

# RENTERS' REPORT

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DATA-DRIVEN  
TACTICS TO  
**ATTRACT & RETAIN**  
RENTERS OF ALL  
GENERATIONS



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In Buildium's third annual Renters' Report, **we surveyed nearly 1200 renters across the country.**

We dug deep into the reasons **why they rent, what they look for in a rental, and what drives their decision to move out or stay put.**

We searched their responses for clues as to **how property managers can attract and retain renters** by **empathizing with their needs** and **personalizing their offerings** in response.

Finally, we broke down our findings by generation, exploring **how residents' needs and expectations differ depending on their age, and how property managers can adapt their services based on their rentals' demographics.**

What do you need to know in order to attract and retain residents in 2018 and beyond? Here are the strategies and insights that will empower you to excel at your job in the rental market of the future.

For decades, we've thought of renting as a temporary rite of passage, reserved for those who haven't yet set down roots or saved enough for a down payment on a home of their own.

However, right before our eyes, the idea of a "typical renter" is rapidly evolving. The number of Americans who choose renting over buying is expected to increase exponentially over the next decade and beyond. Between 2006 and 2016, the portion of households who rent their homes grew from 31.2% to 36.6%, and may soon exceed the highest historical rate of all time: 37.0%, set in 1965. A majority of the 22 million new households expected to form by 2030 will be renters.

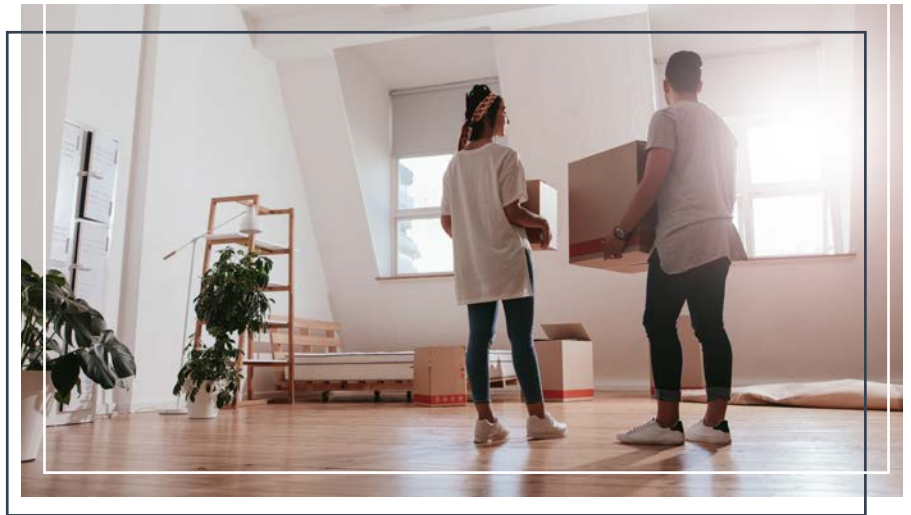
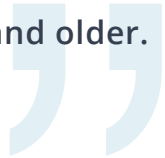


**22 MILLION NEW  
HOUSEHOLDS  
WILL FORM  
BY 2030.  
A MAJORITY WILL BE  
RENTERS.**



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The largest growth in the population of renters from 2009 to 2015 came from renters ages 55 and older.



So, *why* is renting increasing in popularity, exactly? Today's rising home values and tight credit standards to qualify for a home loan are partially to blame; as well as stagnant incomes, student loan debt, lack of financial assets, and high rents that make it difficult to save up for a down payment.

In addition, however, our view of homeownership is changing. Rather than being a stop along the way to buying a house, renting is becoming more of a lifestyle choice, as well as a necessary alternative for Americans whose finances were irreparably altered by the Great Recession.

As a result, the demographics of American renters are rapidly diversifying:

- The largest growth in the population of renters from 2009 to 2015 came from renters ages 55 and older (28%), in comparison with 3% growth in renters 34 and younger and 14% growth in those ages 35 to 54.

- The number of senior renters is expected to increase from 5.8 million in 2010 to 12.2 million in 2030.
- Between 2005 and 2016, the number of families with children living in rental housing increased from 32% to 36%, representing 22% of renter household growth.
- The percentage of high-income households who rent their homes increased from 12% to 18%, resulting in 22% of overall growth in renter households in 2005 to 2016.

With changing renter demographics come changes in residents' needs and preferences—which means that property managers' strategies to attract and retain them need to evolve as well. But how can you know what renters are looking for in the coming years? Let's jump into the data.

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## PART 1

# Understanding, Attracting & Retaining Today's Renters



Exceeding renters' expectations is especially critical in a renter's market, as is the case in a number of major cities in 2018. When the supply of available units exceeds renters' demand for them, they have the leverage: If they don't like what you're offering, there are plenty of other rentals for them to choose from.

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**Rather than letting renters come to you, your path to success in 2018 is to ensure that your units and prices are as competitive as possible—and that the experience you create keeps your residents happy and your units filled in the long run.**

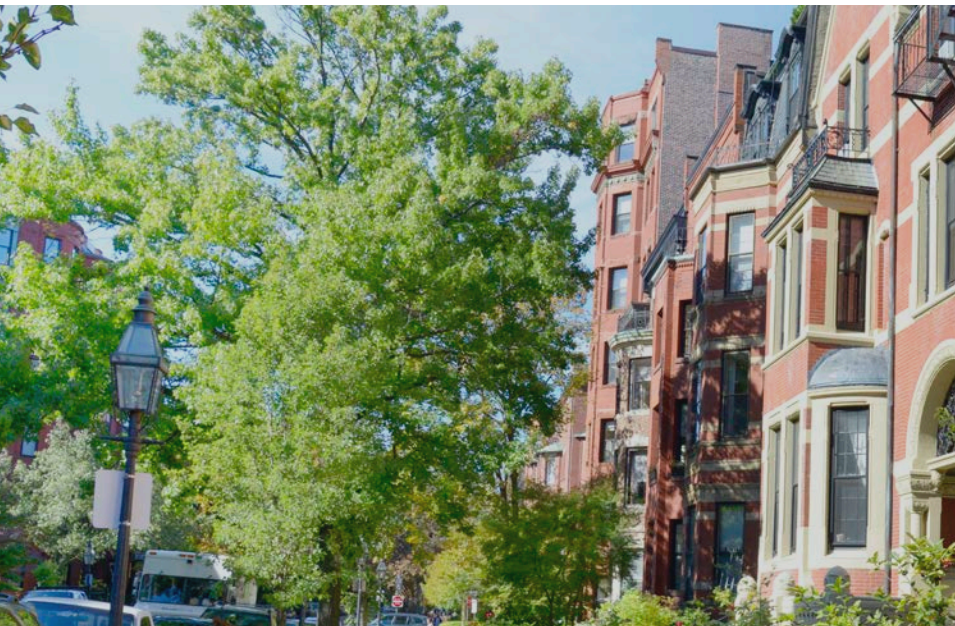


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## **RENTERS' 15 MOST-WANTED AMENITIES**

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How can you determine what potential residents are looking for in a rental—and which amenities they're willing to pay higher rents to have? We asked renters which amenities they valued most across three categories: Neighborhood characteristics, building/community amenities, and unit features.



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## WHICH NEIGHBORHOOD CHARACTERISTICS JUSTIFY HIGHER RENTS?

If you're advising real estate investors on where their money will be best spent, these are the 5 neighborhood characteristics that have the largest potential to draw higher rents. For existing properties, though you may not have control over where your rentals are located, we've provided some suggestions for bringing these characteristics home. (See Figure 1E.)

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**40% of respondents said they'd be more interested in a unit that's equipped with smart cameras or a smart security system.**

### number 1

**A safe neighborhood** was the top characteristic across all five generations, selected by 2 in 3 respondents. Of course, you can't impact the security of your properties' surroundings. However, because this is the amenity with the greatest potential to garner higher rents, property managers would be wise to highlight their properties' security in rental listings. In addition, consider how you can further increase your residents' safety. For example, 40% of respondents said they'd be more interested in a unit that's equipped with smart cameras or a smart security system. (See Figure 1I.)

### number 2

**Proximity to stores, restaurants, and other points of interest** was selected by more than half of all respondents—particularly Millennials. If you manage a property that's convenient to places where they can eat, shop, and spend time, 1 in 2 renters may be willing to pay higher rent to live there. If not, be sure to highlight how your location is convenient in other ways—for example, its proximity to public transportation that can take residents to desirable destinations.

### number 3

**A quiet neighborhood** is a characteristic that nearly 1 in 2 renters would be willing to pay higher rent for, and its desirability increases as they grow older. Just as important as living in a quiet neighborhood, however, is ensuring that residents aren't disturbing each other's peace. Multi-family property managers should make sure to emphasize the importance of being considerate of other residents in your lease agreements, and quickly follow up on any complaints that come in.



## number 4

**Proximity to work or school** was selected by nearly half of respondents as a characteristic that they'd pay higher rent to have. Of course, you can't control whether or not your rentals are convenient for your residents; but you can strive to create a place to live that's so top-notch that renters stay put even if their circumstances change. In larger buildings and communities, you may also be able to accommodate renters who need to upgrade their unit as they move in with a partner or grow their family.

## number 5

**A scenic neighborhood** was selected by about 2 in 5 respondents. You may not have the power to make the entire neighborhood more appealing; but you can work to make your community a destination for residents. From your property's curb appeal to the indoor and outdoor spaces where residents spend time, how can you improve your community to compensate for less-than-scenic surroundings?





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## WHICH BUILDING / COMMUNITY AMENITIES JUSTIFY HIGHER RENTS?

These 5 amenities have the greatest potential to bring in higher rents or generate additional revenue within an apartment building or community. (See Figure 1F.)

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**1 HIGH-SPEED INTERNET** was selected by more than half of respondents as an amenity they'd pay higher rent to have. While its popularity is highest among younger residents, it was a top amenity among all 5 generations. Though the FCC has banned exclusive cable deals within apartment buildings, you may want to consider partnering with a managed internet service provider to offer WiFi that residents can opt into at a special rate that you've negotiated.

**2 A PET-FRIENDLY BUILDING** is an amenity that 3 in 5 pet owners would pay higher rent for—as would residents who hope to adopt a pet in the future. Allowing pets doesn't just give you the opportunity to generate additional revenue—it also helps you to attract a broader range of renters, and to keep them in place in the long run. Just make sure to set ground rules in your lease, including the right to approve pets before they move in.

Looking for additional advice on how you can create new revenue opportunities for your properties without expanding your portfolio? Check out our guide, [Generate More Revenue—Without Adding New Doors](#).

**3 A POOL** is an amenity that not everyone can offer, of course—though 2 in 5 respondents would pay higher rent to live in a community that has one (particularly younger renters). If you don't have a pool: Can you create communal spaces outdoors or indoors where residents can relax and socialize? After all, one-third of respondents said they'd pay higher rent to live in a building with a patio or roof deck—and those are far less expensive to maintain than a pool!

**5 A FITNESS CENTER** is an amenity that more than 1 in 3 residents would pay higher rent to have access to—particularly younger renters. Though they require an upfront investment, a fitness center can bring in significant recurring revenue each month, especially if there aren't many other gyms in the area for residents to choose from. Just make sure that your rates are competitive in comparison with nearby gyms that may have broader offerings.

**4 RESERVED PARKING** was selected by more than one-third of respondents as an amenity that they'd pay higher rent to have. This amenity is most popular among Millennials and Gen X renters, who are in their prime commuting years. Parking spots are a particularly reliable source of passive income in metropolitan areas where parking is scarce. You can assign parking spots by unit; allow individual residents to rent spots; or advertise extra spaces to the general public.



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## WHICH UNIT CHARACTERISTICS JUSTIFY HIGHER RENTS?

Wondering which updates offer the greatest return on investment? These are the top 5 amenities that residents would be most willing to pay higher rents to have in their units. (See Figure 1G.)

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one

### AN IN-UNIT WASHER AND DRYER

are a privilege that 3 in 5 residents would be willing to pay higher rent to have—especially Millennials. In addition, 15% of residents who are considering moving out said that one additional appliance would change their minds. If you have the means, installing an energy-efficient washer and dryer in residents' units can be a huge selling point that can pay for itself through higher rents. At the very least, your building or community should have coin- or (ideally) card-operated machines for residents to use, which also pay for themselves by generating additional revenue.

two

### CENTRAL AIR CONDITIONING

is another amenity that 3 in 5 residents would pay higher rent to have, across every generation. If you do have central air, make sure that you highlight it in your rental listings and that you maintain the system over time so that doesn't cause expensive issues down the road. If installing an HVAC system isn't feasible within your properties, consider how you can make your unit more comfortable in the warmer months—for example, by providing window units and fans for residents to use. Otherwise, one sweltering summer could leave renters searching for a cooler place to live.

three

### A BALCONY, PORCH, OR PRIVATE PATIO

is something that half of all residents would pay to have access to, regardless of their age. Not having a private outdoor space is a major downside of renting; so consider how you can create places where residents can relax or gather outside within your community. Though less popular than a private porch, 1 in 3 respondents said they'd pay higher rent for access to a communal patio or roof deck.

five

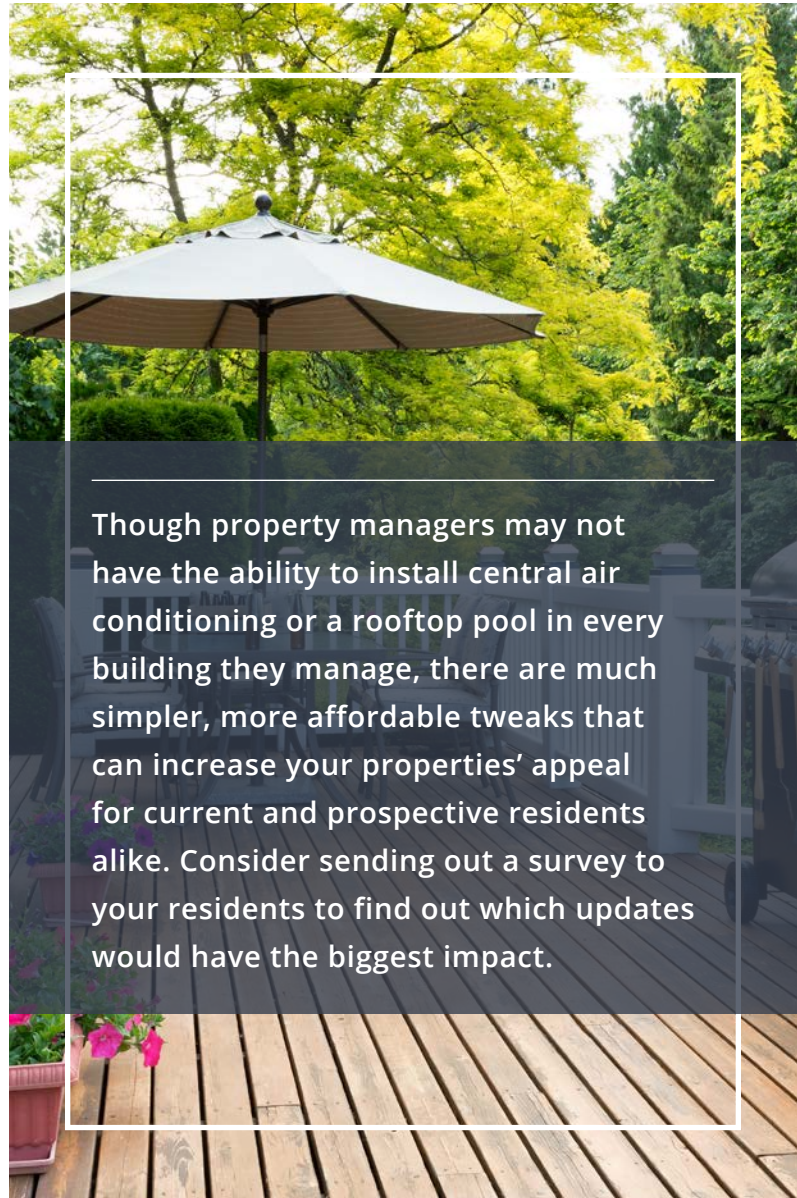
### EXTRA STORAGE SPACE

becomes increasingly important to renters as they grow older and accumulate more belongings. If you have the opportunity to increase closet size or add shelving to help residents stay organized, that can be a selling point for your units. If your units are already pressed for space, however, keep in mind that 1 in 4 respondents said they'd pay higher rents for storage space located elsewhere on-site. Consider building storage units in your basement, then charging a monthly fee to pay for them.

four

### A DISHWASHER

is a top amenity for a majority of residents. More than 2 in 5 respondents said they'd pay higher rent for a unit with a dishwasher. If your rentals' kitchens can accommodate a dishwasher (or if they're desperately in need of a new one), this can be a competitive differentiator for your units that can also garner higher rents—so be sure to advertise it!



Though property managers may not have the ability to install central air conditioning or a rooftop pool in every building they manage, there are much simpler, more affordable tweaks that can increase your properties' appeal for current and prospective residents alike. Consider sending out a survey to your residents to find out which updates would have the biggest impact.



## WHAT DRIVES RENTERS' DECISIONS TO STAY OR MOVE OUT?

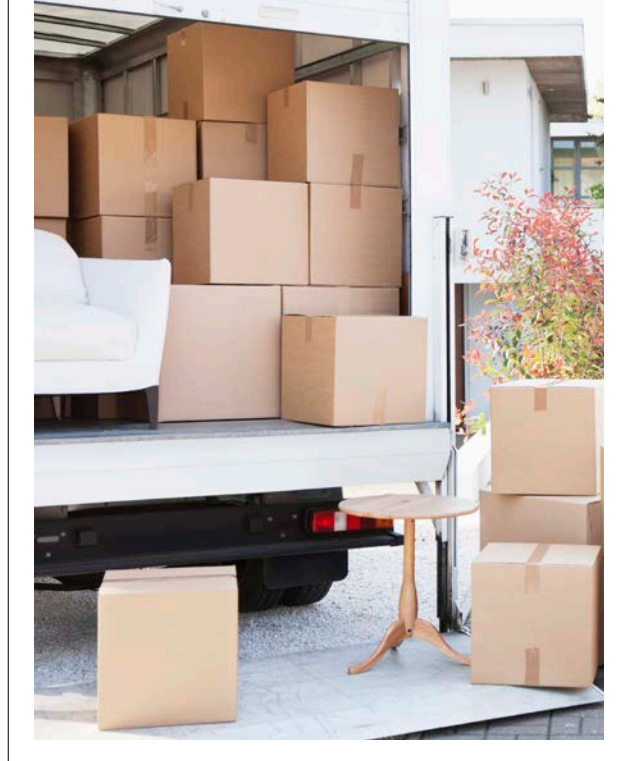
To what extent can you control how many of your residents renew their leases? To find the answer, we asked renters three things: How likely they were to move in the next year; which factors would cause them to move out; and which concessions would convince them to stay. (See Figure 1P.)

**We found that less than a quarter of respondents planned on moving out when their lease was up.** Of those, half were leaving because their circumstances changed. Millennials and Gen Z renters are more than twice as likely to move out as Gen X renters and Baby Boomers—presumably because younger renters are starting families, buying homes, and changing jobs at a higher rate than older renters. (See Figure 2N.)



## Here's why renters decide to move out:

- Their circumstances changed (e.g. they changed jobs, they moved in with their partner) – **50%**
- They're buying their own home – **22%**
- They dislike their property manager or landlord – **17%**
- Maintenance issues were not addressed quickly or adequately – **17%**
- They dislike their neighborhood – **15%**
- They found an apartment in a better location for a comparable price – **13%**
- Their rent increased by a large amount – **11%**
- They dislike their neighbors or roommates – **11%**
- They found an apartment with better amenities for a comparable price – **10%**
- They found an apartment with more space for a comparable price – **9%**
- They found a more attractive or modern apartment for a comparable price – **9%**
- Their rent increased by a small amount – **7%**
- They needed to find a pet-friendly apartment – **7%**
- They needed to find a family-friendly apartment – **3%**

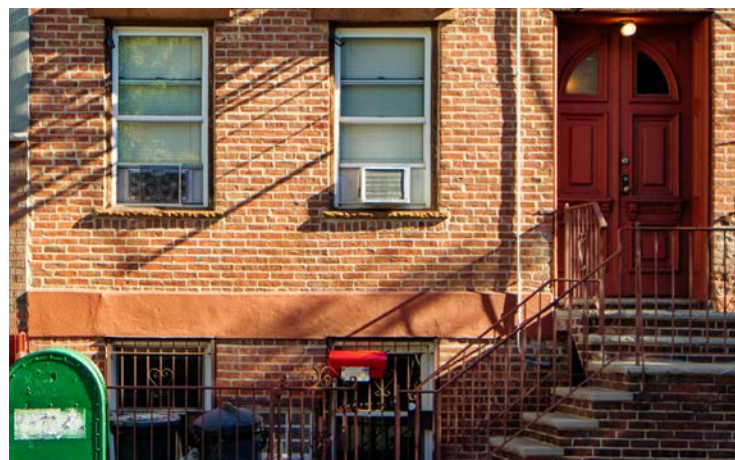
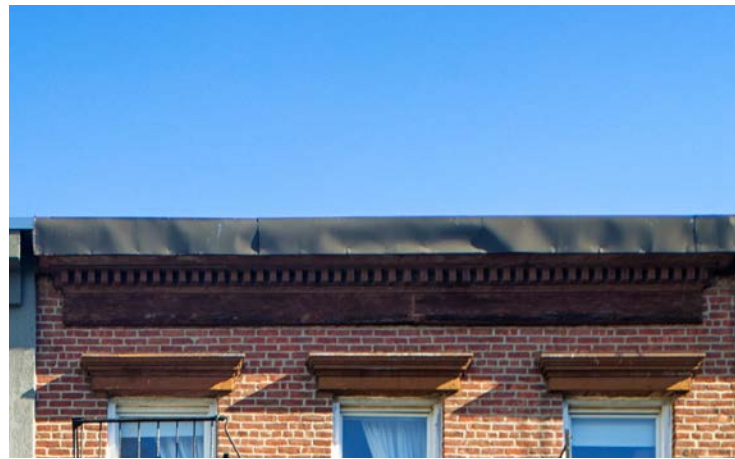


**55% of renters who had already decided to move out said that nothing could change their minds**—reflecting the fact that a majority were moving due to circumstances that made it impossible for them to stay in their current rental. However, **we discovered 7 incentives that would cause between 10 and 22% of renters to change their minds:**

- Free utilities for a year – **22%**
- A recurring deal on rent, such as \$50 off each month for a year – **14%**
- A more flexible lease, such as being able to move out with 30 days' notice – **13%**
- Having their entire unit remodeled – **13%**
- Keeping the rent at the same rate for another year – **12%**
- Being allowed to have a pet – **10%**
- Receiving cosmetic updates to their unit (e.g. new carpeting or hardwood floors) – **10%**

**41% of respondents planned to renew their lease for another year. However, nearly as many (37%) were still on the fence about whether to move or stay put.** For renters who are considering renewing their lease, here are the factors that would convince them to move out:

- If their rent increased by a large amount – **58%**
- If their rent increased by any amount – **38%**
- If they found an apartment in a better location for a comparable price – **35%**
- If they were financially able to buy their own home – **33%**
- If they found a more attractive or modern apartment for a comparable price – **32%**
- If their circumstances changed (e.g. if their family grew, if they needed an accessible unit) – **31%**
- If they found an apartment with more space for a comparable price – **30%**
- If they found an apartment with better amenities for a comparable price – **28%**





**Here are the incentives that would convince at least 10% of those who are on the fence to renew their lease for another year:**

- Free utilities for a year – **45%**
- A recurring deal on rent, such as \$50 off each month for a year – **38%**
- Keeping the rent at the same rate for another year – **32%**
- Keeping the rent at the same rate for multiple years – **29%**
- Free access to a service like carpet cleaning or house cleaning for a year – **24%**
- A financial incentive, such as a gift card or cash bonus – **23%**
- Having their entire unit remodeled – **22%**
- Receiving cosmetic updates to their unit (e.g. new carpeting or hardwood floors) – **22%**
- Being allowed to have a pet – **20%**
- A more flexible lease, such as being able to move out with 30 days' notice – **19%**
- Having all of their appliances replaced – **18%**
- A gift, such as a free TV or iPad – **18%**
- Having an additional appliance installed in their unit – **17%**
- Having one room of their unit remodeled – **15%**
- Having their oldest appliance replaced – **15%**
- Moving to a larger or better unit within the same building – **15%**
- Waived amenities fees for a year, such as free laundry room use or parking – **13%**
- A one-time deal on rent, such as 2 weeks of free rent – **12%**
- Having smart home technology installed in their apartment, such as Nest thermostat – **12%**







**1 in 2 renters who decide to move out do so for reasons that are beyond your control.**

This means that you have a chance to stop *half of all renters* from leaving. Though breaks on rent and updates to their unit can convince a portion to renew their leases, the process of retaining a resident begins before they even move in: from their interactions with you and your staff, to their perception of how well you've taken care of their new home.

**That's why it's vital to keep your units competitive year-round and provide personal, genuine customer service from the first moment you make contact with a prospective renter.**

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## PART 2

### How Do Renters Differ by Generation?



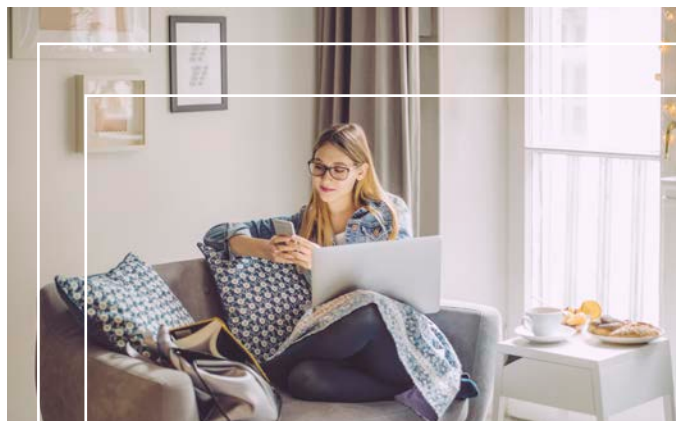
One of the most profound ways in which renters are becoming more diverse is by age. For reasons that are both personal and financial, younger renters are waiting longer to buy their first homes, and former homeowners are returning to renting.

In this section, we'll take a close look at Millennials, Gen Xers, and Baby Boomers: Why they decide to rent; what they're looking for in a rental; and how property managers can attract and retain them in 2018 and beyond. We'll also briefly discuss two generations that we know less about: Generation Z and the Silent Generation.

## MILLENNIAL & GENERATION Z RENTERS

Millennials are the generation born between 1981 and 1996. The youngest Millennials recently graduated from college, while the oldest are in their mid-thirties. They're a generation 83 million strong, and they're expected to form 20 million new households by 2025. In comparison with their Baby Boomer parents, they're a generation marked by incredible diversity: Nearly 1 in 2 Millennials identifies as non-white, compared to 1 in 4 Baby Boomers.

They're also highly educated: 1 in 3 Millennials has a college degree, in comparison with 1 in 5 Baby Boomers. However, between high student loan payments and an overabundance of graduates competing for entry-level jobs, many struggled to find their footing in the economy they faced after graduation. In 2014, 15.4% of Millennials were unemployed, and 1 in 3 Millennials lived with their parents. Today, 1 in 3 Millennials have outstanding student loans and an average of \$33,579 in student debt.



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## THE MILLENNIAL RENTER: AGE 27



- **Rents until they're ready to put down roots** and save up for a house



- Lives in an apartment building **downtown**



- Has a **college degree** (and an average of \$34,000 in student loan debt)



- Interested in smart home **technology**



- **Embraces the sharing economy**, especially companies like Lyft and Airbnb



- **Equally likely to move out** as they are to renew their lease



- Lives with their **significant other**



- Willing to **pay higher** rent to live in a desirable neighborhood with modern amenities



- Wants to communicate with their property manager **via email or text**



- Looks for an apartment to rent on **Zillow**



- Wants to **adopt a pet** once they find an apartment that allows it



- Wants to be able to pay rent, submit maintenance tickets, and sign leases **online**



- Actively uses their **smartphone and social media**



Because of Millennials' slow start, they're delaying the typical milestones, including buying a house. Though they're becoming homeowners at a slower rate than previous generations, their level of interest appears to be the same. They have difficulties—both real and perceived—with the financial aspects of purchasing a home in a highly competitive market, including insufficient credit history and significant student debt. In addition, slow wage growth and high rents prevent them from saving for a down payment.

It doesn't help that there's a dearth of starter homes on the market. Many Millennials who would love to make the transition from an apartment to a small, affordable home are unable to do so—a problem that will only worsen as Millennials continue to form households in the coming years.

In addition, Millennials are getting married and having kids at later ages than previous generations. In 2017, the average age at first marriage



is 27.4 for women and 29.5 for men, in comparison with ages 25.0 and 26.8 in 1997, and 21.6 and 24.0 in 1977. This isn't due to a lack of interest, however: Though 57% of Millennials have never been married, 65% of single Millennials would like to get married eventually. Millennials are also more likely than previous generations to live with a partner prior to marriage: Of the 8.3 million cohabiting-couple households in 2016, 4.2 million were Millennials.

As a result, 65% of households headed by someone under age 35 rented in 2016, compared with 57% in 2006. Millennials were responsible for 25% of renter household growth during the same time period.

Renting is also a lifestyle choice for some Millennials. Many have embraced the sharing economy with open arms, swapping car ownership for Zipcar and Lyft, hotels for Airbnb, and 9-5 office jobs for TaskRabbit and WeWork. They want to spend their money on experiences over ownership,



and to have the freedom and flexibility to move around—after-effects of the Great Recession that have now become ingrained in young Americans’ mindsets. Millennials also seem to favor major cities, where they can work and socialize at will: 9 in 10 Millennials live within these metro areas, in comparison with two-thirds of Baby Boomers at the same age.

Millennials were raised with technology, though they’re old enough to remember life before WiFi and cell phones were ubiquitous. Today, 92% of Millennials have smartphones, and 85% actively use social media. In our survey, Millennial renters were more enthusiastic than any other generation about paying their rent, communicating with their property manager, filing maintenance requests, signing leases, and finding rental properties online or via mobile app. In addition, they were most likely to say that smart home technologies like thermostats, security systems, and locks would increase their interest in a rental. (See Figures 2H & 2I.)



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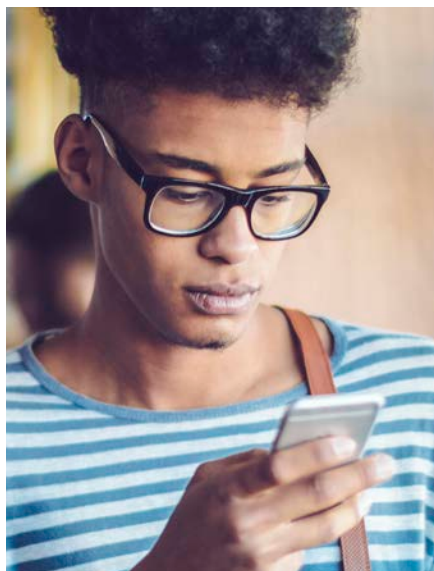
## GENERATION Z

*Note: The oldest members of Generation Z have just begun graduating from college and entering the rental market as of 2018. As a result, experts are not yet certain how this generation's preferences will play out. In addition, our sample of Gen Z renters was much smaller than other demographics; so there's greater uncertainty regarding our data and predictions for Generation Z than for Millennials, Gen X, and Baby Boomers.*



Born in 1997 or later, the first members of Generation Z are now graduating from college and looking for jobs. They're as massive and influential as the Millennials, and the two generations will soon be competing for affordable places to live.

Though it's too early to know how closely Generation Z will mirror Millennials in their behaviors, initial guesses are that they'll also be drawn to cities to work and socialize; and though they'll also rent to later ages than previous generations, homeownership won't lose its appeal for Gen Z.



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**Many predict that the stress and uncertainty that Gen Z has been steeped in since birth—a result of the Great Recession, political polarization, and national tragedies like September 11—has made them more pragmatic and stability-seeking than Millennials.**

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In addition, Gen Zers are digital natives who have never known a world without smartphones and social media. They're used to information and services being tech-enabled and available on-demand, so they'll likely expect this from property managers at all stages of the leasing cycle. This also seems to impact their preferences for their living environment: They rely heavily on their social network to find places to live, and they're attracted to residences with communal spaces that allow them to share amenities and socialize with other residents.



## 5 EXPERT TIPS FOR ATTRACTING & RETAINING MILLENNIALS

### Invest in digital marketing.

Younger renters look for apartments on national listing sites as well as property managers' websites; and they turn to social media and review sites to evaluate whether or not they want to rent from you. However, many property managers aren't taking full advantage of these digital tools to get themselves in front of prospective renters. Here are 4 ways to expand your online presence in order to be successful in 2018 and beyond:

- **Make sure that your rental listings are in tip-top shape**, including photos and descriptions that are appealing, accurate, and thorough. Next, syndicate your rental listings across all of the major sites. Among the 69% of Millennials who look to national listing sites to find a place to live, their top 4 "go-to" sites were Zillow, Craigslist, Apartments.com, and Trulia; and Facebook Marketplace is a promising new outlet, too. (See Figures 2L & 2M.)
- **List vacancies on your website, too.** We were surprised to discover that 1 in 2 Millennial apartment hunters turn to property managers' websites to find an apartment. Make sure that your website is professional, engaging, mobile-responsive, and optimized for search engines so people can find and contact you.
- **Leverage social media to promote your business and connect with renters.** Facebook is a great place to start: It allows you to instill a sense of community by sharing information with residents and engaging with them. Take advantage of the fact that 85% of Millennials are on social media by using these channels to promote rental listings, collect reviews, and show what it's like to live at your properties.
- **Take control of review sites and use them to your advantage.** Your online reputation carries great power in 2018. First, ensure that you disseminate appealing photos and accurate information about your business, both on your site and on review sites like Yelp. Second, encourage positive reviews from satisfied residents. Third, respond proactively and constructively to negative reviews—not with the goal of proving that you're in the right, but to mend relationships and leave a positive impression.



## **Adopt proven technologies.**

87% of Millennials said they'd appreciate being able to take care of rental processes online; and 71% would be more interested in a smart home tech-enabled unit. Not every property manager is ready to make the leap to smart home tech; but residents of all ages like the convenience of paying rent, signing leases, and submitting maintenance tickets online. They also want the option of communicating with you via email or text message. (See Figures 2I, 2J & 2K.)

## **Understand that their apartment is their home.**

People are renting for longer periods of their lives than ever before. Though 1 in 2 Millennials rents while they save up for a house of their own, younger residents who think of their unit as "home" may not feel the same imperative as previous generations to become homeowners as quickly.

Empathizing with the fact that their rental represents more than four walls to your residents is critical to retaining renters of all ages. Listen to your renters' feedback on how

you can keep them: Could you work with them to make their unit more appealing or comfortable? Which gestures could help you to show your appreciation for your most reliable renters who stick around and pay their rent from year to year? Might a new refrigerator or a break on rent for long-term tenants outweigh the cost of finding new renters if they move out?

**When it comes to retaining residents in 2018 and beyond, personal, thoughtful, genuine customer service is the key.**



## **Consider how your rentals can adapt as residents hit various milestones.**

With Millennials renting longer than previous generations, consider how you can retain renters as they adopt a pet, move in with a significant other, or start a family. Among respondents who planned on renewing their lease for another year, 1 in 3 said they'd change their minds if their circumstances changed, or if they found an apartment with more space for a comparable price.

How can you create homes for young renters that they love so much that they'll stay put as they grow up and hit important milestones? To start, consider how you can make your properties both pet- and child-friendly so residents aren't forced to move out as they welcome new members to their household. Next, create indoor and outdoor spaces that residents can share so they don't feel trapped by the confines of their individual units, in socializing or in storing their belongings.

Lastly, for respondents who planned to move out or were considering doing so, 12% said they'd stay if they could move to another unit within the building that met their evolving needs. Be sure to keep an open channel of communications with residents so you can anticipate what they'll need from you.



## **Make your amenities as competitive as possible.**

In our current market, young renters have a variety of options and the freedom to move around—and in many major cities, property managers are making all kinds of concessions to attract and retain residents. Do your research: Find out what your competitors are offering, and make sure that your rentals stack up. Fix up your properties and consider offering concessions to new and current renters.

**Shout it from the rooftops if you offer popular amenities like central air conditioning, a dishwasher, an in-unit washer and dryer, high-speed internet, a fitness center, or outdoor gathering spaces for residents.**

“  
**MILLENNIAL &  
GEN Z RENTERS'**  
ADVICE FOR  
PROPERTY MANAGERS

Stay engaged—if people feel like they matter (beyond just the rent check), they're more likely to stay AND more likely to take pride in their homes.

"Ask the current residents which improvements we want before you invest in stuff we don't care about. Our landlord once spent over \$10,000 updating the carpet in all stairwells, when only one stairwell needed to be replaced. However, we had broken washer/dryers at that time."

**"GIVE PERSONALIZED COMMUNICATIONS INSTEAD OF GENERIC MEMOS AND FORM LETTERS."**

“  
This may be a job for you, but this is our home—so please treat it like that when we have problems.

**"Be open** to talking; **honest** about difficulties; and **friendly, firm, and fair** during negotiations."

“  
My landlord said from the first tour of our house that he understood that this isn't just a rental to people, it's our home. I think that's a very important mindset to have.

“  
Email or text to save trees. There should be a website where we can pay rent; get updates about the complex; and if we have any questions, we can leave a voicemail on your business line and receive a response within one business day if it's not a dire emergency.

"You should make it as easy as possible to report small issues with the property before they become bigger issues."

**"BE ACCESSIBLE AND COURTEOUS. UNDERSTAND THAT I'M LOOKING TO TREAT YOUR UNIT AS A HOME."**

“  
Offer loyalty programs with free rewards/perks/discounts for loyal renters who pay on time, are responsible renters, etc. My wife and I are ideal renters who treat our rental units well and we are never rewarded for doing so. So we're looking to buy and hopefully won't be renting any longer. Our last townhouse got sold when we were living there; we would have likely rented-to-own had he given us that option.

## GENERATION X RENTERS

The 65 million members of Generation X were born between 1965 and 1980. They were the first generation told that they needed a college degree to be successful; but at the same time, college tuition growth began to outpace income growth and inflation. As a result, among the 1 in 5 Gen Xers with college degrees, 65% had to borrow money for college, which 26% are still paying off. Overall, Gen Xers carry 6 times more debt than their parents did.

This generation was hit hard by the Great Recession—particularly homeowners. Many Gen Xers bought homes for more than they were worth at the peak of the market, then had to sell them when values had bottomed out—or were forced to foreclose on them, as was the case for more than 9 million Americans. Today, some members of Generation X are cautiously reentering the housing market now that they've had a few years in a strong economy to recover, and their credit reports have been wiped clean of black marks from the Recession.

“**Overall, Gen Xers carry 6 times more debt than their parents did.**”



---

## THE GEN X RENTER: AGE 47



- **Rents a single-family home** in the suburbs



- Their household includes **children and pets**



- **More likely to stay put** so they don't have to uproot their family, but they often wonder if they could find somewhere better to live



- **Rents while they save up for a home** and improve their finances; would consider a rent-to-own arrangement



- **Willing to pay higher rent** to live in a safe, quiet neighborhood with convenient amenities



- **Carries significant debt** from student loans and past mortgages



- Wants the **convenience** of paying rent, submitting maintenance tickets, and signing leases online



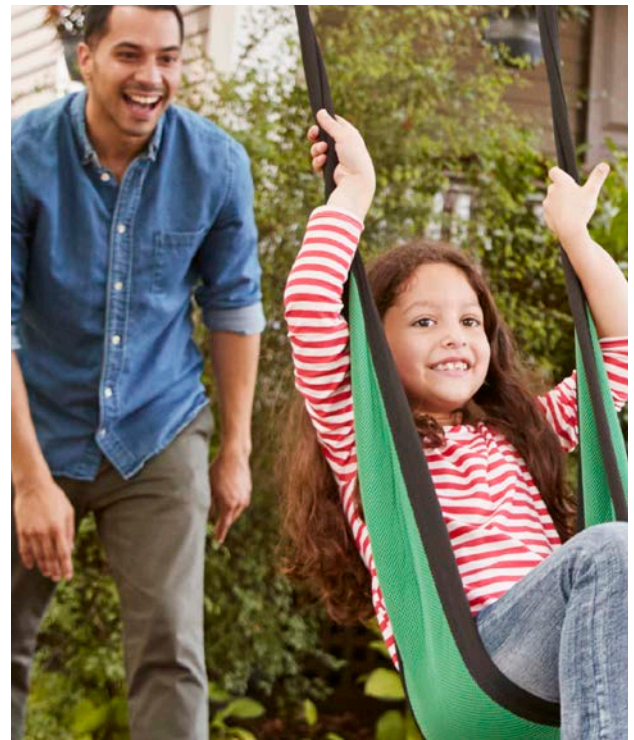
- Looks for an apartment to rent on **Zillow and Craigslist**



- Actively uses social media, their smartphone, and their tablet; wants to be **contacted by email or text**

Those who can afford it are looking to upgrade their living spaces, whether by purchasing a home or moving into a bigger and better rental. They're looking for larger living spaces with extra storage that their families can grow into, capable of accommodating both their children and their aging parents. But overall, experts' predictions of Gen Xers trading up from apartments to houses, or from starter homes to mid-priced homes, aren't panning out. Generation X is instead renting longer—another reason why starter homes and apartments are hard to find.

Though Gen Xers are in their peak earning years, stagnant wages and high rents make it difficult for them to save for a down payment on a house—the same conundrum that Millennials are facing. Altogether, 69% of Gen X renters and Millennials alike say that down payment affordability is their biggest barrier to owning a home. Today, Gen X represents 12.9 of the 45.9 million households who rent their homes.



## 5 EXPERT TIPS FOR ATTRACTING & RETAINING GEN X RENTERS

### 1 **Be willing to look beyond the credit score.**

Many Gen X renters are former homeowners whose finances imploded during the Great Recession. Their credit reports often paint a bleak picture of underwater mortgages, foreclosures, and layoffs; and many are still recovering. Rather than relying solely on credit scores to determine their reliability as a renter, supplement them with calls to their employer and former landlords; and examine their credit history for recent issues.

### 2 **Consider how you can accommodate their evolving needs.**

As Gen X renters emerge from the lingering after-effects of the Recession, some have saved up enough money to upgrade to larger or better homes in line with their families' evolving needs. You'll inevitably lose some renters each year who purchase their own homes; but can you work with these residents to upgrade their current unit, or move them to a larger unit within the same building? Alternatively, would you be interested in a rent-to-own arrangement, where a renter purchases the property from you over time?

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**Help them to make your rental feel like home.**

Many Gen X renters are dealing with the difficulty of transitioning to renting from the autonomy and privacy of living in a house they own. From making your properties more family-friendly to allowing them to make updates to their unit, it's key to show these residents that you empathize with them and are committed to helping them feel at home. The fact that they have experience caring for a home is something that you can use to your advantage.

**Advertise your listings online and offline.**

To attract renters in their forties and older, it's important to have all of your bases covered. Gen X renters search for apartments on Zillow, Craigslist, and property managers' websites nearly as often as Millennials do. However, they also scan bulletin boards, look out for "For Rent" signs, ask for tips from people they know, and check in with community groups on social media. (See Figure 2L.)

**Don't forget about them in the rush to meet younger and older renters' needs.**

Gen X is a smaller, quieter generation, but they represent 1 in 3 households who rent their homes. Now that the economy is on the upswing, some will inevitably leave the rental market to become homeowners again. However, others will continue renting for many years to come, whether out of choice or necessity—so by being attentive to the needs of renters of various ages, you can ensure that they choose to make a home in your rentals, rather than a competitor's.

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“

## GEN X RENTERS'

ADVICE FOR  
PROPERTY MANAGERS

“

Honesty in keeping commitments and integrity is key for both parties.

*“Remember: The better you care for your properties, the more likely you are to get good tenants that stay for a long time.”*

**“MAKE A QUARTERLY CALL JUST TO CHECK IN TO SEE IF ANYTHING NEEDS FIXING.”**

“

**Have empathy** toward a diverse group of people.

**“Pay as much attention to current residents as you do to recruiting new residents.”**

“

**“It's my home and your job. Let's treat each other with the appropriate respect.”**

“

When you find a responsible, low-maintenance, and trustworthy tenant, it benefits both parties if you make a little effort to keep them there.

Understand that I as a renter have options of other places to rent. Don't assume I'll pay any amount to avoid moving.

**“TREAT EACH RESIDENT AS YOU WOULD LIKE TO BE TREATED, AND ADDRESS EACH PROBLEM AS IF YOU HAD TO LIVE THERE AND DEAL WITH IT. REWARD GOOD TENANTS.”**

“

Remember that this is your renters' home. Updates and keeping things working like new is always a plus. Never forget about curb appeal as well. The nicer the place, the better renters you will keep. Make it a place you would be proud to live in.

## BABY BOOMER & SILENT GENERATION RENTERS

76.4 million Baby Boomers were born in the years following World War II, from 1946 to 1964. They reigned as the largest American generation until they had their own children: The Millennials.

As with other generations, the Baby Boomers' course was forever altered by the Great Recession. Financially, many never fully recovered from the layoffs and foreclosures they endured. As they age, they're quickly exhausting their insufficient retirement savings, so many are working to a later age than they anticipated.

At the same time, however, the Baby Boomers are helping their Millennial children with student loans and living expenses, and looking after their Silent Generation parents. As a result, where homeowners previously paid off their mortgages and owned their homes "free and clear" later in life, an increasing number of Baby Boomers carry housing debt into their retirement years, further straining their limited income and savings.



---

## THE BABY BOOMER RENTER: AGE 67



- Lives in an apartment in the **metro area of a city**



- Rents because they **don't want the responsibility** of maintaining their own home and paying off a mortgage once they retire



- Wants to **"age in place"** in an accessible unit



- Relatively **likely to stay** in their apartment from year to year



- **Will pay higher rent** to have maintenance and other needs taken care of



- Finds that their **retirement savings aren't stretching** as far as they expected



- Looks for an apartment to rent on your website, and also **asks their friends for tips**



- Uses their smartphone regularly, and social media occasionally; wants to be **contacted by email or phone**



- Interested in smart home technology—but only if it's **intuitive to use**



- **Wants the option** to pay their rent and submit maintenance tickets online for convenience's sake

Rather than moving to retirement communities, as experts had expected them to do, many Baby Boomers are instead selling their family homes and downsizing. However, the impact of this unexpected shift is that they're competing with every other generation for smaller homes and rentals. After all, the suburban and rural McMansions that Baby Boomers are putting up for sale aren't appealing or attainable for younger homebuyers.

In addition, 2 in 3 Baby Boomers say that they want to "age in place." As a result, those who feel that their current homes meet their families' needs are staying put, keeping 33 million suburban starter homes and downtown condos off the market. 80% of Baby Boomers currently own homes, and 72% say that their current home fits their needs. Due to the difficulty of finding a smaller, more affordable home, many choose to remodel their current house rather than moving.

Putting the affordable housing shortage aside, a growing number of Baby Boomers are attracted to renting because they don't want to have to worry about maintaining a home as they age. Like younger renters, they also like the idea of having access to amenities and social activities in the community where they live. Baby Boomers currently represent 10.4 of the 45.9 million households who rent their homes; and they were responsible for 44% of renter household growth between 2005 and 2016.

---

## SILENT GENERATION RENTERS

*Note: As Silent Generation renters are between the ages of 73 and 90 as of 2018—many of whom are not online—our sample of Silent Gen renters was much smaller than other demographics. As a result, there's greater uncertainty regarding our data and predictions for the Silent Generation than for Baby Boomers, Gen X, and Millennials.*

The 28 million living members of the Silent Generation were born between 1928 and 1945. They rent for financial and health reasons: Many Silent Generation renters are living on a fixed income, and they can't—or don't want to—keep up with the maintenance that owning a home requires. Their health is an important consideration in looking for a place to live: 1 in 2 Americans ages 75 and older had a disability in 2015, of which the most common difficulties are walking and independent living.



## 5 EXPERT TIPS FOR ATTRACTING & RETAINING BABY BOOMERS

### 1 **Offer a broad range of services,**

whether you provide them in-house or through vendors. From snow plowing to house cleaning, grocery delivery to dry cleaning pickup, many aging renters will pay more to have certain needs taken care of. After all, this is why Baby Boomers are choosing to sell their homes in favor of renting: The burden of owning and maintaining a home becomes increasingly taxing as they grow older.

### 2 **Make their units adaptable so they can age in place.**

Some updates, like a grab bar in the shower, can be installed for residents who need them, and removed if they're no longer necessary. Other updates benefit residents of all ages, like reserved parking spaces for disabled residents close to the entrance of a home.

### 3 **Creating gathering places for residents**

to spend time and share meals with loved ones, which is something Baby Boomers often miss after selling their family homes. These spaces can do double-duty as venues where you can host events for residents to get to know each other.

# 4

## **They care about technology, too.**

Don't assume that only Millennials are interested in the latest innovations: 60% of Baby Boomers would appreciate the convenience of paying rent, filing maintenance requests, and signing leases online; and 55% would be more interested in a unit that was equipped with smart home technology. If you do decide to invest in these technologies, you might be surprised at the number of residents who appreciate them. (See Figures 2H & 2I.)

# 5

## **Promote your vacancies through a number of mediums,**

from national listing sites and social media to “For Rent” signs and bulletin boards around town. 1 in 2 Baby Boomers check property managers’ websites to look for a place to live, and 1 in 3 turn to national listing sites like Zillow and Craigslist. However, more than half prefer to ask for tips from people they know—showing that word of mouth still carries great power in 2018. Have you tried rewarding renters who refer others to your properties? For example, you could take \$50 off next month’s rent for a resident whose friend signs a lease with you. (See Figure 2L.)

“  
**BABY BOOMER  
& SILENT GEN  
RENTERS'**  
ADVICE FOR  
PROPERTY MANAGERS

“  
**Get to know me.** Treat me as a valued person, rather than just a tenant.

“Open communication, rapid maintenance response, and quarterly updates on long-range physical improvements.”

As a former property manager of multiple units: Do not over-promise. Deliver the best service you can to every resident, and take pride in your property.”

“Be accessible, affable, and professional.”

“  
**Be proactive when your renters call you with a problem.**

“BE HONEST, SINCERE, THOUGHTFUL, AND RESPONSIVE WHEN DEALING WITH YOUR RENTERS.”

“TAKE CARE OF LONG-TERM RENTERS! BE PLEASANT TO EVERYONE.”

“  
**Get to know your renter and their circumstances.**

“  
Pay close attention to the needs of the disabled. We may be difficult to accommodate at first, but we are loyal renters when we find a place we like.

“  
You need an adequate number of maintenance persons for the number of residents in the building. Communication (especially re: repairs) should move online, except for the very few residents (if any) who don't use computers or smartphones.

**From the insights that nearly 1200 renters revealed to us** in this year's Renters' Survey, we discovered answers to the following questions:

- **15 amenities that renters are willing to pay higher rent** to have, and how to give residents what they want in properties of all kinds
- **What drives renters' decisions to move out**, and which concessions have the power to change their minds
- Why Millennials, Gen Xers, and Baby Boomers rent, and **how property managers can meet their needs**







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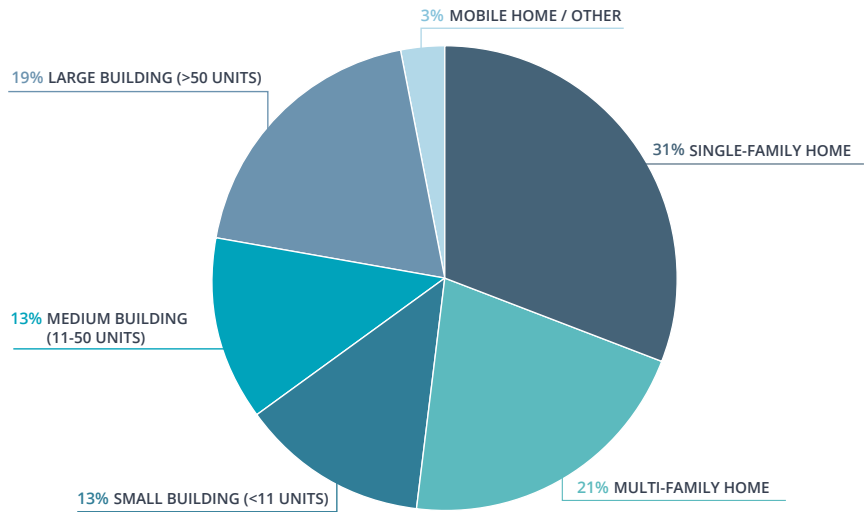
## CONCLUSION

More than anything else, however, there was one major takeaway from this year's survey: **Offering personal, empathy-driven customer service is the key to attracting and retaining renters in the future.**

No matter where your residents live, how old they are, or why they've chosen to rent, they have one thing in common: **Your rental is their home.** The more that you're able to embrace this mindset, listen to their needs, and personalize your offerings in response, the more success you'll have in attracting and retaining renters of all ages, no matter what the future holds for the rental market.

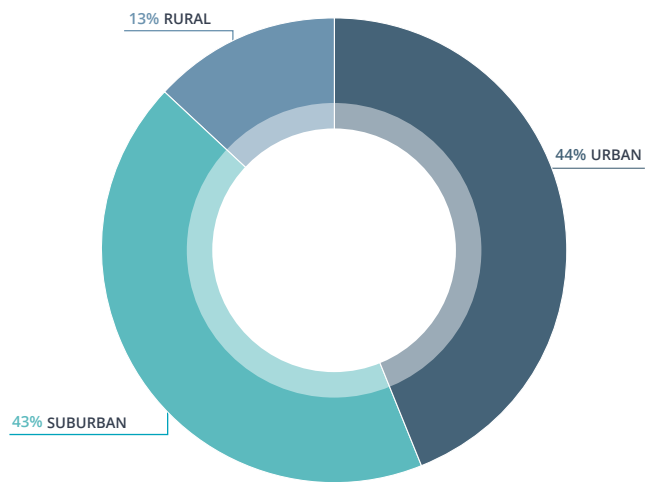
**FIGURE 1A**

What kind of rental property do you live in?



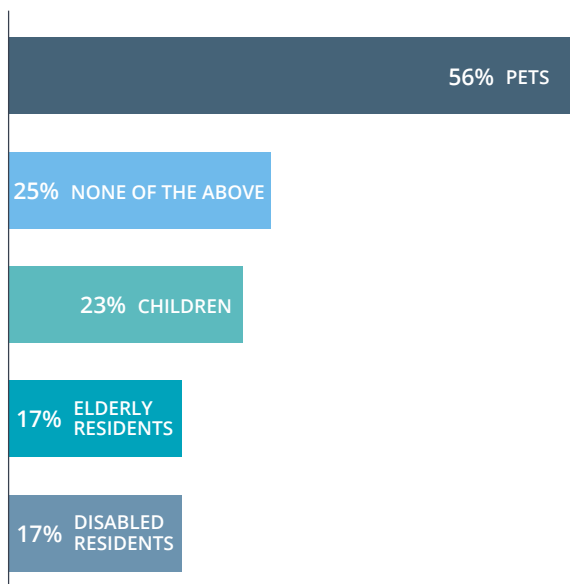
**FIGURE 1B**

What kind of area do you live in?



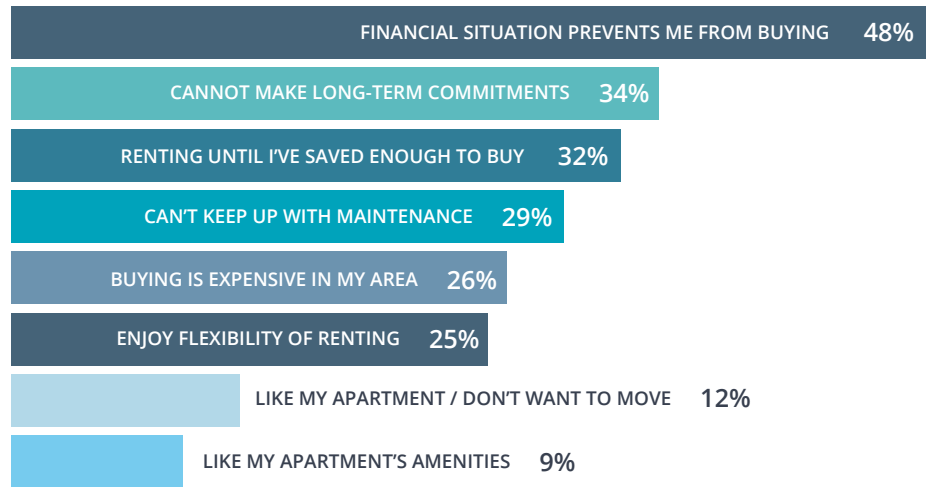
**FIGURE 1C**

Who lives with you?



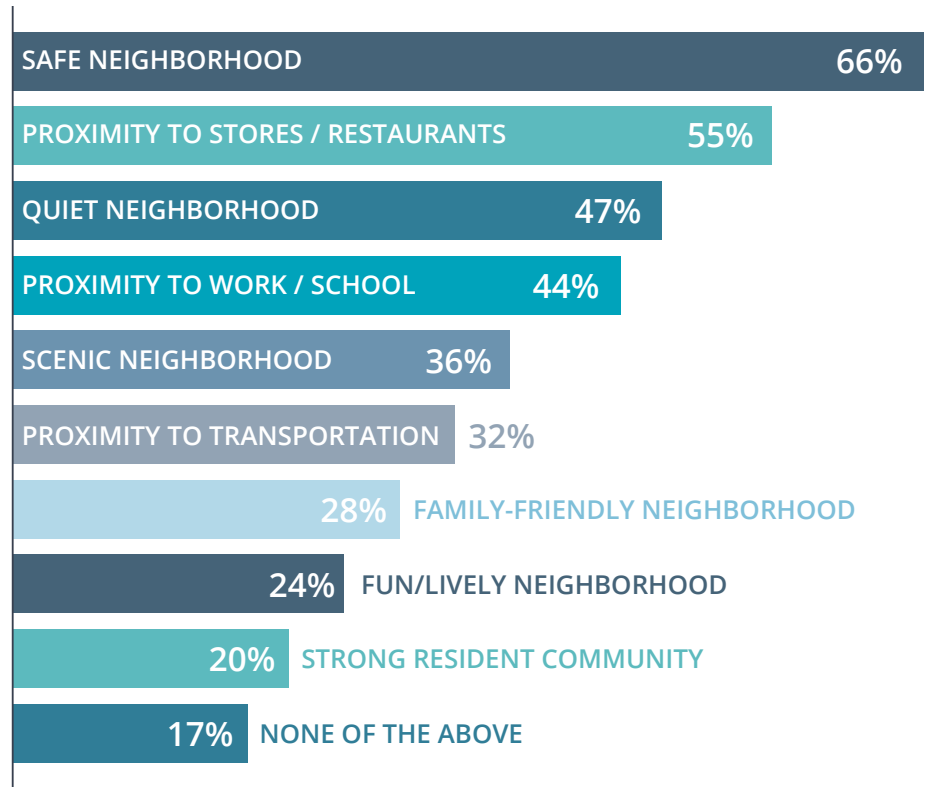
**FIGURE 1D**

Why do you rent?



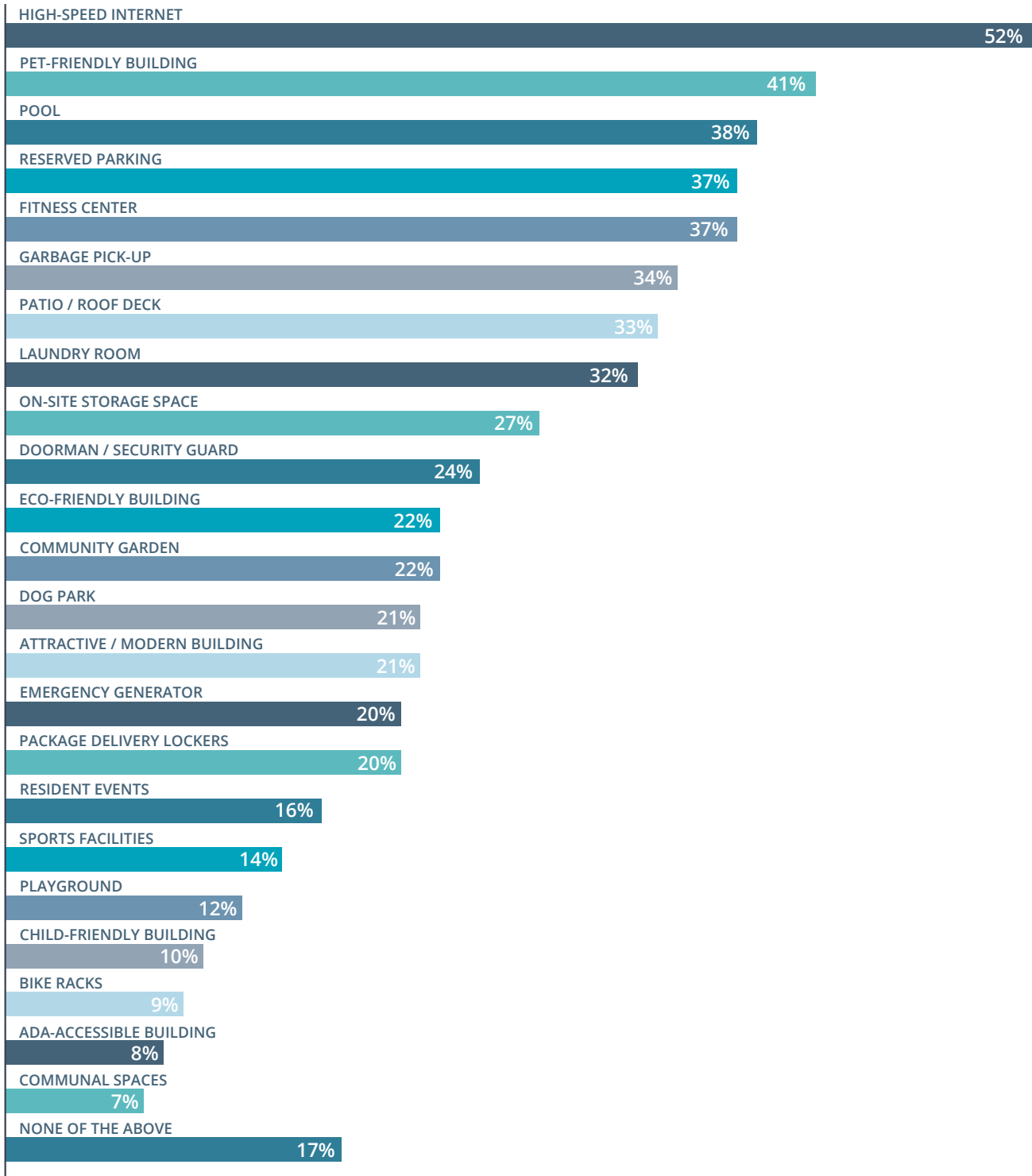
**FIGURE 1E**

Which neighborhood characteristics are worth paying higher rent for?



## FIGURE 1F

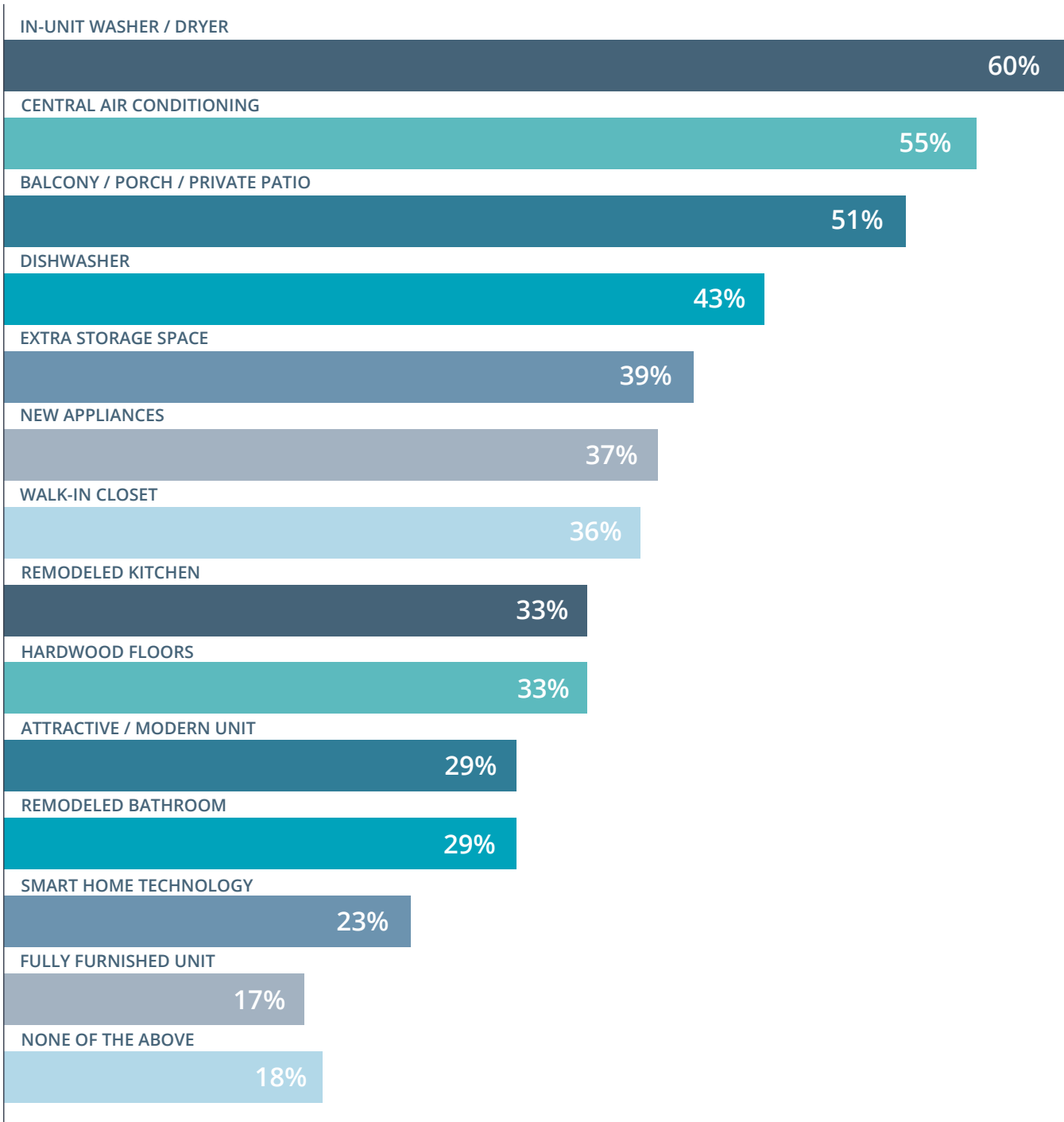
Which building/community amenities are worth paying higher rent for?





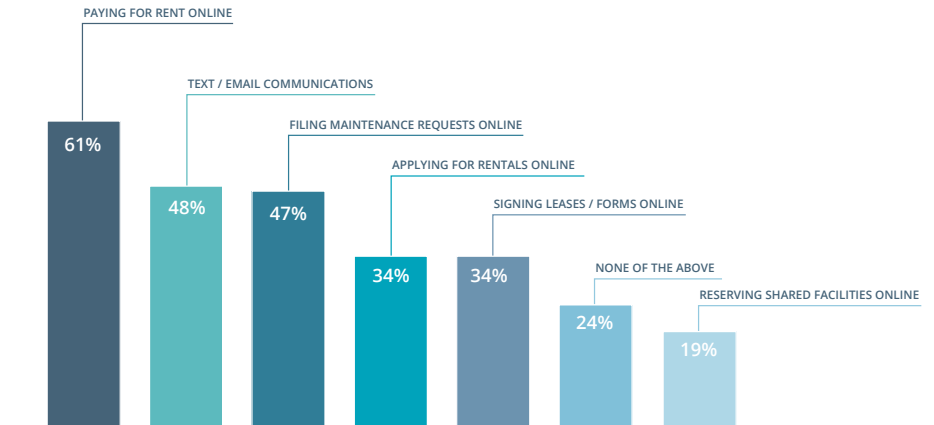
### FIGURE 1G

Which unit characteristics are worth paying higher rent for?



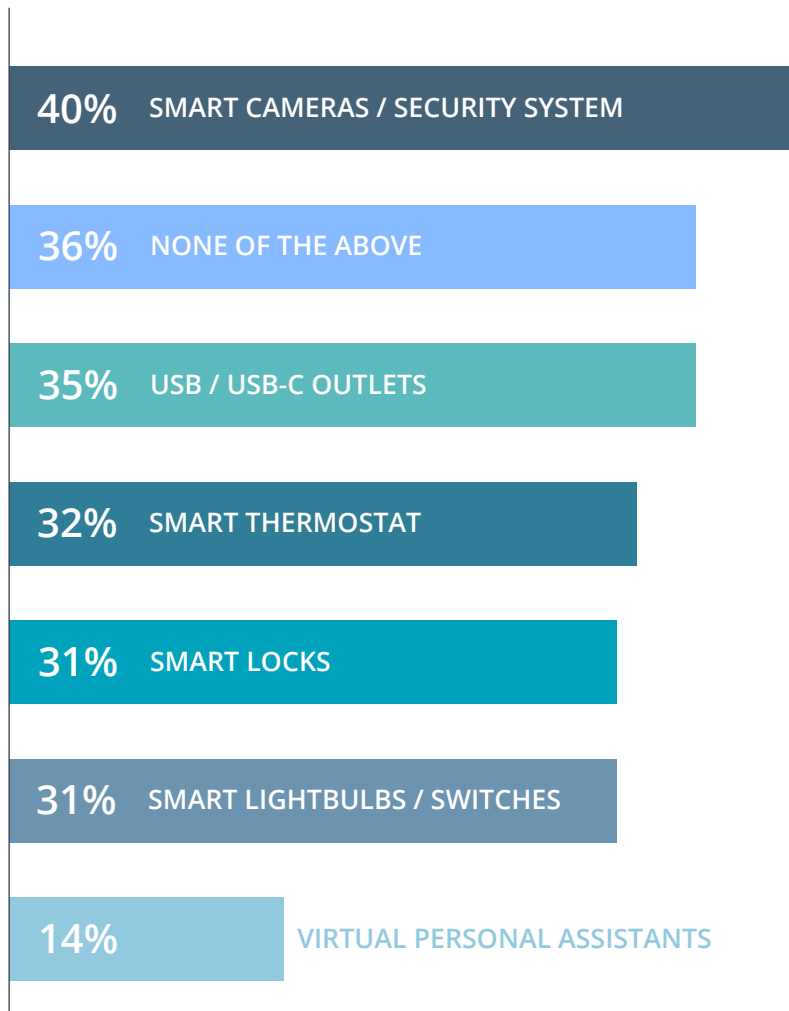
**FIGURE 1H**

Which technologies would you appreciate having as a renter?



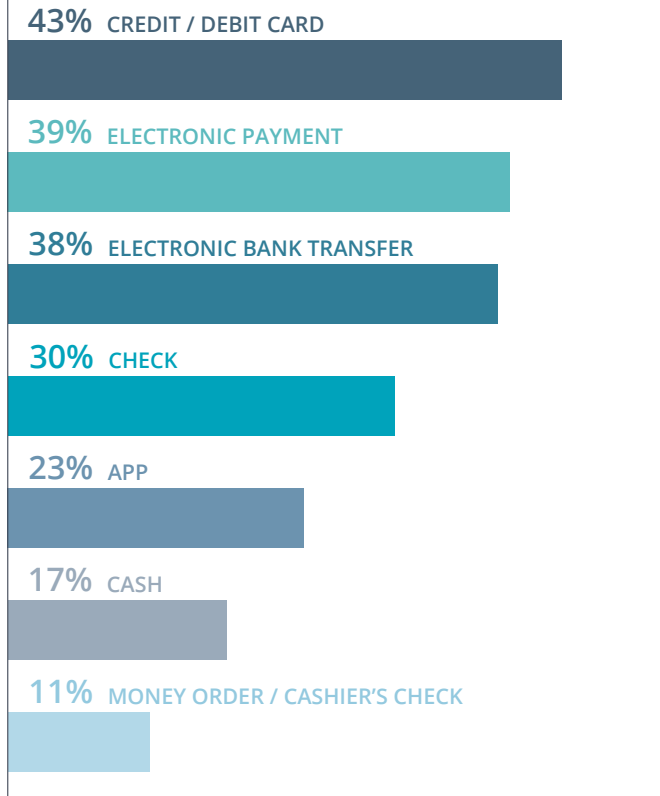
**FIGURE 1I**

Which technologies would make you more interested in renting a particular unit?



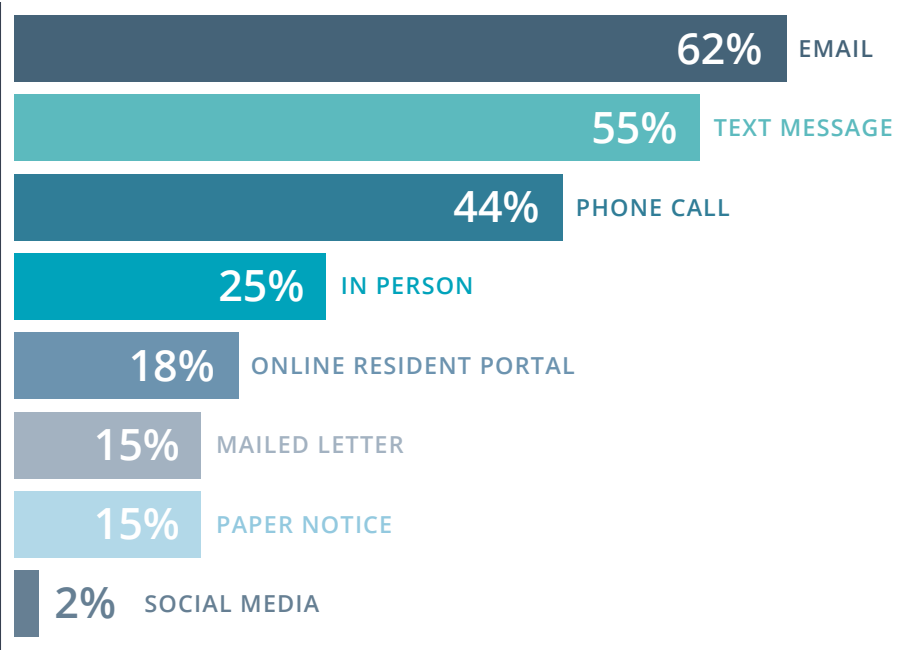
**FIGURE 1J**

How would you prefer to pay your rent?



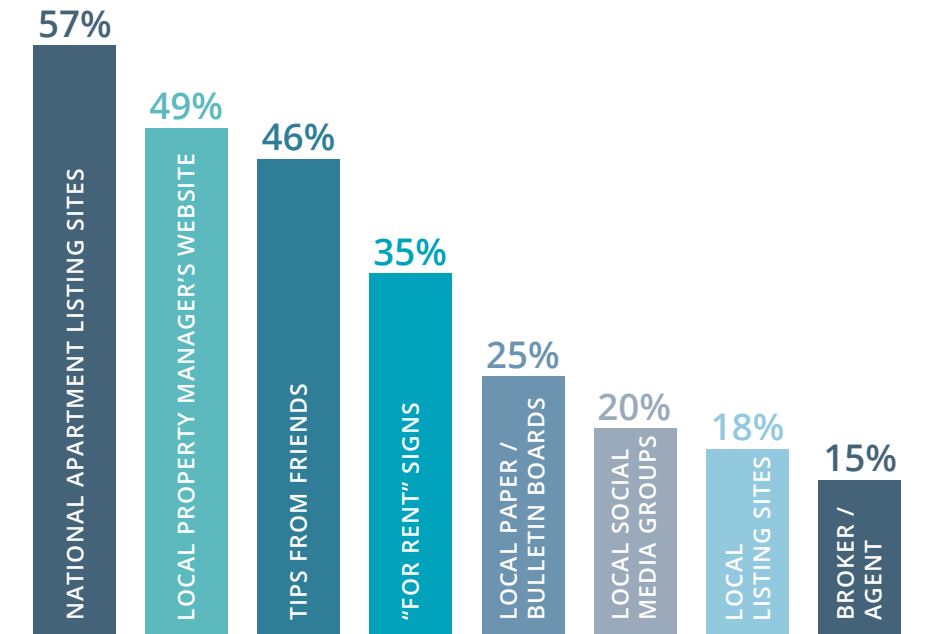
**FIGURE 1K**

How would you prefer to be contacted by your property manager?



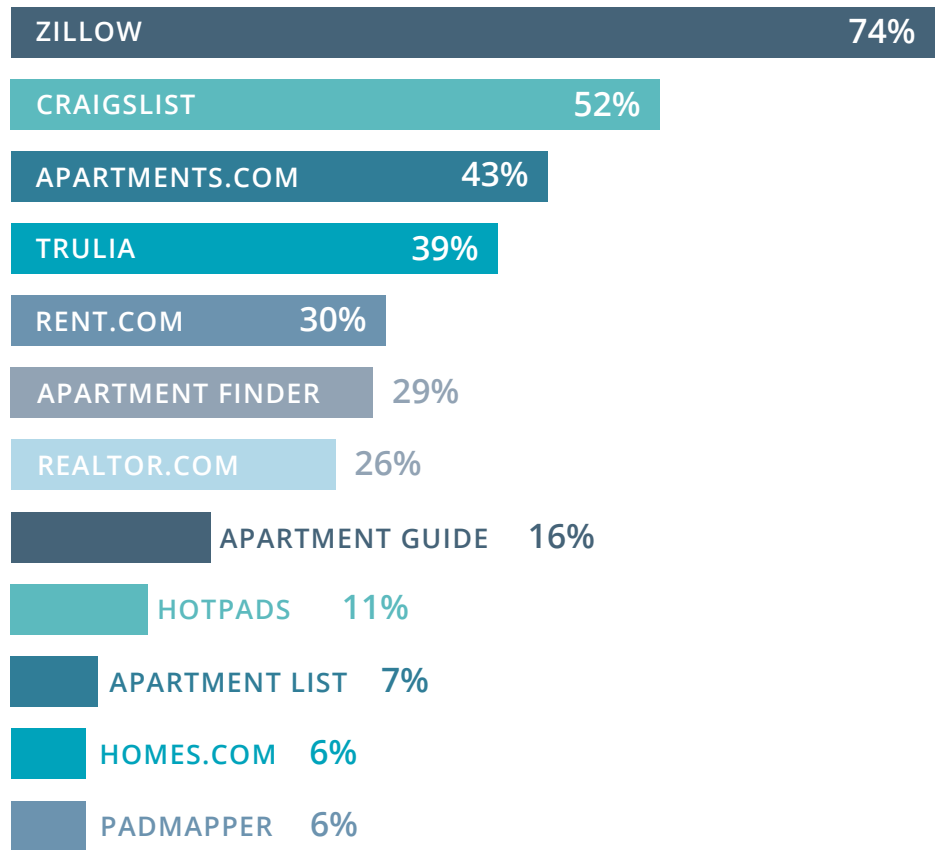
**FIGURE 1L**

How do you look for an apartment to rent?



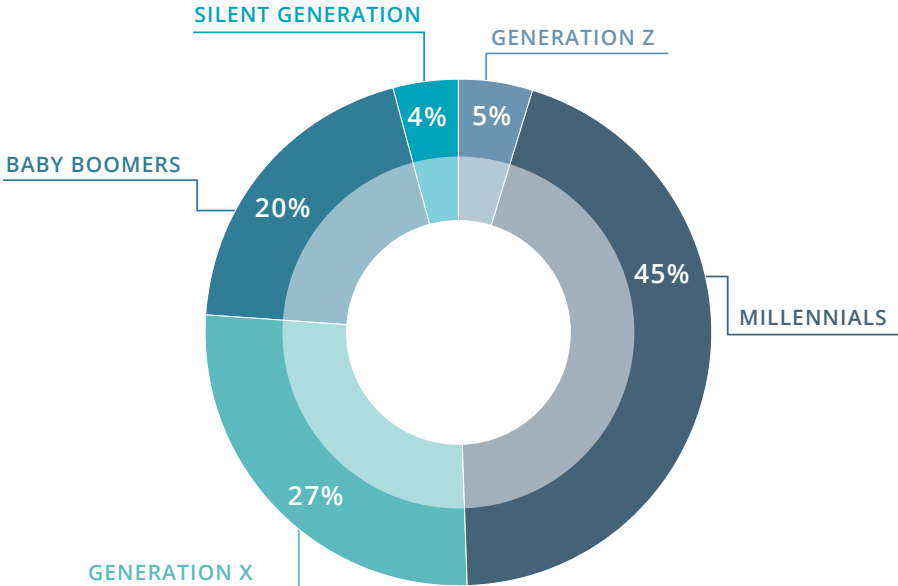
**FIGURE 1M**

Which national apartment listing sites are your "go-tos" when you're looking for a rental?

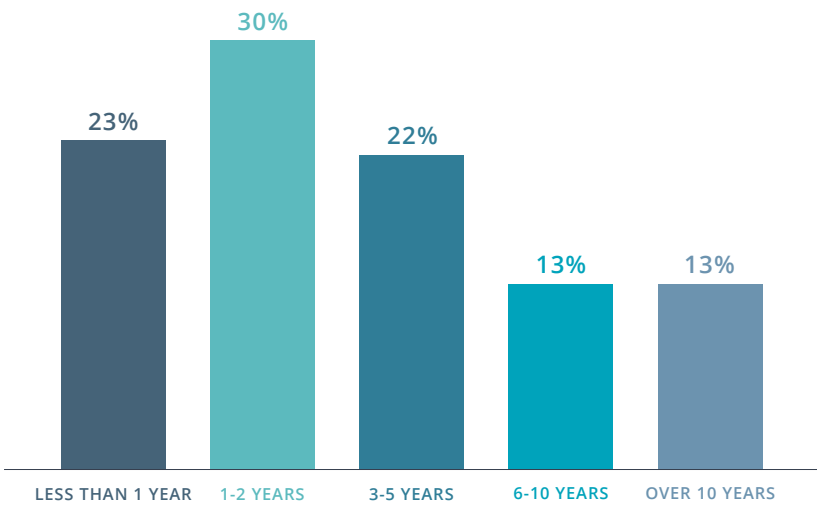




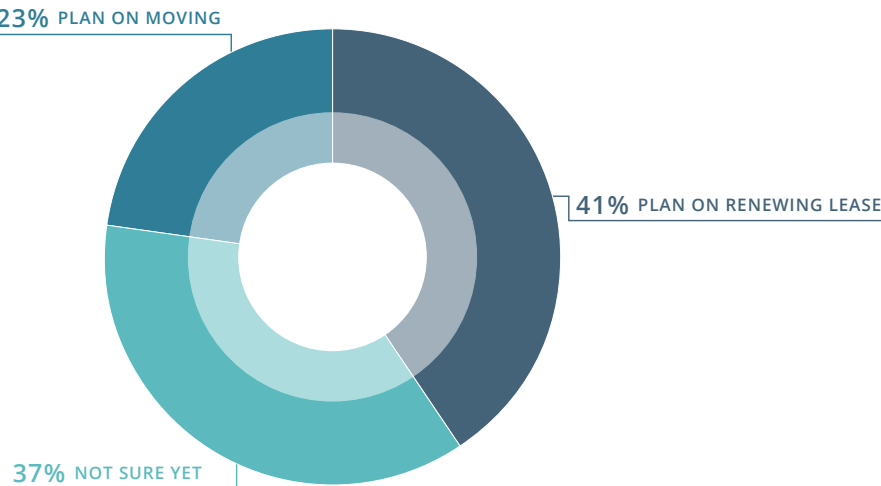
**FIGURE 1N**  
Which generation do you fall into based on your birth year?



**FIGURE 1O**  
How long have you lived in your current unit?



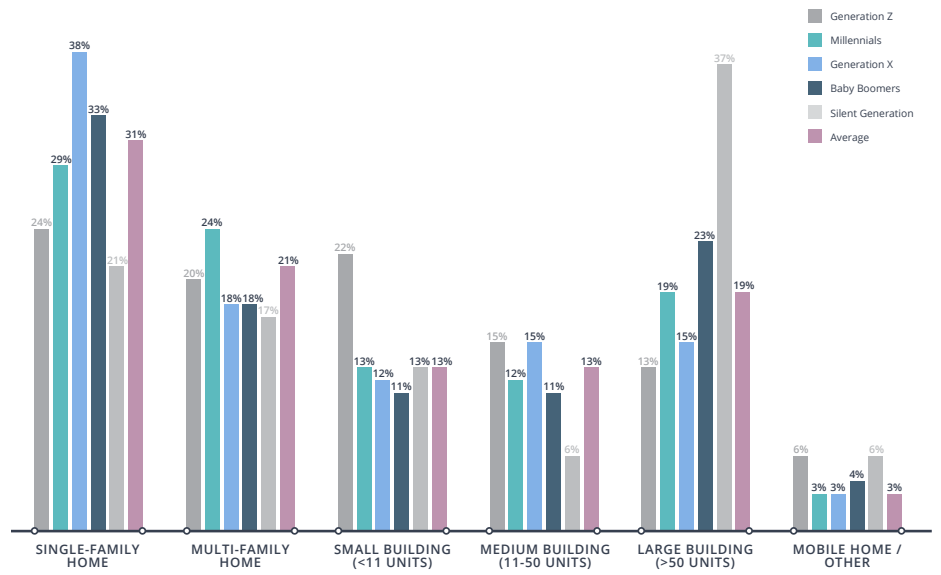
**FIGURE 1P**  
How likely are you to move in the next year?



## APPENDIX 2: HOW DO RENTERS DIFFER BY GENERATION?

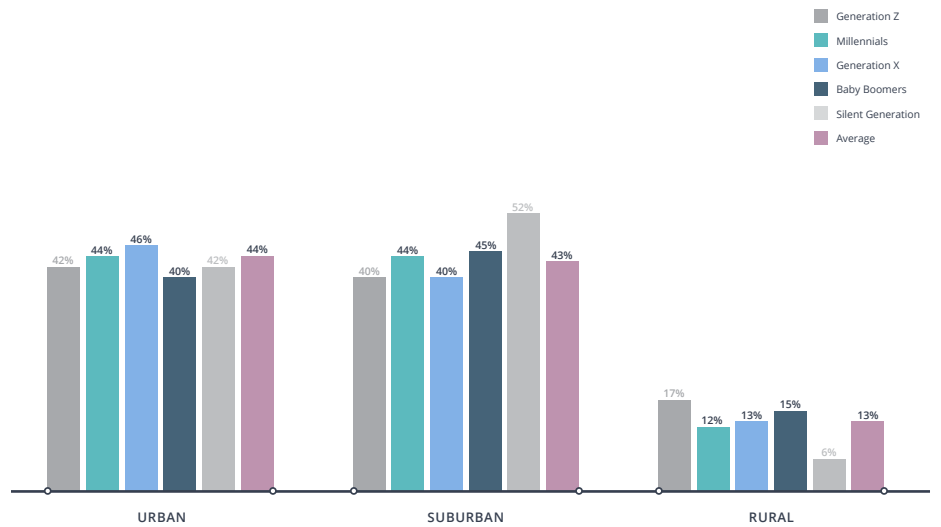
**FIGURE 2A**

What kind of rental property do you live in?



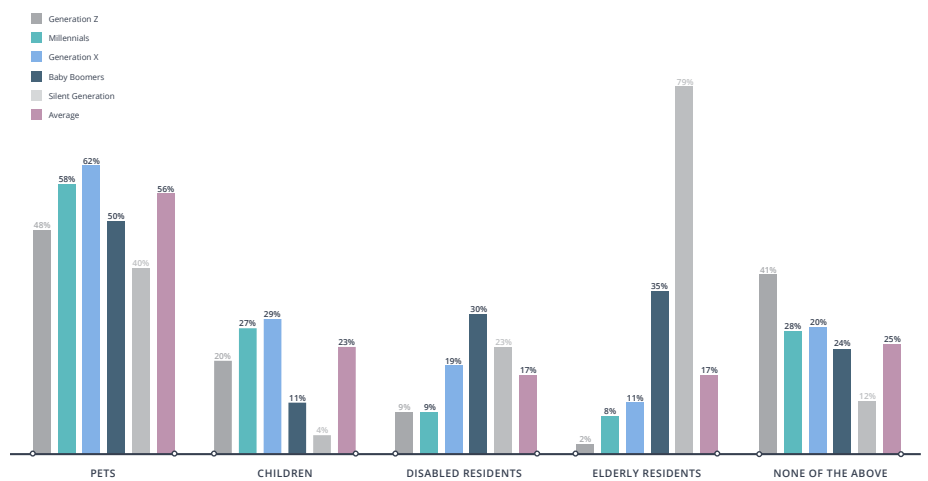
**FIGURE 2B**

What kind of area do you live in?



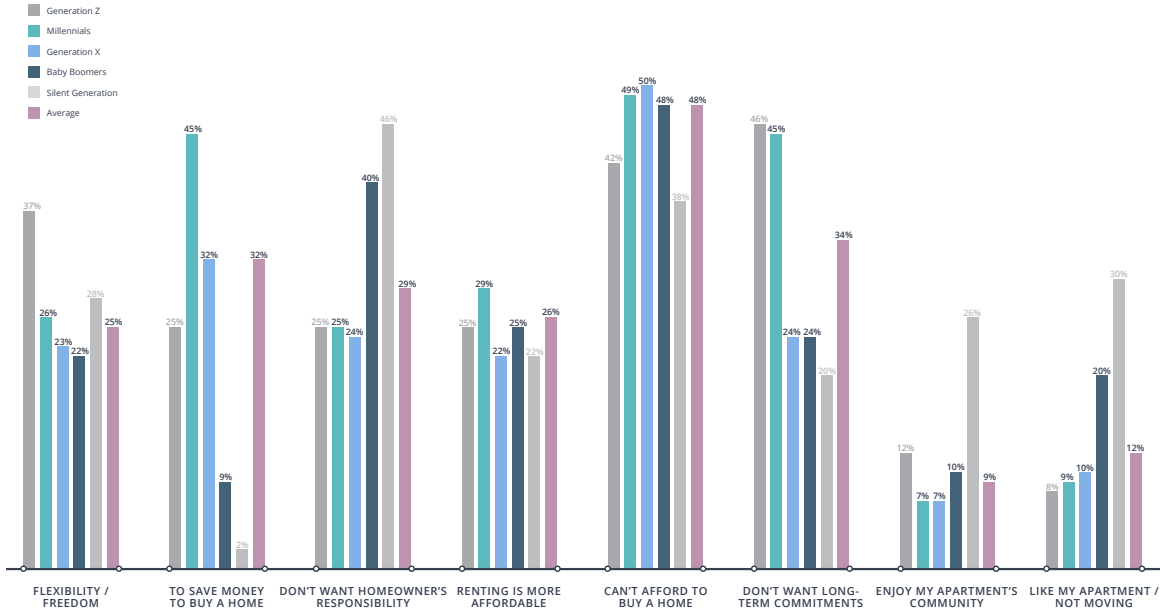
**FIGURE 2C**

Who lives with you?



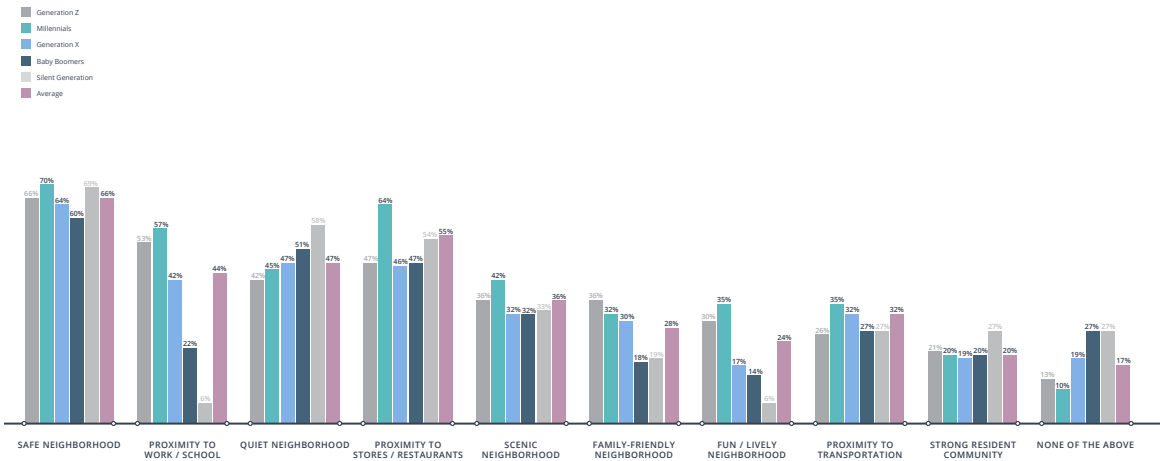
**FIGURE 2D**

Why do you rent?



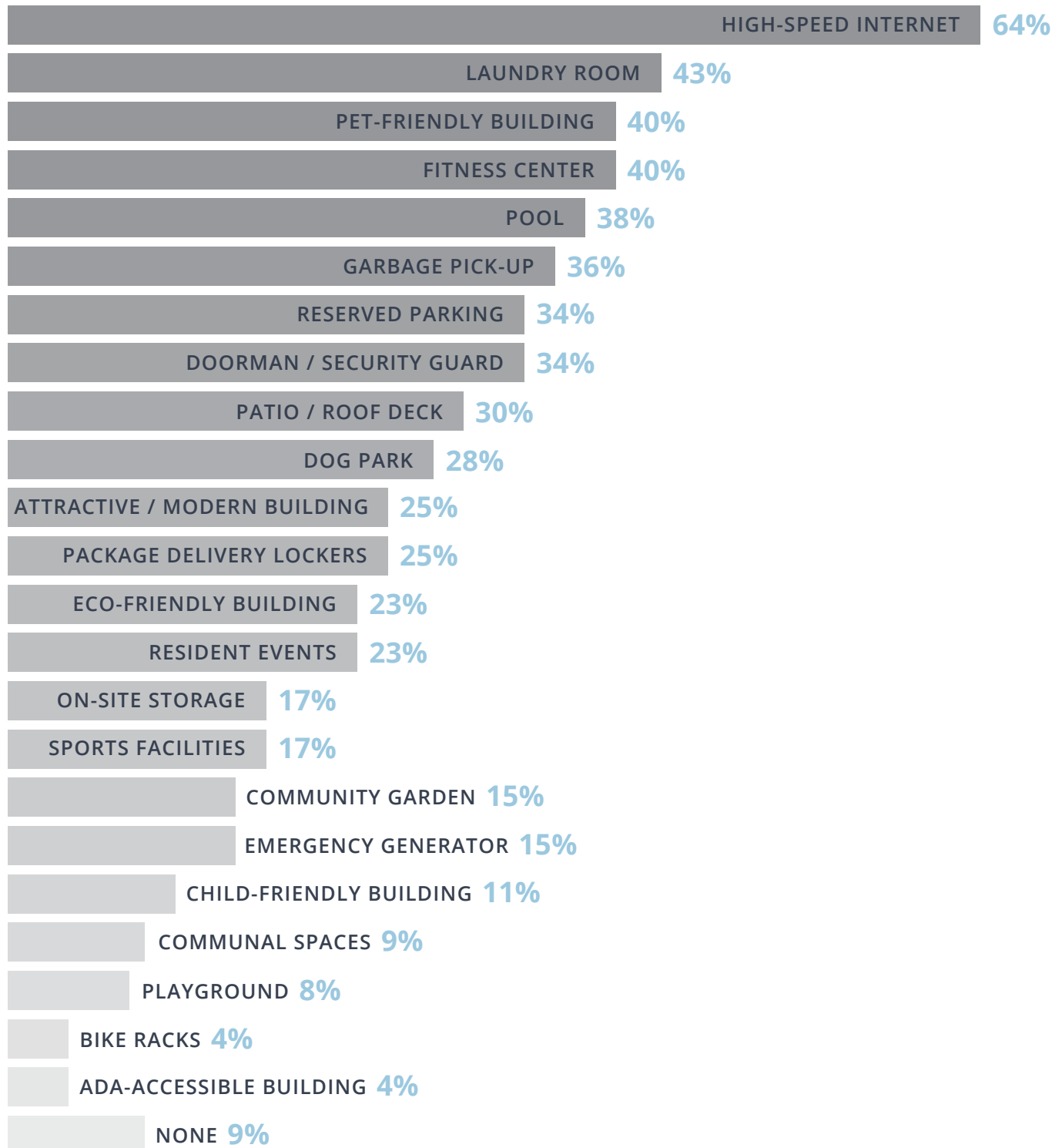
**FIGURE 2E**

Which neighborhood characteristics are worth paying higher rent for?



## FIGURE 2F: GENERATION Z

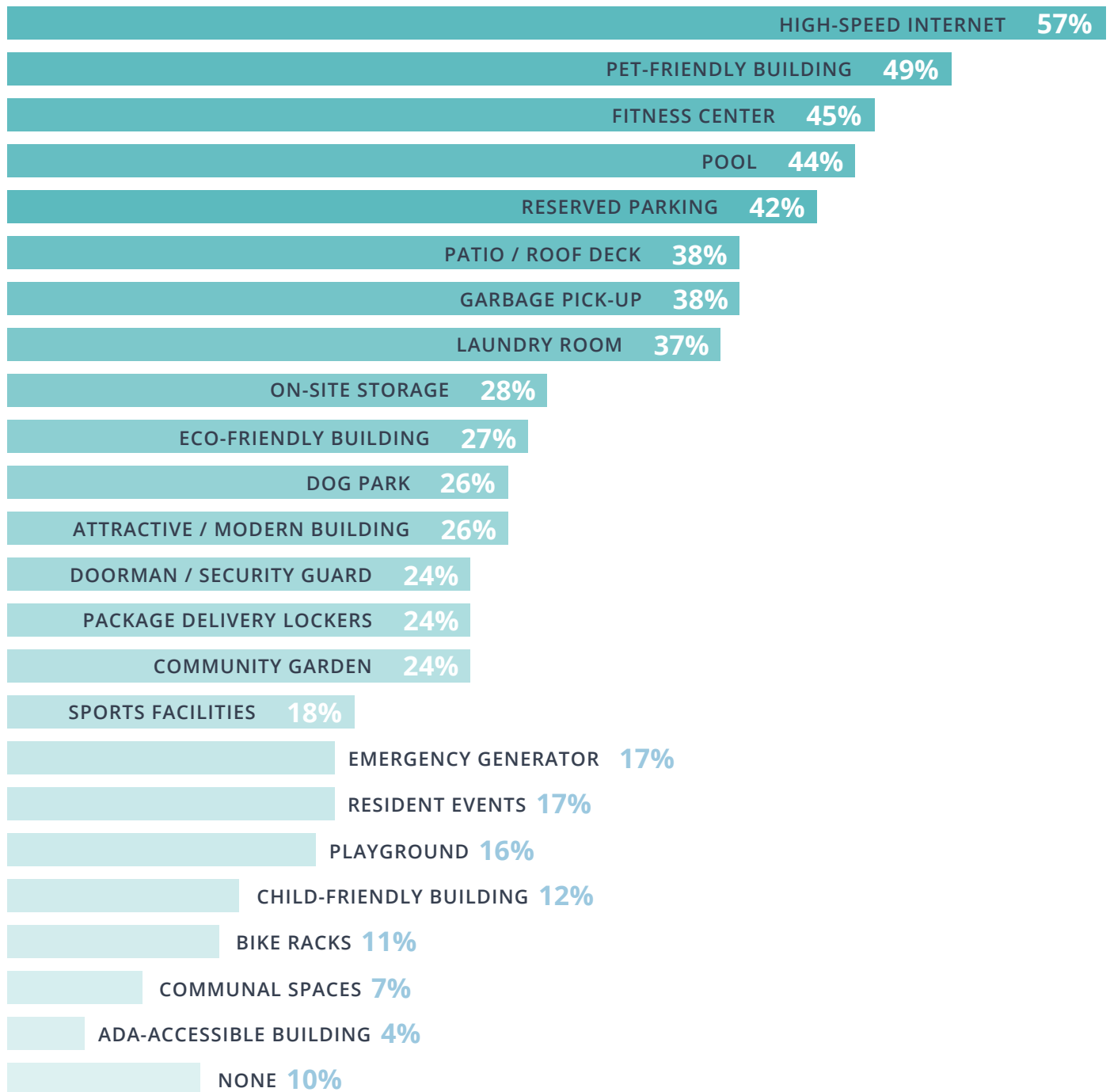
Which building/community amenities are worth paying higher rent for?





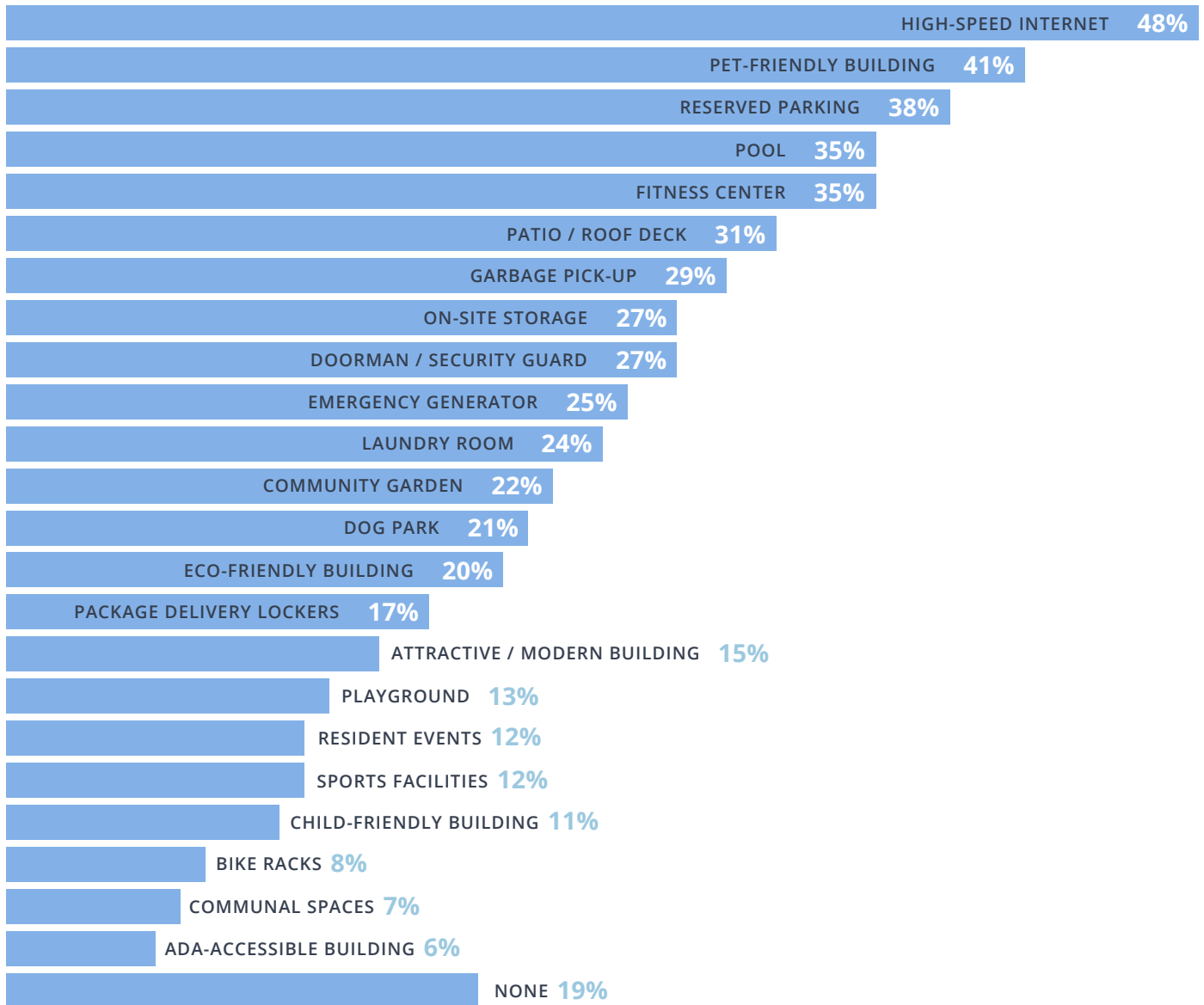
## FIGURE 2F: MILLENNIALS

Which building/community amenities are worth paying higher rent for?



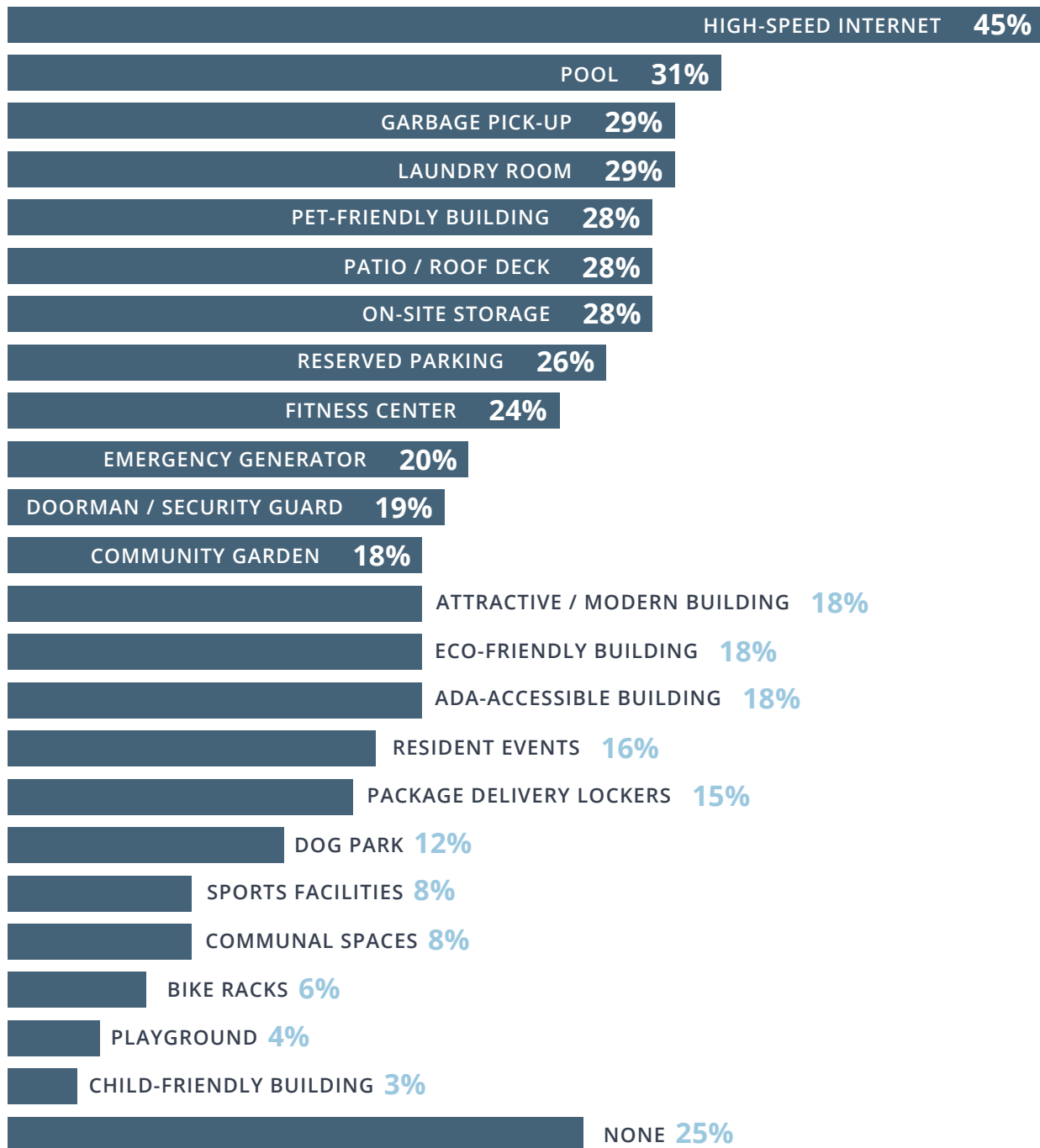
## FIGURE 2F: GENERATION X

Which building/community amenities are worth paying higher rent for?



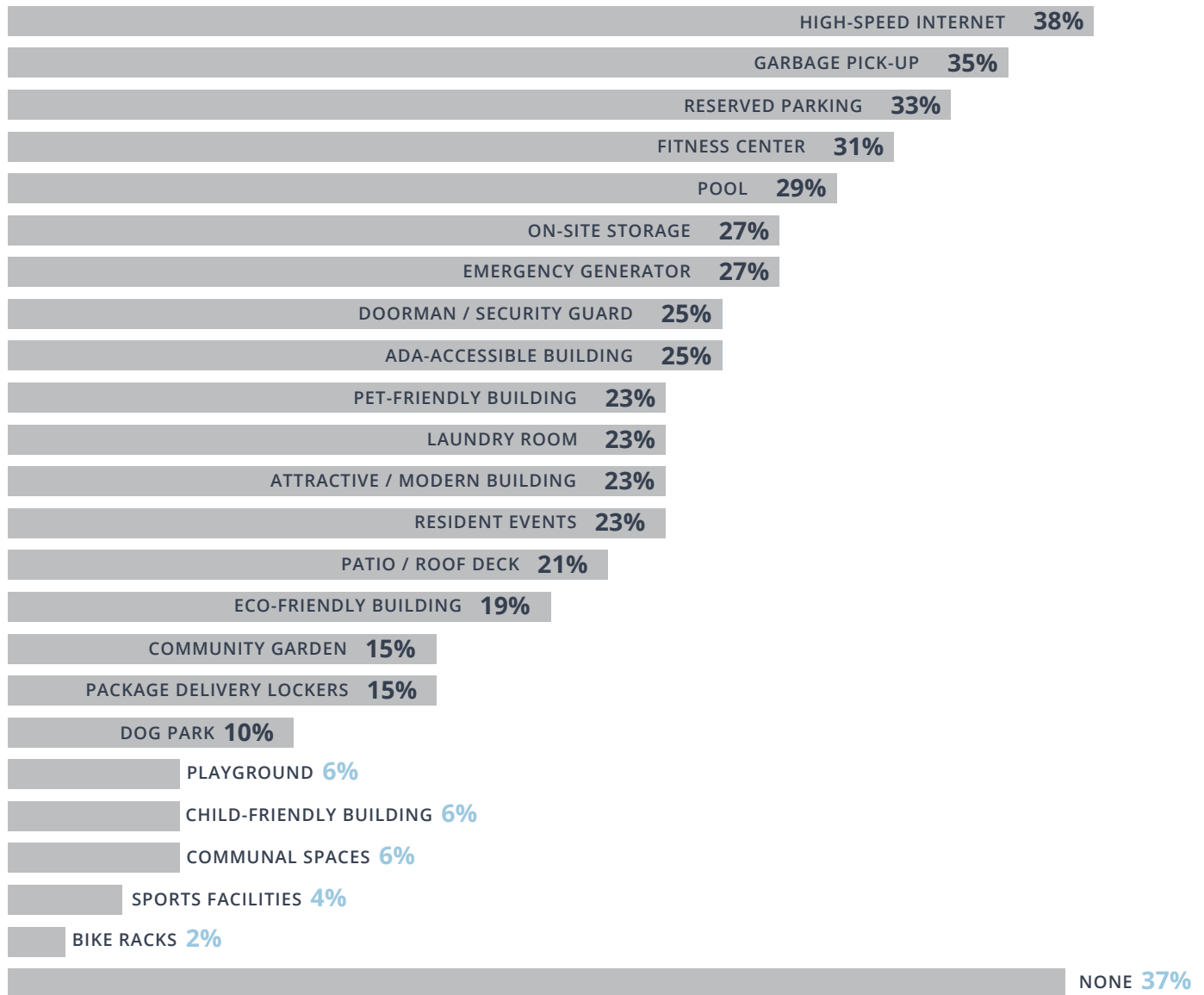
## FIGURE 2F: BABY BOOMERS

Which building/community amenities are worth paying higher rent for?



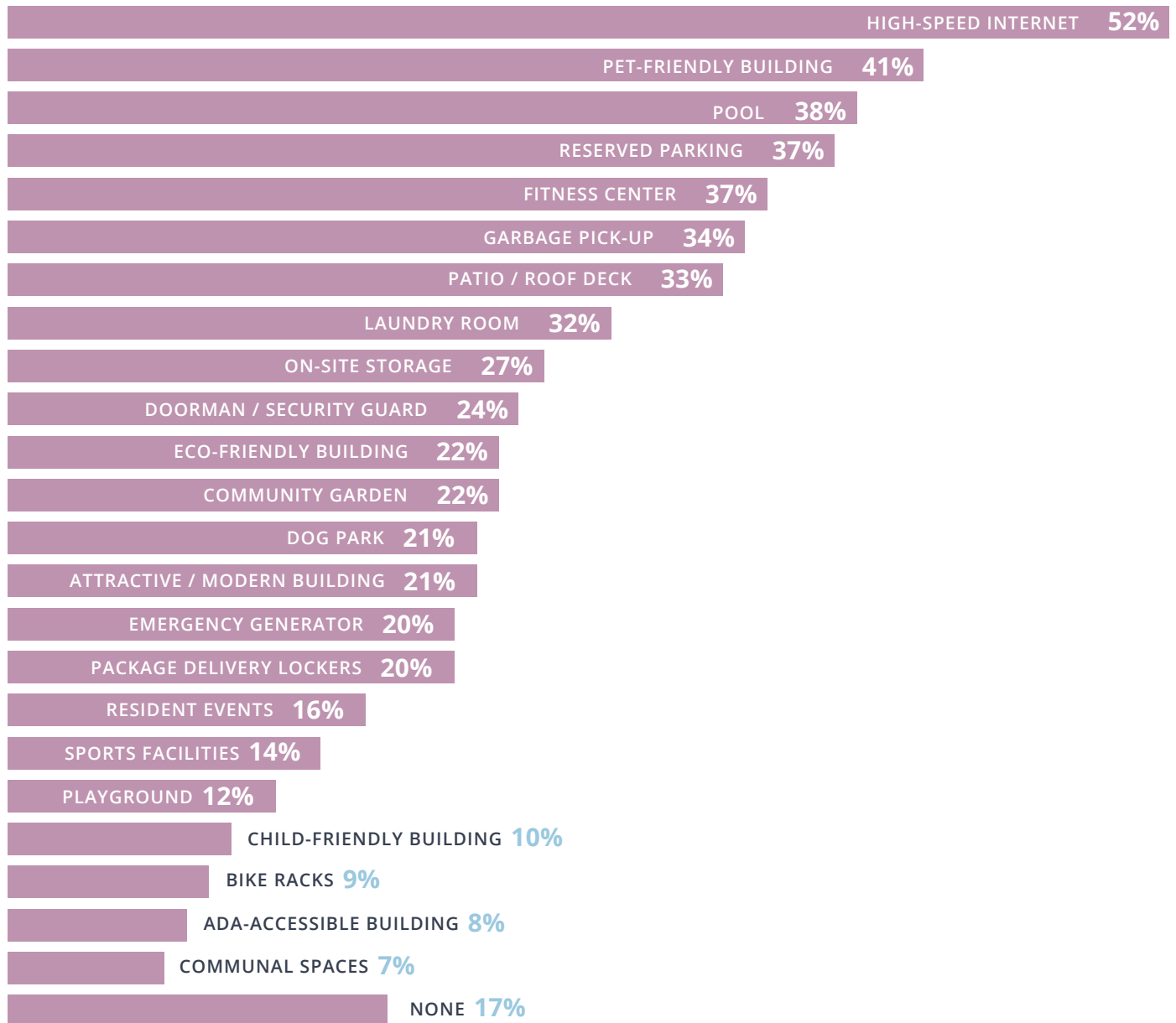
## FIGURE 2F: SILENT GENERATION

Which building/community amenities are worth paying higher rent for?



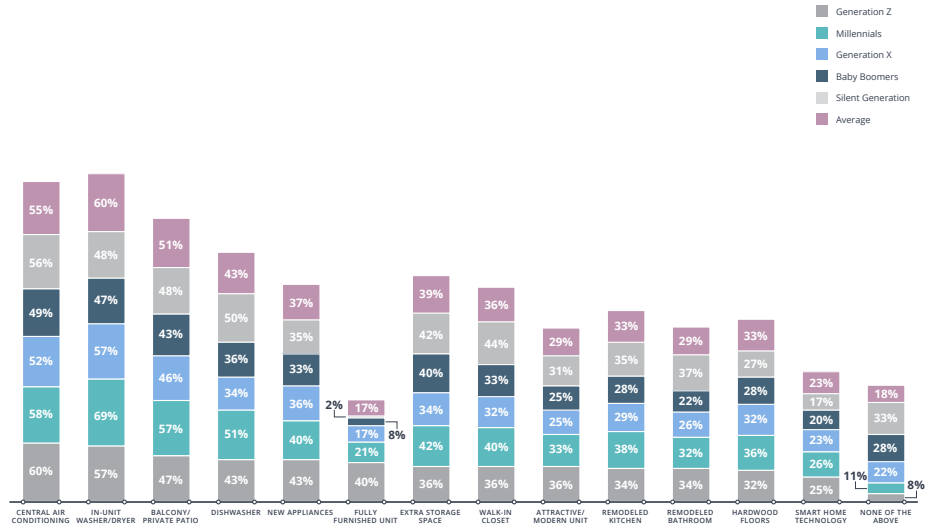
## FIGURE 2F: AVERAGE

Which building/community amenities are worth paying higher rent for?



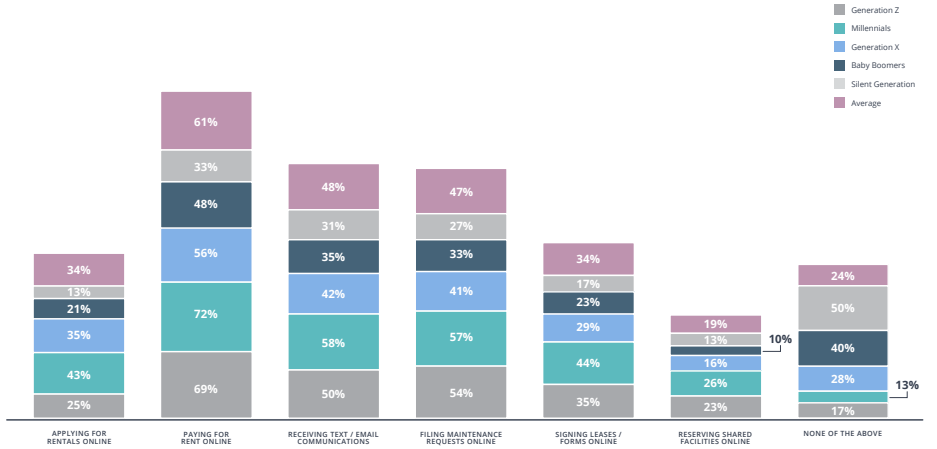
**FIGURE 2G**

Which unit characteristics are worth paying higher rent for?



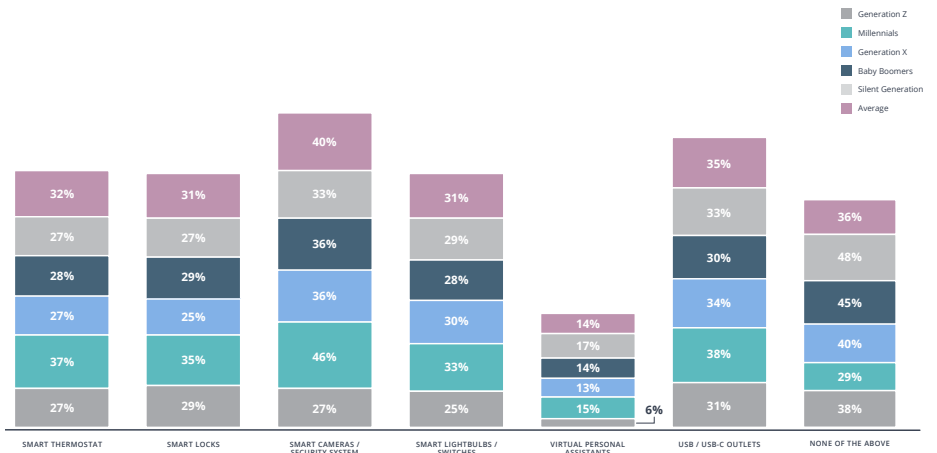
**FIGURE 2H**

Which technologies would you appreciate having as a renter?



**FIGURE 2I**

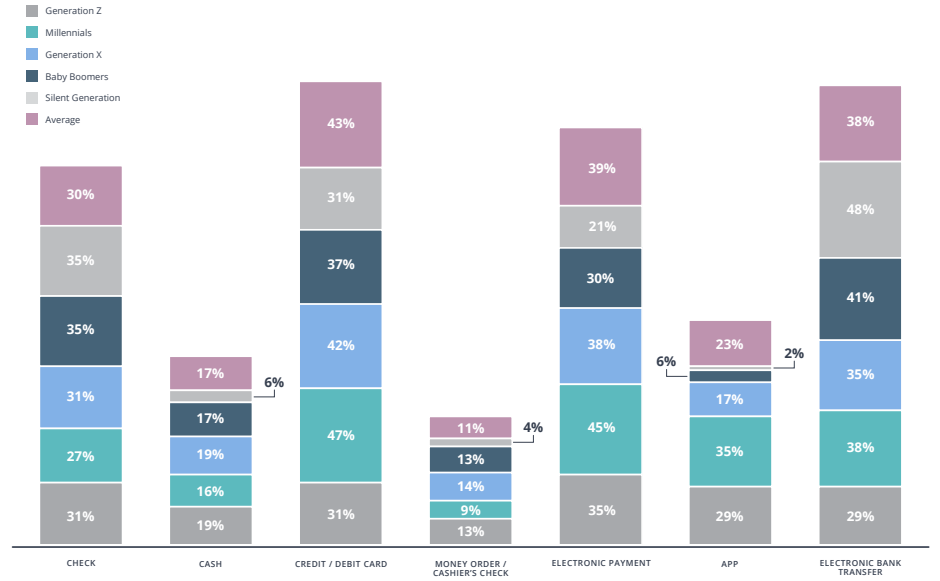
Which technologies would make you more interested in renting a particular unit?





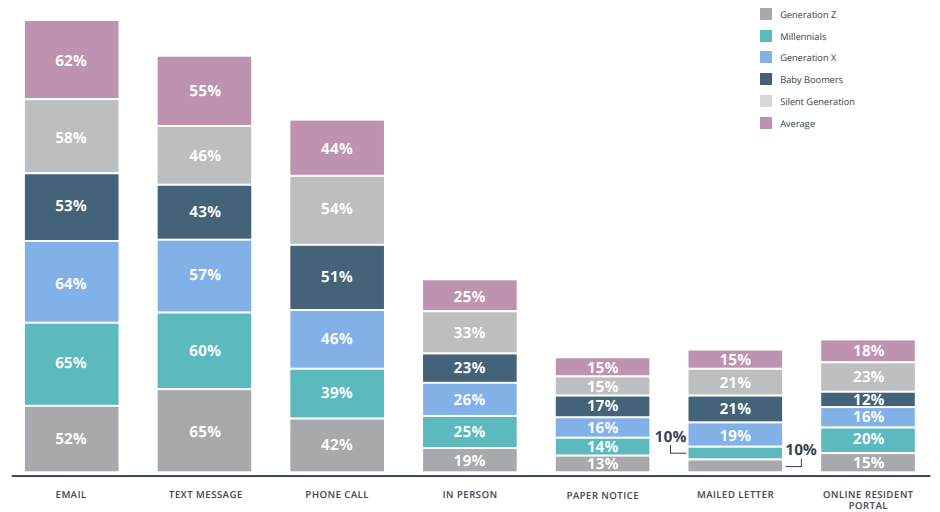
**FIGURE 2J**

How would you prefer to pay your rent?



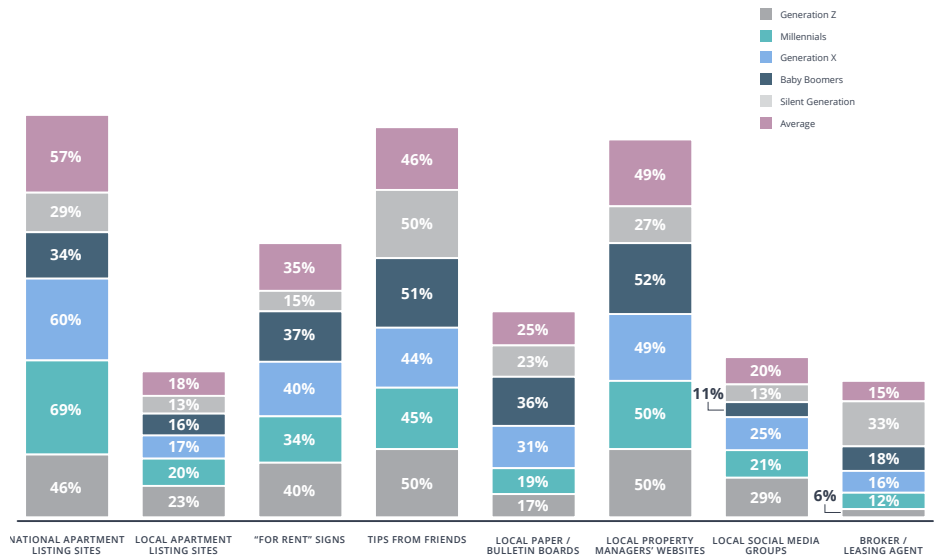
**FIGURE 2K**

How would you prefer to be contacted by your property manager?



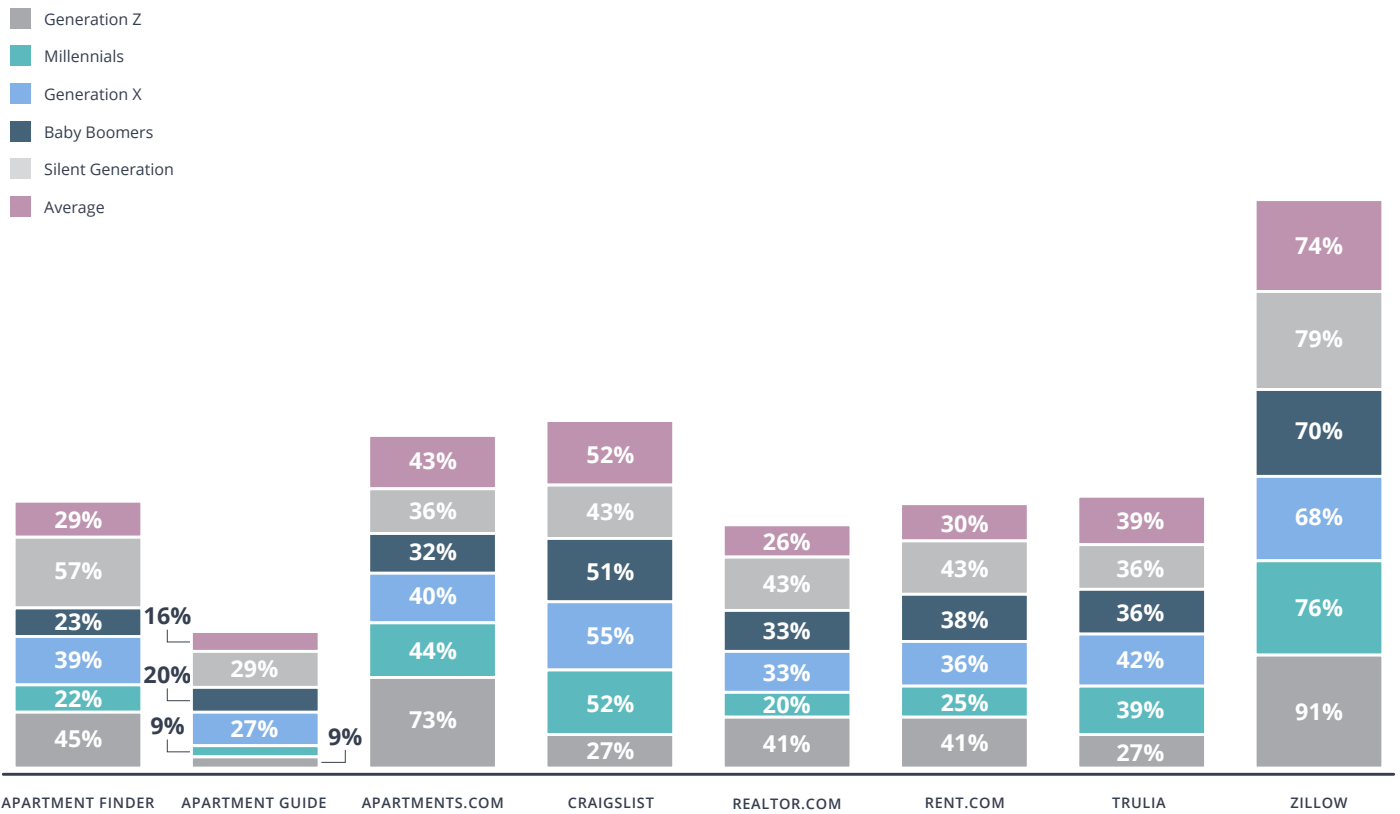
**FIGURE 2L**

How do you look for an apartment to rent?



## FIGURE 2M

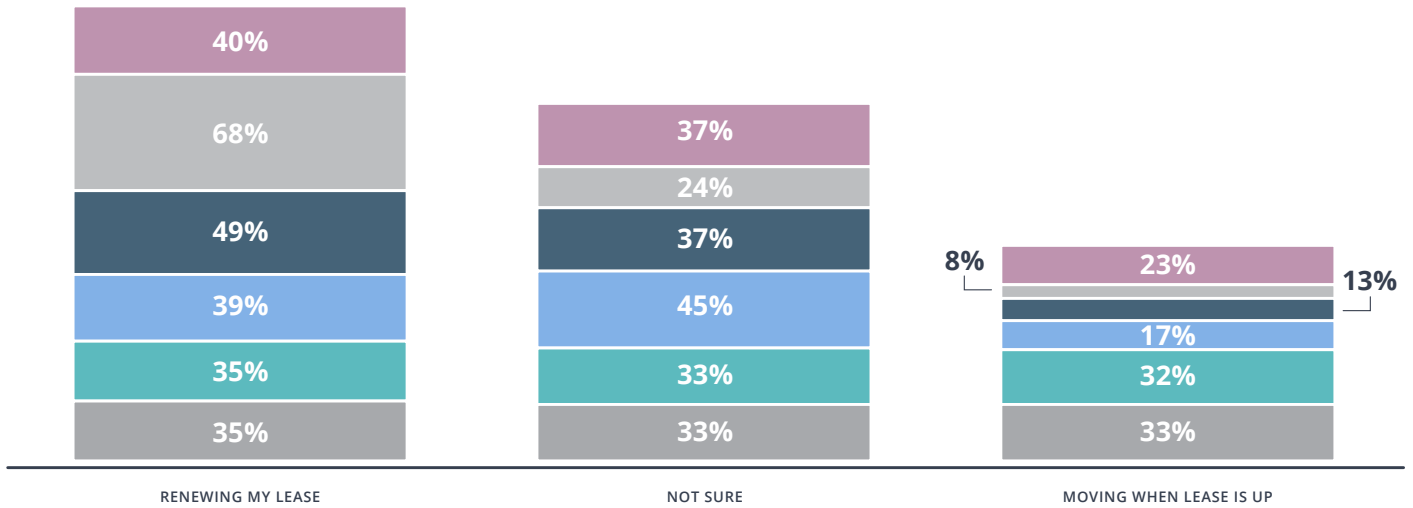
Which national apartment listing sites are your “go-tos” when you’re looking for a rental?



## FIGURE 2N

How likely are you to move out in the next year?

- Generation Z
- Millennials
- Generation X
- Baby Boomers
- Silent Generation
- Average



---

## ABOUT THE SURVEY

The 2018 Renters' Perspectives Report was conducted by Buildium in April and May of 2018. The nearly 1,200 responses came from a third-party database of US-located renters. The survey had a completion rate of 81%, with a 95% level of confidence and a margin of error of  $\pm 3\%$ . This means that if the survey were repeated, 95 times out of 100, the results would be within 3 percentage points of the numbers we published.

## ABOUT BUILDIUM

Founded in 2004, Buildium is the only property management solution that helps real estate professionals win new business from property owners and community associations seeking services. Backed by expert advice and relentless support, Buildium enables you to outperform across all facets of your business with intuitive software that balances power, simplicity, and ease of use. Buildium services over 15,000 customers in 46 countries, totaling over one million residential units under management. In 2015, Buildium acquired All Property Management, a leading online marketing service for property managers, making Buildium the only company to give property managers a way to acquire new customers and increase revenue.

---

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