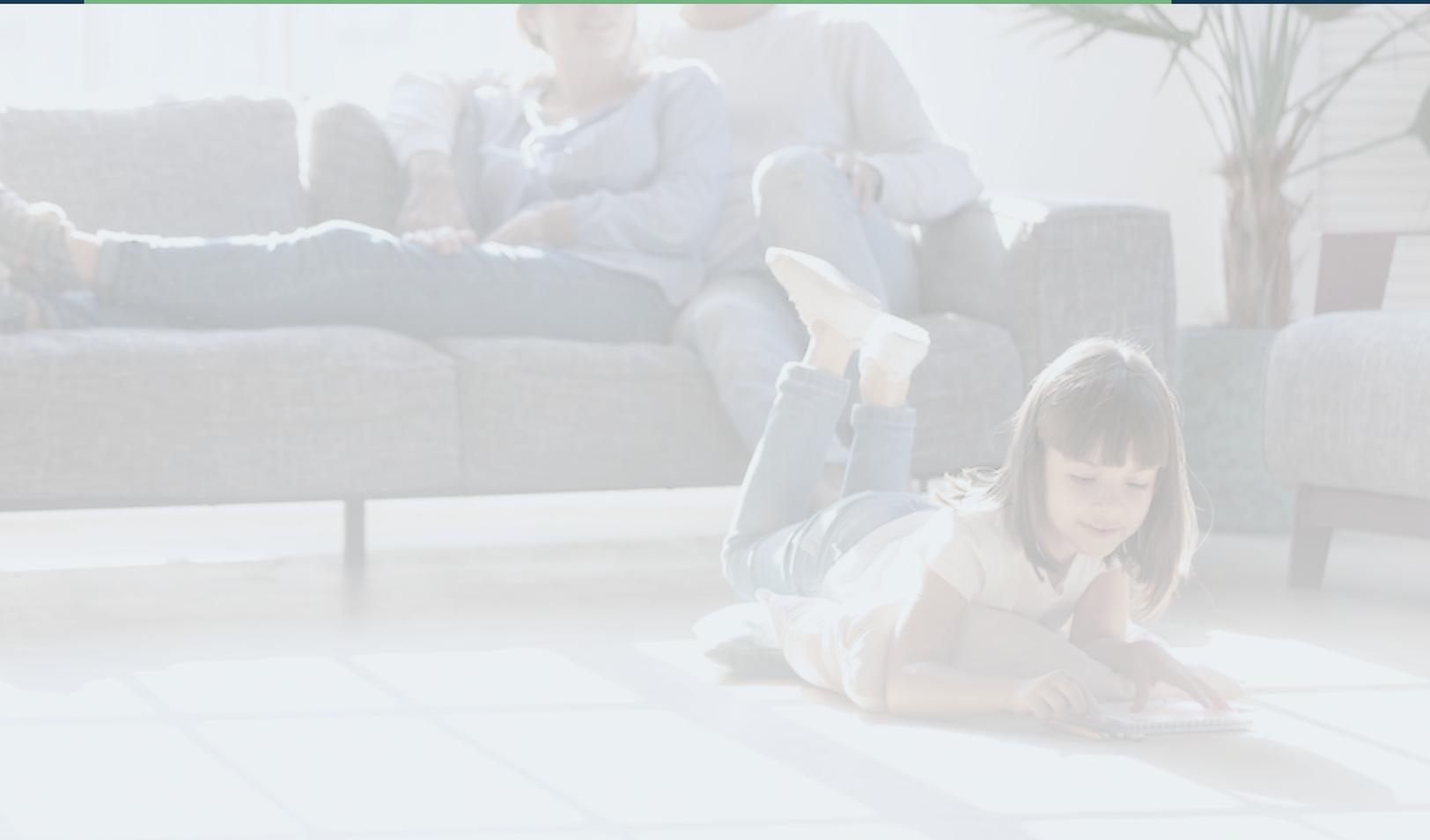




Buildium[®]
A RealPage Company

THE 2020 **Renters' Report**



Introduction

A more diverse set of Americans is renting than ever before. Out of both financial need and a preference for the flexibility of renting, surprising demographics are renting their homes rather than owning them. In particular, the number of seniors, high-income professionals, and families living in rental properties has surged over the last few years.

What does this mean for property managers? Renters of all ages need units that accommodate a range of household types—couples, kids, singles, pets, roommates, seniors, and everything in between. As a larger and more varied population rents, the properties and property managers of the future will need to be increasingly flexible to meet renters' evolving needs.

Renters also have higher expectations than ever—though not in the areas you might expect. Property managers have been feeling pressured to offer the latest amenities as luxury developments pop up in neighborhoods across the country. But attracting and renting renters in 2020 is less about the flashy appeal of pools and granite countertops—particularly in the current economy. Instead, it's more about delivering a level of customer service that makes renters feel as though their needs have been taken into consideration in the place they call home.

Whether they rent out of necessity or preference, today's hyper-connected, often-stressed residents are looking for convenience, comfort, and connection.

Every year, Buildium surveys hundreds of renters to better understand the motivations and pressures that drive their decisions, as well as the expectations that they have of property managers. We put it all in the context of our research on the property management industry and the rental market to help property managers turn insights into action.

Leasing season in 2020 might look a little different than in years past; but the fundamentals haven't changed: Property managers will always want insight into renters' expectations and needs so they can fill vacancies quickly and keep current residents happy.

In our 2020 Renters' Report, you'll find out:

- What influences renters' decision to stay put or move out
- How they prefer to pay their rent, communicate, and search for rentals
- Which amenities influence their choice of one property over another
- The advice they have for their property manager



Want to dig into more industry insights on your rental market? Get the full picture from the **2020 State of the Property Management Industry Report** now.

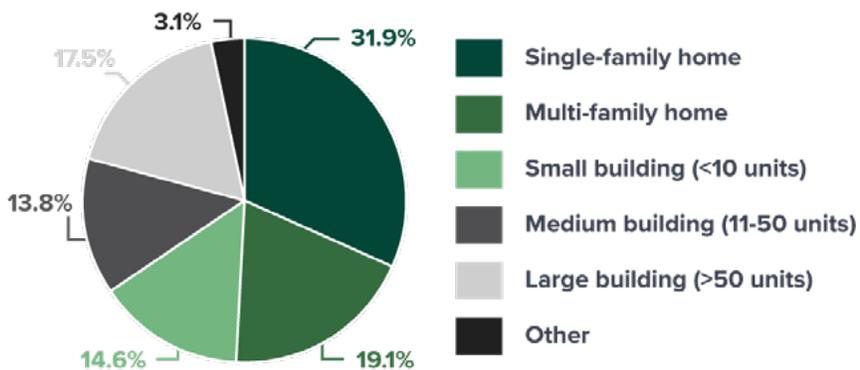
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Residents

A Snapshot of Today's Renters

Among the 1,188 renters who took our survey:

What kind of rental property do you live in?



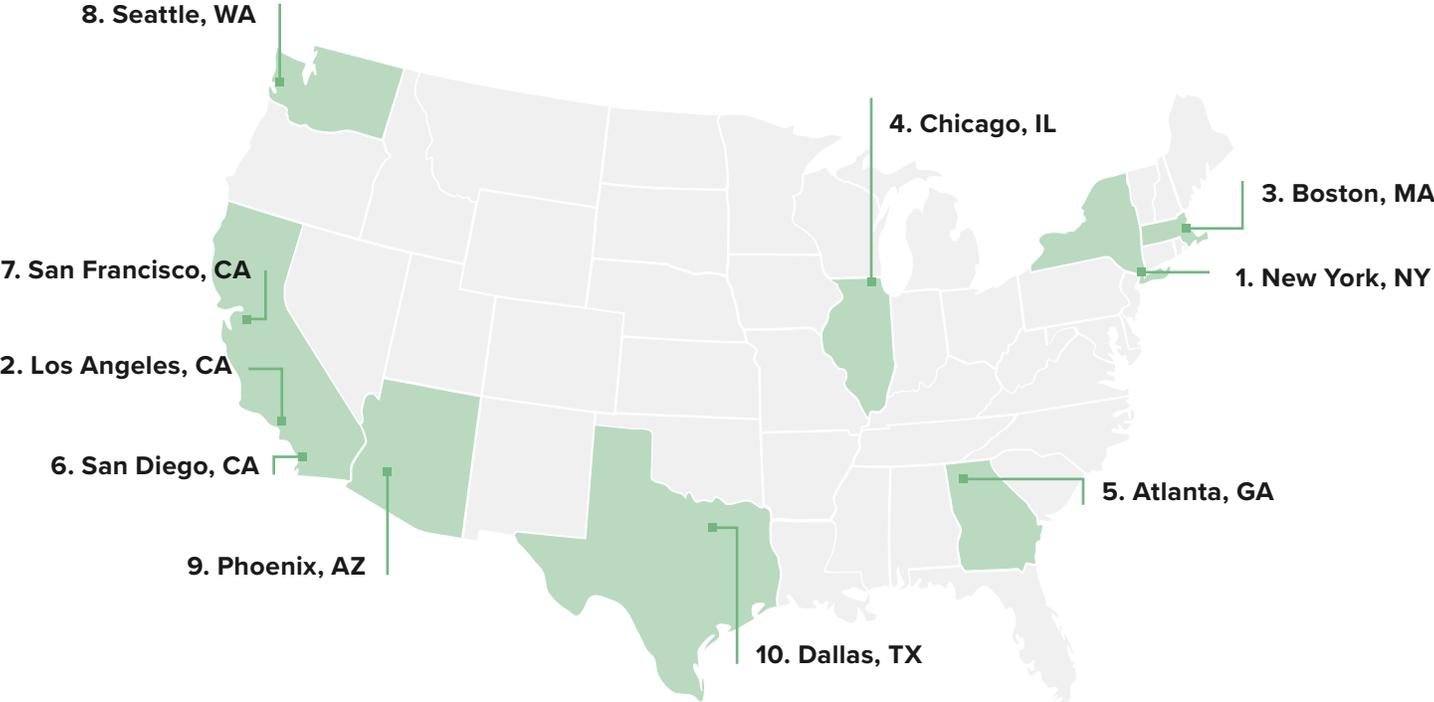
What kind of neighborhood do you live in?

35.6%
urban

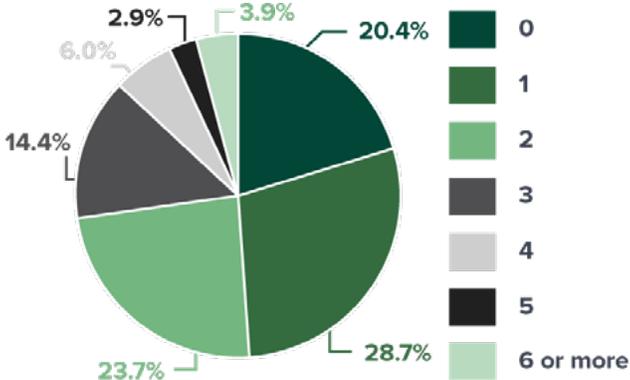
49.1%
suburban

15.3%
rural

Top Areas Where Renters Live



How many times have you moved in the last 5 years?



How likely are you to move in the next year?



2 in 5 renters definitely plan on renewing their lease for another year—a number that stayed constant from 2018 to 2019.

Why Residents Rent, and How Their Reasons Differ by Generation

In the past, we've thought of renting as a temporary rite of passage for those who haven't yet set down roots or saved enough for a down payment on a home of their own. But for many Americans today, renting is a lifestyle choice, as well as a necessary alternative to homeownership for those whose finances were irreparably altered by the Great Recession. As a result, property managers' strategies for attracting and retaining renters will need to evolve to fit a broader demographic than they've seen in the past.

45% would prefer to own their home, but aren't in a position to buy right now. This reason is most common among Millennial and Gen Z residents, who are least likely to be able to afford a home of their own.

13% say their current rental meets their needs right now, so the hassle of moving doesn't seem worthwhile.

8% like the flexibility of renting. This reason is most common among Gen Z residents and Millennials, who are more likely to need flexibility in their living situation as they attend school, look for work, or pair up with a significant other.

19% say renting is more affordable than buying in the area where they like to live. This reason is most common among Gen Z residents and Millennials, who are more likely to live in urban neighborhoods where higher property values and demand for rentals translate to higher rents.

11% don't want the responsibility of owning and maintaining a home. This reason is most common among Baby Boomers, who are most interested in minimizing the upkeep that their home requires as they age.

4% like the amenities or community that their current rental gives them access to.

The 4 Generations of Residents

- **Generation Z:**
Born in 1997 or later
- **Millennials:**
Born between 1981 and 1996
- **Generation X:**
Born between 1965 and 1980
- **Baby Boomers:**
Born between 1946 and 1964

Renters' desire to own a home of their own varies logically by age: Gen Z residents are happy renting for now, but assume that they'll want to become homeowners down the road. Millennials and Gen X renters are highly interested in homeownership, but are waiting for the right time to buy. Baby Boomer residents are largely former homeowners who either prefer to rent or have financial reasons for doing so at this time in their lives.

What is the primary reason that you rent? By Generation

	I'd prefer to own my own home, but I'm not in a position to buy a place right now	Renting is more affordable than buying in the area where I like to live	My current rental meets my needs for now, and I don't want to deal with the hassle of moving	I don't want the responsibility of owning and maintaining a home	I like the flexibility of renting	I like the amenities or community that my current rental gives me access to
Overall	44.5%	19.3%	12.7%	11.2%	7.9%	4.4%
Generation Z	38.6%	22.8%	15.8%	10.9%	7.6%	4.4%
Millennials	47.6%	20.6%	11.1%	7.4%	9.3%	4.1%
Generation X	46.5%	15.2%	12.2%	14.4%	7.0%	4.8%
Baby Boomers	37.0%	16.7%	14.5%	23.9%	4.4%	3.6%

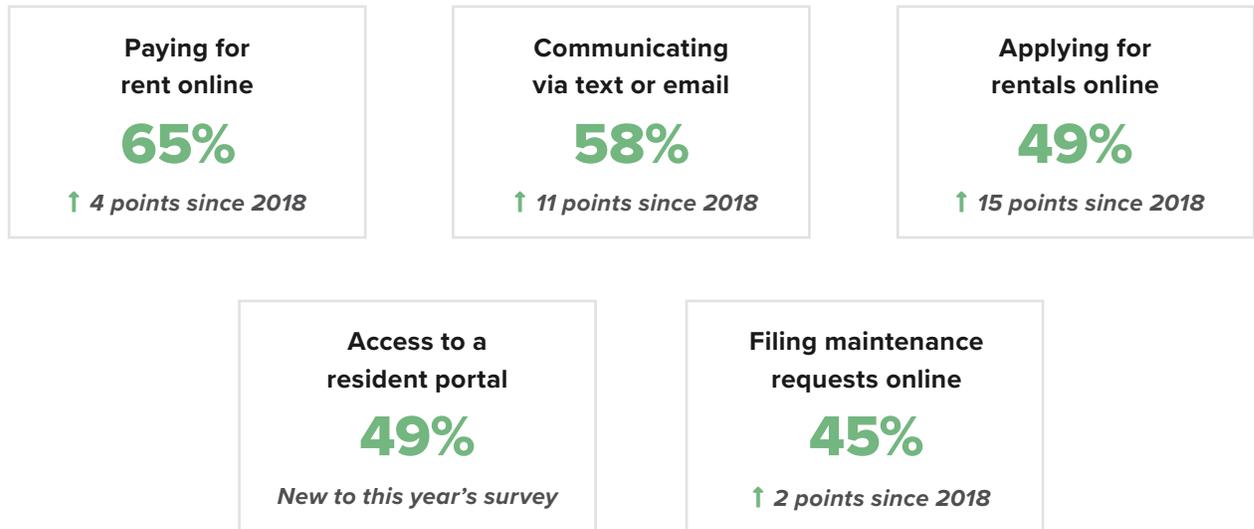
What is your level of interest in homeownership? By Generation

	I'm highly interested in homeownership, but the timing isn't right just yet	I'm happy renting for now, but expect that I'll want to become a homeowner someday	I plan on buying my own home in the near future	I have little or no interest in becoming a homeowner in the foreseeable future
Overall	34.2%	30.3%	21.4%	14.2%
Generation Z	27.6%	37.6%	21.6%	13.3%
Millennials	38.6%	31.4%	22.2%	7.9%
Generation X	33.9%	28.2%	22.5%	15.4%
Baby Boomers	24.3%	22.1%	16.9%	36.8%

Today's Most-Wanted Technologies & Amenities

Over the last year, residents' interest in rental technologies has grown by an average of 7 points. The biggest gains in interest among renters were in applying for rentals online (+15 points), communicating with their property manager via text or email (+11 points), and signing leases and other documents electronically (+8 points).

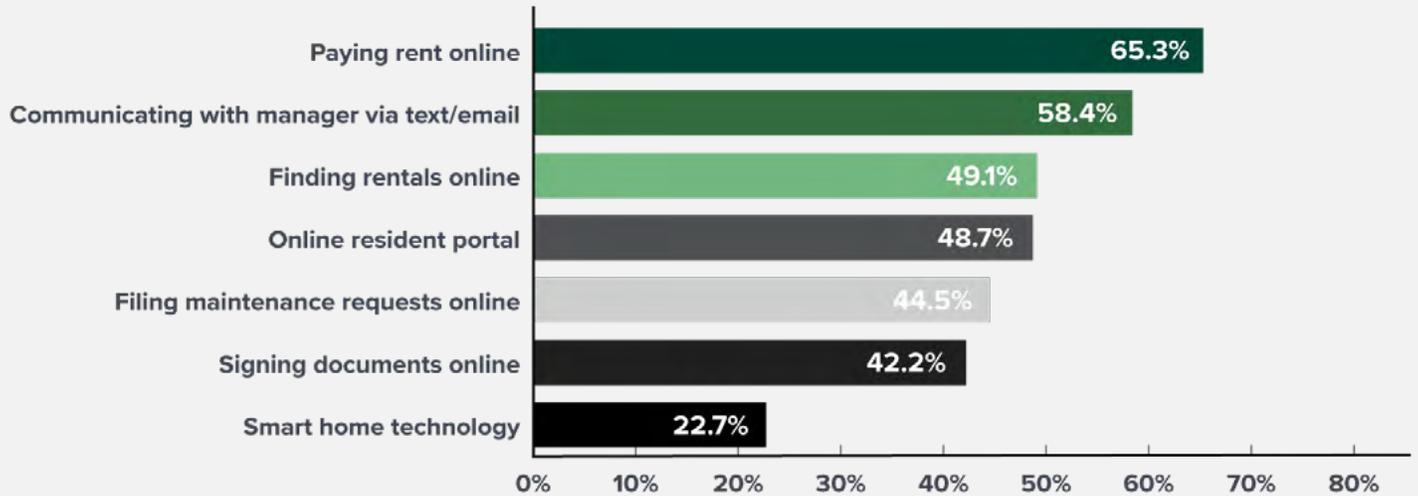
Top 5 Technologies Renters Want



Though interest has stayed roughly constant among Gen Z and Millennial renters over time, Gen X residents and Baby Boomers are far more interested in technology than they were just a year ago: On average, interest in rental technologies has grown by 8 points among Gen Xers and 10 points among Baby Boomers.

Though Millennials are the most enthusiastic about technology overall, more than half of Gen Z, Millennial, Gen X, and Baby Boomer renters want the ability to pay rent online and communicate with their property manager via text or email.

Which technological capabilities are important to you as a renter?



By Generation

	Paying rent online	Communicating via text/email	Finding rentals online	Online resident portal	Filing maintenance requests online	Signing documents online	Smart home technology
Generation Z	60.8%	48.8%	46.4%	47.6%	42.2%	42.8%	25.3%
Millennials	71.6%	62.0%	53.8%	50.2%	49.8%	47.0%	24.8%
Generation X	61.5%	58.7%	48.6%	49.0%	38.0%	38.5%	17.3%
Baby Boomers	53.3%	55.0%	36.7%	45.0%	37.5%	29.2%	19.2%

Top 3 Ways Residents Want to Pay Rent

42%

Credit or debit card

37%

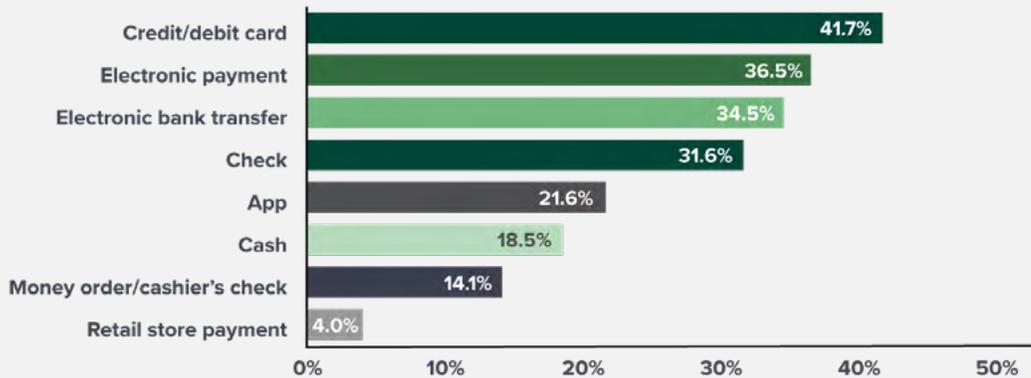
Electronic payment

35%

Electronic bank transfer

Gen Z, Millennial, and Gen X renters all agree that they prefer to pay their rent via electronic payment, electronic bank transfer, or credit/debit card over writing a check. Though most Baby Boomers still feel more comfortable paying by check, nearly 1 in 3 would rather pay online. Residents of all ages appreciate having the option to pay their rent online, and their expectation to be able to handle this and other tasks digitally increases with every year.

How do you prefer to pay your rent?



By Generation

	Credit/ debit card	Electronic payment	Electronic bank transfer	Check	App	Cash	Money order	Retail store payment
Generation Z	49.1%	32.5%	28.8%	27.6%	28.8%	28.2%	12.9%	6.8%
Millennials	47.3%	42.7%	39.3%	30.4%	25.2%	17.1%	11.6%	3.8%
Generation X	30.3%	31.7%	30.8%	29.8%	18.3%	19.2%	20.7%	2.4%
Baby Boomers	29.5%	26.4%	28.7%	42.6%	4.7%	10.9%	15.5%	3.1%

Top 3 Ways Residents Search for Rentals

5 in 10
National rental listing websites

5 in 10
Property managers' websites

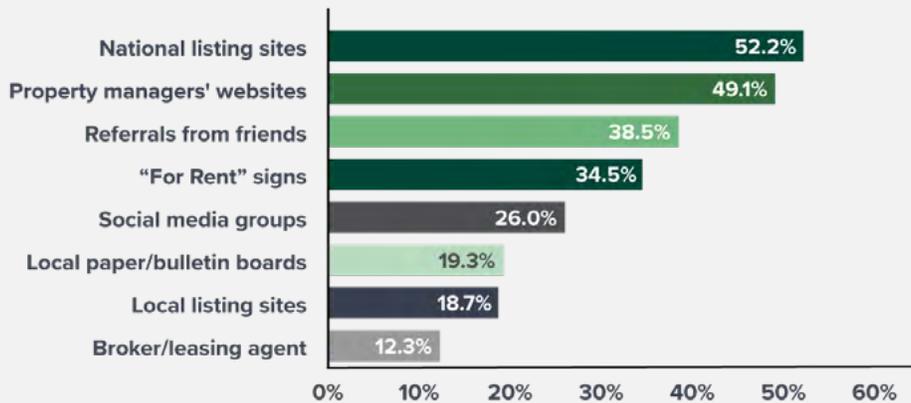
4 in 10
'For Rent' signs

3 in 10
Social media community groups

4 in 10
Tips from friends

When they're searching for a place to live, residents look at rental listings on the websites of local property managers or apartment communities nearly as often as they visit national listing sites. In fact, Gen Z and Baby Boomer renters are more apt to look at listings on property managers' websites than on Zillow or Craigslist. This underscores the importance of maintaining up-to-date listings on your site when you're trying to fill vacancies in the properties you manage.

How do you look for a place to rent?



By Generation

	National listing sites	Property managers' websites	Tips from friends	"For Rent" signs	Social media groups	Local paper/bulletin boards	Local listing sites	Broker/leasing agent
Generation Z	37.9%	49.1%	41.0%	28.0%	26.1%	19.3%	21.7%	10.6%
Millennials	61.1%	49.3%	38.5%	31.9%	27.6%	13.0%	20.4%	12.8%
Generation X	49.8%	45.4%	34.8%	44.4%	28.5%	28.0%	15.0%	12.6%
Baby Boomers	38.6%	55.1%	40.2%	38.6%	16.5%	29.1%	15.0%	11.8%

Top 5 Neighborhood Qualities Renters Look For

7 in 10

Safe

6 in 10

Convenient to work, school,
or transportation

5 in 10

Close to stores and
restaurants

5 in 10

Quiet

4 in 10

Family-friendly



Which of the following neighborhood characteristics would influence your choice of one rental property over another?

Safe	73.2%
Close to work/school/transportation	62.0%
Close to stores/restaurants	54.4%
Quiet	49.9%
Family-friendly	38.7%
Scenic	27.6%
Fun/lively	25.4%
Strong resident community	19.4%

Residents of all ages agree that safety is their top consideration in choosing a neighborhood, even more than proximity to work, transportation, stores, or restaurants.

5 Most Desirable Building Amenities

5 in 10

High-speed internet

5 in 10

Garbage pick-up

5 in 10

Laundry room

4 in 10

Reserved parking

4 in 10

Backyard



High-speed internet has remained the most popular building amenity for the last three years.

Which of the following building or community amenities would influence your choice of one rental property over another?

High-speed internet	53.5%
Garbage pick-up	49.0%
Laundry room	45.7%
Reserved parking	42.9%
Backyard	40.9%
Patio/roof deck	38.1%
Pool	37.1%
Fitness center	36.9%
Attractive/modern property	35.0%
Recycling/composting	28.9%
Storage space	27.1%
Eco-friendly property	23.6%
Package lockers	23.4%
Dog park	22.5%
Community garden	18.9%
Doorman/security guard	18.8%
Playground	17.9%
Emergency generator	16.5%
Events for residents	13.8%
Pet services	12.7%
Sports facilities	12.2%
Bike racks	11.4%
Communal space	10.2%
Dry-cleaning services	9.6%
Co-working space	7.1%

5 Amenities Renters Want Most in Their Unit

6 in 10

Washer and dryer

6 in 10

Central air

5 in 10

Dishwasher

5 in 10

Having a pet

5 in 10

Balcony, porch, or private patio



In-unit laundry and central air conditioning have topped the list of residents' most-wanted amenities for three years in a row.

Which of the following unit amenities would influence your choice of one rental property over another?

In-unit washer/dryer	59.3%
Central air conditioning	58.4%
Dishwasher	52.0%
Being allowed to have a pet	50.5%
Balcony/porch/private patio	50.2%
New appliances	42.9%
Walk-in closet	42.7%
Extra storage space	40.0%
Sound-proofed unit	39.5%
Attractive/modern unit	39.0%
Remodeled kitchen	38.4%
Hardwood floors	36.9%
Flexible lease terms	34.5%
Ability to personalize unit	32.3%
Remodeled bathroom	31.6%
Security system	29.5%
Smart home technology	23.0%
Child-friendly unit	20.0%
Fully furnished unit	14.8%
ADA-accessible unit	7.1%

How Do Residents Want to Feel in Their Rentals?

Most Common Words
Respondents Used



IN YOUR WORDS: How Renters See It

How Do Residents Want to Feel in Their Rentals?

- “ Like I’m in a home of my own. I don’t want to feel like it’s transient—something I’m just ‘living with’ until I buy something.
- “ Like I have a place where I can relax in a community that has events that give everyone a reason to meet each other.
- “ Like it’s truly my home, with neighbors who also care about their homes.
- “ Individual and unique, like my own space and not a hotel room.
- “ Like it’s our home, but provides the flexibility to shift to a home we own when the time is right.
- “ Like I’m in a home of my own, with plenty of privacy, yet connected to my community.
- “ Like I’m not just someone that can be replaced as a renter who pays on time every month and actually cares about the property. Help me help you improve the property!
- “ Like I belong here. I want to come home and just feel welcomed and relaxed. I want to be able to make my rental a stress-free zone.
- “ Like it’s possible to live on my own without being stressed out over how I’m going to afford everything.

What Influences Residents' Decision to Renew Their Lease?

Most Common Words Respondents Used



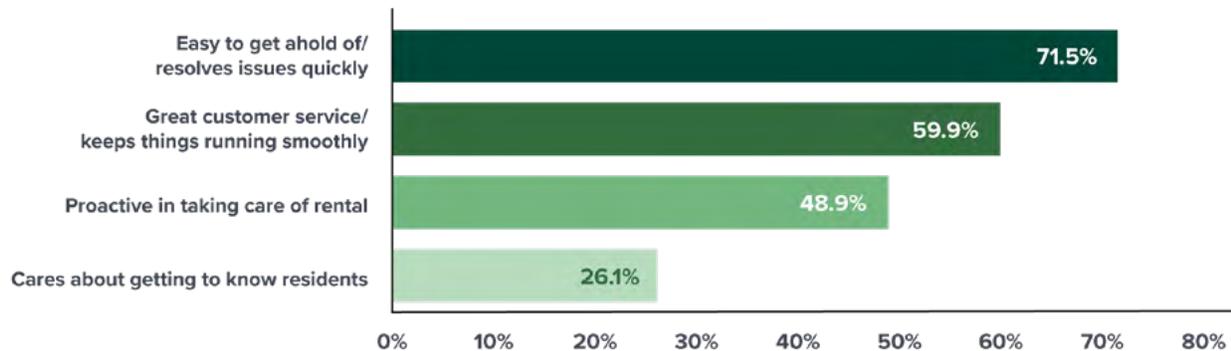
IN YOUR WORDS: How Renters See It

Which Factors Do Renters Consider in the Decision to Stay Put or Move Out?

- “ *The landlord’s compassion for listening to issues with the rental property.*
- “ *The rent is fair and moving is expensive, so we have no compelling reason to change homes until we’re ready to buy.*
- “ *I would like more space, but am worried about the maintenance and financial burden of homeownership.*
- “ *How much the rent goes up. It’s already on the upper limit of my price range, but I really like where I live.*
- “ *The hassle of moving vs. benefits of having more space or a better commute.*
- “ *The amount of rent weighed against the amenities I enjoy.*
- “ *It’s safe, private, without worry, the price is OK, the landlord is friendly, and the location is useful.*
- “ *Whether I have the freedom to redecorate the house.*
- “ *Whether or not I win the lottery and can afford a better place!*

Residents' Relationships with Their Property Managers

Which qualities do you feel it is very important for your property manager to exemplify?



IN YOUR WORDS: How Renters See It

What Advice Do Residents Have for Their Property Managers?

- “ Always be willing to listen to what your tenant is asking for or suggestions they have. You don't necessarily have to take the advice or make changes, but it's the willingness to at least listen that is appreciated. We live in these apartments, and sometimes know the ins and outs of the properties more than the owner does, so a little goes a long way.
- “ Take care of your tenants, and they will take care of your property.

“ Get to know your renters. Some people require more communication, while other residents prefer you to be more hands-off. Figure out their expectations of their working relationship with you.

“ Be empathetic, and do what is in your power to do.

“ Listen to residents' opinions. Don't shoot down an idea immediately, especially if it might make a residence more accessible or comfortable.

“ Employ top-notch maintenance staff. I live in a mega-complex and base my relationship with my 'landlord' off of the responsiveness and knowledge of their maintenance staff.

“ Always keep in contact about any changes that will impact the renters. Texting is a fast and easy way of getting information out. Don't be a stranger, and let them know you're on their side.