



INTERNET ADVENTURE STUDY IV:

The New Truths About Prospective Renters

WHAT RESEARCH IS REVEALING

DECEMBER 2023



About J Turner Research

J Turner Research is an independent research company focused exclusively on the multifamily industry for two decades. It is the only company to monitor the online reviews and ratings of 140,000+ properties nationwide. J Turner pioneered the Online Reputation Assessment (ORA®) score, which serves as the multifamily industry standard to measure, benchmark, and compare a property/company's online reputation. J Turner is the national leader in enhancing resident satisfaction through intelligent resident and prospect survey programs, AI-driven data analysis, quantifiable action plans, customized training, and review response service. <http://www.jturnerresearch.com>.



J Turner Research has produced several groundbreaking national research studies highlighting emerging trends, shifting demographics, industry best practices, and new market opportunities in the multifamily industry. To download our research, please visit <https://jturnerresearch.com/research>.

Executive Summary

The rental market has undergone significant changes in recent years, driven by demographic shifts, unprecedented technological advancements, and evolving renter preferences.

J Turner Research's latest study – The New Truths About Prospective Renters–explores resident's thought processes towards their apartment rental search, their preferences for inquiry and touring, the importance of online ratings and reviews, and ultimately the impact of their in-person and virtual interactions with the community. The report carries forward the inquiry tradition of the Internet Adventure Study, a study by J Turner in 2016, 2018, and 2021.

To better understand how the evolving customer voice might also be changing in multifamily, we evaluated ongoing consumer trends that have impacted the hotel industry, short-term rental industry, and other consumer-driven businesses. Against a backdrop of heightened market pressure, increased innovation, and massive technological growth, we looked to bring greater attention to areas of the purchase decision that have changed. We wanted to understand where friction for the renter remained and uncover how owners and operators could meet customers in their journey to foster a more efficient, and responsive rental process.

The main objective of the study was twofold:

1. To better understand what has changed for future renters in their search process and selection criteria with the proliferation of readily accessible rental data for all aspects of the apartment home rental.
2. To examine and highlight the impact of the tech-forward youngest generation of renters.

The research process began with one-on-one interviews as a source of initial data gathering which helped us to understand patterns and validate questions to include in the survey. The final survey was then distributed to a broad pool of prospective renters to gather information and insights. The gathered data was analyzed and then compared to historical J Turner data and supplemental studies, including the 2023 Leaders' Survey, to uncover trends in renter behavior and discover any misalignment between current industry trends and renter behaviors.

Scope of the Study

The New Truths About Prospective Renters study includes data gathered from over 3,100 respondents across the United States. Our findings reveal insights into renter behavior, preferences, and expectations, providing valuable guidance for apartment industry professionals.

What you will learn from this study:

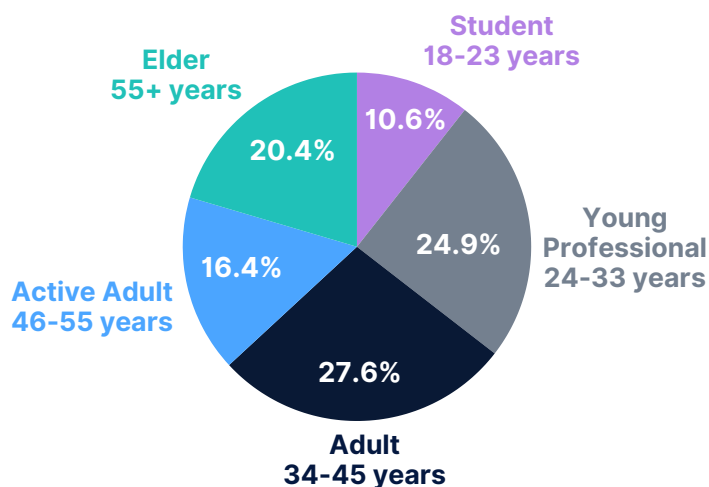
- Residents' preference for a type of rental
- Residents' reason for moving in a post-pandemic market
- Residents' search behavior and search preference
- Residents' renewal and search timelines
- The importance of the property website
- The key features that residents utilize while referencing property websites
- The geographic focus for Gen Z residents
- The impact of reviews on the search process and choice criteria
- The categories of reviews that most influence residents' decisions

In presenting residents' perspectives, we compare the findings from this research to past research including the Internet Adventure Study I, II, and III and the 2018 Resident Attitude Towards Renewals and Online Reputation.

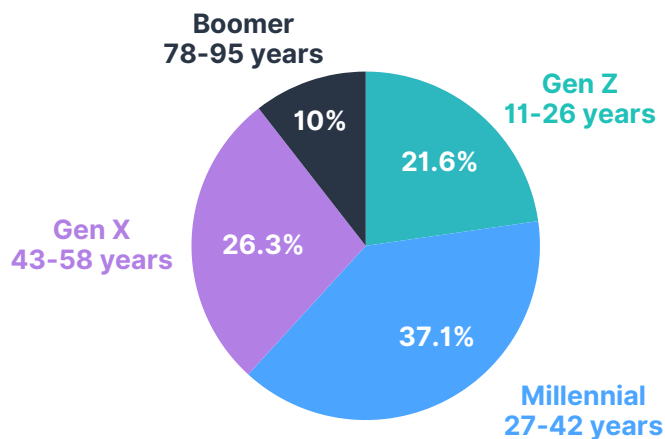
Demographic Profile

This study drew participation from over 3,100 renters nationwide who have actively searched for a rental within the last twelve months. The majority (51%) of respondents were females with 49% percent males. The average age of the respondents was 41 years old.

Life Stages of Respondents



Generations of Respondents



Major Findings

Our renter survey revealed several major findings that can help apartment industry professionals fine-tune their outreach strategies geared toward prospective renters:

1. Shift in Non- Renewal Reasons:

The number one reason for moving or non-renewal is cost concerns (looking for a less expensive apartment) bumping the previous number one reason, job location changes, down to the number three reason.

2. "Near Me" Searches Rule:

Renters leverage "near me" searches extensively, emphasizing proximity to desired locations.

3. Mapping Tool Reliance:

Mapping usage increases as renters get younger with a direct correlation to age, emphasizing the importance of a strong online presence and accurate listings on all mapping tools. 80% of Gen Z reported using a map feature during their rental search.

4. Reviews Continue to Drive Decisions:

Reviews continue to strongly influence renter choices, especially for Gen Z with only 6.6% of that generation stating reviews do not affect their decision to lease. Overall, 52% of renters reported reading reviews for more information. Apartment professionals must pay close attention to feedback in online reviews and address any negative issues. When reading reviews, the condition of the unit, cleanliness, and security rank as the top three review categories of impact for renters.

5. Communication Delays Deter:

Unanswered emails and phone calls (38% and 37%, respectively) create friction. Respond promptly, and remember Gen Z and student populations have even higher customer service expectations than previous generations.

6. Website Popularity:

Future renters actively utilize property websites. Respondents averaged four visits per individual to the property websites for communities of interest in their search. When visiting property websites, pricing, and pictures were the features that were of most interest.

These findings paint a vivid picture of the evolving rental landscape, highlighting the importance of adapting marketing, communication, and property offerings to meet the changing needs and preferences of diverse renter groups. Please read on to discover the full scope of our findings in the fourth edition of the Internet Adventure Study.

Internet Adventure Study IV

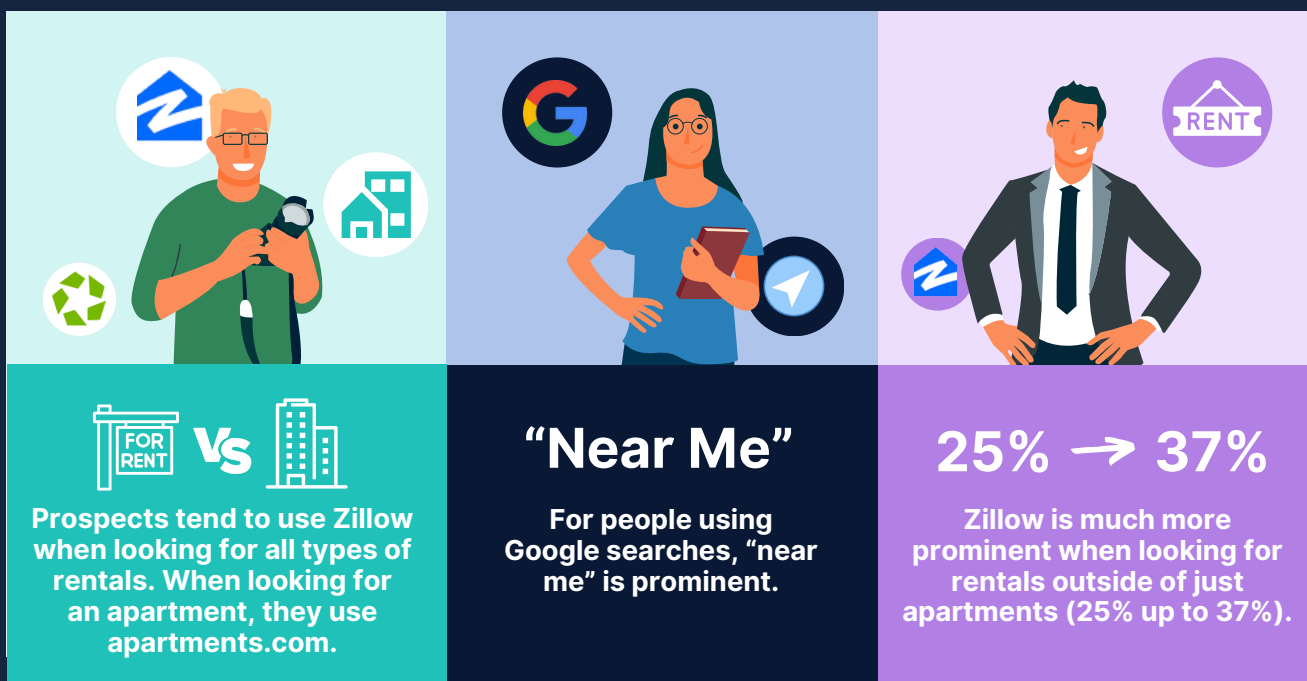
The **New Truths** About Prospective Renters

"Near me" searches dominate.

- A significant portion of renters utilize "near me" searches to find rental properties, indicating a strong preference for proximity to desired locations.
- This finding suggests that apartment industry professionals should prioritize local search engine optimization (SEO) and ensure that their properties are easily discoverable when renters search for properties in their area. Additionally, apartment listings should prominently feature the property's location, nearby businesses, and neighborhood benefits.

Zillow's dominance in keyword search.

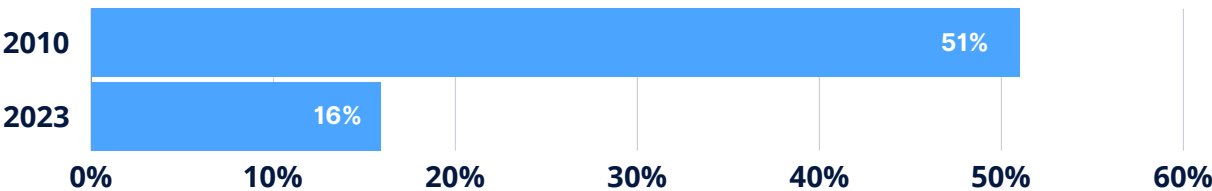
- Zillow emerges as the preferred platform for renters using the keyword "rental" in their searches, particularly for those seeking Single Family Home (SFH) rentals while Apartments.com is the preferred website when prospects search for an apartment specifically.
- This finding highlights the importance of having a strong presence on Zillow, apartments.com, and other popular rental platforms.



Reasons for not renewing have changed.

In sharp contrast to what we see today, in 2010, the majority (**51%**) of renters stated they were moving because of a change in job location. As of 2023, the primary reason for not renewing a lease was moving to a less expensive apartment (30.42%), the second reason was moving to a better apartment (17.7%), and job location had fallen to the third-place stated reason for non-renewal at only 15.9%.

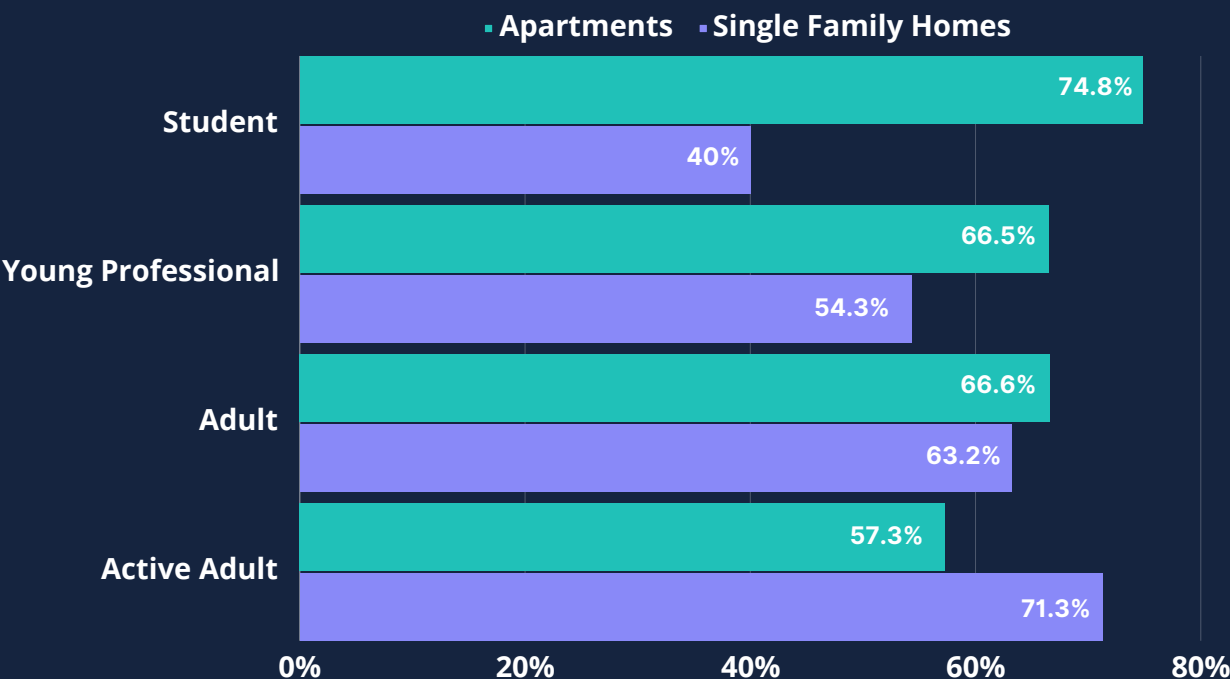
Job Location As Reason For Non-Renewal



Age-related search preferences.

- As renters age, they tend to gravitate towards SFH rentals, while younger generations favor apartments. This finding suggests that apartment industry professionals should tailor their marketing and property offerings to cater to specific demographic groups. For instance, emphasizing the convenience, amenities, and social aspects of apartments could appeal to younger renters, while highlighting the privacy, space, and family-friendly features similar to SFH rentals could attract older generations.

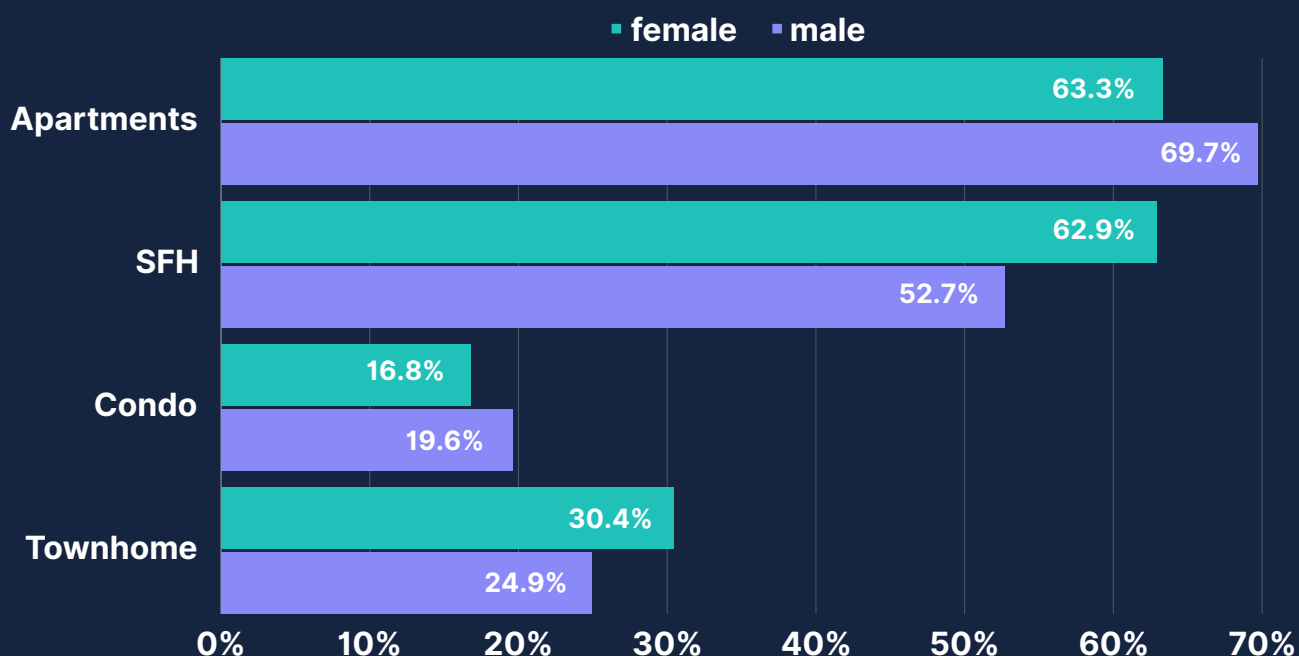
Rental Type Preference By Life Stage



Gender-specific comfort levels by rental type.

- Men are generally more comfortable with apartments (**69%** of male respondents were interested in apartments), while women prefer SFH rentals (**62%** of female respondents were interested in SFH). Understanding these gender-based preferences could inform marketing strategies and property design decisions.

Rental Type Preference By Gender



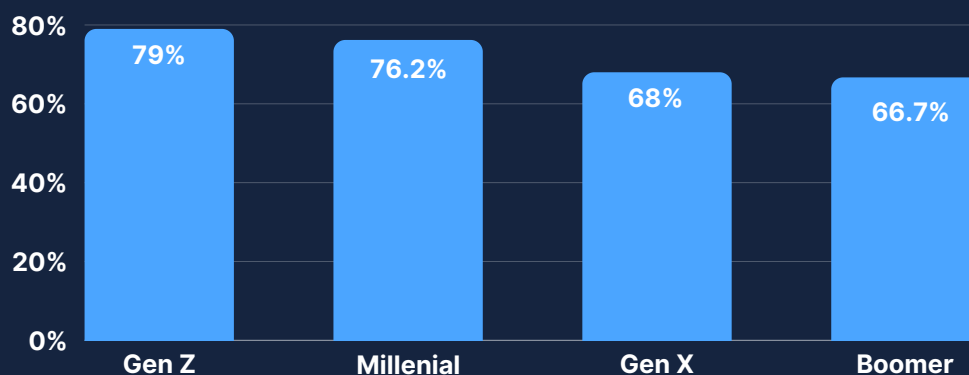
Peak search periods occur three and six months prior to lease end dates.

- The trend of beginning an apartment search earlier has increased over time with **20.08%** of respondents looking six months prior to their lease ending compared to **12%** of respondents looking six months out in 2021. This finding suggests that apartment industry professionals should focus marketing efforts on renters who are actively searching within this timeframe. Sending targeted email campaigns, offering incentives for early renewals, and hosting open houses during these peak periods could positively impact leasing and give a competitive edge to communities as we see the market softening and concessions beginning to increase.

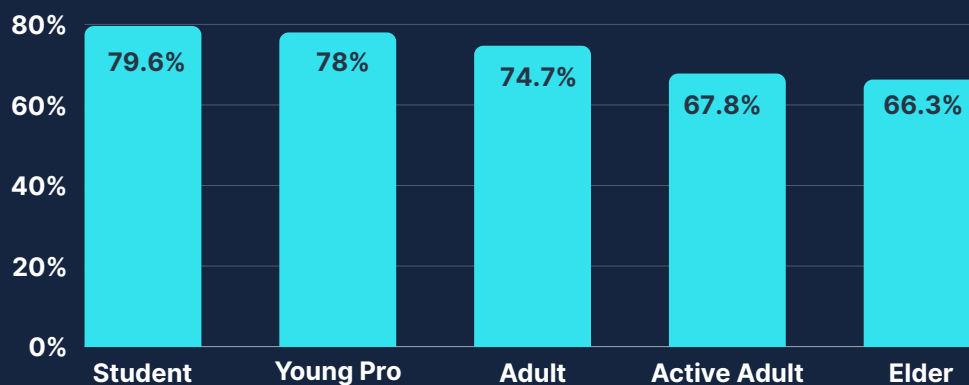
Map feature popularity among renters.

- Renters widely use map features to explore potential properties, with usage increasing for younger renters and declining among older generations. There is a direct correlation between map usage and age which suggests that renters, especially younger ones, are increasingly relying on technology to find housing. It also highlights the importance of owners and property managers having a strong online presence, with accurate and up-to-date listings on all mapping tools.

Map Feature Use By Generation



Map Feature Use By Life Stage



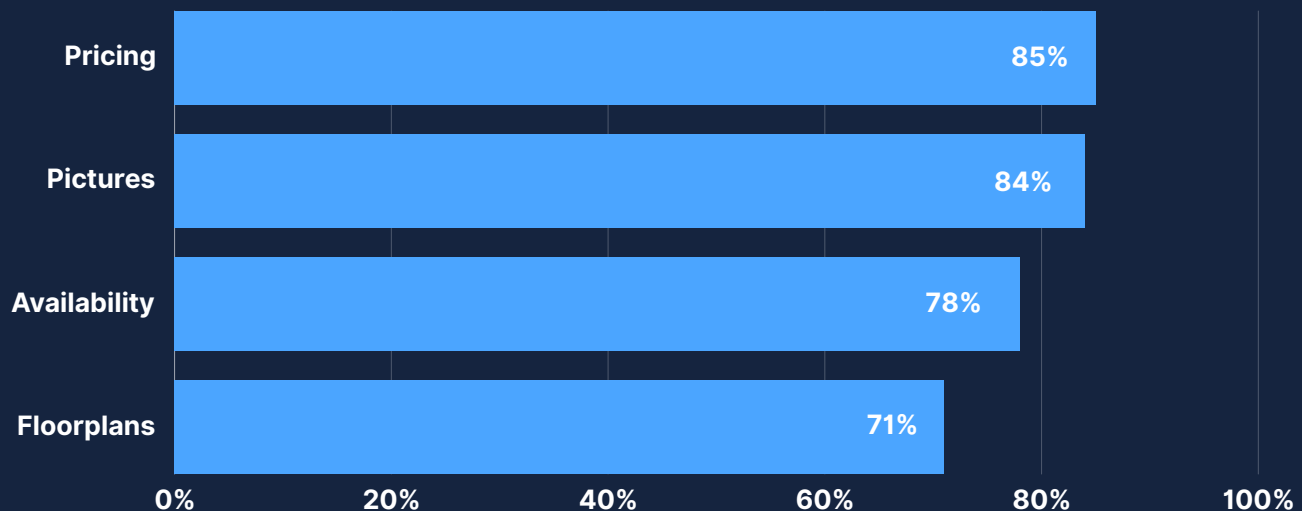
Website popularity among renters.

- Renters actively utilize property websites, with an average of four visits per individual. This finding underscores the importance of having a user-friendly and informative website that provides renters with easy access to transparent pricing, property and policy information, photos, and floorplans. Additionally, incorporating virtual tours or interactive features could further enhance the website experience and make it easier for renters to visualize and explore potential properties.

Price and pictures are key decision factors.

- Price and property photos are paramount considerations for renters. Apartment industry professionals should ensure that pricing information is transparent and upfront and that high-quality, well-lit photos of the property are readily available. Additionally, providing detailed descriptions of the property's features and amenities could further inform renters' decisions and increase the likelihood that in the early stages of the search, the prospective resident chooses that community for further consideration.

What are the features you are looking for on the property website?



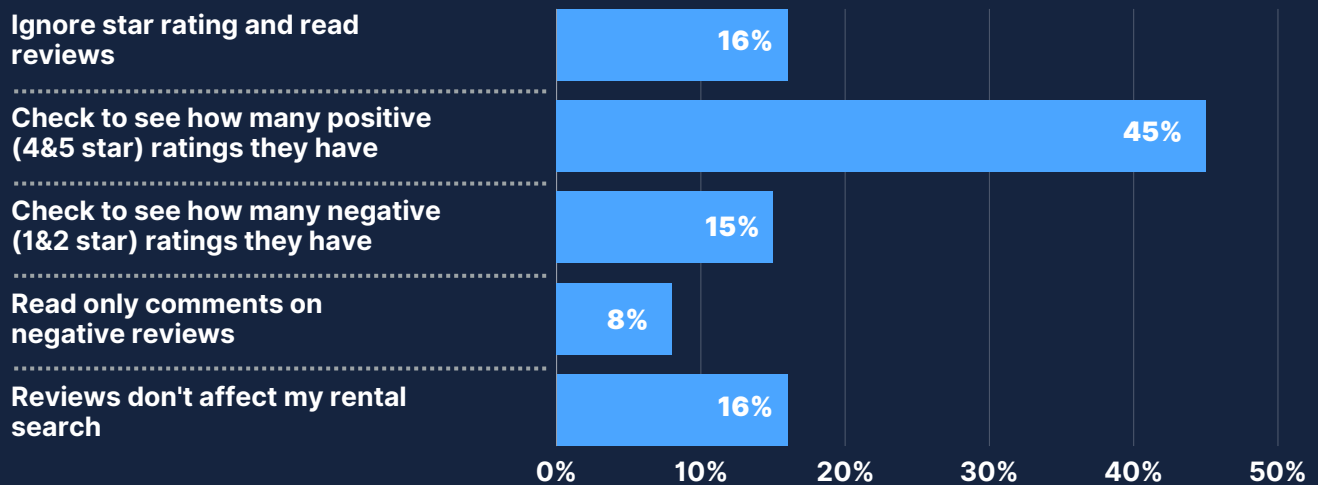
Renter inquiries are being ignored.

- **Thirty-eight percent** of emails from respondents went unanswered and **37%** of phone call inquiries went unanswered with no call back from the property teams. Timely responses to inquiries are crucial, with younger generations expecting more prompt communication. This finding is consistent with consumer behavior in general, which shows that younger consumers have higher expectations for customer service and as an industry, we continue to not manage onsite communication well. For property managers, this means making sure to respond to emails and phone calls promptly, especially from younger renters, is of the utmost importance.

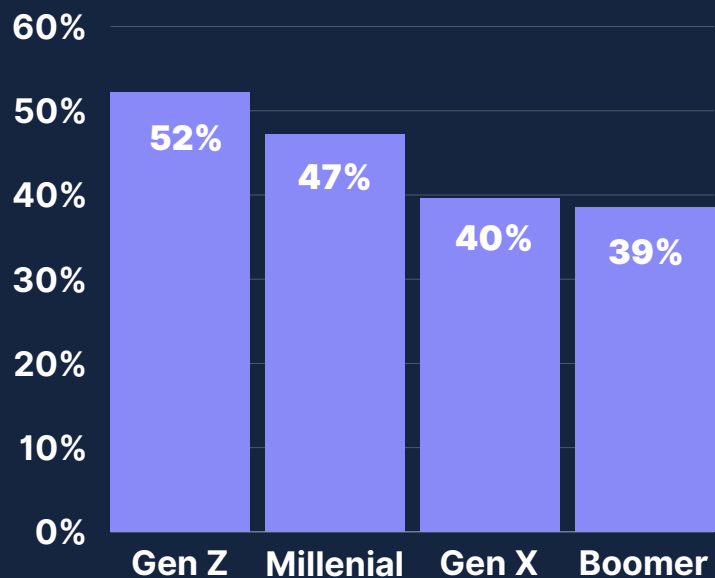
Reviews continue to influence decisions.

- Only **6.6%** of Gen Z said reviews do not affect their decision to lease, showing reviews continue to play a significant role in the renter's decision. Younger generations are placing greater emphasis on them; 52% of Gen Z read positive reviews to garner additional information about a potential property. For comparison, in 2021, only 27% of respondents said they had read positive reviews. This finding is not surprising, as younger generations have grown up relying on online reviews to make all sorts of decisions, from where to eat to what products to buy. Property managers should pay close attention to any negative feedback they receive, utilize tools to understand a property's potential area for improvement and proactively address the issues brought to their attention by residents before they result in negative reviews.

Q: Regarding reviews of potential rentals, do you generally:



Respondents Reading Positive Reviews by Generation



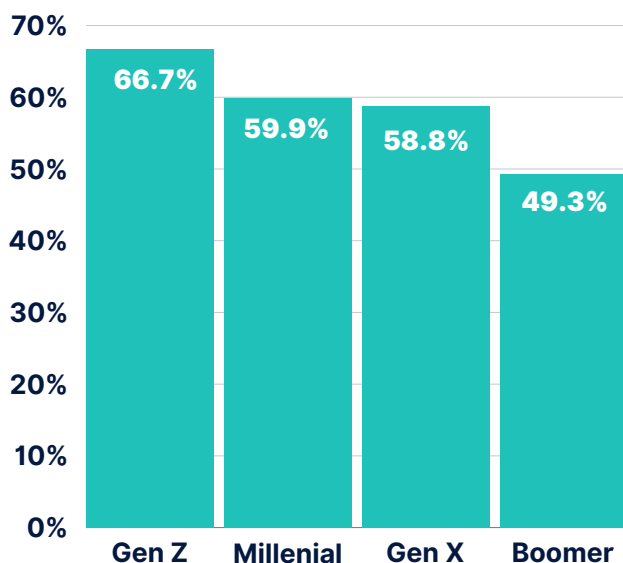
Negative reviews deter prospective renters.

- Negative reviews can deter renters from touring or applying for properties. **Sixty percent** of prospective renters have decided not to tour a property based on a negative review or low star rating, while **59%** of respondents indicated a negative review or bad star rating had resulted in deciding not to apply or lease at a property previously considered. This finding underscores the importance of online reputation and authentic positive reviews for every community. Property management should do everything they can to provide a positive rental experience for residents as these experiences have the potential to impact both current leases and future revenue.

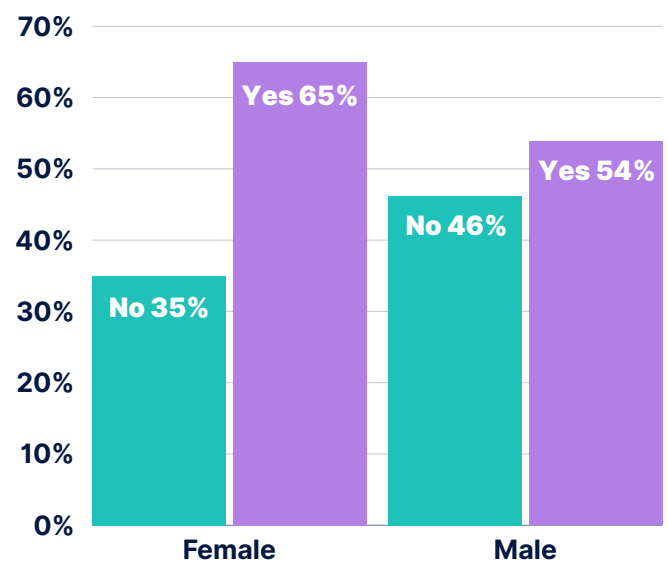
Fewer properties are making a renters shortlist.

- Renters typically narrow down their options to a shortlist of final contenders to 4-5 properties to tour. This suggests that renters are not interested in seeing too many properties in person, so it is important for landlords and property managers to have a good first impression on those who choose to tour their properties. Having clean and well-maintained units and outdoor spaces, as well as having knowledgeable and communicative leasing staff will go a long way in creating this positive first impression.

Renters Deciding Not To Tour After Reading Negative Review By Generation



Renters Deciding Not To Tour After Reading Negative Review By Gender



Top three review categories influencing the rental decision.

- When reading reviews, the **condition of the unit**, **cleanliness**, and **security** consistently rank as the top review categories of impact for renters. Focusing on the areas of the community that impact these categories prior to move-in can ensure a smooth move-in process and a positive start to the resident experience. This can help to prevent negative reviews in the future for these top three categories. In addition, when excelling in these categories, highlighting these positive features in your listings and marketing materials will resonate with future renters.

Q: When deciding where to lease or apply, stack rank the following categories of online reviews in order of importance to your decision:

1	Condition of the Unit
2	Cleanliness
3	Security
4	Understanding of Rent & Charges
5	Maintenance
6	Pests
7	Customer Service
8	Communication
9	Parking
10	Noise

Age-specific preferences in operational categories differ.

- Younger renters place greater importance on maintenance and communication, while older generations prioritize cleanliness and noise levels. For example, younger renters may prefer more frequent communication and faster response times, while older renters may consider noise a bigger nuisance and the cleanliness of the property a reason to look for other rental options at renewal time.

Conclusion

J Turner Research's 2023 Study - The New Truths About Prospective Renters paints a vibrant picture of a rental market transformed by consumer trends and technological advancements. The once familiar stages of the apartment search have been reshaped by readily available online data, and the tech-savvy Gen Z renter leads the charge with expectations of hyper-convenience and seamless customer journeys.

Our key findings reveal a significant shift in the renter's information arsenal. With a plethora of online resources at their fingertips, prospective residents are empowered, well-informed decision-makers who demand transparency and personalized experiences. Friction points persist, particularly in communication delays and inflexible leasing options. These can be overcome by adopting tech-driven solutions, streamlining processes, and prioritizing resident engagement.

The findings of this study provide valuable insights into the needs and preferences of renters, particularly younger renters. Renters are increasingly using technology to find housing, and they expect timely responses to inquiries and place a high value on online reputation and reviews. When shortlisting properties, renters typically consider four to five apartments and negative reviews can deter them from touring and applying for a property. Renters consistently prioritize unit condition, cleanliness, and security, and younger renters place greater importance on maintenance and communication.

Based on these findings, below are some recommendations for communities to improve their rental practices and attract and retain renters:

- Having a strong online presence, with accurate and up-to-date listings on mapping tools and other websites. Responding to emails and phone calls promptly and speeding up communication if the property demographic is younger renters.
- Understanding the importance of nipping negative resident experiences in the bud by addressing their concerns promptly and thereby creating an environment for a favorable resident experience and authentic positive reviews.
- Making a good impression on renters who tour properties, by having clean and well-maintained units and amenities, well-defined and explained leasing paths, and training leasing and onsite staff to be knowledgeable and responsive.

By understanding and meeting the needs and preferences of renters, owners and property managers can create a more positive rental experience for everyone involved and impact the property's revenue potential.



Meet your research team:



Chelsea Kneeland

Vice President of
Research



Marcus Armstrong

Research and
Development Engineer