 0.08 work orders per unit on June 6 to 0.23 on June 20. We expect to see a continued jump in service requests as social distancing initiatives evolve.

PACKAGE TRACKING
The average number of packages being scanned through leasing offices is, at 0.31 packages per unit, 11 percent lower than month-over-month numbers, and down 56 percent year-over-year. Anecdotal data indicates a number of leasing offices are slowly re-opening package distribution rooms, though many are still re-routing deliveries directly to residents.

PARCELALERT PACKAGES PER UNIT
CONCLUSION

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, the rebound indicated by May’s strong numbers appears to be continuing into June.

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