

# State of the Rental Industry 2022

As the U.S. navigated a turbulent economy filled with high inflation and mortgage rates in 2022, the rental industry rode the waves well. The majority of independent landlords received 100% of the rent owed to them, and landlord-tenant relationships are trending well.

However, there's conflict on the horizon as opposing views of rent control, economic fears, and climate concerns sound from every neighborhood – begging the question, how can we summarize everything accomplished this year, and what will next year hold?



2022 Wrap Up

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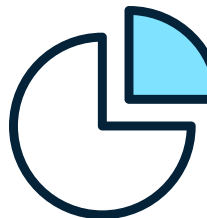
Financial Challenges

**9**



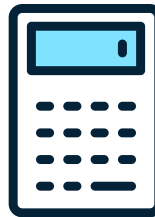
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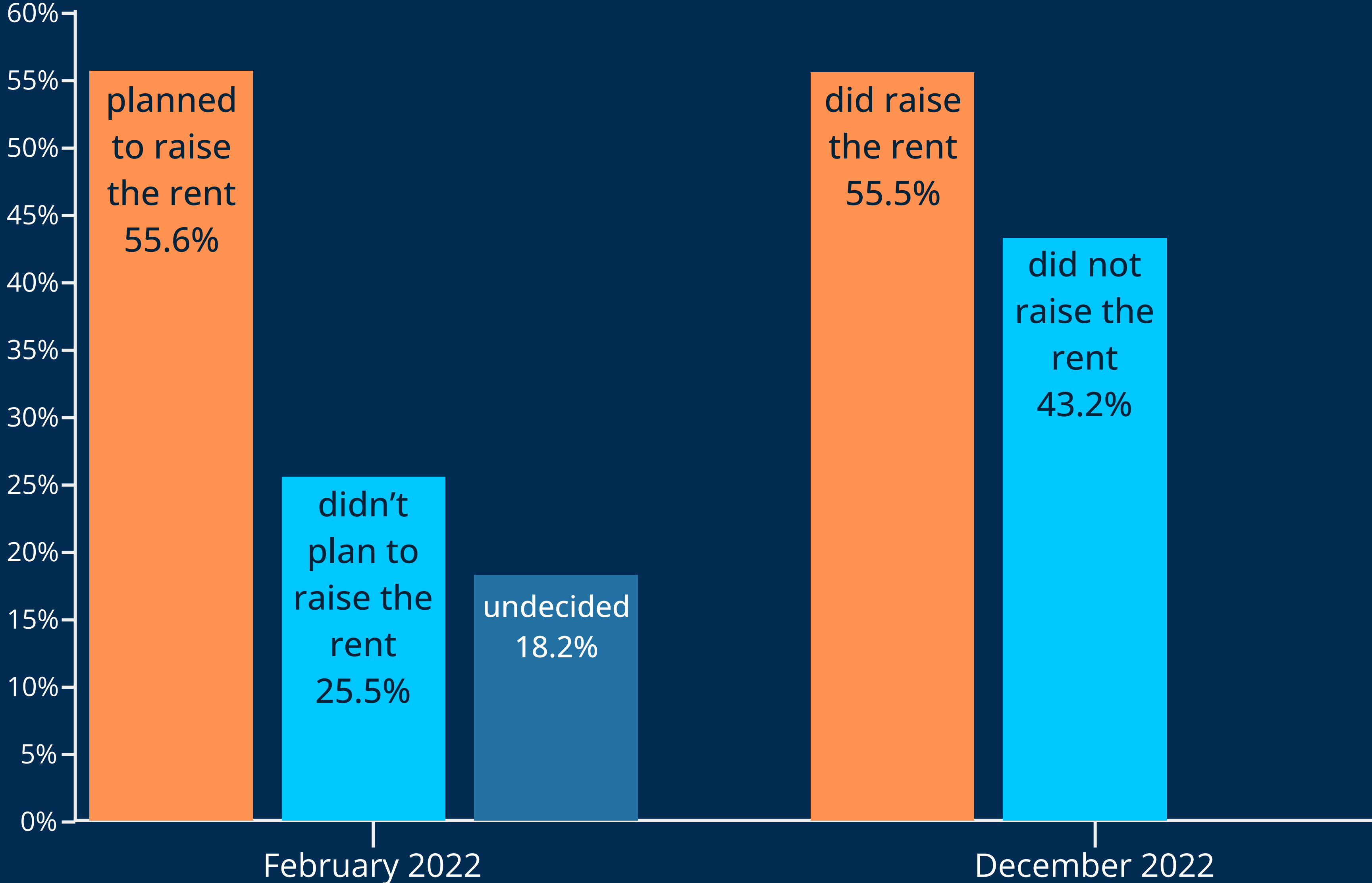
# 2022 Wrap Up

This year brought plenty of turbulence for DIY landlords – but they largely came out ahead! Let's dive into which predictions came true and how well the average rental property business is performing as we examine 2022.



# Raising Rent

In February 2022, we asked landlords if they were planning to raise rent over the course of the year.

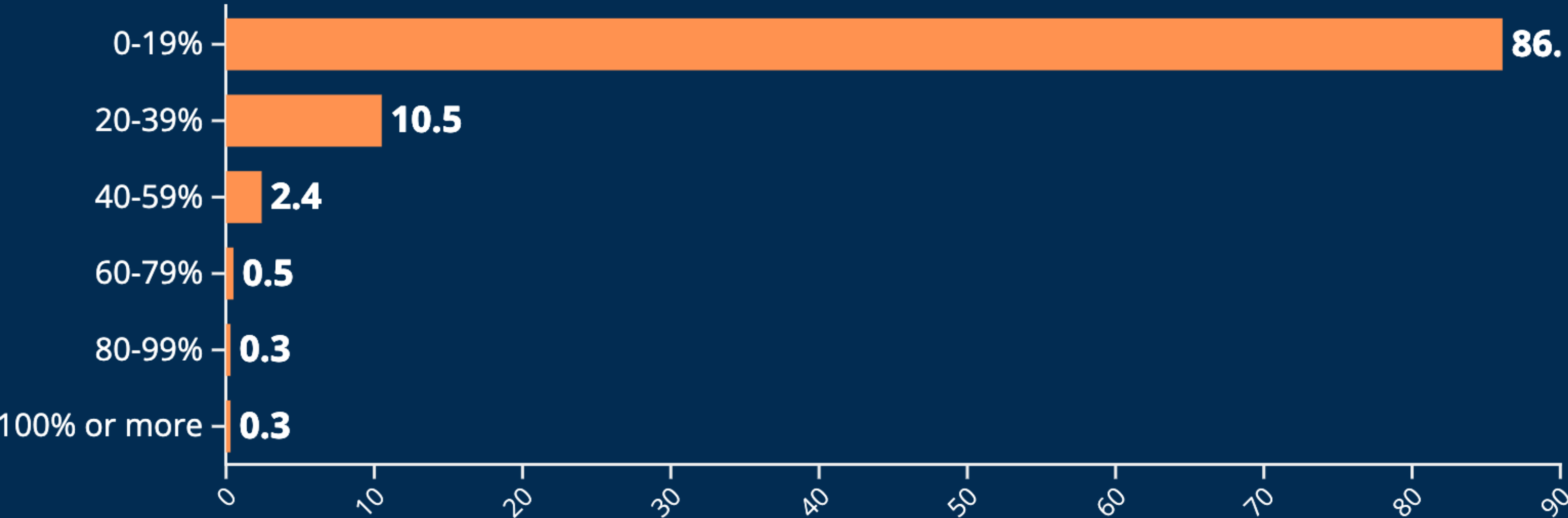


# Raising Rent

As of December 2022, we found that those who planned to raise rent did, yet those who were undecided opted to keep pricing the same.

According to our landlords, the leading factor that influenced their decision to raise rent was that the cost of running a property management business had increased.

## How Much Did You Increase the Rent?

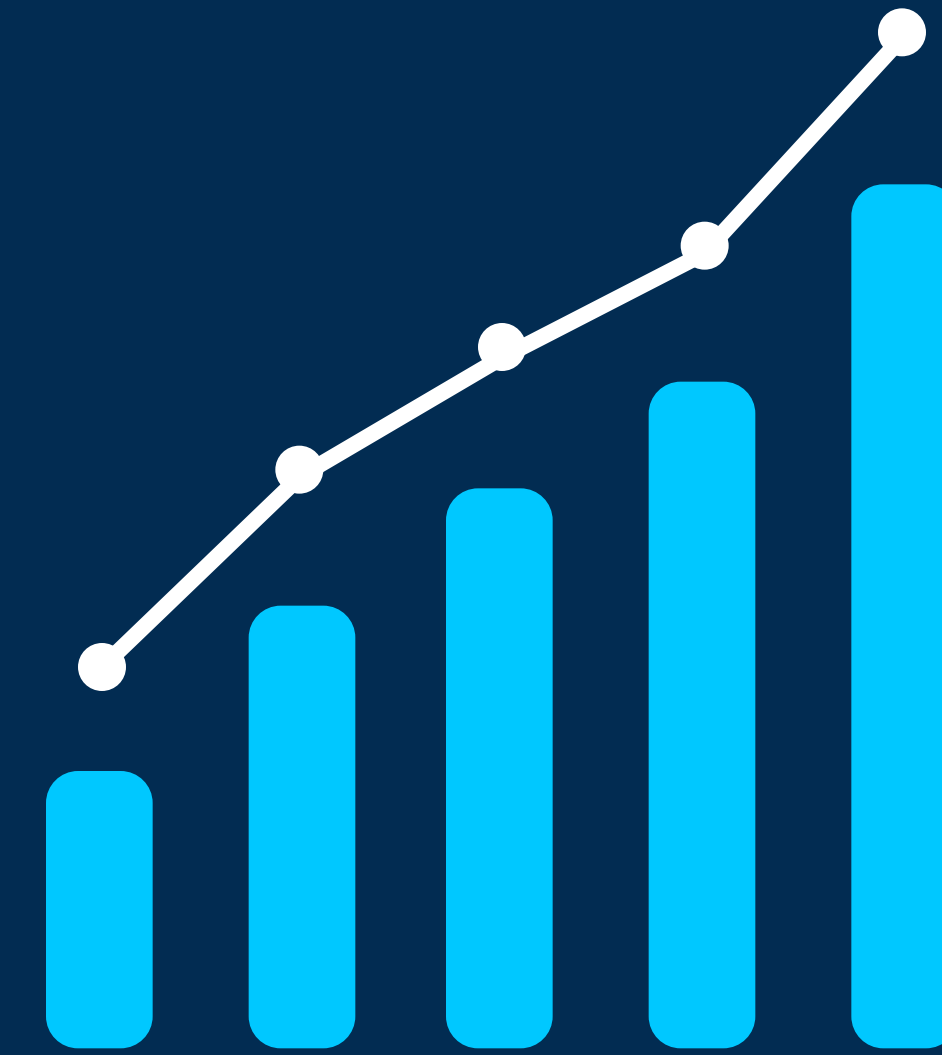


86.1% of landlords who increased rent raised it by less than 20%.

## Portfolio Composition and Expansion

Common investing advice suggests diversifying one's portfolio with smart, lasting investments when possible – and you'd be hard-pressed to find a smarter investment than rental real estate.

We asked our landlords to select all the relevant options from the list below to contextualize their current portfolios.



## What Types of Real Estate Investments Do You Own Currently?

While single-family homes are the clear favorite, 2022's buzz surrounding the climb (and light fall, as of November) of multifamily rent prices, leads us to believe there could be an uptick in this type of property acquisition in the years ahead.





Many landlords weren't certain they would be adding to their portfolios in 2022, given the economic turbulence. But as the financial landscape evolved, their original trepidation subsided.

**30.7% of landlords indicated that they planned to purchase property at the beginning of the year.**

**By December, 42.6% said they had purchased one or more properties in 2022.**

The difference between these figures suggests a combination of opportunity and grit led landlords to complete property purchases despite economic uncertainty.



30.7% of landlords planned to purchase property



42.6% of landlords said they had purchased one or more properties

## The Landlord–Tenant Relationship

In the first half of 2022, landlords rated their tenants as 4.3/5. However, that score has since increased slightly – now, landlords rate their renters as 4.4/5 on average.

On the other hand, renters' sentiments toward their landlord dropped by a few percentage points.

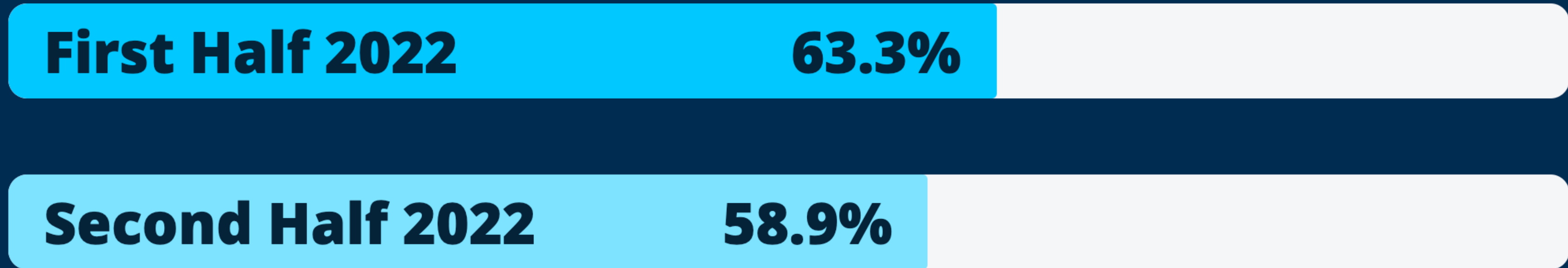
**On average in the  
2nd half of 2022,  
landlords rated  
their tenants as:**

**4.4/5**

# The Landlord-Tenant Relationship

Percentage of  
Tenants Who Ranked  
Their Landlords

5/5



**Pro Tip:** The landlord-tenant relationship will become even more important to your success in 2023!

## Financial Challenges

As increased inflation and mortgage rates dominated the news cycle, it seems renters were feeling the burn more than their landlords.



## Renters' Feelings Toward the Economy

**1 Frustrated**

**2 Scared**

**3 Angry**

When asked to pick three words out of a list to describe their feelings toward the economy, renters' top three choices were frustrated, scared, and angry.

On average, 74.9% of renters said the state of the economy impacted their day-to-day life, citing increased worries about finances, the cost of living, and having to choose between rent and food.

## Landlords' Feelings Toward the Economy

**1 Frustrated**

**2 Optimistic**

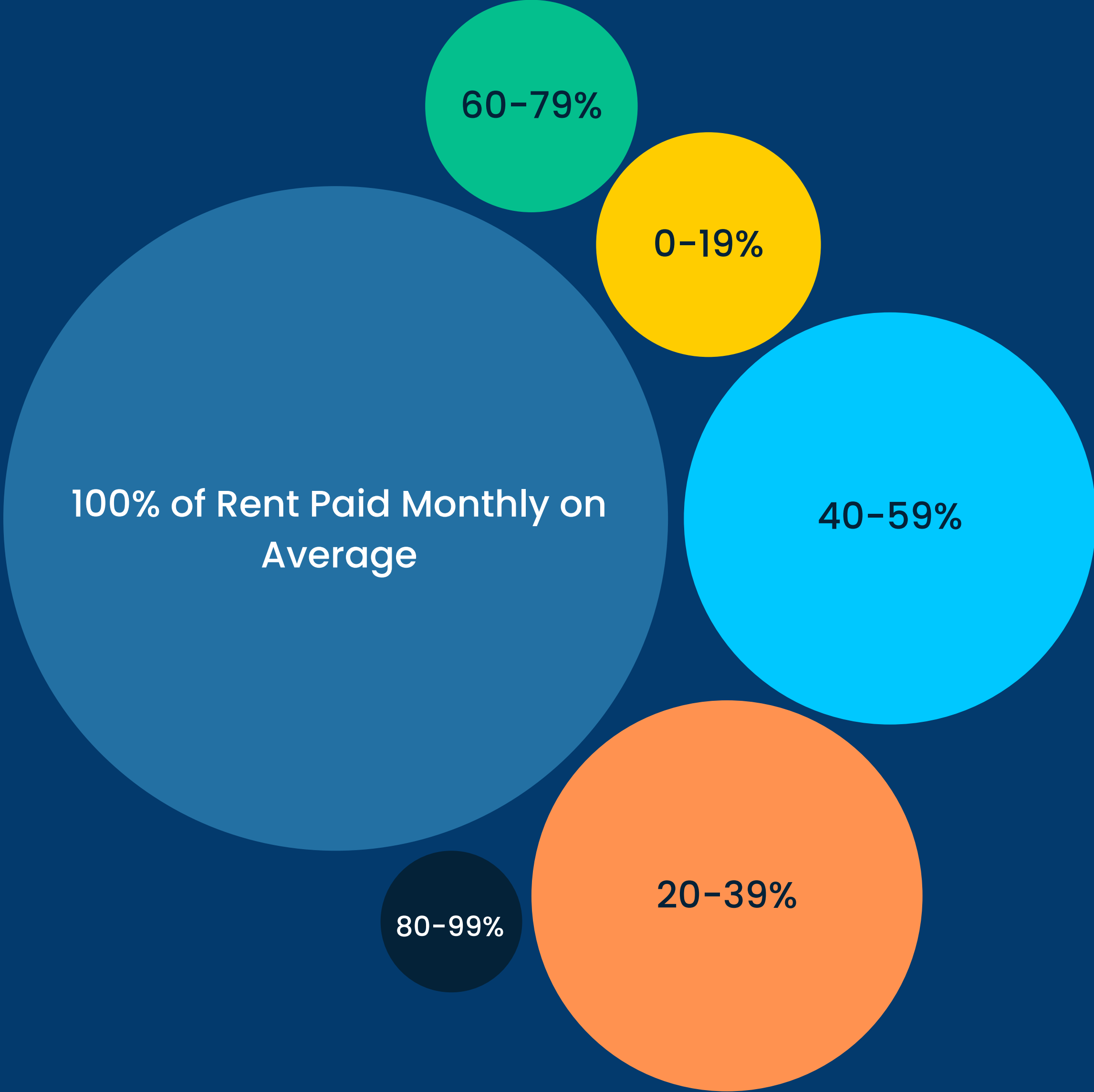
**3 Calm**

Some landlords' daily lives were impacted by the economy, but others felt that the current climate offered opportunities. Their top three words to describe their reaction to the financial state of things were **frustrated, optimistic, and calm**.

It may be the eternal relevance of their investments that make landlords feel more optimistic about weathering the economy – people will always need somewhere safe to live, even during turbulent times.

# Percentage of Rent Paid Monthly on Average

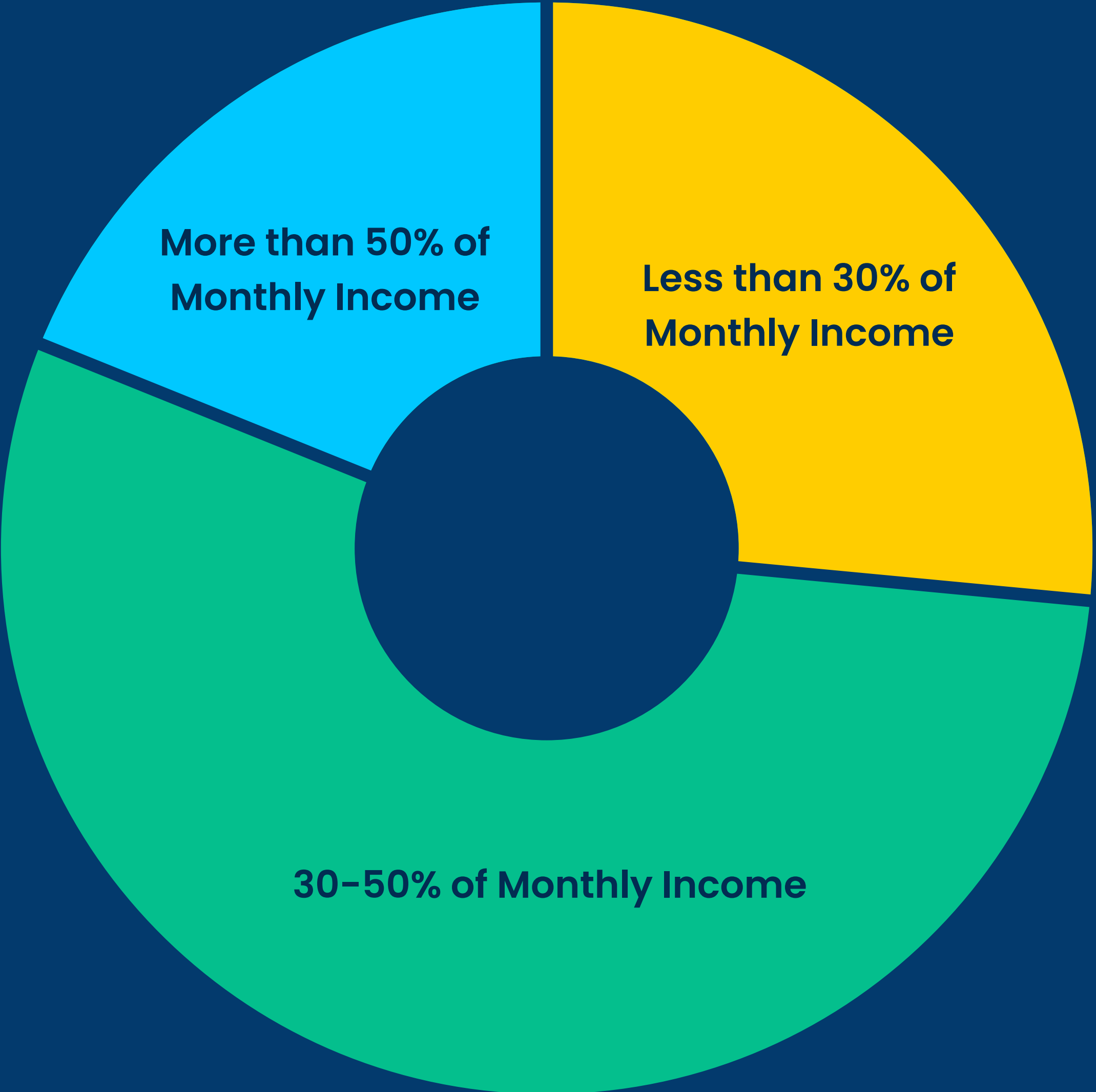
- 100%: 50.7%
- 80-99%: 2.4%
- 60-79%: 5.3%
- 40-59%: 19.2%
- 20-39%: 17%
- 0-19%: 5.4%



# Percentage of Monthly Income Spent on Rent

- **Less than 30%: 26.5%**
- **30-50%: 55.0%**
- **More than 50%: 18.5%**

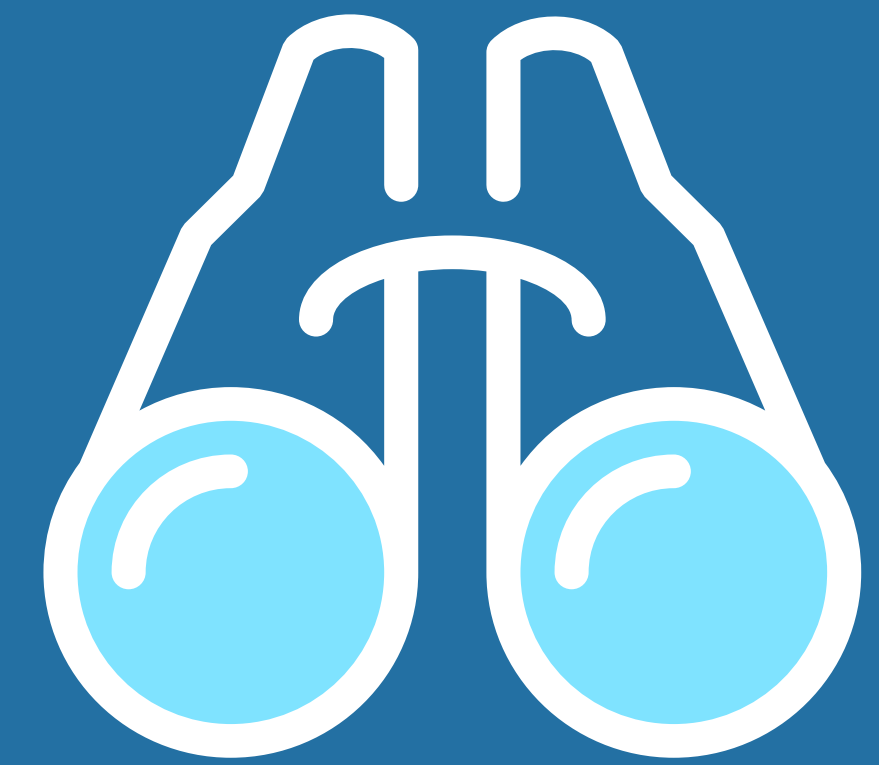
Nearly 20% of renters spend more than 50% of their monthly income on rent, which isn't sustainable long term.





## Looking Ahead

What does the future hold for independent landlords and their tenants?



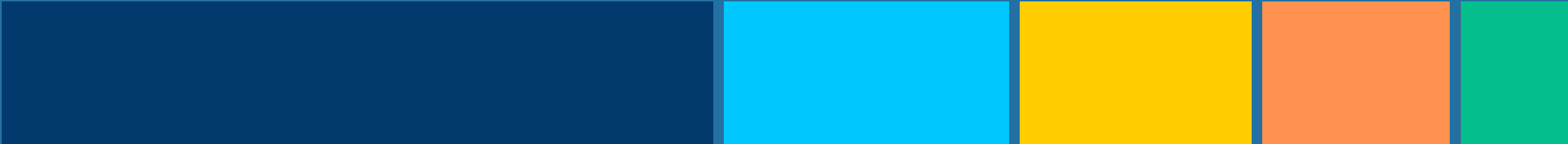
## Property Acquisition and Long-Term Plans

When asked about their long-term goals regarding their rental property investments, an average of 45.7% of landlords said they'll just keep renting out units until they're tired of property management.

**50.2%**

**Of landlords plan to purchase property in 2023.**

# Long-Term Real Estate Investment Portfolio Plans



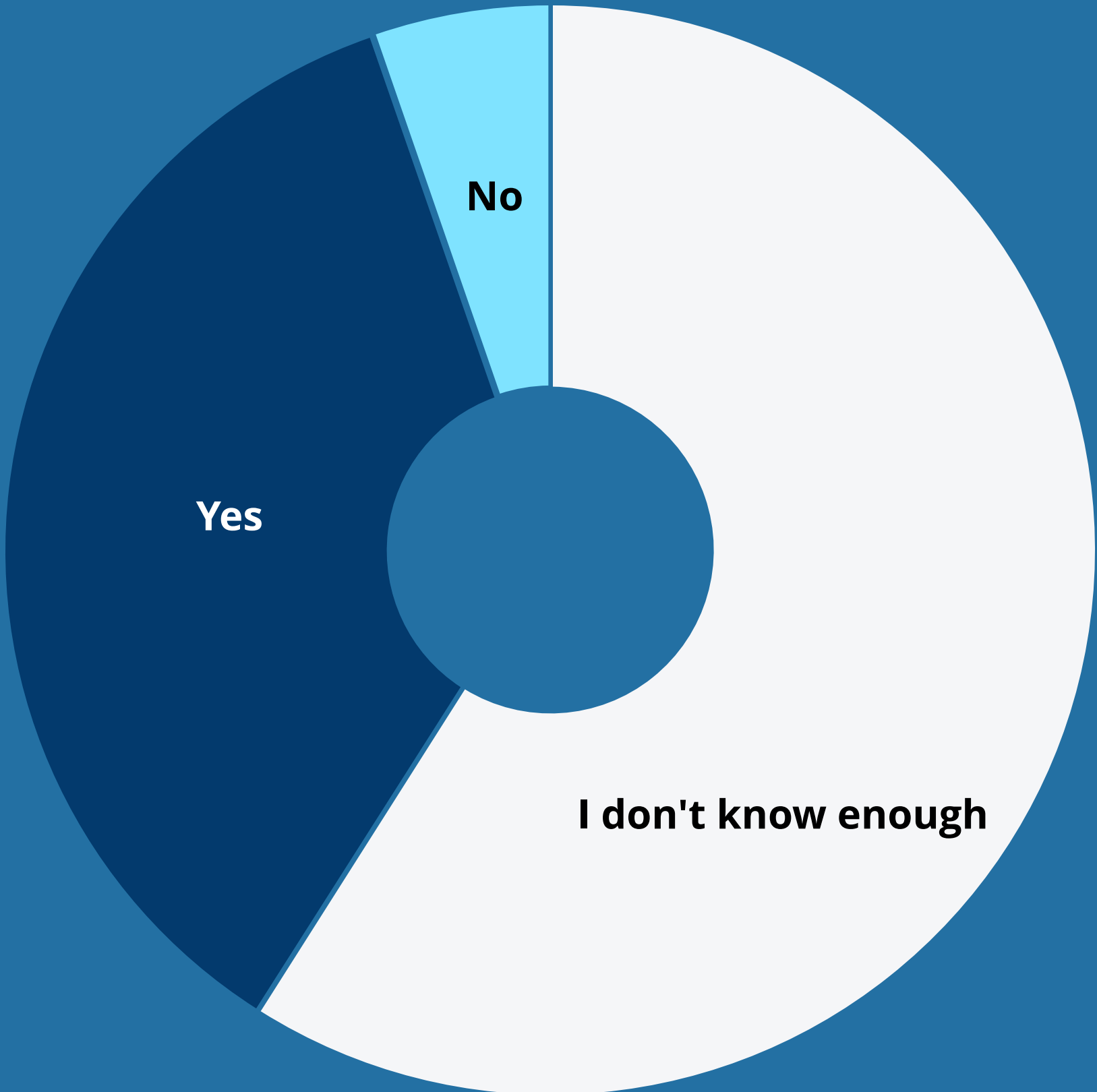
- Just keep renting out units: 45.7%**
- Diversify the portfolio: 18.7%**
- Reach a certain portfolio size: 15.3%**
- Make enough money: 12.9%**
- Other: 7.5%**

“Other” responses include building enough equity to buy more rental property, passing the rental property business to their children, and keeping their portfolio strong for estate planning purposes.

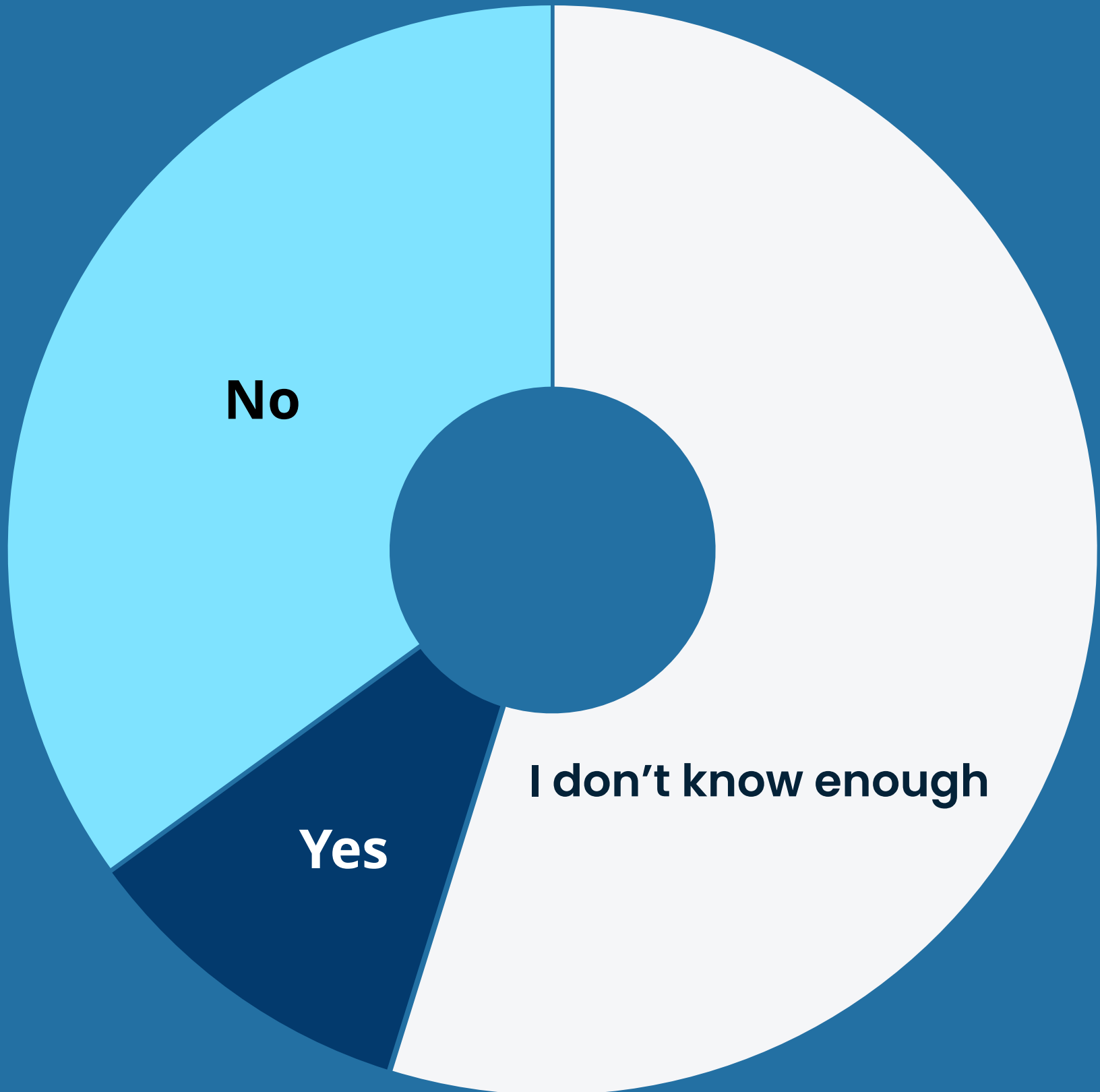
# Rent Control

Rent control was discussed frequently, both by our landlords and the industry at large. There are several opinions about rent control, including among our audience.

Interestingly, the majority of landlords and tenants surveyed didn't know enough about rent control programs to say whether they were in favor or opposed.



**Renters' Support for Rent Control Programs**



**Landlords' Support for Rent Control Programs**

The landlords and tenants familiar with this issue found themselves on opposing sides, with **35% of landlords opposing and 35.7% of renters supporting rent control programs.**

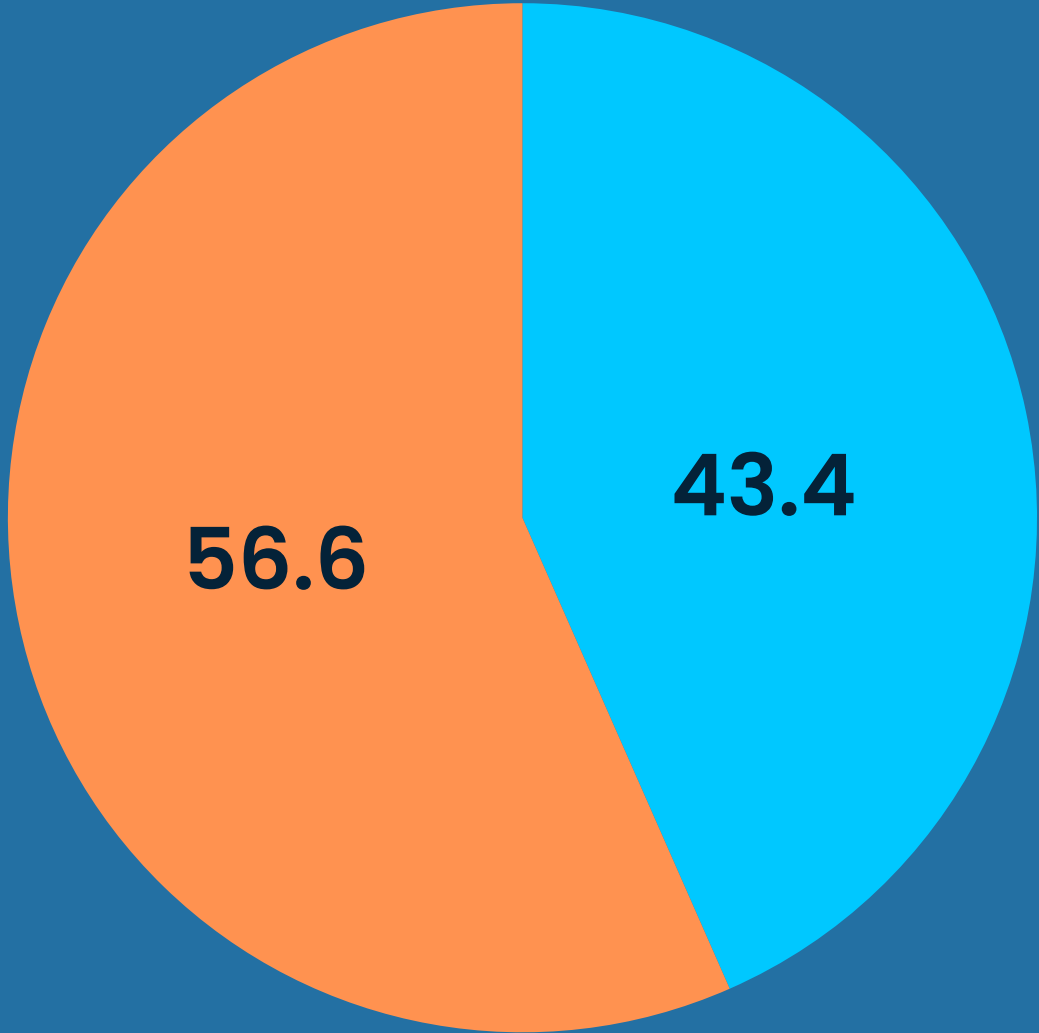
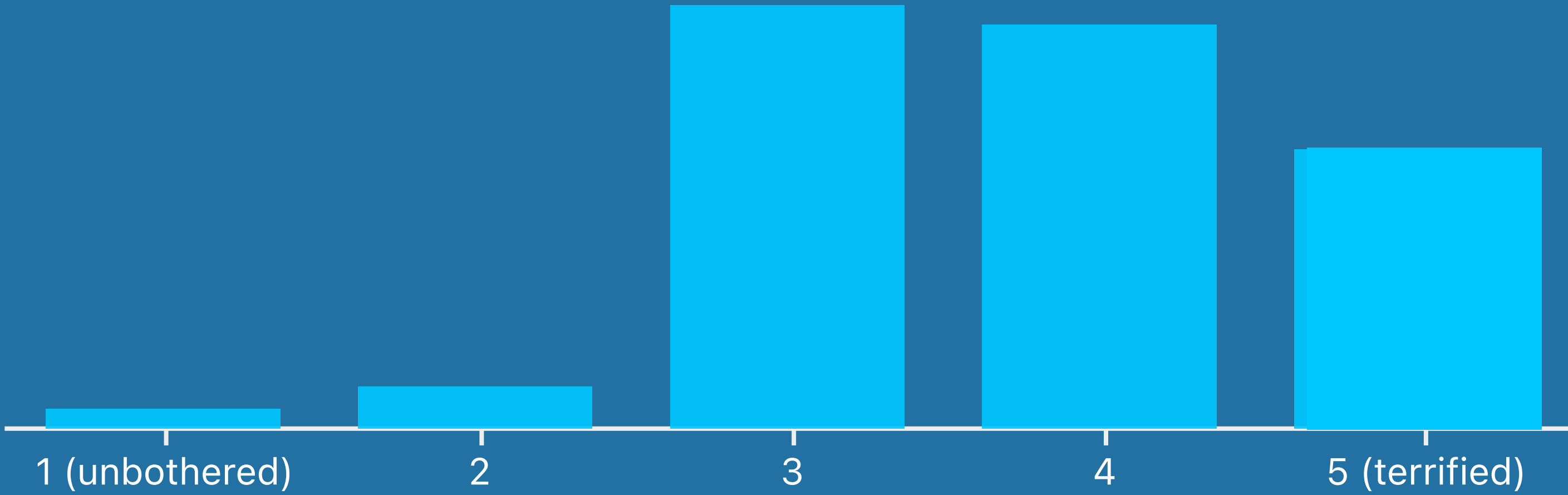
## Climate Change Concerns

As the world faces consequences from climate change, it's no surprise that many renters are thinking about the environment, too.

**60%**

**Of tenants said that they are worried about the environment.**

# The Distribution of Renter Sentiments Regarding Environmental Concerns



Despite their concerns, **56.6%** of these renters would **not be willing to pay more** in rent for a more environmentally friendly unit. However, **43.4%** of tenants were willing to pay higher rent.

When asked how much more they would pay for a more climate-friendly unit, **31.3%** of respondents said they'd pay an extra \$100 per month.

## Renters Becoming Homeowners?

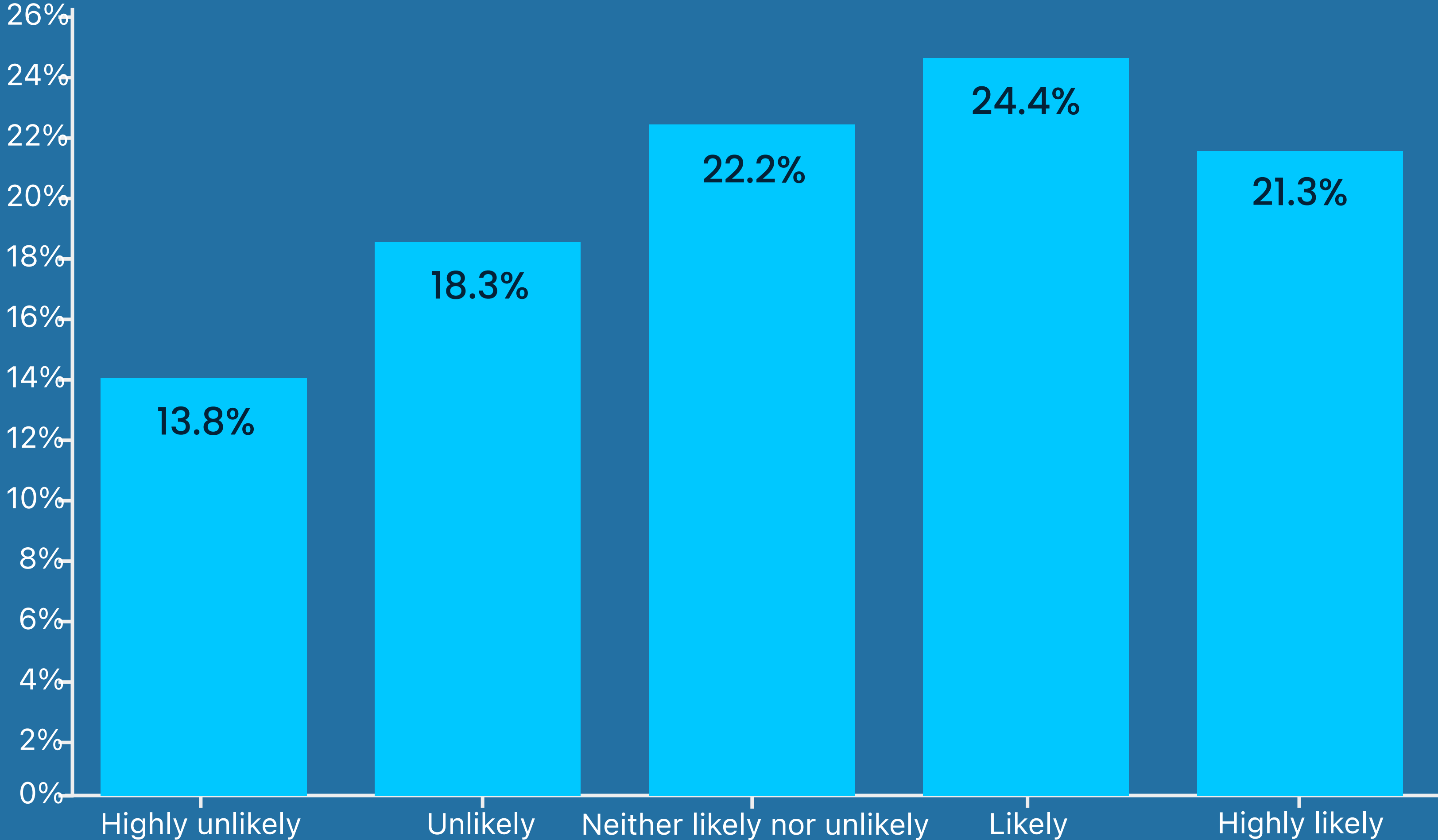
Given their economic fears, we asked tenants about their desire to own property.

From there, we assessed their perceived likelihood of purchasing a property within the next two years.

**77%**

**Responded that they want to own a home someday.**

# What's the Likelihood Renters Will Purchase Property Within 2 Years?



While 44.7% of tenants believe they're likely to buy property within the next two years, their average savings tell a grim story. →



# How Much Money Do Renters Have in Savings on Average?

**\$0-\$4,999**



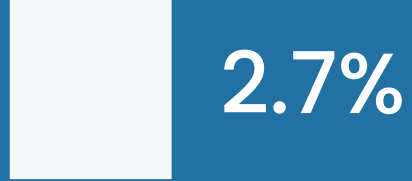
**\$5,000-\$9,999**



**\$10,000-\$14,999**



**\$15,000-\$19,999**



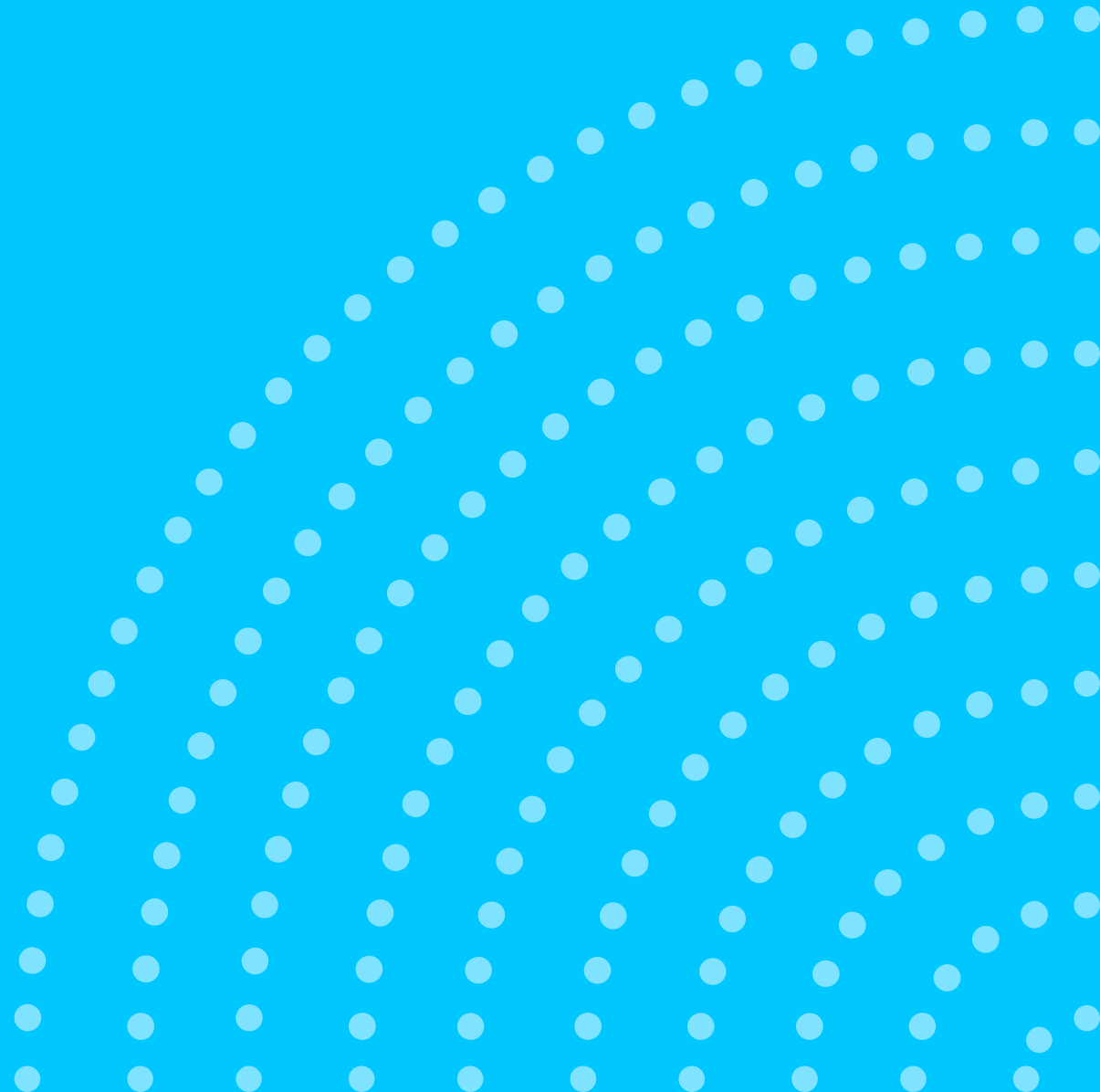
**\$20,000 OR MORE**



68.5% of renters have less than \$5,000 in savings, which will make their quest for homeownership that much harder.

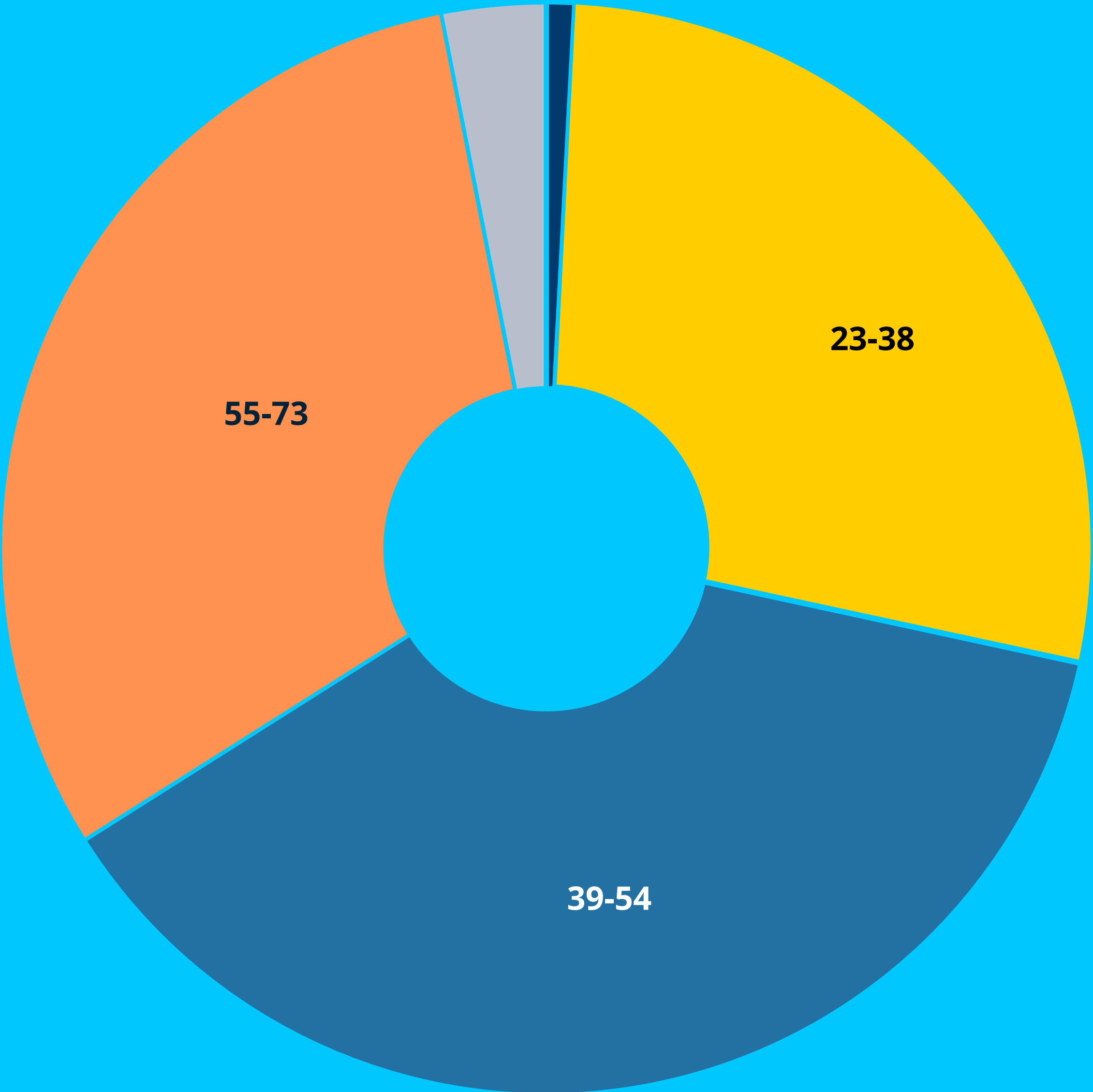
# Respondent Demographics

To give you the full picture of our results, we've outlined pertinent demographic data for both landlords and renters.



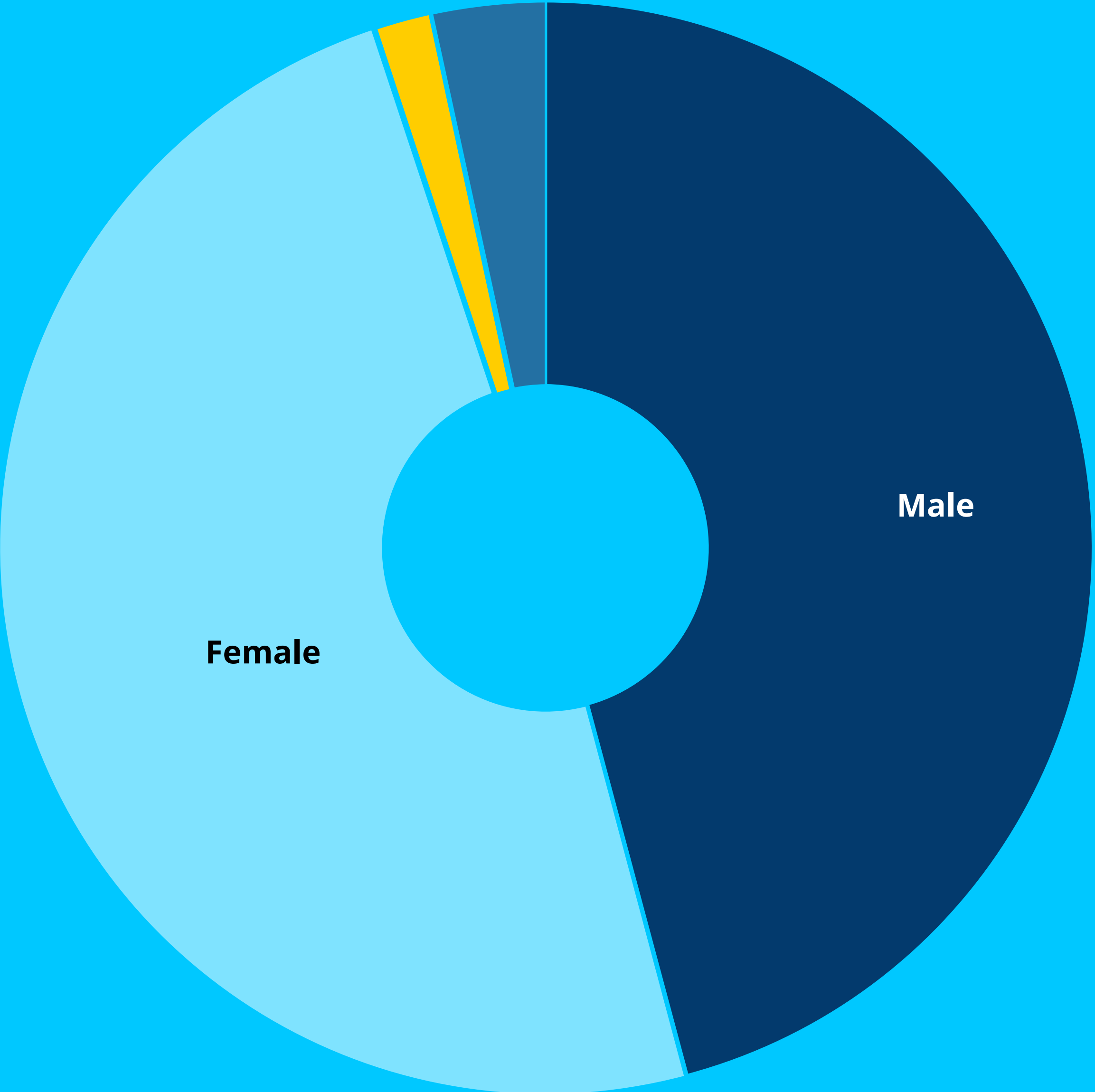
# Age

- 74 and older: 3.1%
- 55-73: 31%
- 39-54: 37.8%
- 23-38: 27.7%
- 18-22: 0.8%
- Under 18: 0%



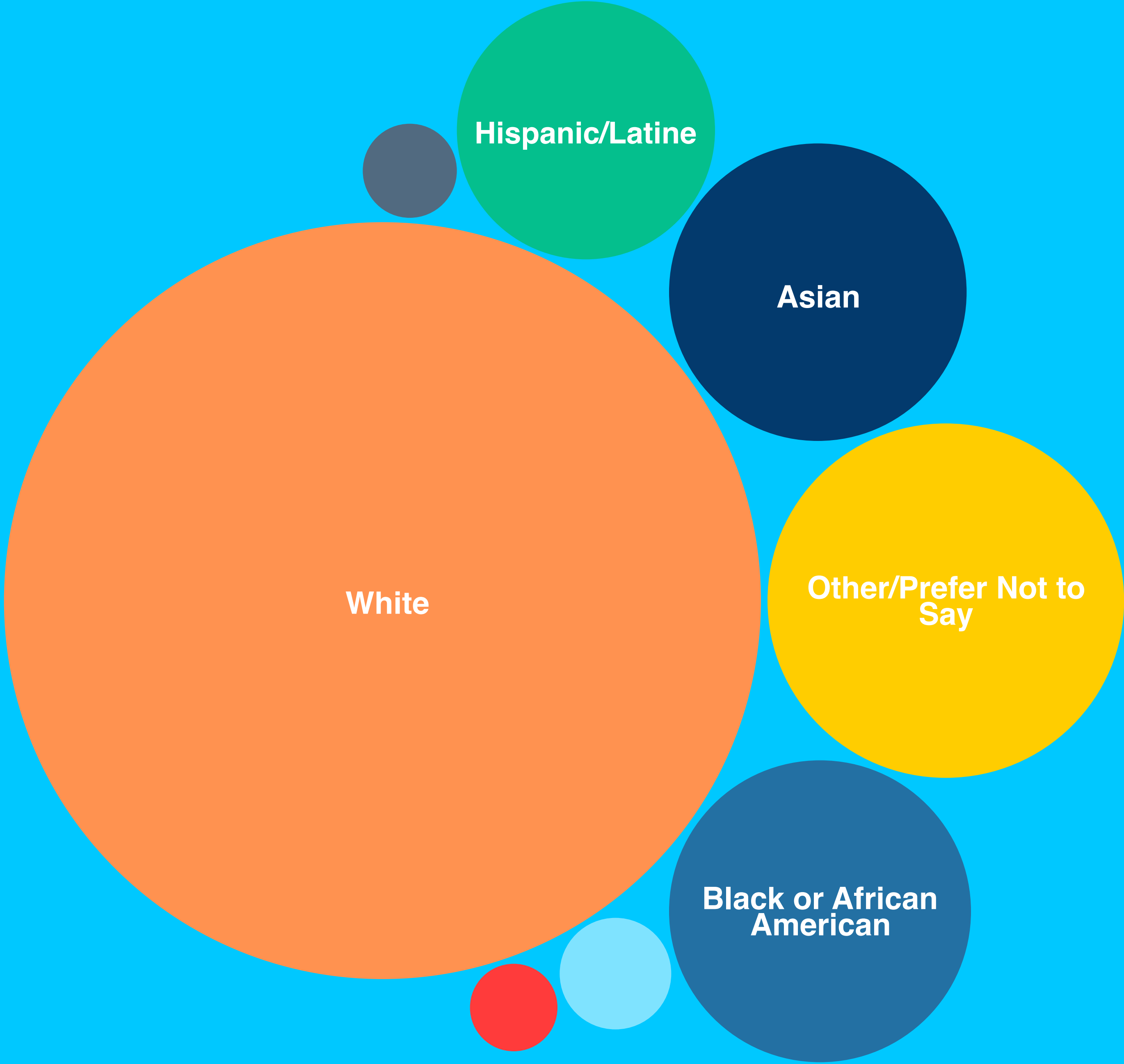
# Gender

- Female: 49%
- Male: 45.8%
- Preferred not to answer: 3.4%
- Non-Binary / Third Gender: 1.7%

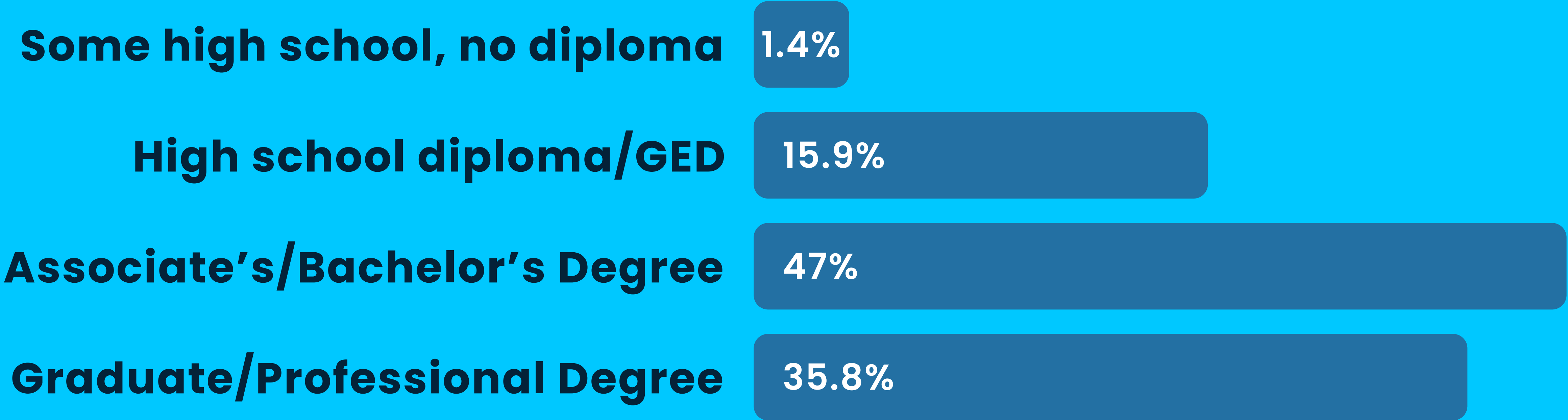


# Race & Ethnicity

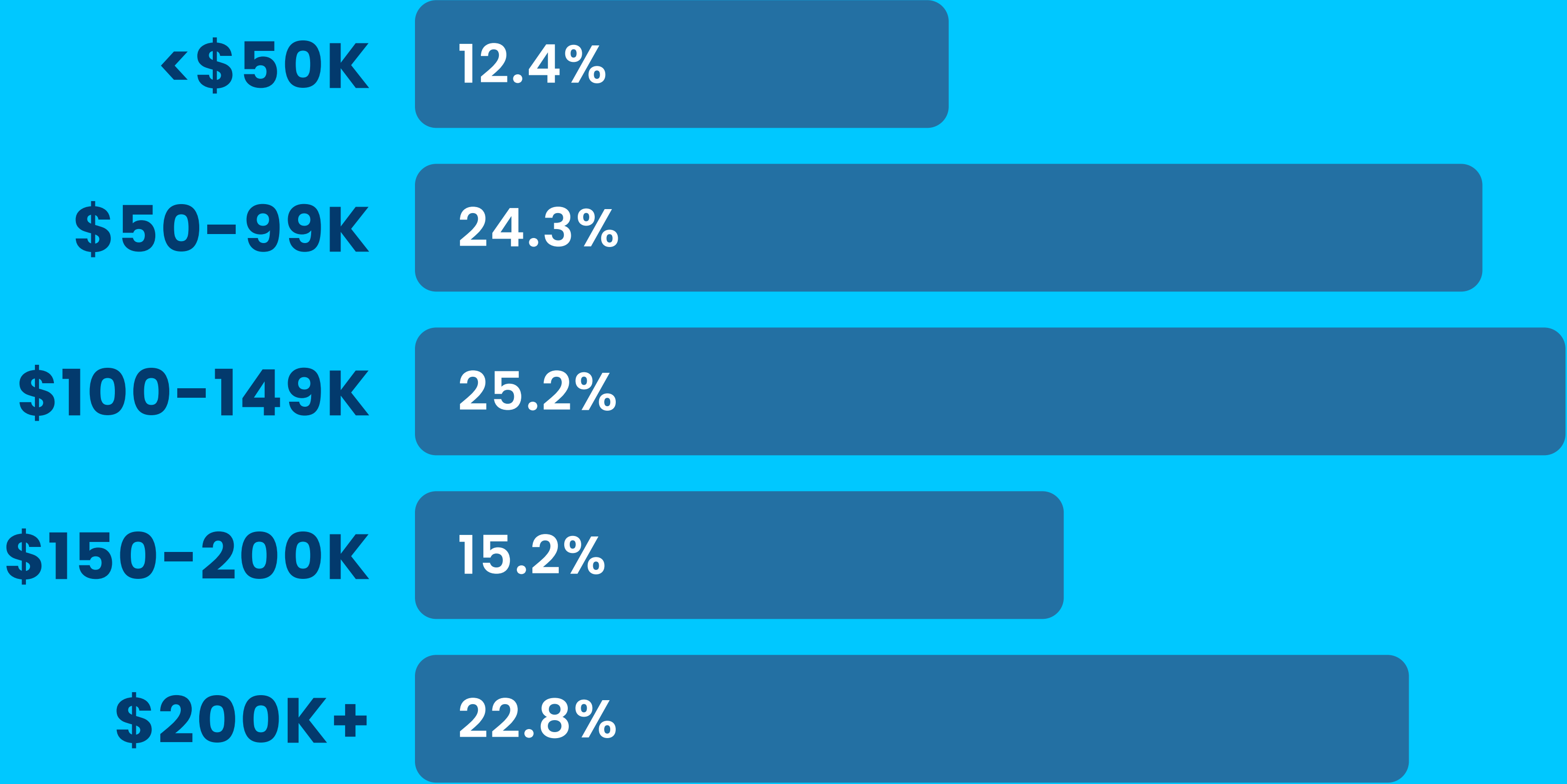
- Asian: 7.9%
- Black or African American: 9.7%
- Hispanic/Latine: 7.9%
- Indigenous/Alaska Native: 1.1%
- Native Hawaiian/Pacific Islander: 0.8%
- White: 59.4%
- Other/Prefer Not to Say: 12.1%
- Unknown: 1.1%



# Education



# Annual Household Income



# Number of Rental Units Owned





# Rental Environment



**Urban: 54.7%**



**Suburban: 29%**



**Rural: 16.3%**

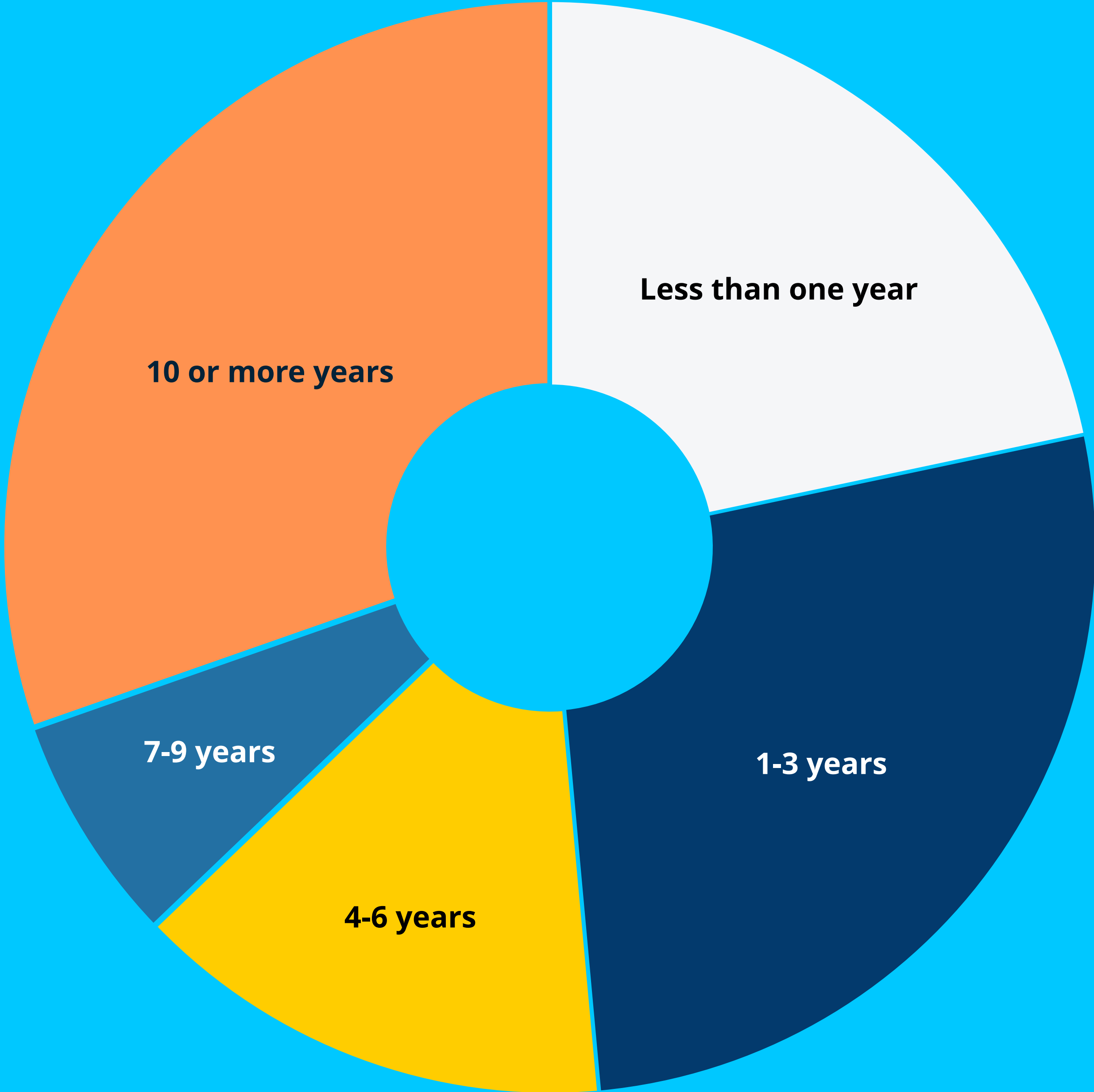
# Rental Income Makes Up What Percent of Total Income?



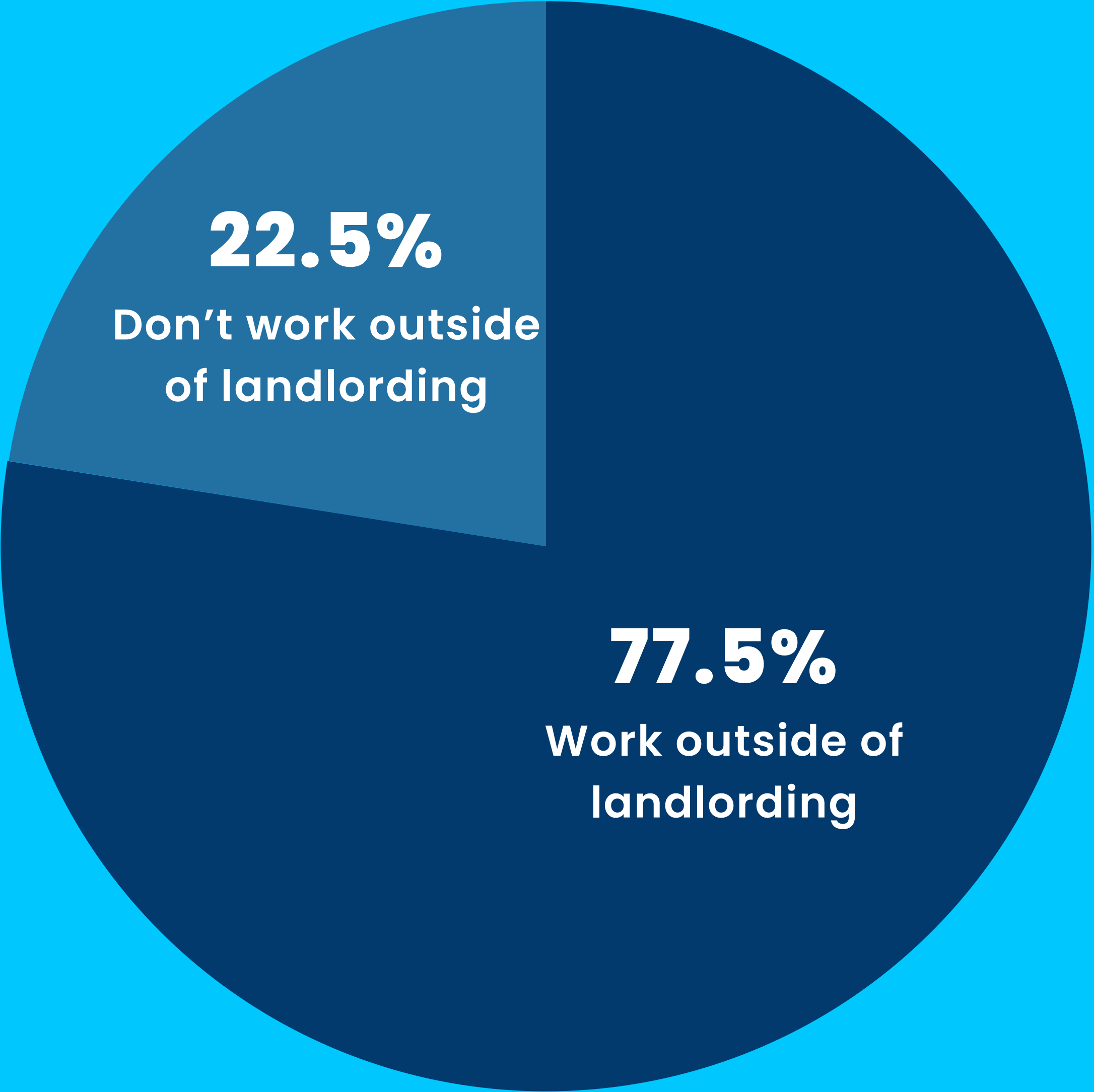
- Less than 25%: 70.6%
- 25-49%: 16.5%
- 50-74%: 6.7%
- More than 75%: 6.2%

# The Number of Years of Landlording Experience

- 10 or more years: 30.4%
- 7-9 years: 6.8%
- 4-6 years: 14.3%
- 1-3 years: 26.9%
- Less than one year: 21.7%



# Working Outside of Landlording

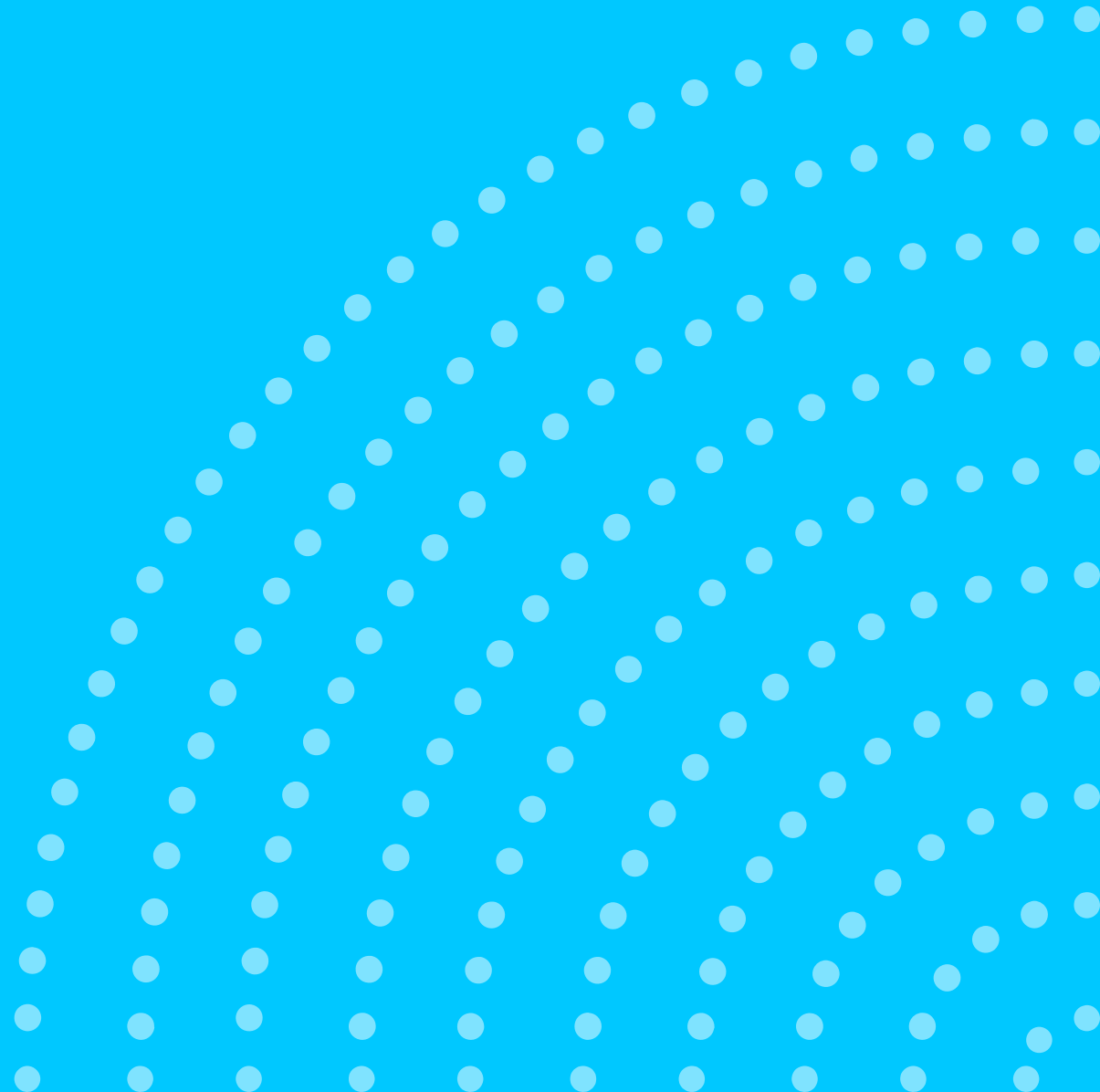


# Industry Outside of Landlording



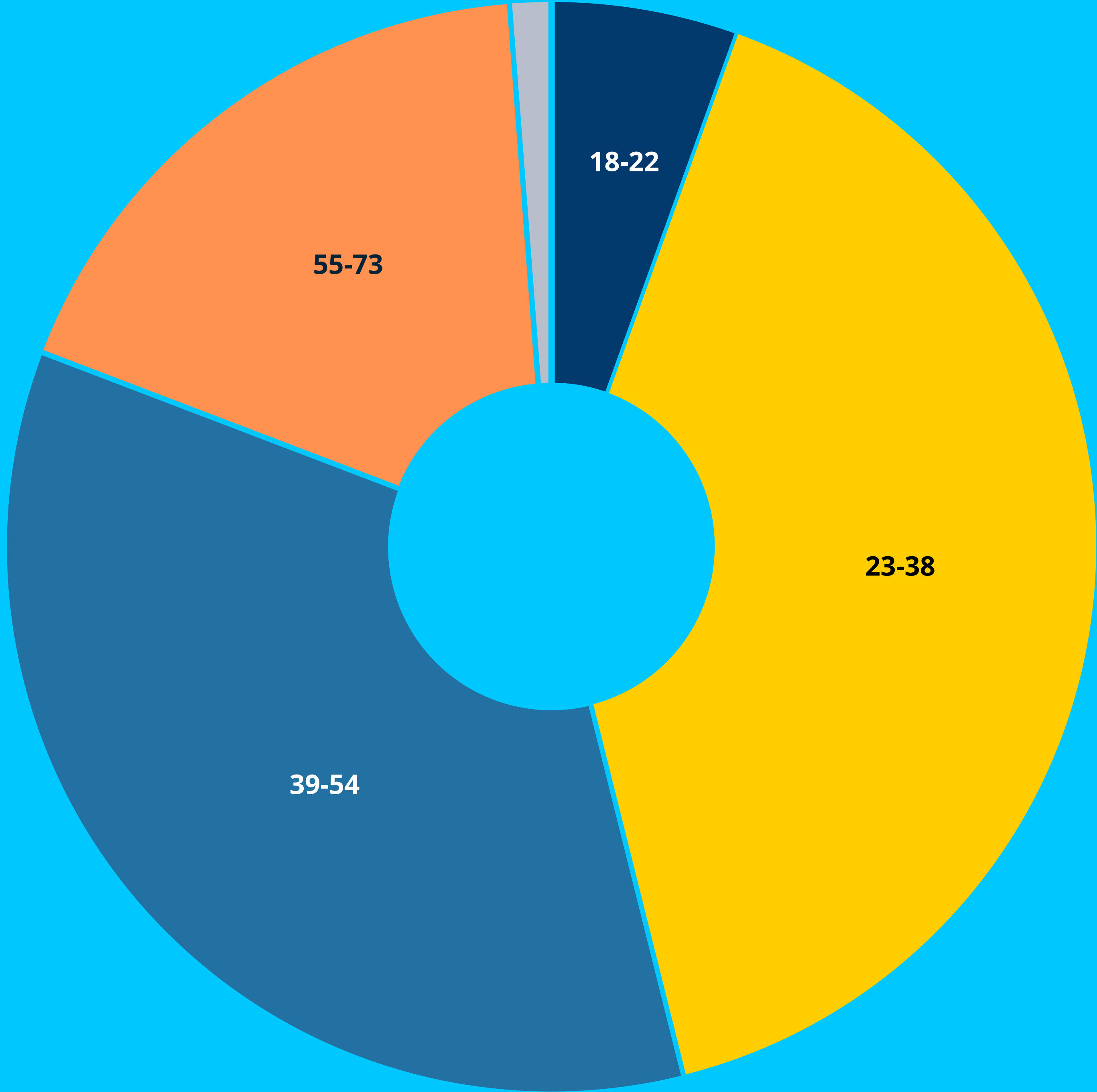
- Office & Admin: 26.9%
- Computer / IT Services: 23.5%
- Sales: 23.1%
- Healthcare: 17.5%
- Education: 9%

# Renter Respondent Demographics



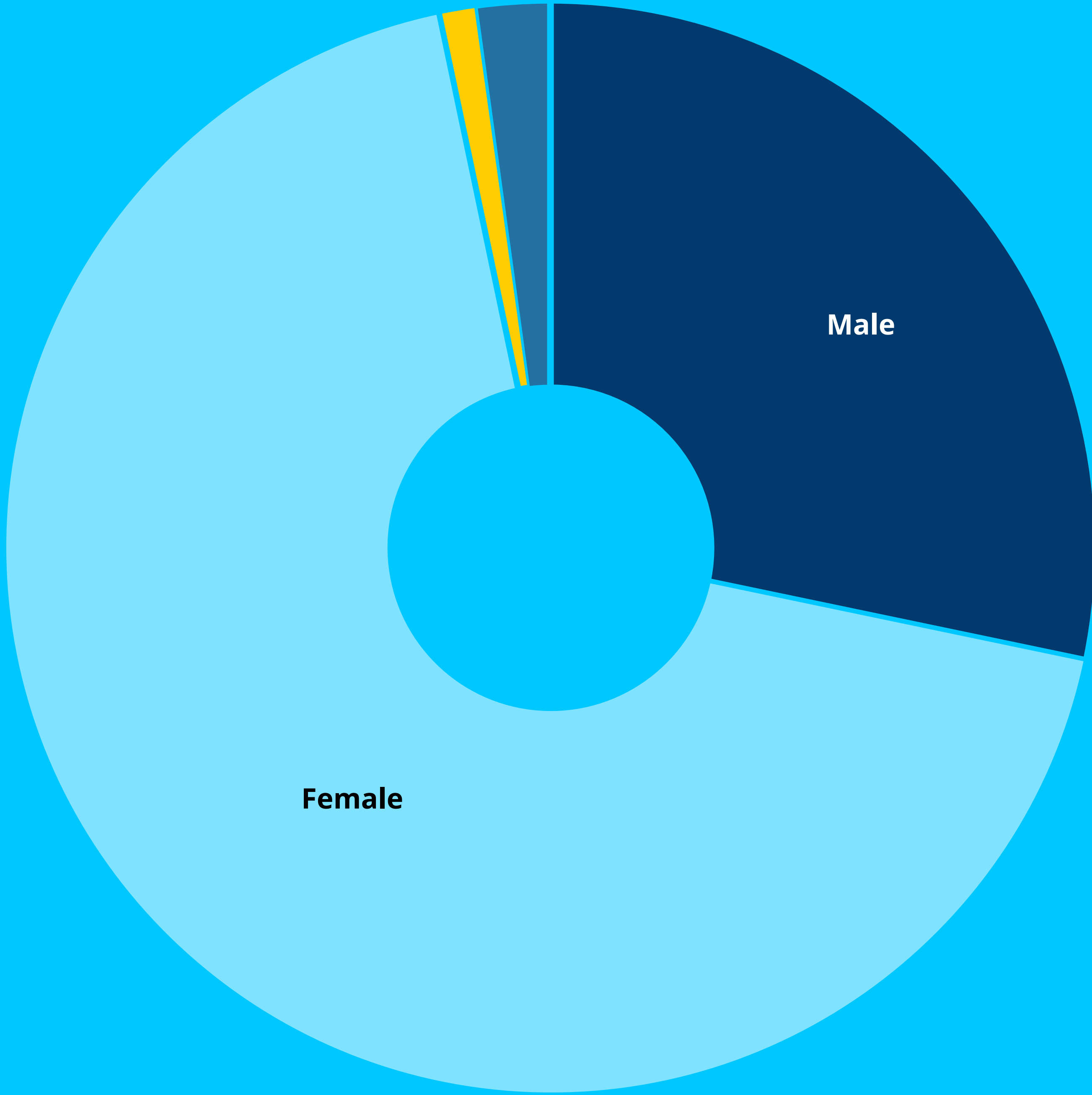
# Age

- 74 and older: 1.2%
- 55-73: 18%
- 39-54: 34.7%
- 23-38: 40.6%
- 18-22: 5.5%
- Under 18: 0%



# Gender

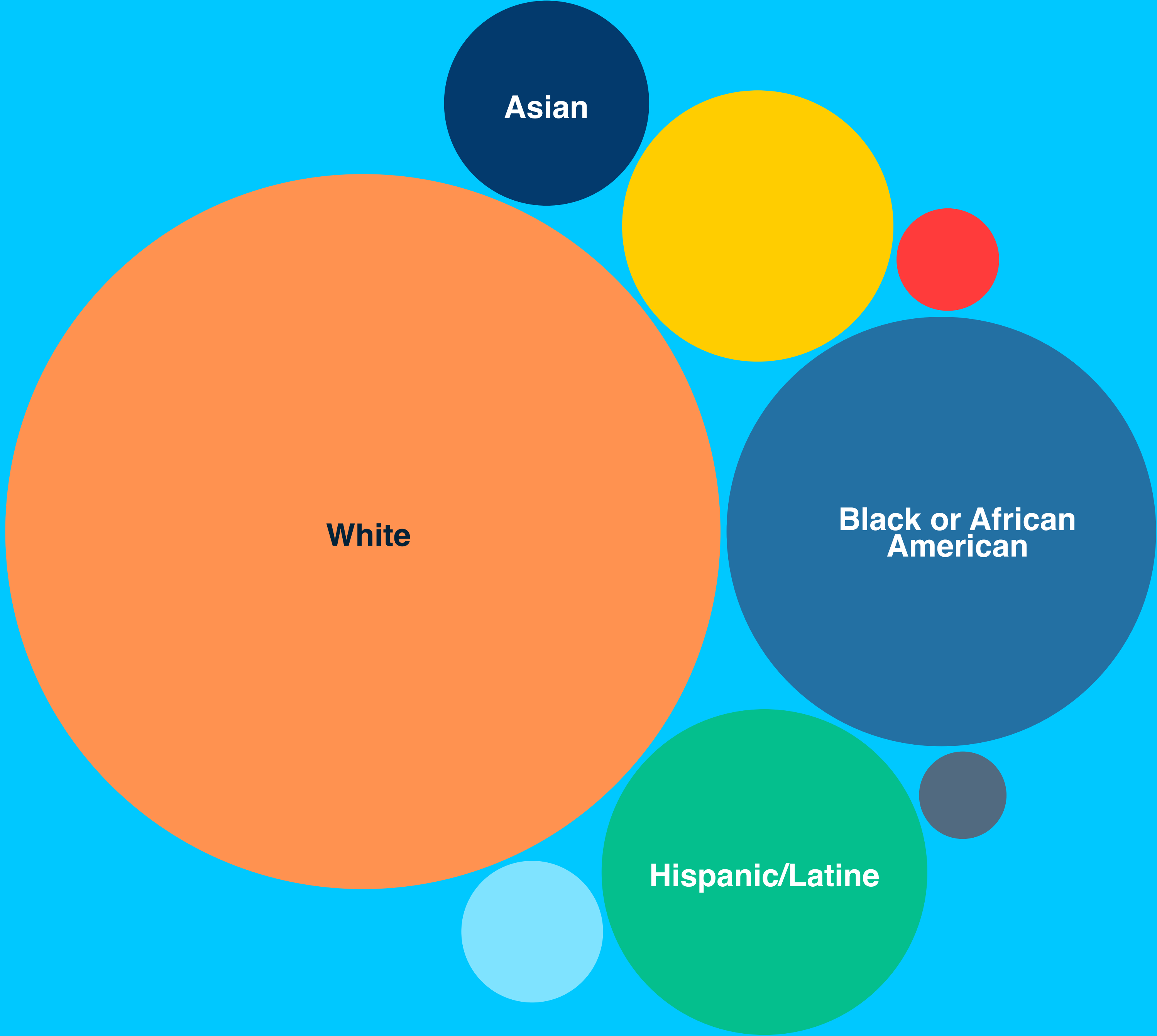
- Female: 68.5%
- Male: 28.3%
- Preferred not to answer: 2.2%
- Non-Binary / Third Gender: 1.1%





# Race & Ethnicity

- Asian: 4.4%
- Black or African American: 19.3%
- Hispanic/Latine: 11.1%
- Indigenous/Alaska Native: 2.1%
- Native Hawaiian/Pacific Islander: 1.1%
- White: 53.5%
- Other/Prefer Not to Say: 7.7%
- Unknown: 0.8%



# Education

**Some high school, no diploma**

4%

**High school diploma/GED**

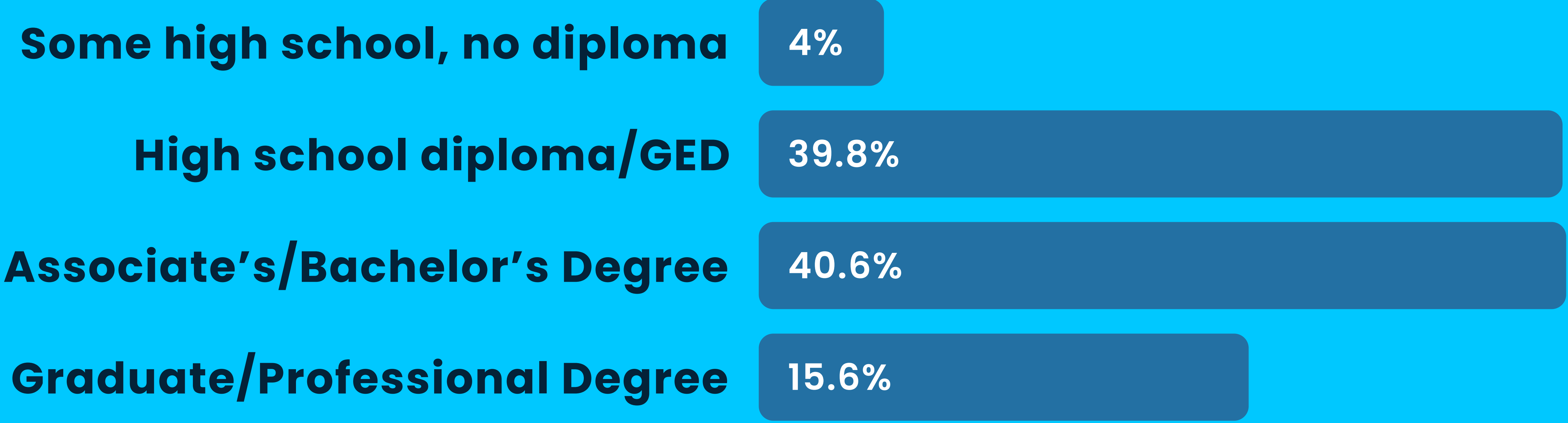
39.8%

**Associate's/Bachelor's Degree**

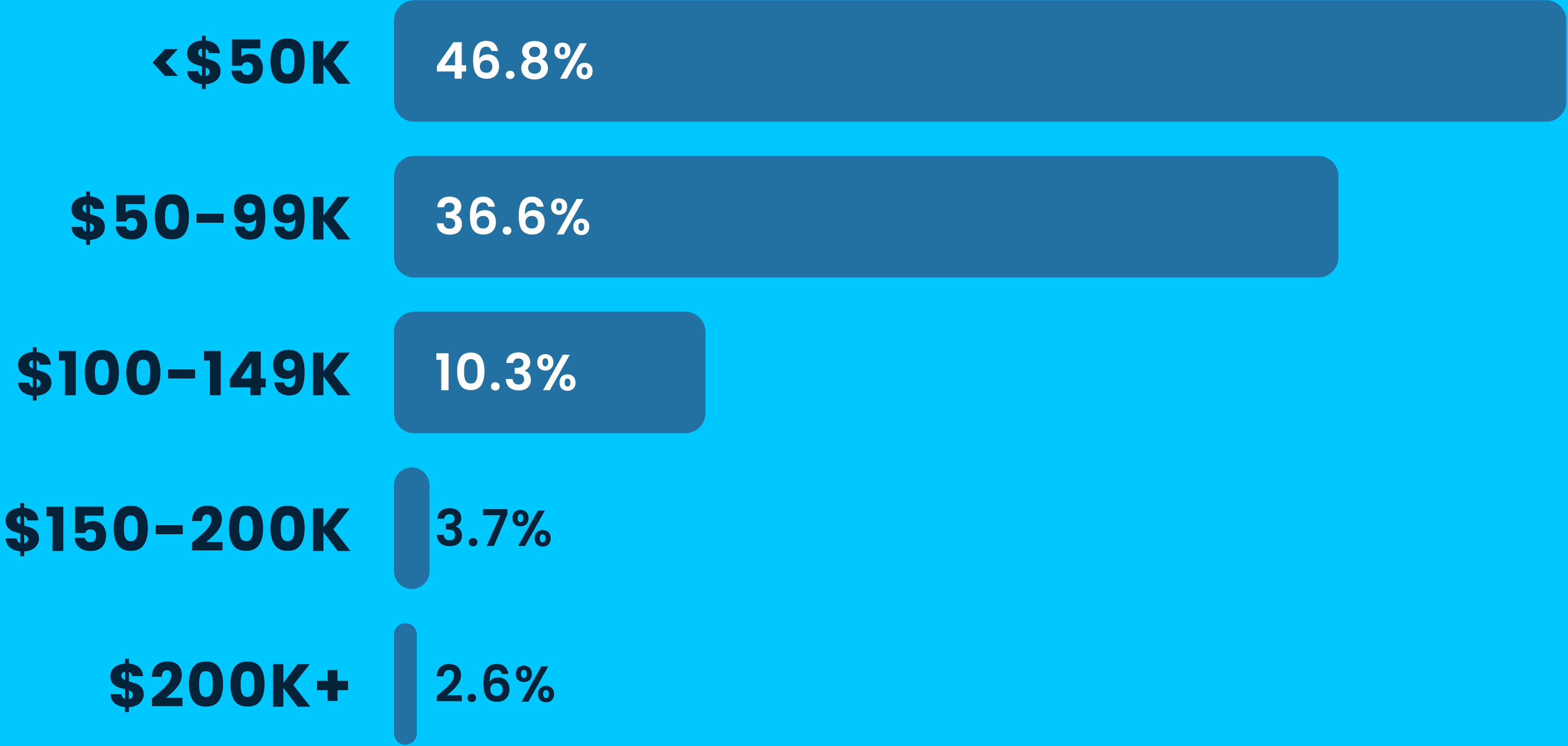
40.6%

**Graduate/Professional Degree**

15.6%

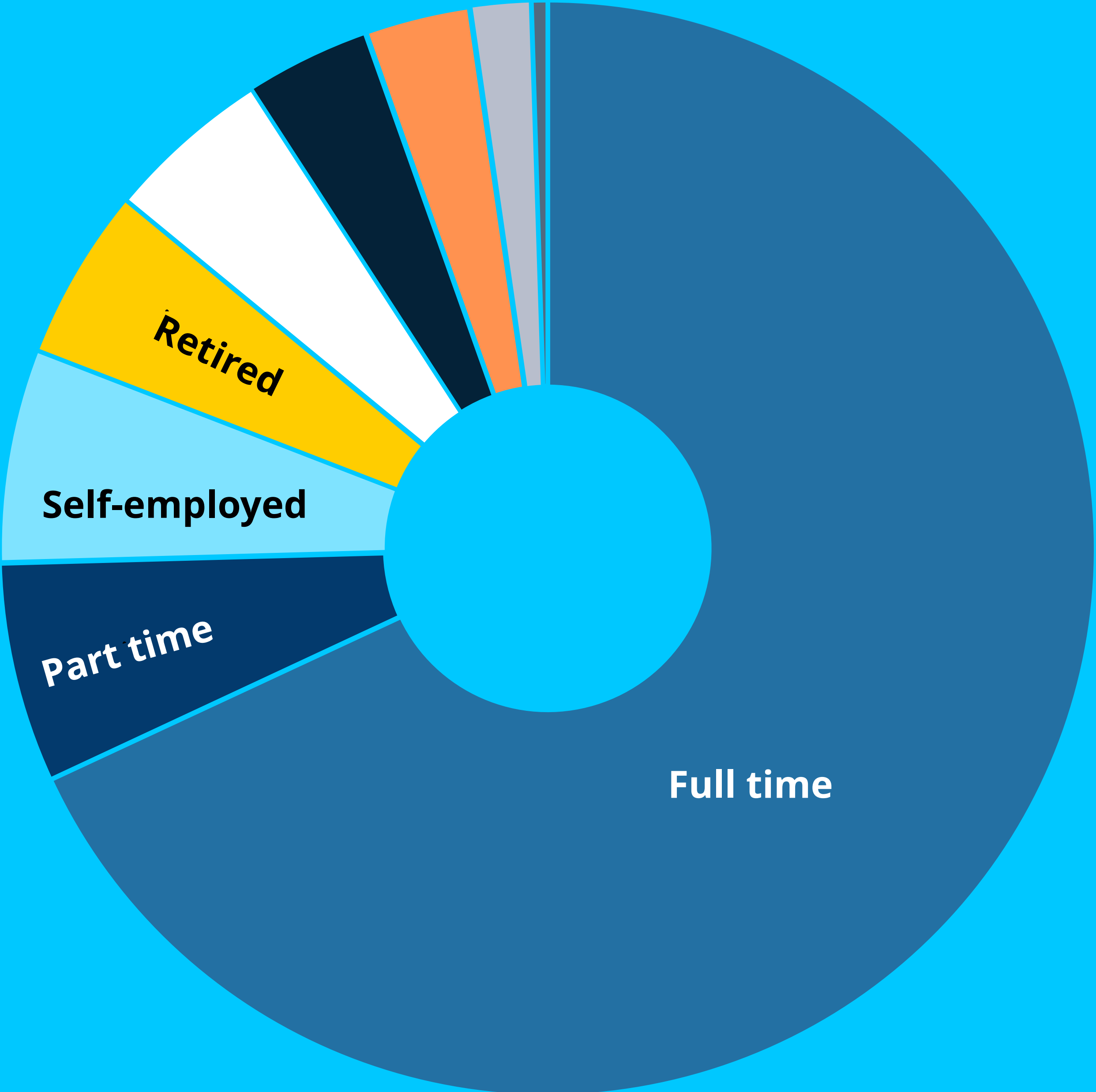


# Annual Household Income



# Job Status

- Full time: 68.0%
- Part time: 6.5%
- Self-employed: 6.3%
- Retired: 5.1%
- Unable to work: 4.9%
- Student: 3.7%



# Job Industry



- Office & Admin: 30.2%
- Computer / IT Services: 7.4%
- Sales: 14.4%
- Healthcare: 29.3%
- Education: 10.6%
- Construction / Tradeswork: 8.1%

# Rental Environment



**Urban: 54.7%**



**Suburban: 29%**



**Rural: 16.3%**

## TurboTenant's Methodology

Throughout 2022, we regularly sent surveys to our active landlord and renter bases, receiving 11,370 completed responses (4,040 from the first half of the year, and 7,330 from the second half of the year). Survey topics covered rent payments, financial challenges, and sentiments surrounding the economy. Our surveys are conducted using Typeform. All data is for general analytical use only. Individual responses are confidential, and we do not share the identity publicly or with third parties. For access to the anonymized data or to discuss a collaboration, **please email [press@turbotenant.com](mailto:press@turbotenant.com)**.





*-=turbo*tenant