MHN Special Report

Resident Retention: Strategies for Success

By Michele Lerner

Renters, like homeowners, tend to stay longer in their homes than they did in the past. Approximately one-third of renters lease the same home for at least five years, according to Redfin research. That study also found that the relatively flat rents of recent years are one reason renters stay longer in the same place. Yet despite this encouraging trend, resident retention should remain a top priority for property owners, operators and managers.

Besides the role in maintaining healthy net operating income, the benefits of retaining residents include lower expenditures for recruiting new residents and property repairs. After a resident moves out, maintenance, incentives and lost rental revenue quickly add up to an average of $4,000 per unit, reported Tiana Heath, senior manager of industry relations for the National Apartment Association.

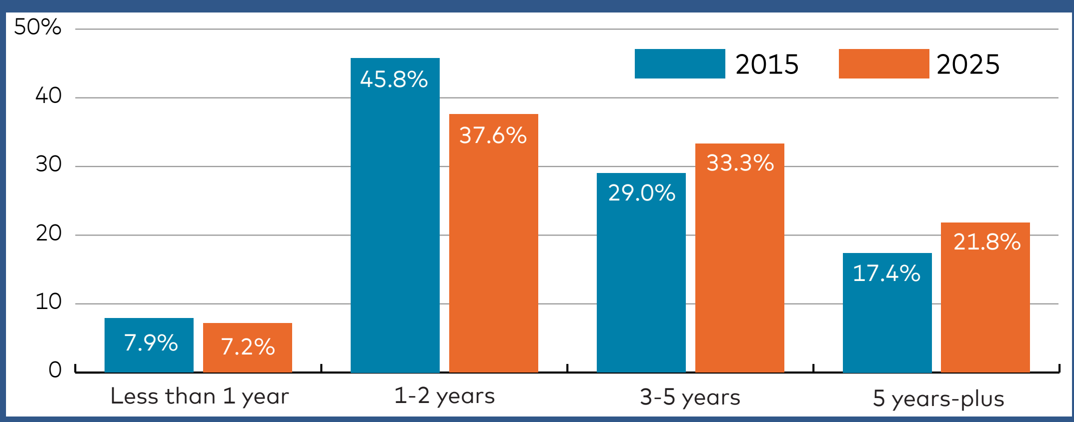
Investors can get a higher lifetime value per tenant when they maximize the time that residents stay, according to Arbor Realty Trust research.

"Focusing on renewals allows a property to have fewer vacancies, which results in more stable, predictable revenue," noted Nicole Patterson, vice president at J Turner Research. The firm's surveys show a high correlation between renewals and referrals. A renewing resident is more likely to refer another prospect, which benefits the community's lead generation and online reputation.

Research from RentCafe found that 63 percent of renters chose to renew their lease in 2025, almost identical to the 62 percent who renewed during the previous year. The study showed that the average renter stays 28 months in their apartment,

Today's residents expect to keep renting longer

How long do you plan to remain an apartment renter?



Source: SatisFacts, Biennial Online Rental Study, 2025 and renters who sign a lease for more than 12 months are more likely to renew.

"Historically, lease renewal rates run about 50 percent," said Sam Tenenbaum, senior economist for investor insights at Cushman & Wakefield. "Our research shows that has crept up to about 56 percent, which may not sound meaningfully different but is important in terms of operation, NOI and asset values."

The uptick in renewal rates can help apartment owners grow NOI in a high-supply market because they can avoid making concessions to compete with other properties. Demographic drivers influence higher resident retention rates. As Tenenbaum observed, "Millennials are still disproportionately locked out of homeownership because of affordability issues, but they also have less desire to move as they get older and establish community ties where they rent." Similarly, older renters who have sold a home and downsized often don't want to move again.

> Renewal and retention start at move-in. You can't just reach out 90 days before their renewal.
>
> —Tiana Heath, senior manager of industry relations, National Apartment Association.

"To keep residents from handing in their keys, multifamily owners must recognize that retention is not just a financial performance issue," said Katie Jeffirs, senior survey team manager at Grace Hill. "It is a resident experience issue." While headlines often attribute turnover to pricing pressure, the firm's recent research points to a more controllable reality, Jeffirs noted: "Operational execution plays a decisive role in whether residents stay or go."

Community areas at The Huntley, a luxury high-rise apartment in Atlanta. The property offers 24-hour concierge and doorman services, along with plenty of spaces for working and socializing. Professional, attentive care by staff with good communication skills can make the difference in encouraging residents to renew their leases. *Photo courtesy of Cushman & Wakefield and Stonehawk Capital Partners*

8 Strategies for Resident Retention

Multifamily owners, operators and managers that carry out these eight strategies are likely to benefit from higher rates of resident retention. Some are familiar best practices, some require capital investment, but all have new twists—and experts stress the value of pursuing each of these principles.

1 Provide security and safety

Making your residents feel safe and secure is essential, but property managers must be sensitive in their messaging.

"Safety and security are like kryptonite, because if you speak about the efforts you're making and something falls apart, you can be liable," cautioned James Watters, director of business operations at SatisFacts. Moreover, resident communication and review reveal how residents feel about a community.

"Clearly, you want to stay on top of projects that make prospects feel they're moving to a safe location, too," he observed. Such practices as providing keyless entry, fixing broken locks, making sure gates aren't left open, and maintaining good lighting all add up to a safer environment. "Lots of these things are easy to fix and not costly," Watters said. By contrast, he noted, introducing 24-hour onsite security is likely to be a heavier lift.

2 Streamline payment options and other services

Residents expect time-saving services on multiple fronts. They're accustomed to convenient, quick online payments. Providing their preferred options sends the message that ownership is putting them first. It's a competitive advantage to offer up-to-date options for paying rent, renter's insurance and other ancillary services, and then tracking these payments.

The SatisFacts Online Renter Study Report 2025 lists residents' five favorite tech amenities and services as making rent payments, renewing leases, signing leases electronically, getting package delivery alerts and submitting service requests online. Streamlining tools with demonstrated appeal include an app and website that can handle such functions as renewals, maintenance requests and amenity space reservations. Such tools should also enable prospects to sign up for a tour, access an application and contact the management office.

Although technology is an integral part of the resident satisfaction toolbox, Watters urges practitioners not to underestimate time-honored

Which technology features would you find useful (2025)?

Online rent payments	85%
Online lease renewal	78%
Electronic lease signing	78%
Package delivery notifications and lockers	70%
The ability to submit a service request online	69%
Online rental applications and apartment reservations	67%
Keyless entry and smart access control	60%
Flexible rent payment options and rewards	58%
Smart home controls in units	52%
Real-time community announcements	51%
The ability to submit a service request via text	48%
Digital communication with management	48%
An online calendar of community social events and activities	45%
Reserve community amenities	41%
Resident community forum	36%
Resident marketplace (classifieds)	31%
Easy event RSVPs	29%
Virtual concierge services	24%
24/7 AI-powered chat support	16%

Source: SatisFacts, Biennial Online Renter Study, 2025

practices. "Everybody's talking about AI-everything, but customers don't care about that on a day-to-day level," he contends. "What they want is for everyone to get back to basics. Property managers need to service customers directly and find the most useful basic tech tools." Residents like transactional tools, but digital communication with management is often a low priority. Residents "don't always want a virtual concierge," Watters said. "They want to talk to someone in the office."

Package management is a pain point for many multifamily owners and operators as well as their residents. More than 50 percent of residents say they are willing to pay for secure package solutions such as smart lockers, a secure package room, refrigerated lockers or in-unit delivery, according to research by J Turner.

3 Communicate with residents

"Renewal and retention start at move-in," Heath said. "You can't just reach out 90 days before their renewal. You need to be addressing resident needs and communication throughout their stay."

Residents who feel cared for by professional staff, and whose concerns are heard, are more likely to stay longer. NAA suggests personalized communication, such as sending a birthday greeting or anniversary message, or remembering pets' names. Such small gestures go a long way toward making residents feel valued.

Surveys and feedback requests provide information to management and ensure expectations are met. That's another reason to offer an app

For owners focused on protecting occupancy, controlling turnover costs, and preserving asset performance, the most effective strategy is not always adding more. It is eliminating friction. Maintaining clean, functional shared spaces and ensuring consistent day-to-day service delivery offer a greater opportunity to improve retention than many high-visibility investments.

—Katie Jeffirs
Senior Survey Team Manager,
Grace Hill

for such functions as submitting service requests, reserving amenity spaces and asking questions. Frequent, transparent communication about service updates, maintenance and activities is essential.

J Turner's research found that management should send renewal requests much earlier than the industry standard of 90 to 120 days in advance. More than 21 percent of renters start looking at least six months before lease expiration, "so if you're waiting until the 90-day pre-renewal mark, you're missing out on a lot of potential renewals," Patterson said.

The tenet that "you only get one chance to make a first impression" holds for the impact of first impressions on renewals. "Things that are lacking at move-in sour resident experiences and make them less likely to renew their lease when the time comes," Watters said.

Two basic and controllable issues that turn into big sticking points down the road: not getting keys on time and appliances that don't work properly. Management failure to secure these vital details has potential for major consequences. When SatisFacts reaches out to residents 120 days prior to lease expiration to ask how likely they are to renew, the percentage who say they are not likely to stay is greater for those who had issues at move-in, such as a lack of keys or working appliances.

Tracking satisfaction with digital monitoring and engagement is essential to higher renewal rates. Open channels of communication are especially important when it comes to maintenance. As Heath put it: "It's great to communicate about what's going well, but you need to let people know if one of the three elevators will be down and give them an idea of why and how long it will take to fix."

Once residents file a maintenance request, continued follow-up is essential. Did a part need to be ordered? Tell your residents, rather than allowing them to return home at the end of the day to discover that nothing got fixed, Watters advised.

4 Build connections among residents

For years, surveys have shown that the No. 1 factor in resident satisfaction is a sense of community. Residents are more likely to stay longer somewhere that feels like home. And that community feeling comes partly from a long run of seeing the same neighbors, rather than watching them leave after six months or a year.

"When you know your neighbors, you build connections with them," Watters said. "That's important to renters, who want to take pride in their community and feel like it's a place where they can bring their family and friends." Those residents are more likely to post positive reviews and invite others to live in the community. Creating an app or website where residents can communicate directly with each other can be helpful, along with hosting events or community-building activities such as volunteering.

While organized events help create that sense of connection, they're not necessary in a community where residents stay for longer periods, Watters said. Dedicating space to resident connection goes a long

> "Communities helped families figure out how to handle childcare during the pandemic, so they can work on that for families today. They can make sure there's space, soundproofing and high-speed internet to accommodate working from home. Those kinds of amenities and services can create loyalty among residents."
>
> —James Watters
> Director of Business Operations, SatisFacts

way. If there's outdoor space on the premises, you can create a garden where neighbors can interact. Indoors, a lounge with free coffee and some seats helps people meet each other.

"Create that third space that a lot of people are missing," Heath suggests. "Residents want to feel a sense of community where they live, not just at their local coffee shop."

5 Invest in property improvements and maintenance

While multifamily owners often focus on amenities to attract residents, service is comparably important for retaining them. Preventive maintenance saves money and wards off resident dissatisfaction. J. Turner survey respondents named inadequate maintenance, safety concerns, substandard property upkeep and poor management communication as top reasons for not renewing, along with high rental rates (See "The Rise of the Deliberate Renter").

"In reality, the 'invisible' aspects of community life—including maintenance quality, cleanliness of common areas, noise and parking—have a disproportionate impact on renewal decisions," Jeffirs said. In Grace Hill surveys, maintenance and cleanliness are cited as key problems by more than one-fifth of residents, and neglecting them is highly damaging. Those issues are also associated with intent-to-renew scores that are at least 10 percent below the industry average.

Even though overall resident satisfaction is at a five-year high, a critical gap persists. The share of residents reporting service request responses within 24 hours is 41 percent higher among residents who are likely to renew, according to Grace Hill data. That highlights how communication and response time delays increase turnover risk.

Renters' 5 favorite smart home features

Feature	Average Rank
High Speed Wi-Fi	4
Smart Locks / Keyless Entry	5.14
Smart Thermostat	5.91
Built-in USB-C Ports	6.06
Water Leak Sensors	6.19

Features are ranked on a scale of 1 to 10. Source: J Turner Research, The Next Gen Renter: 2025 & Beyond

6 Match amenities to resident priorities

Amenities still matter, but it's important to match them to resident priorities.

Operators that consistently provide and maintain in-trend amenities that fit their price point and market are more likely to have higher retention rates, and that often calls for investing in improvements to stay competitive.

"You need to know who you're marketing to, because sometimes you want study space for students, or a play area or onsite childcare for families," Heath said. "Often just a well-lit communal space works as a third space."

Amenities at The Grayson on 4th in Fort Worth include lounge areas, outdoor cooking and entertaining areas, and a dog park, all of which support a sense of community and connections among neighbors that can encourage long-term residency. *Photo courtesy of Cushman & Wakefield and Stonehawk Capital Partners*

Some recent additions to the resident wish list that may boost retention rates: onsite EV chargers and designated flexible spaces for working at home and coworking, according to a 2024 NAA amenity report. Another new favorite is a podcasting station, which is relatively easy to adapt from a small workstation, Heath noted.

In conducting research for a 2025 report, "The Ongoing Evolution of Amenity Spaces," NAA found that technology plays a key role in matching amenities to what residents want. Upgrades are obviously valuable in communal workspaces, but they're also important for package delivery management, fitness centers and communal spaces. In addition, the report stated, residents expect fitness center equipment to be upgraded and communal spaces to be flexible. One new twist is a preference for smaller spaces suitable for a variety of uses, rather than a single large room.

Other factors that should influence renovation decisions include the share of renters who work at home at least one day per week—35 percent, according to J Turner research. For those residents, high-speed Internet and improved soundproofing are no luxury amenities but essential features for both units and shared workstations.

When looking for a new apartment or a remodeled unit, renters are most likely to focus on upgraded bathrooms and flooring. J Turner found that 54 percent are willing to pay an average of $291 a month more for an upgraded bathroom and a $227 premium per month for hardwood-style flooring. Other amenities that deliver a lower monthly rent bump, but keep a property from looking dated, include in-unit laundry, private garages and gated parking.

7 Reduce staff turnover

Research by J Turner illustrates that creating a sense of community requires an environment that's not only clean and safe but friendly. Positive interaction with staff is a key factor in satisfaction.

"People lease from someone they like and feel comfortable with," Heath said. "Staff that stay build relationships with residents, plus they have historical knowledge built over the years about the apartments and community. They know how to get things fixed fast, and where the postman puts oddly shaped packages." Hiring and training team members who stay for the long term maintains continuity of service, which in turn adds an incentive for residents to stay.

A serious hurdle often stands in the way of that goal, however. According to a 2023 NAA survey, 52 percent of property management professionals say their greatest challenge is training new employees quickly. And adding staff is expensive —$5,000 per new hire, Grace Hill estimates.

8 Offer rewards and incentives

The NAA suggests that flexible renewal terms such as 18, 20 or 24 months, a rent discount, or an apartment upgrade can encourage a resident to renew their lease. Property managers can increase lease renewals by providing early notice of lease expiration dates. In addition, offering rewards points or thank-you gifts for renewals and other actions encourages residents to stay.

For example, RentCafe's Rewards app can be used to lease an apartment, pay rent and communicate with property managers. Renters can earn rewards points for utility and renter's insurance payments that can be used for travel, restaurants and merchandise. In addition, the app provides rent payment information to credit bureaus to help residents build their credit history.

Incentives can include financial reporting of on-time rent payments for residents looking to build their credit, Heath said. A 2024 NAA research report found that residents appreciate a "shared deposit" model for approved residents that allows them to pay a small, nonrefundable fee rather than a deposit several times as large. "The fee safeguards the community, but people have the peace of mind that they won't need to pay more," Heath noted.

Another incentive that residents appreciate is the option of paying rent in two installments. Not only is it financially easier for the renter but it provides a competitive edge; a resident may not want to gamble that a competing property will offer the same flexibility or level of customer service, Heath noted.

Rewards programs can work best for student housing and when the economic environment is tough, rather than for luxury buildings, Watters said. However, property managers must be careful. "Operators can get in deep trouble if there's any sense that (rewards are) being used as an incentive for positive reviews," he warned. "The bigger benefit of these programs is that people are so busy, and they have zero attention span. A little nudge to pay their rent with an incentive can help."

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