

SUMU

Struggling to Find an Apartment

Current trends in using technology to find an apartment.

Moving is hard.

There are a number of solutions available to find housing in urban cores. This report offers insight into possible future trends and behavioral patterns that prospective tenants use that are seeking to find apartments.

Of those trends, this report found significant market share to be had in the native app apartment discovery space. Those that use native apps to find an apartment are likely to use it again. Those that haven't are willing to try.

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Research Objectives

The primary objective of this research was to obtain first-hand responses about consumer understanding and sentiment toward housing discovery, selection, and moving. Our secondary objective was to identify significant pain points within the current solutions offered for finding housing. Survey questions were developed and categorized according to these areas of housing:

- **Housing Discovery:** Which channels or services do prospective tenants turn to in order to find a place to live? Why do prospective tenants choose the tools that they do?
- **Moving:** What are the biggest pain points in moving?
- **Mobile Tools:** Which tools work to communicate with property managers most efficiently? Would a native app for apartment discovery be received positively?
- **Housing Selection:** What sort of inventory is of interest to new movers? What local amenities are important in selecting an apartment?

Abstract

There are a number of solutions available to find housing in urban cores. This report offers insight into possible future trends and behavior patterns that prospective tenants use and are seeking to find apartments.

Of those trends, this report found significant market share to be had in the native app apartment discovery space. Those that use native apps to find an apartment are likely to use it again. Those that haven't are willing to try.

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Research Methods

Focus Group

Over the course of two days we spoke with 15 people who are between the age of 22-35, currently renting a place in the greater Boston Area, and expecting to rent their next place in the Greater Boston Area.

We spoke about their last search process, what were their pain points, how they currently feel about the process and what they ideally would like to do in their next search.



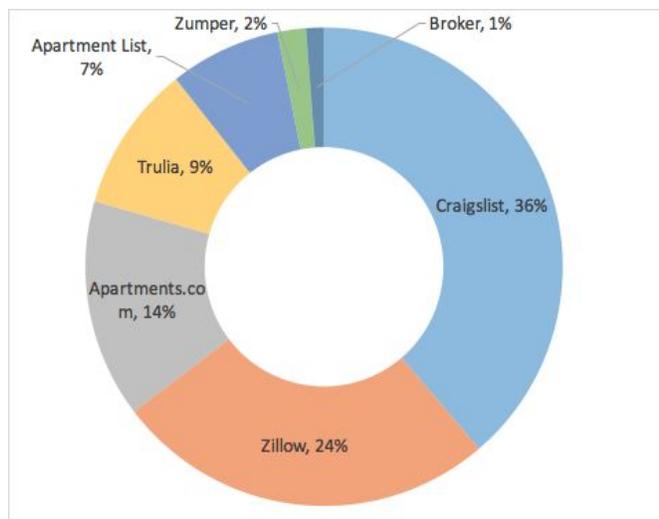
Survey

The questionnaire for this survey was developed by Code to Table, Inc and administered via Google Consumer Surveys to a national panel of 675 consumers across the United States between the ages 22 and 35 who are currently leasing and looking for a place to live within the next 12-18 months.

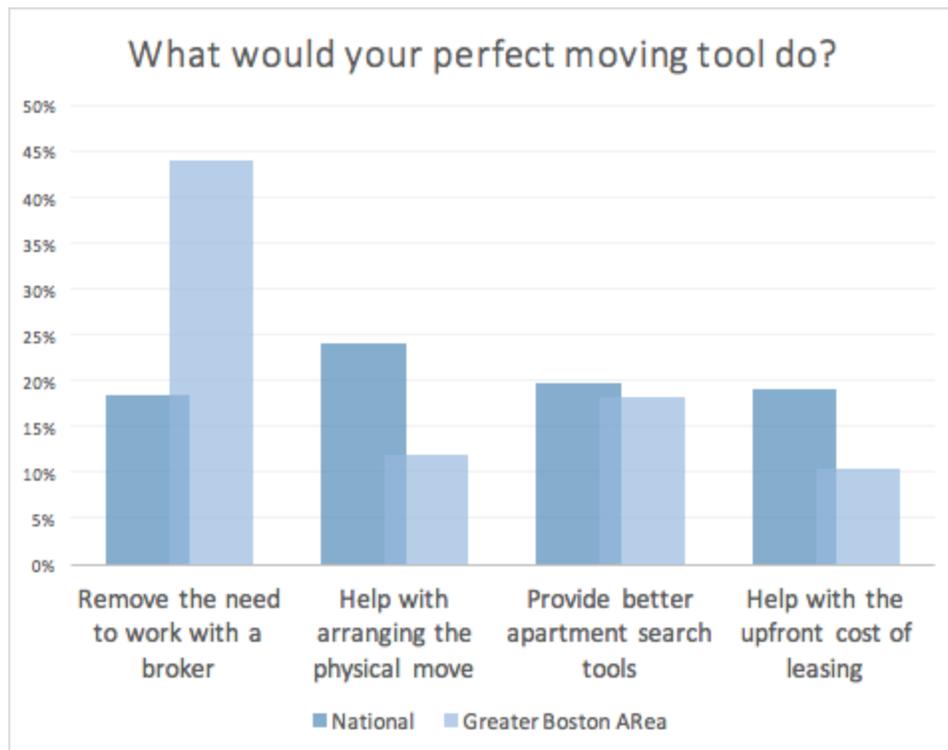
Moving Tools

How do people currently search for a place and what tools do they use? Why do people trust the tools that they use and how do they feel about them.

- Generally people use more than one application, as there is the perception that there is no single location where all of the inventory exists.
- The overwhelming majority of respondents (73.5%) use digital channels like Craigslist over physical channels to find an apartment.
 - When asked why Craigslist was preferred, participants responded:



- You can find listings which are ‘cheaper’ than the market rate.
 - The person-to-person dynamic gives it the perception of being friendlier.
 - People perceive it to be a bad experience, (Bad UI, Scams etc..) but they also feel that it has the best/most content, with the most monthly users.
 - If you spend enough time using it, eventually you will find something.
 - Only 6.35% of respondents found a place via a Native App. However, 35.4% of respondents said they would *rather* use a native app to apply to apartments.
 - Those that used a native app would use one again.**
 - Men are more likely to trust an app in making a decision. Those that recently used a broker would trust an app over a human, although not by a significant margin.
- Most respondents only want to browse through apartments if they’re actively seeking a place to live. They see it as primarily a task for when they’re looking for a place. However, women (more than men) don’t mind the task of searching for a place even when they may not be looking for a place to live.



Referrals & Reviews

These groups were inclined to use their own personal networks to find a new place. Their network of friends/family etc. comes as a trusted endorsement for any prospective property. This was the preferred way to find a place. To make it even better, focus group respondents suggested user reviews and ratings of properties and roommates.

- Help provide confidence to prospective tenants.
- Reduce the number of showings. (How can you require users to rate properties?)
- Lessons to be learned from Amazon.

Preferences

We wanted to understand how people would like to share their preferences and what their current experiences are. The focus group wanted to be able to distill all of their preferences somehow so that they would only be shown the most relevant places for them.

- The broker should do this but it was felt that brokers are not properly incentivised;
 - Brokers do not seem trusted to think in the interest of the tenant.
 - Respondents that used a broker were more likely think that using a broker was frustrating. Most respondents did not see the value brokers bring in the transaction.
 - The value brought to the process by a broker does not justify the cost.
 - People seek to avoid using brokers e.g Craigslist, and personal networks.
 - It was felt that landlords who work with brokers have more expensive units. If you go through a broker you are likely to pay more for your rent.
- How could setting your preferences be better?
 - Option #1: Link to Social Media channels (Facebook/LinkedIn)
 - It was felt that this wasn't the best option as it depends on people actively updating their information. It wasn't clear how relevant social media information was to your apartment search.
 - Option #2: Ask the User Questions
 - This seemed plausible but the number of questions would need to be thought through. Perhaps could be peppered through the experience, or could involve responses to pictures.
 - The value of answering the questions needs to be clear. (Lessons to be learned from Dating apps such as OKCupid and Tinder.)

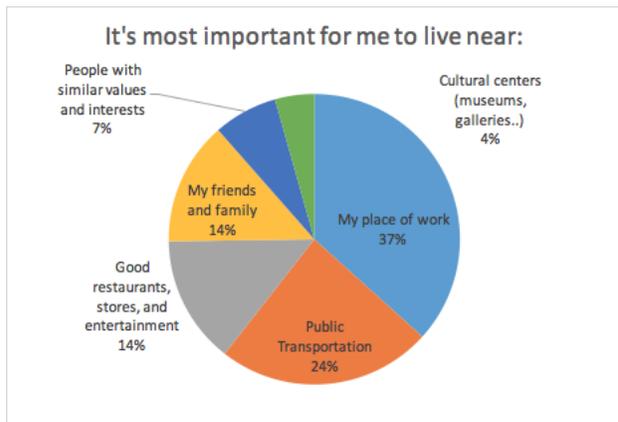
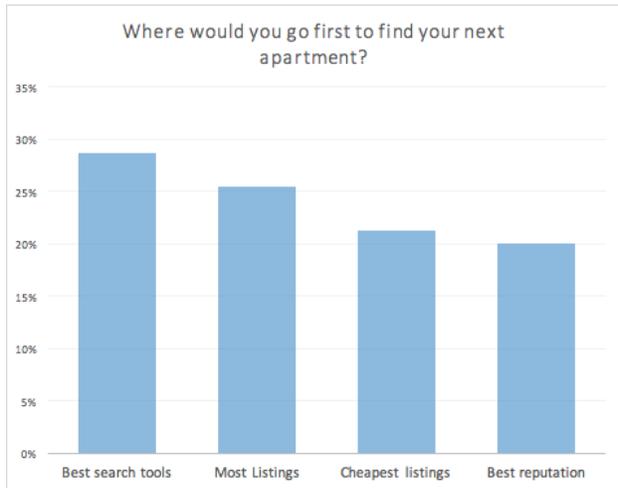


Location/Price/Size

Traditionally tools use Location, Price, and size as the predominant filter when looking for a new apartment. We wanted to understand flexibility on these and get a sense of priorities.

- When looking for a new property location was determined to be a very important factor, however it was felt that location was an alias for proximity to your place of work/study and your commute was equally as important.
 - Most people said that they research their commute time during the search.
 - In our surveys, prospective tenants chose distance to work as the most important deciding factor, second being distance to public transportation.

- Price was deemed to be an important factor however there was flexibility based on location and the quality of the property. Our study has found, respondents in urban areas found cheaper listings were more important than reputation, quantity, or quality.
- Size/No. Bedrooms were viewed as the least important factor when looking for a new property.
- **How could the filters be better?**
 - Providing tools that allow for searchers to know commute times from the properties they are considering.



Viewing

What are people's preferences when viewing a property, what is important to people and what are their flexibilities.

- It was felt that coordinating the viewing was too complicated, having to coordinate the calendars of multiple partners without transparency.
- People feel most comfortable if the viewing is in person rather than via a technology platform e.g. Skype/VR
 - It is important to see the place with their own eyes knowing that nothing is being hidden from them.
 - When asked if a Skype viewing would be permissible the attendees responded that that would be "Awkward". However if it was a sublet this didn't seem as awkward. There being a more of a peer to peer sense made it more comfortable.
- **How could viewing be better?**
 - Arranging a viewing should be as simple as organizing a meeting in the workplace with synced calendars. Personal Calendar integration should occur so you could see the available slots and have periodic reminders.
 - See some information of the person you will be meeting, making it less impersonal, is there an equivalent of a 'Pass'.
 - Reminders are key.
 - Lessons to be learned from booking a flight.

Application Process

How do people currently feel about the application process, what were their experiences and what opportunities exist that might be able to improve the process.

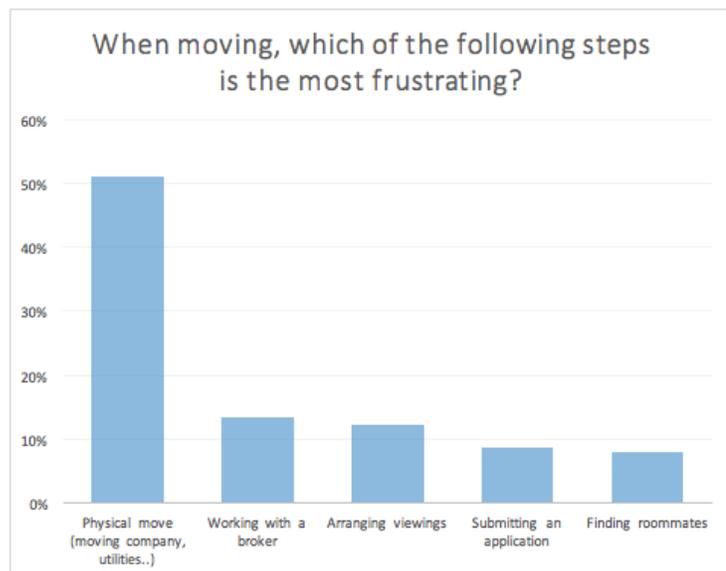
- In general there was a sense that all of the information needed to submit an application makes the process frustrating.
- People wanted to streamline the process and while some companies have digitized the process that only adds to the confusion as the process varies from company to company. Non Product/Tech companies building a tech solutions often don't provide good experiences.
- There were security concerns with sharing the information with either the broker or the Landlord. It was felt that while some of the larger companies seem legitimate, there are many Landlords who run smaller operations and that sharing your information with them was not always as safe.
- **How could it be better?**

- Users would like to have a simpler application experience, ensuring that their information remain private and for rental purposes only. Ideally no information should be shared with 3rd parties.
- Providing a good UX is key to providing a trusted service.
- A mobile application for submitting an application is preferable.
- Create a platform where the landlords/brokers cannot access the user's personal information but query the service to know if it meets your specific criteria. The app would act as an intermediary and would hide my information even to the user. Fingerprint Authorization could be used to access the information.
- How can you make a platform feel safe, and trusted?
 - You cannot have trust without a good clean, and simple UX.
 - Endorsements by credible institutions provide a sense of legitimacy.
 - It needs to be clear what the company will be doing with your information.
- Group Question: Which of the following seems to be more 'Trustworthy'? An application with Windows 98 design but lots of accreditation from security bodies, and an app with no accreditation but great design. The group's response was that an app with better design seems more trustworthy.
- Which Apps currently provide you with 'That Trust' and why?
 - Venmo: 'Peer to Peer' makes it feel more legitimate and friendly.
 - Facebook: "Social aspects can delegitimise the Utility". Trustworthy
 - Pinterest: Simple approach is best. Trustworthy
 - Instagram: Simple and trustworthy
 - ESPN App: Simple, trustworthy, and functional

Moving

The conversation was split into the physical move and the non-physical move e.g. utilities, cable, mail etc. Understanding the pain points here allows us to further understand our demographic and therefore potential for new solutions and opportunities.

- The physical process of moving is still the most daunting task for new movers. Most commonly people wanted this step to be removed entirely, but didn't want to pay much for it.



- Moving companies are too expensive, with most people using their personal network for assistance. Young professionals are always looking for ways to save money within the moving process.
- Moving utility companies, cable and mail was something that didn't seem to have been thought too much about. When questioned about it the group did feel that this was also a pain point.
 - Moving your cable is a really bad experience, you need to cancel your service, return you box (often to an undesirable part of town), restart your service and then you need assistance to be setup in your new place.
 - Moving your utilities, while slightly better than moving your cable, is also a bad experience. There is a need for the experience to be easier to move and take less time to arrange.
- What are the other pain points surrounding the move?
 - When moving many people use this as an opportunity to purge. Which means that once you have moved you are often left without certain home essentials, until you either unpack or purchase these new ones. Typically these include, shampoo, paper towels, sponge, or dish soap.
- How could moving be better?
 - Utility companies should allow for you to log into your account, update it with your new address, and date of the switch and the Utilities should be moved automatically.
 - Sponsored bundles (P&G) is an option to improve this experience. A basic home movers kit which can be purchased and will last for only a week. This is an opportunity for companies to get into the hearts and minds of people as they just move into their company.