



 Zillow Rentals

# Consumer Housing Trends Report 2020

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# Contents



## 4 Foreword

---

## 5 COVID-19 and Renter Outlook

---

## 13 Renters and the Rise of Remote Touring Technology

---

## 21 Renters in 2020: A Generational Snapshot

---

## 30 Methodology

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# Foreword

Real estate in 2020 was a tale of two markets: The for-sale residential market, which logged record-breaking sales, and the rental market, which experienced slowing rent appreciation and disruption due to financial hardships visited upon landlords and renters, especially in communities of color.

What the rental market will look like in the coming months depends on many factors that are still in play.

Zillow economists expect demand for rentals to surge in 2021, due to the roll-out of vaccines against the coronavirus and the arrival of newly minted renters as members of Gen Z continue to graduate from college.

On the flip side of that demand, though, are millions of renters facing evictions and uncertain prospects.

If 2020 reminded us of anything, it's that the relationship between tenants and landlords/property managers is fundamentally a partnership — one based on mutual interest and respect.

That partnership was never more clear than when renters began experiencing massive unemployment in the spring. Congress targeted financial relief to tenants to help them pay rent and to landlords to help them weather the loss of rental income due to the pandemic.

Hard conversations ensued. Agreements were struck. And for many property managers, landlords and renters, business became anything but usual.

As we move into 2021, we do so knowing that the rental market picture is far from clear. The disproportionate impacts of the pandemic on renters — and the best ways to address those impacts — will take time to sort out.

What we do know is that the pandemic has shifted and shaped renter preferences and expectations, especially around safety when it comes to viewing rental properties and amenities as more people shift to home-based work arrangements. The Zillow Consumer Housing Trends Report 2020 takes a close look at those trends.

We've also included insights from a special renter survey that focuses on renters' response to the coronavirus pandemic.

Together, the reports provide the kinds of insights that can help you grow your business and strengthen your partnership with your tenants by better understanding what they want and need.

So many words and phrases have become tired from overuse during the pandemic. One of those is "We're in this together." In 2020, however, few things have proved more true.



## REPORT 1

# COVID-19 and Renter Outlook





## Renters are slow on moving plans — for now

The rental market has become increasingly complicated and slightly unpredictable as people across the country struggle with unemployment, financial challenges and health concerns due to the COVID-19 pandemic.

While it may be difficult to gauge how renters will respond as the coronavirus continues to spread across the US, the 2020 Zillow Group COVID-19 and Renters Report, conducted in May 2020, sheds some light on renters' mindsets during these difficult times.

For many renters, the desire or need to move remains largely unchanged, but uncertainty surrounding COVID-19 and finances has meant many are pressing pause on moving plans and holding off on making decisions until the coronavirus crisis has passed. Many of those who are thinking about finding a new home to rent say their expectations towards affordability and rent prices have changed.

**Renters are pausing moving plans and re-evaluating options as the coronavirus shapes new preferences and expectations around safety and finances.**

For landlords and property managers trying to navigate the waters ahead, it's important to understand where renters are at and the new set of challenges they face. Meeting their needs and expectations requires paying attention to safety protocols and getting creative about motivating renters to feel confident about making their next move.



## Serious COVID-19 concerns influence renter sentiment

As case numbers remain high nationwide, the COVID-19 pandemic continues to have a significant impact on renters. According to the report, 75% of current or prospective renters said they were very or quite concerned about the coronavirus, 22% said they were somewhat or slightly concerned, and only 3% reported being not concerned at all. Most renters (60%) reported that they were very closely following the news on COVID-19 updates, while only 2% of renters said they were not.

With uncertainty and anxiety surrounding the pandemic, many renters are canceling or holding off on plans to move. About half (55%) of current/prospective renters had suspended their plans to rent a new home in the wake of the coronavirus pandemic. Of those with plans on pause, 82% said they would resume their plans to find a rental when the crisis has passed.

For renters looking to move and rent their next home, 60% said their moving date was flexible or negotiable, 18% said their moving date was not flexible or negotiable and 22% said they weren't sure.

At the time of the study, 22% of renters had leases ending in 6 months or less; 24% had leases ending in 7-12 months; 14% had leases ending in 1-2 years, and 4% had leases for beyond two years. Another 16% of current renters were on month-to-month leases, and 19% were renting without a lease.

**Uncertain about the future, many renters put plans to move on hold.**

# 75%

said they were very or quite concerned about the coronavirus.

# 55%

said they suspended plans to rent a new home in the wake of the pandemic.

# 82%

of those with paused plans said they would resume their search when the crisis passed.

# Feeling the financial impact

As a result of COVID-19, many renters have experienced financial difficulties. According to the survey, almost half (49%) of all current and prospective renters who were employed at the start of the COVID-19 pandemic experienced a negative employment shock of some kind. In April 2020 as the pandemic spread, nearly 3 million renters — most of them Gen Z — moved back home to live with parents or family.

## For renters, financial setbacks have changed perceptions around affordability.

### BUDGET CHANGES

**28%**

of current and prospective renters said they've decreased the amount they're willing to pay in rent.

### EMPLOYMENT CHANGES

**49%**

of current and prospective renters employed at the start of the pandemic experienced a negative employment shock of some kind.

### LEASE EXPECTATIONS

**52%**

of those looking to move and rent their next home said they thought it was slightly, moderately or extremely likely that landlords would offer them leasing incentives when they looked for their next rental.

The broader consequences of this may still be hard to pin down, but it is obvious that perceptions towards affordability are shifting. The report shows that 28% of current or prospective renters say they have decreased the amount they're willing to pay in rent (compared to just 17% who have increased the amount they are willing to pay). At the median, \$1,400/month is the most renters say they want to pay for their next rental. However, the typical renter

that moved in the past year reports a monthly rent bill of \$1,000 — indicating that, while many renters consider \$1,400 their max, they typically opt to rent for significantly less.

As feelings towards affordability change, renters say they are now looking to landlords and property managers to offer some form of motivation, in the form of incentives, to get them in the door. In fact, 52% of surveyed renters said they thought it was slightly, moderately or extremely likely that landlords would offer them leasing incentives when they looked for their next rental. Potential incentives that landlords and property managers can consider include early payment discounts, rent decreases, property upgrades, flexible lease terms, offering free first months or zero or partial security deposits.

**About half of renters say they expect some form of incentive from landlords during their next move, whether that be discounts, lower rents, upgrades or other financial perks.**



# Moving towards the future

As renters become more confident and start feeling ready to move forward, many may look for a change of pace, which may mean upgrading to a single-family home. Right now, 28% of current renters live in single-family detached homes and 18% report living in multifamily apartments (with 50 units or more). But among prospective renters looking to move, 41% hope to rent a single-family home, while 9% say an apartment in a multifamily building is where they hope to rent next.

Home ownership remains a long-term goal for nearly three-quarters of renters. As such, the driver behind the appeal of renting a single-family home may be that it is an opportunity to first try one out as a tenant. However, the underlying reality is that a majority (71%) of renters said they still plan to rent their next home.

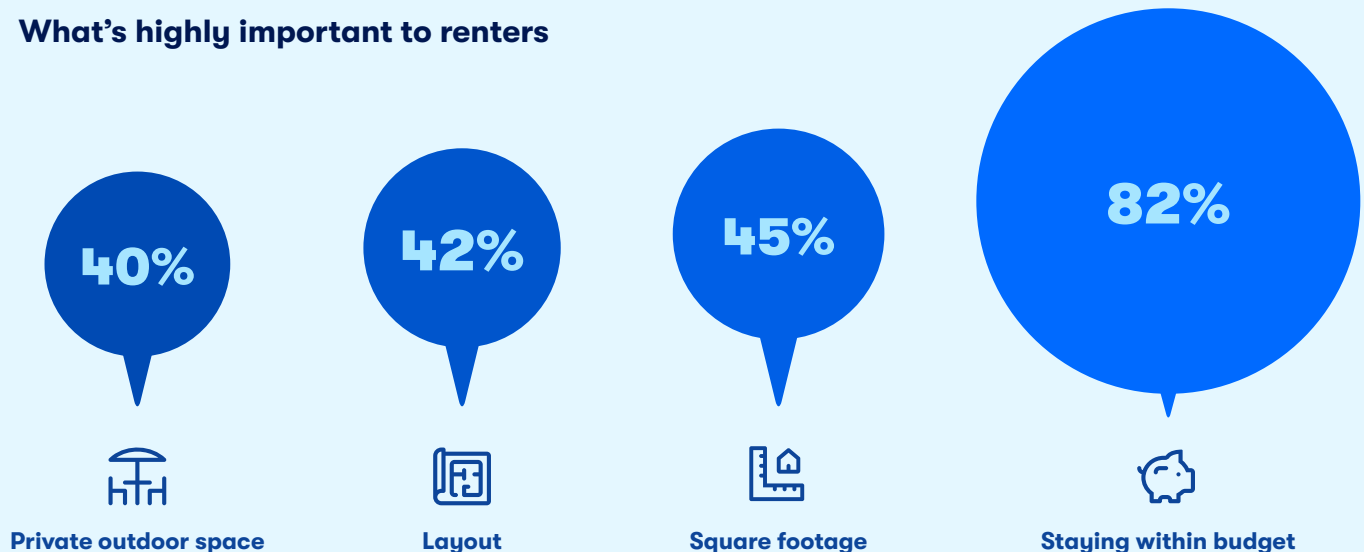
Affordability and budget will likely continue to drive renters towards more cost-effective options.

The majority (82%) of those that moved into a new rental in the past year say that staying within budget is very or extremely important. In terms of importance, this factor tops all other home characteristics that single-family houses tend to offer, including square footage (45%) and private outdoor space (40%).

Interestingly enough, the desire to move to a new rental didn't appear to be exclusively related to working from home and needing a home office. Half (50%) of renters do not have a home office room or space in their current home and less than half (46%) said a dedicated office space is very or somewhat important to them.

**Staying within budget is far more important to renters than dedicated office space, unit size or private outdoor space.**

## What's highly important to renters



# Where renters want to live

The work-from-home trend spurred by COVID-19 has freed workers in certain sectors to move away from pricey metropolitan areas, but many renters seem content to stay where they are. Among the current or prospective renters surveyed who are currently living in urban areas, 22% say they want to live in a more suburban area, but 35% said they want to live in an even more urban area. For renters already living in suburban neighborhoods, about one-third (33%) want to live in an area that's even more suburban. Only 12% of these renters want to live in a more urban area, while 13% want to live in a more rural area.

The trend towards staying put continues with renters currently living in a rural area, of whom 23% want to live in an even more rural area when they move. Another 15% want to live in a more suburban area, and just 8% want to live in a more urban area. While rural renters are likely to desire staying put, Zillow research has consistently found that, even during a pandemic, renters are more likely to move out of a rural area than an urban or suburban one. Even with the growing trend of work from home and remote tech, renters continue to gravitate towards urban and suburban areas.



# Health and safety is a priority

In parallel to the considerable concerns surrounding COVID-19, health and safety is very important among renters. Renters expect landlords, property managers and real estate professionals to provide adequate safety measures during any interactions, both while the coronavirus is happening and after it has passed.

While the coronavirus pandemic is ongoing, 75% of current and prospective renters prefer to avoid shaking hands or making in-person contact with real estate professionals. When in-person interactions do occur, 74% of renters say they prefer maintaining a 6 foot distance and 69% prefer requiring everyone to wear PPE.

Interestingly, 63% say they prefer no in-person interactions at all and 68% of renters would prefer to interact virtually via email, phone, video conferencing or similar online tools. As remote touring tools and technology have grown in popularity, this is an important detail for landlords and property managers to note. There is an opportunity to improve the rental experience by leveraging such tools and making it easier for renters to search and find homes.

In the post-pandemic world, a majority of renters say they would like to see many of the safety established safety measures stay in place: 69% said they prefer to continue no-contact interactions; 69% said they prefer to continue maintaining a 6-foot minimum distance and 59% said they preferred continuing requirements for all parties to wear PPE.

**The internet is the most commonly used tool for finding a rental, but word-of-mouth and real estate professionals remain a trusted source for referrals.**

For landlords and property managers looking to find their next tenant, the top channels of communication for prospective renters are primarily digital. Among those looking to move and rent their next home, 66% are using or anticipate using a website via laptop or desktop, 56% are or anticipate using a mobile website and 52% are or anticipate using an app on a smartphone or tablet. Traditional channels such as word of mouth and real estate professionals are, however, still relevant. More than half (56%) of renters said they used or would use their social networks (friends, colleagues, neighbors) to find their next rental and 44% said the same about a real estate agent or broker.

**Preferences for in-person interactions with real estate professionals during COVID and beyond**

## 74%

said they prefer **maintaining a 6-foot distance** if in-person interactions are necessary while the pandemic is ongoing

## 69%

said they would prefer **no-contact interactions** after the pandemic

## 68%

said they'd prefer to **interact virtually** using online tools while the pandemic is ongoing

## 63%

of renters said they prefer **no in-person interaction at all** while the pandemic is ongoing



# Key takeaways:



**Many renters are feeling financial strain due to the pandemic.**

Consider offering rental incentives such as early payment discounts, rent decreases, property upgrades, flexible lease terms, offering free first months or zero or partial security deposits.



**Consider marketing features that appeal more to renters now,**

like square footage and outdoor space.



**Be aware of renters' safety concerns** and continue to offer options for social distancing and no-contact interactions during in-person viewings and interactions.



**Adopt remote touring** and similar technology that could help improve the experience for renters and allow them to search for homes remotely and safely — even if they're not quite ready to move just yet.







## REPORT 2

# Renters and the Rise of Remote Touring Technology



# Renters value virtual tools for searching and transacting

**Virtual tools and in-person showings are not mutually exclusive.  
Prospective renters say they want both.**

More consumers are turning to virtual tools that make it easier and faster to view a home without ever having to leave the house. Remote home-touring technology, like 3D tours or video tours, allows prospective renters to streamline their home search online, even if they still choose to tour in person as well.

According to the Zillow Group Consumer Housing Trends Report 2020, younger renters have been quicker to adopt 3D tours or video tours compared to older generations. But renters as a whole are indicating that they are increasingly open to new digital tools and technology that make it easier to interact and perform transactions remotely. This includes options for signing leases remotely or completing payments online.

Despite these findings, the fact remains that most renters still prefer to view homes in person — even if it involves attending open houses during a pandemic. Renters, however, value safety, and it's important to note that although in-person viewings are favored, renters want many of the safety measures adopted during the coronavirus pandemic to become standard business practice.

To meet the needs of today's renters, property managers and landlords should embrace opportunities to provide new technology while maintaining a commitment to strong customer service. Improving the rental experience along these lines means providing safe ways to view in person, supplemented with more options for remote touring and more tools to pay and do paperwork online.





# Rich visuals are important when making rental decisions

Overall, more than half (55%) of renters surveyed agree that 3D tours would help them get a better feel for a space over static photos. Almost half (46%) say they wish more listings had 3D tours available.

As well, 44% of all renters agree that a tool that allowed them to virtually add or remove furniture to home listing photos would be very helpful. In terms of other media, 60% of renters say viewing pictures of the home is very or extremely important when deciding whether a rental is right for them — 52% say the same of viewing a floor plan of the home.

Meanwhile, according to the 2020 Zillow Group COVID-19 and Renters Report, most renters said they somewhat or strongly like certain remote touring tools and technology when searching for a rental and deciding if it's right for them. Remote or virtual tours are liked by about half of prospective renters: 51% like live video walkthroughs, 51% like 3D home tours, and 47% say they like pre-recorded video tours.

## What renters look for in a listing

**46%**

of renters agree somewhat or completely that they wish more listings had 3D tours

**60%**

of renters say viewing pictures of a home is highly important

The Maple Apartments  
123 Main Street Seattle, WA 45678  
★★★★☆ (2)

[Request to apply](#) [Request a tour](#)

3D Tour | Click to explore

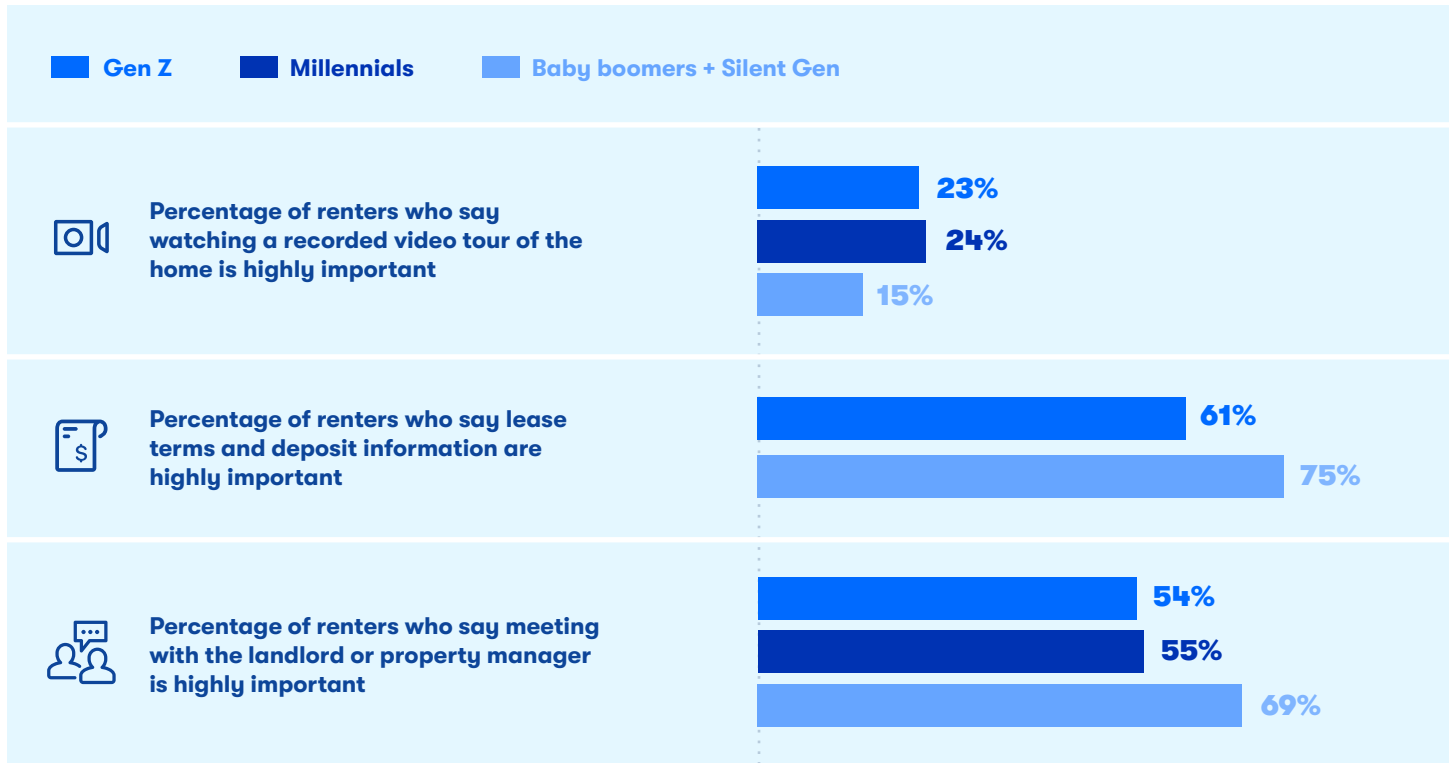
### Apartment floorplans

All	Studio	1 Bed	2 Bed
<b>\$1,609 - \$1,644</b>			
Studio   1 ba   505 sqft			
2 units - Avail. now			
<a href="#">3D Tour</a>			
<b>\$1,841 - \$2,078</b>			
1 bd   1 ba   599 sqft			
5 units - Avail. now			
<a href="#">3D Tour</a>			
<b>\$3,293</b>			
2 bd   2 ba   1,288 sqft			
Unit 208 - Avail. Feb 15			

**52%**

of renters say viewing a floor plan is highly important

# Younger renters lead the remote touring charge



It may come as no surprise, but compared to older generations, younger renters are more likely to consider remote touring technology as a helpful tool in their search and when deciding if a rental home is right for them. For example, 23% of Gen Z and 24% of millennial renters say that watching a recorded video tour of the home is highly important. For baby boomer and silent generation renters, only 15% share the same sentiment.

Younger generations are also more likely to agree somewhat or completely on the helpfulness of 3D or virtual technology in their rental search. Slightly more than half (51%) of millennial renters agree that they wish more listings had 3D tours available. For older generations, this simply isn't as important to them. Only 41% of Gen X and 39% of boomer and silent generation renters agree.

What tops the list of priorities for older renters when it comes to finding a home? The report shows that they are more focused on the details and relationships. Lease terms and deposit information are highly important considerations for three quarters (75%) of baby boomer and silent generation renters. By comparison, only 61% of Gen Z renters place the same level of importance on these factors. Likewise, 69% of baby boomer and silent generation renters say meeting or speaking with the landlord/property manager is a highly important consideration when deciding on a rental property. However, this drops considerably for younger generations where only 54% of Gen Z say the same and 55% of millennials.

## Preference for in-person tours remains strong

More so than home buyers, who are more likely to favor remote touring options, renters prefer to see homes in person. Approximately three quarters of renters (70-76%) say they somewhat or strongly like touring homes in person. This includes in-person self tours (76%), in-person private tours (75%), and attending open houses (70%). As a whole, 66% of renters say taking a private tour is highly important in helping decide if a rental is right for them. In fact, only one in four (24%) renters agree somewhat or completely that they prefer 3D tours over in-person viewings. Whether establishing trust or making sure they have a crystal clear picture of what their potential home looks like before making a commitment, the human touch is a critical piece of the search process for renters.

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**70-76%**

of renters say they somewhat or strongly like **touring homes in person**

**66%**

of renters say **taking a private tour** is highly important in helping decide if a rental is right for them

**24%**

of renters **agree that they prefer 3D tours** over in-person viewings

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## Safety concerns open doors to create better experiences

Renters appreciate in-person viewings, but safety is unquestionably important. Property managers and landlords have an opening to enhance the renter experience via contactless interactions and remote touring tools.

According to the COVID-19 and Renters Report, a majority of current and prospective renters would like to see many of the safety measures established during the coronavirus pandemic stay in place, including physically distant in-person interactions with real estate professionals. A majority (69%) of respondents said they prefer to continue no-contact interactions. The same share (69%) also said they prefer to continue maintaining a 6-foot minimum distance with real estate professionals and 59% said they preferred continuing requirements for all parties to wear PPE.

The preference towards contactless interactions also supports findings that renters want to do more physical transactions remotely and online. This includes many of the physical transactions that are part of the rental process, such as submitting an application, signing a lease and paying rent.



# Less contact means more ways to apply, sign and pay online

Digital tools help limit in-person contact but also work to streamline processes, reduce paperwork and make it easier to complete basic transactions. Renters overall, but particularly younger age groups, show an increasing desire to take many basic transactions online. There are opportunities for property managers and landlords to meet those needs at each stage of the journey.

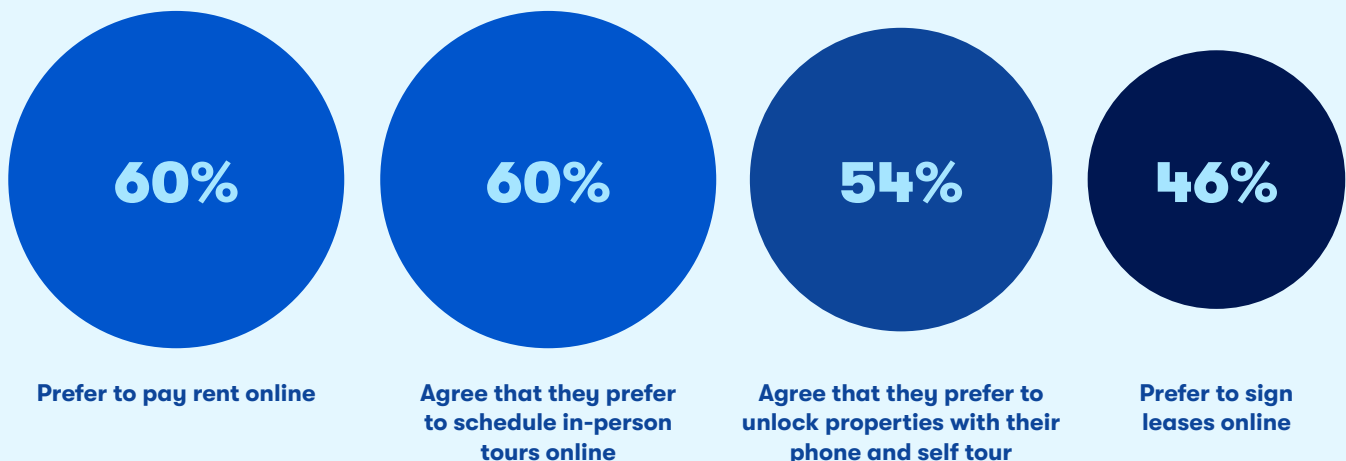
Renters across the board demonstrate a shrinking preference for in-person payments — down to 16% in 2020, compared to last year's 21% — while a larger 60% of renters would ideally pay online. Again, Gen Z and millennials are leading the trend. When asked to name the ideal way in which they would like to pay rent, most Gen Z and millennial renters say they would ideally like to pay online (63% for Gen Z and 64% for millennials). For baby boomers and silent generation renters this number sits at 49%, and these age groups are

more likely to prefer in-person payments (28%) than younger generations. For Gen Z renters, only 20% say they would prefer to make in-person payments.

A larger share of renters also express their preference for online tools to be part of the rental experience. In 2020, 46% of renters were more likely to prefer signing a lease online — up from 39% in 2018. A majority (60%) of renters also expressed that they prefer to schedule in-person tours online. And finally, 54% of renters agreed that it would be easier for them to unlock properties with their phone and tour them in-person on their own time.

**Renters overall, but particularly younger age groups, show an increasing desire to take many basic transactions online.**

## Renters show an increasing preference for digital tools.





## Minor differences in preferences based on home types

The differences are minimal, but renters in single-family homes are less likely than other types of renters to find certain remote technologies helpful.

Single-family renters are also less likely than renters as a whole to agree somewhat or completely that they wish more listings had 3D tours available (38% of SF compared to 46% of renters as a whole).

Conversely, multifamily renters are much more likely (53%) to prefer online lease signings over single-family renters (42%). Almost a third (32%) of single-family renters don't prefer to sign a lease or apply for a rental online.

When it comes to virtually visualizing furniture, only 38% of single-family renters agree they would find a tool that allowed them to add or remove furniture to home listing photos very helpful. This is compared to 49% of multifamily renters and 45% of other home type renters.

■ Single-family renters

■ Multifamily renters

42%

53%

Prefer online lease signings

38%

49%

Agree that a tool that allowed them to add or remove furniture to home listing photos very helpful



# Key takeaways:



**Offer more options for remote viewing and touring** that complement or supplement the in-person experience and help renters visualize themselves in a home, such as Zillow 3D Home® tours, video tours or dynamic floor plans with photos. Providing rich media experiences can help shorten search times for renters while increasing your lead quality.



**Provide digital tools** that enhance and speed up other aspects of the rental experience, such as online appointment scheduling, lease signings and payments.



**Continue to emphasize safety measures** and offer options for no-contact interactions during in-person viewings and interactions.







### REPORT 3

# Renters in 2020: A Generational Snapshot

# How age plays a role in renters' decisions

More than half (57%) of single-family home renters are under age 41 — a few years past the median age of 37 for first-time homebuyers.

Within this massive group of renters, those who decide to continue renting report a host of reasons, ranging from a desire to keep their options open to an affinity for a particular neighborhood to a lack of knowledge or resources to become a homeowner, according to the Zillow Group Consumer Housing Trends Report 2020.

One of the most important ways to think about renters is their life stage.



Their reasons for moving also vary, but are often tied to market dynamics or life events — a stark contrast to older generations who tend to experience fewer of the kinds of momentous events that can trigger a move such as graduations, new jobs, marriage and becoming parents.

Looking at renters through a generational lens can help identify opportunities to better understand customer needs and preferences, especially as the rental world moves increasingly to online transactions.





## Some reasons why renters move

While market dynamics often play a role in influencing all generations to move, life events are by far the bigger driver of renter moves, but especially for younger generations who are more likely to experience life changes as they launch into adulthood.

In fact, only 24% of Gen Z and 35% of millennial renters say they are not influenced by either the market or life events, compared to 56% of Gen X renters.

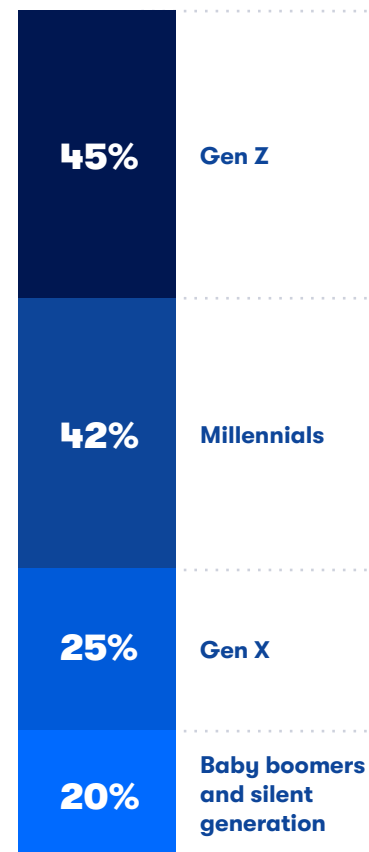
However, housing costs can have a tremendous impact on the choices renters make around major life events, especially for younger renters who are still relatively new to the workforce.

Asked whether the cost of housing ever interrupted or delayed major life decisions such as marriage, cohabitation and retirement, 45% of Gen Z, 42% of millennial, 25% of Gen X and 20% of baby boomer renters report at least one decision around life planning that was affected.

For Gen Z renters, housing costs are most likely to delay moving in with their partner (25% cite this). For millennials, it's parenthood — 26% say they delay having children due to the cost of housing.

Housing costs appear to have lesser impacts on the life decisions of renters over 40. The most oft-cited decision Gen X renters say they delay is marriage (13% cite it), while baby boomers and silent generation renters say the event they are most likely to put off is retirement (13%).

**Renters who reporting that housing costs delayed or interrupted life decisions, by generation**





# Rent increases are tied to moving decisions

Rent increases can be a major trigger in renter decisions to move, according to the report.

Among renters who moved from a previous rental, a majority (72%) report experiencing a rent increase. But younger renters appear to be more sensitive to rent increases than the oldest generations. That may be because they're more likely to have their rent raised and because the rent hikes they report are higher than those reported by the oldest generations.

Gen Z, millennial and Gen X renters report a typical rent increase of \$200 in 2020 compared to \$150 for renters age 55 and older. The two youngest generations also are more likely to report receiving a rent hike: a whopping 76% of Gen Z and 75% of millennial renters reported one, compared to 67% of Gen X and 61% of baby boomer and silent generation renters.

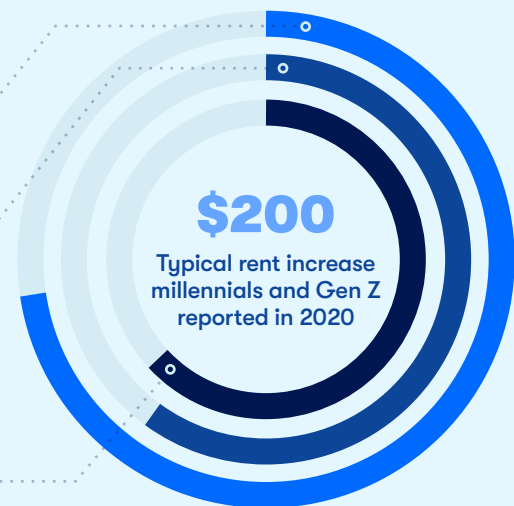
Urban and suburban renters skew slightly younger than rural renters, which helps explain why younger renters are more likely to say they experienced a rent hike. Younger renters also are more likely to be people of color, who, even when controlling for urbanicity, are more likely to report experiencing a rent increase.

## Rent increases play a big role in decisions to move, particularly among younger generations.

**72%** of renters who moved from a previous rental reported experiencing a rent increase

**59%** of millennial renters said a rent increase greatly or somewhat impacted their move

**65%** of Gen Z renters said a rent increase greatly or somewhat impacted their move



The higher rent increases experienced by more younger renter households may be why those renters are more likely to link higher rents to their moving decision: 65% of Gen Z renters and 59% of millennials say their higher rent greatly or somewhat impacted their move.

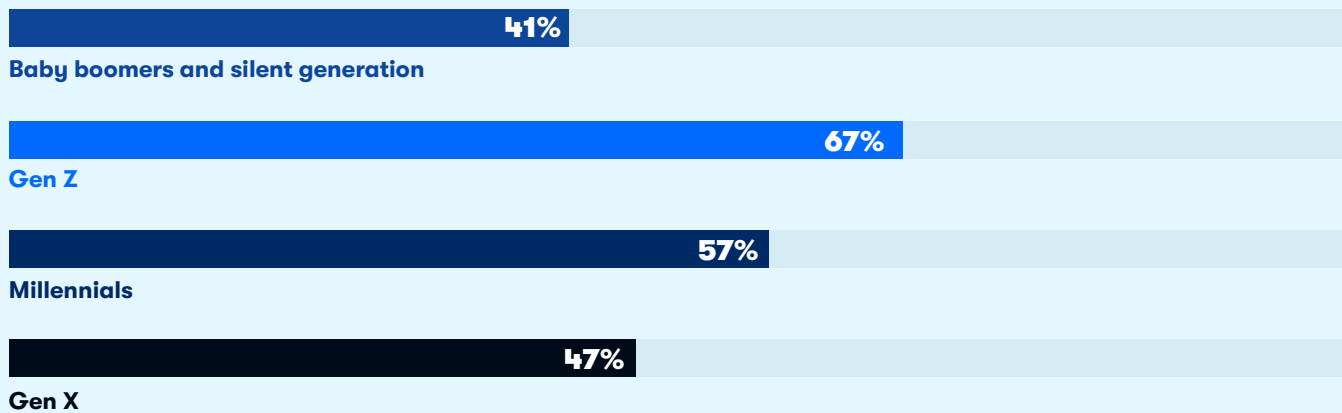
Rent increases also may help explain, in part, why a higher share of young renters say they have homebuying on their mind: 64% of Gen Z, 61% of millennial and 51% of Gen X renters consider buying a home compared to 29% of baby boomer and silent generation renters.

Overall, about 1 in 4 renters from each generation say higher rent influenced their moving decision to a great extent.

# Younger renters report being more financially resilient than older renters

Renters under 41 are more likely than older renters to say they can absorb an unexpected expense of \$1,000 — the opposite pattern of home buyers whose ability to cover unexpected expenses reportedly grows with age.

## Renters who say they could absorb an unexpected \$1,000 expense, by generation



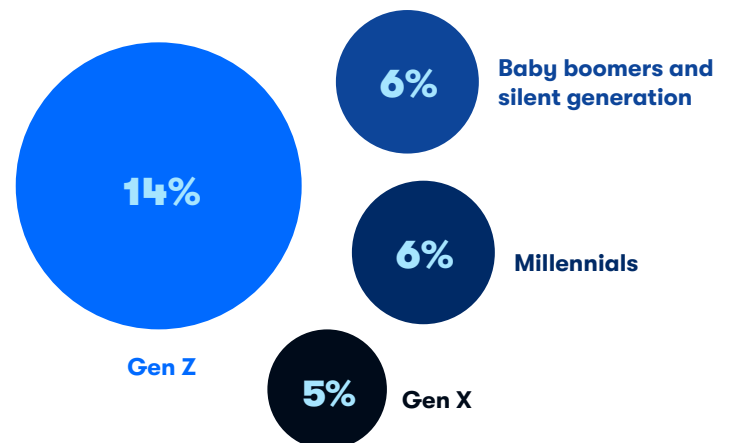
Among Gen Z renters, 67% say they could absorb a \$1,000 expense they weren't expecting, while 57% of millennials say the same thing. But less than half (47%) of Gen X renters and 41% of baby boomer and silent generation renters say they're in a financial position that would allow them to cover an unexpected expense of \$1,000.

Gen Z renters' higher likelihood of getting financial help from friends and family may help explain this unexpected pattern.

While most generations are independent of family and roommates when it comes to paying rent, 14% of Gen Z renters say their parents or other family members kick in a portion of the rent. That's more than twice as high as renters in other generations who report assistance with rent from family and friends (6% of millennial, 5% of Gen X and 6% of baby boomer and silent generation renters.)

Gen Z also is more likely to have a roommate who helps cover the rent. About 1 in 5 of Gen Z renters report getting help with their rent from a roommate, compared to about 1 in 10 of millennial, Gen X baby boomer and silent generation renters.

## Renters receiving payment assistance from family, by generation





## Renters want remote payments and shared amenities

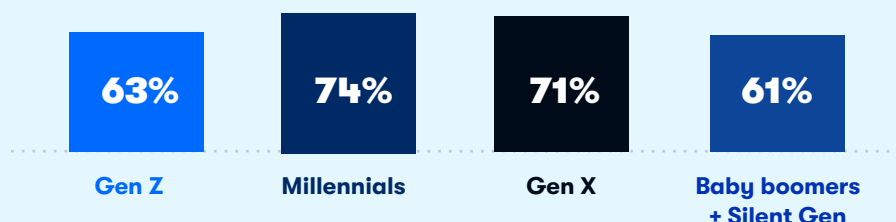
Remote technologies for finding rentals and paying rent grew more popular in 2020, and are likely to become more widely adopted as younger renters enter the market.

Not surprisingly younger renters — who are likely to be fluent in technologies of all kinds — show a greater preference than older renters for online rent payments. According to a Zillow survey in October 2020, more than half of millennial (56%) and 48% of Gen Z renters reported typically paying their rent online, while 45% of Gen X, baby boomer and silent generation renters did the same.

But a majority of all renters — 69% — would ideally pay online. The same Zillow survey found that: 63% of Gen Z, 74% of millennials and 71% of Gen X renters say online is their ideal form of payment. Older generations are the most likely to prefer face-face to face interactions, but even 61% of those renters say they would like to pay rent online.

Amenities such as fitness centers, rooftop decks, pet areas and conference rooms are more likely to be highly important for younger renters than for older renters, who are more likely to place greater importance on storage and staying within budget.

**Percentage of renters who would ideally prefer to pay online, by generation**

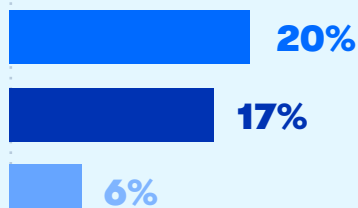


## Percentage of renters who rate certain amenities as extremely or very important

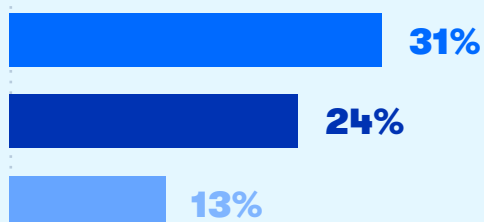
■ Gen Z
 ■ Millennials
 ■ Baby boomers + Silent Gen



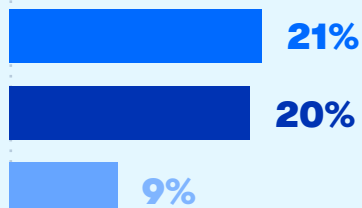
Smart home capabilities



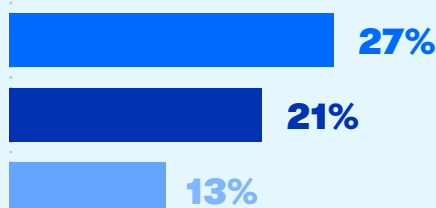
Shared fitness center or gym



Rooftop deck or garden



Shared space (pet, conference or business area)



In-unit washer and dryer







## Lease terms, deposits drive rental decisions

Most renters consider the lease terms and deposit to be the most significant factor in deciding whether a rental home is right for them: 69% of renters consider it highly important – the highest on a list of things that are very or extremely important in determining whether to rent a home, followed by taking a private home tour (66%) and viewing pictures of the home (60%).

Younger renters are more likely to consider visual and digital media of the home as very/extremely important in their decision-making. For example, 23% of Gen Z and 24% of millennial renters say that watching a recorded video tour of the home is highly important, compared to just 15% of baby boomer and silent generation renters.

Older renters are more likely to place greater importance on rent terms and personal contact with the landlord or property manager. Three in four (75%) of baby boomer and silent generation renters consider rent terms highly important versus 61% of Gen Z renters. And speaking with or meeting the landlord or property manager is important for 69% of baby boomers and silent generation renters compared to 54% of Gen Z and 55% of millennial renters.

**Factors that renters are most likely to consider highly important in deciding whether a rental home is right for them**

**69%**

Lease terms and deposit

**66%**

Private home tour

**60%**

Pictures of the home

# Key takeaways:



**Remain open to new technologies and processes** to attract the broadest demographic of renters.



While different generations show certain preferences for amenities and technology, **the best way to determine what works best for your renter is to ask them.** If paying in person is what makes your renter feel more confident, find a way to make that monthly connection with them.



**To reduce turnover, consider the role that rent increases can play in decisions to move.**



**Recognize that renters as a group tend to move a lot** depending on what's happening in their lives. You can be a great landlord and still lose a good tenant to life's events.



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# Survey Methodology

## Research Approach

In order to gain a comprehensive understanding of consumer sentiments when renting a home, as well as the greater challenges that real estate consumers encounter when moving, owning, and shopping for a home — Zillow Group Population Science partnered with independent market research and data analytics firm YouGov® to conduct a nationally representative, online quantitative survey of 3000 buyers, 3000 sellers, 3000 renters that moved in the past year, and 3000 homeowners. The self-administered study was fielded between March 31 and April 21, 2020. The results underwent substantial internal analysis and review by Zillow Group Population Science.

## Sampling & Weighting

This survey collected a nationally representative sample of renters that moved in the past year. The initial recruitment to the sample was balanced to all people from the U.S. Census Bureau, American Community Survey 2018 (ACS) and from the 2015 and 2017 American Housing Surveys (AHS) on the basis of age, ethnicity/race, education, region, and gender. The general market sample was divided into relevant consumer groups for the study based on responses to screening questions. Additional targeted subgroups were sampled based on all key household demographic characteristics. The general market sample and each consumer group was further balanced to subgroup sampling frames from the American Community Survey 2018. Each sample was matched to a sampling frame on gender, age, race, education, census division, and number of bedrooms. Propensity scores were constructed to estimate inclusion into the sampling frame. As a final step, the propensity score weights were post-stratified to balance based on daily internet usage, household income, gender, age, race, and education.

## Cohort Definitions

- Gen Z: 18-25 years old
- Millennials: 26-40 years old
- Gen X: 41-55 years old
- Baby boomers: 56-75 years old. References to baby boomers include renters from the silent generation, age 76+



## Quality Control

The study was blinded — Zillow Group was not revealed as the sponsor to reduce response bias. Several additional quality control measures were also taken to ensure data accuracy:

- Proprietary digital fingerprinting techniques were employed to identify and terminate any professional respondents, robots, or those taking the survey on multiple devices.
- Speed checks ensured those surveys submitted by respondents who rushed through the screener or survey did not count as complete.
- In-survey quality control checks identified illogical or unrealistic responses.
- Speeders, those identified via digital fingerprinting and those who failed a given number of quality-control checks within the survey were removed from the study, and their survey submissions were not counted as completions.

## Supplemental COVID-19 Survey

To gather additional data on the impact of the COVID-19 pandemic on renters and other real estate consumers, Zillow Group Population Science fielded an additional survey. Respondents were recruited from general population respondent pools of U.S. adults sourced from multiple online market research panels provided through PrimePanels between April 10, 2020 and April 27, 2020.

Because the sample is an opt-in web sample, ZG Population Science used raking weights to adjust the estimates so that the marginal distributions of key demographic covariates in the sample resemble the marginal distributions of the same covariates in the target population. Auxiliary variables used to estimate raking weights – and the marginal distributions in the sample that match those in the population in the weighted data – are age group, education, sex, household income, marital status, race/ethnicity, and census region. Raking weights are calculated for each target population of interest. Population benchmarks are from the Zillow Analysis of US Census Bureau American Community Survey 2018 and the Zillow Group Consumer Housing Trends Report 2019. Unweighted analyses are qualitatively similar to weighted analyses.

