

2023 Multifamily Living Trends Report:

A study on what multifamily renters desire, expect and will pay more for in their residences

Allegion's research pulled back the curtain in the multifamily market to understand the trends and preferences among today's multifamily dwellers. With the influx of Proptech and emerging living behaviors following COVID-19, multifamily is changing. This study explores the evolution of multifamily living trends over the last four years.

- Multifamily renters are using Proptech in more ways than they did in 2019, pre-COVID.
- Trends in multifamily living range from increased adoption of mobile access control and flexible spaces to location safety and adequate amenities.
- Electronic access control and smart home adoption is on the rise in multifamily residences.



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Introduction

Is your property appealing to the renters of today? Allegion's 2023 Multifamily Living Trends Report: A Study on What Multifamily Renters Desire, Expect and Will Pay More For in Their Residences pulled back the curtain in the multifamily market to understand the living trends and behaviors of today's residents.

When we initiated this research, our objective was to uncover what renters want out of their residence, what attracts and keeps them, what they'll pay more for and how they're using a variety of amenities and spaces. We conducted similar research in 2019, which will be referenced throughout the report as a comparison.

Between COVID-19 and the influx in Proptech in the industry, much has changed over the last four years. Multifamily living has evolved in several ways to meet the lifestyle demands and expectations of today's renters – and the adoption of Proptech, which we will explore later in this report. We were curious to see how the COVID-19 pandemic impacted resident behavior and preferences, and what we learned goes far beyond self-guided tours and remote-work-friendly spaces.

Of course, smart home technology has been increasingly popular in both single family and multifamily residences, and chapter 1 explores this in greater detail. We also found that mobile access control is on the rise, despite a fraction of the renter population having concerns over hackability and a general distrust. Electronic access adoption was on the rise before 2020, so this report takes a closer look at those trends, comparing usage today to four years ago.

Another changing trend in recent years is how renters are using spaces. With the rise in individuals working from home, the types of spaces and amenities that they're considering as dealbreakers have changed. Things like reliable Wi-Fi, quiet environment and flexible use spaces are now on renters' wishlists.

At the core of any residence is safety. Feeling safe in the place one lives is second on Maslow's Hierarchy of Needs. Understanding where residents feel unsafe, the methods they prefer to gain access to their unit and what they're willing to pay more for can help property owners and operators ensure they're meeting their residents' most basic needs.

Just as Proptech is changing the way renters interact in and with their properties, it's also impacting leasing and communication preferences amongst renters. Resident portal apps and self-guided tours rise to the top of desired interactions, which is unpacked more in chapter 5.

The following chapters highlight the key findings from our research. We hope this information helps property owners and operators better understand what their residents are looking for in their current and future places of residence.

Study Overview

To identify the desires of those living in multifamily residences, an online survey was launched between April 28th, 2023, and May 22nd, 2023. A total of 1,009 respondents completed the survey and all respondents:

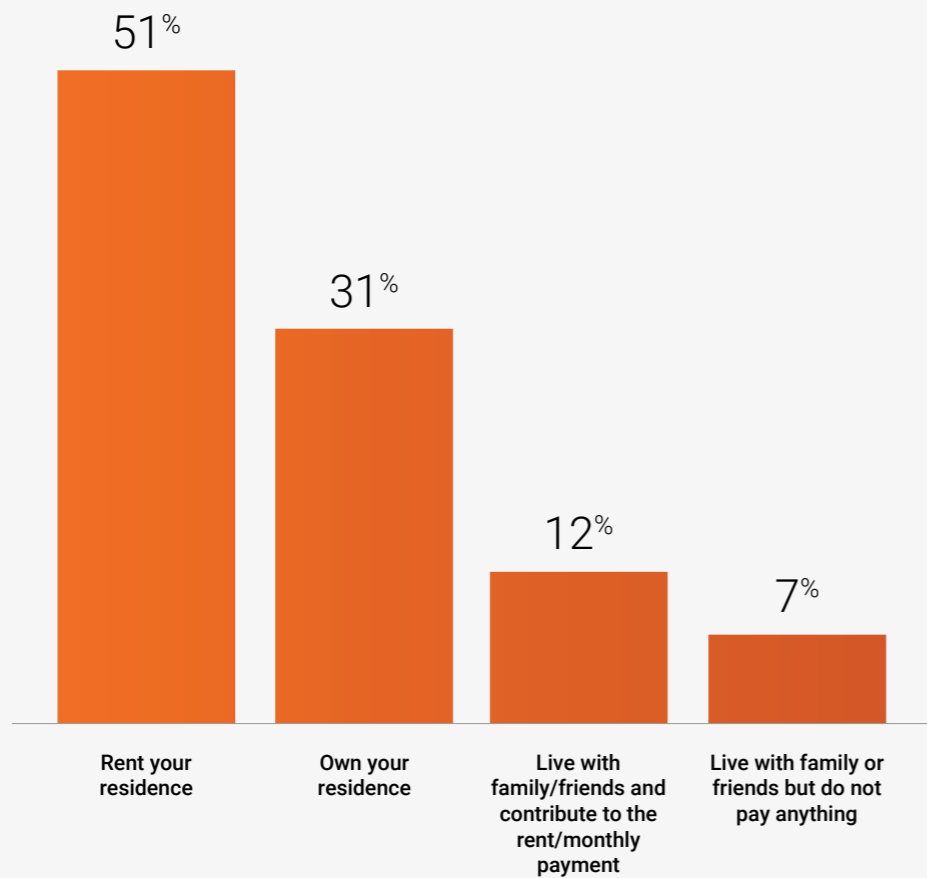
- are between the ages of 22 and 39
- currently rent or own a multifamily residence or plan to in the next 2 years
- plan to move in the next 2 years
- do not work in security manufacturing, security, market research, access control, or multifamily real estate

Throughout the report, references are made to the 2019 Multifamily Study: a similar survey conducted before the COVID-19 pandemic in which 1,002 respondents between the ages of 23 and 39 were asked about multifamily housing considerations. Additionally, three age groups are often compared to better understand their wants and needs:

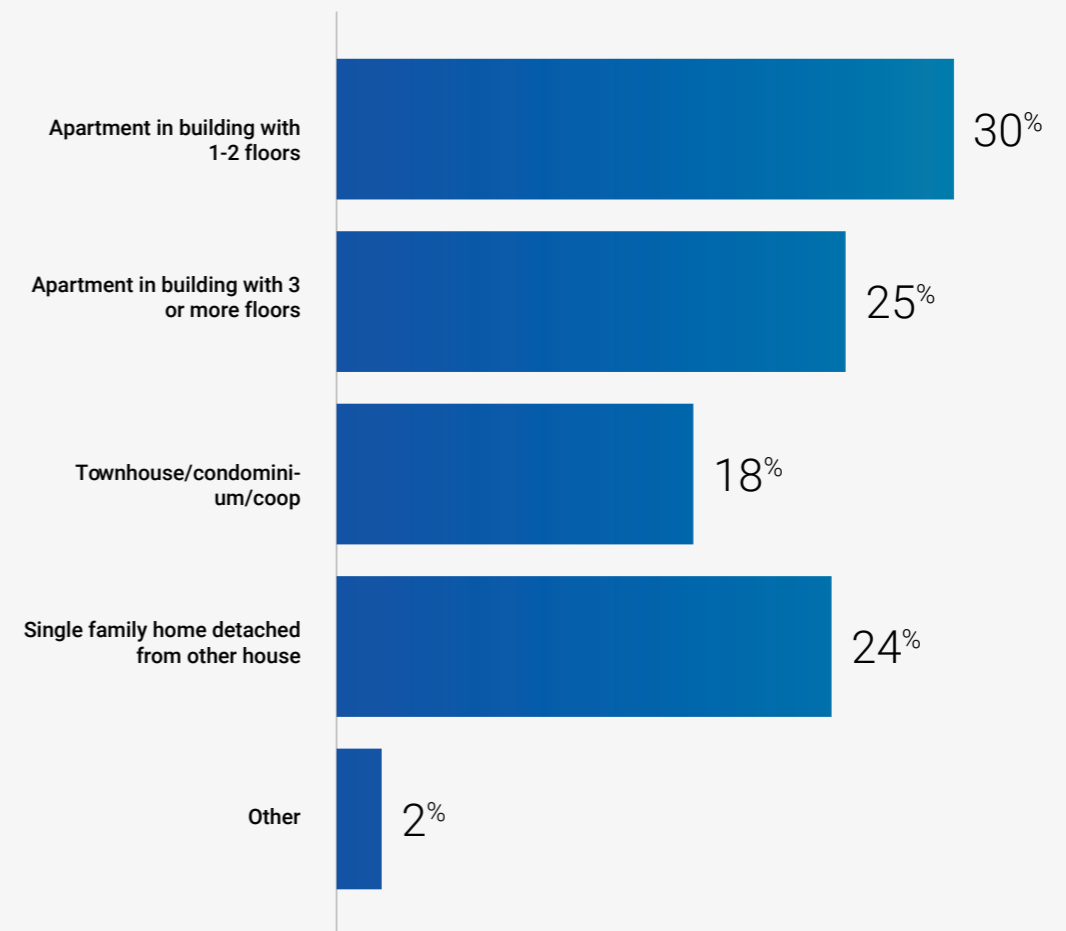
- The COVID Cohort: 22–27-year-olds who were heavily affected by the pandemic as many had yet to graduate college or recently graduated at the onset
- Sweet Spots: 28–33-year-olds who began their careers in between the COVID-19 pandemic and the Great Recession
- '08 Greats: 34–39-year-olds who were affected by the Great Recession and consequently faced many challenges at the beginning of their careers

Study Overview

Respondents' Current Living Arrangement

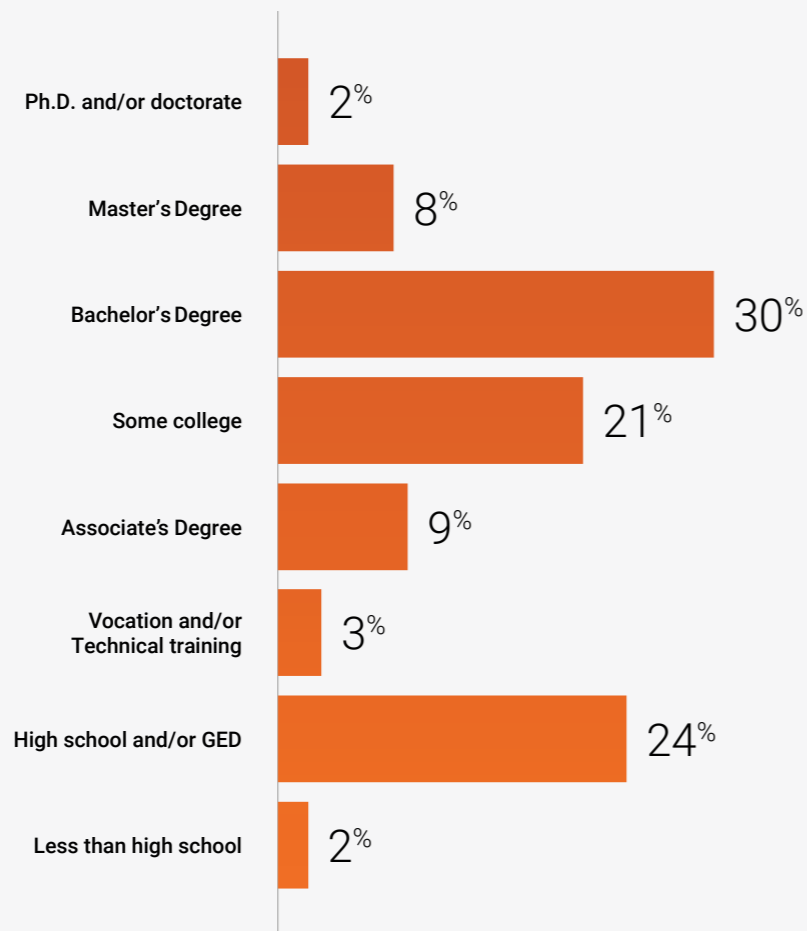


Respondents' Current Residence

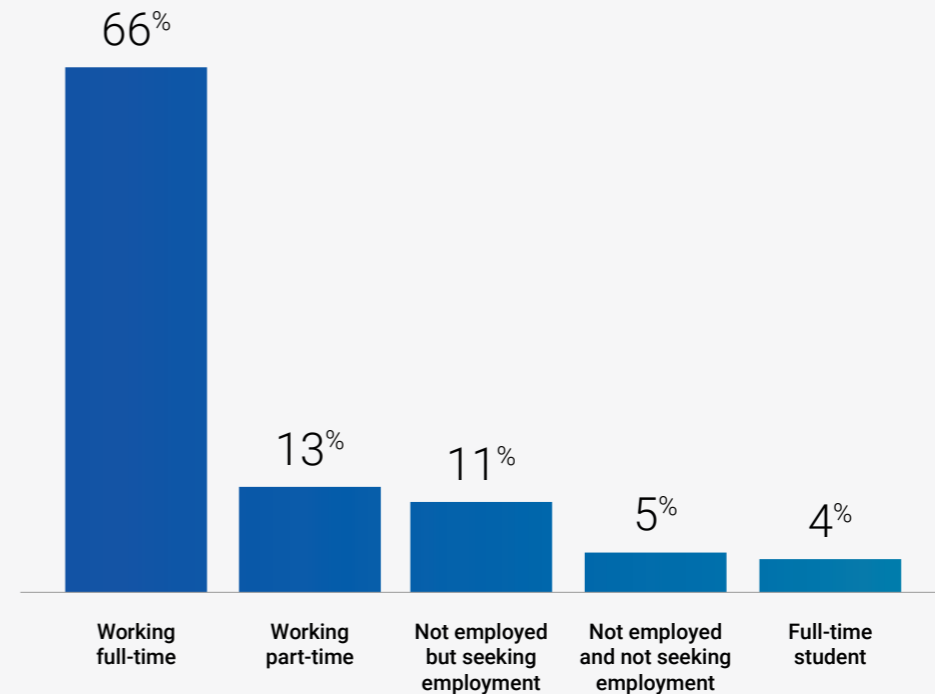


Study Overview

Highest Level of Education Completed

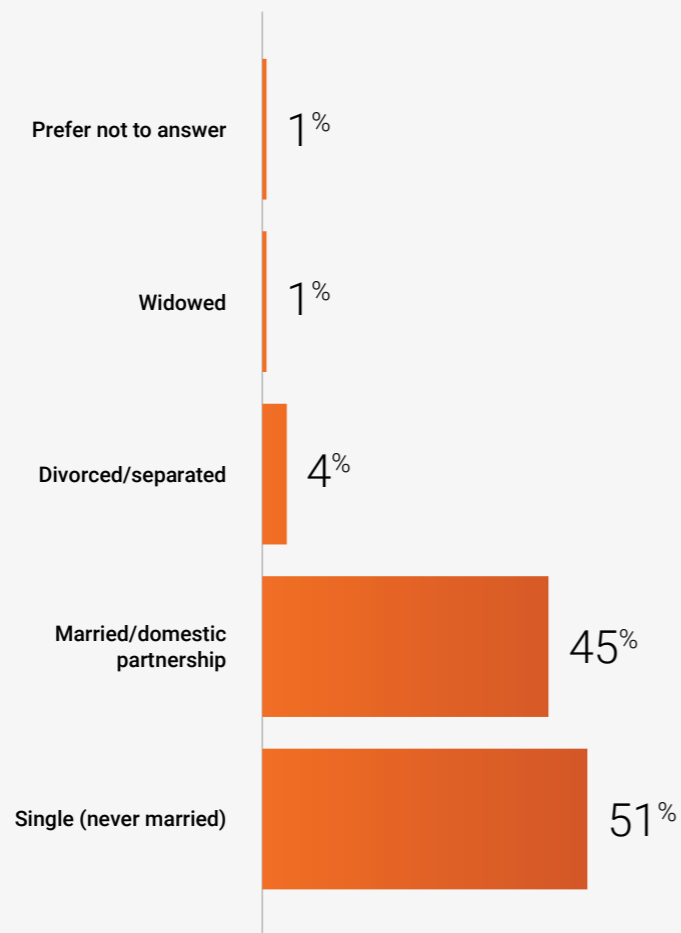


Current Employment Status

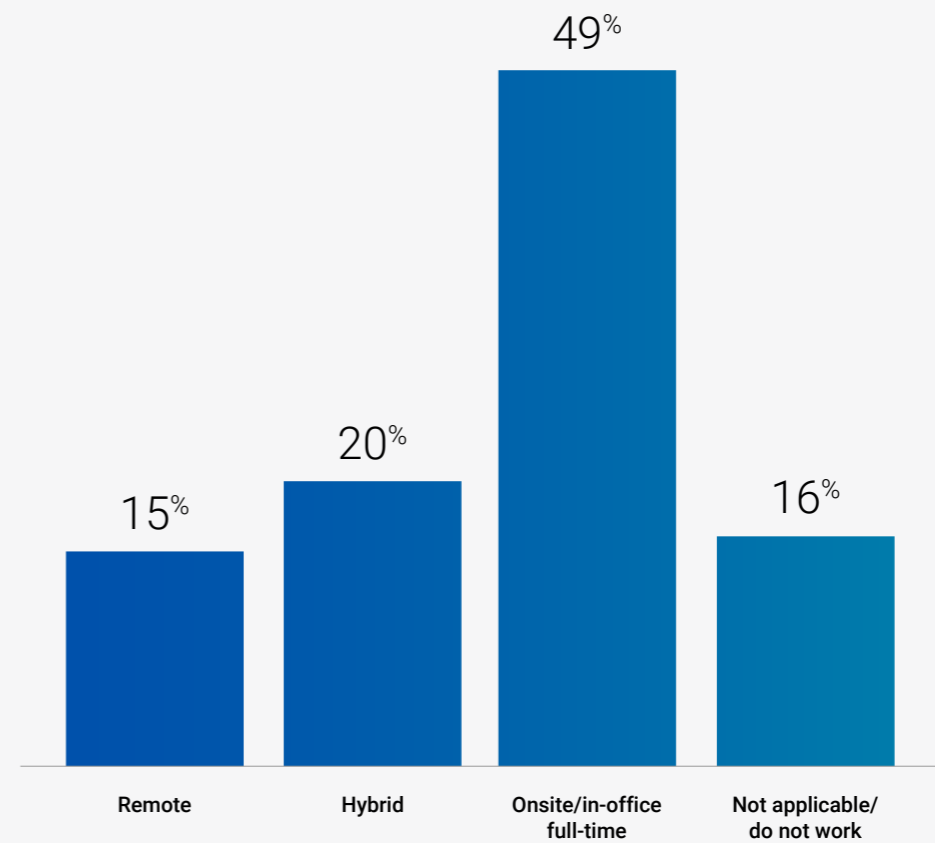


Study Overview

Current Marital Status

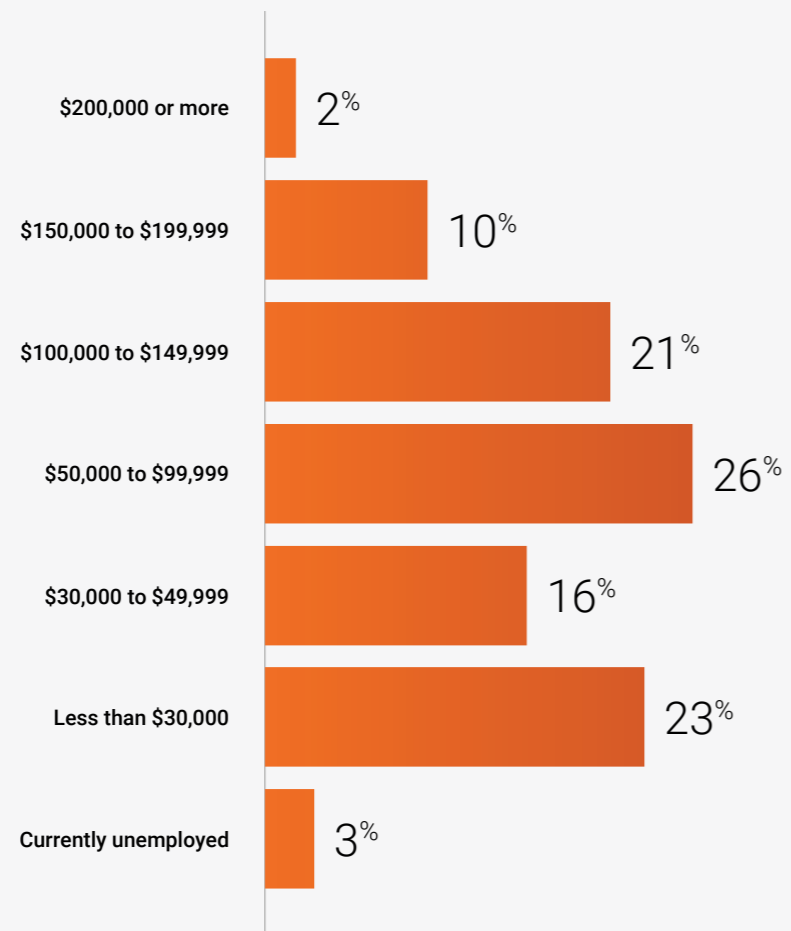


Where Respondents Work

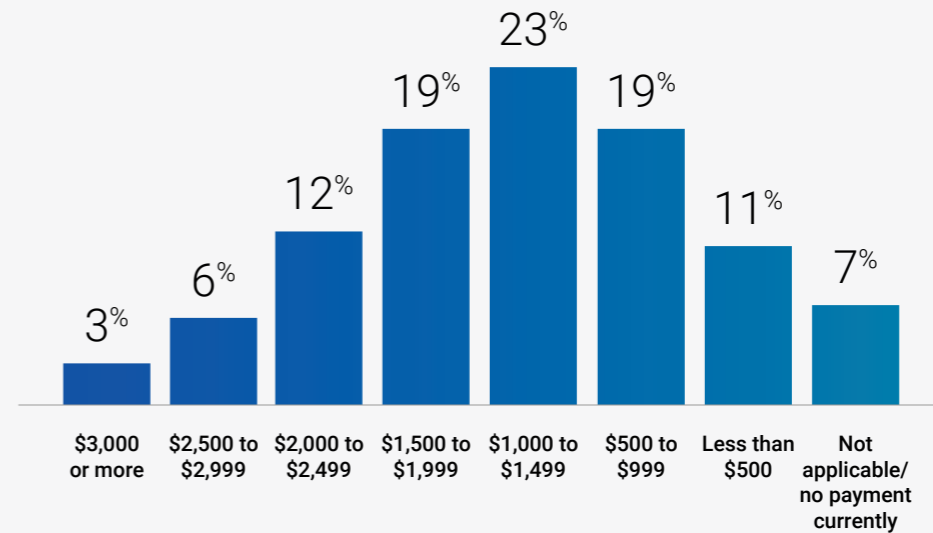


Study Overview

Household Income Before Tax

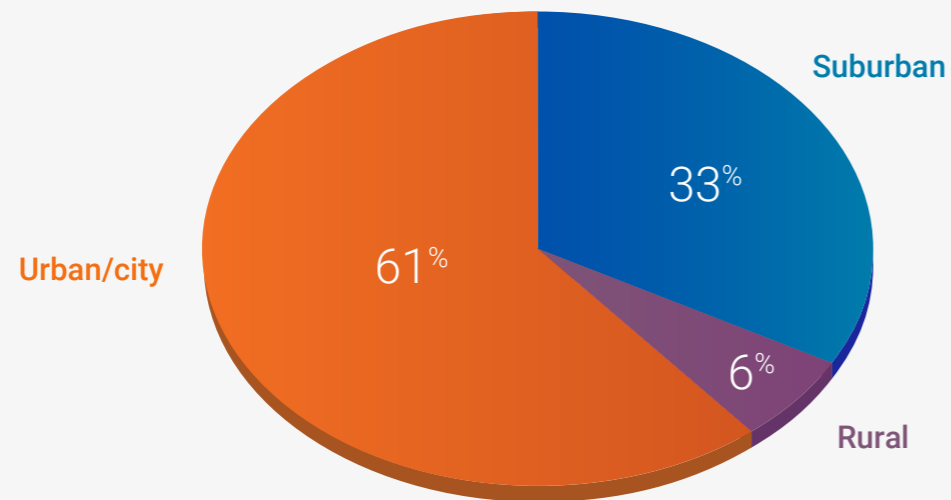


Monthly Budget for Housing

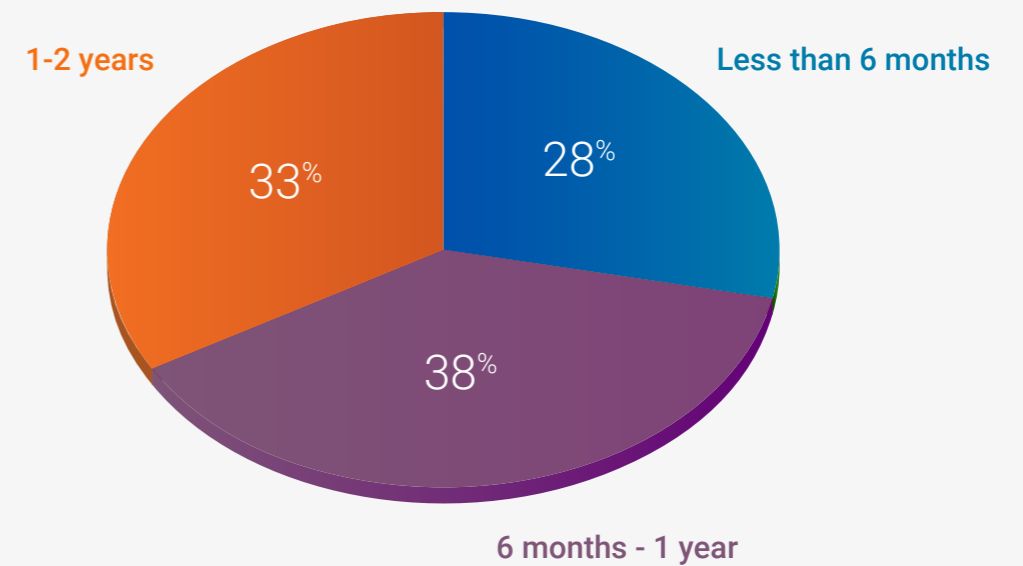


Study Overview

Where Respondents will Likely Live in Next Few Years



How Long Respondents Plan to Stay in Current Residence



A photograph of a modern, multi-story apartment building at dusk. The building features a mix of white and dark grey panels, large windows, and balconies with glass railings. Some windows are illuminated from within, and some balconies have plants. The sky is a deep blue, and the overall scene is lit with a cool, blue-toned light. In the foreground, there is a paved area with some greenery and a fence.

2023 Multifamily Living Trends

2023 Multifamily Living Trends

The impact of Proptech on multifamily residences

As the world becomes more connected, so do our homes. According to [Statista](#), 2021 saw the highest value of Proptech investment on record, at over \$24 billion U.S. dollars. Multifamily real estate is the top type of real estate asset that Proptech startup CEOs have chosen to focus on. It's widely accepted that Proptech can help to attract responsible, high-quality residents and provide enhanced and safer cross-property amenities, lower operating costs and increase revenue. And renters are here for it. Over one-third of respondents reported currently using at least one smart home device in their place of residence, which is up 13 percent from 2019.

Among those who have a \$2,000 or more monthly budget for housing, nearly half say they need to have property technology. Among those who budget \$999 or less for housing, about 1 in 4 say they need to have property technology.

Monthly Budget for Housing	Need to have: Property technology	Nice to have: Property technology	Not necessary: Property technology
No payment currently	22%	57%	21%
Less than \$500	26%	52%	22%
\$500 - \$999	26%	58%	17%
\$1,000 - \$1,499	33%	52%	15%
\$1,500 - \$1,999	37%	52%	12%
\$2,000 - \$2,499	48%	46%	6%
\$2,500 - \$2,999	44%	41%	15%
\$3,000 or more	48%	48%	3%



Proptech

While costs and proximity to school and work are predictably prioritized, over half of respondents say it would be nice to have property technology when considering future housing options, with **61 percent saying they're comfortable using Proptech. Smart locks, resident portals and cameras were included in these preferences.** When asked about the importance of smart home technologies, which allow residents to connect to the internet and control with their smart phone, 38 percent reported it's a must-have and 44 percent said it is a nice-to-have. 51 percent of renters who make more than \$100,000 USD view smart home technology as a need-to-have amenity and 48 percent of those same renters view Proptech as a must-have.

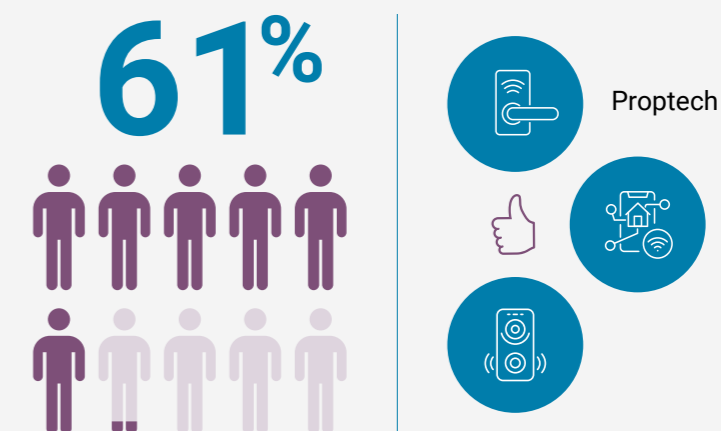
Over 1 in 2 respondents would be willing to pay 1-10 percent more for property technology and nearly 3 in 10 would pay at least 11 percent more.

As smart home technologies have evolved over the years, there is no shortage of available devices on the market today. When asked which of the following connected smart devices they would like to have in their future place of residence, **security is increasingly top of mind with 48 percent citing a smart doorbell with video and 40 percent a smart electronic door lock,** up 9 percent and 8 percent from 2019 respectively.

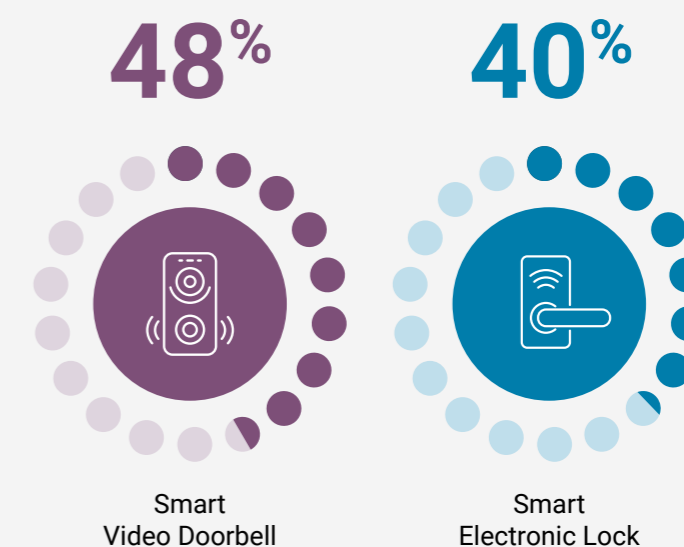


The impact of Proptech on multifamily residences

Comfortability with using proptech in future housing options



Smart devices respondents would like to have in a future residence





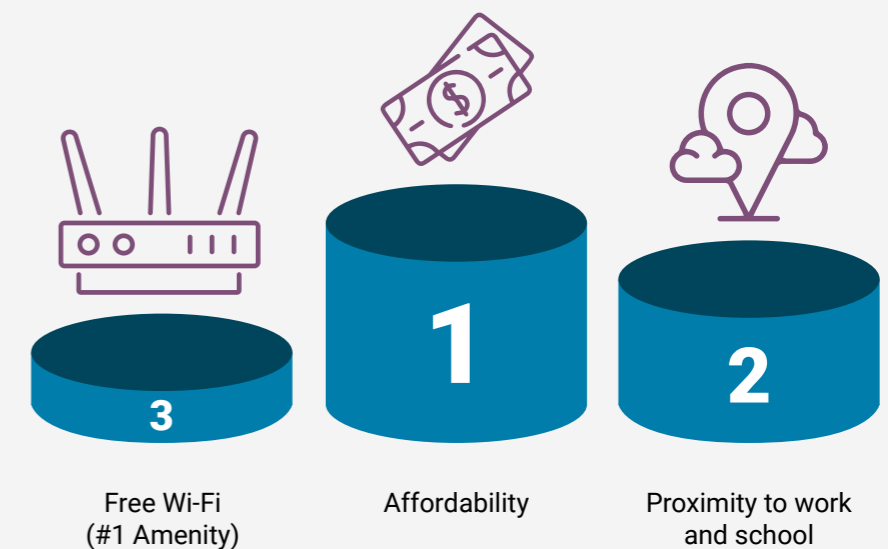
The impact of Proptech on multifamily residences

Distributed Wi-Fi

Property owners can use distributed Wi-Fi to attract higher paying renters and potentially charge a premium for convenience, ultimately delivering a better overall experience. For renters, this could mean an easier time moving in, as they won't need to worry about selecting a service provider, scheduling installation, obtaining hardware and any potential downtime before having Internet access.

When asked about considerations for a future place of residence, respondents **ranked free Wi-Fi as the #1 amenity, behind affordability and proximity to work and school.** 45 percent of those surveyed said free Wi-Fi was a must-have amenity. Free Wi-Fi around the property can also be a perk for a remote (15 percent of respondents) or hybrid (20 percent of respondents) worker. Among those working remotely, fast and reliable Wi-Fi is the most important factor when looking for a place of residence.

Top considerations for a future place of residence





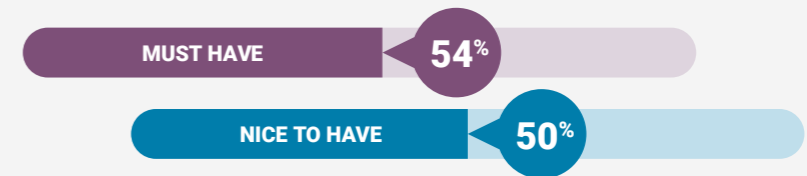
The impact of PropTech on multifamily residences

Integrated User App

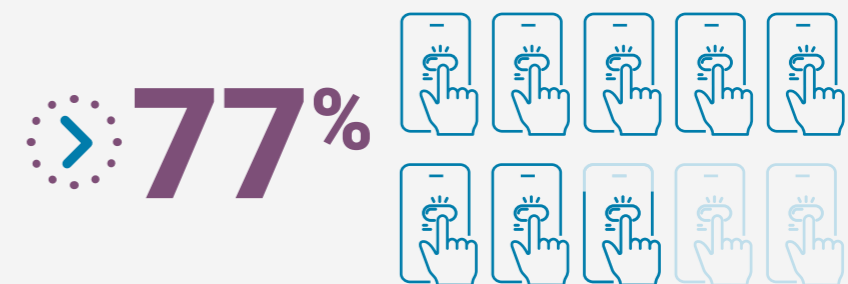
An integrated user app is an easy way to tie together each component of your property technology software and devices into a system that users can understand and easily access. The ability to integrate all the functionality under one cloud-based app that can be used by owners, managers, staff and residents alike creates a seamless, holistic experience. When asked how valuable different amenities were in a future residence, **a streamlined resident portal app was ranked #1, with 54 percent of respondents saying it was a must-have and 50 percent a nice-to-have.**

Over 77 percent of respondents are likely to submit a ticket through an integrated user app.

Value of an integrated user app



Likelihood of respondents submitting a ticket through an integrated user app



Package Delivery Options

With online shopping commonplace for most residents, package delivery management is considered an important amenity.

42 percent of respondents report that they are currently using grocery or meal delivery services, up 16 percent from 2019.

Since the pandemic, managing incoming packages and food deliveries has become a challenge for multifamily property managers and staff. Issues include lack of space, package tracking issues, or shortage of staff to manage the packages.

When asked about the importance of smart lockers for package deliveries, 33 percent of respondents considered it a must-have and 50 percent considered it a nice-to-have amenity. Additionally, 27 percent of respondents said temperature-controlled holding areas for grocery and meal deliveries are a must-have; 48 percent consider it a nice-to-have amenity.

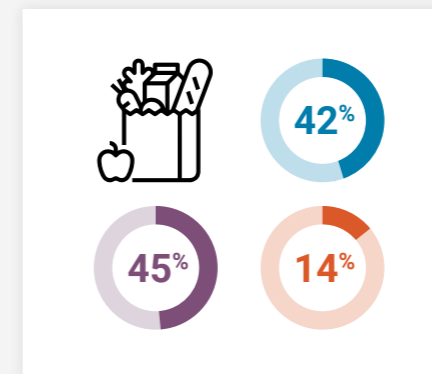
With 48 percent of respondents receiving 3 or more packages per week, up a whopping 20 percent from 2019, and 34 percent having a package stolen, it's critical for property owners and operators to get in front of the new reality that is package management.



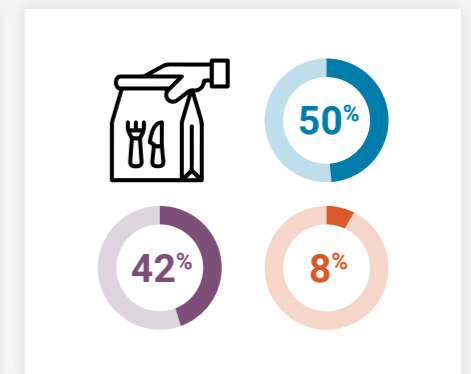
The impact of Proptech on multifamily residences

Regular use of services on a monthly basis

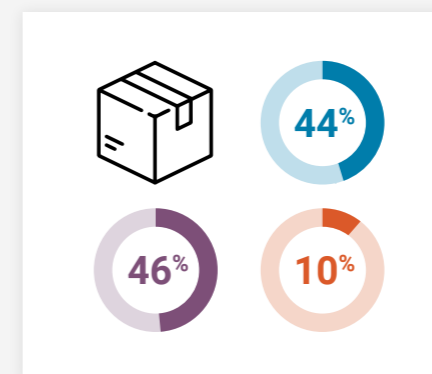
Grocery/Meal Prep Delivery



Restaurant/Prepared Food Delivery



Delivery of Non-Perishable Food/ Non-Food Items Ordered Online



- Currently using
- Would consider using
- Would not consider using



The impact of Proptech on multifamily residences

Self-Guided Tours

Touring a property is essential before locking into a lease. Not only do prospective renters want to ensure that the property matches the photos, but that everything is in working order and up to their expectations. **A 2020 survey from NMHC OpTech Conference & Exposition reported lease conversions increase by 86 percent with a self-guided tour versus when staff is escorting a prospect.**

Over 3 in 4 respondents are at least somewhat comfortable with all four self-guided tour scenarios and less than 1 in 10 are either somewhat or very uncomfortable with them. The only statistically significant difference between age groups is Sweet Spots are more uncomfortable than '08 Greats with being able to take a self-guided tour and signing a lease before leaving.

Survey results on lease conversions

86%

Increase in lease conversions when self-guided tours are used instead of being escorted by staff

Respondent comfort level with self-guided tours



2 The rise of mobile access control

With most of the population having access to a smart phone, and on the rise, the rise of mobile access control provides renters with a convenient and secure way to access different parts of their multifamily property. For property owners and operators, mobile access control helps elevate the apartment living experience and facility management in various ways, allowing them to differentiate their property from the competition and attract higher-paying quality residents.



When asked, over 59 percent of respondents would likely select a future place of residence if it had mobile access control offered as an amenity.

Compared to the 2019 study, there was an 89-percent increase to 34 percent from 19 percent in the number of respondents who would be willing to pay more for mobile access control that would allow them to remotely monitor entry of their home and give access to guests and others.

Currently, 20 percent of apartment dwellers surveyed report having electronic exterior door locks that are connected to the internet and can be controlled through a mobile app or website. This number jumps to 33 percent for townhouse residents. On average, respondents who budget \$2,500 or more ranked accessing their unit using their mobile phone higher than access via traditional keys.

While 6 in 10 would likely select a property that offers mobile access control, property owners and security providers have an opportunity to educate renters on the facts vs myths of mobile access control as some report concerns around hackability, privacy and accessibility when the phone is dead or lost.

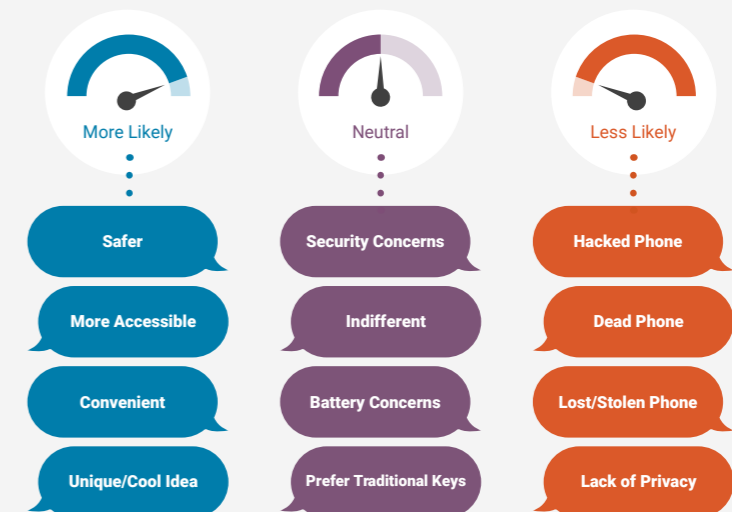


The rise of mobile access control

Likelihood of respondents choosing a place to live with mobile access control



Why respondents are more or less likely to live in a place with mobile access control



2023 Multifamily Living Trends

Amenities that attract based on new behaviors

COVID-19 had a profound and lasting effect on consumer behavior and lifestyles. Multifamily residents are no different. According to a study done by Pew Research, 70 percent of individuals will continue with the at-home habits they adopted during the pandemic. From an increased number of people working from home and spending more awake time at their residence to the adoption of food delivery services, renter behaviors have shifted, and property owners need to adapt.

As expected, affordability and proximity to work and school top the list of requirements when considering a new multifamily residence. Pet-friendliness and distributed free Wi-Fi follow with 45 percent of respondents noting these amenities as must-haves.

With more virtual work taking place, having adequate in-unit space and work from home space are must-haves for 44 percent and 36 percent of respondents, respectively.



Perhaps somewhat surprising is the fact that home security systems, smart home technologies and upgraded building materials ranked more important overall than fitness centers and pools. This reinforces the changed view and perceived value of amenities. Feeling safe, connected and comfortable is more important than recreational activities. Property owners and operators can capitalize on these priorities by investing in technologies and products that help renters meet their needs.

Nearly 4 in 10 respondents say high monthly fees are a top 3 dealbreaker when looking for a new place of residence.

When asked what their dealbreakers in selecting a future residence are:

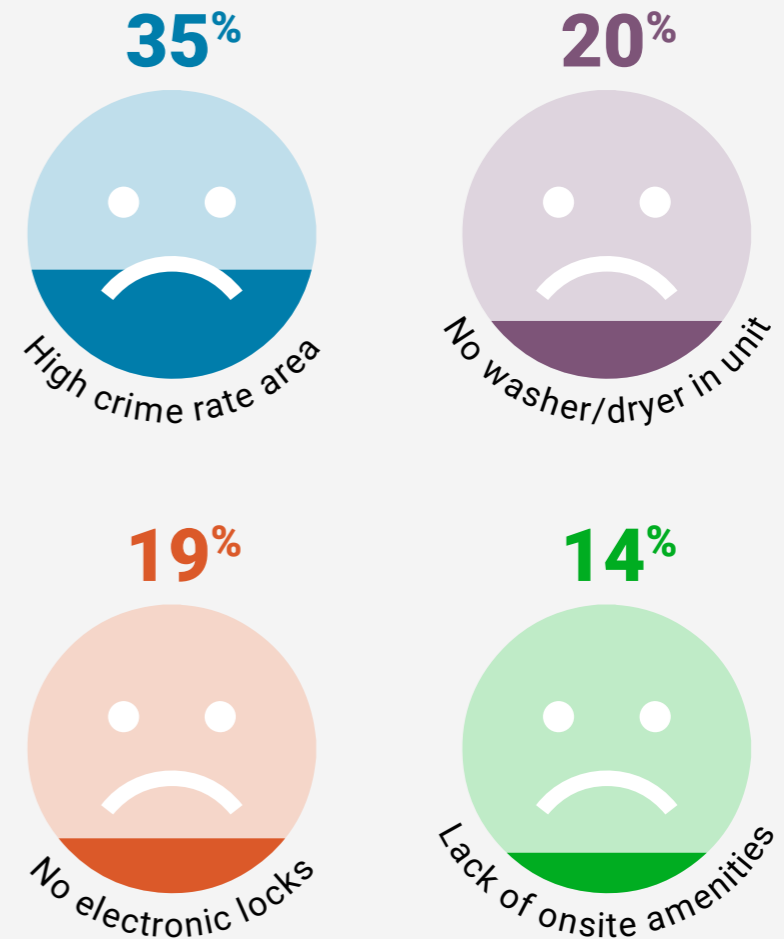
- **35 percent said if the property is in a high crime rate area**
- **20 percent said having no washer and dryer in the unit**
- **19 percent said not having electronic or high security locks**
- **14 percent said a lack of onsite amenities like gyms, barbeque areas, etc.**

When looking at the value of potential amenities offered, over half said they need to have free parking, while about 1 in 3 said they need to have resident portal apps, smart lockers for packages and flexible spaces.



Amenities that attract based on new behaviors

Dealbreakers when selecting a future residence

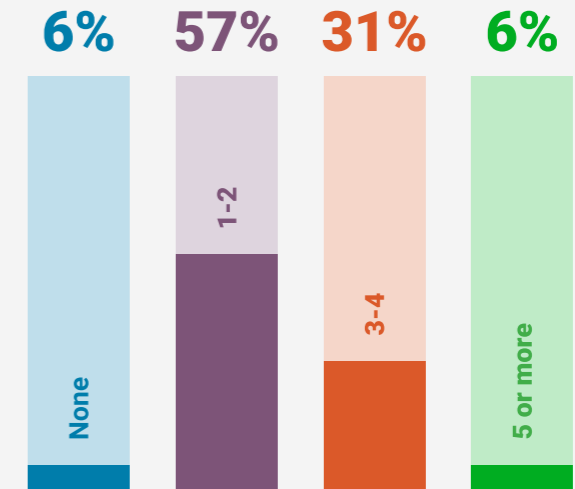


About half of the respondents use restaurant / food delivery services. Of this half, over 9 in 10 order food delivery at least once a week, meaning nearly half of all respondents order food delivery at least once a week. 1 in 2 respondents who order weekly have had a negative experience and more than 1 in 3 attribute the negative experience to problems with the delivery driver and the drop off location. It's important for property owners and operators to acknowledge and remedy these concerns to keep residents satisfied and retention rates up.

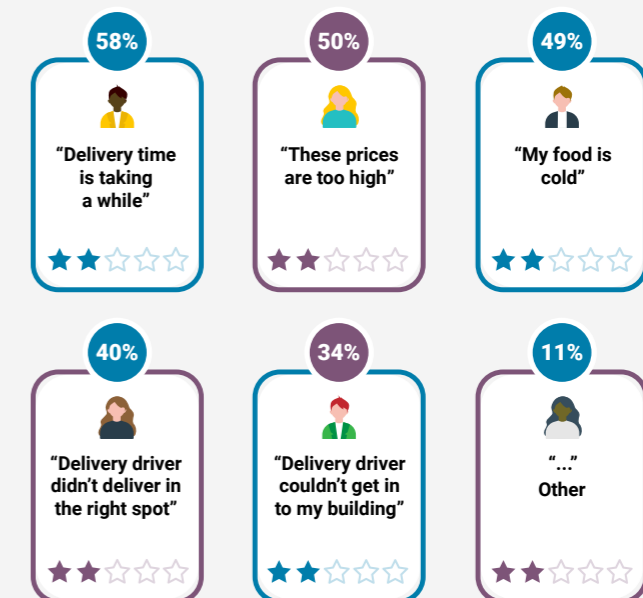


Amenities that attract based on new behaviors

Average restaurant deliveries ordered per week



Reasons for negative food delivery experience



2023 Multifamily Living Trends

4 Value of safety and resident peace of mind

According to the 2021 World Risk Poll by the LP Foundation, 37 percent of people in the U.S. feel less safe than they did just three years ago. COVID-19 and violent crime are just two of the top concerns people have when it comes to personal safety.

The number one responsibility for multifamily property owners and operators is to provide a safe and secure residence for their renters. Safety and security are top of mind for renters too. As noted earlier, 35 percent of respondents said it would be a dealbreaker for the property to be located in a high crime rate area.

While property owners can't always control the crime rates around them, they can provide security upgrades that will give their renters added peace of mind and deter criminal activity. Best of all, these access control upgrades are not only preferred by residents – they're willing to pay more for them.



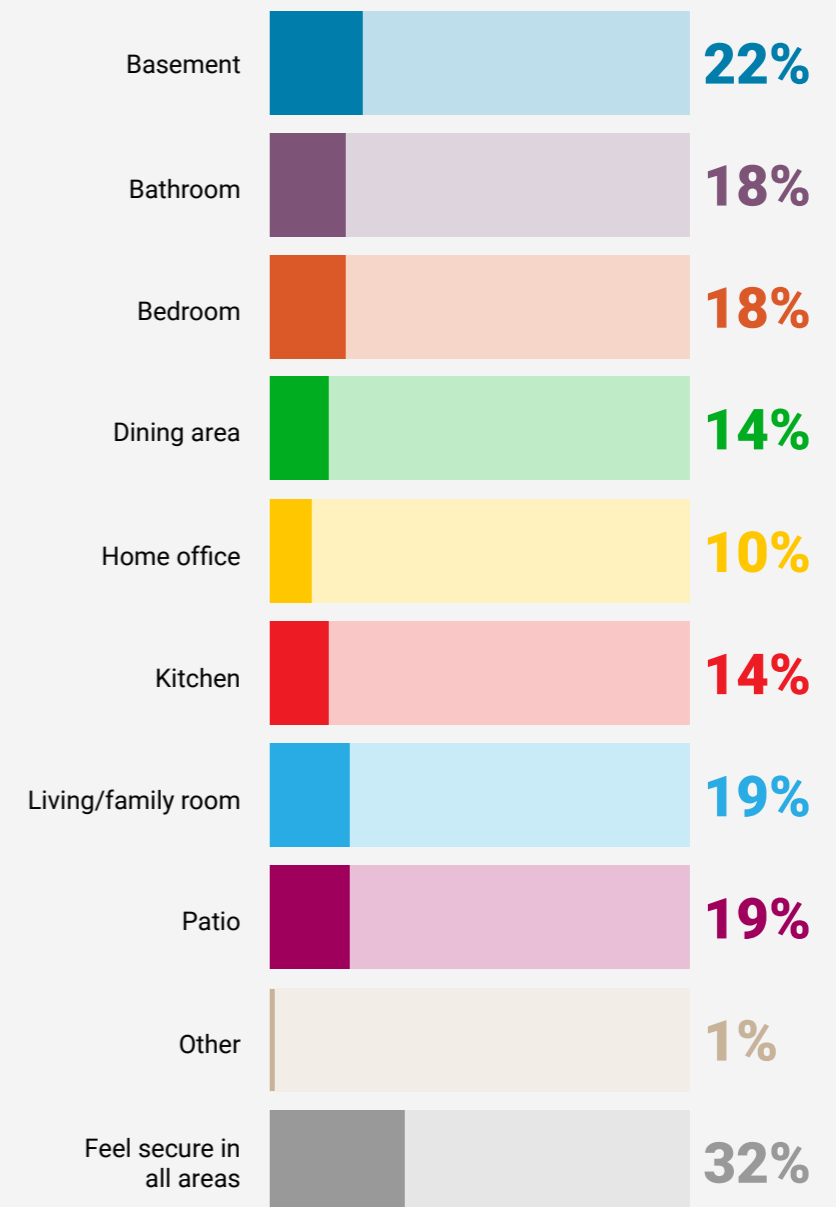


Sense of Safety

Less than 1 in 3 respondents feel secure in all areas of their home and about 1 in 5 do not feel secure in the basement, living room and/or patio. And about 1 in 5 respondents have had a direct experience with a home break-in, which is a significant decrease from 2019 when 1 in 3 reported experiencing a home break-in.

Value of safety and resident peace of mind

Rooms in which respondents feel less secure





Value of safety and resident peace of mind

Security Features Valued Most

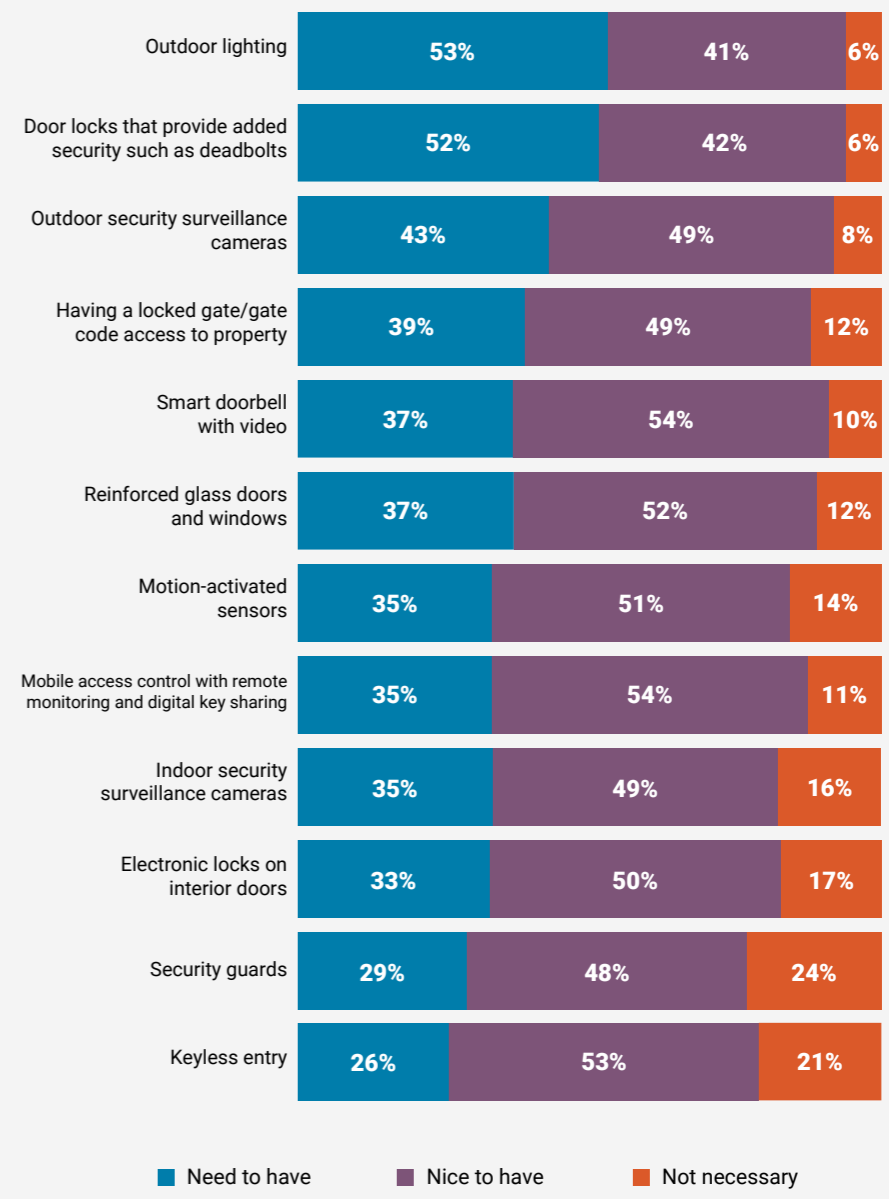
Up 140 percent from 2019, 22 percent of respondents currently use electronic door locks that are connected to the Internet. And up 91 percent from 2019, 23 percent of respondents currently use electronic door locks that are not connected to the Internet.

Over half of respondents need to have outdoor lighting and door locks that provide added security such as deadbolts. Over 50 percent would like to have a smart doorbell with video and mobile access control. Up 8 percent from 2019, 40 percent of respondents would like to see smart locks in their future residence.

19 percent of single-family home residents need to have keyless entry, compared to 26 percent of apartment residents and 37 percent of townhouse residents.

It's worth noting that urban dwellers are statistically more likely to need to have locked gates, security guards, electronic locks on interior doors, mobile access control and indoor cameras.

Value in each security feature when considering a new residence



Security Features Valued Most

continued

Safety and security are clearly important to renters. The good news is they're more than willing to pay more for the security upgrades that give them the peace of mind they're looking for.

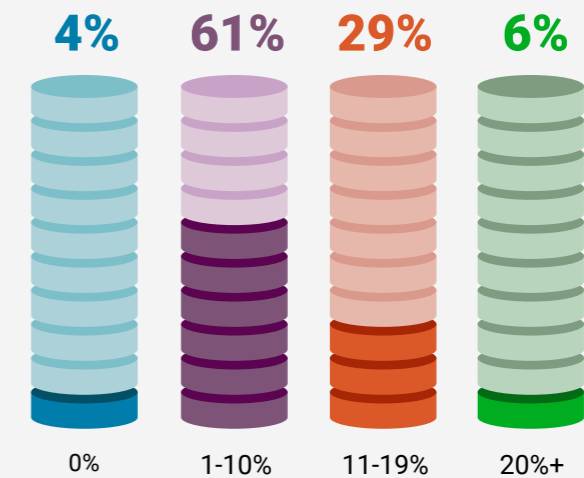
Over 1 in 3 respondents would be willing to pay more for smart doorbells with video, outdoor cameras, and mobile access control. 6 in 10 would pay between 1 percent and 10 percent more per month for these added security features. 1 in 10 Sweet Spots are willing to pay 20 percent or more for the added features.

Among those who have a \$2,000 or more monthly budget for housing, nearly half say they need to have electronic access control on property. Among those who budget \$999 or less for housing, about 1 in 4 say they need to have access control to pay 20 percent or more for the added features.



Value of safety and resident peace of mind

How much more per month respondents would pay for these security features



Value of electronic access control by monthly budget for housing

Monthly Budget for Housing	Need to have: Electronic access control	Nice to have: Electronic access control	Not necessary: Electronic access control
No payment currently	21%	44%	35%
Less than \$500	24%	53%	23%
\$500 - \$999	22%	50%	27%
\$1,000 - \$1,499	33%	49%	18%
\$1,500 - \$1,999	35%	44%	20%
\$2,000 - \$2,499	49%	37%	13%
\$2,500 - \$2,999	48%	38%	15%
\$3,000 or more	48%	45%	7%

Security Features Valued Most

continued

Overall, respondents generally prefer a traditional physical key over other forms of access, but entering a PIN code on a smart lock and using biometrics are not far behind as they rank 2nd and 3rd, respectively. Sweet Spots and '08 Greats share similar opinions, whereas the COVID Cohort strongly prefers a traditional key and a PIN code on an electronic smart lock. Compared to 2019, there was a significant increase in those who would prefer to use biometrics to gain access to their residence.

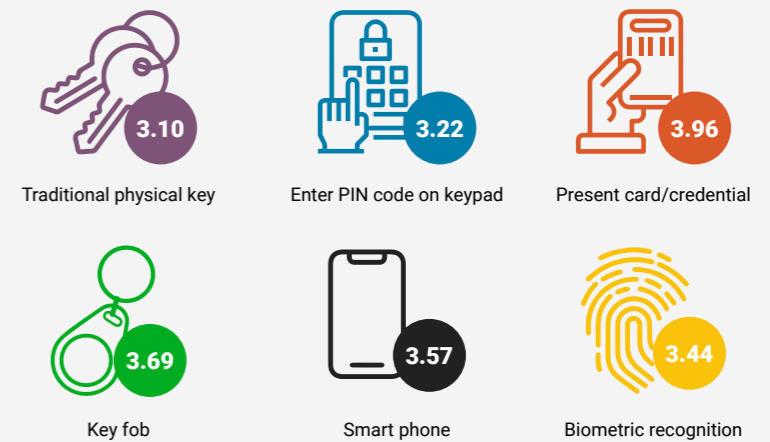
By average rank, residents of townhouses give biometrics the best average rank while traditional key remains the favorite among apartment and single-family home residents. Townhouse residents ranked a PIN code on smart locks, smart phones, and biometrics in the top 3 more frequently than traditional keys. Both apartment and single-family households ranked mechanical keys and PIN codes much more frequently in the top 3, but biometrics garnered significant interest among all groups.

Property owners and operators will benefit from assessing the current state of access control in their buildings and making adjustments to create a seamless, convenient, and safe experience while working to meet the demands of today's renters. By balancing both, they can add appeal to their property with security for staff and renters and increased day-to-day efficiency for staff and increased NOI.

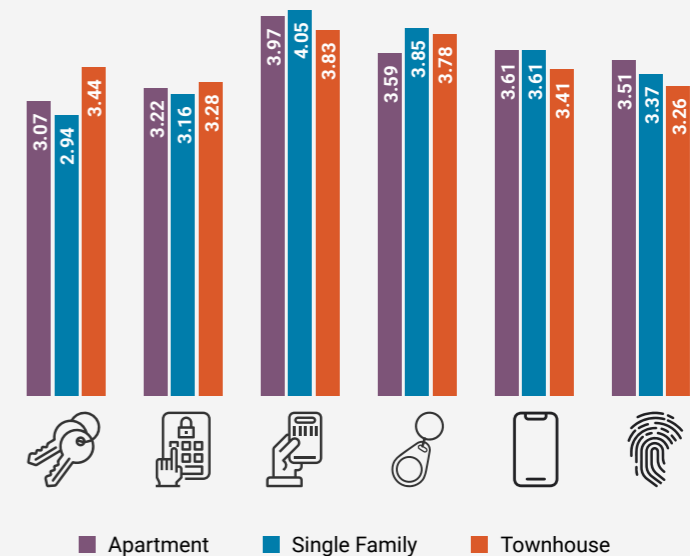


Value of safety and resident peace of mind

Average rank of preferences for ways you could potentially gain access to your residence



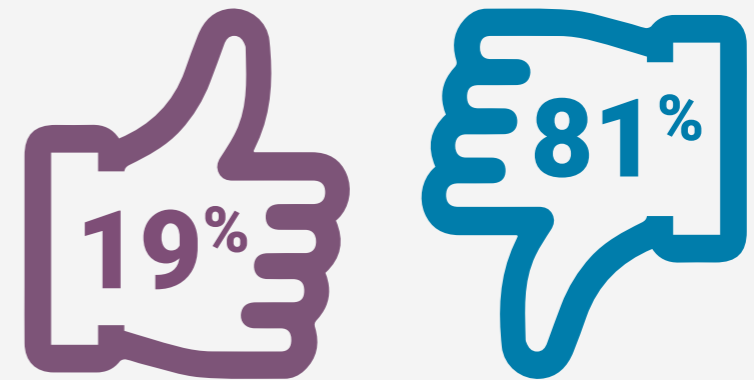
Average rank of preferences for ways you could potentially gain access to your residence by current residence





Value of safety and resident peace of mind

Comfortability with granting access codes to friends and family



Comfortability with hiding keys to apartment around the exterior of the home in the event of a lockout



Granting Access to Others

Feeling secure in your home is one thing, granting access to others is another facet of access control for multifamily properties. **Only 19 percent of respondents are comfortable giving their family and friends access codes or keys to their unit.**

However, 47 percent are comfortable hiding keys to their apartment around the exterior of their home in the event they get locked out. Over half face a lockout at least once a year. Compared to 2019, 4 percent more respondents report experiencing at least 1 lockout each year. This gives property owners and managers an opportunity to educate on how to avoid lockouts – saving time and money on labor while helping the resident avoid a negative experience.

Granting Access to Others

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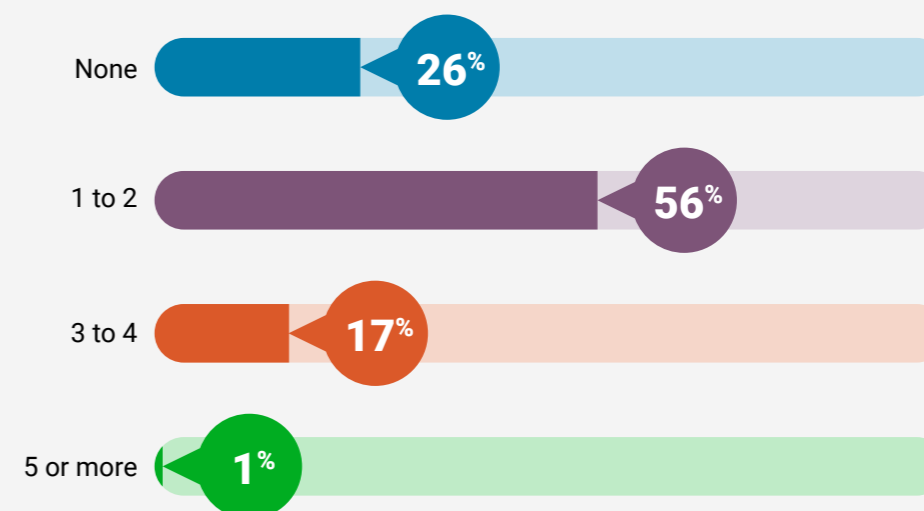
Only 26 percent of respondents report never sharing access to their home via keys or codes with a family or friend. A potential complication of key-sharing is the opportunity for that key to be lost, stolen, or copied without the permission of the owner. This can create headaches for the renter and facilities manager alike. Sophisticated Proptech solutions can help mitigate these unpleasant outcomes.

Right-sized access control goes beyond sharing keys with family and friends. In 2023, there are a variety of in-home services like housekeeping, pet sitters and plant caretakers. It's important for property owners to understand the needs of their residents in regard to these unique access control scenarios and implement Proptech solutions to create a seamless experience for all parties and free staff up from concierge duties.



Value of safety and resident peace of mind

Number of family or friends respondents have given access to allow them to enter their home



5 Leasing preferences that convert

A survey released from the National Apartment Association's Apartmentalize 2022 conference found over 60 percent of property managers cite creating efficient day-to-day operations as one of their top three challenges. Efficient communication with prospective and current residents can enable a positive ROI and a differentiating experience for renters that results in increased attraction and retention. Additionally, 16 percent of respondents noted inattentive property management as a dealbreaker when considering a future place of residence.



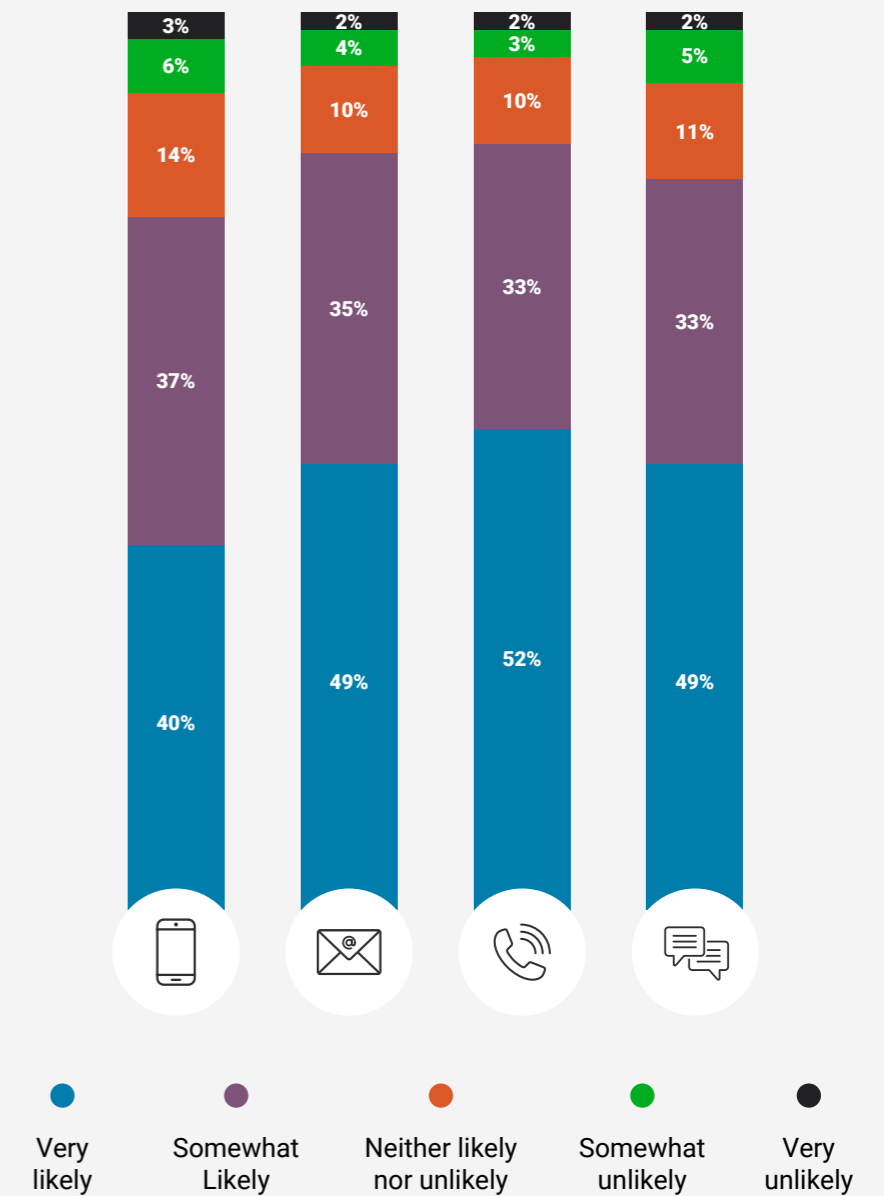


Leasing preferences that convert

Communication Methods

While over 50 percent of respondents are very likely to make a phone call to contact the property owner when a need or concern arises, there is a statistically significant difference between age groups as only 47 percent of the COVID Cohort selected very likely to use a phone call. '08 Greats are the most likely to use email and integrated resident portal app, while Sweet Spots and the COVID Cohort prefer phone calls and texting.

Likelihood of using each method to contact property owner when a need or concern arises





Leasing preferences that convert

Touring to Leasing

Self-guided tours are becoming a critical leasing strategy. They can provide an experience that benefits prospective residents and staff alike while improving conversion rates on leases and ensuring resident safety. Self-guided tour technology is more efficient and effective with the potential for flexible tour hours.

Over 3 in 4 respondents are at least somewhat comfortable with all four self-guided tour scenarios and less than 10 percent are either somewhat or very uncomfortable with them.

Worth noting, residents with incomes of over \$100,000 USD are statistically more comfortable navigating self-guided tours and signing a lease directly following.

Comfortability with different self-guided tour scenarios

Taking a self-guided tour that allows you to freely explore a community



Taking a self-guided tour with detailed instructions on what you can explore



Living in a community that allows potential new tenants to explore the area on a self-guided tour



Taking a self-guided tour and having the ability to immediately sign a lease before leaving



Very comfortable

Somewhat comfortable

Neither comfortable nor uncomfortable

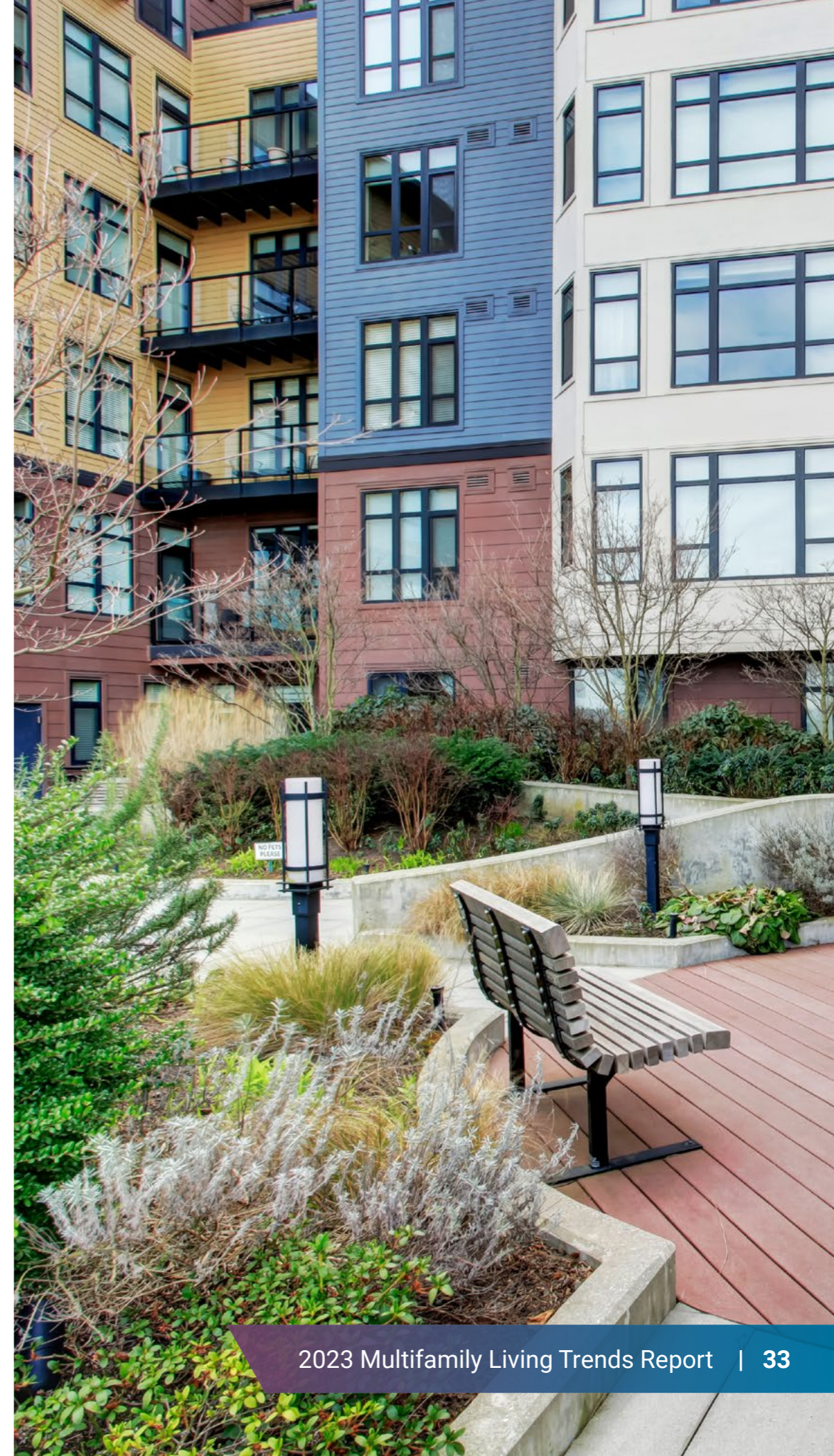
Somewhat uncomfortable

Very uncomfortable

Conclusion

The multifamily landscape has changed in significant ways over the last four years given the influx of Proptech and emerging living behaviors following COVID. New developments and integrations in Proptech are providing property owners the opportunity to meet renters' lifestyle expectations while empowering their own staff. Security and safety take on evolved meanings as the rise of mobile access control brings new, convenient solutions to property owners, managers and renters alike. It will be important for property owners to stay informed on multifamily living trends like these to remain competitive with renters and be equipped to leverage technology in strategic ways to ultimately increase net operating income and overall satisfaction.

To learn more about how Allegion supports multifamily properties of all sizes, visit us.allegion.com/multifamily or contact a dedicated multifamily property consultant. Our consultants are trained in the specific needs of Proptech and multifamily access control and can help you assess your property's unique needs and help you identify the right solutions and partners for your property.



Brands & Services

Trusted security at the center of a resident's experience

Multifamily properties have special challenges when creating safe and accessible spaces for residents and staff. Our popular brands and network of Proptech partners provide custom solutions to property owners that solve every property's unique challenges. With electronic access control at the heart of a resident's and staff experience, property owners are able to differentiate and delight while taking advantage of the NOI multiplier effect that an integrated solution provides.

LCN has been a pioneer in the industry since 1877, delivering door control solutions known for their meticulous engineering and quality control. In response to a growing need for touchless access, LCN introduced the simple and affordable COMPACT™ Automatic Operator.

From durable mechanical locks that suite to fit any design to mobile access control solutions, Schlage provides protection at critical moments—when property and personal security are at stake. Schlage also has locks that integrate with every property management software, making implementing a Proptech solution easier than ever.

Since inventing the first self-releasing fire exit device more than a century ago, Von Duprin continues to advance the industry through customer-centric innovation. Today's portfolio includes quiet solutions for improved resident experience and specialized egress solutions for accessible areas.

With Allegion's Multifamily Consulting Services, we strive to be your trusted advisor and help navigate the complexities of securing your multifamily facility. Allegion's team of dedicated multifamily experts is available for consultations and facility assessments. We can offer advice on Proptech providers, opening solutions, facility standards, code compliant products, electronic access control coordination and architectural specifications.



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