



NMHC Rent Payment Tracker: Frequently Asked Questions

1. Do you have data for different regions, states or MSAs?

No. The NMHC Rent Payment Tracker only provides a national metric and is designed as a general benchmark to help gauge the depth of the economic crisis resulting from the pandemic. Some of the data providers participating in this initiative publish more detailed information, including geographic breakdowns, of their particular datasets. We provide links to those reports on the NMHC Rent Tracker website as available.

2. Do you have data for different asset classes?

No. Just as we do not capture geographic variations in rent payment practices, we also do not capture variations by property type (luxury housing, workforce housing, etc) or asset class (A, B or C). As noted above, firms with different portfolio compositions are likely to have rent payment experiences that differ from this national metric. Again, some individual PMS providers may have more detailed data, and we encourage you to contact them directly.

3. Where does the data in the NMHC Rent Payment Tracker come from?

The data comes directly from five of the apartment industry's leading property management software (PMS) providers—Entrata, MRI Software, RealPage, ResMan and Yardi. These software platforms help apartment firms conduct many aspects of their business, including rent payment processing. This dataset is based directly on millions of actual leases from thousands of apartment firms that use these five PMS providers.

All collected data is anonymized by the PMS providers and standardized for a high-quality dataset. The final numbers have been weighted to account for variations in the size of the databases provided by the data providers.

4. How many units are included in the NMHC Rent Payment Tracker?

The number of units will vary with each data release based on changes to the number of occupied units for each PMS provider as units are leased or vacated. After adjusting our methodology after the first data pull, the number of units has consistently ranged from 11 million to 11.5 million professionally managed apartments included in the dataset. For the reasons stated above, the

number of units will fluctuate between these two parameters and possibly slightly above or below. For comparison, there are 21.4 million apartments (in buildings with 5+ units), according to the most recent American Community Survey from the U.S. Census Bureau. That makes this dataset one of the most robust representations of the apartment industry.

5. What units are not included in the NMHC Rent Payment Tracker?

The dataset only covers conventional, market-rate apartments. Accordingly, it excludes subsidized affordable units, single-family rentals, privatized military housing units and purpose-built student housing properties.

6. Are partial payments/payment plans/security deposit conversions included in the data?

Yes. Partial payments or conversions of security deposits into rent (as some firms are allowing) are captured once, when the first partial payment is accepted, to avoid having them double counted. Subsequent partial payments are not captured in the data because the metric is “what percent of renters paid some/all of their rent” in a given month. Additional payments made by the same resident in the month would increase the total amount of rent paid, but this metric does not measure that.

7. How does the metric work?

The NMHC Rent Payment Tracker is a cumulative data tool. Approximately every other week, the PMS providers submit two data points to NMHC: the percentage of apartment households that paid their rent for a specific time period and the total number of occupied units in their data universe (see exclusions listed above). Data is submitted on the following schedule: week one: from the first day of the month through COB on the 6th; from the 1st through COB on the 20th and finally from the 1st through the last day of the month, giving us a monthly data point for the “percent who paid”. To recap, the “percent who paid” number will increase each week, until we reach our final “percent who paid” number for the month (see below for how partial rent payments are addressed).

When establishing the initial dates for the Rent Payment Tracker, NMHC wanted to track when rent was officially “late” and used the close of business on the 5th as that date. After consultation with property managers and data providers we were informed that a variety of dates are used to determine when rent is considered late, with some saying rent isn’t late until as late as the 10th. In addition, those that use the 5th as their deadline reported that many people pay on the last day possible and that some of those payments aren’t posted until the 6th. Based on this information, NMHC adjusted its methodology to make the close of business on the 6th the deadline for the first week. Moving this date also moved all other reporting dates by one day.

8. When can we say that a certain percentage did not pay for the month?

That statistic can only be captured after a month has ended and all the weekly data for that month have been collected.

9. Why do some companies' rent payment percentages differ—sometimes significantly—from the NMHC Rent Payment Tracker?

Every apartment firm has a different portfolio. Some portfolios include mostly Class A properties, some mostly Class C, and others include a mix of property classes. Anecdotal evidence from the PMS providers tells us that the property classes are performing differently during this crisis with regard to the percent of residents who have paid their rent.

In addition, some may focus on urban areas while others have mostly suburban portfolio. Similarly, firms have different geographic footprints—national operations, regional operations, or just one city. All of this means that, based on the composition of their portfolios, they will have different numbers of renters paying each month than the overall Rent Payment Tracker. The Rent Payment Tracker essentially rolls up all of those individual company experiences into one broad national metric.

10. Do you have info about online payments/credit/debit card payment information?

No, we do not provide this information. We have asked several of our PMS providers this question on our Rent Tracker webinars, and it is difficult to track because so many operators have changed from paper checks to online payments. Additionally, because many operators have waived fees for credit card payments, it is impossible to know which residents are making credit card payments because they need to and which residents are doing it for benefits such as airline miles.

11. Do you have historical rent collection data?

The NMHC Rent Payment Tracker was stood up as a result of the COVID-19 pandemic, so we do not have historical data on rent collection payments.

12. How should I use the NMHC Rent Payment Tracker metric?

It should only be used as a broad representation of what percent of apartment households nationwide paid all/partial rent for a given week/month. It should also be noted that given the number of firms that have waived late fees, it is expected that payment behaviors will vary slightly from “normal” times. Because of the variations noted above about different individual apartment

firm portfolios and business strategies, the NMHC Rent Payment Tracker should not be used as a tool for investment or portfolio analysis.

13. Is this a short-term data initiative or an on-going project?

This tool was launched specifically to provide industry-level data and insight in response to the severity of the COVID-19 crisis. The intent is that the tracker will sunset when the crisis has passed. However, it is difficult to predict when a recovery will happen (and this metric will help reveal when that recovery is happening).

14. What are professionally managed apartments?

There is no formal definition of “professionally managed” apartments; however, there are several commonly accepted industry assumptions when the term is used. Generally, they are more structured businesses that provide professional management services and are distinguished from the small, mom-and-pop operators that manage a significant portion of the industry’s units. It is important to note that the professionally managed segment of the apartment industry, like the industry itself, is highly fragmented, with firms of varying size all participating.

Updated 1/8/2021