



2024-25 Trends in the Property Management Industry

Leveraging Reputation's AI-powered natural language processing algorithms, we conducted a survey of consumer reviews to learn what renters value most and how Reputation acts as an essential driver in their decision-making processes.



Here are the **Highlights**

- 1** The Value of a Strong Reputation – Page 3
- 2** Reputation Score Methodology – Page 4
- 3** Reputation Scores and Trends – Page 5
- 4** Renter Sentiment: Where the Industry Excels – Page 10
- 5** Renter Sentiment: Where the Industry Fails – Page 13
- 6** How the Top 20% Excels – Page 15
- 7** The Reputation Platform – Page 16

A Strong Reputation Is a Significant Asset

Renters today don't merely search for apartment communities; they assess them through online reviews. Excellent amenities and prime locations matter, but the real influence comes from feedback left by current and past residents.

As such, the online opinions potential renters encounter can significantly impact your property's appeal. Engaging effectively with resident feedback has become a critical business function. Proactive property managers who promptly address and resolve issues build trust and credibility. In contrast, those who remain silent risk losing ground in a competitive market.

The difference between success and failure often hinges on reputation management. That's not hyperbole: Properly managing customer feedback sets you apart from competitors, fosters long-term loyalty, and sets the stage for business growth. Neglecting it poses a risk no property manager can afford.

Why reviews matter:

81% of people say reviews are important when they search for an apartment.

55% of renters say a property needs to have at least 4 stars to consider them.

71% of renters surveyed by Reputation said they can be deterred from touring an apartment due to negative reviews.

Read on to see how renter feedback is shaping the industry and how leading residential property management firms are powering their reputations to improve their bottom lines.

BENCHMARKING PERFORMANCE:

The Methodology Behind Reputation Scoring

To understand what drives renters' decisions, we assessed the 25 largest property managers by unit count, according to the National Multifamily Housing Council. Using Reputation's AI-powered natural language-processing capabilities, we analyzed over 336,000 reviews from 11,300 multifamily properties. Our Reputation Score, a proprietary algorithmic performance indicator, rates brand performance on a scale of 100 to 1,000 based on public-review data. The Reputation Score measures and evaluates review sentiment, visibility, and engagement to provide a real-time, single metric by which to gauge customer perceptions of your brand.

Reputation Scores Are Calculated Using Three Key Criteria:

Sentiment: The thoughts and opinions expressed in reviews

Engagement: Social media activity levels and interactions; review responses

Visibility: All additional factors such as search rankings, review volume, review spread, and the accuracy and thoroughness of business listings

While condensing multiple factors into a single score is valuable, the Reputation Score goes even further. It leverages AI-powered analytics, and it uncovers actionable insights for each location, offering tailored recommendations that help property managers streamline operations, improve efficiencies, and increase revenue. This turns the Reputation Score into a strategic tool, and makes the Reputation Platform an essential partner in driving continuous brand enhancement.

FINDINGS:

The 2024 Property Management Market

The Following Results Are Divided into Three Classes:

Top Tier:

Those that scored in the top 20%

Industry:

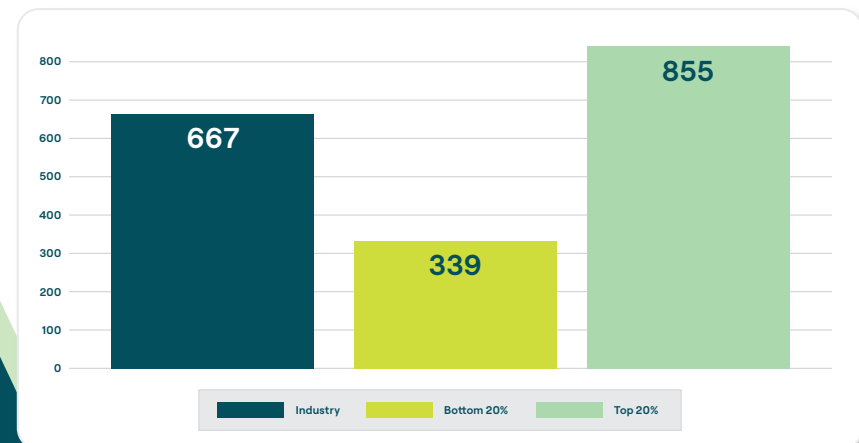
All providers in the survey combined

Bottom Tier:

Those that scored in the bottom 20%

Reputation Scores Are Rising Across the Industry

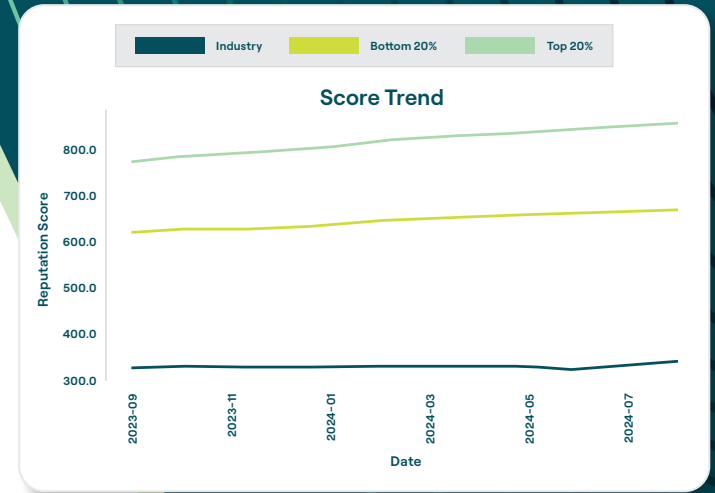
The average Reputation Score for the industry in 2024 is 667, marking a 4% increase over 2023's average of 639. The top-tier locations boast a score of 855 – an impressive 188 points above the industry average. The bottom 20% earned a significantly lower score of 339.



Top Tier's Rep Score Trajectory Outperforms

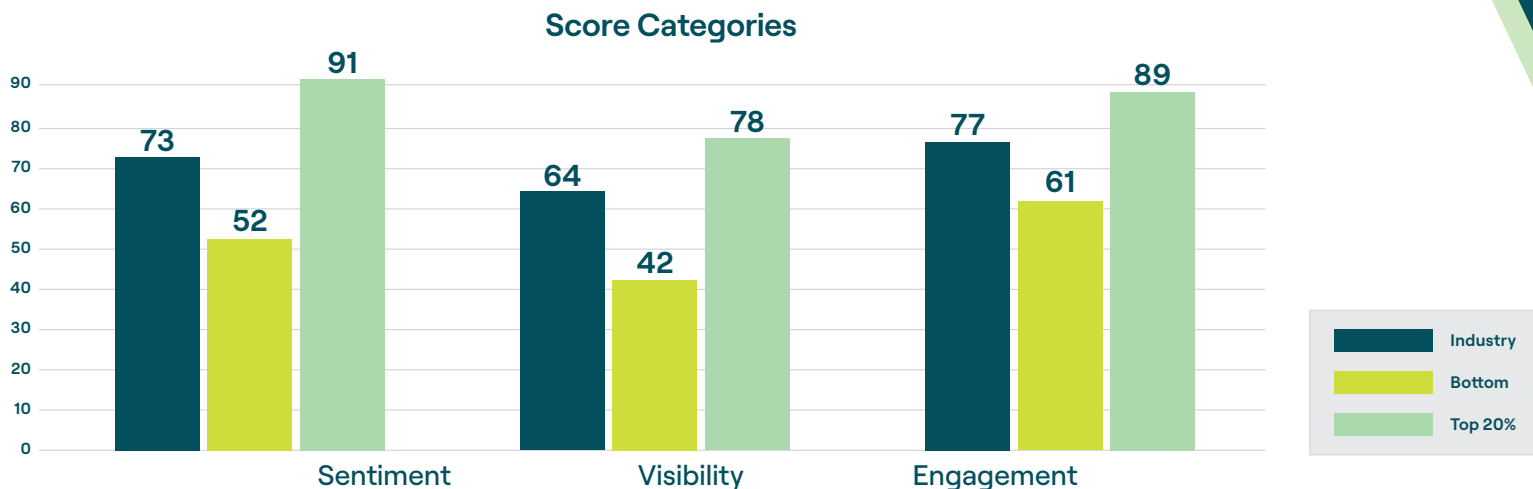
Over the past year, Reputation Scores have trended decidedly upward for both the Top Tier and the industry overall. In contrast, the bottom performers have shown only slight improvement. The 4% increase in industry-wide average scores is largely based on increases achieved by the Top Tier, as the leaders run away from the pack.

Key Takeaway: Top Tier property managers have recognized the significance of review management. Many are working to improve their scores and ratings. Those who neglect reviews are falling further behind, hindering their ability to attract and retain renters as competition intensifies.



Visibility Offers the Greatest Opportunity for Improvement

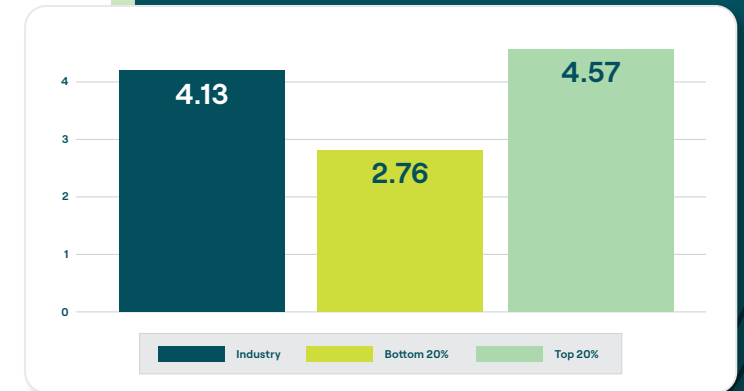
There are notable differences across the three Reputation Score categories. Top Tier performers excel in Sentiment, the most heavily weighted category, scoring 18 points above the industry average and nearly 40 points above the Bottom Tier. Engagement is the category where the performance of all three groups is most similar. Bottom Tier performers are most lacking in Visibility, though improvements in this area could be made across the board.



The Top Tier Dominates Star Ratings

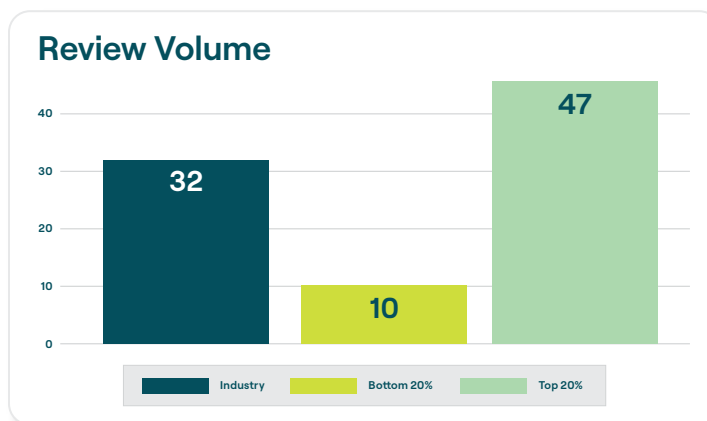
The Top Tier scores an average rating of 4.57 stars, which is 0.44 higher than the industry average. The Bottom Tier has an average rating of 2.76 stars, which is 1.37 stars below the industry average and 1.81 stars below the Top Tier.

Key Takeaway: The Top Tier is focusing on sentiment (reviews) to enhance their reputations and are experiencing ratings increases as a result. This is key as the vast majority of potential renters will not even consider a property with a rating score less than 4 stars. As the industry increases its focus on reviews, the Top Tier should expand its focus on visibility to stay ahead.



The Top Tier Is Driving Overall Review Volumes Higher

Based on a Google-centric analysis, the number of reviews left by customers over the last year increased. The Top Tier generated 370% more reviews than the bottom tier, and 47% more than the industry as a whole.



As Review Volumes Increase Industry Wide, Ratings Rise

Review Volumes continue to increase across the industry. The last 12 months brought a 24% increase in review volume compared to the 12 months prior. Average star ratings have trended higher as well.

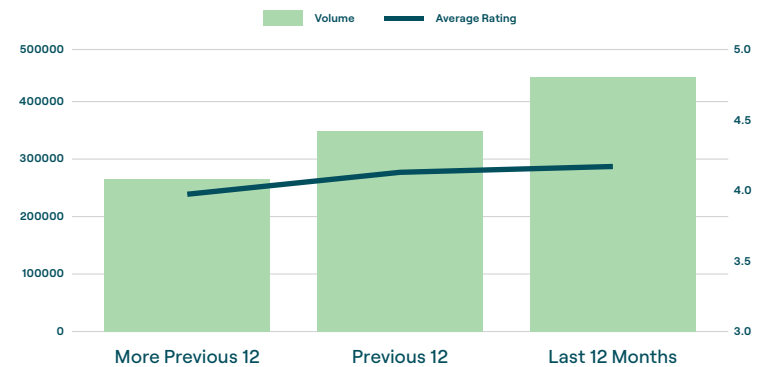
Key Takeaway: There is typically a positive correlation between the number of reviews and star rating levels. Since reviews lead to higher ratings, consistently requesting reviews should enhance your overall rating. Regularly soliciting reviews also helps keep feedback current, as 61% of consumers consider reviews older than a year to be significantly less valuable.

Google Analysis Reveals Imbalance in Tenant Satisfaction Levels

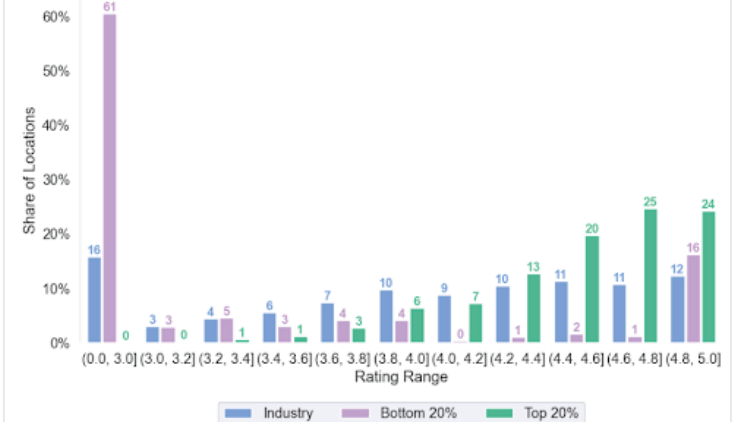
Over 60% of properties in the Bottom Tier have received an average rating below 3 stars over the past year. In contrast, 49% of top performers have achieved an average rating of 4.6 stars or higher in the same period. Industry-wide, 16% of properties have received ratings below 3 stars, while 53% have ratings above 4 stars.

Key Takeaway: Understanding where your property stands relative to industry norms can guide efforts to improve ratings, attract tenants, and stay competitive. For those receiving low ratings, it's important to note that simply responding to negative ratings and reviews can significantly improve the perceptions of prospective renters.

Volume and Rating



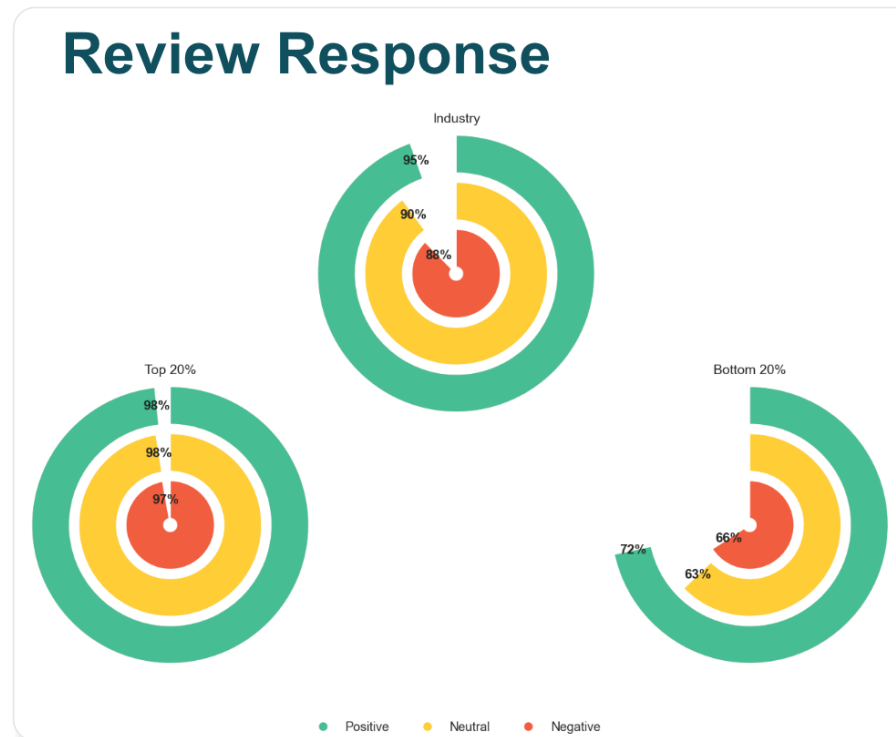
Review Rating Distribution - All Sources



Responding to Reviews: Key to Building Trust and Loyalty

The Top Tier responds to virtually all reviews, with a 98% response rate for positive and neutral reviews, and 97% for negative reviews. The industry overall shows higher response rates to positive reviews at 95%, compared to 88% for negative reviews. Despite receiving the fewest reviews, bottom-tier performers have the lowest rates, responding to 72% of positive reviews and 66% of negative reviews.

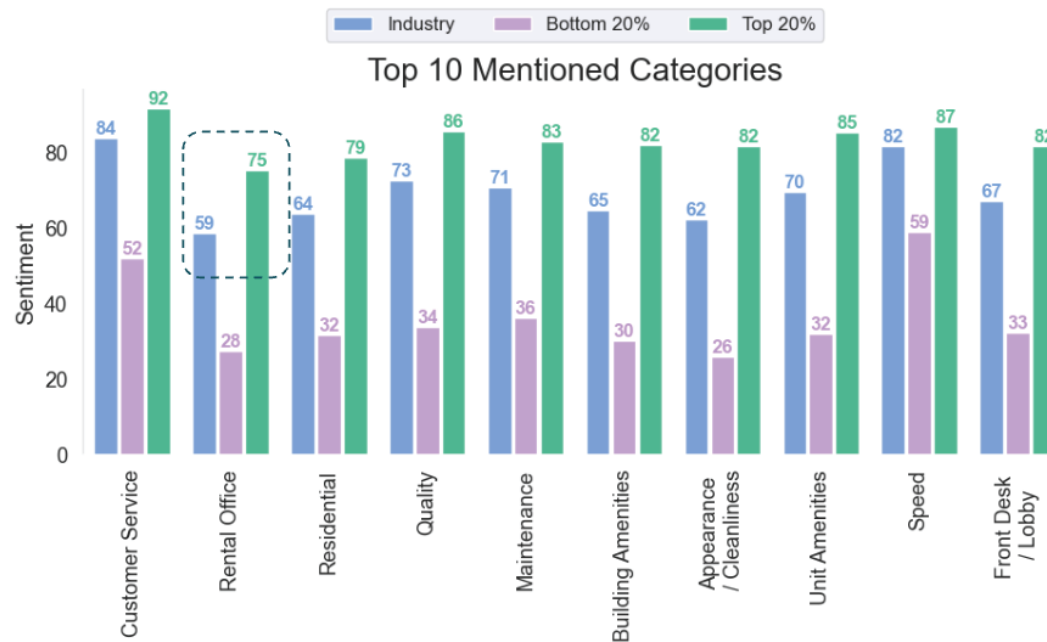
Key Takeaway: Reviews offer property managers the chance to turn a negative experience into a positive one. By responding to all reviews—positive and negative—you align with the 85% of consumers who believe it's important for companies to address negative feedback. And responding shows prospective renters that you genuinely care about their experience.



Renter Sentiment

What Customers Talk About Most: The Top Ten Review Terms

Across the wide range of terms mentioned in reviews, the Top Tier consistently outperforms the industry in every category, with the most notable strengths being appearance, cleanliness, amenities, and rental offices. The categories where the industry comes closest to matching Top Tier performance are speed and customer service. Meanwhile, the Bottom Tier significantly underperforms in all areas, though they show some strength in speed and customer service.



The Industry's Greatest Strengths Are in Customer Service, Speed and Location

Customer Service refers to the relationship between property managers and tenants, where the primary goal is to ensure tenant satisfaction and retention. This includes addressing tenant concerns promptly, maintaining communication, and resolving issues efficiently. Good customer service can directly impact occupancy rates and property value.

Speed refers to how fast property managers address tenant issues. Whether it's for a repair or processing a move-in, speed is a top driver of positive customer sentiment. This is critical, as 55% of renters expect a response from their apartment manager within 2 hours when they raise a concern.

Location refers to proximity to highways, public transportation, hospitals, etc. as well as walkability to schools, entertainment venues, and other services. It may also include noise levels, crime, and safety. While location is a key driver of positive sentiment, it's mentioned less frequently in Top Tier reviews, likely due to other standout features that take priority.

Key Takeaway: The industry is relatively strong in customer service, speed, and location. Property managers who consistently deliver efficient communication, quick resolution of issues, and convenient locations all contribute to higher tenant satisfaction, build strong reputations and improve tenant retention.

Industry

Customer Service



Speed



Location



The Top Tier Excels in Customer Service, Quality, and Maintenance

Customer Service emerges as a defining strength for Top Performers, scoring 92—eight points higher than the industry average. This reflects a dedication to resident satisfaction through quick response times, efficient issue resolution, and proactive communication. By consistently exceeding expectations, top performers foster positive resident relationships, setting themselves apart from competitors.

Quality refers to the overall resident experience, from staff professionalism to property condition and amenities. Top Tier reviews highlight courteous and knowledgeable staff, timely and efficient maintenance, and well-maintained living environments. Delivering consistently high-quality service improves resident satisfaction.

Maintenance refers to proximity to highways, public transportation, hospitals, etc. as well as walkability to schools, entertainment venues, and other services. It may also include noise levels, crime, and safety. While location is a key driver of positive sentiment, it's mentioned less frequently in Top Tier reviews, likely due to other standout features that take priority.

Key Takeaway: Top Performers excel in customer service, quality, and maintenance. They prioritize quick responses, efficient solutions, and proactive communication. This results in well-maintained properties, professional staff interactions, and strong tenant relationships that drive satisfaction and retention.

Top 20%

Customer Service



Quality



Maintenance



Renter Sentiment: Weakness

The Industry's Greatest Weaknesses Are in Surcharges and Rental Offices

Surcharges refer to fees for parking, utilities, WiFi, move-in/move-out, and pets, frequently cited in negative tenant reviews. Hidden or unjustified charges, such as administrative fees or unexpected deductions from security deposits, often lead to dissatisfaction. Poor communication about these fees worsens the frustration, and drag down ratings.

Rental Office refers to the rental or leasing office and staff, frequently cited as a powerful negative across the industry. Common complaints include rude, unresponsive staff and unresolved safety issues. While sentiment is 16 points higher for top performers, there's still room for improvement industry-wide.

Key Takeaway: The industry should focus on improving surcharge transparency, ensuring potential renters fully understand all costs before signing a lease. Incorporating some fees into the rent could reduce the perception of being "nickel and dimed." Properly training Rental Office staff is key to fostering positive tenant interactions.

Industry

Rental Office



Surcharges



The Top Tier's Greatest Weaknesses Are in Surcharges and Rent

Surcharges are significant drivers of negative sentiment for the Top Tier as well. Comments like “surprise charges” and “unexpected carpet repair bill upon move-out” frequently surface. While both the industry and top performers face similar challenges, top performers score 27 points higher, suggesting they manage surcharges more effectively, resulting in fewer complaints and negative repercussions.

Rent is another negative sentiment driver for Top Tier managers, with complaints often centered on high costs and a lack of perceived value. Reviewers frequently mention hidden fees, unjustified rent increases, and lower-than-expected living conditions—particularly with regard to the amount they pay for rent.

Key Takeaway: To mitigate negative reviews about surprise fees and rent increases, respond with reminders of your property’s benefits and ensure transparent communication about upcoming fees or rate changes, explaining the reasons behind them. Rent related dissatisfaction often stems from renters feeling they receive less value than expected. Proactive responses and clear explanations can help reduce negative feedback.

Top 20%

Surcharges



Rent



How the Top Tier Excels

The following are best practices for maximizing review volumes and ratings, based on the work we do with thousands of customers and the locations they manage.

- 1. Consistently Ask for Reviews:** The Top Tier proactively requests reviews from their customers on a consistent basis. We see this in a substantial increase in customer reviews, with 47% more reviews generated per month, per location as compared to the rest of the industry.
- 2. Consistently Respond to Positive Reviews:** The Top Tier exhibit an impressive 98% response rate to reviews compared to the 95% response rate achieved by the rest of the industry. This high level of responsiveness shows an appreciation for customer feedback while also contributing to an increase in Reputation Score.
- 3. Consistently Respond to Negative Reviews:** The Top Tier consistently addresses negative reviews with a 97% response rate, nine points higher than the industry average. This proactive approach helps to resolve issues and demonstrates transparency and commitment to customer satisfaction, leading to improved Reputation Scores.
- 4. Implement a Comprehensive Reputation Management Tool:** Top Tier property managers leverage tools to streamline review requests, responses, and analyses. These tools track feedback across multiple platforms, ensuring swift and effective responses. By using such tools, managers enhance customer relationships, improve service quality, and boost their overall Reputation Score.
- 5. Leverage the Feedback from the System to Implement Change:** Top Tier property managers “always know, always act” on feedback. By analyzing data from their reputation management tools, they identify trends, address recurring issues, and make strategic improvements. This proactive approach enhances operations, improves tenant satisfaction, and maintains a competitive edge in the market.

The Reputation Platform

Ready to take control of your brand's reputation and thrive in the digital landscape?

The Reputation platform gives property managers the ability to manage and showcase customer feedback from a single platform, across all locations. They can:

- **Generate, respond to, and engage with customer reviews**
- **Track review volume, quality, and real-time sentiment at the brand or location level**
- **Measure/report on key review metrics with customizable dashboards and automated reporting**

Property managers use the Reputation solution to enhance their online presence, gather reviews, manage social media, increase customer engagement, and use feedback to create better customer relationships — all at scale.

For more information on how Reputation can help your organization thrive in the evolving rental market, visit reputation.com.

Reputation is the only platform that empowers companies to fulfill their brand promise by measuring, managing, and scaling their reputation performance in real-time, everywhere. Functioning as a business' eyes and ears in the spaces where customers talk, post, review, and recommend, Reputation AI-powered product stack analyzes vast amounts of public and private feedback data to uncover predictive insights for companies to act on, and improve their online reputations. Visit reputation.com to learn more.