COVID-19 Rental Housing Trends

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
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 the pandemic is having in the multifamily space. These findings cover several main areas of impact: Occupancy & Renewals, Rent Payments, Fees & Repayment Agreements, and Leasing.

All findings in this study are specific to Entrata’s conventional multifamily clients. The data for these findings consists of the information available through April 7, 2021. Be aware that factors such as days of the week, property policies and office closures, local regulations, and other circumstances may affect how this data is processed, recorded, and interpreted.

OCCUPANCY

Occupancy rates continued steady through March for conventional and finished the month at just over 94%, nearly 1% higher than March 2020 rates. As a rule, high occupancy rates have not faltered through the pandemic for observed conventional multifamily properties.
RENEWALS
Renewals, however, were down to 41% in March. This reflects a rate that is down 14% year-over-year. Month-to-month leases climbed to over 9% in March as renters continued to show reluctance to commit to long term housing decisions.

RENEWAL PERCENTAGE

MONTH-TO-MONTH
+12%

YEAR-OVER-YEAR
+14%

MONTH-OVER-MONTH
55%

2021

2020

2019

53%

41%

MONTH-OVER-MONTH
0.3%

YEAR-OVER-YEAR
1.7%

MONTH-OVER-MONTH
9.2%

2021

2020

2019

9.5%

7.8%
RENT PAID
Rent collection numbers for Entrata's conventional clients continue the strong trend we've seen in recent months. By the end of March, properties received rent payments for 93% of units, down less than 3% from March 2020. The percentage of uncollected rent in March was, at just under 8%, up 2% year-over-year.

PERCENTAGE OF UNITS PAID RENT - MARCH

PERCENTAGE OF UNCOLLECTED RENT - MARCH
RENT PAID

Continued...

Through April 7, properties have collected rent from 88% of units, which is 1% higher than year-over-year numbers. About 13% of rent remained uncollected at the end of April’s rent week, 4% lower than March 2021 and down 2% year-over-year. These trends are reflected relatively evenly across the entire country.
PAYMENT TYPES
The number of residents choosing to pay online via credit and debit card has settled into a new normal, with card payments up 5% year-over-year to 18%. This trend seems to indicate renters’ preference for paying online combined with the willingness by many properties to waive convenience fees. Online payments made via eCheck are up 3% year-over-year to 58%. Scanned checks are only 22% of payments. Money order payments remain steady at 3%.

RENT COLLECTION DISTRIBUTION BY CHANNEL

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Year-Over-Year</th>
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</thead>
<tbody>
<tr>
<td>Credit/Debit</td>
<td>5%</td>
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<tr>
<td>Scanned Check</td>
<td>7%</td>
</tr>
<tr>
<td>eCheck</td>
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<tr>
<td>eMoneyGram</td>
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</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

- 18% Credit/Debit
- 22% Scanned Check
- 58% eCheck
- 3% eMoneyGram
- No Change Total
FEES & REPAYMENT AGREEMENTS

LATE FEES
The number of late fees rose slightly in March. Averaging $10.22 per unit over the properties surveyed, fees posted are up 1% month-over-month, but down 3% from March 2020. The number of late fees waived dropped 2% in March, but remain 57% higher than this time last year. These trends are more likely to vary by region, perhaps reflecting differences in local and state regulations.

LATE FEES POSTED PER UNIT

LATE FEES WAIVED PER UNIT

PERCENT CHANGE IN LATE FEES
REPAYMENT AGREEMENTS
The number of new repayment agreements created by the end of March held relatively steady at 488 agreements across the total number of units included in our data set. This number, up 5% from the previous month, is still over 400% higher than March 2020.

REPAYMENT PLANS CREATED EACH MONTH

![Graph showing repayment plans created each month](image-url)
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 and approve. January’s leasing numbers reflect continuing strong activity as residents evaluate their options, indicating a potential for leasing growth in coming months.

NEW LEADS
The average number of new leads per unit reached 0.89 in March, 147% higher than March 2020. Regional analysis shows some regional variation in this trend. A closer examination of leasing activity shows strong numbers throughout, but most activity happening during the fourth week of the month. This reflects the strong fourth-week pattern established last year. Awareness of this trend can help properties adjust staffing levels to handle times of increased demand and facilitate forward motion through the leasing process.

NEW LEADS PER UNIT

![Chart showing new leads per unit from January 2019 to December 2021.](chart.png)

PERCENT CHANGE IN LEADS

![Map showing percent change in leads from January 2019 to December 2021.](map.png)
NEW LEADS
Continued...

LEAD BREAKDOWN BY WEEK

<table>
<thead>
<tr>
<th></th>
<th>WEEK 1 (1-7)</th>
<th>WEEK 2 (8-14)</th>
<th>WEEK 3 (15-21)</th>
<th>WEEK 4 (22-EOM)</th>
<th>TOTAL</th>
</tr>
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TOUR TYPES

As renters begin the search for a new home, we have observed a rapid adoption of self-guided and virtual tour options. Since Entrata launched its flexible self-guided tour option on July 15, 2020 nearly 214 thousand tours have been completed. In that same time over 102 thousand virtual tours were completed. The new tour types are proving very effective at driving conversions, and have resulted in nearly 29 thousand and 20 thousand completed leases, respectively.
NEW APPLICATIONS AND SCREENING
New applications climbed to 0.27 new applications per unit in March. This reflects a 50% increase from February, and an 80% jump year-over-year. Although the national average is up, regional variations should not be neglected. Some states are holding steady in application numbers while others are still experiencing declines.

Further down the leasing funnel, applicant screenings also rose in March. At a rate of 0.078 screenings per unit, screenings jumped 47% month-over-month and are up 50% year-over-year. The fourth-week jump is evident at both the application and screening step of the leasing process.
NEW APPLICATIONS AND SCREENING
Continued...

APPLICATION BREAKDOWN BY WEEK

<table>
<thead>
<tr>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
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<td>(15-21)</td>
<td>(22-EOM)</td>
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<tr>
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</table>
NEW APPLICATIONS AND SCREENING

Continued...

SCREENINGS PER UNIT

![Graph showing screenings per unit with a month-over-month increase of 47.17% and a year-over-year increase of 50%]

PERCENT CHANGE IN SCREENINGS PER UNIT

![Map showing the percent change in screenings per unit across different regions of the United States, with various colors indicating the percentage change]
NEW APPLICATIONS AND SCREENING
Continued...

SCREENING BREAKDOWN BY WEEK

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LEASES
New leases generated in March were 40% higher than the previous month, up 27% year-over-year. New leases approved also increased in March, finishing the month 18% higher than a year ago. This trend is also impacted by significant regional variations. Lease numbers were strongest in the fourth week of the month.

LEASES GENERATED PER UNIT

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

LEASES APPROVED PER UNIT

PERCENT CHANGE IN LEASES APPROVED PER UNIT
LEASES
Continued...

LEASE BREAKDOWN BY WEEK

<table>
<thead>
<tr>
<th></th>
<th>WEEK 1</th>
<th>WEEK 2</th>
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<td>(22-EOM)</td>
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<tr>
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<tr>
<td>JAN</td>
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<tr>
<td>FEB</td>
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<tr>
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<td>0.02</td>
<td>0.02</td>
<td>0.04</td>
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</tr>
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CONCESSIONS
Concession rose in March and ended the month at $7.20 per unit on average. This rate is 28% higher than March 2020, and up about 4% month-over-month.

CALLS
One indicator of leasing velocity monitored by Entrata is call volume. Total call volume rose slightly, and average calls per unit are up 17% year-over-year.

The number of lead calls as compared to resident calls jumped in March. Calls from prospective renters accounted for nearly half of total calls, a 12% increase year-over-year.

CALLS PER UNIT
CALLS
Continued…

CALLS PER UNIT BY STATE

LEAD & RESIDENT CALLS AS PERCENT OF TOTAL CALLS

RESIDENT CALLS
MONTH-OVER-MONTH
↑ 10%
YEAR-OVER-YEAR
↑ 12%

LEAD CALLS
MONTH-OVER-MONTH
↑ 10%
YEAR-OVER-YEAR
↑ 12%
LEAD FUNNEL
March saw the strongest activity in the leasing funnel in the past year. The leasing activity in the first few steps of the leasing funnel (new leads and applications) far outstripped history numbers while screenings and leases generated/approved also climbed over to year-over-year numbers in March. The following chart shows sample effects for a 200 unit conventional multifamily property through March 31 compared to one month and one year ago.
CONCLUSION

The COVID-19 pandemic had 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 for credit cards, waiving late fees, etc.) helped maintain rent payment rates and continue to generate leads for strong leasing activity. Properties who are prepared to take advantage of this potential leasing boom will find themselves in great shape in the coming months.

The impact of additional stimulus funds and vaccination efforts on housing remains to be seen. However, with maintained flexibility and responsiveness to resident needs and early planning for post-COVID’s new normal, property management companies can start preparing now. As the pandemic recovery unfolds, flexibility and rapid decision-making will be required, but ongoing indicators suggest that the industry is positioned to weather this crisis well while providing housing and essential services to American families.