ILLUMINATING INSIGHTS

New Research Shines Light on the Motivation and Behavior of Prospects & Renters

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Zillow

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J TURNER RESEARCH

Tom Geyer
BOZZUTO

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@apartmentwire
Goals

• Learn how you can leverage consumer insights to drive business growth
  – Prospect motivations and role of technology
  – Role of online ratings and reviews
  – Insights in Action
Prospect Motivations & Role of Technology
Current state of the Rental Market

31% of General Population is currently renting their primary residence

Source: Zillow Group Tracking Survey, 2016
CONSUMER HOUSING TRENDS REPORT 2016

- **Online Survey Fielded**
  - 13,000 Total Surveyed
  - 4,000 Renters Surveyed
    - 3,000 Former Prospects
    - 1,000 Renters

**Total Surveyed**
- 13,000

*www.ZillowGroupReport.com*
Most Renters spend **4-8 weeks** searching for their new rental

Median time spent searching is 8 weeks

<table>
<thead>
<tr>
<th>Total Search Time</th>
<th>Less than 4 weeks</th>
<th>4 - 8 weeks</th>
<th>More than 8 weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>36%</strong></td>
<td><strong>40%</strong></td>
<td><strong>24%</strong></td>
</tr>
</tbody>
</table>
When searching, **online** is the top resource
MFH Prospects use many online resources in their search.

And while Zillow Group is proud to be the #1 resource, it’s used at high rates; rivaling those of search engines.

Average # Online Resources Used

<table>
<thead>
<tr>
<th>Resource</th>
<th>Total</th>
<th>MFH</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Most Used</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>#1 Most Often Used</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#1 Most Favorite</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Percentage of MFH Prospects

- Zillow Group: 53%
- Apt/Building Site: 46%
- Search Engine: 46%
- Social Networking (NET): 23%
Variety of methods used to access online resources

Mobile (apps + mobile websites) most used among Millennials & Gen X

- Website on Desktop/Laptop: 74%
- Mobile Web on Smartphone: 59%
- App on Smartphone: 43%
Stage of journey dictates which device dominates usage.

Source: Zillow Group Renter Consumer Technology Journey, 2016
In-person tours & lease terms are most important in helping renters decide if a property is right for them.

Reviews and video content are significantly more important to MFH Prospects.

- Taking an in-person tour: 82% (Total) vs 84% (MFH)
- Seeing lease terms / dep info: 82% (Total) vs 85% (MFH)
- Meeting the landlord / property manager: 61% (Total) vs 61% (MFH)
- Viewing a floorplan: 55% (Total) vs 68% (MFH)
- Seeing reviews of home / building: 53% (Total) vs 69% (MFH)
- Seeing reviews of property manager/ landlord: 48% (Total) vs 62% (MFH)
- Taking a live virtual tour: 18% (Total) vs 23% (MFH)
- Watching a recorded video tour: 17% (Total) vs 21% (MFH)
MFH Renters engage in a lot of activity and interaction with rental properties

- **Contacted Property Manager/Landlord**: Average # 4.1
- **Submitted Application in Person/On Paper**: Average # 1.5
- **Toured a Rental In Person**: Average # 3.1
- **Submitted Application Online**: Average # 1.1
When they do make contact, majority of Renters expected a response within 1 day

MFH Prospects are slightly less patient; 35% expect a response within a few hours or less

And 1-in-5 MFH Renters found low/no responses from property managers/landlords to be a challenge during their search process.
Key Insights: High Tech & High Touch Marketplace

Online & Mobile Critical for Search
Help them find the information they need, when & where they want.
Make sure your listings can be found & are current.

Seeing is Believing and Critical to Evaluation
In person tours allow opportunity to get a sense of both the property and property manager.
Virtual & video tours are more important for MFH renters.

Adapt to Your Audience
MFH Prospects have expectations for a faster response time.
Reviews are particularly important to MFH Prospects.
THE INTERNET ADVENTURE

Joseph Batdorf

J TURNER RESEARCH

NHC OPTECH
CONFERENCE & EXPOSITION

2016
November 14-16, 2016
Hilton Anatole
Dallas, TX

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Do you use online ratings and reviews in your effort to search for an apartment?

<table>
<thead>
<tr>
<th></th>
<th>ALL DATA</th>
<th>MALE</th>
<th>FEMALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>83%</td>
<td>79%</td>
<td>85%</td>
</tr>
<tr>
<td>No</td>
<td>15%</td>
<td>19%</td>
<td>13%</td>
</tr>
<tr>
<td>Not Sure</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
</tr>
</tbody>
</table>

2,715 Prospect Responses
The Apartment Search Process

When you know you are going to move to a new apartment, what is the general approach you take (and in what order) to find your new home?
The Apartment Search Process

- Search for the right location online (neighborhoods)
- Search for apartments in the desired locations online
- Visit apartment websites to gather information
- Go to online ratings and review sites for apartments
- Drive/walk through desired locations to find apartments
- Look at ratings and reviews
- Narrow my apartment options as much as possible
- Schedule a tour of possible apartments
- Choose apartment to rent
- Talk to residents of apartments
Ratings and Reviews in Various Phases

At what point did you utilize online ratings and reviews to gather information about the apartment communities you were interested in?

<table>
<thead>
<tr>
<th></th>
<th>ALL DATA</th>
<th>MALE</th>
<th>FEMALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>As I was beginning my search</td>
<td>43%</td>
<td>46%</td>
<td>42%</td>
</tr>
<tr>
<td>As I was narrowing my search to 4-5 communities</td>
<td>28%</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>As I was narrowing my search to 2-3 communities</td>
<td>19%</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>As I was selecting the property I was most interested in</td>
<td>9%</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>After I put a deposit down on the community I chose</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
</tr>
</tbody>
</table>
The data is divided into three behavior segments:

**Starters**
Prospects that use ratings and reviews at the beginning of their search.

**Short Listers**
Prospects that use ratings and reviews to shortlist apartments.

**Enders**
Prospects that use ratings and reviews when making a final decision.
# Behavior Segments

## Demographic breakdown of different segments

<table>
<thead>
<tr>
<th></th>
<th>MALE</th>
<th></th>
<th>FEMALE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Starter</td>
<td>Short Lister</td>
<td>Ender</td>
<td>Starter</td>
</tr>
<tr>
<td>Number</td>
<td>46%</td>
<td>47%</td>
<td>7%</td>
<td>42%</td>
</tr>
<tr>
<td>Average Age</td>
<td>34.96</td>
<td>36.79</td>
<td>37.92</td>
<td>36.47</td>
</tr>
<tr>
<td>Average Rent</td>
<td>$1,628</td>
<td>$1,793</td>
<td>$1,608</td>
<td>$1,538</td>
</tr>
</tbody>
</table>
# Affect of Ratings and Reviews

## Demographic breakdown of different segments

<table>
<thead>
<tr>
<th>(SCALE: 0-10)</th>
<th>ALL DATA</th>
<th>MALE</th>
<th>FEMALE</th>
<th>SEARCH (Starter)</th>
<th>SEARCH (Short Lister)</th>
<th>SEARCH (Ender)</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much did the ratings and reviews affect your decision to visit the property?</td>
<td>7.45</td>
<td>7.40</td>
<td>7.48</td>
<td>7.96</td>
<td>7.22</td>
<td>6.48</td>
</tr>
<tr>
<td>How much did the ratings and reviews affect your final decision to lease?</td>
<td>7.19</td>
<td>7.00</td>
<td>7.28</td>
<td>7.56</td>
<td>6.97</td>
<td>6.70</td>
</tr>
</tbody>
</table>

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Influence of Different Aspects of Reviews

What are the two most influential aspects when looking at different reviews for a property?

<table>
<thead>
<tr>
<th></th>
<th>ALL DATA</th>
<th>MALE</th>
<th>FEMALE</th>
<th>SEARCH (Starter)</th>
<th>SEARCH (Short lister)</th>
<th>SEARCH (Ender)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The star rating</td>
<td>41%</td>
<td>41%</td>
<td>41%</td>
<td>46%</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>The relevancy of the review to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>your likes/dislikes</td>
<td>36%</td>
<td>32%</td>
<td>38%</td>
<td>33%</td>
<td>37%</td>
<td>43%</td>
</tr>
<tr>
<td>Number of reviews</td>
<td>35%</td>
<td>42%</td>
<td>32%</td>
<td>38%</td>
<td>33%</td>
<td>32%</td>
</tr>
<tr>
<td>The recentness of the reviews</td>
<td>32%</td>
<td>27%</td>
<td>34%</td>
<td>32%</td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td>The sentiment of the reviews</td>
<td>30%</td>
<td>32%</td>
<td>29%</td>
<td>26%</td>
<td>34%</td>
<td>26%</td>
</tr>
<tr>
<td>The date of last review</td>
<td>19%</td>
<td>19%</td>
<td>20%</td>
<td>19%</td>
<td>19%</td>
<td>25%</td>
</tr>
<tr>
<td>The frequency of reviews</td>
<td>6%</td>
<td>7%</td>
<td>6%</td>
<td>5%</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>
Assuming you are searching for an apartment in Indianapolis, which link are you most likely to click first?
Assuming you are searching for an apartment in Indianapolis, which link are you most likely to click first?
Assuming you are searching for an apartment in Indianapolis, which link are you most likely to click first?
Effect of Reviews on a Property’s Website

In your opinion, how effective are reviews for a property on that property's website?

- Female: 6.44
- Male: 6.21
- All Data: 6.37

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Posting Reviews

Have you posted a review of an apartment community online?

- **NO** 66%
- **YES** 30%
- **NOT SURE** 3%
Ratings and Likeliness to Visit

Strictly based on reviews, which community are you more likely to visit?
Ratings and Likeliness to Visit

- Apartment 1: 74%
- Apartment 2: 19%
- Neither: 7%
Impact of Ratings

Which rating had the strongest impact on your decision to visit the property?

1. 6%
2. 7%
3. 4%
4. 12%
5. 2%
6. 2%
7. 37%
8. 22%
9. 8%
Impact of Ratings

Which rating had the strongest impact on your decision to visit the property?

1. 9%
2. 31%
3. 5%
4. 15%
5. 16%
6. 7%
7. 16%
Ratings and Likeliness to Visit

Strictly based on reviews, which community are you more likely to visit?

Apartment 3

Westbrooke Place

Address: 2201 N St NW, Washington, DC 20037
Phone: (202) 484-4028

Ratings:
- Overall: 4.5 out of 5 stars (based on 4 reviews)
- Pros: Comfortable, spacious, well-maintained, convenient location
- Cons: No specific cons mentioned in reviews

San Francisco Apartments - See Floor Plans Here - parkmerced.com

- Overall: 4 stars (based on 1 review)
- Pros: Great location, spacious, modern amenities
- Cons: High cost, sometimes noisy

Peninsula Pines Apartments in South San Francisco CA

- Overall: 4 stars (based on 5 reviews)
- Pros: Great location, spacious, modern amenities
- Cons: High cost, sometimes noisy

Apartment 4

Westbrooke Place

Address: 2201 N St NW, Washington, DC 20037
Phone: (202) 484-4028

Ratings:
- Overall: 4.5 out of 5 stars (based on 6 reviews)
- Pros: Comfortable, spacious, well-maintained, convenient location
- Cons: No specific cons mentioned in reviews

San Francisco Apartments - See Floor Plans Here - parkmerced.com

- Overall: 4 stars (based on 1 review)
- Pros: Great location, spacious, modern amenities
- Cons: High cost, sometimes noisy

Peninsula Pines Apartments in South San Francisco CA

- Overall: 4 stars (based on 5 reviews)
- Pros: Great location, spacious, modern amenities
- Cons: High cost, sometimes noisy
Ratings and Likeliness to Visit

- Apartment 3: 50%
- Apartment 4: 40%
- Neither: 10%

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Impact of Ratings

Which rating had the strongest impact on your decision to visit the property?

1. 29%
2. 9%
3. 45%
4. 7%
5. 2%
6. 8%
Impact of Ratings

Which rating had the strongest impact on your decision to visit the property?

1. 6%
2. 8%
3. 6%
4. 35%
5. 19%
6. 26%
Ratings and Likeliness to Visit

Strictly based on reviews, which community are you more likely to visit?

Avalon Baker Ranch Apartments - Lake Forest, CA 92330

4.5/5 stars - 61 Google reviews

Address: 1000 Lupine, Lake Forest, CA 92610

Phone: (949) 660-7447

Avalon Baker Ranch is a refreshing, smoke-free community, thoughtfully designed 1 & 2 bedroom apartment homes as well as 2 & 3 bedroom townhomes. Conveniently located near 270 Freeway, Bike Pathway, Interstate 5 and 405, and the 241 Toll Road. 1000 Lupine, Lake Forest, CA

Avalon Baker Ranch Rentals - Lake Forest, CA | Apartments.com

See all available apartments for rent at Avalon Baker Ranch in Lake Forest, CA. Avalon Baker Ranch has rental units ranging from 720 to 1,266 sq ft starting at...

Avalon Baker Ranch Apartments - Lake Forest, CA | Zillow

View 19 pictures of the 9 for rent at Avalon Baker Ranch Apartments - Lake Forest, CA, as well as neighborhood and cityscape. Find the perfect place to live.

Avalon Baker Ranch - Lupine | Lake Forest, CA Apartments for Rent

View photos, floor plans and more details about Avalon Baker Ranch in Lake Forest, CA. Visit Rent.com® for rental rates and other information about this apartment.

Avalon Baker Ranch in Lake Forest, CA, Ratings, Reviews, Rent Prices

Ratings & reviews of Avalon Baker Ranch in Lake Forest, CA. Find the best rated Lake Forest apartments for rent near Avalon Baker Ranch at...

Frederick Park - Apartments - 601 Thomas Ct, Marina, CA - Phone...

www.apartment.com - Real Estate - Apartments - Yelp

Apartment 5

Apartment 6
Ratings and Likeliness to Visit

Apartment 5
86%

9% Apartment 6
5% Neither
Impact of Ratings

Which rating had the strongest impact on your decision to visit the property?

1. 10%
2. 13%
3. 4%
4. 3%
5. 2%
6. 28%
7. 27%
8. 12%
Impact of Ratings

Which rating had the strongest impact on your decision to visit the property?

1. 16%
2. 15%
3. 12%
4. 3%
5. 6%
6. 16%
7. 32%
70% of prospects decided to visit a property with a higher online reputation.
Site Preference

Assuming you were considering this apartment as a possible place to rent. Please rank the sites in order of impact (highest to lowest) each one will have on your decision to rent there?

1. Whisperwood: Apartments in Columbus GA
   - Rating: 3.9 - 26 reviews
   - Website: www.whisperwoodcolumbus.com

2. Whisperwood Apartments Rentals - Columbus, GA | Apartments.com
   - Rating: 3.9 - 26 reviews
   - Website: www.apartments.com/whisperwood-apartments-columbus-ga/

3. Whisperwood Apartments | Facebook
   - Website: www.facebook.com/Places - Columbus, Georgia - Real Estate

4. Whisperwood in Columbus, GA Ratings, Reviews, Rent Prices and ...
   - Website: www.apartmentratings.com/ - Georgia - Columbus

5. Whisperwood - Flat Rock Road | Columbus, GA Apartments for Rent ...
   - Website: www.rent.com - Georgia - Columbus Apartments

6. Whisperwood Apartments - Columbus, GA - Yelp
   - Rating: 3.9 - 26 reviews
   - Phone: (706) 563-4901 - 6029 Flat Rock Rd, Columbus, GA 31907

7. Whisperwood: Apartments in Columbus, GA ★
   - Rating: 3.9 - 26 reviews
   - Address: 6029 Flat Rock Rd, Columbus, GA 31907
   - Phone: (706) 563-4901
   - Website: www.whisperwoodcolumbus.com
Site Preference

Assuming you were considering this apartment as a possible place to rent. Please rank the sites in order of impact (highest to lowest) each one will have on your decision to rent there?

1. Google
2. Apartments.com
3. Apartment Ratings
4. Property Website
5. Yelp
6. rent.com
7. Facebook
THANK YOU

Please let us know if you have any questions

Joseph Batdorf
jbatdorf@jturnerresearch.com
PRACTICAL INSIGHTS