

# What Does Turnover Really Cost You?

High resident and employee turnover rates are an ongoing challenge in the multifamily industry, causing significant financial, operational, and organizational strain. When employees leave, you suffer from additional recruiting and training expenses, plus remaining employees burnout, causing a ripple effect that ultimately leads to higher resident turnover. The cost of lost rental income, repairs, advertising, and concessions really add up — with each turn impacting your bottom line by close to \$4,000!

**The stakes are high, and competition is fierce, so reducing employee and resident turnover is essential for your community's long-term profitability.**

ANNUAL EMPLOYEE  
**TURNOVER**  
RATES OF  
**32.7%**

HIGHEST RATES ARE FOR:<sup>1</sup>

<b>39.2%</b> Onsite Maintenance	<b>31.9%</b> Onsite Leasing	<b>22.5%</b> Onsite Management
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THE AVERAGE COST PER HIRE:

**\$4,700** 

Plus, it takes 36 to 42 days to fill the average position in the United States.<sup>2</sup>

That means a company with 100 employees at an average turnover rate **could spend more than \$150K in employee hiring costs**

and that doesn't take into account lost productivity or burnout.

**A recent study found that apartment firms with higher staff turnover also had lower resident retention rates<sup>3</sup>**

LOSING A RESIDENT CAN **COST NEARLY \$4,000 A UNIT<sup>3</sup>**

Lost Rents <b>\$1,598</b>	Unit Repair Costs <b>\$775</b>	Concessions <b>\$1,240</b>	Marketing & Advertising <b>\$364</b>
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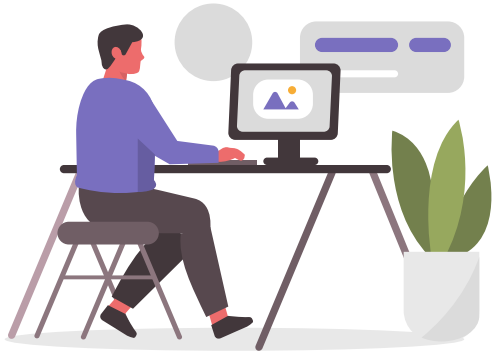
How long does it take to recoup resident turnover?<sup>3</sup>

**\$1,500** + **\$225** = **17.6 MONTHS**

Starting Rent Price      Rent Increase      Time to Recoup Funds

For every **3% reduction in onsite employee turnover**, communities see a 4% reduction in resident turnover.

If you could improve associate retention by 15%, you can expect a **20% increase in resident renewals** and a significant boost to net operating income (NOI).<sup>4</sup>



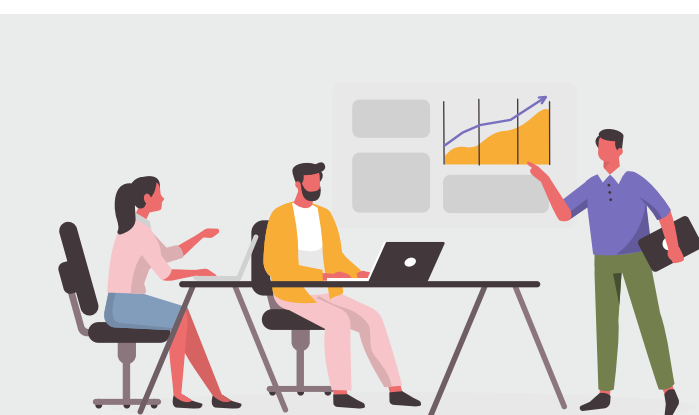
RENTERS ARE **MORE LIKELY TO RENEW**  
**6%** AT PROPERTIES WITH HIGHLY ENGAGED EMPLOYEES<sup>4</sup>

**NOT implementing an employee onboarding program will cost you.**

Without proper onboarding, **up to 20% of employee turnover occurs within the first 45 days**, increasing recruitment, hiring, and training costs.<sup>5</sup>

**70% INCREASE** IN EMPLOYEE ENGAGEMENT is reported within organizations that diligently prioritize ongoing training.  
Engaged employees feel valued and appreciated, fueling their commitment and dedication toward the organization's success.<sup>6</sup>

**76%** OF EMPLOYEES say they are more likely to stay with a company that offers continuous training.<sup>7</sup>



WOULD YOU LIKE  
**70% RESIDENT RETENTION?**  
**RETAIN EMPLOYEES!**

<b>23%</b> of property managers with <b>low staff churn</b> achieved a	<b>70%</b> resident retention rate vs. only	<b>3%</b> of firms with high staff turnover. <sup>3</sup>
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## Grace Hill Can Help!

Talk with Grace Hill's multifamily experts to discuss solutions to improve retention at your properties.



1 Gallup report: Employee Engagement and Performance: Latest Insights from the World's Largest Study (<https://www.gallup.com/workplace/321032/employee-engagement-meta-analysis-brief.aspx>)  
2 <https://www.zippia.com/advice/cost-of-hiring-statistics-average-cost-per-hire/>  
3 <https://www.gozezo.com/wp-content/uploads/2022/06/2022-state-of-resident-experience-management-report.pdf>  
4 <https://gracehill.com/blog/data-connection-associate-retention-drives-resident-renewals/>  
5 <https://deliberatepractice.com.au/wp-content/uploads/2013/04/Onboarding-2013.pdf>  
6 [https://www.shrm.org/ResourcesAndTools/hr-topics/behavioral-competencies/Documents/14-0028%20JobSatEngage\\_Report\\_FULL\\_FNL.pdf](https://www.shrm.org/ResourcesAndTools/hr-topics/behavioral-competencies/Documents/14-0028%20JobSatEngage_Report_FULL_FNL.pdf)  
7 <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2022%20Workplace%20Learning%20and%20Development%20Trends%20Report.pdf>