

# 2019 Real Estate Industry Report for Residential Property Managers

**@ppfolio**  
PROPERTY MANAGER

JOHN  BURNS  
REAL ESTATE CONSULTING





# AppFolio and John Burns Real Estate Consulting surveyed more than 500 property management professionals.

We collected their top goals and challenges in a variety of areas to bring you data-driven insights on major trends that impact the real estate industry. This report covers:

- Key Growth Inhibitors
- The Need for Strategic Focus
- Adoption of New Technology and Processes
- New Standards in Service
- Emerging Market Trends

## The State of the Real Estate Industry

The purpose of this survey is to get at the heart of what is important to property managers today, what their goals are for the future, and what stands in the way of their success.

### The data collected indicates:



Property managers struggle with personnel and human resources challenges as they strive for growth.



Delivering excellent service is a primary goal of property management professionals.



A lack of modern technology and standardized processes, high employee turnover, and growing competitive pressure hamper the growth of property management businesses.

The overwhelming majority of respondents say they are open to adopting new technology that will allow them to achieve their goals. Read on for detailed results.

# Key Growth Inhibitors

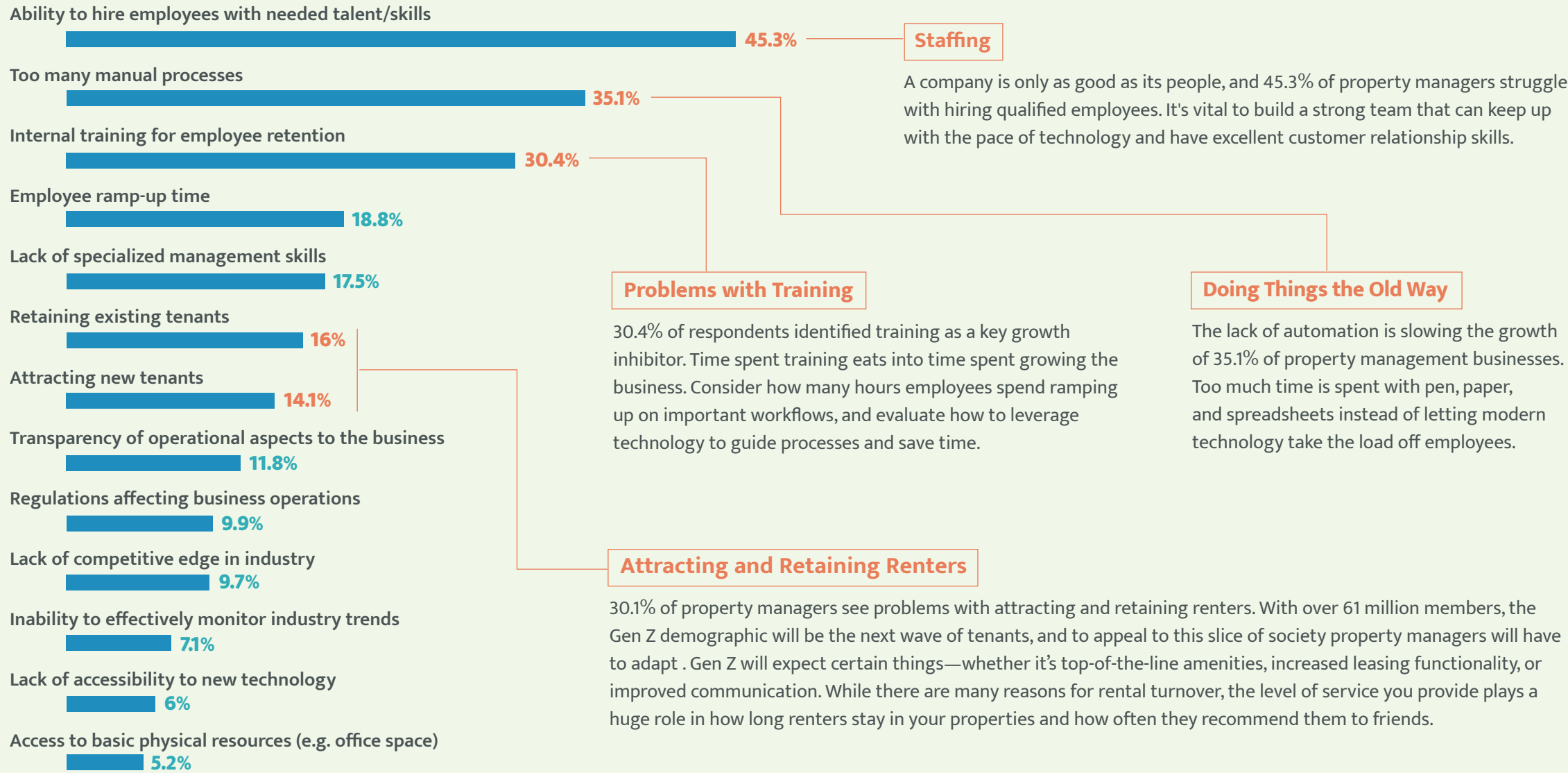


of respondents  
want to add units  
in the coming year.

They identified  
the key factors  
inhibiting their  
growth.

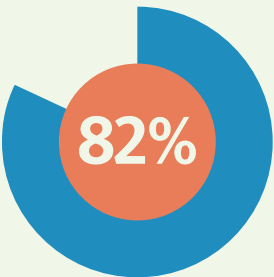


# What factors are inhibiting your company's growth?





# What are the primary challenges you face in regard to managing leads and property inquiries?



of property managers report challenges with managing leads and property inquiries.



## The Desire For Timely Responses

While property managers know it's important to respond quickly to leads, they continue to struggle to do so. Slow response times can create a negative customer experience from the prospective renter's initial interaction with a business. Renters expect instant service and will opt to do business with companies that consistently provide it.

## Training Falls Short

Lack of trained staff has a negative impact on the ability of property managers to qualify leads and prospects. Streamlined training and self-guided resources built into software can fill this gap.

## Serious Inquiries Only

Pre-qualifying leads before reaching out to them is a huge time saver. Unfortunately, this is a challenge for property managers today. One solution is built-in guest cards on your property's website that enable you to automate responses and collect resident data online, making inquiries easy to sort and manage.

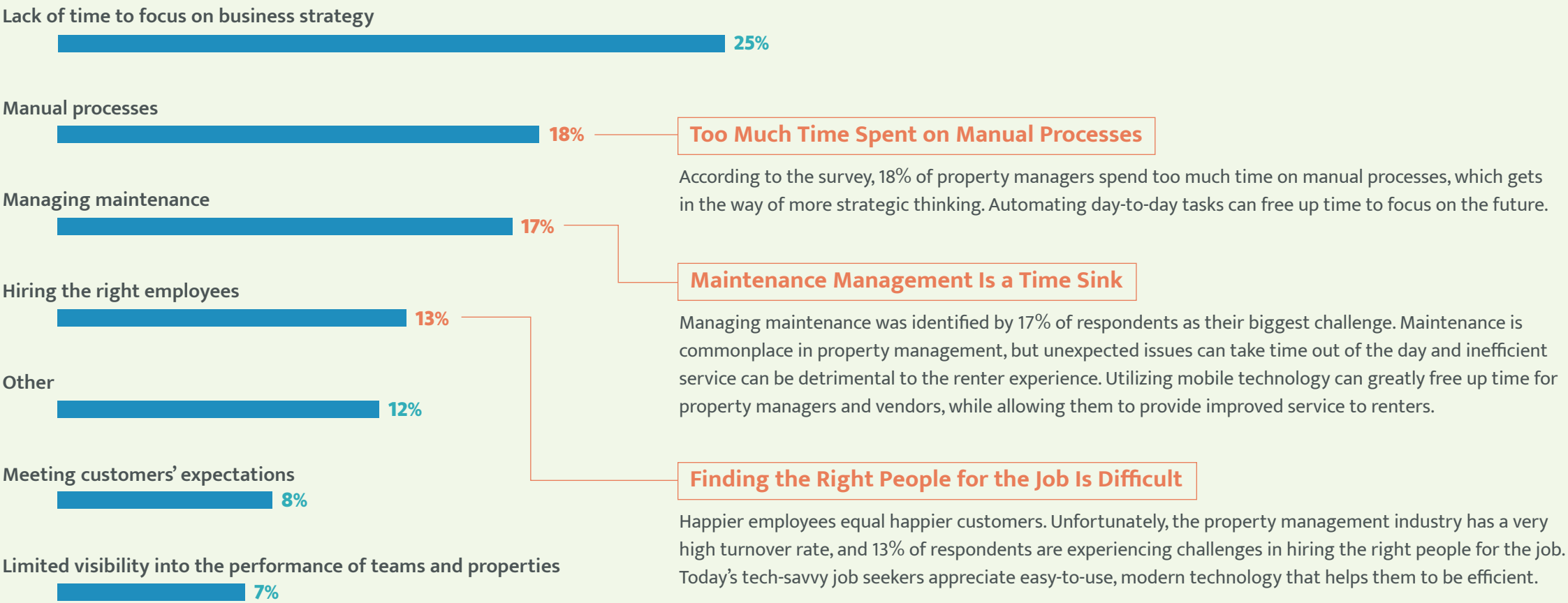
# The Need for Strategic Focus



25%

of property managers identified the lack of time to focus on business strategy as their number one challenge.

# What is the biggest challenge you're currently experiencing?



As competition heats up and it becomes more important than ever to attract and retain loyal customers, focusing on strategy will be necessary for success.



# Adopting New Technology and Standardized Processes

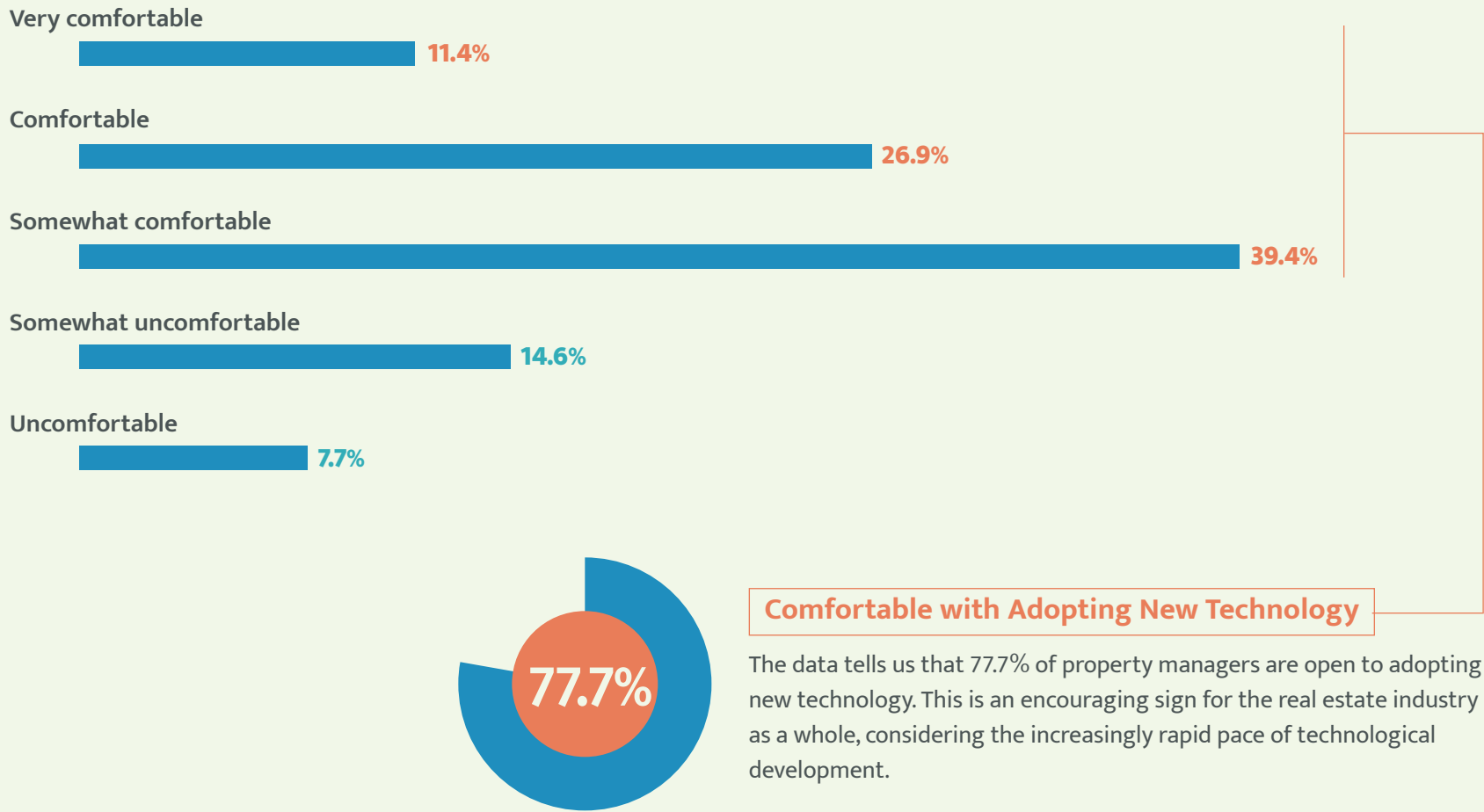


22%

of property managers say their organization is uncomfortable with adopting new technology.

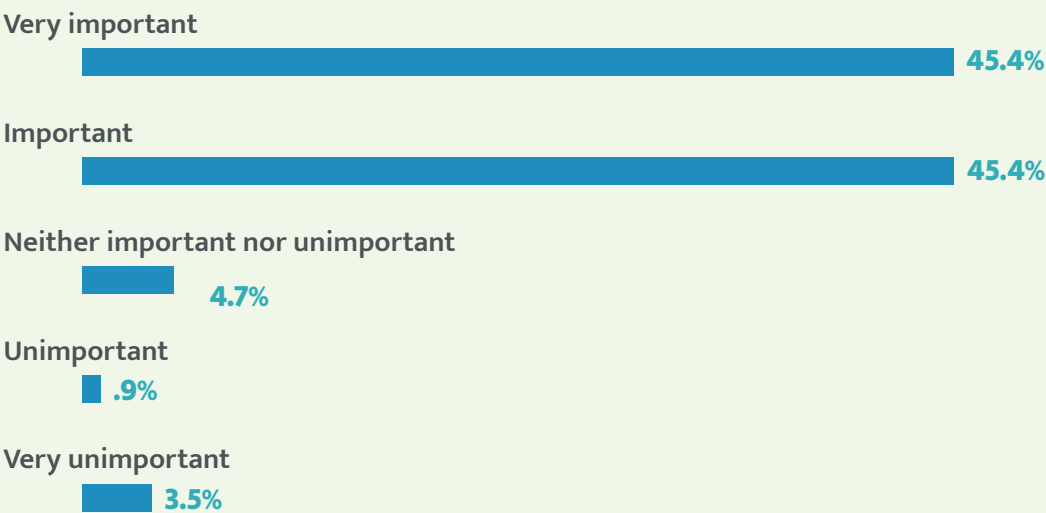
This reluctance will increasingly hamper their growth.

# What is your organization's level of comfort with adopting new technology?

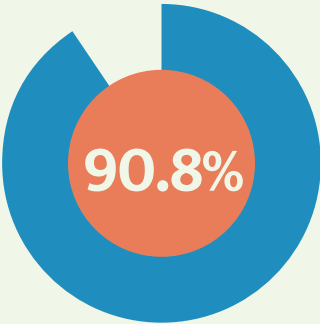
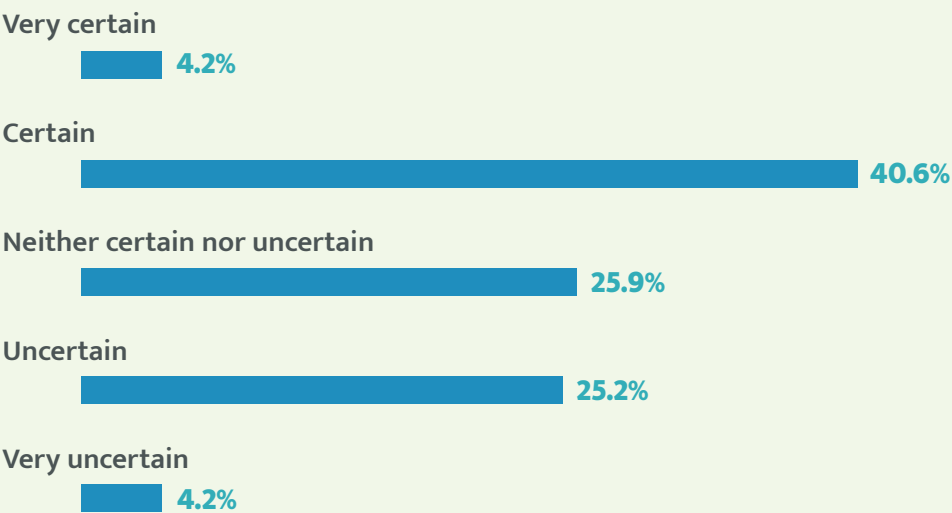




## How important are standardized processes for employees in your organization?

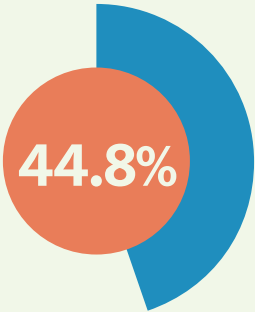


## How certain are you that your employees follow standardized processes efficiently?

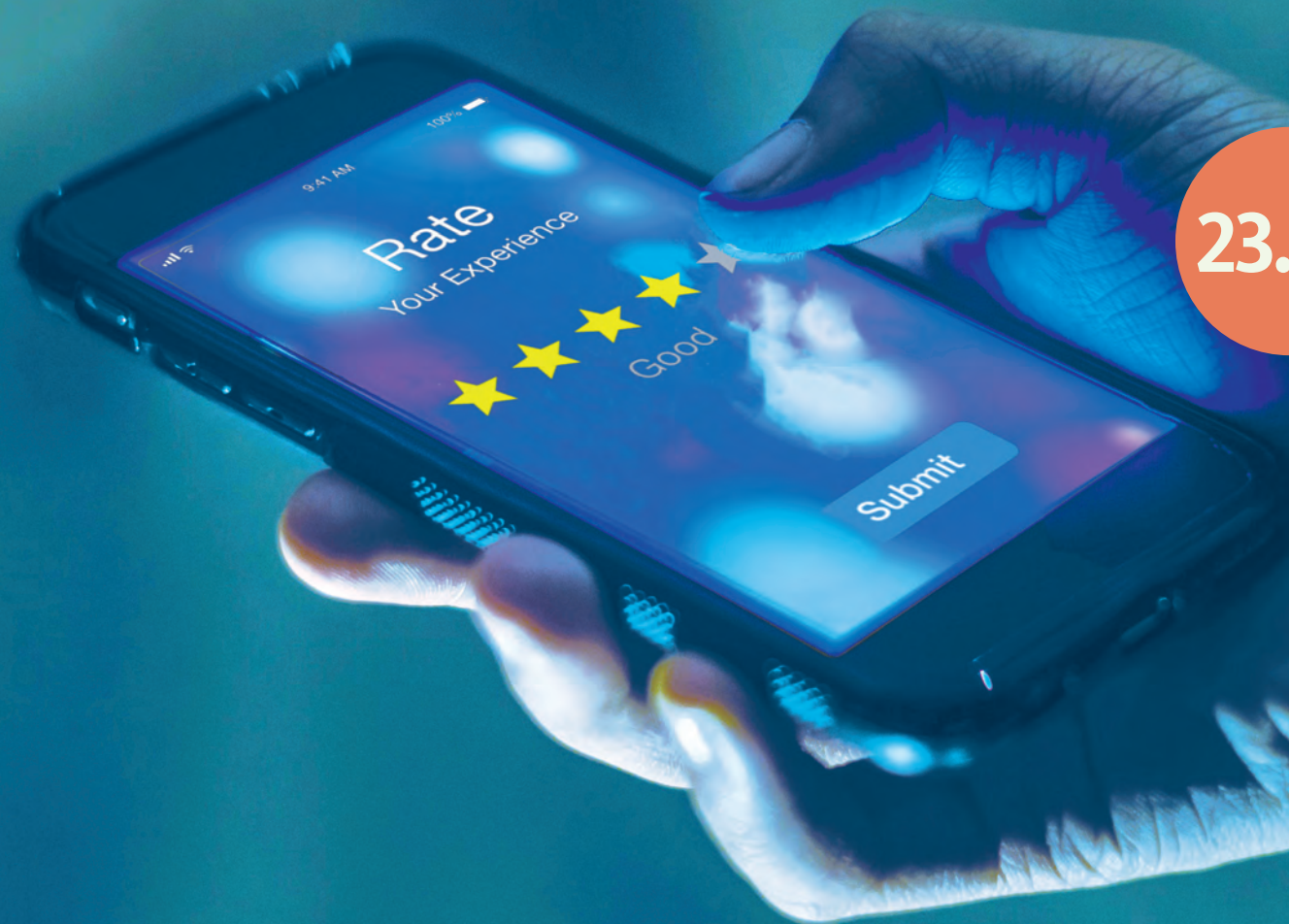


### The Confidence Conundrum

While **90.8%** of respondents say that standardized processes are important, only **44.8%** say they are certain that their employees follow standardized processes efficiently.



# A Stellar Experience is the New Standard for Service

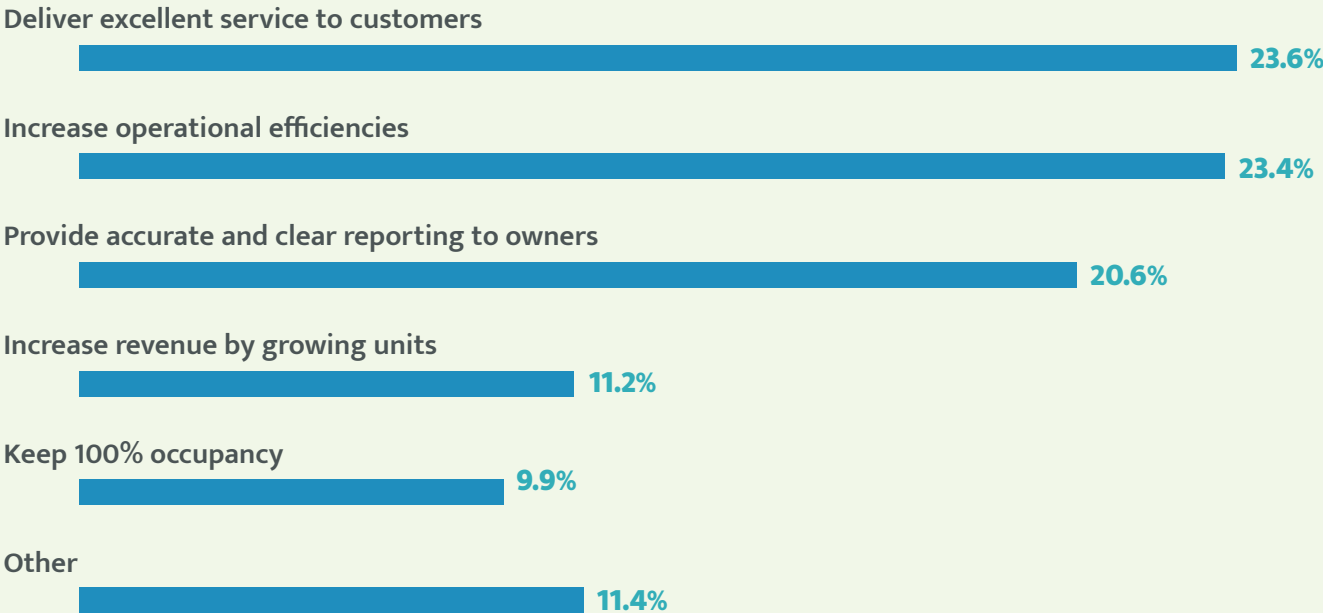


23.6%

of property management professionals say that delivering excellent service is their number one goal.

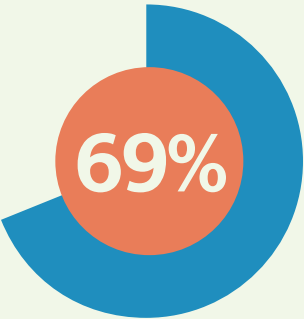


# What is your current top business goal?



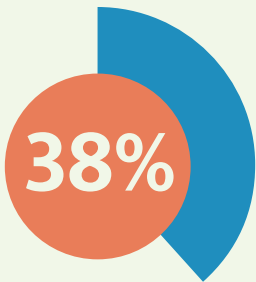
Consumers have high expectations when it comes to service and the quality of interactions. This is particularly evident in the real estate industry, which historically reacts more slowly to market changes than other industries. Property management professionals are starting to recognize the importance of becoming customer experience managers.

In a mobile-first, on-demand economy, businesses need to boost their customer experience strategy to meet the expectations of today’s customer and gain a competitive advantage. A strong company culture will attract not only loyal employees, but owners and renters as well.



**The Gap between "Wanting to" and "Doing"**

69% of property managers believe that establishing a service oriented culture would have a positive impact on their business, but only 38% say they are prepared to do so.



A low-angle, upward-looking shot of a modern, curved high-rise building. The building features multiple floors with balconies that have colorful glass railings in shades of blue, green, yellow, and red. The building's facade is composed of light-colored panels. The sky is a clear, vibrant blue with some light, wispy clouds. The overall composition is dynamic and modern.

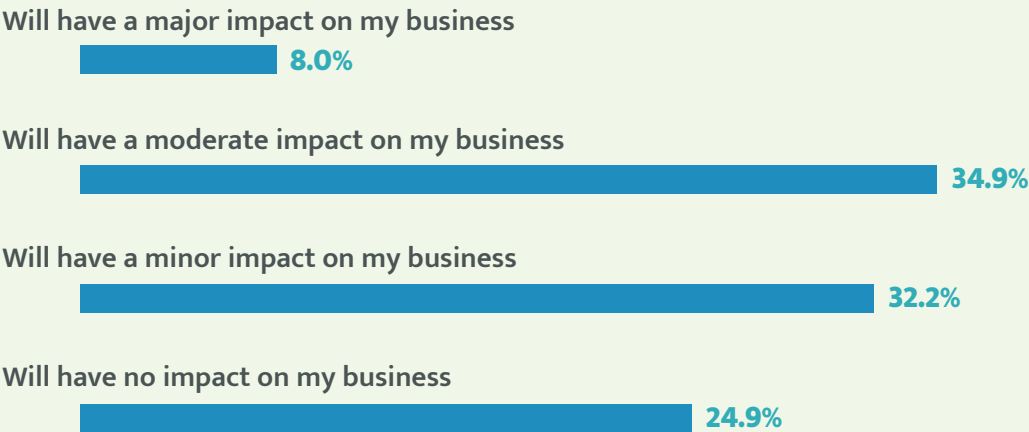
# Emerging Market Trends

How deeply will current trends impact the real estate industry...and how ready are property managers to deal with them?

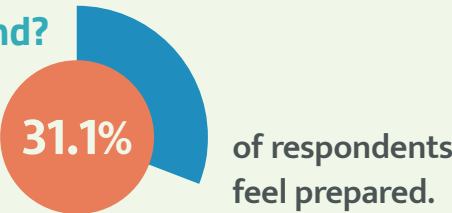


## The Trend toward Industry Consolidation

More property management firms are acquiring one another, resulting in fewer and larger companies.

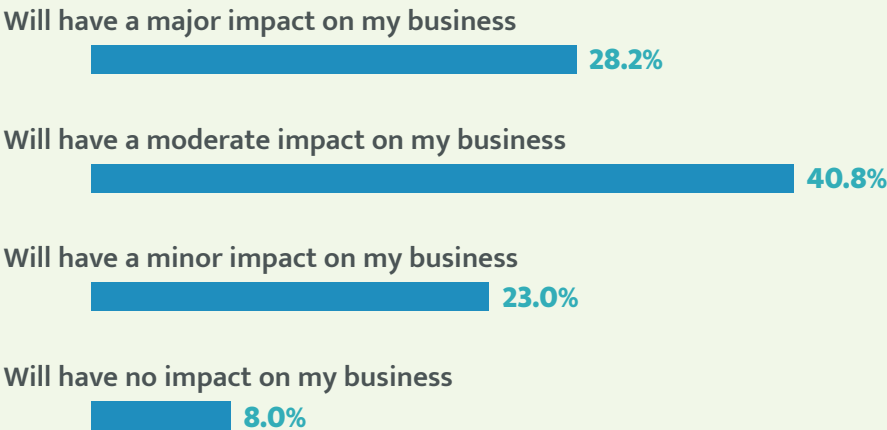


How prepared are you to deal with this trend?

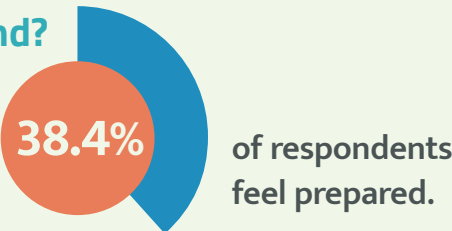


## The Trend toward Establishing a Service-Oriented Company Culture

There is a move toward creating a company culture based on excellence in tenant/resident service.

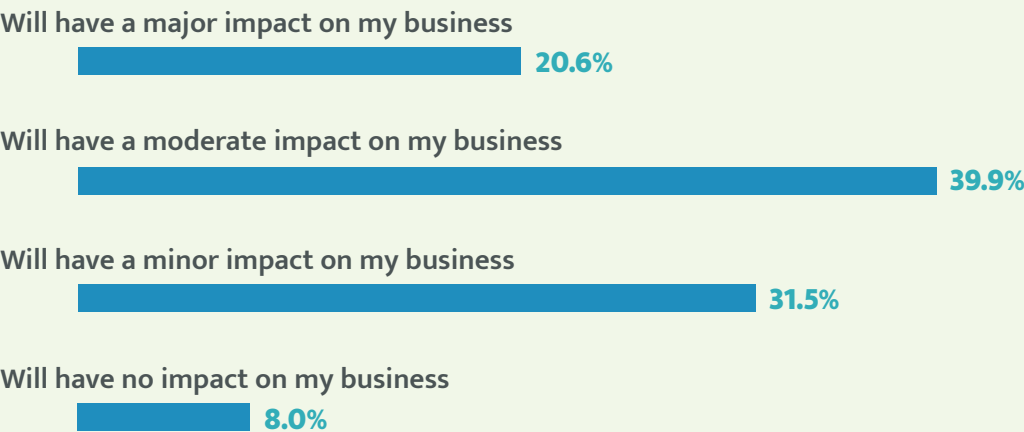


How prepared are you to deal with this trend?

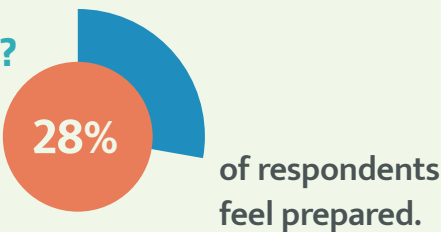


## The Trend toward Utilizing Advanced Analytical Tools

Extremely sophisticated tools are now available for developing business intelligence and visualization.

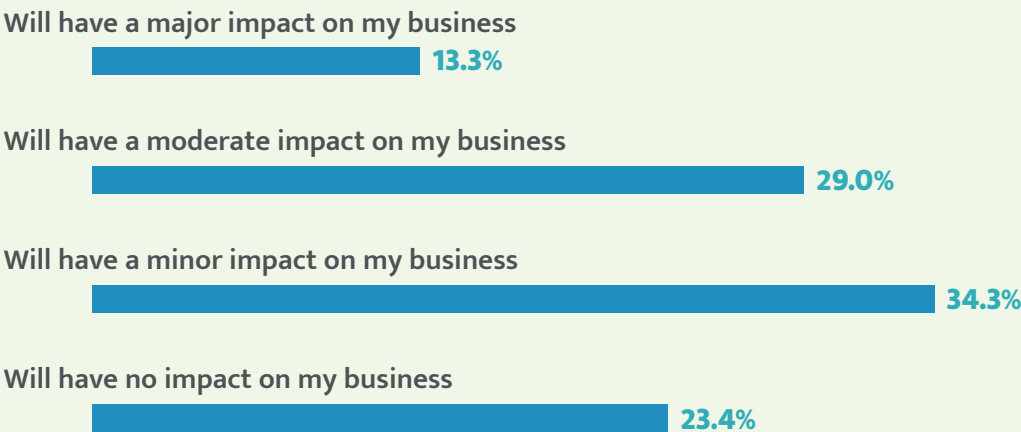


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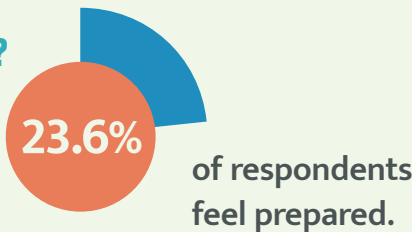


## The Trend toward Competition from Big Investment Firms

Large firms that do their own rehab and maintenance are becoming more of a presence in the market.



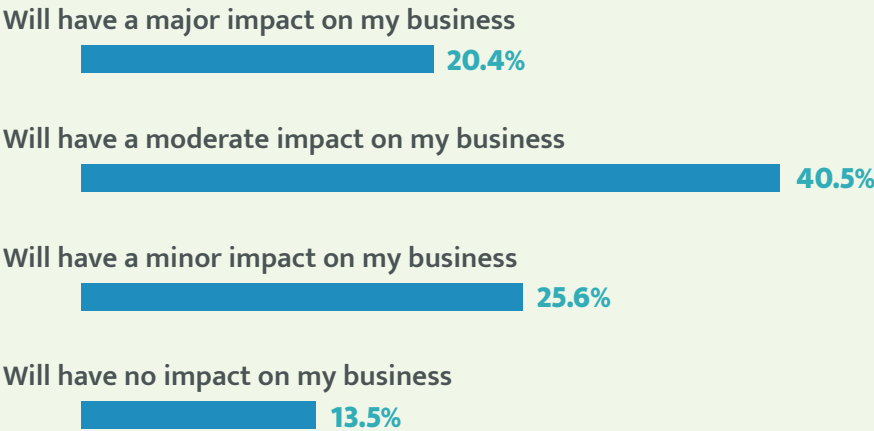
How prepared are you to deal with this trend?



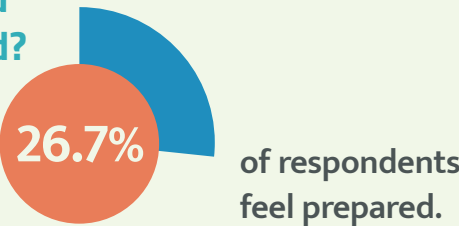


## The Trend toward New Approaches in Tenant Acquisition

Practices such as 24/7 access to property viewing are increasingly common.

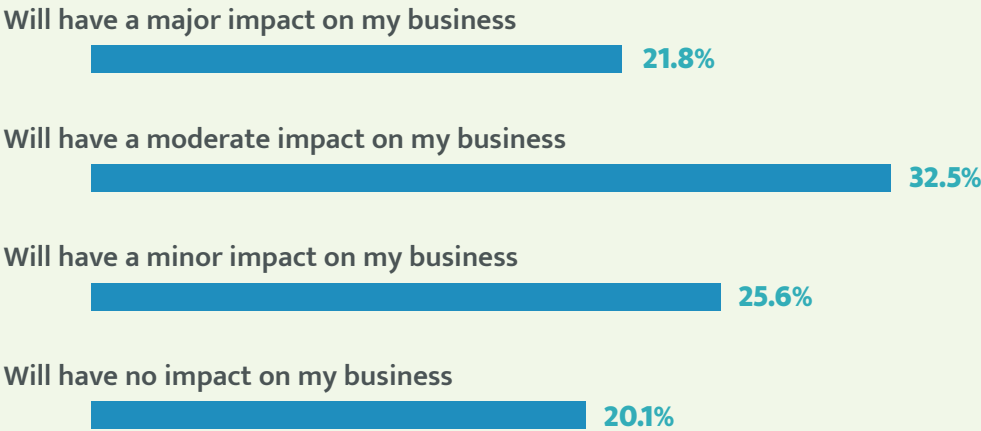


How prepared are you to deal with this trend?

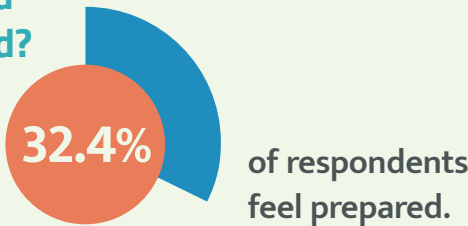


## The Trend toward Shrinking Inventory

A current inventory of for-rent product is undergoing a steady reduction.

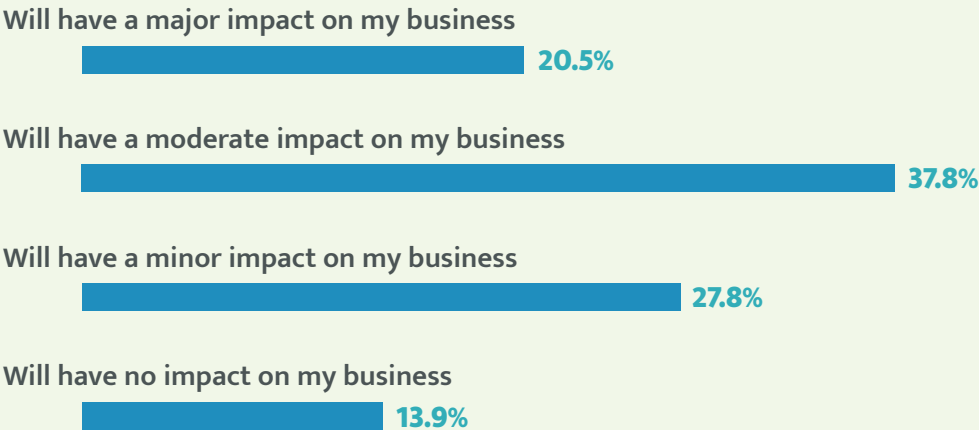


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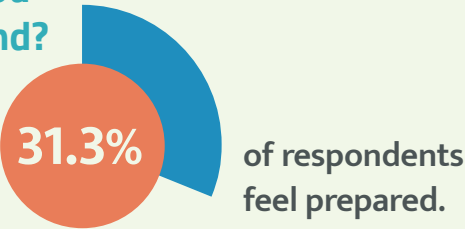


## The Trend toward Adding Construction, Rehab, and Maintenance Services

The addition of services beyond management as a means to grow revenue with fewer doors.

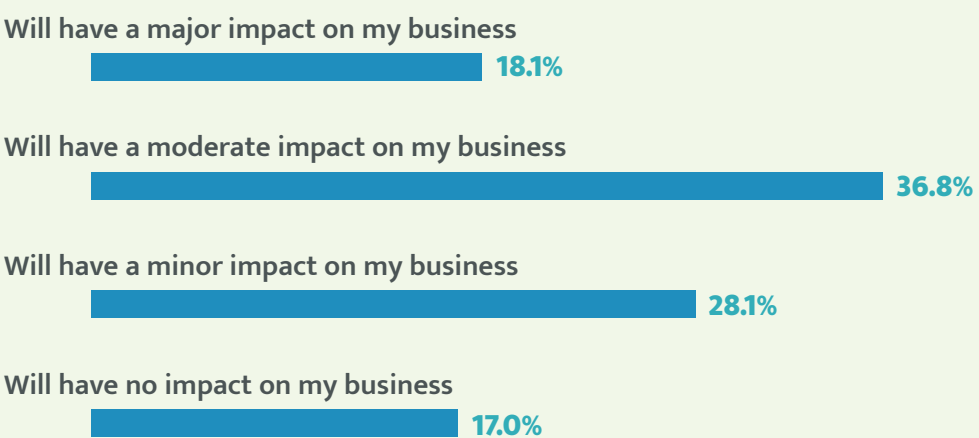


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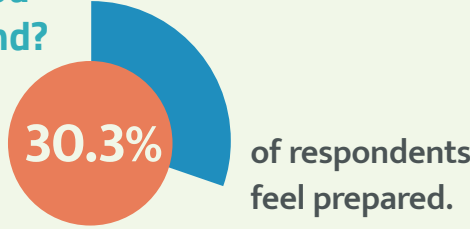


## The Trend toward Investors Having Increased Expectations

As technology improves, investors are expecting performance and financial information to be available online.



How prepared are you to deal with this trend?







# 2019 Real Estate Industry Report for Residential Property Managers

## Methodology

More than 500 property management professionals were surveyed for this report. They work in many different roles, including but not limited to, president, CFO, property manager, accountant, regional manager, and leasing agent. Their organizations manage a variety of property types ranging from multi-family and single-family to senior and student housing, and almost 83% of them manage portfolios of between 500 and 3,000 units.



AppFolio provides a completely mobile, all-in-one property management software solution that allows residential, commercial, student housing, and community association property managers to more effectively manage and grow their business.

**[appfolio.com](https://appfolio.com)**



John Burns Real Estate Consulting, LLC provides independent research and consulting services related to the US housing industry.

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