Resident Insights from the NMHC/Kingsley Renter Preferences Report

Andrew White

RE Tech Advisors

Outline

- Analysis Description
- Features vs. Amenities
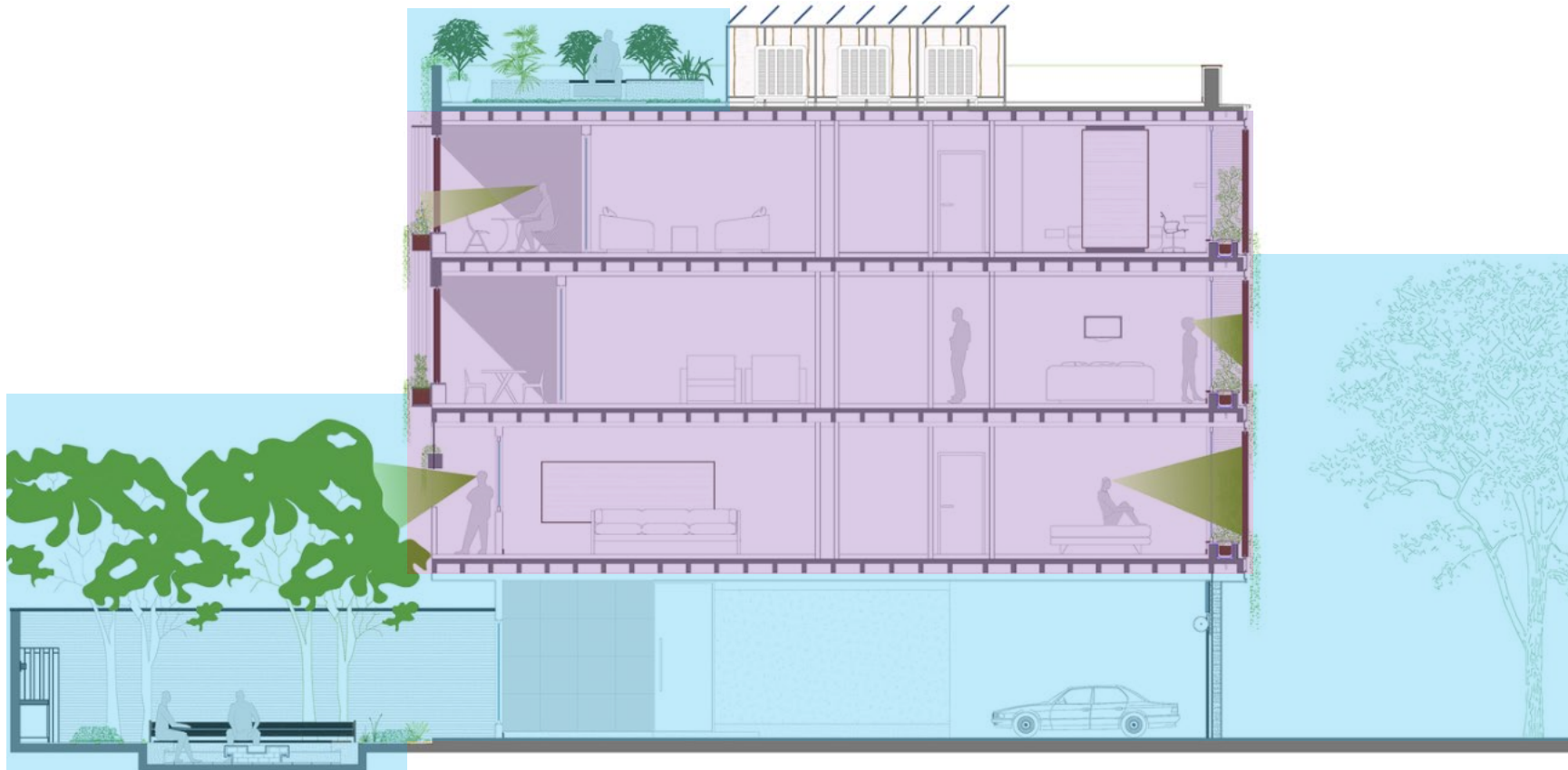- Key Findings
- Moderated Q&A

Analysis

- Descriptive Analysis
  - Interest, necessity, willingness to pay
- Factor Analysis
  - Groups the features and amenities into categories driven by latent 'factors'
- Cluster Analysis
  - Market segmentation based on renters' stated behaviors and preferences

Features vs. Amenities

Key Findings

1. Length of stay
2. Qualifying factors & Winning factors
3. Sustainability Story
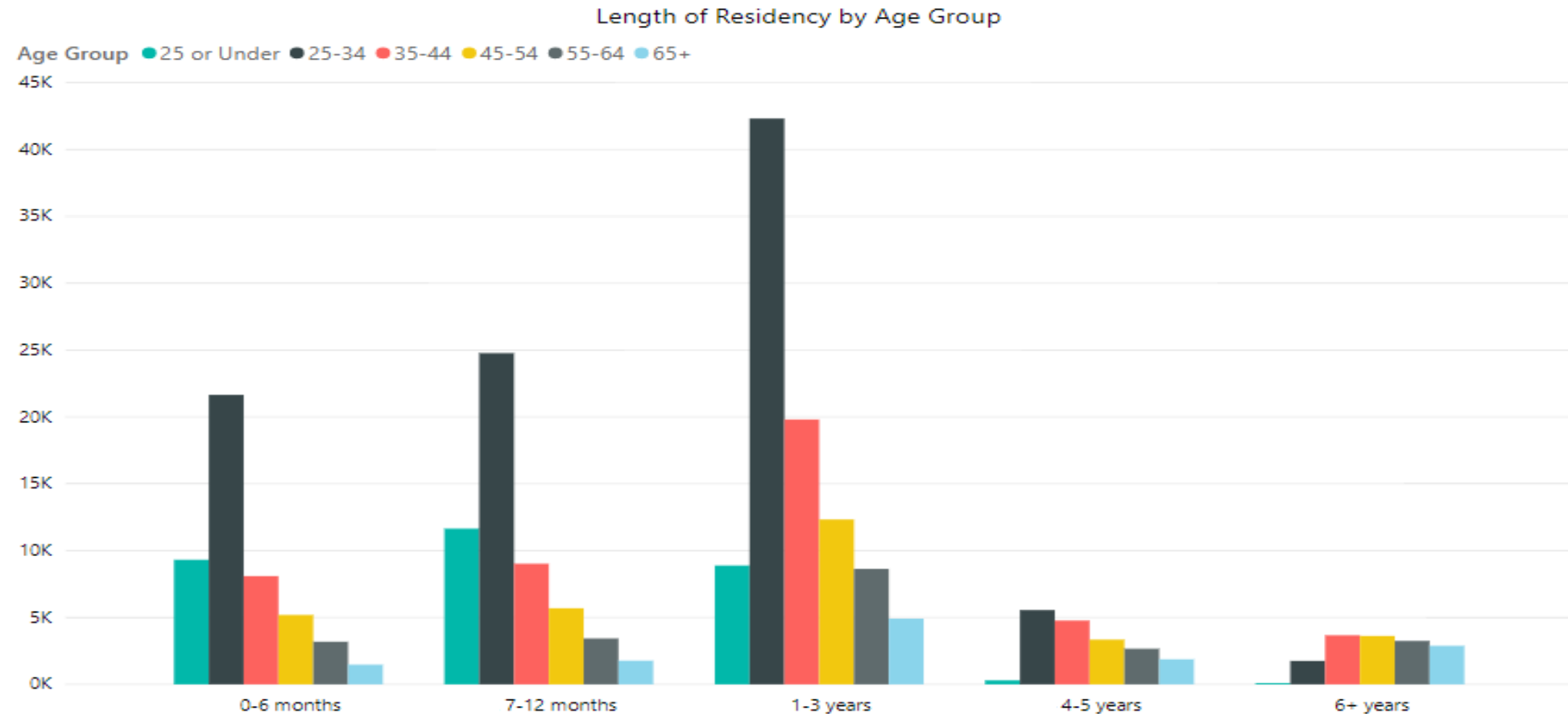4. Demographics of Resident Clusters

1. Length of Stay
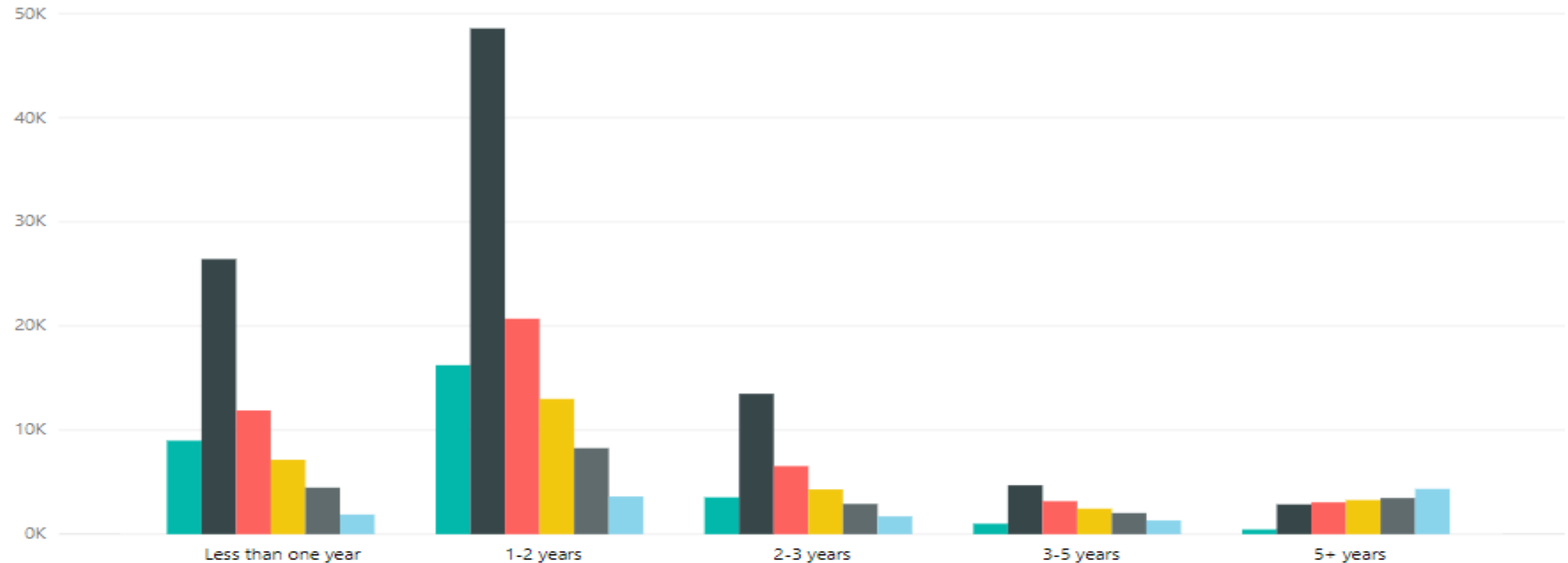
Who is staying, and for how long?

Length of Stay

Length of Residency by Age Group

Age Group ● 25 or Under ● 25-34 ● 35-44 ● 45-54 ● 55-64 ● 65+

Planned Length of Stay

Planned Length of Residency by Age Group

Age Group ●25 or Under ●25-34 ●35-44 ●45-54 ●55-64 ●65+

2. Qualifying Factors & Winning Factors

What do residents **need**? What do they want?

Renter Interest

- **Qualifying factors**: apartment features or community amenities that renters are universally interested in.

- **Winning factors**: features and amenities above and beyond the qualifying factors that allow properties to establish a comparative advantage and set themselves apart.

Qualifying Factors: Apartment Features

Non-negotiable

Soundproof walls

Air conditioning

High speed internet access

Critical

Garbage disposal

Washer/dryer in unit

Dishwasher

Extremely Desirable

Patio/balcony

Walk-in closet

ENERGY STAR Certified appliances

Stove hood

Refrigerator with water/ice dispenser

Winning Factors: Apartment Features

Technology

- TV wall mount
- Built-in sound system
- In-wall USB ports
- Smart thermostats
- Smart locks
- Smart lighting
- High speed internet access
- Pre-installed wifi in apartment
- Non-key secure access
- Video doorbell
- Alarm system

Design

- Walk-in closet
- Modular closet system
- Two master suites
- Patio or balcony
- High ceilings
- Hardwood floors
- Kitchen Island
- Air conditioning
- Soundproof walls

Appliances

- Stand alone shower (no tub)
- High-efficiency toilets
- Stove hood
- Microwave
- Gas stove
- Garbage disposal
- ENERGY STAR Certified appliances
- Dishwasher
- Fridge with water/ice dispenser

Qualifying Factors: Community Amenities

Non-negotiable

Reliable cell reception

Critical

Secure resident parking

Secure amenity access

Extremely Desirable

Swimming pool

Fitness center

Winning Factors: Community Amenities

Security/Outdoor Activity

- Secure resident parking
- Secure visitor parking
- Reliable cell reception
- Sustainability/green initiatives
- Sustainability/green certifications
- Table tennis
- Swimming pool
- Rooftop space
- Playground
- Common area barbecue grills
- Basketball court

Business/Transportation

- Shared office space
- Private office space
- Conference room meeting space
- On-site car wash
- Electric car-charging station
- Car sharing
- Bike sharing
- Bike maintenance/repair area

Pet Services

- Pet walking service
- Pet daycare service
- Dog treats in lobby
- Community pet washing station
- Community dog park

3. Sustainability Story

Are residents sharing their opinion on shared value?

Sustainability Story

- High interest + low willingness to pay = sustainability expectations
  - Renters in Class C properties show more willingness to pay for sustainability other property classes
- Separating sustainability from survey noise is a challenge
- Sustainability continues to become the norm
- Resident awareness may not match execution

Sustainability Features in Class C Properties

- ENERGY STAR Certified Appliances
- Smart thermostats
- Smart lighting
- High-efficiency toilets

Willingness to Pay for Sustainability Features

	Class A	Class B	Class C
	$43	$43	$52

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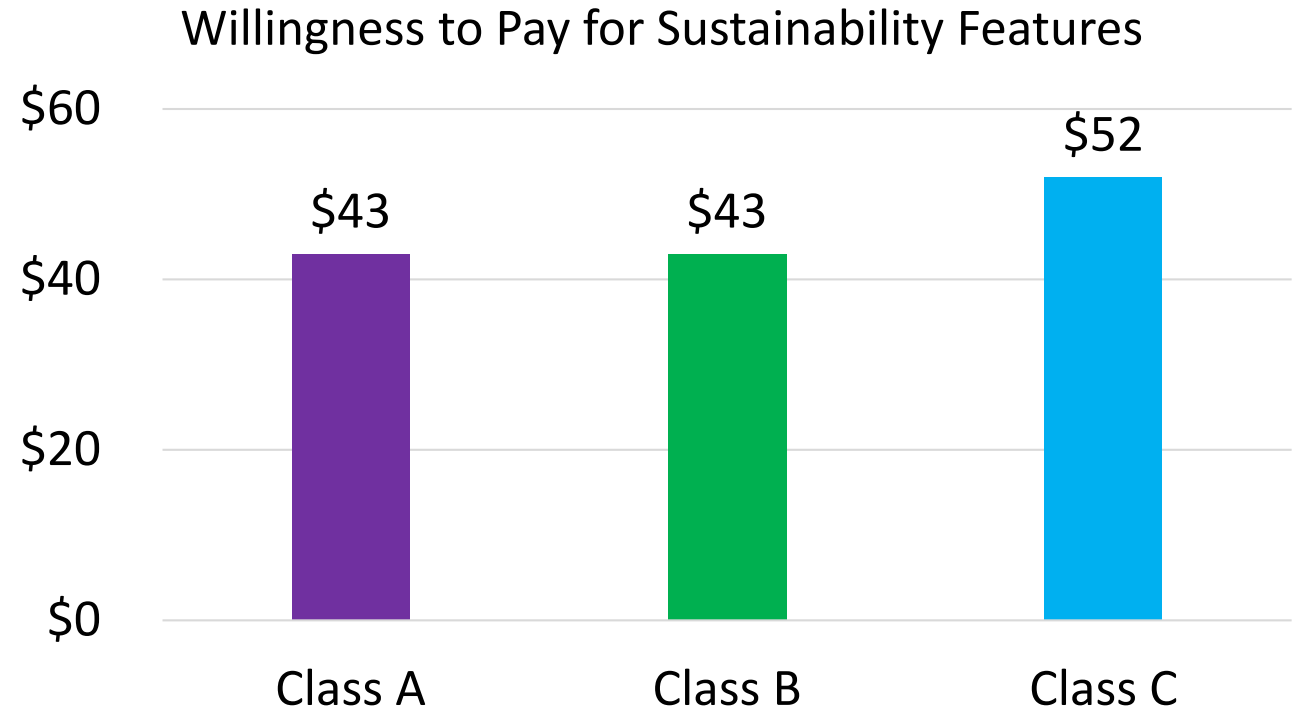
Sustainability Amenities in Class C Properties

- Recycling
- Organic waste composting
- Sustainability/green initiatives
- Sustainability/green certifications
- On-site renewable energy
- Electric car-charging station
- Non-smoking building

Willingness to Pay for Sustainability Amenities

$60		
$40	$36	$36	$42
$20		
$0		
	Class A	Class B	Class C
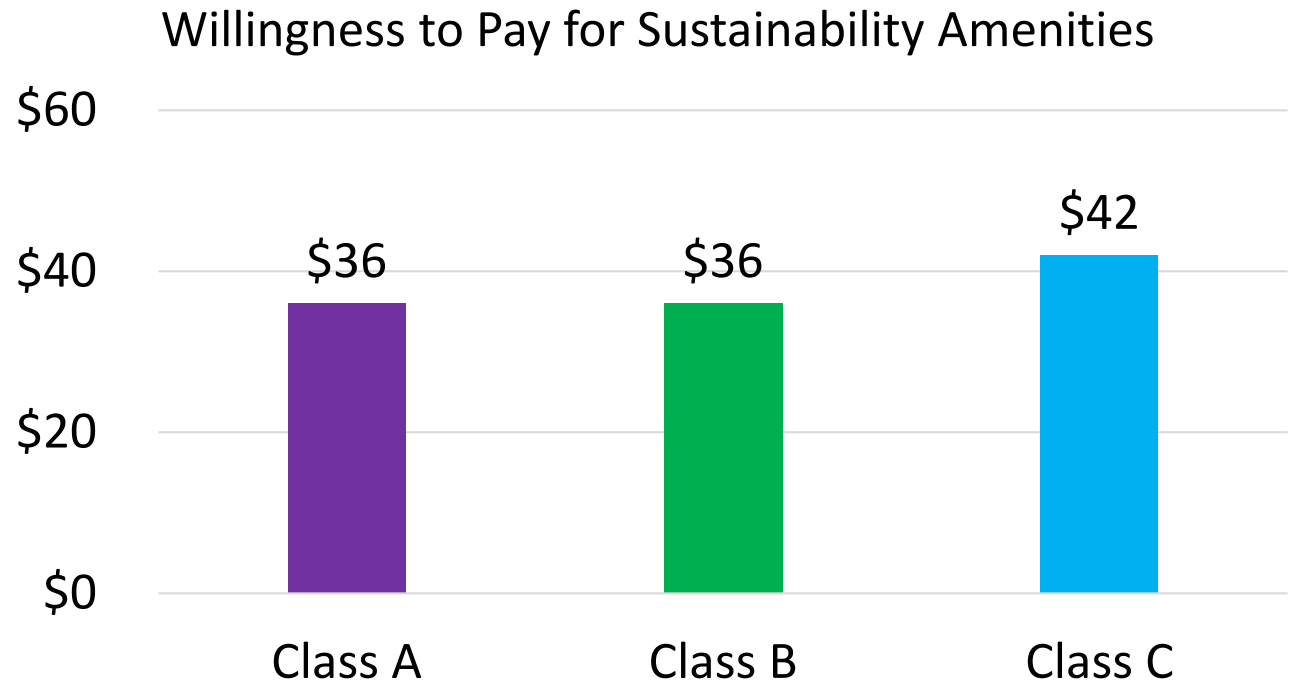
4. Demographics of Resident Clusters

Who is your renter and what are they willing to pay for?

Cluster Analysis: Apartment Features

- **Seekers**: willing to pay a high amount for any feature or amenity

- **Evaluators**: willing to pay a high amount for a select group of specific features or amenities
  - Not all evaluators are willing to pay for the same features or amenities

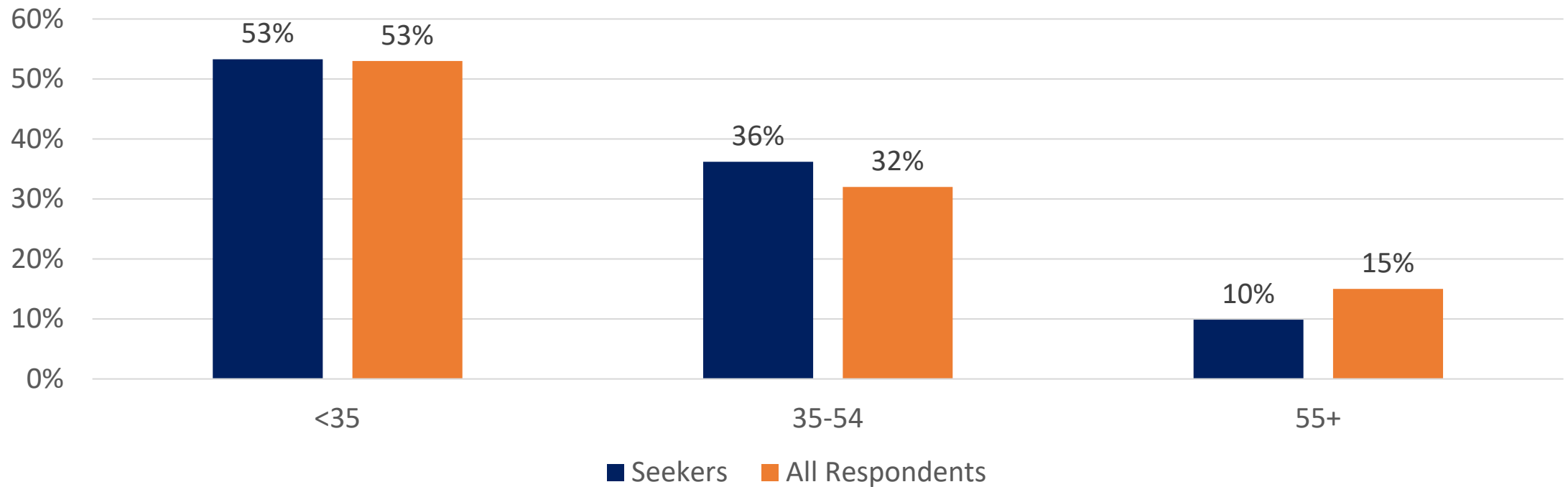- **Value Renters**: not willing to pay for additional features
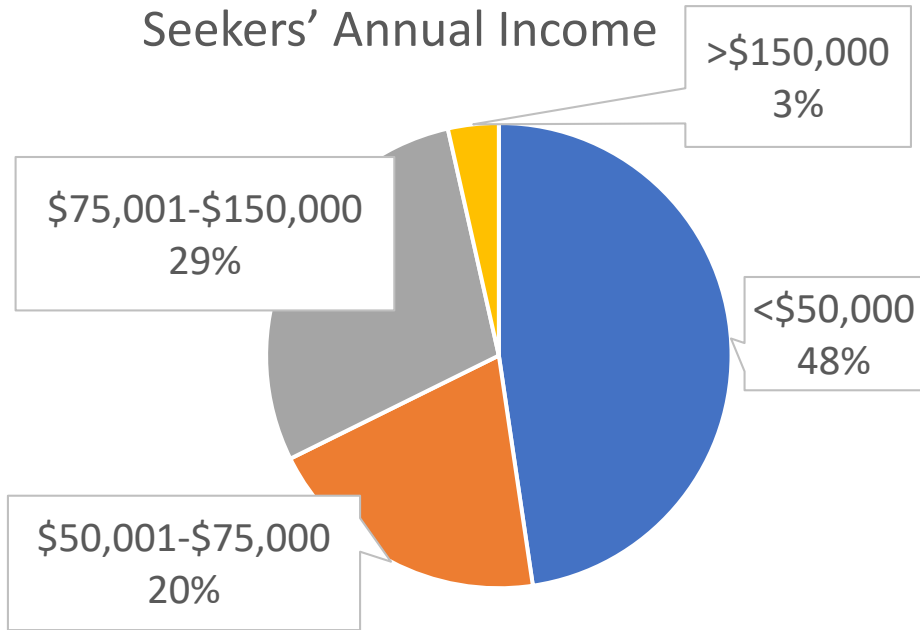
Cluster Analysis: Apartment Features

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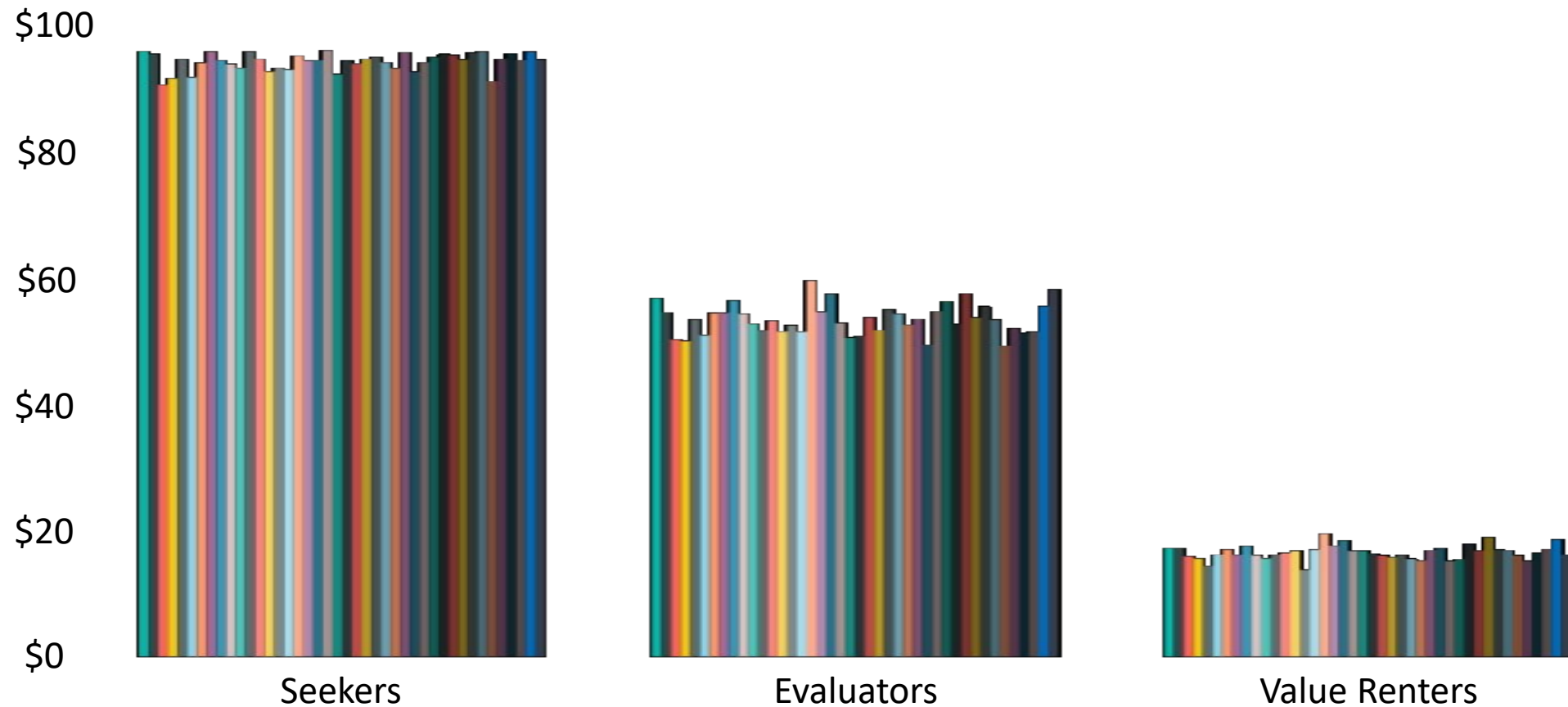
Who are they? - Seekers

Seekers' Annual Income

- >$150,000 — 3%
- $75,001-$150,000 — 29%
- <$50,000 — 48%
- $50,001-$75,000 — 20%

Seekers' Monthly Rent

- $2200+ — 15%
- <$1000 — 23%
- $1601-$2200 — 17%
- $1001-$1600 — 45%
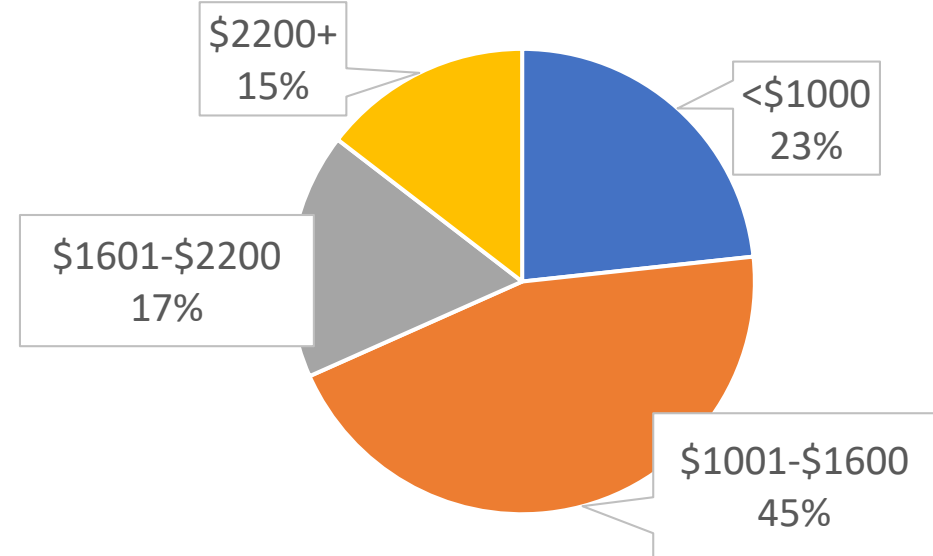
Who are they? - Evaluators

Age Comparison: Evaluators vs. All Respondents

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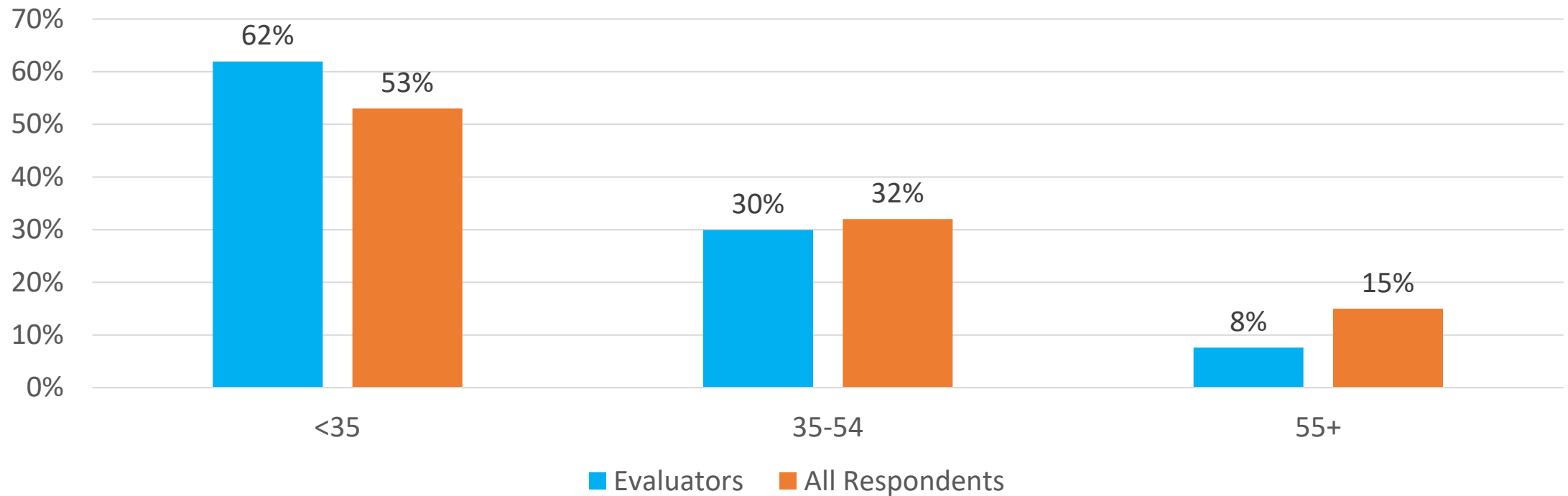
Who are they? - Evaluators

Evaluators' Annual Income

- >$150,000 — 9%
- $75,001-$150,000 — 30%
- <$50,000 — 38%
- $50,001-$75,000 — 23%
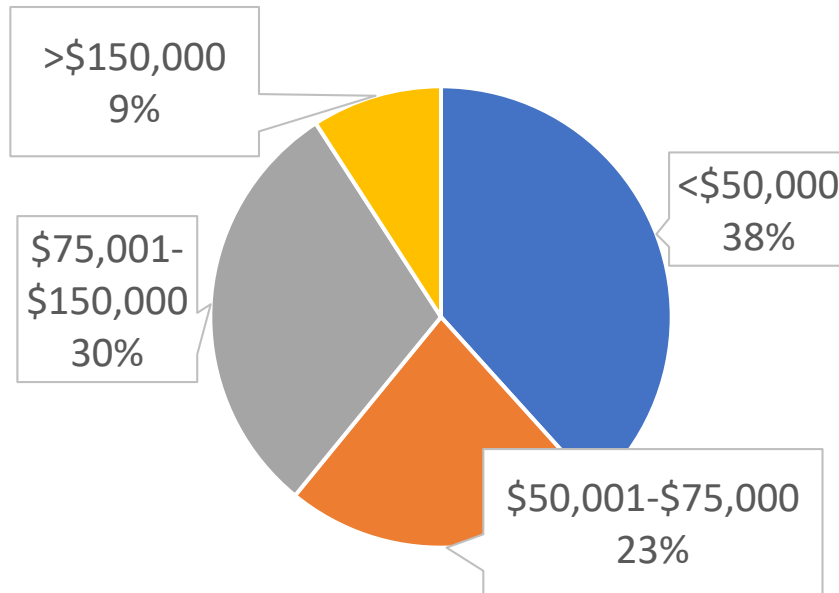
Evaluators' Monthly Rent

- $2200+ — 16%
- $1601-$2200 — 15%
- <$1000 — 22%
- $1001-$1600 — 47%

NMHC OPTECH
CONFERENCE & EXPOSITION

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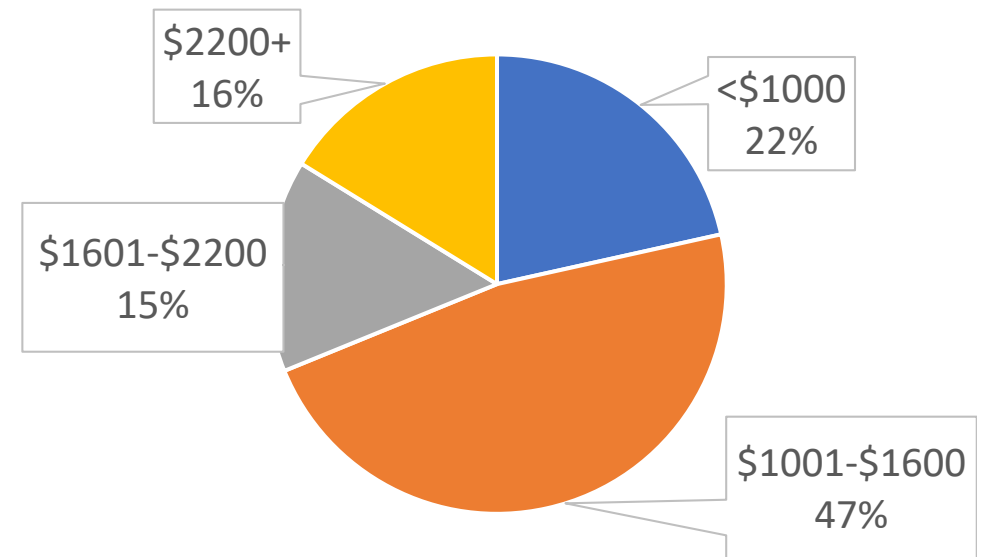
Who are they? – Value Renters

Age Comparison: Value Renters vs. All Respondents

	Value Renters	All Respondents
<35	64%	53%
35-54	31%	32%
55+	6%	15%
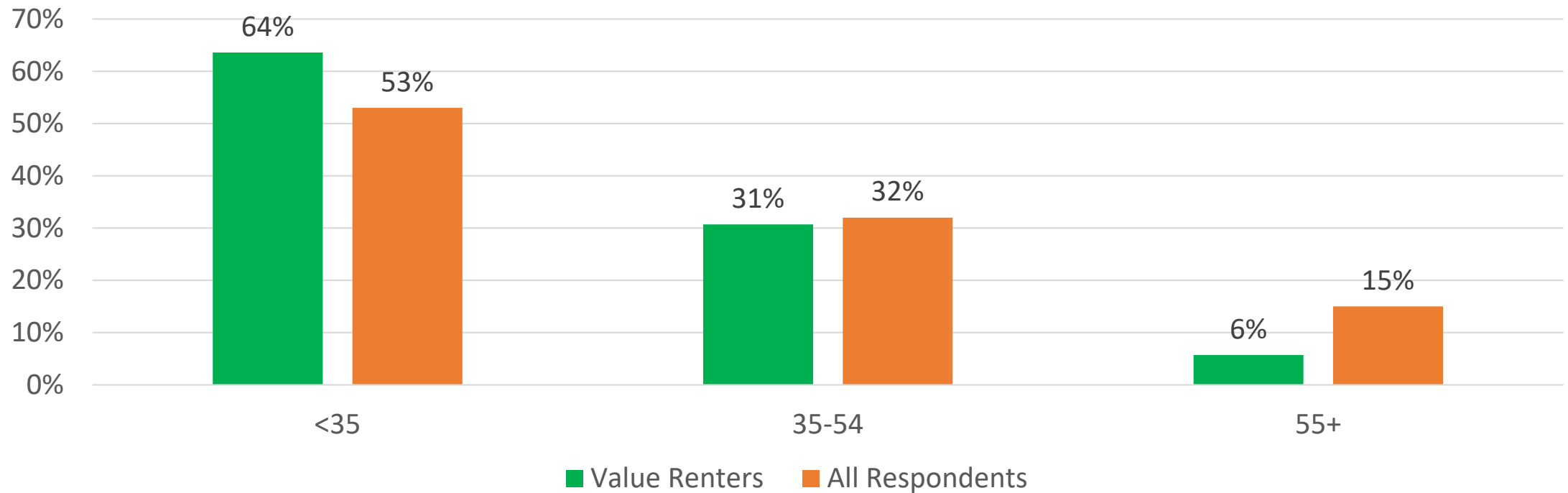
Who are they? - Value Renters

Value Renters' Annual Income

- >$150,000 6%
- <$50,000 44%
- $50,001-$75,000 23%
- $75,001-$150,000 27%
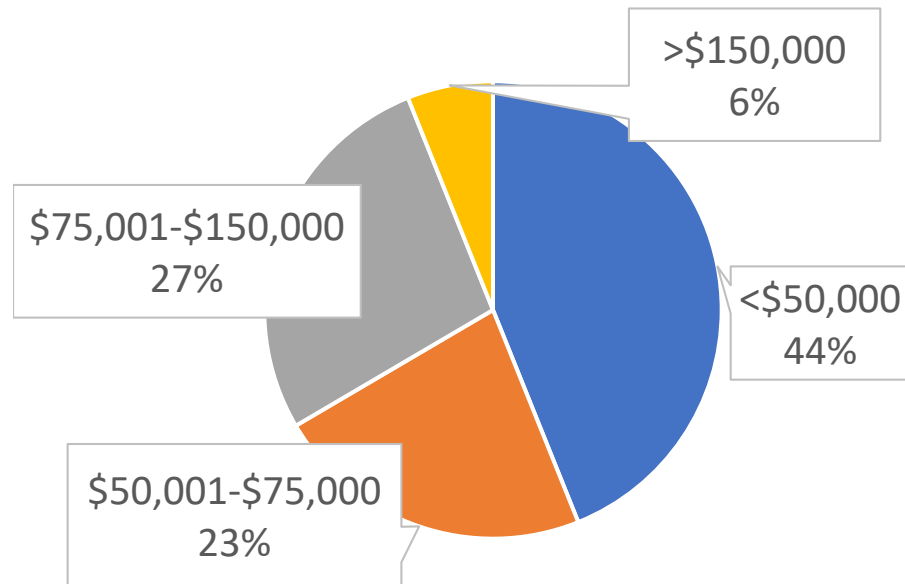
Value Renters' Monthly Rent

- $2200+ 12%
- <$1000 27%
- $1601-$2200 18%
- $1001-$1600 43%
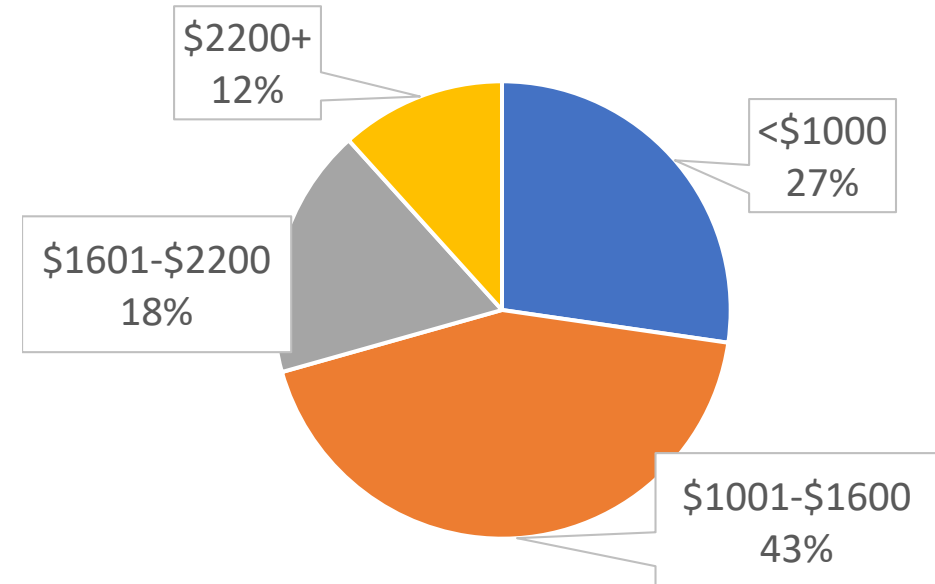
Moderated Q&A and Discussion

Questions?

Andrew White: awhite@retechadvisors.com