



# Multi-Family Market Leaders Survey

2014



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## About The Survey

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**J Turner Research** has been conducting surveys of senior level executives in the multifamily industry since 2009. The purpose is to gauge their attitudes and expectations about the industry. This study represents the responses and trends for the last five years. Questions range from leaders' expectations and predictions for their own portfolio, concessions, occupancy and most challenging issues they face. It also covers the top two challenges leaders' face, availability of financing and optimism regarding the US economy.

In 2013, the survey secured 146 responses. Respondents were contacted by email and responded online. Responses are based on a five-point scale, with five indicating Strongly Agree and 1 representing Strongly Disagree in all instances.

Any suggestions for additional questions are welcome, [jbatdorf@jturnerresearch.com](mailto:jbatdorf@jturnerresearch.com)

## About J Turner Research

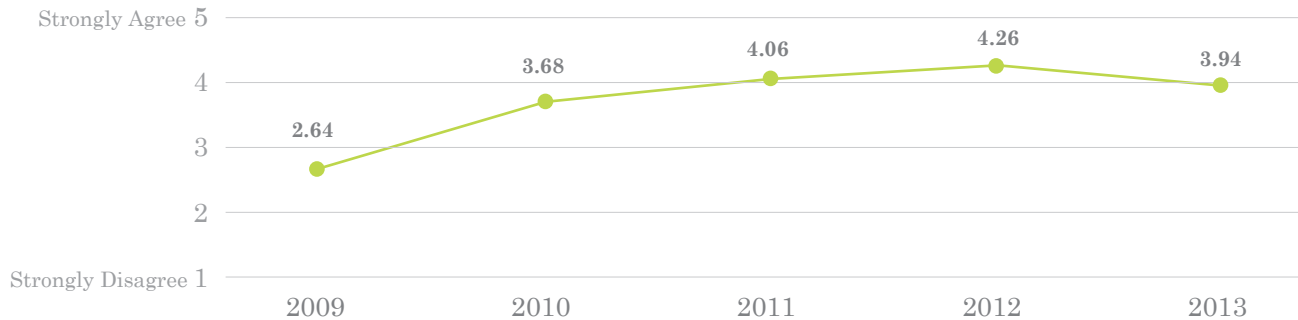
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Houston based, J Turner Research is the leading provider of innovative, affordable, and business enhancing market research services for the multifamily industry. For more than a decade, through its unique survey methodology, industry benchmarking process, and trending reports, J Turner has been empowering clients with monthly, actionable, and true operational intelligence to strategically enhance their business and marketing. The company offers a range of cutting edge services including monthly resident satisfaction surveys, real-time prospect feedback surveys, and the recently launched social media and online reputation assessment application among others.

For more information, please call (281) 558-4840 or visit [www.jturnerresearch.com](http://www.jturnerresearch.com).

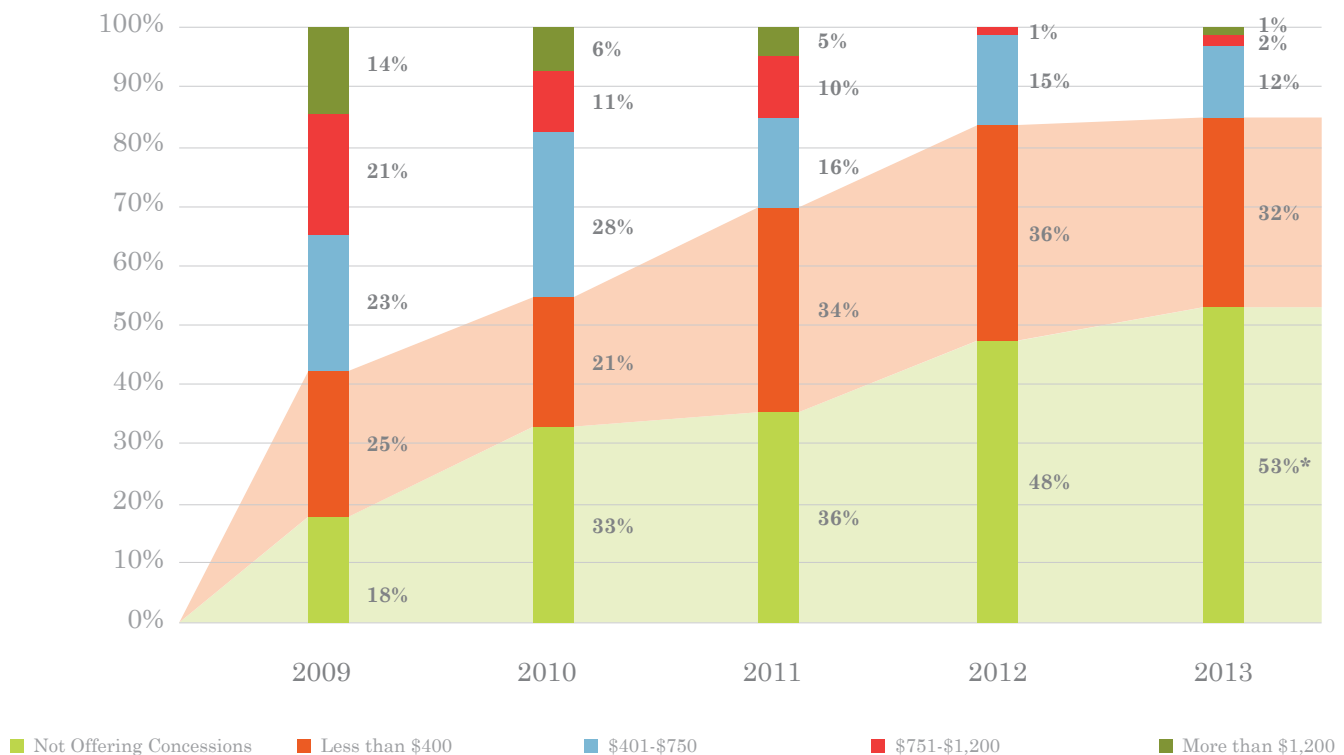
### I feel optimistic about rent growth in the next 12 months

In 2009, in the depths of the financial crisis and with a new presidential administration in office, leaders were very uncertain of the future. Since 2011, the optimism has leveled off regarding rent growth



### What is the average value of concessions the communities in your portfolio are offering?

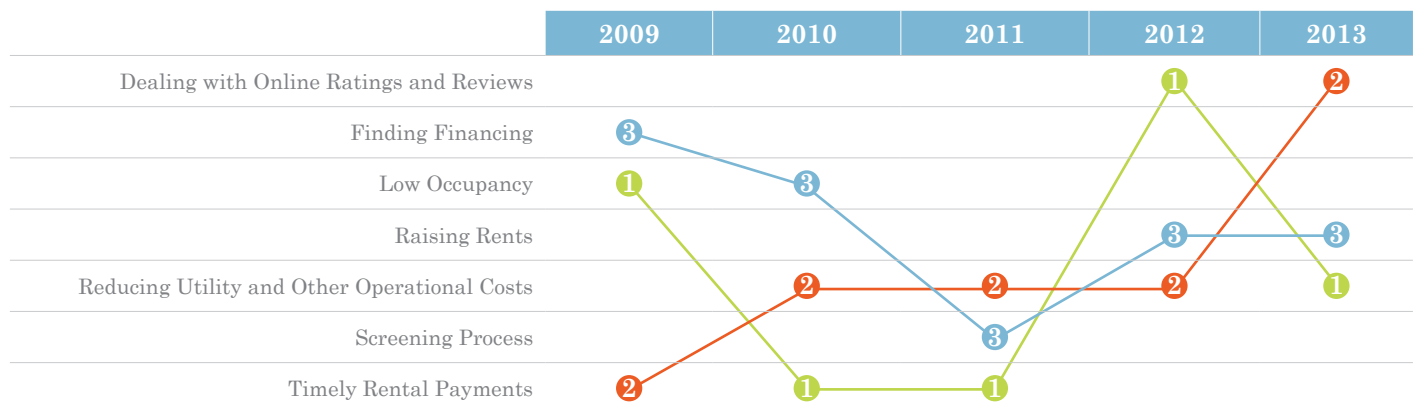
The strength of the market is indicated here with a dramatic increase in the percentage of operators that are not offering concessions. Part of the reason for that is an improved market and an increased use of revenue management systems which eliminate the need for concessions. The use of revenue management systems as a reason for not offering concessions will be tracked henceforth. Respondents indicate that higher concessions amounts are slowly being eliminated.



\* Not in a concessionary market or using a Revenue Management System

### What are the top three most challenging issues facing you today?

Since 2009, leaders have changed their focus on the top challenges facing the industry, with ratings and reviews shooting to the top from out of nowhere in 2012. Another indication that the market has improved is the reduced concern over timely rent payments, which has dropped off the charts in the last two years. Additionally, raising rents has been more of a focus in the last two years than it was during a more sluggish market period. Reducing expenses remains a constant focus, as illustrated by tracking the responses to “Reducing Utility and Other Operational Costs.”



### In your opinion, what is the availability of financing today?

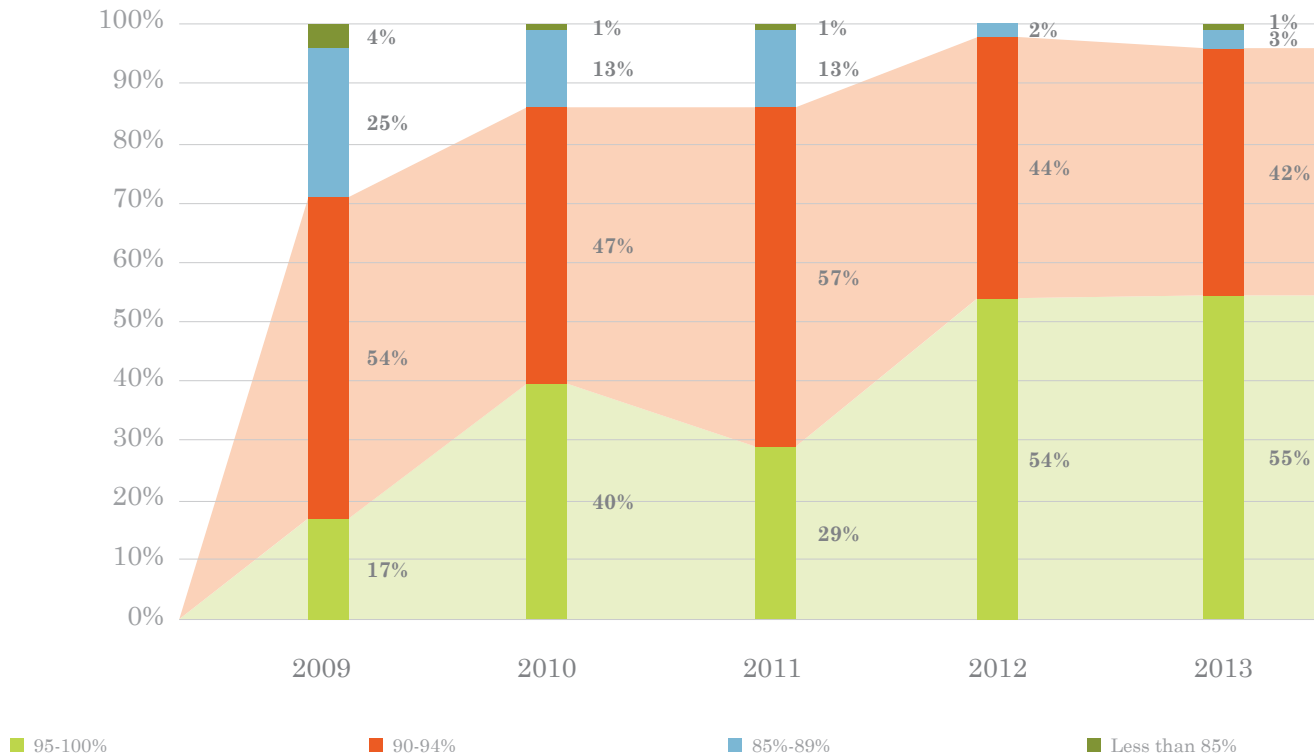
Respondents seem to have a steady and improved view of the availability of funding for projects.



## What is your portfolio's overall occupancy rate?

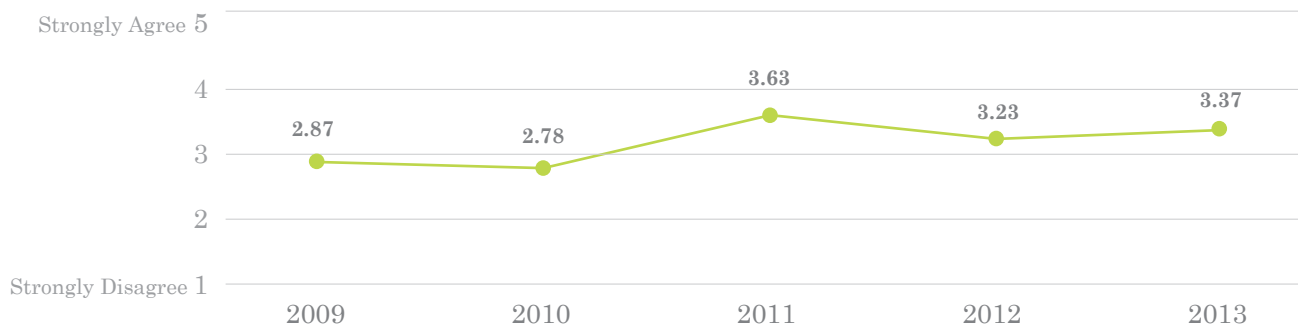
Leaders appear to be experiencing tremendous improvement in occupancy levels in the 95-100% range. This has grown from 17% in 2009 to 55% of respondents in 2013. Occupancy in the 90-94% range has been fairly constant, bouncing between 54% to 42%.

(These figures are representative of the respondents' portfolio and may not represent actual national numbers.)



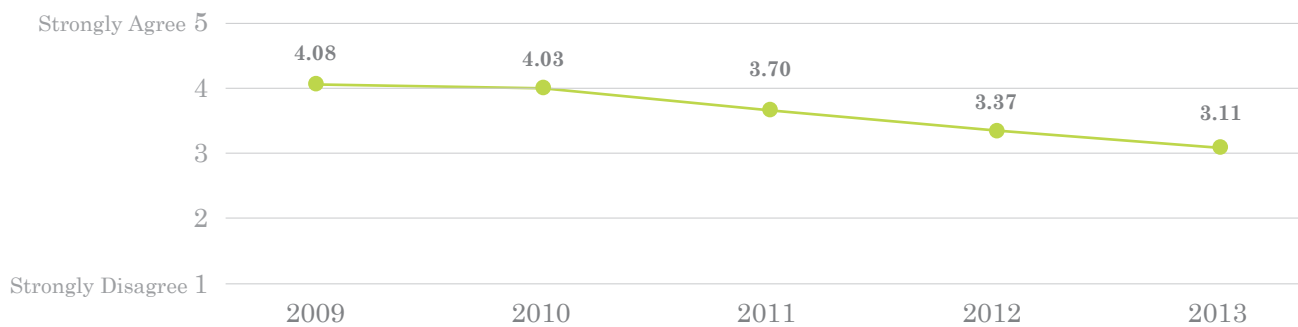
## Generally speaking, I feel optimistic about the national economy over the next 12 months

Although the apartment industry as a whole is experiencing strong growth, there is some hesitation on the part of responding senior executives to be overly enthusiastic about the health of the national economy. Their optimism for rent growth (3.94) is higher than their optimism for the national economy (3.37) in 2013.

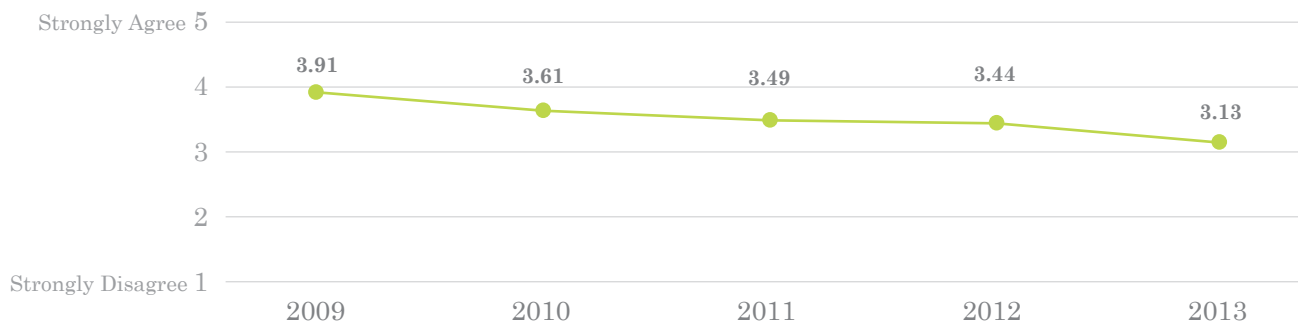


The current state of the economy has had an impact on my plans to develop new apartment assets

While trepidation still exists regarding the national economy, leaders indicated that the lack of strong confidence in the national economy is having a diminutive effect on their plans to develop or purchase new apartment assets.



The current state of the economy has had an impact on my plans to purchase new apartment assets



Besides Rent and Location, please check the top 3 in importance to your prospective residents

In-unit laundry has consistently been rated by respondents as the most important aspect to residents. Leaders indicate that online reputation has gained a lot of attention in 2013.

