THE 2026 State of the Property Management Industry Report

Hyper Efficiency, Elevated Service, and Smarter Growth in the Age of Al







To grow quickly and profitably without sacrificing service, property management companies are stepping up their efficiency game, with Al tools presenting potential for a radical change in the industry.

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| Technology: Growing Smarter, Leaner, and Faster | 07 |
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The property management industry is on the verge of a seismic shift—or is it a sea change? Have we found ourselves at a crossroads, or are we witnessing the start of a revolution? However you try to explain it, words fall short when describing a once-in-a-generation change that will ripple through every single industry.

Takeaways

Residents

Maintenance

Our Respondents

2

Artificial intelligence is set to completely reshape how companies operate, grow, and serve their customers. But caution is key as companies welcome Al into their business, with their reputation and relationships on the line.

What's behind the rapid adoption of Al? Companies are under pressure to realize significant efficiency gains as costs rise for property managers and their clients, and as demands intensify from rental owners and renters. Adopting new technology—and better using current systems—is the top tactic that companies have in their toolbelt to respond to elevated costs and increased customer demands in 2026, particularly as they work hard to expand.

But removing the human touch from their processes entirely can jeopardize the kind of customer experience that differentiates smaller businesses from their larger competitors. These pressures have driven the number of property management companies leveraging artificial intelligence to triple, from 20% to 58% in the last year alone (and growing). But property managers' use of AI is still nascent, using large language models like ChatGPT for simple tasks like drafting property descriptions or summarizing documents. So far, just 8% of survey respondents have fully automated any workflows. The next frontier lies in usage that's more proactive and strategic, relying on AI agents that don't just respond to prompts, but anticipate needs, initiate actions, and drive measurable gains in efficiency.



The 2026 State of the Property Management Industry Report reveals an industry that's as ambitious and resilient as ever. Property managers are focused on operational efficiency and sustainable growth. They're adopting new technologies, better using their current software, and elevating their service models to meet rising customer expectations. They're not just managing properties—they're becoming full-cycle real estate partners.



Al is already embedded across what we build, and in 2026, it will unlock even bigger gains.
But technology is only half the story. Partnership is the rest. This Industry Report reflects how we listen to the market, learn from operators, and share what's working so you can stay ahead.



MIKE MAUSETH
SENIOR VICE PRESIDENT & GENERAL MANAGER
BUILDIUM, PROPERTYWARE, HOMEWISEDOCS

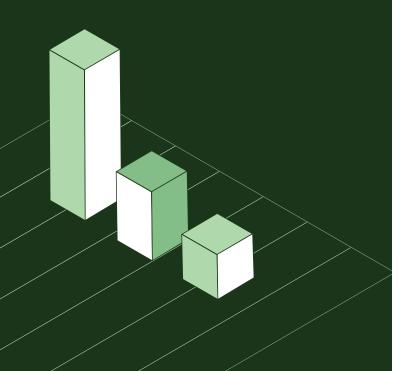




TROY GARRETT

CHIEF EXECUTIVE OFFICER, NATIONAL ASSOCIATION
OF RESIDENTIAL PROPERTY MANAGERS

Key Metrics from This Year's Report



58% of property management companies are using artificial intelligence within their businesses—up from just 20% last year

Tenant quality remains companies' #1 challenge, with RealPage reporting that 75% have experienced increased fraud in the past year

75% of companies plan to expand their portfolios in the coming year, though just 55% reported growth over the last year

93% of companies report that at least one major expense has increased over the past year, though the rate of increase is slowing Companies' #1 action to cut costs in 2026 will be adopting new tools and better using current ones to increase efficiency, and 21% say that technology has also helped them generate new revenue

Finding and working with a property manager is rental owners' second-highest source of stress, with 74% saying customer service is their top concern when hiring a PMC

67% of renters would recommend their current property manager or landlord, though pain points like searching for a rental and waiting for a maintenance issue to be resolved present opportunities to decrease stress

Meet Our Expert Panel

Alongside insights from our annual surveys of more than 3,200 property management professionals, rental property owners, and renters, this year's Industry Report features commentary from 5 industry experts.





CARL WHITAKER
CHIEF ECONOMIST,
REALPAGE

Carl leads RealPage's conventional and student housing research teams, including communicating economic and housing market trends to the rental housing industry, alongside forecast implications.



KELLI SEGRETTO

CERTIFIED PROPERTY MANAGER,
K SEGRETTO CONSULTING

With 25+ years of expertise, Kelli advises companies on operations and technology strategy, focusing on designing scalable systems that increase efficiency, strengthen teams, and improve investor and resident experiences.



DAVE GORHAM

CHIEF EXECUTIVE OFFICER,
FOUNDER & BROKER OF RECORD,
REALTY SOLUTIONS

Dave leads Realty Solutions with vision, expertise, and a commitment to trusted property management and real estate services for 600 rental units and 2,400 HOA/COA units in Southern New Jersey.



JEANNIE CONNORS

CHIEF OPERATING OFFICER, ACTING DIRECTOR OF COMMUNITY
MANAGEMENT. REALTY SOLUTIONS

Jeannie is currently focusing her attention on the development, implementation, and continuous improvement of the community management department at Realty Solutions.



TROY DODGIONMANAGING PARTNER, 21ST CENTURY
PROPERTY MANAGEMENT

Troy leads end-to-end operations and strategy for a 700-home portfolio statewide in California, with a background in real estate development, management, and technology.



SECTION 1

Maintenance

Owners

Technology: Growing Smarter, Leaner, and Faster

Residents

Property management companies are focused on adopting new tools and better using current ones to save money and boost revenue.

THE TRENDS:



Al Goes Mainstream:

Property Management's New Power Tool



Profit Under Pressure:

How PMCs Are Controlling the Costs They Can

Takeaways



Our Respondents

Efficiency First:

Technology Adoption as the Top Cost-Cutting Tactic



Al Goes Mainstream: Property Management's New Power Tool

WHY IT MATTERS: All can dramatically reduce time spent on routine tasks, freeing up staff to focus on growth and customer service—without compromising quality or trust, when done thoughtfully.

In the span of a single year, the number of companies using artificial intelligence tools has increased from 20% to 58%. Most often, team members are using AI to craft property descriptions and customer communications, but technological innovation will soon make it possible for companies to look beyond large language models like ChatGPT and truly reinvent the way they work.

Morgan Stanley projects that Al adoption could create \$34 billion in efficiency gains within the real estate industry by 2030, with 37% of tasks able to be automated. However, it's worth noting that a degree of caution is important where the business' reputation, compliance, or customer experience is at stake.

Q TURN INSIGHT INTO ACTION

Start with Simple Wins: Use Al tools to spin up listings, draft resident and owner communications, scan bills, summarize leases, and respond to FAQs. Set review checkpoints for legal, financial, or compliance-sensitive outputs.

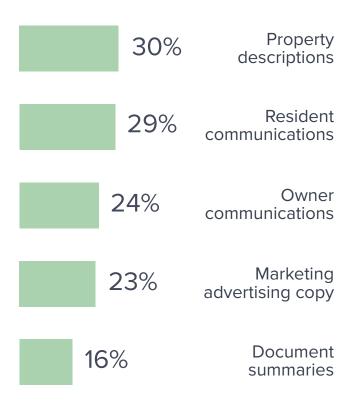
Automate Revenue Tasks: Build workflows that handle management fee collection and other income streams without the need for manual follow-up.

Stay Ahead on Renewals: Set up Al-driven reminders for time-sensitive processes, such as lease renewals and rent collection.

PHASE 2

PHASE 3

How Property Managers Are Using Artificial Intelligence



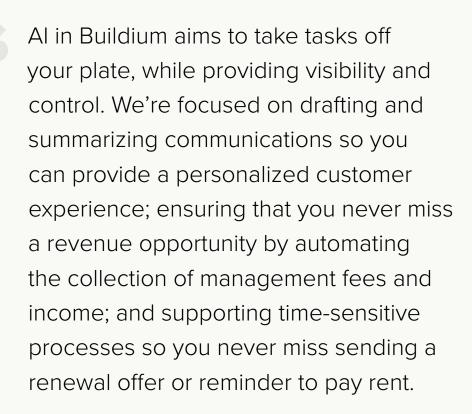
DEEPER DIVE:

Generative AI in Property
Management: Practical Use
Cases to Get More Done

READ THE POST ()

5 Concerns Property
Managers Have About Al
and How to Address Them

READ THE POST ()





JEANA PONDELLIHEAD OF PRODUCT, BUILDIUM

CASE IN POINT:

How 21st Century Uses Al & Integrations to Streamline Onboarding



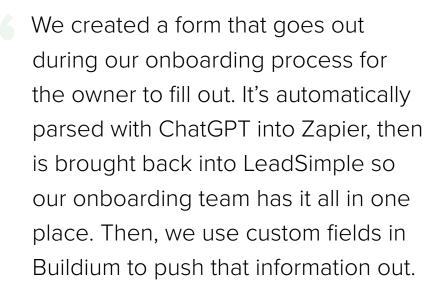


CHALLENGE

There's a tremendous volume of information that needs to be onboarded with a new property—home warranties, specific parking instructions, gate codes, key cards.



SOLUTION





OUTCOME

This cuts out dozens of back-and-forth emails.



Profit Under Pressure: How PMCs Are Controlling the Costs They Can

WHY IT MATTERS: Focus on the costs you can influence to stabilize NOI and reassure owners when external expenses spike.

The cost of doing business continues to rise, with 93% of property management companies reporting that at least one major expense has increased over the past year—particularly labor, materials, and insurance. According to an analysis by **RealPage**, operational expenses have climbed by 39% since the start of the pandemic, though the rate of increase is finally slowing, with all but two categories (utilities and payroll) moderating in the past year.

On the owner side, property taxes and insurance have surged the most, with only 38% of owners reporting that their properties are consistently profitable. While there are many costs you can't control, you can renegotiate vendor agreements and revisit your pricing structure to ensure it reflects today's realities. Preventive maintenance strategies can also keep costs predictable by reducing emergencies.

Q TURN INSIGHT INTO ACTION

Renegotiate and Review:

Shop around for insurance, revisit vendor contracts, and ensure they follow SOPs to avoid cost creep.

Prevent Emergencies:

Implement preventative maintenance plans to reduce high-cost, last-minute repairs and improve property performance.

PHASE 2



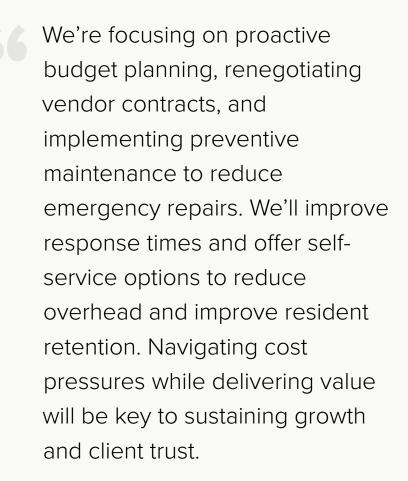
| Manager Expenses That Have Increased in the Last Year | |
|---|-----|
| Labor costs for vendors & contractors | 70% |
| Material & supply costs | 64% |
| Business insurance costs | 62% |
| Labor costs for full-time staff | 48% |
| Marketing costs | 40% |
| Legal & compliance costs | 39% |

| Owner Expenses That Have Increased in the Last Year | |
|---|-----|
| Property taxes | 81% |
| Property insurance | 72% |
| Vendor/labor costs | 44% |
| Supply/material costs | 40% |
| Utilities | 32% |

DEEPER DIVE:

6 Ways to Grow Property Management Revenue and Doors

READ THE POST **()**





✓ TREND #3

Efficiency First: Technology Adoption as the Top Cost-Cutting Tactic

WHY IT MATTERS: Efficiency-focused technology helps companies grow sustainably, reduce overhead, and deliver faster, more consistent service to owners and residents.

Adopting new tools (like property management software) and better using current ones to improve efficiency is companies' primary strategy for cutting costs in the coming year, selected by 50% of respondents. In addition, 21% said that implementing new technology solutions has been a successful part of their revenue generation strategy in the past. Respondents described expanding their use of technology to help them scale without growing their team, streamline processes to free up time for acquiring and retaining owner clients, improve collections, and minimize vacancies through better communication with residents.

Q TURN INSIGHT INTO ACTION

Adopt High-ROI Technologies: Prioritize tools that cut costs or save time, such as online payments, screening, and accounting. Track impact via hours saved or reduced delinquencies.

Maximize Existing Software: Train staff on underused tools like bulk lease renewals, late fee automation, and reporting dashboards, then audit feature adoption quarterly.

Automate Core Processes: Use purpose-built property management software to auto-send rent reminders, route maintenance tickets to vendors, and log tenant messages, cutting manual work and delays.

ASE 2





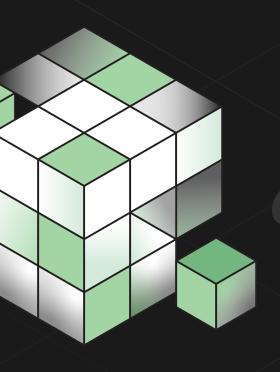
The greatest opportunity for our company this year is leveraging technology to streamline operations and enhance tenant satisfaction. We'll implement a centralized system like Buildium to automate rent collection, maintenance requests, and communication. We'll also expand into virtual leasing with 3D tours and digital applications, improve tenant self-service through portals and automated messaging, and use data to guide growth into highdemand markets.



| | Technologies Property Manage Find Most Valuable | rs |
|----|--|-----|
| 1 | Online payments | 47% |
| 2 | Tenant screening tools | 32% |
| 3 | Accounting tools | 28% |
| 4 | Online document signing | 27% |
| 5 | Online maintenance ticketing | 18% |
| 6 | Rental listing syndication | 17% |
| 7 | Artificial intelligence tools | 13% |
| 8 | Online leasing | 12% |
| 9 | Property inspection tools | 11% |
| 10 | Customer relationship management tools | 9% |



Note: Respondents were asked to select the 3 technologies that have provided the most value to their business in the past year.



FROM OUR TEAM

Our customers needed help integrating with the growing landscape of tech solutions without burning dev resources. So, we built a simple, no-code path for companies to tap into a powerful ecosystem. Property management companies have cut costs with virtual leasing tools, predictive maintenance, virtual assistants, and Al-powered communication. They're also unlocking new revenue through integrated marketing solutions, business intelligence insights, and services like pet amenities.



JON RUDY
HEAD OF MARKETPLACE, BUILDIUM



LEARN MORE

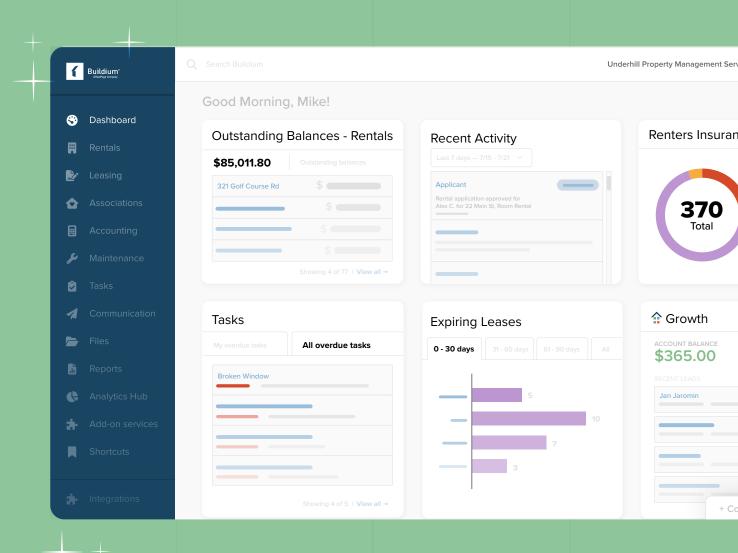
The Most Recommended Property Management Software Out There

Built for NARPM Members. Trusted by Thousands.

Control your portfolio. Compete on experiences. Thrive with new business growth.

REQUEST A DEMO







SECTION 2

Growth: Scaling with Intention, Without Sacrificing Service

Property management companies are focused on sustainable growth through efficient operations and high service standards, balancing expansion with quality and profitability.

THE TRENDS:



Focus on Expansion:
Execution is the
Differentiator



Investor Hesitation:
How Uncertainty is
Reshaping Expansion



Scaling Without Slipping: Service Quality in a Time of Growth





Expansion Remains Central, Execution is the Differentiator

WHY IT MATTERS: Growth is still the top priority, but without the right systems and staffing, rapid expansion can erode service quality and margins—making operational discipline just as important.

This year, as in the past 7 years, property management companies have had growth in their sights, prioritizing this area of the business above all others. In the coming year, three-quarters of companies plan to expand their portfolios, with most companies planning to grow by 25% or less, though it's worth mentioning that more than a third of expanding companies plan to grow by more than 25%. Portfolio growth is also companies' #1 source of revenue growth, emphasizing the importance of improving their efficiency to keep costs down as they grow.



We have prioritized 'the right clients' over new doors. Quality over quantity. This has been a two-year path with us shedding clients that were not a match, slowing down our prospecting and onboarding process, to identify those 'right clients' so they stay longer, and potentially upselling into subscription programs that match their needs.



DAVE GORHAM

CHIEF EXECUTIVE OFFICER,
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JEANNIE CONNORS

CHIEF OPERATING OFFICER, ACTING
DIRECTOR OF COMMUNITY MANAGEMENT,
REALTY SOLUTIONS

Evaluate Your Client List: Once per quarter, identify clients who require a disproportionate amount of your resources and offboard those who don't align, freeing up your capacity for growth.

Grow Where You're Strongest: Expand in areas where your team excels, such as single-family homes and underserved HOAs, through client referrals and local events.

Scale with Custom Fields: Capture the accounting and property details that are essential to your portfolio. Next, surface them in your workflows and reports to communicate better and bridge efficiency gaps.

Property Managers' Portfolio Growth Plans for 2026

| Expect to grow by more than 25% | 28% |
|---------------------------------|-----|
| Expect to grow by 25% or less | 47% |
| Expect to stay the same size | 21% |
| Expect to shrink | 4% |

DEEPER DIVE:

6 Top Property Management Growth Strategies for 2025 and Beyond

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Best Practices for Expanding Your Property Management Portfolio into New Markets

READ THE POST **()**

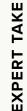
Property Managers' Top Revenue Growth Tactics

| Expanding their portfolios | 55% |
|--|-----|
| Raising rents without property updates | 53% |
| Raising rents after property updates | 47% |
| Increasing fees for residents | 24% |
| Implementing new technology solutions | 21% |
| Expanding services provided to owners | 21% |
| Increasing fees for owners | 19% |
| Expanding services provided to residents | 18% |

Investor Hesitation: How Uncertainty is Reshaping Expansion

WHY IT MATTERS: Economic uncertainty and high interest rates are slowing investors' appetite for growth, so property managers need to set realistic targets and diversify their growth strategies to avoid overextending themselves.

Third-party property managers may find that rental investors are feeling more apprehensive about expanding their portfolios in the coming year. In addition to high property prices, elevated interest rates, and rising property costs, uncertainty in the economy has set some rental owners back on their heels. This may be one of the reasons why we see a disparity between how much growth property management companies have planned, and how much growth they actually achieved: 75% plan to grow in the next year, but just 55% grew over the past year. This reality highlights the importance of setting realistic expansion targets and diversifying your sources of portfolio and revenue growth.



Economic uncertainty remains an elevated threat. Some feel this uncertainty could potentially reintroduce inflationary pressures for owners and operators in the near term, such as costs associated with material goods and labor costs, among others.



CARL WHITAKER
CHIEF ECONOMIST,
REALPAGE

Align expansion plans with investor sentiment to avoid overextension and maintain service quality, examining planned growth vs. past growth data.

Leverage Referrals to Grow:

Incentivize client referrals and facilitate property sales between clients to retain management and deepen trust.

Rental Owners' Portfolio Growth Plans for the Next Year

| Expect to grow by more than 25% | 8% |
|---------------------------------|-----|
| Expect to grow by less than 25% | 23% |
| Expect to stay the same size | 58% |
| Expect to downsize | 12% |



7 Strategies to Diversify Your Property Management Portfolio

READ THE POST ()



CASE IN POINT:

How Realty Solutions Facilitates Property Sales Between Clients



JEANNIE CONNORS

CHIEF OPERATING OFFICER, ACTING DIRECTOR OF COMMUNITY MANAGEMENT, REALTY SOLUTIONS





CHALLENGE

Mortgage rates have scared some investors. Sometimes, our clients ask us to sell their properties for them.



SOLUTION

Whenever a client approaches us, we send it out to our clients first. If we can [sell properties] to our other clients, we can show them the value of a certain property, and then we retain management.



OUTCOME

It's really a win-win for everyone, because we can show them the financial stability of a property from a trustworthy source. We can say, 'You have really good tenants. The owner's done this and this over the last five years. It's been well maintained.' We're preventing that churn.

Scaling Without Slipping: Service Quality in a Time of Growth

WHY IT MATTERS: Referrals drive most new business, so maintaining fast, personalized service—even as your portfolio grows—can make or break your reputation and customer retention.

A primary challenge for growing companies is bolstering the quality of their customer service as they take on more doors. This is especially important considering that referrals from current clients are companies' #1 growth method. The right technology can help businesses bridge the gap as they grow their portfolios faster than they're able to expand their teams—for example, by helping property managers cut down the time they spend on repetitive tasks (like rent collection) so they can divert their resources toward creating an outstanding customer experience.



The greatest challenge [our company] anticipates in the coming year is balancing personalized service with scalable growth, especially as we continue to expand our portfolio in a competitive and rapidly evolving rental market. We are also navigating pressures from both property owners and tenants for faster, tech-driven communication while still delivering the personal touch that defines our brand.



Balance Tech & Personalization:

Use portals and automation to increase efficiency, but keep outreach personal for onboarding, renewals, and conflict resolution.

Use Metrics to Guide Service:

Monitor response times, ticket resolution, and satisfaction scores as you scale, using dashboards to flag service dips before they impact retention.

Companies' Most Successful Growth Tactics

| Encouraging current clients to provide referrals | 30% |
|--|-----|
| Purchasing new properties | 24% |
| Increasing advertising to rental owners | 23% |
| Acquiring a rental investor's portfolio | 19% |
| Contacting owners of self-managed or poorly managed properties | 19% |
| Encouraging current clients to acquire new properties | 18% |
| Acquiring a property management company or company's portfolio | 13% |
| Expanding services to a new geographic area | 13% |
| Expanding the types of properties they manage | 12% |
| Building new properties | 9% |
| Taking on management of new community build projects | 8% |

DEEPER DIVE:

10 Communication Tips for Property Managers to Strengthen Client Relationships

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All Property Management

Get access to rental property owners looking for your services to jumpstart your portfolio growth. Customers who use APM + Buildium grow their portfolios by 5.5x.*

LEARN MORE **()**

*Based on current Buildium customers as of March 2024 with unit count expansion who have used APM.



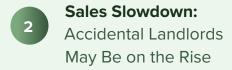
SECTION 3

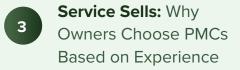
Owners: Leaning into Market Shifts to Drive New Business

Property managers foresee a continued increase in rental market regulations and a slowdown in the sales market, potentially leading more Accidental Landlords to seek out their services.

THE TRENDS:









Regulations on the Rise: Turning Compliance into a Competitive Edge

WHY IT MATTERS: New laws are making self-management riskier for owners, creating an opportunity for property managers to stand out as compliance experts.

Demand is rising for experts' assistance in running rental properties in compliance with local laws: In 2021, just 21% of rental owners said that they hired a property manager for this reason, which has risen to 33% as of 2025. This emphasizes the importance of keeping your team up-to-date on local regulations; highlighting this expertise in conversations with prospective clients; and, of course, having a knowledgeable lawyer you can consult.



We use our trade organizations a lot (NAR, NARPM, CAI). We also have an internal law department. Plus, implementing owner benefit package subscription services allows us to keep tabs on local legal updates.



DAVE GORHAM

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JEANNIE CONNORS

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DIRECTOR OF COMMUNITY MANAGEMENT,
REALTY SOLUTIONS

Q TURN INSIGHT INTO ACTION

Educate on Regulations

Create short guides on new laws and share updates via email to position your team as local compliance experts.



Why Rental Owners Hire a Property Manager

63% 61% 56%
Distance Residents Maintenance

33%

Regulations

23% 22% Accounting Profitability

12% 6% Growth advice

Note: Respondents were asked to select their primary reasons for working with a property manager



7 Property Management Marketing Ideas to Attract Rental Property Owners

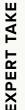
READ THE POST **()**



Sales Slowdown: Accidental Landlords May Be on the Rise

WHY IT MATTERS: A sluggish housing market is pushing more homeowners into renting, giving property managers a prime chance to capture first-time landlords who need full-service assistance.

Halfway through 2025, the housing market had a record number of sellers relative to buyers—a difference of 34%, according to an analysis by Redfin. With homes not selling for prices that allow homeowners to recoup their investment, some are transitioning those properties to rental housing. It's under these conditions that Accidental Landlords arise. Because these owners are the group most likely to hire professional management, property managers may have a golden opportunity at hand.



At the current interest rate, we're seeing very few buyers of investment property. So, almost 100% of our agent referrals right now are Accidental Landlords that can't sell their home that want to rent it out. We're also starting to see our Boomer cohort owners selling their investments. The sales are almost never to other investors. Is this the start of a larger-scale SFR selloff that is going to significantly impact supply side economics?



TROY DODGIONMANAGING PARTNER, 21ST CENTURY
PROPERTY MANAGEMENT

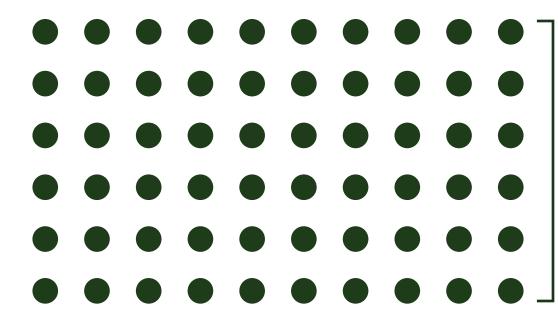
Q TURN INSIGHT INTO ACTION

Engage Accidental Landlords: Reach out to homeowners struggling to sell and offer rental income estimates and a starter management package tailored to first-time landlords.

Build Referral Pipelines:

Formalize partnerships with brokers and provide co-branded materials and incentives for referring clients who pivot from selling to renting.

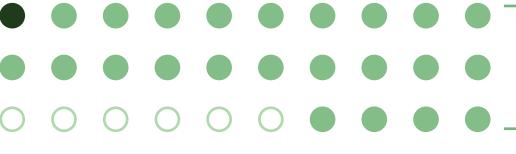
Types of Property Investors in the Current Market



61%

Intentional Investors:

Purchased rental property as an investment from the start



22%

Accidental Landlords: Fell into rental property ownership due to circumstance, don't consider themselves investors

DEEPER DIVE:

How to Attract and Retain the Different Types of Rental Property Investors

READ THE POST **()**

16%

Unintentional Investors:

Fell into rental property ownership due to circumstance, but now consider themselves investors



Service Sells: Why Owners Choose PMCs Based on Experience

WHY IT MATTERS: Owners value clear communication and proactive support above all else, so blending tech efficiency with the human touch is key to winning and keeping clients.

More than any other factor, rental owners hire based on the customer service experience that your company delivers: 74% of rental owners told us this is their primary consideration when choosing a property management company, besides price and service area. In today's business environment, this means integrating technology with the human touch to meet individual clients' needs—automating routine processes while keeping important touchpoints human, such as annual client meetings and other helpful resources.

Here's what today's rental owners expect from their property manager:



Top-notch communication:

Rental owners want you to be transparent, consistent, responsive, and proactive in your interactions with them.



Straightforward reporting:

Rental owners need to be able to easily understand what their income and expenses were each month, including any charges that have come up.



Best-in-class technology:

Rental owners want payments, reporting, document sharing, communication, accounting, maintenance ticketing, and leasing to take place online.

EXPERT TAKE

More people are doing annual meetings with their clients—using technology to compile the data, then having a face-to-face meeting to interpret the analysis and tell them what you did for them that year. More DIYers are able to use technology themselves and not need a property manager—unless you're leveraging your knowledge, experience, professionalism, and understanding of the market to help their assets perform better.



KELLI SEGRETTO

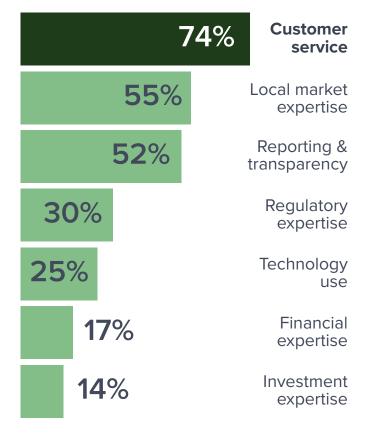
CERTIFIED PROPERTY MANAGER,
K SEGRETTO CONSULTING

Q TURN INSIGHT INTO ACTION

Showcase Service
Excellence: Highlight
response times,
satisfaction scores, and
portal features in pitches
to potential clients, and
include testimonials from
satisfied owners.

Launch Add-On
Subscriptions: Bundle
services like pest control
and seasonal maintenance
into monthly plans, and use
them to boost retention and
recurring revenue.

What Rental Owners Look for in a Property Manager



Note: Respondents were asked to select which areas they prioritize when choosing a property manager

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How to Make the Value of Your Services Clear to Rental Owners in 2025

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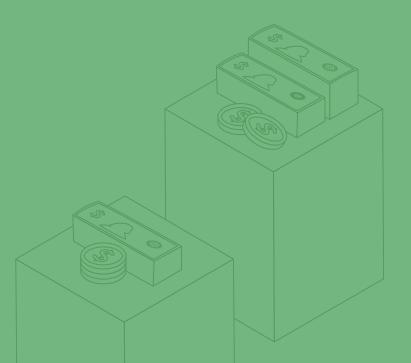
CASE IN POINT:

How Realty Solutions Implemented Revenue-Generating Subscription Programs



DAVE GORHAM

CHIEF EXECUTIVE OFFICER,
FOUNDER & BROKER OF RECORD,





CHALLENGE

Clients don't want to pay you for best practices or advice or opinions.



SOLUTION

We packaged a preventative maintenance program and pest control powered by local vendors, and we powered rental warranties for owners by Steady. [We can say to our customers,] 'Hey, you have cockroaches—here's a service for \$30 a month. You need your gutters cleaned? You want a warranty program for your tenant? Here's this insurance program.'



OUTCOME

Service is the model here. Everyone's bought into it.



SECTION 4

Maintenance: From Pain Point to Competitive Advantage

Property management companies have an opportunity to differentiate themselves from the competition and generate revenue through preventative maintenance services.

THE TRENDS:



Maintenance Matters Most: Relieving Rental Owners' #1 Source of Stress



Quick Fixes, Happy Tenants: Responsiveness
Drives Retention



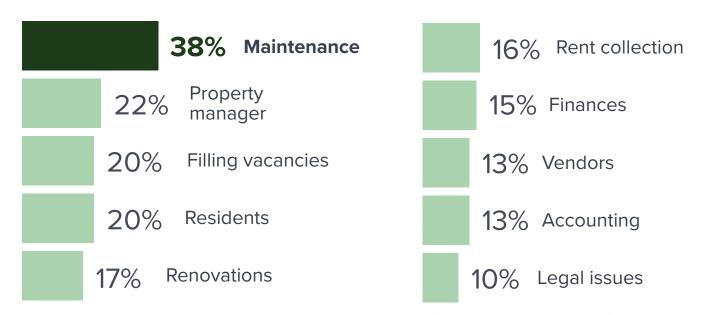
In-House or Outsourced?
Rethinking the
Maintenance Model



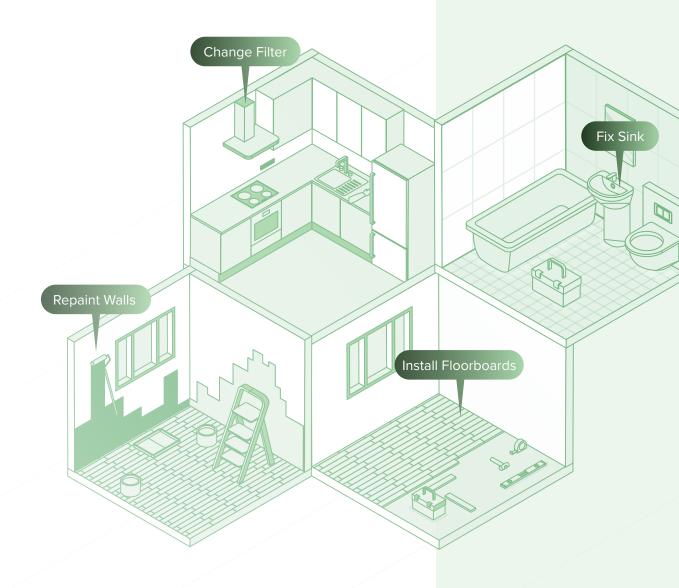
Maintenance Matters Most: Relieving Rental Owners' #1 Source of Stress

WHY IT MATTERS: Maintenance is owners' biggest pain point, and offering preventative plans can reduce emergencies, protect property values, and create recurring revenue streams.

Rental Owners' Top Stressors



Note: Respondents were asked to select the 3 aspects of rental property ownership that they've found most stressful in the past year.



Since we began asking rental owners about their biggest sources of stress in 2017, maintenance has always been at the top of the list. It's not surprising, then, that 56% of rental owners who work with a property manager to run their rentals say they do so to have an expert's help with maintenance.

This makes maintenance a critical area where property managers can prove their value by easing rental owners' anxiety over upkeep of their properties—not only by making emergency repairs, but also by keeping issues from happening in the first place through preventative maintenance services.

DEEPER DIVE:

Property Management Maintenance: A Comprehensive Guide

READ THE POST **()**

Forecasting Tips for On-Time, On-Budget Rental Property Maintenance

READ THE POST **◊**



Preventative maintenance is catching problems before they become bigger—but because you're preventing things from happening, [owners ask], 'Why did we pay for that last year?' Do direct cost comparisons: 'We're going to do a preventative service. We can do this for X amount. of dollars, but if your water heater fails at 2 AM, this is what the cost of replacement would be.'



KELLI SEGRETTO

CERTIFIED PROPERTY MANAGER,
K SEGRETTO CONSULTING

Q TURN INSIGHT INTO ACTION

PHASE

Plans: Offer tiered packages powered by vetted vendors, using subscription pricing to boost adoption and recurring revenue.

HASE 2

Needs: Use AI and analytics to spot recurring issues and budget proactively, integrating with tools to track repair history and costs.

✓ TREND #2

Quick Fixes, Happy Tenants: Responsiveness Drives Retention

WHY IT MATTERS: Fast, transparent maintenance responses are one of the strongest levers for boosting renewals and reducing costly vacancy periods.

Resident retention is another way in which proactive maintenance can help property managers show their value. We asked renters which changes would encourage them to renew their lease, and two of the most common responses involved maintenance: 40% of renters who were uncertain about renewing their lease would stay for another year if their property manager or landlord invested more in maintaining the property, while 31% said they'd stay if they were more responsive to maintenance requests. Overall, residents said they'd be more influenced by their property manager's approach to maintenance than by the chance to access greater amenities or services—making this a clear area where property managers can invest to improve occupancy rates.

We are exploring creating a position to focus on maintenance follow-up to make sure that it's getting done, make sure it's scheduled properly, make sure tenants are happy. My immediate thought was, why don't we just have a VA do that? And the feedback from my team was, 'No, it really needs to be somebody local that can communicate very effectively.' We're going to try that out with somebody whose role is centralized and covers multiple portfolios. It's one area where I don't see AI solving the problem until the agents.



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Accelerate Response Times:

Use resident portals, mobile apps, and online ticketing to auto-route requests, send real-time updates, and track resolution times, setting SLAs to improve accountability.

Communicate the ROI of Upkeep:

Share before/after rent comps and vacancy data to prove how maintenance drives returns, justifying owners' investment in their properties.

What Would Convince Renters to Renew Their Lease?

Keep rent at the same level

67%

Invest more in maintaining/ updating property



40%

Be more responsive to maintenance requests



31%

Offer more amenities/services



25%

Enforce community rules more consistently



17%

Digitize more rental processes



16%

DEEPER DIVE:

8 Research-Backed Communication Tips to Improve Resident Retention

READ THE POST ()

How Automation Helps You Take Tenant and Owner Engagement to a New Level

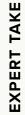
READ THE POST **◊**

In-House or Outsourced? Rethinking the Maintenance Model

WHY IT MATTERS: Creating the right blend of in-house staff and third-party vendors can improve cost control, speed, and service quality while avoiding idle downtime or vendor bottlenecks.

How can companies influence the anxiety that both rental owners and renters feel about maintenance—while keeping costs under control? Some businesses are investigating bringing maintenance services in house, with 15% of survey respondents saying this is a component of their plans to cut costs in the coming year.

With the skilled labor shortage continuing, though it might be hard to recruit and retain great maintenance team members, bringing maintenance in house can alleviate the challenge of finding high-quality vendors for every task that comes up. And unlike Al-driven efficiencies in other areas, maintenance remains a hands-on function where personal service and trust matter.



Look back at the last year: What type of work orders were you doing? Do you have a volume that could sustain an individual? What skillset do they need to have? Are they hourly or salaried? Do you want to have an in-house department or a separate business? I'm a big proponent for hybrid departments—you have an in-house team, and you have outsourced vendors for specialty services.



KELLI SEGRETTOCERTIFIED PROPERTY MANAGER,
K SEGRETTO CONSULTING

Start with the Data: Analyze work order volume and cost trends to decide which tasks might justify in-house staffing.

Consider a Hybrid Model: Keep routine, high-frequency jobs in house for speed and consistency, while outsourcing specialized work to trusted vendors.

Property Managers' Top Cost- Cutting Tactics

Adopting new tools (or better using current ones) to improve efficiency

50%

Negotiating better rates with vendors



Working with virtual assistants or overseas workers



19%

Bringing maintenance services in house



15%

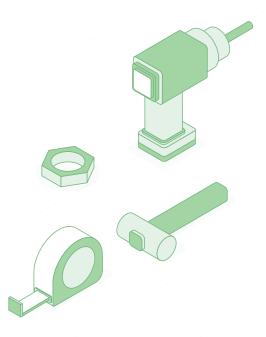


Building a Competitive Property Management Maintenance Team

READ THE POST **()**

Building Tech-Enabled Maintenance Workflows

READ THE PLAYBOOK **◊**



CASE IN POINT:

How Realty Solutions Tackles Preventative Maintenance



DAVE GORHAM

CHIEF EXECUTIVE OFFICER, FOUNDER & BROKER OF RECORD, REALTY SOLUTIONS





CHALLENGE

Preventative maintenance is something we've always wanted to do, never really had the vendor to support it or the time to package it.



SOLUTION



OUTCOME

A vendor came to us and said, 'We've got a subscription program if you'd like to get involved.' Now, we have them powering the preventative maintenance program: carpet cleaning and gutter cleaning once a year. Every quarter, they come in and change every filter in your house—dishwasher, refrigerator, heater. They change lightbulbs, they change batteries. They're there for extra maintenance, too.

We have two packages, small and then a larger package.





SECTION 5

Residents: Screening for Stability in an Evolving Market

Tenant quality remains property management companies' top challenge this year, with tenant screening becoming an even more critical aspect of the leasing process.

THE TRENDS:









Tenant Quality Crisis: Why Finding Reliable Renters is Harder

WHY IT MATTERS: Rising rents and stagnant incomes make tenant screening more critical than ever to prevent delinquencies, evictions, and owner dissatisfaction.

According to an analysis by Zillow, single-family rents have increased by 43% since April 2020, and multifamily rents have risen by 29%. Meanwhile, the median household income has only risen by 23%. This puts property managers in a difficult position: The cost of owning and maintaining a rental property has increased significantly, leading many rental owners to raise rents. But with rents set at higher prices, fewer renters are able to afford them, leaving just 57% of renters able to pay all of their bills on time and in full right now. As a result, many property managers are struggling to find qualified rental applicants to fill vacancies that arise.



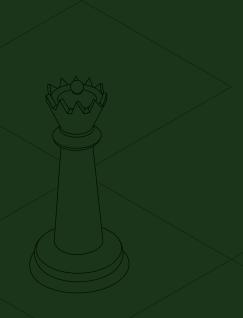
[Our biggest challenge is] finding quality tenants with documentable income. Gig workers and roommate situations are becoming more common. We educate our owners and ask them to present a well-kept property in order to attract better-quality renters. Our owners understand that we may take a little longer to fill a vacancy in order to have a quality tenant.



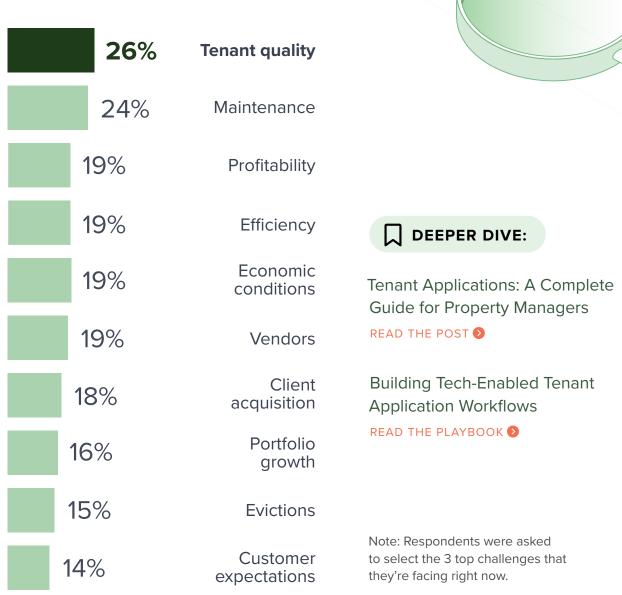
Q TURN INSIGHT INTO ACTION

Educate Owners on Quality Over Speed

Share data on eviction costs and turnover rates to justify longer vacancy periods for better tenants, using screening scorecards to guide decisions.



Property Managers' Top Challenges





Rising Retention: Why Keeping Quality Residents Pays Off

WHY IT MATTERS: Retaining good tenants saves on marketing and turnover costs, so loyalty programs and strategic pricing can protect NOI when new leases are harder to land.

61% of rental owners who currently work with a property manager do so because they want an expert's help in managing, attracting, and retaining great residents. Among renters who are on the fence about renewing their lease, 67% said they'd stay for another year if the rent were kept at the same level.

So, there may be an opportunity to compare the properties you manage to others in the area to determine where it makes sense to minimize rent increases to prioritize retention. With raising rents being among the foremost methods that property managers and rental owners have to cope with rising operational costs, resident reward programs could be an alternative option to drive retention.



Resident retention has become a key industry sub-theme in recent years, especially as this is a partially-controllable lever that operators can utilize to also mitigate the physical costs of resident turnover (i.e. make-ready costs) as well as more intangible—yet still real—costs such as marketing and the loss of revenue from units sitting vacant.



CARL WHITAKERCHIEF ECONOMIST,
REALPAGE

Price Strategically for Retention:

Benchmark rents against local comps, using tiered pricing—market rate for new tenants, modest increases for renewals—to balance profit and loyalty.

Reward Resident Reliability:

Offer perks like rent reporting, filter delivery, or renewal bonuses for on-time payments, using benefit packages to boost retention.

Rental Owners' Top Concerns

Rising costs impacting profitability

47%

Property maintenance & upkeep



Finding quality tenants



Increasing regulations



Interest rate fluctuations



12%

Note: Respondents were able to select multiple options



The 2025 Renter: What They Want and How to Retain Them

READ THE REPORT ()



Buildium Rewards for Rent Reporting:

Giving residents a way to report rent payments rewards responsibility and your business.

LEARN MORE **D**



CASE IN POINT:

How Realty Solutions Improves Retention Through Resident Benefit Packages



JEANNIE CONNORS

CHIEF OPERATING OFFICER,
ACTING DIRECTOR OF COMMUNITY
MANAGEMENT. REALTY SOLUTIONS





CHALLENGE

A lot of people want to rent these days—they can't afford to buy a house with the market the way it is.



SOLUTION

Resident benefit programs have assisted with resident retention. We also create a revenue stream. Our strategy is to create value in the services they get—it is a tenant longevity piece. They love being able to have rent reporting and rewards.



OUTCOME

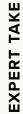
I think the tenants feel more like homeowners when they're getting those kinds of benefits. They want to be moving towards that goal, and this helps them—by having certain amenities like rent reporting and getting filters, all those types of things—because they're learning about what to do when they do own a home.

Fighting Fraud: Why Screening Technology is a Must-Have

WHY IT MATTERS: Fraudulent applications are on the rise, and advanced screening tools are essential to catching fake documents and avoiding costly evictions.

When Buildium asked which tools have provided the most value to companies in the past year, tenant screening tools were second on the list. 75% of businesses reported an increase in fraud over the past year, according to a study conducted by **RealPage**. In addition, the availability of Al has resulted in an increase in fraudulent paystubs and bank statements.

Research by <u>Celeri</u> has found that approximately 1 in 10 rental applicants provides fraudulent documents, and more than half of eviction cases result from renters who had been approved based on fraudulent documents. This means it's critical that property managers use the latest technology to uncover credit, criminal, and eviction data; detect falsified documents; and apply consistent guidelines across their pool of rental applicants.



Fake documents are everywhere.
You can just teach AI on a bunch of ADP paycheck stubs, then have it generate a document. I think we're going to see that grow and grow. Everyone's looking at how wonderful and positive AI is, but the nefarious actors are going to take advantage of this, too.



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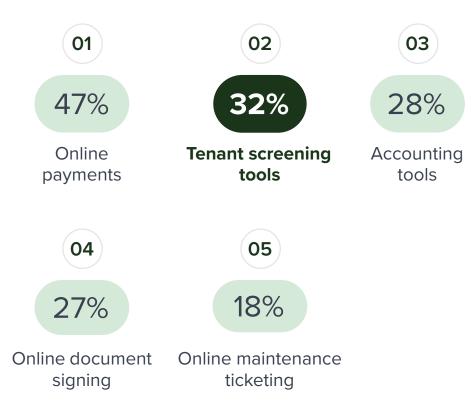
Q TURN INSIGHT INTO ACTION

Strengthen Screening Standards

Use advanced tenant screening tools to uncover credit, criminal, and eviction data and detect falsified documents—critical as rental fraud rises.



Tools Property Managers Find Most Valuable



Note: Respondents were asked to select the 3 technologies that have provided the most value to their business in the past year.

DEEPER DIVE:

Buildium Tenant Screening, powered by TransUnion, makes it quick and easy to fill vacancies with qualified residents.

LEARN MORE **()**

Celeri, a Buildium Marketplace partner, uses AI to detect falsified income documents in seconds.

LEARN MORE **()**

Takeaways





Technology is the Backbone of Property Management—and Will Become the Brain

Maintenance

Companies are using centralized platforms and artificial intelligence to cut costs, streamline operations, and elevate service. In 2026, expect Al to move beyond communication and document summarization into predictive analytics and automated workflows—especially in leasing and maintenance.



Growth Requires Balance and a Shift Toward Quality Over Quantity

Portfolio expansion remains a top priority, but the most successful businesses are scaling intentionally. In 2026, expect more companies to prioritize "right-fit" clients, shed resource-heavy accounts, and upsell into subscription services that deepen relationships and improve margins.



Regulatory Shifts and Market Slowdowns Will Drive Client Acquisition

Rising regulations and a sluggish sales market are creating more Accidental Landlords. In 2026, companies will increasingly position themselves as experts in compliance and local market trends, with an opportunity to offer starter packages for first-time landlords—especially in markets where regulations are increasing and home sales are cooling.



Maintenance Will Evolve from Reactive to Revenue Generating

Preventative maintenance is becoming a strategic differentiator by not only reducing costs and downtime, but also boosting resident satisfaction. In 2026, expect more companies to offer tiered subscription plans and use AI to forecast repairs—turning maintenance into a retention tool and profit center.



Tenant Quality is the Industry's Top Challenge, and Screening Will Get Smarter

With affordability tightening and fraud rising, tech-enabled screening is critical. In 2026, expect broader adoption of screening technology to improve tenant quality, Al tools to detect fake documents, and rent reporting to improve resident retention.

Introduction Technology Growth Owners Maintenance Residents Takeaways **Our Respondents** 51

About Our Respondents

Our Property Manager Respondents

We conducted our survey of property management industry professionals in May of 2025. Our 1,060 respondents were drawn from the Buildium, NARPM, Propertyware, and All Property Management email databases.

| Property Managers' Portfolio Size | |
|-----------------------------------|-----|
| 1–20 units | 13% |
| 21–40 units | 8% |
| 41–100 units | 19% |
| 101–400 units | 36% |
| 401–600 units | 10% |
| 601–1,000 units | 6% |
| 1,001–2,500 units | 6% |
| More than 2,500 units | 3% |

| Property Managers' Portfolio Type | |
|-----------------------------------|-----|
| Residential rentals | 96% |
| Commercial rentals | 29% |
| Community associations | 15% |

| Property Managers' Property Types | |
|---|-----|
| Single-family homes | 80% |
| Multifamily homes | 67% |
| Small apartment buildings (<11 units) | 43% |
| Mid-sized apartment buildings (11-50 units) | 32% |
| Large apartment buildings (>50 units) | 14% |
| Mobile homes | 14% |

| Who Owns Property Managers' Properties | |
|---|-----|
| Manage a mix of their own and other investors' properties | 39% |
| Exclusively manage other investors' properties | 36% |
| Exclusively manage their own properties | 26% |

Our Rental Owner Respondents

We conducted our survey of small-portfolio rental property owners in May of 2025, recruiting our 263 respondents from the All Property Management and Buildium databases.

| Owners' Portfolio Size | |
|------------------------|-----|
| 1 unit | 35% |
| 2–4 units | 39% |
| 5–10 units | 13% |
| 11–20 units | 7% |
| 21–50 units | 4% |
| >50 units | 2% |

| Owners' Property Type | |
|---|-----|
| Single-family homes | 76% |
| Multifamily homes | 30% |
| Small apartment buildings (<11 units) | 8% |
| Mid-sized apartment buildings (11-50 units) | 5% |
| Large apartment buildings (>50 units) | 5% |
| Mobile homes | 2% |

Our Renter Respondents

We conducted our survey of U.S. adults who rent their homes in June of 2025, recruiting our 1,928 respondents through SurveyMonkey.

| Renters' Age | |
|--|-----|
| Generation Z (born in 1997 or later) | 14% |
| Millennials (born in 1981–1996) | 31% |
| Generation X (born in 1965–1980) | 32% |
| Baby Boomers (born in 1946–1964) | 20% |
| Silent Generation (born in 1945 or earlier) | 4% |

| Renters' Property Type | |
|--|-----|
| Single-family rental | 34% |
| Multifamily rental | 19% |
| Small apartment building (<11 units) | 11% |
| Mid-sized apartment building (11-50 units) | 14% |
| Large apartment building (>50 units) | 18% |
| Mobile home | 5% |



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Established in 1988, the **National Association** of Residential Property Managers® (NARPM) is the only national organization focused primarily on residential property management. NARPM is committed to bringing the highest level of professionalism and ethics to the property management profession. Education is a fundamental component of the organization, with a growing number of classes and materials being developed for members. In addition to the many educational opportunities at local, state, and national conferences, NARPM has developed a core of courses that are required to earn NARPM designations. Learn more about joining the organization on their website: narpm.org/join