

entrata

Renting in a COVID-19 World

SURVEY SUMMARY

COVID-19 RENTER TRENDS

Everyone was affected in 2020 by COVID-19, and the rental community was no exception. Many reported not being able to pay their full rent, losing jobs, moving in with family and more.

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INTRODUCTION

According to a survey of more than 1,000 U.S. renters conducted by Entrata, many started the COVID-19 lockdown with virtually no savings and had to work with apartment management to defer or cancel rent payments. Many renters reported using their stimulus checks to keep a roof over their heads. The survey gives a unique view into the rental market, relations between renters and leasing offices and how the pandemic continues to shape renters' short-term plans.

SAMPLE PROFILE

* MARGIN OF ERROR: <3%

Age

| | |
|-------|-----|
| 18-23 | 19% |
| 24-39 | 20% |
| 40-55 | 20% |
| 56-74 | 21% |
| 75+ | 20% |

Gender

| | |
|--------|-----|
| Male | 50% |
| Female | 49% |
| Other | 1% |

Annual Household Income

| | |
|---------------------|-----|
| \$0 - 24,999 | 23% |
| \$25,000 - 49,999 | 24% |
| \$50,000 - 74,999 | 18% |
| \$75,000 - 99,000 | 11% |
| \$100,000 - 199,999 | 19% |
| \$200,000+ | 5% |

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KEY FINDINGS

PERSONAL FINANCE

As with people all over the world, US renters had to make spending and financial changes to their lifestyle due to the pandemic. Our survey found that **78 percent** of renters made significant cuts to their regular spending during COVID-19 across several spending categories such as:

- Less dining out - **23%**
- Delayed/rescheduled leisure travel - **22%**
- Less spending on clothing shopping - **19%**
- Reduced entertainment - **18%**

On average, **22 percent** of renters requested a postponement or cancellation of rent due to COVID-19 in the last six months, with **17 percent** unable to pay full rent due to COVID-19. This shows the financial struggle that a significant portion of the renter population have been dealing with.

Of renters unable to pay full rent during COVID-19, **41 percent** stated it was because a job loss due to COVID-19. Along that vein, only **29 percent** of renters who lost their job expect to return back to their previous job following COVID-19 recovery.

SAVINGS

Surprisingly, even before the pandemic many renters didn't have much in the way of savings, with **20 percent** of renters responding that they did not have any savings and **39 percent** of renters having less than **\$1,000** in savings prior to COVID-19.

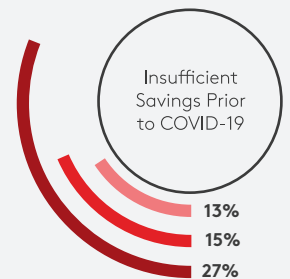
Some significant variations in savings trends were found between genders and generations:

- Responses indicate that **27 percent** of Boomer renters did not have any savings prior to COVID-19, compared to only **15 percent** of Millennials and **13 percent** of Gen X renters.
- Responses indicate that a quarter of female renters did not have any savings prior to COVID-19, compared to only **15 percent** of male renters.

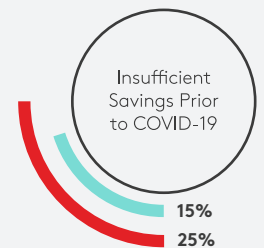
STIMULUS CHECK

As millions lost employment due to the pandemic, many struggled to pay for basic necessities such as food and shelter. For many, the government's **\$1,200** stimulus check was a lifeline. In fact, **59 percent** of renters used the full or partial amount of their stimulus check from the federal government to help pay rent during COVID-19.

Others were able to use their stimulus checks for other items. The data shows **46 percent** of renters that didn't use all of their stimulus check for rent used it for non-rent living expenses such as groceries, household bills, car payments, gas, etc. While **25 percent** put the stimulus check away towards savings, only **10 percent** put it toward fun things such as electronics, entertainment and vacation.



■ Gen X
■ Millennials
■ Baby Boomers



■ Female
■ Male

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RESIDENTS AND APARTMENT MANAGEMENT

COVID-19 AND CREDIT CARD PAYMENTS

With the stress of the pandemic, many Americans are suffering financially. Renters indicate that they would like to see leasing offices help alleviate a portion of that stress through rent deferrals or forgiveness for those suffering from pandemic-related hardships.

The survey found that some apartment communities were willing to be flexible, with **37 percent** of renters saying management waived late fees during COVID-19. Two thirds (**66 percent**) of renters whose management waived late fees took advantage of the opportunity to pay rent later in the month.

More than a quarter of renters (**29 percent**) have paid their rent with a credit card during COVID-19, including **50 percent** of Gen X renters and **28 percent** of Millennials, highlighting the popularity and demand for varied payment options.

Out of those **29 percent** of respondents who have paid their rent using a credit card during COVID-19, **52 percent** say that they always pay their rent with a credit card, **32 percent** say they could pay with cash but are taking advantage of their community absorbing the fees normally associated with credit card rent payments, and **12 percent** say they have no other way to pay their rent.

RENTER SATISFACTION

The impacts of COVID-19 have been difficult on both renters and property managers. Entrata asked renters how well have managers done meeting the evolving needs of renters over the last six months.

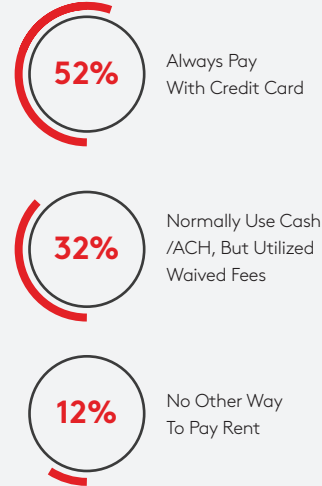
Only **18 percent** of renters stated they were dissatisfied with management's overall response to COVID-19 regarding rent-payment flexibility during COVID-19, highlighting renters' interest in more payment options.

COVID-19 has also reinforced the importance of communication between renters and management, with **33 percent** saying they were dissatisfied with management's communication of new policies resulting from COVID-19. The main source of dissatisfaction: Renters say the information received wasn't timely.

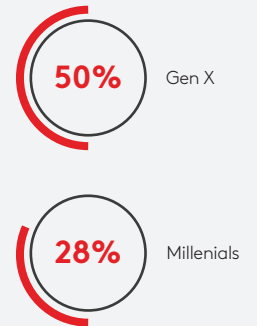
Almost half (**45 percent**) of renters said they were dissatisfied with management's response to overall safety at their apartment community during COVID-19, reporting that new safety policies were not properly communicated or enforced.

Despite **37 percent** of renters saying their apartment community waived late fees during COVID-19, of those that said they were dissatisfied with management's response to rent-payment flexibility during COVID-19, **56 percent** said there was no flexibility at all, with another **29 percent** of dissatisfied renters saying that the flexibility offered was not helpful to their situation.

Of those paying rent with a credit card (29% of respondents) during COVID-19:



Who is paying rent with a credit card?



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HOW THE PANDEMIC IS SHAPING RENTERS' PLANS

The survey found that COVID-19 had a significant impact on nearly half (**42 percent**) of renters' short-term housing plans.

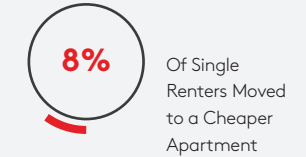
Many were forced to make changes they weren't expecting because of the pandemic, including:

- Renew a current lease instead of buying a home - **16%**
- Move to a cheaper apartment - **13%**
- Move in with relatives/friends - **7%**

Interestingly, **20 percent** of those renters who are married or in a domestic partnership moved to a cheaper apartment because of COVID-19, compared to just **8 percent** of single renters.



Impact on Short-term Housing Plans



LIVING WITH FAMILY AND FRIENDS

Many renters have chosen to live with family or friends for one reason or another, including:

- Health reasons - **21%**
- Save money while building or waiting to purchase a home - **16%**
- Lost job or other financial distress - **15%**
- In transition - sold house or looking for another place to live - **11%**

While the reasons for living with family vary, so do the amounts of time renters expect the arrangement to last. Of the renters who responded to the survey, **23 percent** only expect to be living with family for a few weeks, and **21 percent** say they'll likely stay for a few months to a year. Only **13 percent** expect the situation to continue for more than a year.

The pandemic's effect is perhaps most noticeable among those looking for temporary housing while they explore their options. The number of renters moving in with family or friends for just a few weeks almost doubled since March. Pre-COVID numbers show just **13 percent** of renters were temporarily living with family or friends, compared to **23 percent** now.



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ABOUT THE RESEARCH

Entrata conducted this research using an online survey prepared by Method Research and distributed by Qualtrics among 1037 adult renters in the United States. Data was collected from August 11 to September 3, 2020.

ABOUT ENTRATA

Founded in 2003, Entrata® is the only comprehensive property management software provider with a single-login, open-access Platform as a Service (PaaS) system. Offering a wide variety of online tools including websites, mobile apps, payments, lease signing, accounting, and resident management, Entrata® PaaS currently serves more than 20,000 apartment communities nationwide. Entrata's open API and superior selection of third-party integrations offer management companies the freedom to choose the technology and software that best fit their needs. For more information, go to www.entrata.com.