

## **An Analysis of Apartment Residents and Their Preferred Apartment Amenities**

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What are the demographic characteristics of apartment residents, and what apartment features are most important to them? A better understanding of the characteristics of the apartment residents and their opinions about apartment living can be translated into highly practical and strategic development, property management, and acquisition decisions. Enhanced knowledge of the various demographic cohorts will assist with tenant attraction and retention. This is particularly important as the demographic composition of garden apartment residents evolves. The characteristics of households and families continue to change, as do their moving behaviors.

Metric Realty conducted a survey of its residents within institutional apartment properties nationwide to answer the two questions stated above. A previous report of the survey results (Lynch, 1992) was based on an analysis done along singular dimensions. In other words, each element of the residents' demographics and their preferences for different apartment features was analyzed independently of each other. For example, the residents' demographic factors of age, income, gender, and family status were not analyzed in conjunction with each other.

Residents, however, are in fact multi-dimensional. By combining the different elements of the residents' demographic characteristics together, numerous demographic cohorts (groups) are identifiable. That essentially is the first objective of this analysis. The following report identifies two-dimensional demographic cohorts among the apartment residents. The analysis emphasizes both the family status and the age cohorts of the residents, and secondarily the residents' income brackets within those cohorts. With these more precise resident identifications, the study's second objective is to decipher whether or not the different demographic cohorts differ as to what apartment features are most important.

The residents surveyed live in 29 institutional-grade garden apartment communities that are located in 18 metropolitan areas across the nation. The properties are considered institutional-grade due to their high quality or luxury amenities and locations within upper-end neighborhoods or submarkets. The properties ranged in size from 148 to 734 units, and their operating histories ranged from one to 16 years. A total of 4,410 completed questionnaires were returned out of the 9,193 distributed. This strong overall response rate of 48% is directly attributable to the incentive program that was promoted by the on-site staff. The conclusions made in this report pertain to high-end (luxury) garden apartment properties and their respective residents and are not necessarily applicable to other classes or types of apartment properties or apartment residents.

While the analysis did identify numerous demographic cohorts among the apartment residents, the survey respondents are dominated by young, middle-income adults living in households without children. The residents are a fairly homogeneous group. Ninety percent of all the residents live in a household without children, most have an income between \$25,000 and \$45,000, and the vast majority are between 25 and 39 years old. While various demographic cohorts are represented among the respondents, each individual demographic characteristic tends to be dominated by a sizable group of residents who are classified alike.

In addition to the relatively homogeneous demographic characteristics of the apartment residents, all income, age, and family status groups have similar preferences for apartment amenities. When asked to choose the most important apartment features from a group of amenities, almost every demographic cohort chose the same feature as the most important. Despite residents differing by income, age, and family status (never married, married, divorced, or widowed), as well as whether or not children live in the household, the likelihood of choosing any one feature as the most important does not change significantly.

The most important apartment features across all family, income, and age groups are the following. Overall, location is the most critical factor for residents when selecting an apartment community, and

locations close to work or in particular neighborhoods are most desirable. With regards to the interior design of the units, the most important factor for the residents is the floor plan or layout of the apartment, followed by the size of the rooms. The most sought-after amenity within the units is washer and dryer units or connections for a washer and dryer. The most significant community feature or service cited by residents is to have security provided with an on-site patrol. Regarding the management and marketing of the property, most residents identify the appearance and attitude of the staff as the most important factor, followed by a leasing promotion. No demographic cohort emerged with preferences significantly distinct from these for apartment features.

While other apartment features may also be important, these factors outlined as most important to residents suggest certain operational directives. Apartment properties should be developed or acquired in locations that are close to employment centers and within desirable neighborhoods. Close attention should be paid to the units' floorplans, which should incorporate appropriately sized rooms and washer and dryer units or connections for a washer and dryer. Property management should emphasize training a professional and courteous staff, providing security with an on-site patrol, and make leasing promotions available if they are warranted by existing market conditions.

This research raises the question of whether the homogeneity of the apartment residents led to their homogeneous preferences or whether the existing apartment properties, given their amenities in place, inherently attract a relatively homogeneous clientele (resident base). If you accept the latter argument, it suggests that today's apartment communities are dependent on a specific segment of the population for residents. In that case, those apartment managers who want to attract a greater share of the renters to their property might have to alter the amenities and services they currently offer.

Future research could target a survey specifically at today's atypical apartment renters to determine if those households have unique preferences when it comes to the amenities they are seeking. As the baby boomers continue to mature and the rate of household formations fluctuates, the population's housing preferences continue to evolve. As a result, the resident base for apartments could change. The most successful property managers will continue to be those who can provide renter households, whose demographic characteristics are apt to evolve over time, with the amenities and services they are looking for in apartments.