

COVID-19 Rent Payment Report

Exclusive Analysis - April 2020

 **LeaseLock** WALL STREET JOURNAL

Introduction

The COVID-19 pandemic has affected residents and multifamily operators in unprecedented ways, and its effects are still unfolding. Many operators moved quickly to prepare for April, working closely with residents to support them through this challenging time.

This report provides clarity on rent payments through the April grace period, based on actual transaction data sourced in real-time from the top property management systems in the industry. In this report, you will learn:

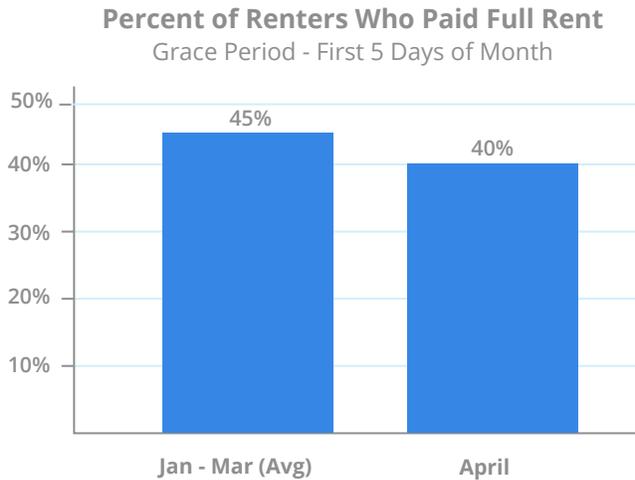
- Changes in **rent payment behavior** for the month of April
- Notable shifts towards **partial payment behavior**
- Adoption of COVID-19 resident relief programs, including **payment plans**
- Comparisons and trends across **major metro areas**
- Behavior and impact by **asset class**

Methodology

Rent payment data is sourced from direct integrations with three top property management systems in the multifamily industry: Yardi, RealPage and Entrata. Analysis includes a 96,268 unit sample from 1,029,428 units under management by LeaseLock clients.

Data is nationwide, representing over half of the NMHC Top 10 property managers in the country and all asset classes. Asset class composition: class A (36%), class B (55%) class C (9%). All data has been anonymized to remove personally identifiable information for renters and property managers.

April Sees Small Dip In Early Rent Payments

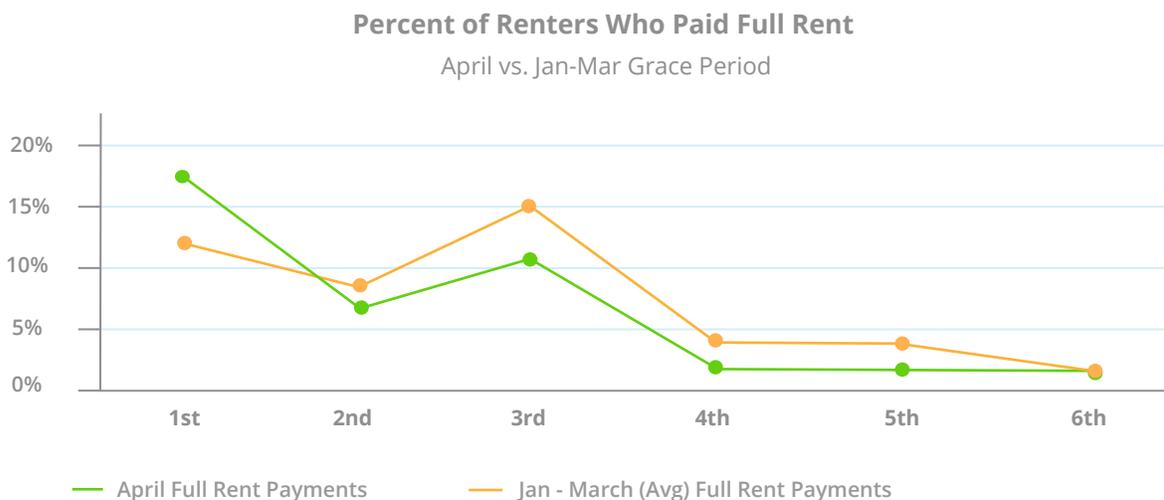


Comparing the percentage of people who paid full rent during the April grace period (typically the first 5 calendar days of the month) against the same time period in prior months (averaging January, February and March), we see a slight decrease on a national level. This trend held across most major metro areas, including Seattle, Los Angeles, Denver, Atlanta and more — as we'll explore later.

First Day Payments Started Strong, Then Declined

As we observed in our [first rent payment analysis](#), the percentage of full rent payments made on April 1 exceeded the average compared to the same time period in prior months. However, the payments tapered off over the April grace period when compared to prior months (average of January, February and March grace periods).

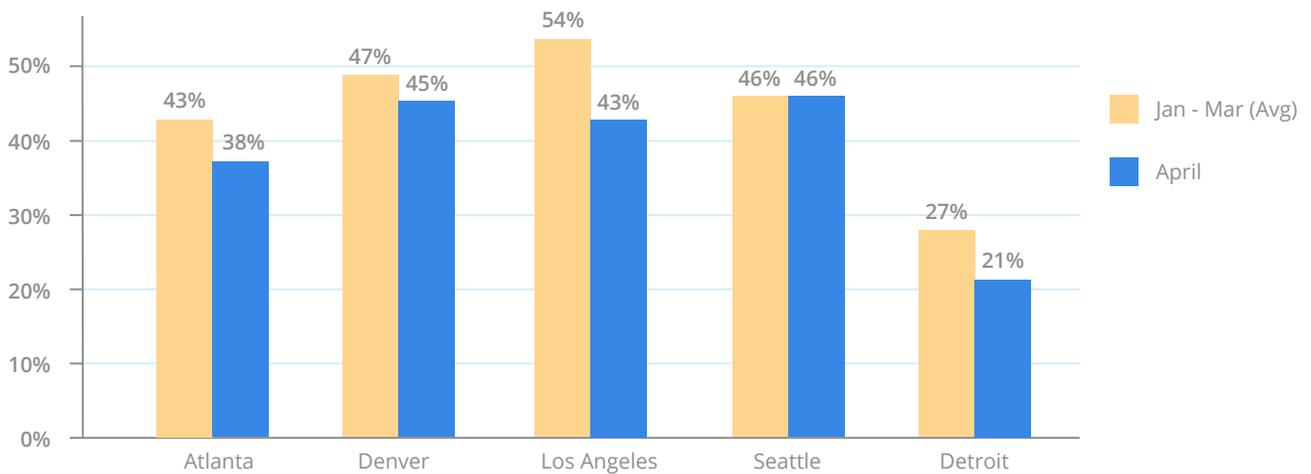
Those who pay on the first day of the month generally represent reliable rent payers — many of which are enrolled in auto-pay programs from their checking accounts. However, after the first day there is a natural decline in percent of renters paying full rent. As April payments trickled in, the decline was larger than normal from the second day onward.



Most Metros Show Rent Payment Drop

Across four major metro areas (Atlanta, Denver, Detroit, and Los Angeles), the percentage of renters who paid full rent during the April grace period was slightly lower than that of the previous 3-month average. As we surmised in our [most recent](#) analysis, it's possible that Los Angeles experienced a steeper decline in rent payments due to an early shelter-in-place measure, along with an eviction moratorium passed on March 23rd.

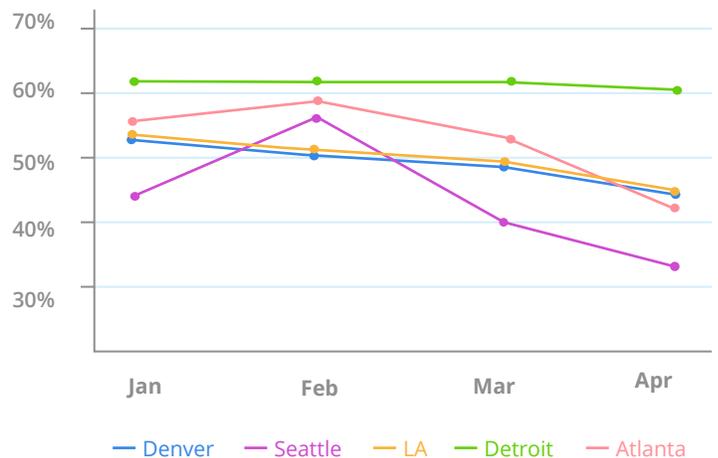
Percent of Renters who Paid Full Rent - April Grace Period



Seattle Continues Move Towards Partial Payments

Similarly to what we reported in our [first analysis](#), while full rent payments remain steady, Seattle renters who made partial payments during the April grace period paid a significantly smaller percentage of their total owed rent than in previous months. The percent of rent paid by Seattle's partial rent payers dropped by 10% from the beginning of the year. Other cities saw a similar phenomenon during the April grace period, including Atlanta and Los Angeles.

Percent of Total Rent Paid - Partial Payments



Spotlight - Partial Rent Payments in Seattle and LA

Focusing exclusively on partial rent payers — we see how much the *amount* of partial rent paid dropped during the April grace period. This is especially pronounced in cities like Seattle and Los Angeles, which have been hard-hit by the COVID-19 pandemic. As we'll explore below, this may also suggest growing adoption of payment plans by property managers in some of the country's most affected areas.

Amount of Partial Rent Paid Per Dollar Owed

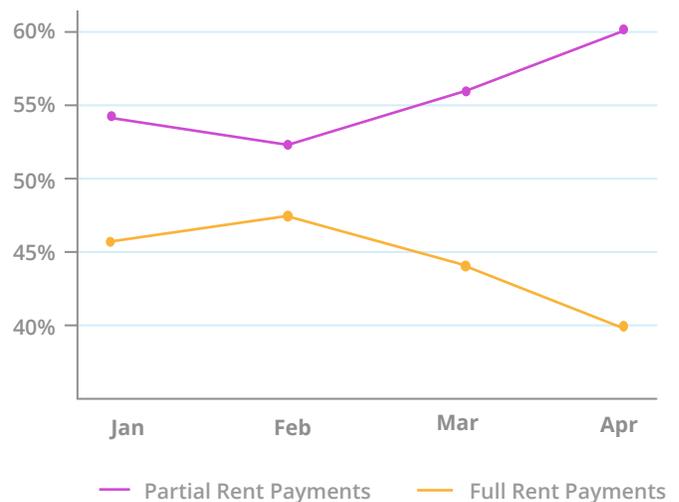


Partial Payments Suggest Increase in Payment Plans

As seen in Seattle and LA, the COVID-19 crisis has driven a growing national trend towards partial rent payments. Partial payments represented about 60% of payments during the April grace period (up about 6% from the average).

This is likely due, at least in part, to payment plans being offered by a growing number of operators. Many top operators offered renters partial rent deferment for the month of April, to be paid off over their lease term.

Percentage of Total Rent Paid

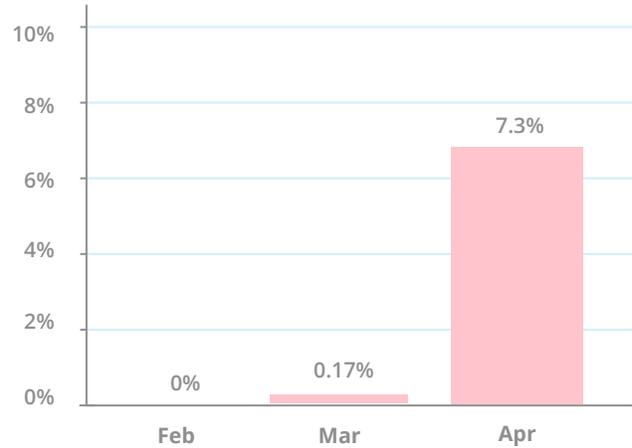


More Operators Are Waiving Renter Late Fees

There was also an exponential jump in COVID-related credits applied in April. These credits are largely put in place to waive resident late fees - and in this case their label indicated that they were specifically related to COVID-19.

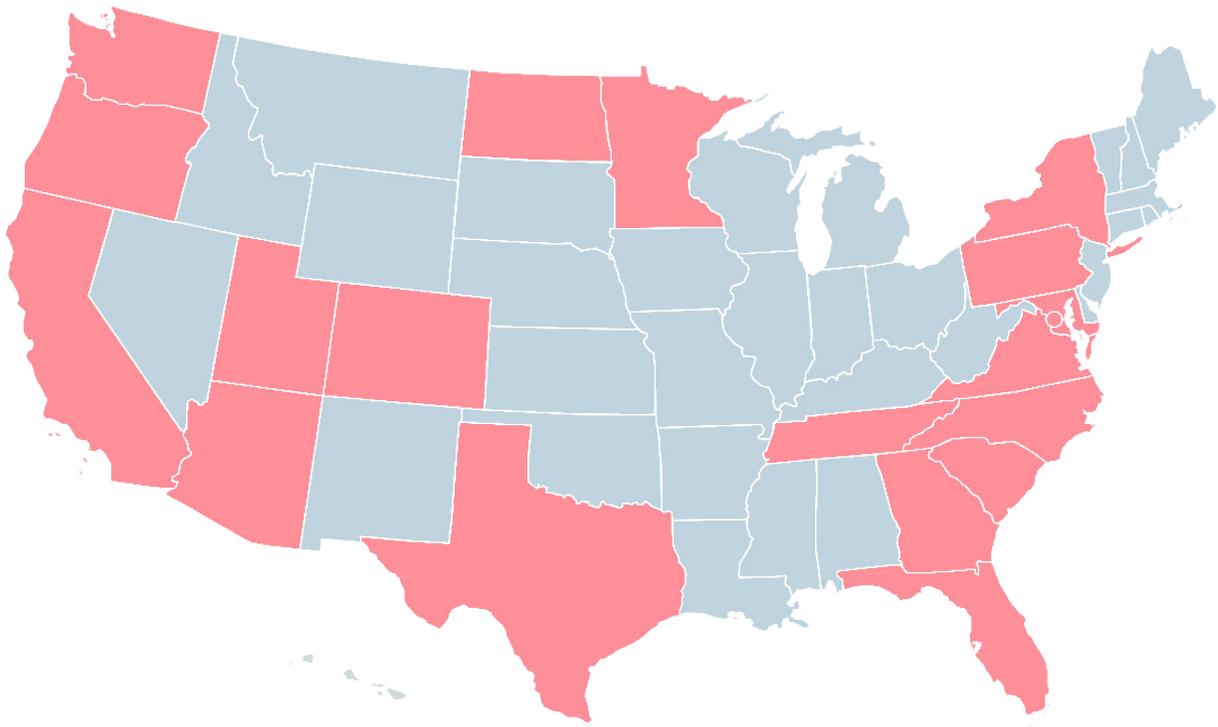
During the April grace period, 7.3% of all renters had a COVID-related credits. This behavior cropped up most predominantly along the coasts, and in highly populated areas.

Percentage of Renters with Late Fees Waived (COVID-Related)



States With Late Fees Waived

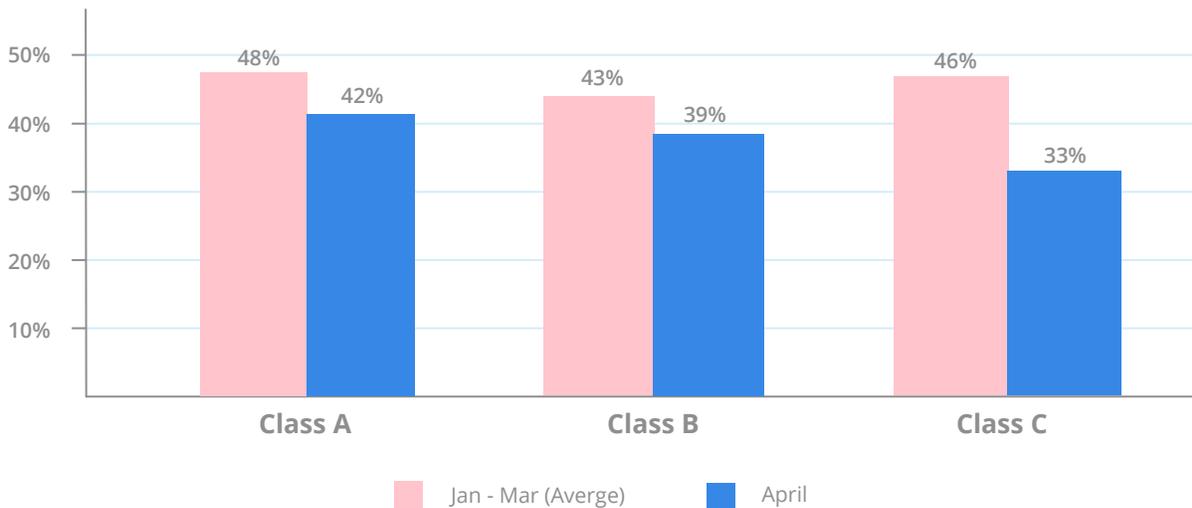
At Least One COVID-Related Credit Applied



Payments Dip Across Asset Types, Especially Class C

While rent payments dipped slightly across all asset classes during the April grace period, the largest drop was seen in Class C properties — a 13% drop in full payments during the April grace period. Traditionally, Class C properties house lower-income residents, who are more likely to be impacted by COVID-19 service industry lay-offs.

Percent of Renters Who Paid Full Rent by Property Class - April Grace Period



Helping Protect Multifamily From Rent Loss

LeaseLock provides over \$5,000 coverage on every lease, and totally eliminates security deposits, surety bonds and guarantors. Increase your occupancy, and reduce your bad debt to generate \$100k NOI per property:

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