

RENTAL BEAST MARKET REPORT



Rental Concessions Abound in Most Markets Rental Inquiries Gain Traction

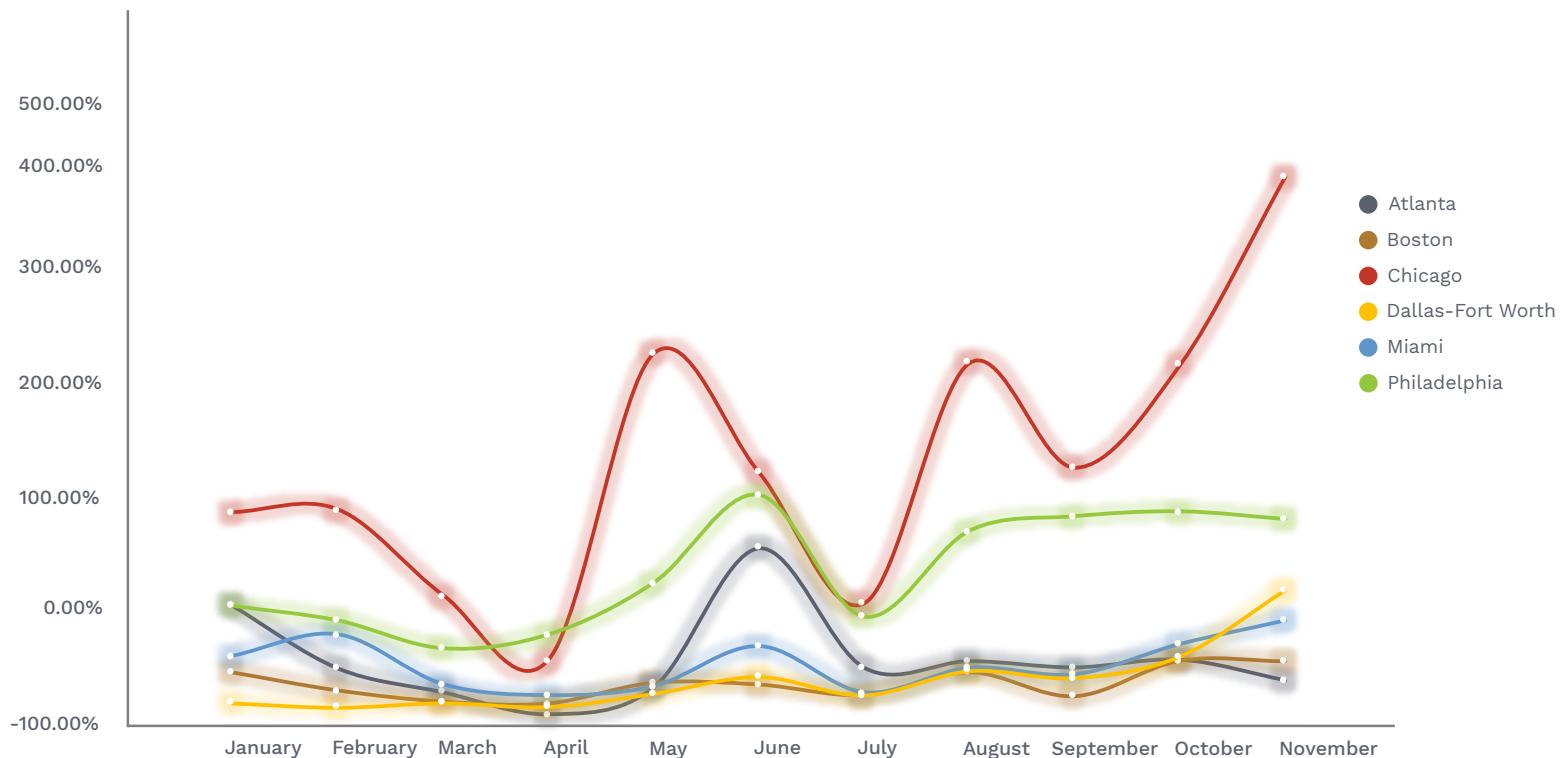
December 16, 2020—With the outcome of the presidential election finalized, and with the start of COVID-19 vaccine distribution across the United States, renters, property managers, and landlords hope that rental demand will soon return to pre-pandemic levels.

In our final 2020 issue of Rental Beast's Market Report, we feature Rental Inquiries and Rental Concessions in Atlanta, Boston, Chicago, Dallas-Fort Worth, Miami, and Philadelphia.

RENTAL INQUIRIES

Rental Inquiries are prospective tenants actively seeking to rent an available property in our database. Rental Inquiry volume typically follows a predictable seasonal pattern—Rental Beast data from previous years show a high volume of Rental Inquiries during the summer months, as renters hoping to move in the fall begin apartment searches. Departures from such patterns serve as powerful, quantifiable early indicators of shifts in the rental marketplace and are more powerful predictors of future transactional activity than traditional rental information, such as average rent. Rental Beast monitors all inquiries to available listings on the Rental Beast website and listings syndicated to our partner sites including Facebook Marketplace and Realtor.com.

In November, Chicago, Philadelphia, and Dallas-Fort Worth posted positive year-over-year (YOY) Rental Inquiry results, while Atlanta, Boston, and Miami continue to register negative rates:



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Chicago led the group with a 378% YOY increase in Rental Inquiries. Philadelphia inquiries were up 79% and Dallas-Fort Worth logged an 18% gain.

Nick Libert, CEO of Exit Strategy Realty in Chicago, is not surprised by strong Rental Inquiry rates. He believes a combination of optimism about the pending vaccine and greater job security for those working in tech and other non-service-oriented jobs have inspired Chicagoans to explore new living arrangements. Libert explains, “While there is enthusiasm for the vaccine, people realize they will still be working from home for the better part of 2021. Renters are looking to adjust or upgrade their living space to better accommodate their work-from-home needs”.

Libert indicates that Chicago’s rental and home resale markets usually slow beginning in late summer, but November marks the strongest month in his firm’s 11-year history.

Crispin Martinez, a top Keller Williams Realtor focused on Austin and San Antonio, TX, comments that he sees an increase in Rental Inquiries in his area. However, many of these potential renters are not qualified due to recent job losses.

Rental Inquiries for Atlanta were down 61% YOY, while Boston and Miami remain on the cusp of reporting negative rates throughout 2020, with declines of 45% and 9%, respectively.

In August, Rental Beast spoke with Christopher Schlitz, Owner and Managing Partner of JP & Associates Realtors® Metro Atlanta, gaining insights on the Atlanta real estate market. We spoke with Schlitz again in early December.

Schlitz laments, “Dramatically lower Rental Inquiry rates make sense. We continue to see lots of people leaving apartments in Atlanta as they seek single-family homes in the suburbs.”

We also spoke with Julia Hufford, a Long & Foster Realtor in Northern Virginia. Hufford believes lower Rental Inquiry rates are, in part, due to a shortage of millennial renters. Many millennials who lived on their own pre-pandemic are now living with family.

“If someone is living with family, is paying little to no rent, and has low job security, then that person has little motivation to move,” Hufford says. “It is expensive to move—the process can cost anywhere from \$5,000 to \$10,000. If you’re worried about your job, then you will likely stay with family or renew your current lease.”

Throughout the year, Rental Beast data has consistently shown lower Rental Inquiry rates for most of our urban centers. The latest Single-Family Rental Market Index, produced by The National Rental Home Council and John Burns Real Estate Consulting, found that 59% of new single-family rental home residents relocated from urban residential environments in the third quarter.

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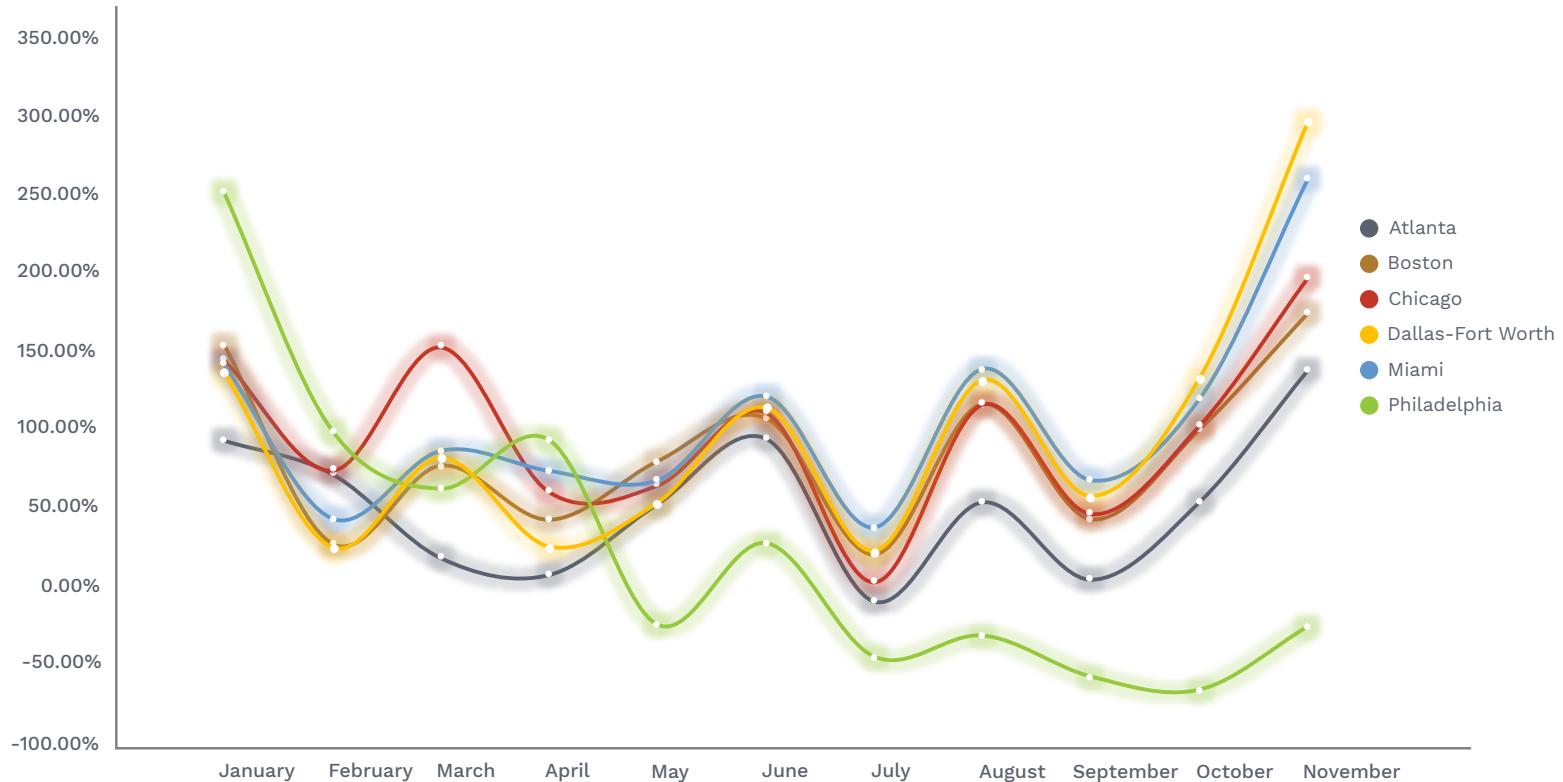
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RENTAL CONCESSIONS

Rental Concessions are compromises landlords make to original rent terms in the hope of filling a vacancy more quickly. Rental Concessions can include monetary compensation, a discount, or various goods and services.

For November, five out of six markets featured in our analysis registered significant YOY increases, with only Philadelphia reporting a decline:



Due to the continued surge of COVID-19 cases continue to surge across the United States, property owners and landlords desperate to fill vacancies are offering Rental Concessions at some of the highest rates observed in 2020.

Libert notes that historically low interest rates are driving an unprecedented volume of first-time Chicagoland homebuyers, with most buyers coming from rented apartments. Because of this, landlords have a higher volume of vacancies to fill and are doubling down on Rental Concessions to attract tenants. However, Libert believes there is a silver lining in the high Rental Concessions: Chicago rentals become more affordable and more people commit to the city long-term.

JR Alexandre, a Realtor from EthanMour Realty in Miami, explains that two month's worth of free rent in Miami is the “new normal.” Alexandre regularly fields inquiries from clients who are looking to move within Miami and upgrade to larger apartments.

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Christopher Schlitz adds, "There is a massive shortage of single family inventory in Atlanta suburbs and throughout Southern Florida. Movers have no choice but to consider apartment rentals. While renters can benefit from attractive Rental Concessions in city centers, you are lucky if you get a half month free rent in the suburbs, because demand is strong and landlords do not need to offer incentives in those areas."

ABOUT RENTAL BEAST

Rental Beast is a SaaS platform that simplifies the leasing process with an end-to-end platform and maintains a highly accurate database of nearly nine million off-MLS rental properties. With active listings in 23 markets across the United States, Rental Beast's Data Services Group tracks various rental trends in its markets across the nation.

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Rental Beast Markets

Active Markets:

Anaheim, CA

Annapolis, MD

Atlanta, GA

Austin, TX

Baltimore, MD

Boston, MA

Charlotte, NC

Chicago, IL

Dallas-Fort Worth, TX

Denver, CO

Houston, TX

Jacksonville, FL

Los Angeles, CA

Miami, FL

Minneapolis, MN

Orlando, FL

Philadelphia, PA

Phoenix, AZ

Sacramento, CA

San Antonio, TX

San Diego, CA

Tampa, FL

Washington, D.C.

Expansion Markets:

Cincinnati, OH

Cleveland, OH

Columbus, OH

Detroit, MI

Indianapolis, IN

Kansas City, KS/MO

Las Vegas, NV

Milwaukee, WI

Nashville, TN

New Orleans, LA

Norfolk, VA

Pittsburgh, PA

Portland, OR

Richmond, VA

Salt Lake City, UT

UT Seattle, WA

St. Louis, MO

Virginia Beach, VA

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