



WHY RENTERS LEAVE? DON'T BEAT YOURSELF UP!

J TURNER RESEARCH
IN PARTNERSHIP WITH
JOSHUA TREE CONFERENCE GROUP



EXECUTIVE SUMMARY

With the evolution in resident attitudes and behavior, a critical question in property management is to identify the reasons why renters leave. J Turner Research is in a unique position to answer this question. We administer more than 120,000 prospect surveys a month to research why residents move and which apartment communities they are considering. If a management company can identify the trends related to why renters are exiting from an apartment, they can work towards salvaging those renewals. On the other hand, if a company has its pulse on why renters are dissatisfied with their current communities as well as what they seek, they can use this data to their advantage to secure a lease.

In our research study—Why Renters Leave? Don't Beat Yourself Up! we focus on the answers to this question. Our research shows that some of the significant factors in residents' decision to move such as noise and structural issues are not necessarily in management's control.

In analyzing the research findings, we focused on renters who are moving from one apartment community to another within a mile, as these renters are likely to be the most disgruntled and dissatisfied. With the cost and hassle of moving, why move such a short distance? We learned that 39% of renters are moving from one apartment to another and 19% are moving within one mile. The quest to move to a better apartment is the top reason why these "one-milers" leave. And, based on analyzing their frustrations with their current apartment living, the top three include: noise, management and maintenance, and structural issues.





OBJECTIVE AND SCOPE OF THE STUDY

Joshua Tree Conference Group and J Turner Research have partnered to develop a unique research initiative to determine why renters leave an apartment community. The goal of this study is to highlight the frustrations and issues renters have with their current community which drive them away, often to lease at another community. The findings of this research can be used by management companies to make informed decisions about revamping their leasing and management practices to meet evolving renter expectations. This study will be conducted annually for the next three years.

Why Renters Leave? Don't Beat Yourself Up! offers an unparalleled perspective on why a current resident becomes a prospective resident for another apartment community. The study presents an insight into renters' immediate motivations, frustrations, and authentic attitude towards their existing apartment while they are actively involved in the apartment search process. Essentially, this study strikes when the iron is hot!

In the past, it has been challenging to accurately assess why renters leave, if the information is gathered in retrospect by talking to the onsite staff. The onsite staff may have a bias as they do not want to necessarily incriminate themselves by highlighting a problem which they've created or not resolved effectively.

METHODOLOGY

For the purpose of this study, we analyzed 21,102 prospect surveys completed in March 2019. A prospect survey was sent to the prospects who toured a J Turner client property asking the following questions among others:

- Current residence and zip code
- Current rent vs. anticipated rent
- Reason(s) for moving
- Leasing situation
- General frustrations with apartment living

DEMOGRAPHIC PROFILE

- Total Responses – 21,102 (56% conventional and 44% student housing)
- For the purpose of this study, we have analyzed the conventional responses only.

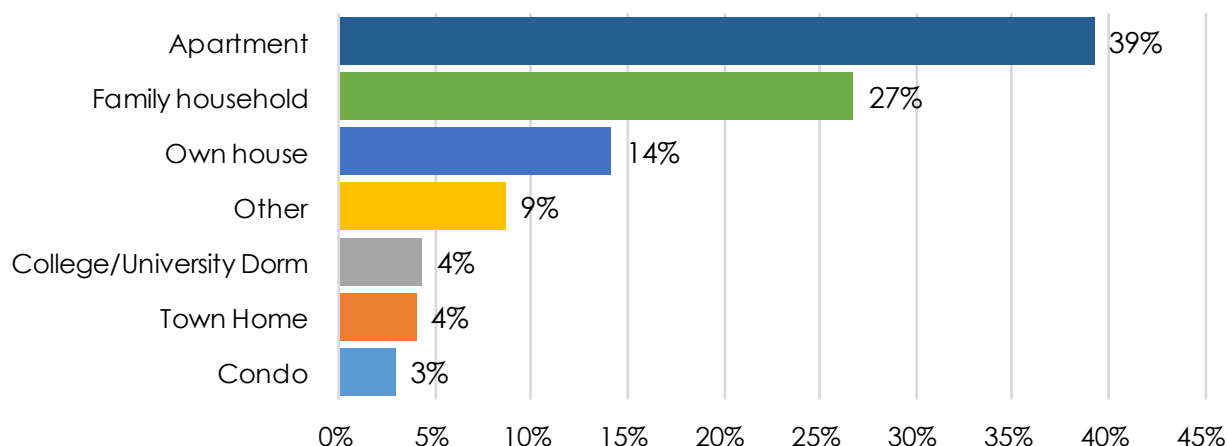
WHAT YOU WILL LEARN FROM THIS STUDY?

- What frustrations motivate a resident to move?
- How can you affect a resident's decision to move to another community?
- How can you use a resident's unmet expectations as tools to entice others to your property?
- How does the online reputation of an apartment community affect their move?

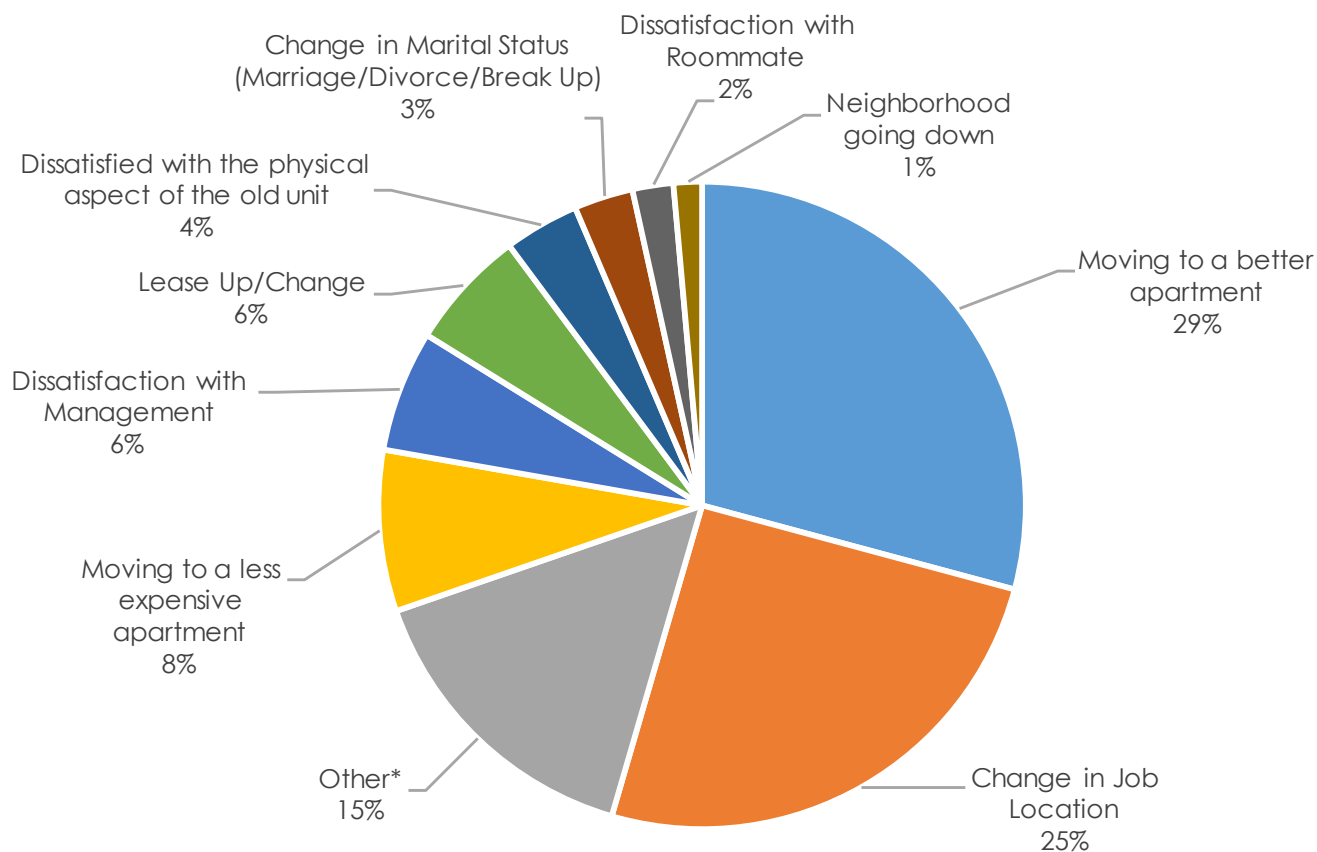
KEY FINDINGS

MOVE AND REASON(S)

WHERE ARE YOU MOVING FROM?



REASON(S) FOR MOVING

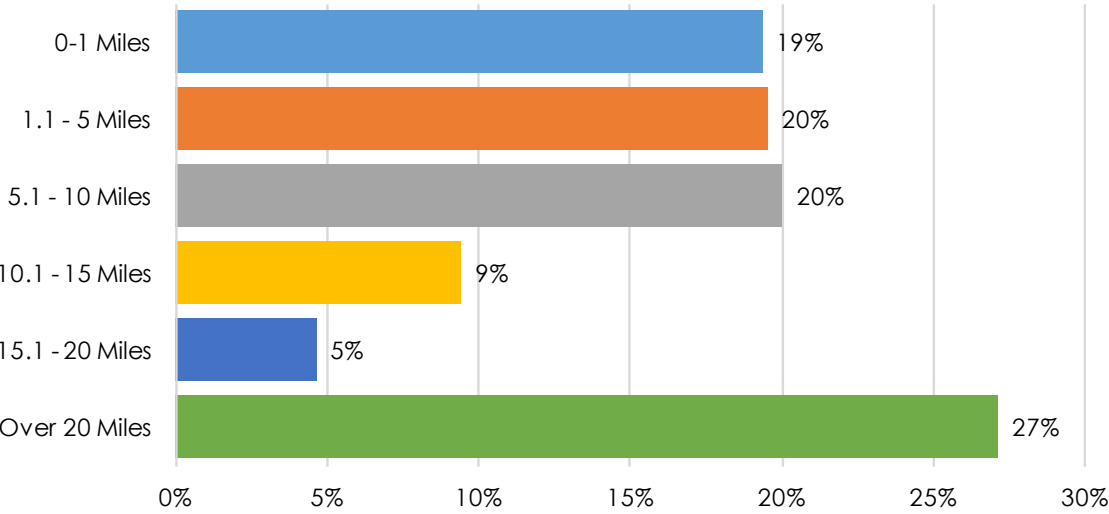


Other* noise, neighbors, price, and parking etc.

More than one third of prospects, (39%) are moving from one apartment community to another. The top three reasons for their move include: moving to a better apartment (29%); change in job location (25%); and other (15%)

DISTANCE MOVED AND PROPERTIES VISITED

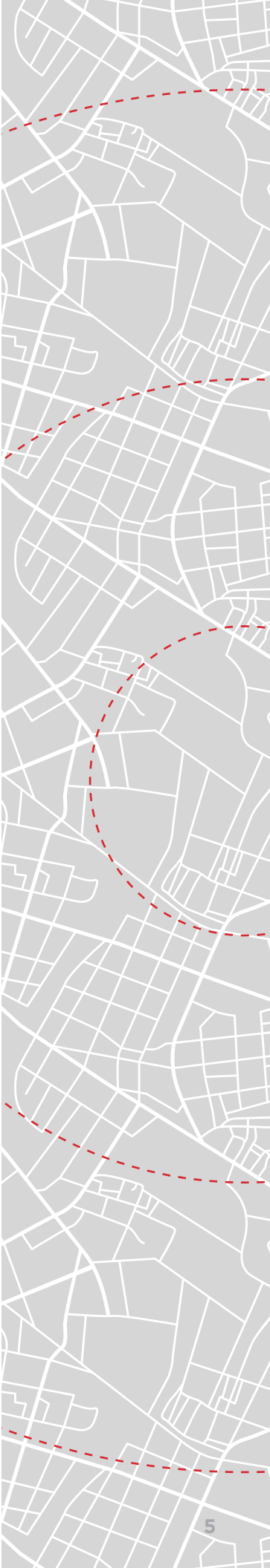
DISTANCE MOVED



DISTANCE AND NUMBER OF PROPERTIES

DISTANCE MOVED	AVERAGE OF HOW MANY PROPERTIES DID YOU VISIT WHILE LOOKING FOR AN APARTMENT?
0-1 Miles	3.38
1.1 - 5 Miles	3.77
5.1 - 10 Miles	4.15
10.1 - 15 Miles	4.26
15.1 - 20 Miles	4.36
Over 20 Miles	4.78

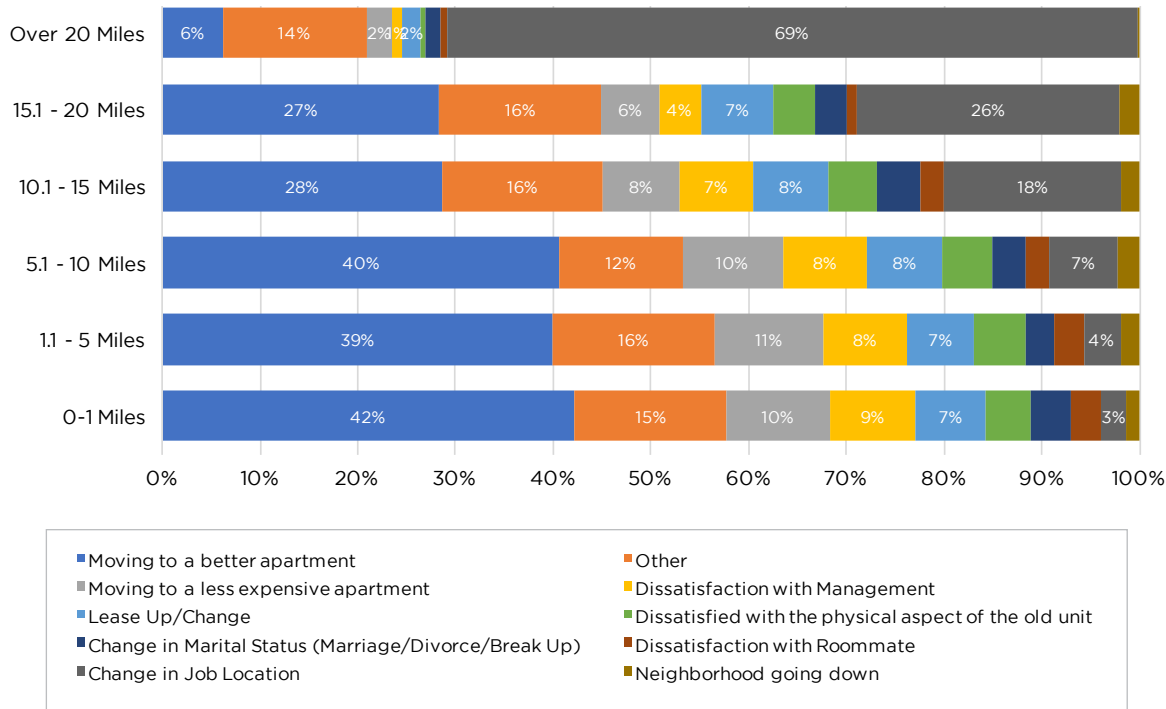
How far do renters move from their current apartment? Close to a quarter (19%) of respondents indicate moving within a mile and they visit an average of 3.38 properties in their apartment search. More than a quarter of respondents travel greater than 20 miles to reside in another apartment community. Motivation for moving differs with the distance of move. Among these (27%) of “long distance” renters, (69%) are moving because of a change in their job location. As the distance increases, the number of properties prospects visit also goes up. Respondents who moved greater than 20 miles reported visiting an average of 4.78 properties.



THE ONE-MILE CLUB

Our findings focus on the “One-Mile Club” or the 19% renters who are moving within a mile of their current community. Despite the cost and stress of moving, these renters are so disgruntled with their apartment that they are moving to the closest competitor. How can this be prevented?

WHY ARE YOU MOVING?



For most one-milers, “moving to a better apartment” is the primary reason for their move: (42%) say they are moving to a better apartment, (15%) for other reasons, and (10%) to pay less in rent.

The majority of renters leave for reasons management cannot necessarily control.

In an open-ended question, we asked prospects to share their frustrations with their existing apartment living. Following are their leading frustrations:

- **Noisy and inconsiderate neighbors.**
- **Management and Maintenance** – poor customer service, uncaring, lazy staff, frequent management changes, staff miscommunication, fire alarms not fixed, lack of timely maintenance, and apartment condition upon move-in, among others.
- **Structural issues** – lack of spacious interiors, thin walls, no insulation, lack of storage space, and floor plan complaints, among others.

TOP REASONS FOR MOVING

MOVING TO A BETTER APARTMENT

0-1 Miles	42%
1.1 - 5 Miles	39%
5.1 - 10 Miles	40%
10.1 - 15 Miles	28%
15.1 - 20 Miles	27%
Over 20 Miles	6%

OTHER

0-1 Miles	15%
1.1 - 5 Miles	16%
5.1 - 10 Miles	12%
10.1 - 15 Miles	16%
15.1 - 20 Miles	16%
Over 20 Miles	14%

MOVING TO A LESS EXPENSIVE APARTMENT

0-1 Miles	10%
1.1 - 5 Miles	11%
5.1 - 10 Miles	10%
10.1 - 15 Miles	8%
15.1 - 20 Miles	6%
Over 20 Miles	2%

CHANGE IN JOB LOCATION

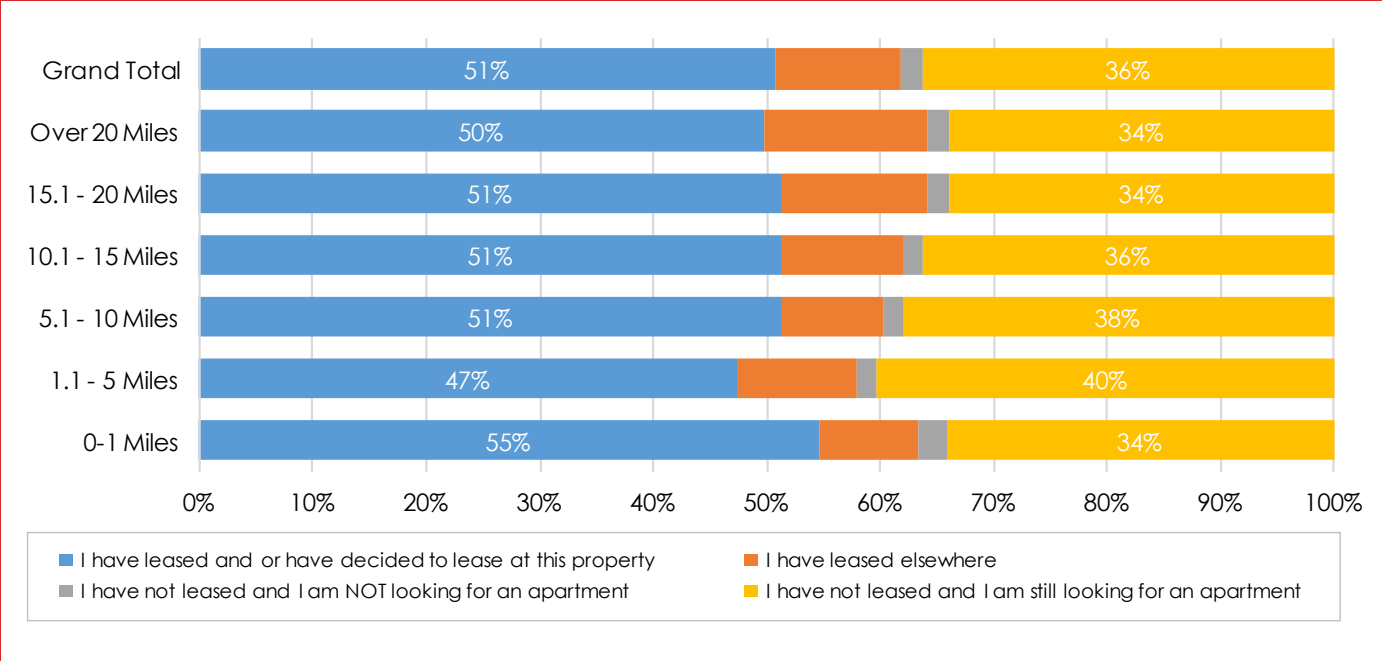
0-1 Miles	3%
1.1 - 5 Miles	4%
5.1 - 10 Miles	7%
10.1 - 15 Miles	18%
15.1 - 20 Miles	26%
Over 20 Miles	69%

DISSATISFACTION WITH MANAGEMENT

0-1 Miles	9%
1.1 - 5 Miles	8%
5.1 - 10 Miles	8%
10.1 - 15 Miles	7%
15.1 - 20 Miles	4%
Over 20 Miles	1%

LEASING SITUATION

More than half of the prospects surveyed (55%) moving within a mile have made their decision to move. This indicates that resident dissatisfaction has prompted search and research on neighboring properties.



DISTANCE, REASON TO MOVE AND RENT

DISTANCE	MOVING TO A BETTER APARTMENT	OVERALL AVERAGE CHANGE IN RENT
0-1 Miles	\$182	\$90
1.1 - 5 Miles	\$205	\$105
5.1 - 10 Miles	\$159	\$67
10.1 - 15 Miles	\$209	\$87
15.1 - 20 Miles	\$213	\$115
Over 20 Miles	\$186	\$151

The respondents moving within a mile anticipate a \$90 per month difference in their average rent. While the respondents who are moving and indicate they want to live in a better apartment, anticipate paying an additional \$182 per month in average rent. This a serious loss of income for a resident's current apartment community.

FRUSTRATIONS OF THE “ONE-MILERS”

“At our current complex; the maintenance is not great and there were some corners cut with our apartment (corking over mold etc.)”

“Lack of storage space, also lack of usable space. Some times there's space but the layout is awkward and it is hard to use space. That is my biggest frustration. Also charging more for non updated units that lack in space and are becoming outdated.”

“Management functionality. Are problems resolved and are residents' concerns heard and dealt with?”

“Noise through walls/floors, privacy, rent increases.”

“Parking, office staff changing too often, slow maintenance, noisy neighbors.”



ORA™ vs. DISTANCE

0-1 MILE

71% visit a property with a better online reputation, 5% the same, and 24% visit a property with a lower online reputation.

DISTANCE	DIFFERENCE IN ORA™
0-1 miles	10
1-5 Miles	10
6-10 Miles	7
11-15 Miles	5
16-20 Miles	11
Over 20 miles	11
Grand Total	10

In comparing the **Online Reputation Assessment (ORA™)** scores of the current apartment where the respondent lives to the prospective property which they visited, there is an average 10-point difference in the ORA™ scores of the two properties. The prospective property has an average 10-point higher ORA™ score than the respondent's current apartment community. Our research shows that 71% of prospects look at a property with a better online reputation. The residents in the one-mile club mirror the same trend—71% visit a property with a better online reputation, 5% choose to visit one with the same reputation, and 24% visit one with a lower reputation.

The ORA™ score is the multifamily industry standard to measure and benchmark a property's online reputation. The ORA™ score is an aggregate compilation of a property's ratings across 21+ review sites and ILSs. We monitor the online ratings and reviews of over 101,000 properties, nationwide, to statistically determine ORA™ scores for each property. The scores are based on a scale of 0 to 100 and are updated each month.



CONCLUSION

As the multifamily industry continues to salvage renewals and increase leases, the critical question is why do renters leave? J Turner Research is uniquely positioned to answer this question as we continually survey prospects quizzing them about why they are moving and which properties they are considering.

Findings from the research study—*Why Renters Leave? Don't Beat Yourself Up!* conducted in association with the Joshua Tree Conference Group show that 39% of renters are flocking from one apartment community to another. Close to a quarter (19%) of these renters are so frustrated with their existing apartment home that despite the cost and hassle of moving, they are moving right next door- to a property within a mile. For these “one-milers”, the primary reason for this move is to “move to a better apartment.” The top three frustrations of this cohort with their existing apartment include: noise, management and maintenance, and structural issues. While companies can control the second factor, the other two factors –noise and structural issues may be beyond their control.



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