



# The Science of Selling Apartments

How Data Drives Leasing Performance

In Partnership with:

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## Isn't it time to stop losing qualified renters to the competition?

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The apartment rental market is booming. With a million units under construction in 2023 and a projected delivery of 550,000 in 2024<sup>1</sup>, the race for qualified renters is on. The sheer volume of new options creates a fierce competitive landscape for property managers. But there's a way to rise above the noise and attract high-quality residents: exceptional service.

This data-driven ebook unlocks the secrets to thriving in this competitive environment.

<sup>1</sup>[weareapartments.org](https://weareapartments.org)







## The National Landscape

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In a quarterly survey conducted by the National Multifamily Housing Council (NMHC), while overall apartment market conditions are weakening, the “survey results indicate that apartment sales volume has finally increased after seven consecutive quarters of declines. Meanwhile, the U.S. apartment market continues to absorb historic levels of new supply, resulting in rising vacancy rates and decreasing rent growth.”<sup>1</sup>

According to the United States Census Bureau, national vacancy rates were 6.6% for the first quarter of 2024, statistically unchanged from last year.<sup>2</sup> Although rental vacancy rates have mostly declined since 2008, the census data shows an uptick over recent years.

Unfortunately, operators immediately turn to rent reduction and concessions when vacancies arise. Zillow data confirms this trend, with concessions offered on 32.2% of listings in February 2024, up 5.6 percentage points from the previous year.<sup>3</sup>

The problem is those strategies don't maximize NOI. There's a better way.

<sup>1</sup> NMHC.org, “Apartment Market Continues to Loosen Amidst Worsening Financing Conditions,” April (2024).

<sup>2</sup> Census.gov, “Quarterly Residential Vacancies and Homeownership, First Quarter 2024,” April (2024).

<sup>3</sup> Zillow.com, “Rent Concessions Cooling Off as Spring Rental Season Approaches,” March (2024).

## The Power of Mystery Shopping

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Industry expert Ronald Harrington, who specializes in leasing training, is a multifamily industry veteran, and to test some theories for himself, he independently conducted 101 mystery shops over the course of a year. His groundbreaking research included distinct and diverse apartment communities, encompassing over 80 property management companies in 13 states.

The insights gleaned from these real-world experiences provide a roadmap to success. We don't just tell you what to do; we show you what works based on real resident interactions and leasing team performance. His experience yielded actionable data and uncovered consistent challenges across locations. But most importantly, it pinpointed areas brimming with opportunity.





## Virtual Leasing: Dead or Here To Stay?

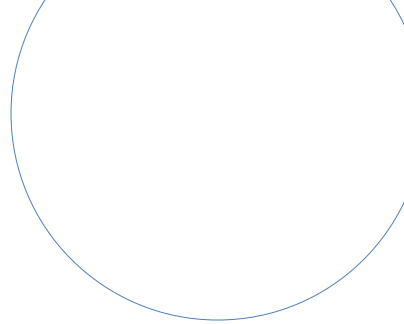
The data is clear: Virtual tours are here to stay. The way renters search for apartments has fundamentally shifted. In 2023, a third of renters moved in sight-unseen, according to the 2023 NMHC/Grace Hill Renter Survey.<sup>1</sup>

However, the growing trend toward virtual leasing doesn't mean in-person options have diminished in importance. In fact, Harrington's mystery shops revealed that agent-led tours remain the norm (over 92%) — a powerful statistic underscoring the importance of sales training for onsite teams.

In-person leasing allows for a more nuanced understanding of a renter's needs and preferences. The subtle cues of body language and facial expressions can be missed in a virtual setting. Furthermore, some renters may still crave the personal touch and the ability to ask questions in real time.



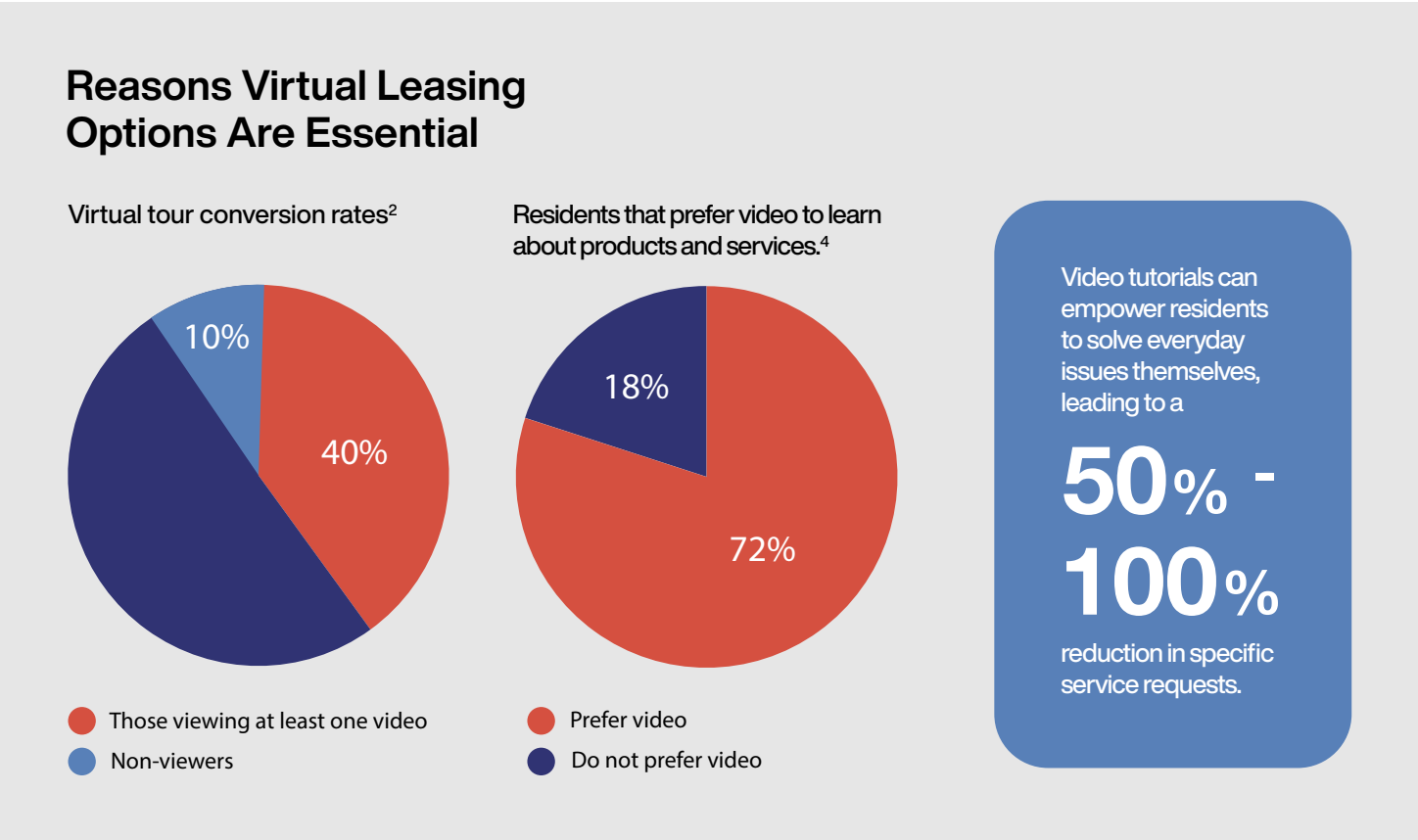
<sup>1</sup> 2023 NMHC/Grace Hill Renter Preferences Survey Report



# The key lies in meeting people where they are comfortable.

By offering various leasing options, including in-person, self-guided, and virtual tours, you empower renters to choose the experience that best suits their needs. This flexibility is key to attracting and retaining residents in today's competitive market.

While virtual tours might have started as a novelty, they're now necessary and often play a decisive role in a person's leasing journey. According to data from Realync, live virtual tours average a 40%+ tour-to-lease conversion rate, similar to in-person tours, and save a leasing team an average of 28 minutes per tour.<sup>1</sup> This is a 63% decrease in time spent touring, freeing up valuable time for deeper prospect engagement.



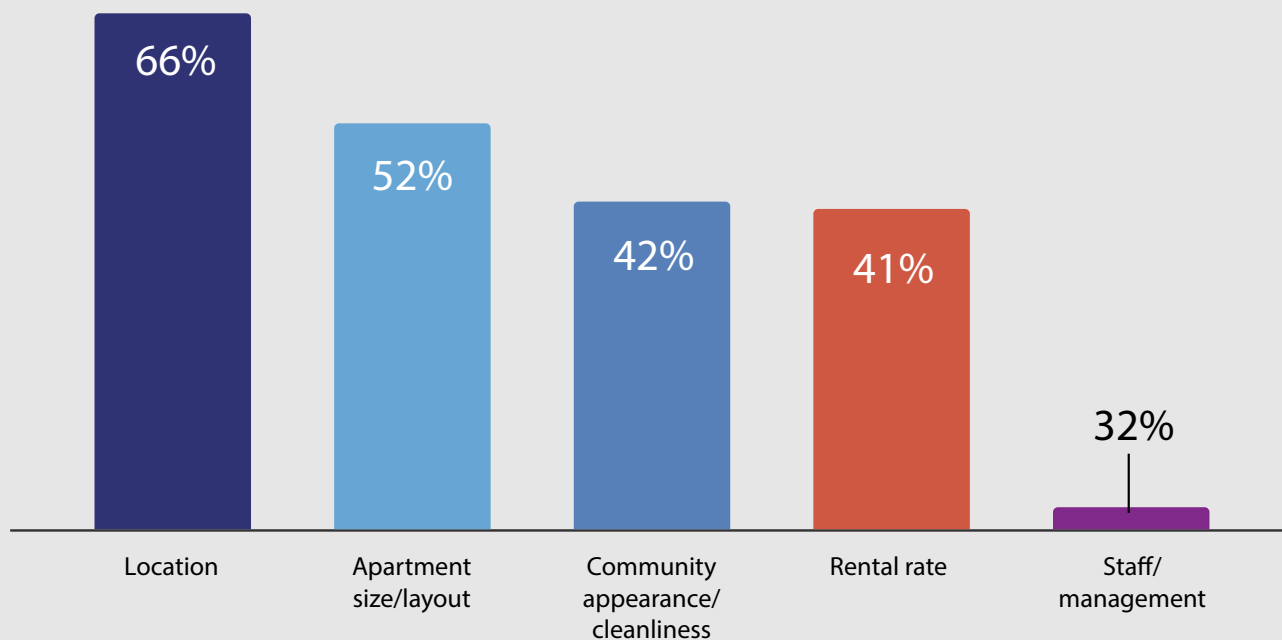
<sup>1</sup>realync.com, "How Long Should Virtual Tours Be in Multifamily?" (2022).  
<sup>2</sup>realync.com, "A Look Back: How Multifamily Used Video to Close Deals and Engage Renters," (2023).  
<sup>3</sup>realync.com, "Watermark Residential: How One Maintenance Team Turned Headaches into Streamlined Processes with Video Tutorials"  
<sup>4</sup>Hubspot.com, "State of Video in 2024: Video Marketing Statistics & Insights from Wistia"



## The Human Touch: Leasing Redefined

While technology is a game changer, it should never replace human connection. While various factors influence rental decisions — several of which you can do little to change — how you and your teams make people feel and the culture you create continues to have a significant impact.

### What Factors Most Influence Your Leasing Decisions?



Note: Data from a 2023 Grace Hill Kingsley Surveys Move-In Survey

According to the KingsleySurveys move-in survey, residents value outstanding staff interactions. With almost a third of respondents citing staff or management as a reason for their leasing decision, it implies that the interactions residents have while in the prospect phase of their lifecycle heavily impact the decision to lease.

## Don't let your online reputation deter renters.

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When residents begin their search for a place to call home, the process is often intense and fast-paced. But because today's renters are also digital-savvy, you can be sure they've vetted your property online before making any effort to step foot in your leasing office.

In fact, according to the 2024 NMHC and Grace Hill Renter Preferences Survey Report, **71% of renters referenced ratings and reviews when searching for their next apartment home**, especially true for Millennials and Gen Z.

The good news is that their interest is likely high by the time they walk in the door to the leasing office, making them a strong prospect. However, that's only good news if you are paying close attention to "how" your leasing consultants interact with potential residents. Or worse, is your property being dismissed as a viable option because your online presence is poor?





## First impressions matter.

Prospective renters' perceptions begin online with research and reviews of your community but continue with the first personal experience, including ease of scheduling an appointment. In Harrington's study, an overwhelming number of properties (89.11%) allow online appointment bookings. That's positive. And it's also the first opportunity to cast a favorable first impression.

If your teams fail to make positive connections with residents and prospective residents, you'll likely lose sales and renewals. Consider the results below from Harrington's recent mystery shopping: Less than half of leasing consultants stood to greet potential residents, and even fewer extended a handshake.

A welcoming introduction sets the tone for the entire leasing experience. When potential residents feel acknowledged and respected from the outset, they're more likely to feel comfortable and engaged. This positive impression translates to a more positive perception of the overall community.

**44%**

**Did the leasing consultant  
stand to greet you?**

**29%**

**Did the leasing consultant  
shake your hand?**

**42%**

**Did the leasing consultant  
introduce themselves during  
the initial introduction?**

Think about it: How you're greeted at any business shapes your perception of the brand and your likelihood to return. The same is true for potential renters. Imagine two potential renters where one is greeted with a warm welcome and shown genuine interest in their needs compared to another who isn't acknowledged and feels rushed through the process. It's not hard to determine which one is likely to rent.

In the end, it's the small things that often make the biggest difference. A warm welcome, a friendly smile, and taking the time to answer questions all contribute to feeling valued and respected. While seemingly minor, these actions set a positive tone for the leasing experience, which can lead to higher occupancy rates, stronger resident retention, and positive word-of-mouth marketing.

## Creating a Connection

Remember, renters aren't just choosing an apartment; they're choosing a home. Of the 101 shops completed, it's clear there are opportunities for improvement. As the graph below highlights, less than 50% of leasing consultants are making significant efforts to create a connection with prospective residents.



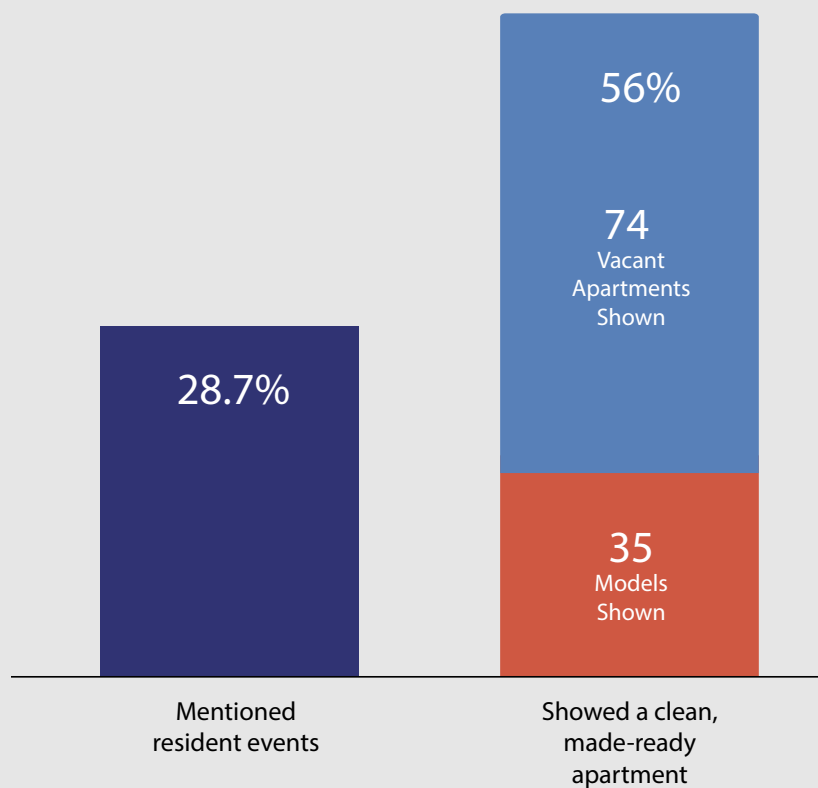
For multifamily property managers and owners, fostering a connection between leasing teams and prospective residents is crucial.

The leasing consultant is often the first and most lasting impression a renter has of your community. Taking the time to build rapport, understand needs, and showcase the team fosters trust and a sense of belonging.



## Property Presentation: Creating Value

Successful leasing consultants don't just show; they sell. Prospective residents want to understand what it would be like to live in your community, and that means leasing consultants need to demonstrate the value of your property and differentiate it from your competition.



Understanding and highlighting what makes your community special can significantly impact the leasing decision because renters are more likely to choose a place where they feel not just accommodated but genuinely welcome. By prioritizing connection during the leasing process, you can turn casual prospects into loyal residents.

## Closing is critical.

Even with a positive first impression and property presentation, Harrington's shop data reveals that most consultants failed to ask for the lease. Closing and follow-up are an important component of successful lease conversions, and it is clear that there is much room for improvement.

### Did the leasing consultant...

11%

Ask for the sale?

35%

Discuss next steps  
after the tour?

55%

Follow up after  
the tour?

While it is positive news that the majority of leasing consultants are following up with prospective residents, the fact that more than a third (44.55%) are not is staggering.

To bridge this gap, organizations should create a culture where follow-up is expected and rewarded. Here's how proper training and policies can empower your team:

- **Closing Techniques Training:** Equip leasing consultants with the knowledge and skills to effectively ask for the sale, overcome objections, and guide prospects toward a positive decision.
- **Follow-Up Protocols:** Implement clear policies and procedures regarding follow-up after tours, including standard timeframes for contact, preferred methods (phone calls, emails, etc.), and templates for communication.
- **Performance Tracking and Incentives:** Monitor follow-up practices and close rates, offering constructive feedback and rewarding consistent high performers. This creates accountability and reinforces the importance of follow-up throughout the team.



## Mystery Shopping: A Powerful Tool in a Data-Driven World

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In today's data-driven environment, some might question the continued relevance of mystery shopping. However, the insights from Harrington's mystery shopping experience demonstrate its enduring value.

Mystery shopping goes beyond simply checking boxes; it provides real-world data on how leasing teams interact with potential residents. This objective perspective allows property managers to identify areas for improvement and implement targeted training programs that directly impact the leasing experience.

However, the true power of mystery shopping lies in how effectively you utilize the data. Identifying the gaps is meaningless unless you use the findings to create a roadmap for improvement.



**Mystery Shopping is a wonderful tool that has helped as I develop and implement our leasing school. I am able to recognize employee strengths while also identifying opportunities for growth. As a result, I have used this knowledge to gear my training towards their needs rather than wasting time on skills that have already been mastered.”**



**Amy Fernandez**

Training & Development Manager  
Phillips Management Group

Mystery shopping can be a powerful tool in your property's success. By translating data into actionable steps, property managers can leverage mystery shopping to optimize their leasing teams and maximize occupancy rates.

Ready to empower  
your teams?

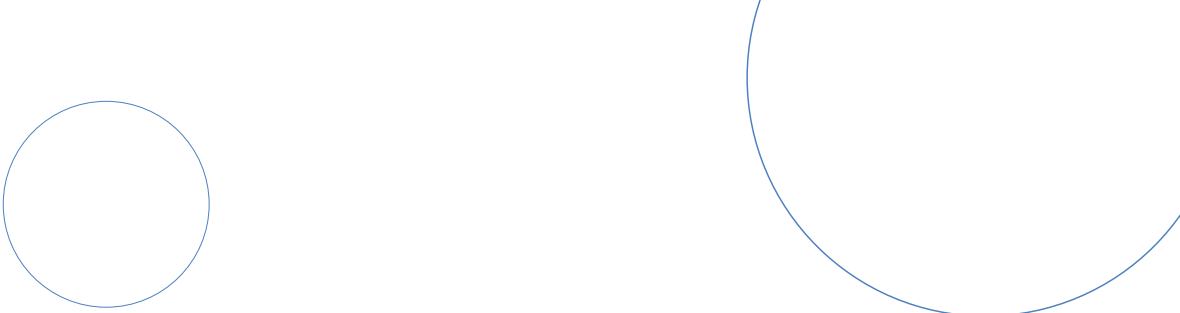
**Take action today and  
unlock the full potential  
of your multifamily  
property!**

The multifamily market is competitive, but there's a clear path to success — exceptional service delivered by a well-trained and empowered leasing team.

This ebook should equip you with the insights and strategies to rise above the noise. By leveraging data-driven practices, fostering human connection, and providing impactful training, you can transform your leasing team into closing champions who consistently convert leads into happy residents.

Remember, exceptional service is about building trust, understanding needs, and creating a sense of belonging. When you prioritize these elements, you'll not only win residents but also build a thriving community.





## About the Data

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Ronald Harrington organized this independent study. During 2023, he conducted 101 mystery shops across the United States at various types of properties and in multiple locations. His research covered 13 states, 28 cities, and 88 property management companies.

**101** Total Shops

**13** States

**28** Cities

**88** Management Companies \*

### Types of Properties Shopped

1.98%  
**Student**  
2 Properties

48.51%  
**Garden**  
49 Properties

31.68%  
**Mid-Rise**  
32 Properties

17.82%  
**High-Rise**  
18 Properties

### Tour Type

92.08%  
**Agent-Led**  
93 Tours

4.95%  
**Self-Guided**  
5 Tours

.99%  
**Virtual**  
1 Tour

1.98%  
**N/A**  
2 Tours

*\*27 out of the Top 50 Managers  
from the NMHC list*