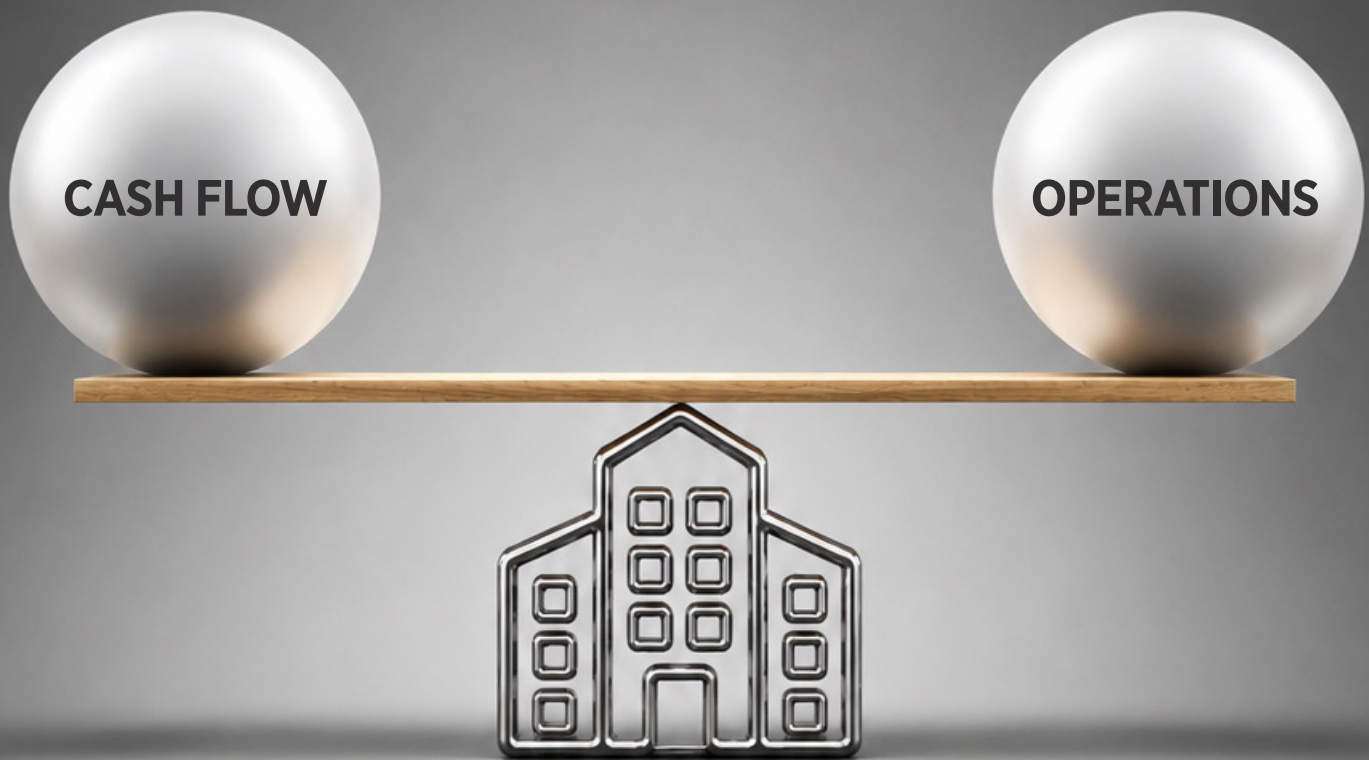


HOLDING THE LINE

RENTAL HOUSING OPERATORS
ON RISK, STAFFING, AND
CASH FLOW MANAGEMENT



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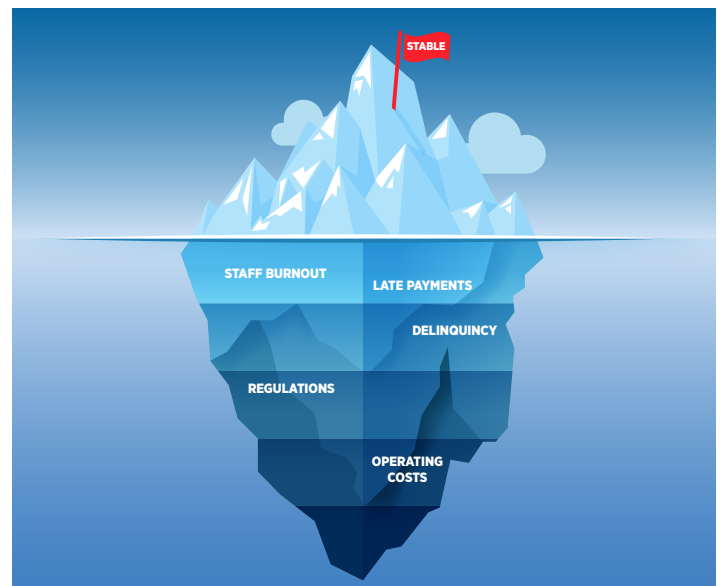
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RESPONDENTS
PARTICIPATED IN
OUR SURVEY

INTRODUCTION



Multifamily housing is stable on the surface—but beneath that stability, operational strain is intensifying. Staffing levels are holding, yet burnout is rising. Collections are flowing, yet staff are spending hours each week chasing late payments. Cash flow looks steady, yet delinquency, regulatory constraints and rising operating costs are quietly compressing margins. In this environment, resilience is no longer defined by growth alone, but by the ability to manage risk, preserve cash flow stability and sustain operational execution amid volatility.

Within this macroeconomic backdrop, the National Apartment Association (NAA) investigated current trends in building operational resilience, including workforce management, risk assessment, regulatory pressure, role of flexible payment solutions and how operators are responding to these pressures. The research, conducted in partnership with Flex, draws on a survey of nearly 400 multifamily housing industry professionals, including executive leadership, property and regional managers, and practitioners across finance, HR, operations and asset management, fielded between mid-February and March 2026.



INTRODUCTION

The findings from this survey point to an industry that remains fundamentally stable and seeking enhanced resilience at the operational level in the face of rising volatility. Staffing levels across multifamily housing portfolios are broadly steady, yet workforce pressure persists as recruitment challenges, employee burnout and the demands of adopting new technologies intensify day-to-day workloads.

Simultaneously, portfolio risk assessments reveal that operating costs, inflation, turnover and rent delinquency outweigh concerns related to capital markets or financing, underscoring how the most acute risks facing operators are rooted in operational performance rather than macro policy alone. These conditions highlight a critical paradox: Stability in headline metrics often masks growing friction in execution, especially for teams tasked with managing collections, compliance and resident engagement under tighter constraints.



Within this context, flexible rent payment programs have emerged as a key adaptive strategy rather than a discretionary amenity. Survey results show that operators primarily view payment flexibility as a tool to strengthen financial reliability—improving on-time payments, reducing delinquency and evictions, and easing the administrative burden on already stretched staff. Adoption is no longer limited to early movers: Most respondents either currently offer or plan to prioritize flexible rent options in the near term, reflecting a broader shift toward operational and financial flexibility over structural reinvention of housing models.

Taken in a broader context, the findings suggest that workforce optimization, proactive risk management and payment innovation are increasingly interconnected. In a volatile economic environment, multifamily resilience depends less on navigating a single risk and more on aligning operational strategies that protect cash flow, support staff capacity and adapt to evolving resident financial realities.

KEY TAKEAWAYS

- 01 **STABILITY IS MASKING STRAIN**
Staffing levels remain broadly steady, but burnout, recruitment challenges and technology-training demands show that workforce capacity remains under pressure.
- 02 **OPERATIONAL RISK IS NOW EXECUTION RISK**
Operators are more focused on rising operating costs, vacancies, turnover and delinquency than on capital-market concerns, indicating that resilience depends heavily on day-to-day operating performance.
- 03 **RENT COLLECTION REMAINS A RECURRING CAPACITY DRAIN AND TIME BURDEN**
Even moderate weekly commitments can compound across properties, making payment follow-up a meaningful operational burden, with many operators seeing little or no improvement year-over-year.
- 04 **REGULATION IS SHIFTING THE REVENUE MANAGEMENT PLAYBOOK**
As eviction timelines, notice requirements and fee limitations on late fees are extending recovery timelines and reducing flexibility, operators are placing greater emphasis on proactive payment and communication strategies.
- 05 **FLEXIBLE RENT HAS MATURED INTO A FINANCIAL STABILITY STRATEGY**
Operators primarily associate payment flexibility with reducing delinquency, bad debt and evictions while improving collections consistency and easing staff workload.
- 06 **THE INDUSTRY IS PRIORITIZING OPERATIONAL FLEXIBILITY OVER STRUCTURAL REINVENTION**
Operators show stronger interest in tools that improve performance within existing housing models than in disruptive alternatives such as co-living, subscription housing or rent-to-own models.

WORKFORCE TRENDS



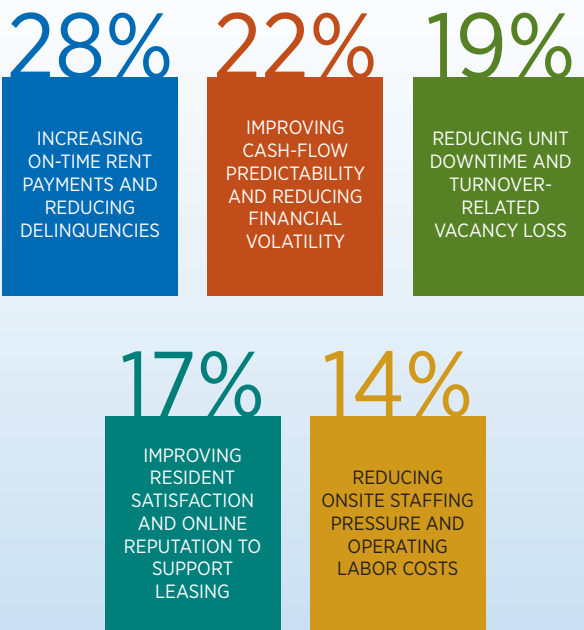
STAFFING STABILITY AND WORKFORCE PRESSURES AMID RISING OPERATIONAL DEMANDS

Among the many factors shaping operational performance, workforce dynamics remain one of the most immediate and influential drivers of day-to-day execution across the multifamily housing industry. At a high level, operators continue to prioritize revenue and operational outcomes over labor-focused efficiency when considering the most significant determinants of operating performance. Improving on-time rent payments (**28%**) and strengthening cash flow consistency (**22%**) remain central priorities, indicating that financial reliability continues to outweigh labor cost reduction (**14%**) as a primary operational focus.

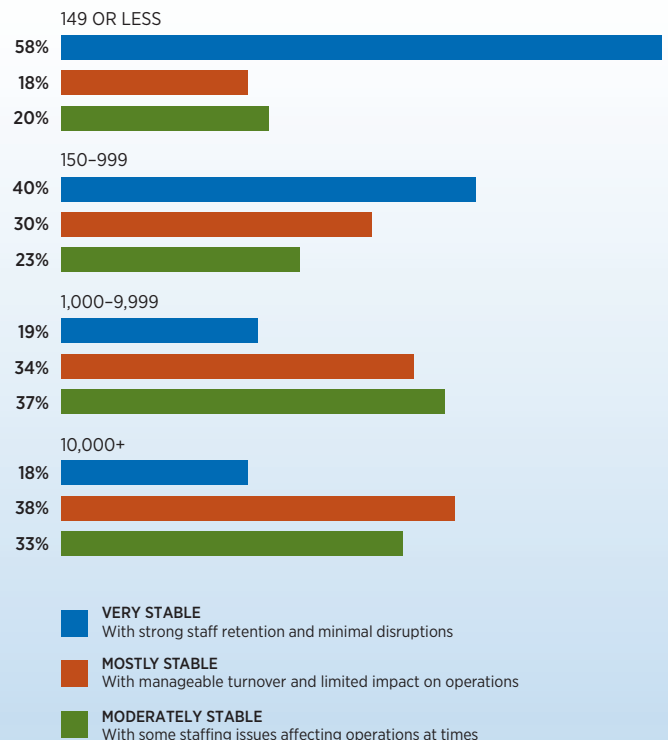
Even with this emphasis on performance outcomes, staffing conditions are generally perceived as steady compared to the previous year. Most respondents (**54%**) described the year-over-year staffing situation as “stable.” This suggests that the industry is not experiencing widespread workforce deterioration, but rather a period of relative equilibrium in staffing levels.

Consistent with these trends, current staffing conditions also reflect a high degree of stability, with most respondents (**91%**) indicating stable workforce environments across their portfolios. However, this stability does not fully translate into reduced operational strain or workload intensity. A closer look at the composition of this stability by portfolio size shows distribution across varying degrees of stability, with a majority (**58%**) of smaller portfolios (149 units or less) reporting slightly higher levels of stability, and larger portfolios (1,000 units or more) exhibiting a gradual shift toward moderate stability.

AREAS OF GREATEST IMPACT ON ORGANIZATION'S OPERATING PERFORMANCE



COMPANY'S CURRENT STABILITY BY PORTFOLIO SIZE



WORKFORCE TRENDS



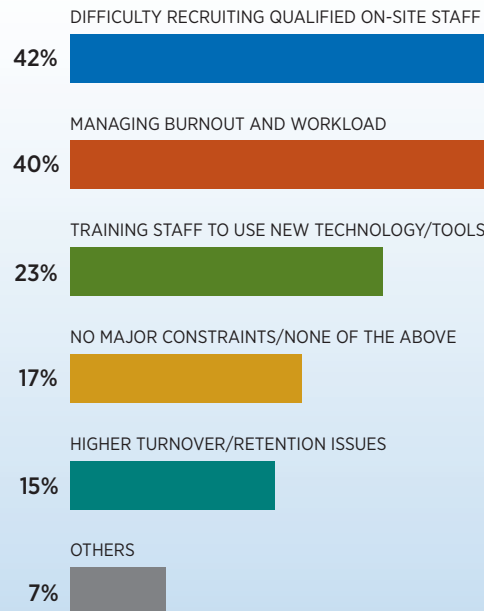
Many operators are maintaining relatively steady headcounts while still facing recruitment challenges, burnout and training demands that add pressure to day-to-day execution.

However, beneath this surface-level stability, significant workforce-related challenges persist. Recruitment of qualified onsite staff **(42%)** and employee burnout **(40%)** emerge as the most pressing issues affecting operations, signaling that while headcount may be stable, workload remains high. In other words, staffing stability should not be interpreted as the absence of workforce strain. The data suggests that many operators are maintaining relatively steady headcounts while still facing recruitment challenges, burnout and training demands that add pressure to day-to-day execution. Additional challenges, including training employees on new technologies **(23%)** and retaining experienced staff **(15%)**, further contribute to ongoing operational friction. In comments listed under the “others” category, challenges respondents mentioned include, among others:

- labor quality relative to costs
- difficulty recruiting qualified maintenance staff
- adapting to changing roles and responsibilities within the organization
- immigration enforcement-related concerns impacting labor availability in some markets
- adapting to new policies and software programs
- inconsistent attendance/workforce reliability gaps
- antiquated systems

These issues point to a workforce environment where stability does not necessarily equate to ease of executing operations.

MOST SIGNIFICANT WORKFORCE-RELATED CHALLENGES IMPACTING OPERATIONS



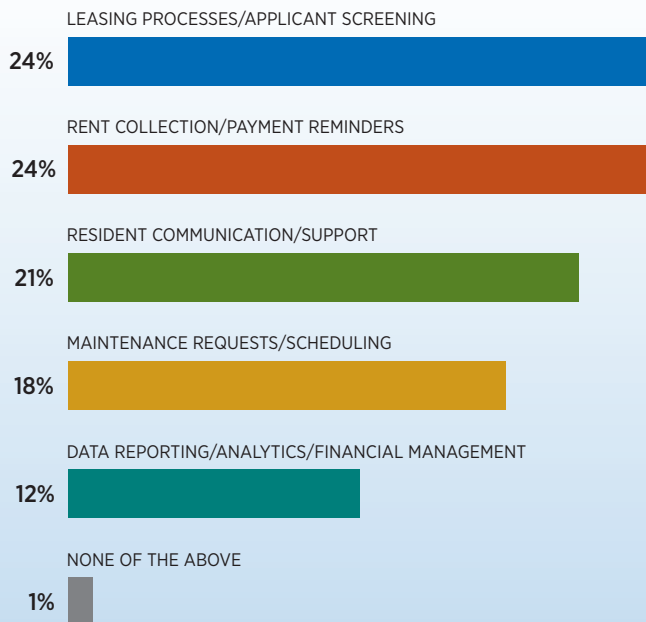
Note: Percentages based on # of total respondents rather than # of total responses received for the question.

In response to these pressures, organizations are implementing a combination of compensation, structural and technology-driven strategies. Increasing pay and incentives **(22%)** remains a common approach, alongside efforts to automate key operational processes **(21%)**. Automation is most frequently applied to leasing workflows **(24%)**, rent collection process **(24%)** and resident communications **(21%)**, reflecting a focus on reducing manual workload in high-frequency operational areas. Other strategies organizations employ to combat workforce-related challenges include redistributing responsibilities across teams **(16%)**, investing in training **(15%)** and selecting or outsourcing functions **(14%)**, all of which indicate a broader shift toward operational efficiency rather than workforce expansion.

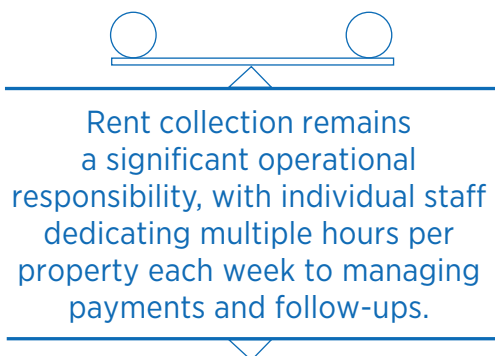
WORKFORCE TRENDS



OPERATIONAL AREAS WITH MOST RELEVANT AUTOMATION OR TECH INTEGRATION



Overall, the findings indicate that workforce conditions in the multifamily housing industry are characterized by a paradox: Staffing levels are broadly stable, yet operational demands continue to intensify. As a result, organizations are increasingly shifting their focus from workforce expansion to process optimization, automation and targeted efficiency improvements to sustain performance amid growing operational complexity.

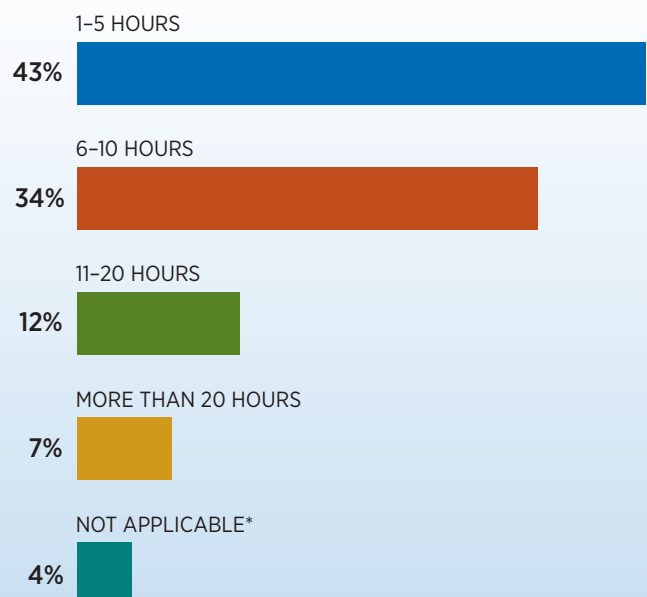


RENT COLLECTIONS: A CORE OPERATIONAL TIME BURDEN

This shift is reinforced by the continued time burden associated with core administrative tasks. In particular, rent collection remains a significant operational responsibility, with individual staff dedicating multiple hours per property each week to managing payments and follow-ups. According to the survey results, **43%** of respondents report that each staff member dedicates five hours or less per week per property to rent collection. Meanwhile, **34%** indicate an individual staff spends more than five but less than 10 hours on these tasks, and **19%** report more than 10 hours per property. These findings highlight a significant investment of time in rent collection processes, whether carried out by onsite or centralized personnel.

Even when weekly rent-collection time appears moderate on a per-property basis, the burden compounds across portfolios. For operators with multiple properties, recurring staff time spent on payment follow-ups, notices and administrative coordination can represent a meaningful capacity cost before legal fees, turnover risk or resident engagement impacts are considered.

WEEKLY STAFF TIME SPENT ON RENT COLLECTION & PAYMENT-RELATED TASKS PER PROPERTY



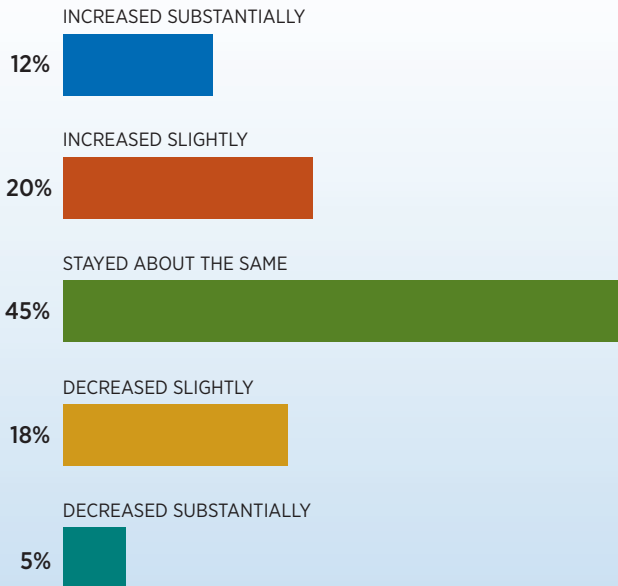
*These tasks are fully automated or managed by a third party.

WORKFORCE TRENDS



While some organizations report slight improvements in year-over-year efficiency, many indicate that time spent on rent collection tasks has remained stable (**45%**) or increased (**32%**) year-over-year, suggesting that process improvements have not yet fully offset operational demands.

YEAR-OVER-YEAR TIME SPENT ON RENT COLLECTIONS/ PAYMENTS



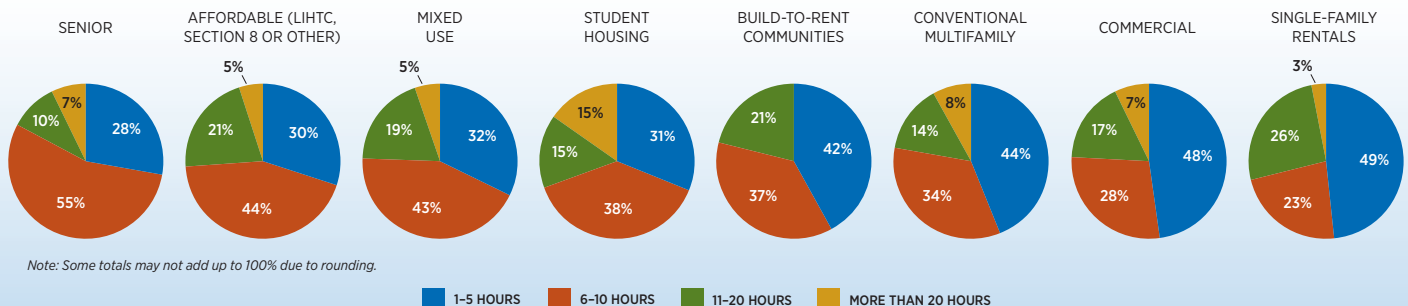
TIME COMMITMENTS ACROSS PROPERTY TYPES

Rent collection remains a consistently time-intensive operational function across multifamily housing property types. While most organizations report relatively low weekly time requirements per property, a meaningful share across property types still experience moderate-to-high time commitments, with some exceeding 10 hours per week.

This variation underscores that rent collection workload is not uniform but instead driven by differences in operational complexity across property types. A plurality of single-family rentals, commercial and conventional multifamily housing properties tend to reflect more streamlined processes and lower time burdens. At the same time, property types including affordable housing, senior housing, mixed-use and student housing more often require greater time investment because of increased variability in payment patterns and administrative coordination.

Overall, the distribution indicates that rent collection is not a low-effort administrative task. Rather, it is a recurring operational responsibility that consumes a measurable portion of staff capacity across both onsite and centralized models, where time intensity is closely tied to resident dynamics and property-level complexity instead of a standardized industry benchmark.

TRENDS BY PROPERTY TYPE – WEEKLY INDIVIDUAL STAFF TIME SPENT ON RENT COLLECTIONS PER PROPERTY



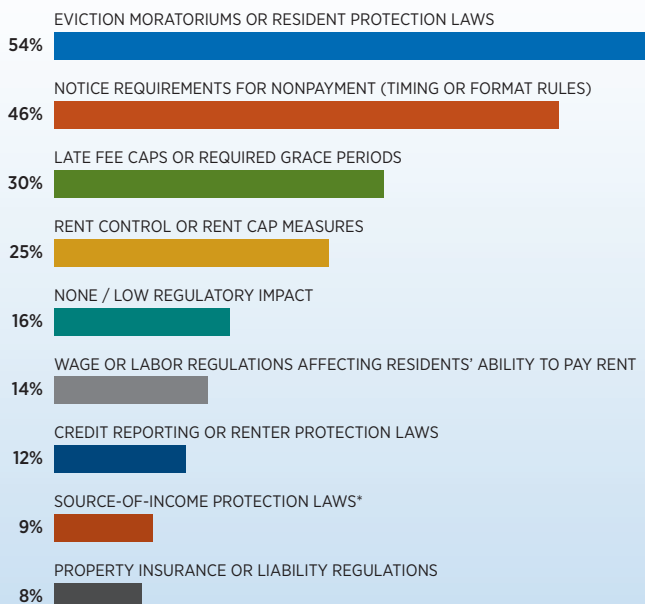
POLICY SHIFTS

REGULATORY-DRIVEN CONSTRAINTS ON REVENUE PERFORMANCE AND MITIGATION STRATEGIES

While organizations continue to internally adapt through staffing strategies and technology adoption, these efforts are taking place within an increasingly complex external environment shaped by regulatory and policy changes. Regulatory and policy conditions continue to play a central role in shaping rent collection and revenue management strategies across the multifamily housing industry.

The most impactful policies are those that directly enforce payment recovery processes with eviction-related regulations (**54%**) and notice requirements (**46%**) standing out as the primary constraints. Also, **30%** of respondents identified limitations on late fees and **25%** cited rent control measures as significant pressure points. These factors influence how operators manage delinquency and cash flow.

REGULATORY AND POLICY AREAS IMPACTING RENT PAYMENT MANAGEMENT



**(e.g., voucher acceptance requirements)*

Note: Percentages based on # of total respondents rather than # of total responses received for the question.

TOP 2 MITIGATION STRATEGIES

44%

EXPAND
FLEXIBLE
PAYMENT
OPTIONS

40%

LEVERAGE
TECHNOLOGY TO
IMPROVE
COMPLIANCE
TRACKING AND
PAYMENT
MANAGEMENT

These policies collectively extend the timeline for resolving nonpayment and reduce flexibility in enforcing lease terms, ultimately placing pressure on revenue predictability. At the same time, a smaller share (**16%**) of respondents indicates minimal regulatory impact, suggesting that exposure varies across markets and operating environments.

In response, organizations are increasingly adapting their operational strategies to maintain performance under these constraints. The most common approaches among respondents include expanding flexible payment options (**44%**) and leveraging technology to improve compliance tracking and payment management (**40%**). Many operators (**31%**) have also revised delinquency and eviction processes, while others (**24%**) are strengthening resident communication efforts to improve payment outcomes.

In this environment, the strategic emphasis shifts from relying solely on back-end recovery tools to strengthening front-end payment structures that help reduce delinquency risk before it escalates.

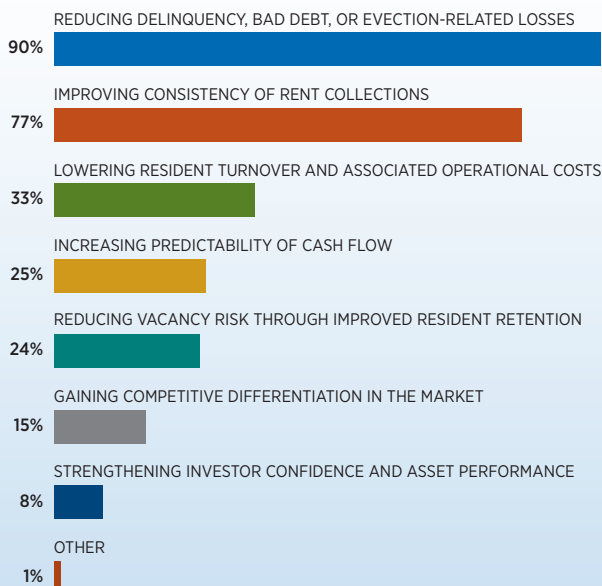
FLEXIBLE PAYMENT INNOVATION

FLEXIBLE PAYMENT OPTIONS: ENHANCING OPERATIONAL PERFORMANCE AND FINANCIAL STABILITY

The strongest signal in the survey is financial: **90%** of respondents who offer flexible payment options to residents expect flexible or alternative rent payment options to reduce delinquency, bad debt or eviction losses, while **77%** expect improved consistency in rent collections. This suggests operators are increasingly evaluating payment flexibility as a tool for revenue reliability and risk mitigation than as a resident perk.

Fewer companies cited benefits such as lowering resident turnover (**33%**) or increasing cash flow predictability (**25%**). Only a small share of respondents associated these programs with market differentiation (**15%**) or stronger investor confidence (**8%**), suggesting that firms see flexible rent primarily as a financial stability measure rather than a competitive or branding initiative.

BENEFITS YOUR COMPANY EXPECTS FROM OFFERING FLEXIBLE RENT PAYMENT OPTIONS

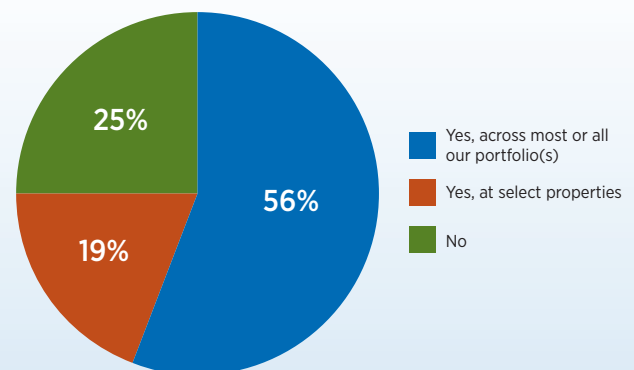


Note: Percentages based on # of total respondents rather than # of total responses received for the question.

MAJORITY OF RESPONDENTS OFFER FLEXIBLE RENT PAYMENT PROGRAMS

Mirroring the outlook about flexible rent payment programs' benefits, a majority of professionals surveyed indicated that they offer them to residents. Fifty-seven percent of respondents provide flexibility across most or all their portfolio of properties, while another 19% do so at select properties. Only a quarter of respondents do not offer flexibility in rent payments.

RESPONDENTS OFFERING FLEXIBLE RENT PAYMENT OPTIONS TO RESIDENTS



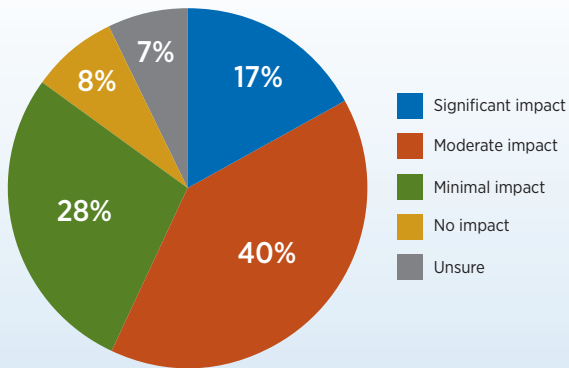
FLEXIBILITY IN RENT PAYMENTS OFFERS RESIDENT BENEFIT

The survey results indicate a generally optimistic outlook regarding the role of flexible rent payment options in reducing community vacancy rates. Many respondents—**57%**—expect that implementing flexible payment structures would have either a “significant” or “moderate” impact on occupancy levels. Notably, the **40%** of respondents who selected “moderate impact,” reveal that while flexible payments may not be a “silver bullet,” the program is viewed as a valuable tool for resident retention and attraction. At the same time, for the remainder of respondents, there is a degree of skepticism about the program, with **28%** of those surveyed saying the impact would be minimal, and a small minority (**8%**) foresee no impact at all. This suggests that in certain markets or asset classes, vacancy may be driven by factors beyond payment timing, such as location or total cost of living.

FLEXIBLE PAYMENT INNOVATION



IMPACT FLEXIBLE RENT PAYMENT OPTIONS CAN HAVE ON REDUCING VACANCY



PRIMARY OUTCOME: FINANCIAL STABILITY AND OPERATIONAL EFFICIENCY

The implementation of flexible rent payment options has yielded clear, measurable advantages for property management, primarily focused on financial stability and operational efficiency. According to the survey data, the benefits are most acutely felt in the reliability of monthly revenue streams, with **69%** of respondents reporting both improved on-time payments and a reduction in late payments and delinquency. These twin benefits suggest that flexibility allows residents to better align their rent obligations with their own cash flow cycles, effectively smoothing out the collection process for the company.

SECONDARY OUTCOME: RESIDENT LONGEVITY AND RISK MITIGATION

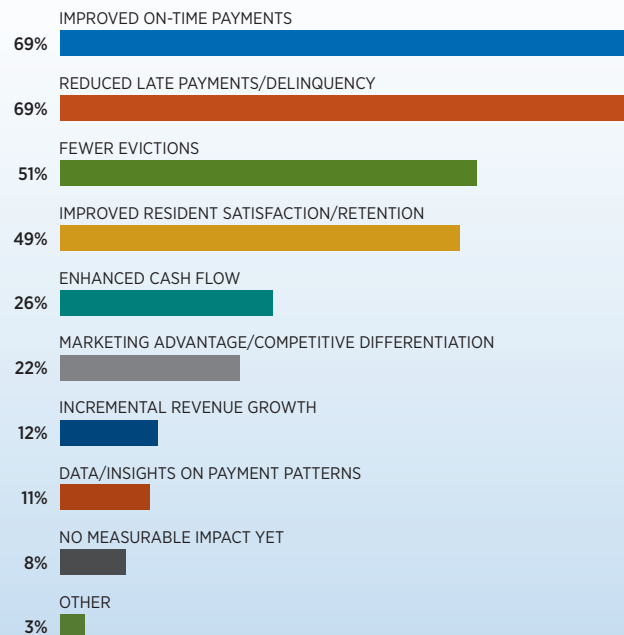
Beyond immediate collection stats, flexible payment options serve as a powerful tool for resident stability. More than half of the survey participants (**51%**) noted fewer evictions, representing a substantial saving in legal fees and turnover costs. In addition, **49%** of respondents cited improved resident satisfaction and retention, indicating that financial flexibility is viewed by residents as a high-value amenity that fosters loyalty.

STRATEGIC AND COMPETITIVE ADVANTAGES

While the operational benefits are most prominent, a notable segment of the industry is leveraging flexibility for broader strategic gains, with **26%** reporting enhanced cash flow and **12%** reporting incremental revenue growth. In addition, **22%** of companies utilize these options as a marketing advantage, using competitive differentiation to stand out in crowded rental markets. A smaller group (**11%**) is finding value in the data and insights gained regarding resident payment patterns, allowing for more predictive financial planning.

An important takeaway is that flexible rent is no longer just a perk; it is a vital mechanism for reducing delinquency and evictions. With only **8%** reporting no measurable impact, the consensus suggests that these programs provide a high return on investment by securing the bottom line and strengthening the operator-resident relationship.

BENEFITS OF OFFERING A FLEXIBLE RENT PAYMENT OPTION



Note: Percentages based on # of total respondents rather than # of total responses received for the question.

FLEXIBLE PAYMENT INNOVATION



BARRIERS TO IMPLEMENTATION: WHY COMPANIES ABSTAIN FROM FLEXIBLE RENT?

While the benefits of flexible rent are well-documented, a significant portion of companies have yet to adopt these solutions. The survey data reveal that the primary hurdles are not necessarily financial or technical, but rather a matter of strategic prioritization and perceived market necessity.

STRATEGIC AND MARKET HURDLES

The most prominent reasons for non-adoption center on the internal roadmap and external demand, as highlighted by the **42%** of respondents who pointed out that flexible rent is simply not a current operational priority. This suggests that many firms are focusing their administrative resources on other initiatives deemed more urgent than payment restructuring. In addition, **37%** cited low resident demand or interest as a primary barrier. These companies may believe their current resident base is satisfied with traditional structures.

KNOWLEDGE AND REGULATORY GAPS

A secondary tier of concerns involves a lack of clarity surrounding the legal and practical landscape of flexible payments, with **19%** of surveyed respondents citing both regulatory/compliance concerns and a limited awareness of available solutions as barriers. This indicates that nearly one-fifth of non-adopters say they either lack the legal authority or the basic education necessary to move forward. Meanwhile, **13%** of respondents expressed uncertainty regarding ROI, suggesting that the business case for flexible rent has not been clearly proven to their satisfaction.

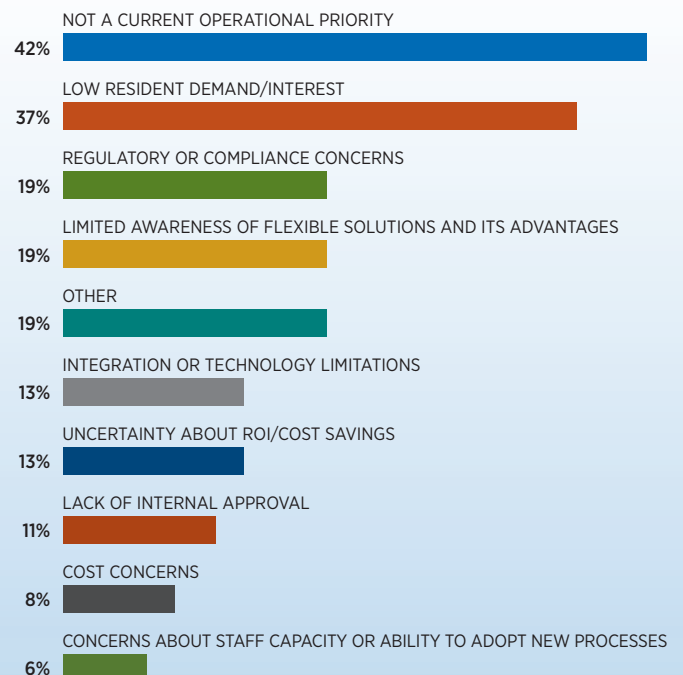
OPERATIONAL AND TECHNICAL CONSTRAINTS

Interestingly, the technical and human costs of implementation appear to be the least significant barriers, as underscored by the **13%** of respondents who cited integration or technology limitations as a challenge, implying that modern software is generally capable of handling these shifts.

The least cited reasons for not adopting flexible payment options are “lack of internal approval” (**11%**), “direct costs” (**8%**) and “staff capacity” (**6%**). This suggests that once a company decides to prioritize flexible rent, the heavy lifting of the rollout is not viewed as a major deterrent.

The hesitation to implement flexible rent payment options is driven more by low urgency and limited awareness than structural barriers. Most companies abstaining from these programs do not yet perceive them as a competitive necessity—but the data from current adopters tells a different story. As flexible rent becomes more common across the industry, non-adoption appears less tied to implementation constraints and more tied to prioritization, awareness and perceived demand. For operators facing persistent delinquency, regulatory constraints or rent-collection workload, the decision to delay may carry increasing operational opportunity costs.

REASONS FOR NOT IMPLEMENTING FLEXIBLE RENT PAYMENT OPTIONS



Note: Percentages based on # of total respondents rather than # of total responses received for the question.

FLEXIBLE PAYMENT INNOVATION



CURRENT DELINQUENCY LANDSCAPE

To understand the necessity of flexible payment solutions, it is essential to establish a baseline of current late payment trends. The survey data reveals that while most portfolios maintain relatively stable collections, a significant portion of the industry struggles with persistent delinquency.

DISTRIBUTION OF LATE PAYMENTS: INDUSTRY STANDARD

The data shows a concentrated peak in the low-to-mid range of delinquency, with varying degrees of severity across the board. Nearly two-thirds of respondents (**63%**) fall within the “0%–10% late payment” bracket. Specifically, **30%** report late payments of “less than **5%**,” while **33%** (the largest single group) see late payments in the 5%–10% range. This suggests that for most operators, late payments are a manageable but constant operational friction.

DISTRIBUTION OF LATE PAYMENTS: HIGH-RISK PORTFOLIOS

A substantial **29%** of responses highlight significant delinquency rates, with **20%** of them reporting that 11%–20% of rent is paid late, and **9%** are facing a critical situation where more than **20%** of payments miss the deadline. These figures represent a clear opportunity for intervention through flexible payment structures.

DISTRIBUTION OF LATE PAYMENTS: VISIBILITY GAPS

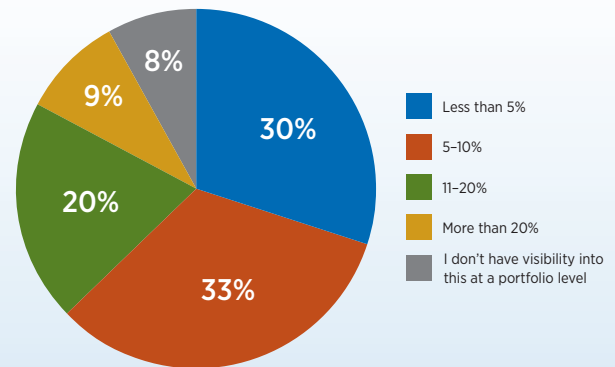
Notably, **8%** of participants lack visibility into these metrics at a portfolio level. This lack of data can hinder the ability to make informed decisions regarding financial amenities or risk mitigation strategies.

OPERATIONAL IMPLICATIONS

The fact that **70%** of the market experiences delinquency rates of **5%** or higher underscores a widespread challenge. Even at the lower end of the spectrum, the administrative burden of chasing late payments, processing notices and managing cash flow gaps represents a significant hidden cost for property management teams.

To put the issue in practical terms, even a **5%** late-payment rate can represent meaningful monthly revenue exposure when multiplied across a property or portfolio. The specific dollar impact will vary by unit count and average rent, but the survey finding reinforces why

PERCENTAGE OF RENT PAYMENTS ACROSS PROPERTY PORTFOLIO THAT ARE LATE



many operators view even modest improvements in on-time payments as operationally meaningful. For instance, on a 300-unit property with average monthly rent of \$1,800 across multiple unit types, a **5%** late-payment rate would represent roughly \$27,000 in monthly rent exposure. This example is not a survey estimate, but it shows why even the 1%–5% improvement threshold selected by many respondents can matter operationally.

THE VALUE OF INCREMENTAL GAINS

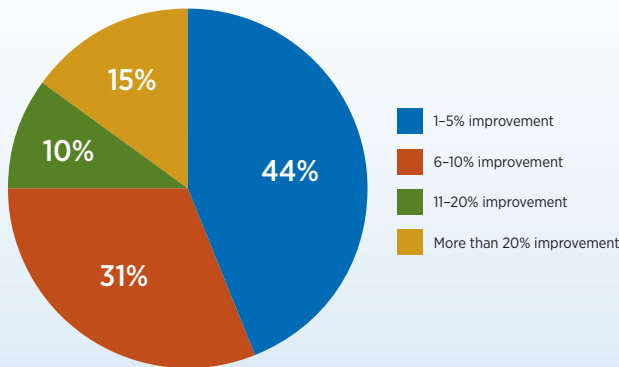
The data reveals a strong lean toward modest but consistent progress, with **44%** of respondents indicating that an improvement of just 1%–5% in on-time rent payments would be meaningful for their operations. When combined with the **31%** who targeted a 6%–10% improvement, a total of three-quarters (**75%**) of all operators view an increase of **10%** or less as a substantial operational win.

The heavy concentration in the 1%–5% range suggests that property operations often run on tight margins where even a minor uptick in cash flow predictability can significantly ease administrative burdens or improve liquidity. Only **15%** of respondents felt they needed more than **20%** improvement to see a meaningful impact. This implies that most portfolios are likely already performing at a relatively stable baseline, or that operators are pragmatic about the difficulty of moving the needle by large percentages in a stable market.

FLEXIBLE PAYMENT INNOVATION



LEVEL OF IMPROVEMENT ON-TIME RENT PAYMENTS WOULD HAVE ON OPERATIONS



THE FUTURE OUTLOOK: MARKET EXPECTATIONS AND URGENCY

As the broader consumer landscape shifts toward “on-demand” financial services and personalized payment cycles, the rental industry is reaching an inflection point. The survey data reflects a strong sense of urgency, with a clear majority of respondents recognizing that flexible rent is becoming a competitive necessity rather than a niche offering.

A GROWING MANDATE FOR FLEXIBILITY

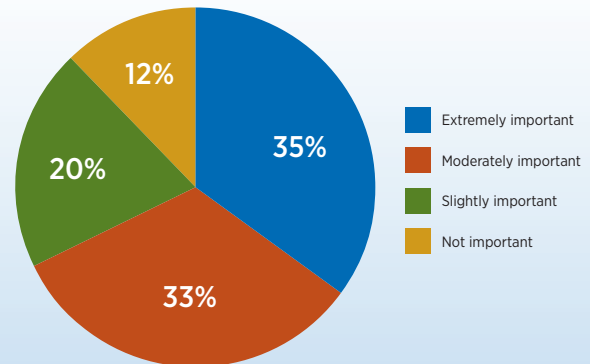
The data indicates that the shift in consumer behavior—driven by the ubiquity of subscription models and flexible loan repayments—is directly impacting the housing sector. More than two-thirds of respondents (**68%**) view the implementation of flexible rent options as a priority during the next 12 months. This includes **35%** who consider it extremely important and **33%** who see it as moderately important.

Meanwhile, toward the middle ground of the market, **20%** of participants categorize the shift as slightly important, perhaps reflecting markets where traditional payment structures remain more entrenched or where resident demographics are less sensitive to cash flow fluctuations. Only **12%** of respondents feel that offering flexible rent is not important. This small segment represents a shrinking portion of the market that may be overlooking the broader trend of financial personalization in major household expenses.

STRATEGIC IMPLICATIONS FOR THE COMING YEAR

Nearly **70%** of stakeholders assign significant importance to this initiative, which suggests that 2026 will be a year of wider adoption. Companies that fail to adapt to these rising consumer expectations risk falling behind peer communities that offer more modern, resident-centric financial tools. At the same time, ignoring the reality that renters now expect the same flexibility from their largest monthly expense as they do from their utilities and digital subscriptions can overlook an important market opportunity.

IMPORTANCE OF OFFERING FLEXIBLE RENT PAYMENT OPTIONS OVER THE NEXT 12 MONTHS



Flexible rent payment adoption demonstrates a clear scale effect across portfolios. Smaller operators (149 units or less) report the lowest adoption levels, with nearly half indicating no implementation of flexible payment options, potentially reflecting more limited technological infrastructure and risk absorption capacity. In contrast, mid-sized and large portfolios show the highest levels of adoption, with a majority reporting implementation across most or all of their portfolios. This suggests that scale potentially enables both operational capacity and financial justification for integrating flexible payment solutions.

NON-
ADOPTION
OF FLEXIBLE
RENT PAYMENT
OPTIONS BY
PORTFOLIO
SIZE

48%
149 OR LESS

24%
150-999

20%
1,000-9,999

19%
10,000+

RISK ASSESSMENT

SURVEY DATA REVEALS THAT OPERATIONAL COST PRESSURES DOMINATE RISK CONCERNS FOR PORTFOLIO MANAGERS IN TODAY'S REAL ESTATE MARKET. THE FINDINGS HIGHLIGHT A CLEAR HIERARCHY OF PRIORITIES.

With a weighted average score of 3.3 out of 4.0, rising operating costs—including insurance, utilities and taxes—represent the most pressing risk factor. Nearly half of respondents (**46%**) rated this as a “high risk,” while an additional **43%** classified it as a “moderate risk.” Combined, nearly nine in 10 respondents view operating cost inflation as a significant threat to portfolio performance.

Prolonged vacancies and turnover spikes received a weighted average of 3.1, with **36%** of respondents identifying this as “high risk” and **42%** as “moderate risk.” This signals ongoing concerns about resident retention and market absorption rates.

Rent delinquency and bad debt scored a weighted average of 3.0. While only **28%** rated this as “high risk,” the combined moderate-to-high concern (**72%**) indicates that cash flow reliability remains a priority for portfolio managers.

These top three risk priorities help explain why operators are pairing stricter collection policies with more flexible payment options. While flexible rent does not solve every cost pressure, it directly intersects with rent delinquency, bad debt, collection consistency and resident retention — areas that influence portfolio resilience.

Changes to rent control and eviction regulations received a weighted average of 2.8. Notably, **28%** view this as “high risk,” though nearly **37%** see minimal or no risk—suggesting geographic variation in regulatory exposure across portfolios.

Perhaps surprisingly, pressures from investors/lenders to maintain net operating income (2.6) and high interest rates/financing constraints (2.6) ranked at the bottom of concern areas. Only **15%** rated interest rate risk as “high,” suggesting many organizations have either secured favorable financing or adapted their strategies to the current rate environment.

RISK FACTORS IN PORTFOLIOS

WEIGHTED AVERAGE – SCALE OF 1-4



The survey results paint a picture of an industry primarily focused on operational execution beyond macroeconomic factors. Property managers seem more concerned with controlling day-to-day costs and maintaining occupancy than with interest rate fluctuations or capital market pressures. Strategic initiatives should prioritize operational efficiency, resident retention programs and proactive expense management to address the risks most top-of-mind for today's rental housing professionals.

OPERATOR RESPONSES TO PORTFOLIO RISK

In response to the portfolio risks identified, survey respondents reveal a clear prioritization of resident-focused and operational strategies. The data demonstrates that companies are taking proactive measures to manage income streams, with resident retention emerging as the dominant approach.

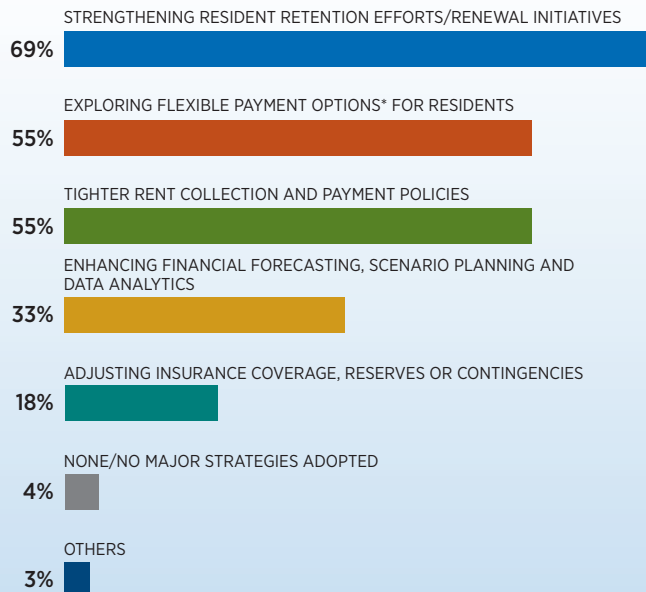
A noticeable **69%** of respondents have strengthened resident retention efforts and renewal initiatives. This aligns directly with the high concern over vacancies and turnover spikes identified in the risk assessment, demonstrating that organizations are actively addressing their second-highest ranked risk factor.

RISK ASSESSMENT

More than half of respondents (**55%**) are exploring flexible payment options for residents, such as splitting rent into two payments while ensuring full and timely collection. This strategy addresses rent delinquency concerns while maintaining positive resident relationships—a balanced approach to the third-ranked risk factor.

Matching the flexible payment approach, **55%** of companies have implemented tighter rent collection and payment policies. This dual adoption of both accommodating and stricter measures suggests organizations are taking a nuanced approach—offering flexibility to reliable residents while enforcing accountability.

STRATEGIES USED TO MITIGATE RISKS



**(e.g., splitting rent into two parts while still ensuring full payment on time)*

Approximately **33%** of respondents have enhanced their financial forecasting, scenario planning and data analytics capabilities. While not as widely adopted as resident-focused strategies, this reflects a strategic investment in predictive capabilities to navigate uncertain market conditions.

Only **18%** of companies have adjusted insurance coverage, reserves or contingencies. Given that operating costs (including insurance) ranked as the No. 1 risk concern, this relatively low adoption rate may indicate either budget constraints or a belief that other strategies offer better ROI.

Notably, only **4%** of respondents reported adopting no major strategies, while just **3%** cited other approaches. This suggests that much of the industry is actively engaged in risk mitigation efforts, with **96%** of respondents implementing at least one major strategy.

CASH FLOW OUTLOOK: CAUTIOUS OPTIMISM FOR THE YEAR AHEAD

When asked about expected cash flow performance during the next 12 months, survey respondents revealed cautiously optimistic expectations. The weighted average score of 3.2 (on a 5-point scale, where 5 equals “significantly more stable”) indicates that most property managers anticipate steady to slightly improved cash flow conditions. However, nearly one-in-five respondents express concerns about potential instability ahead.

The largest segment of respondents (**43%**) expects cash flow to remain “about the same” over the next 12 months. This suggests that despite the risk concerns identified earlier, nearly half of portfolio managers anticipate maintaining their current financial position without significant disruption.

Combined, **38%** of respondents expect improved cash flow stability: **31%** anticipate “somewhat more stable” conditions, while **6%** expect “significantly more stable” performance. This positive outlook from over one-third of the industry suggests confidence in current risk mitigation strategies.

Approximately **19%** of respondents foresee declining cash flow stability: **16%** expect “somewhat less stable” conditions, and **3%** anticipate “significantly less stable” performance. While this represents less than one-fifth of the sample, it signals that a meaningful segment of the industry is bracing for financial headwinds.

The generally positive cash flow outlook (weighted average of 3.2) correlates with the high adoption rate of risk mitigation strategies identified in our earlier findings. With **96%** of companies implementing at least one major strategy—particularly the **69%** focused on resident retention—the industry appears positioned to maintain or improve financial stability.

FUTURE HOUSING TRENDS

PRIORITIZING OPERATIONAL FLEXIBILITY OVER STRUCTURAL TRANSFORMATION AND TRADITIONAL RISK MODELS

As regulatory constraints reshape how operators manage revenue and resident relationships, many organizations are exploring more flexible and adaptive operating models to maintain stability and meet evolving expectations.

Interest in future housing trends reflects a clear divide between structural housing transformation and adaptable operational innovation. Experimental models that fundamentally alter the structure of housing such as rent-to-own, co-living arrangements and subscription-based housing received relatively lower levels of interest, with a large majority of respondents indicating limited to no plans to explore these approaches over the next three to five years. These models typically require significant changes to underwriting frameworks, regulatory alignment and portfolio strategy, making them less immediately actionable for most operators.

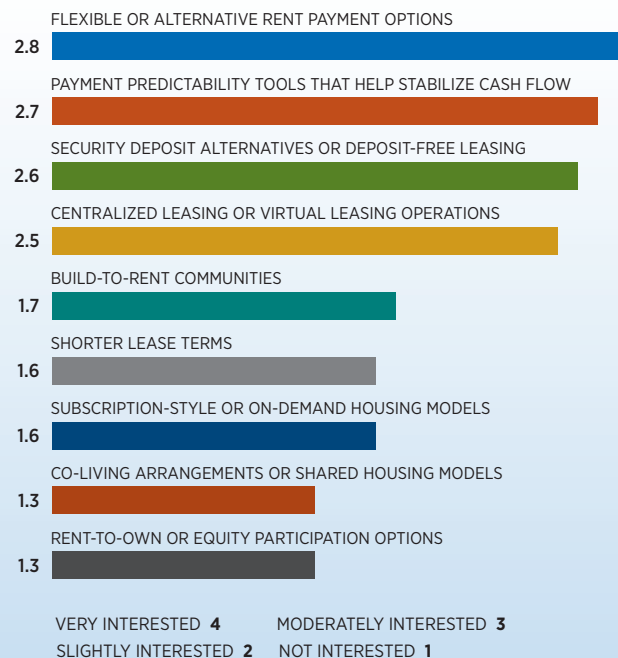
In contrast, operators demonstrate stronger interest in solutions that enhance operational efficiency and financial stability within existing housing models. Tools such as flexible rent payment options, payment predictability solutions and deposit alternatives are more widely prioritized, reflecting a focus on improving cash flow consistency and resident payment outcomes.



The industry is prioritizing incremental operational optimization over large-scale re-invention of housing models and remains cautious about adopting new housing formats.

COMPANIES' FUTURE HOUSING TRENDS: STRATEGIC AREAS OF FOCUS – NEXT 3-5 YEARS

WEIGHTED AVERAGE – SCALE OF 1-4



Specifically, growing interest in security deposit alternatives and deposit-free leasing indicates a wider trend toward lowering upfront financial barriers and boosting conversion rates. Although this requires changes in risk management strategies, high initial move-in costs can deter potential residents, especially when affordability and rapid lease-ups are major factors driving demand. Additionally, centralized and virtual leasing functions also show moderate interest, further indicating a shift toward operational streamlining.

Overall, these trends suggest that while the industry is prioritizing incremental operational optimization over large-scale re-invention of housing models and remains cautious about adopting new housing formats, there is a clear focus and growing emphasis on improving payment predictability, reducing friction and strengthening financial stability within existing operating structures.

TAKEAWAYS

CONCLUSION

The findings from this research highlight a structurally resilient multifamily housing industry working through increasing operational strain beneath the surface. While headline indicators such as staffing levels, occupancy and cash flow expectations suggest relative stability, there are undercurrents of tighter margins for error. Rising operating costs, prolonged regulatory timelines, persistent rent-collection workloads, and workforce capacity constraints are collectively reshaping what operational resilience means in practice.

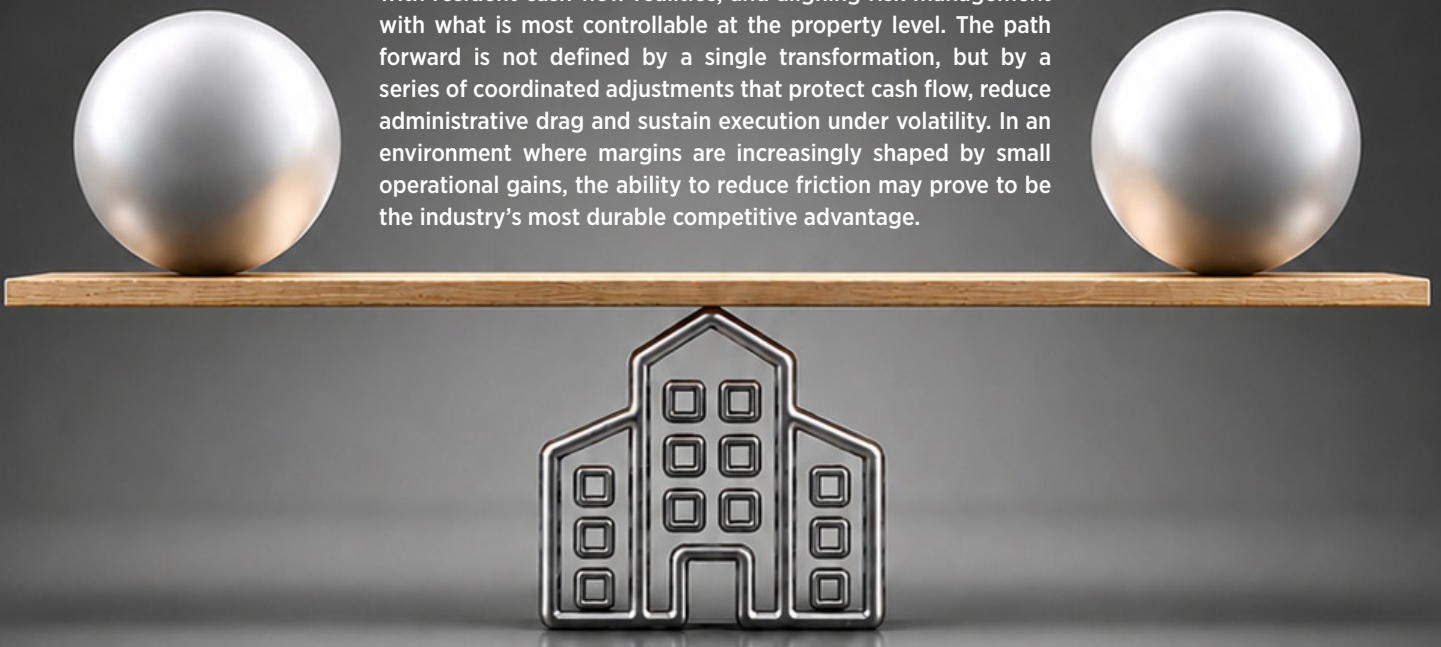
Across portfolios, risk has become less about capital access and more about execution. Property managers are contending with steady headcounts but elevated burnout, growing administrative complexity and limited slack in day-to-day operations. At the same time, rent delinquency, while often concentrated in modest ranges, continues to absorb a disproportionate share of staff time,

constraining the ability to focus on higher-value functions such as retention, compliance and resident engagement. These pressures are further compounded by regulatory environments that extend payment recovery timelines and dampen traditional collection tools.

Against this backdrop, the industry's response is notably pragmatic. Rather than pursuing wholesale reinvention of housing models, operators are prioritizing incremental, operationally focused solutions that improve cash-flow reliability and reduce friction. Flexible rent payment programs, deposit alternatives, automation, and centralized workflows are increasingly viewed not as optional amenities, but as tools for risk mitigation, efficiency and workforce support. Even small improvements in on-time payments—often in the range of 1% to 5%—are widely regarded as meaningful gains, underscoring how closely operational performance and financial stability are linked.

OUTLOOK

Operational resilience in today's multifamily housing market is being built through alignment rather than expansion: Aligning workforce capacity with technology, aligning payment structures with resident cash-flow realities, and aligning risk management with what is most controllable at the property level. The path forward is not defined by a single transformation, but by a series of coordinated adjustments that protect cash flow, reduce administrative drag and sustain execution under volatility. In an environment where margins are increasingly shaped by small operational gains, the ability to reduce friction may prove to be the industry's most durable competitive advantage.



ABOUT NAA

The National Apartment Association (NAA) serves as the leading voice and preeminent resource through advocacy, education and collaboration on behalf of the rental housing industry. As a federation of 139 state and local affiliates, NAA encompasses over 113,000 members representing more than 13.7 million apartment homes. NAA believes that rental housing is a valuable partner in every community that emphasizes integrity, accountability, collaboration, responsibility, inclusivity and innovation.

To learn more, visit www.naahq.org.

ABOUT FLEX

Flex is a financial wellness platform that helps multifamily operators improve rent collection, reduce delinquency, and strengthen resident retention — at no cost to properties. By giving residents the flexibility to split rent into payments that align with their income cycles, Flex helps ensure properties receive consistent, on-time revenue while reducing the administrative burden on onsite teams. Flex partners with leading property management companies across the country to deliver measurable improvements in NOI, bad debt reduction, and resident satisfaction.

To learn more, visit www.getflex.com.

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The logo for Flex features the word "flex" in a bold, lowercase, sans-serif font.