



# MOVING PAST UNCERTAINTY: COUNTERING SEASONALITY AND ECONOMY FLUCTUATIONS

---

A Multifamily Marketing Quarterly Report

**Q4 2022**

A publication from

**PERQ**

# TABLE OF CONTENTS

INTRODUCTION .....4

EXAMINING LEAD SOURCES:  
WHAT THE DATA TELLS US .....5

SUPERCHARGING LEAD PERFORMANCE WITH  
AUTOMATED NURTURE .....8

CONCLUSION .....12

BENCHMARKS.....13

# ABOUT THE MMQ

The PERQ Multifamily Marketing Quarterly (MMQ) is designed to help multifamily marketers hone their strategy and tactics, driven by industry data insights.

Since its inception in Q1 2022, the quarterly report covers topics vital to the success of multifamily marketers, analyzing roughly a million multifamily digital prospect interactions per quarter. In doing so, we're able to examine renter behaviors in light of current market conditions, and offer reliable guidance for improving key metrics like website conversion rates.

Each edition of the MMQ also includes your copy of the quarterly PERQ Benchmark Report. Within, you'll find averages for the metrics that affect your multifamily business.

# INTRODUCTION

If you've been watching multifamily marketing headlines of late, you might be feeling a bit of whiplash. Expert forecasts for the multifamily sector have been mixed, with some suggesting above-average performance in 2023, and others warning of trouble ahead. More optimistic views argue that sky-high mortgage prices will keep renters in the rental market. Others are less hopeful, anticipating low consumer confidence and shrinking spending power will translate into fewer new households being formed.

For marketers whose job hinges on anticipating renters' moves – and swaying them to choose your multifamily properties – it's easy to feel unsure about next steps and what the year will bring.

Of course, there's also the lingering challenge of seasonality shifts. Coming out of Q4, we're now emerging out of multifamily's driest period as far as leasing demand goes. Next we're looking at a slow climb in Q1, leading up to the unofficial start of leasing season in Q2, when we finally start seeing some healthy movement.

With that in mind, we've dug into multifamily marketing metrics for Q4 to discern how a sample of your peers have performed in this period, and what your "best bets" might be in times of great uncertainty or not-so-great demand.

# EXAMINING LEAD SOURCES: WHAT THE DATA TELLS US

Though there's a place for hunches and past experience when you're pondering your marketing strategy, they're really no match for actual data evidence when you're making strategic decisions and defending your marketing investments. With that in mind, we looked into tens of thousands of multifamily website sessions and prospect interactions to reveal industry benchmarks and what's trending in renter behaviors.

As 2022 closed, multifamily rent growth cooled from roughly 17% in Q2 to about 9.5% in Q4, [Moody Analytics](#) reported. Curious about how various lead sources performed in Q4, we analyzed thousands of prospect interactions with PMCs – particularly how paid and unpaid leads behaved as they traveled through the sales funnel.

Starting with paid leads, we reviewed those originating from several popular Internet Listing Services (ILS). We won't name specific ILSs appearing in the table below, but we can say they include leading, go-to ILS sources you may be purchasing from today.

What stood out to us: a whole lot of variability, with no clear performance patterns. At best, we see about 3.5 in 10 leads converting to a lease. At worst, we have nada.

## ILS LEAD PERFORMANCE

ILS Source	Lead to Tour Conversions	Lead to Lease Conversions	Avg. Days from Conversion to Lead Signing
A	6.88%	1.10%	31.0
B	21.01%	3.49%	35.3
C	7.04%	1.17%	44.7
D	22.43%	1.96%	33.6
E	7.50%	0.37%	29.6

We then compared average paid lead performance to that of unpaid leads – that is, leads originating directly from property websites:

## PAID (ILS) X UNPAID (WEBSITE) LEADS PERFORMANCE

	Lead to Tour Conversions	Lead to Lease Conversions	Avg. Days from Conversion to Lead Signing
ILS	7.5%	0.37%	33.8
Property Website	38%	5.83%	28.4

That's quite a difference. In Q4, the PMCs in our sample secured nearly 15X more conversions from their website over what they got from ILS leads. Website leads also shaved about 5 days from conversion to lead signing, to boot. With a finite amount of vacancy in play, a PMC would be able to meet their goals with roughly 85% fewer leads, if they relied on website conversion numbers over external lead sources.

To be fair, there's certainly value in ILS as you diversify your lead sources – no argument there. At the same time, multifamily marketers need more predictability in how those leads will perform, especially if you're paying \$50-\$100 for a lead today that's not even qualified. Thankfully, the data also tells us how to supercharge their performance. (More on that shortly.)

All things considered, it makes sense that unpaid leads should perform better: Prospective renters coming directly into your property website typically have higher intent, specific to your property. Even more so if they're willing to share their contact information, reveal some of their plans and preferences, or request information.

It's no surprise, then, that PMCs are doubling down on inbound marketing efforts. When demand slows, cost pressures increase. To optimize spend on paid leads, it's smart to ensure you're getting the most leads from your own community website.

## INBOUND MARKETING

- think "attracting" vs "chasing" leads
- draws renters in by creating valuable website experiences tailored to them
- uses direct advertising and encourages prospects to make the first move

### Key Takeaways:

- In Q4 2022, unpaid leads (leads originating from the PMC website) converted to leases at a 15X higher rate than paid (ILS) leads.
- ILS leads remain valuable, yet highly variable in their conversions. PMCs must find ways to improve predictability and performance for these leads.

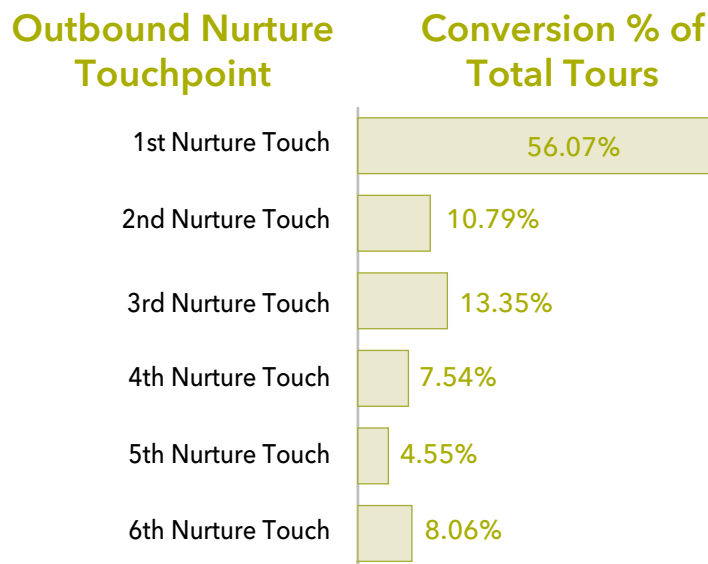
# SUPERCHARGING LEAD PERFORMANCE WITH AUTOMATED NURTURE

With fewer leads coming in or converting during lower-demand periods, it's imperative for PMCs to give those prospects a website experience that compels them to leave their contact information, come back for more, and stay engaged throughout their renter's journey.

After all, it's far easier to cultivate a relationship with someone with demonstrated interest than having to go out and entice someone new to look your way. That attention to nurture has been a significant advantage for PMCs in our analysis.

Regardless of source, chances are leads aren't ready to lease when they enter your radar. It takes some intentional courtship to win them over.

Here's what we mean: In our Q2 MMQ, we took a deep dive into the impact of nurture outreach on the conversion of leads from various sources. While the personalized outreach was successful at driving a tour from the first nurture touch about 56% (see below table) of the time an astounding 32% of tours booked came from prospects that had received 3 or more personalized nurture communications. And, if that's not enough to convince you that rental prospects like to take their sweet time, more than 8% of tours booked had received 6 or more personalized touches during their renter's journey. If these PMCs had stopped at 2 or even 3 nurture touches, they would have had 33% fewer tours. Imagine the impact that would have on leases signed!





Leads aren't always ready for a sale, but they can be – if you apply nurture. Reasonably, the more relevant and personalized the nurture, the better.

For context, it's helpful to understand how the modern renter's journey has changed. In previous MMQs, we learned that the average renter takes 46 days to choose a rental unit, though many spend more than six months searching. We can reason that prospects searching for properties in Q4 demonstrate higher intent, as they make time for their search in a season when so many distractions and priorities are fighting for their attention.

In any event, we know renters do much of their property search in "stealth mode," not wanting to interact with a leasing agent until they've discarded several options and narrowed their choices. Put another way, you often don't know who your prospects are until the tail end of their property search – unless you have a way to deliver so much value during their self-led search phase that they're willing to trade personal information for it, and keep in touch.

It's why many PMCs are adopting a variety of interactive website experiences to enhance that first visit and make it last, driving recurring engagement across channels. We're talking about automated interactions that provide instant value and education that's relevant to individual interests, capturing rich prospect intel so you can personalize follow-up communications long after those prospects have left your property website.

In Q4, we saw website visitors stuck around longer when visiting property websites with interactive experiences. In fact, those interactive elements nearly tripled visit durations – not too shabby for a season when holiday prep, shopping, and year-end celebrations skew consumer priorities.

## Website visit duration



## Interactive Website Experiences

- ✓ Increase website visit duration
- ✓ Convert at higher rates websites without interactive tools
- ✓ Deliver instant gratification relevant to visitor interests
- ✓ Enable data capture for personalized lead nurture

### Sample Interactive Tools:

- Expense calculators
- Floor plans (matching, comparing, saving for future reference)
- Virtual property tours
- Automated booking for in-person tours
- Quizzes (e.g., find your ideal neighborhood)
- Chatbot
- Pre-qualification
- ...and more

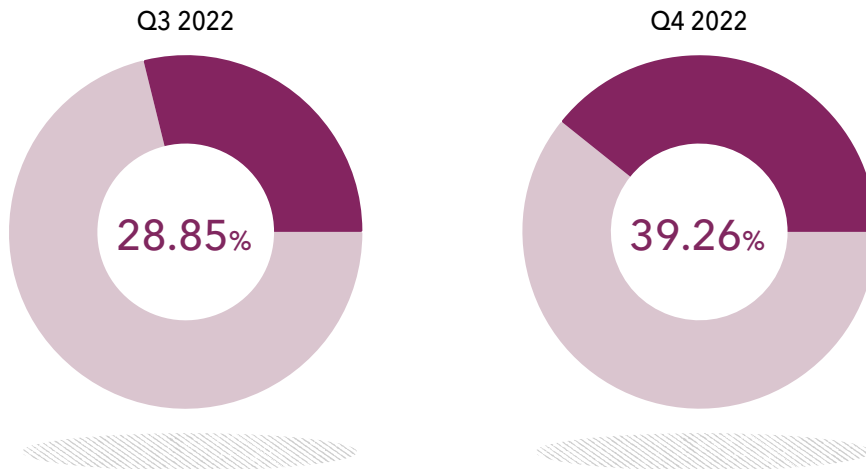
Allow us to stress one important point: Your lead nurture can only be as personalized as the data you have, which is why those early interactive website experiences are so important. As you capture information about each lead, you're then able to automate and customize a myriad of nurture communications, including:

- The cadence of touches based on the prospect's move-in window
- Content based on preferred floor plans
- Content based on other preferences like how your community supports pets or disability access, for instance
- Nudging next steps based on the prospect's last recorded behaviors
- Availability notifications for units that match their interests
- Follow-up on themes or questions they asked your chatbot

Aside from automated nurture, the added insights for each lead also enables your leasing team to have more productive conversations with leads that are passed to them.

How effective can nurture be in times of slow demand? Let's look at Q4 once again. As expected, data pointed to a dip in move-ins during this period. At the same time, we saw the influence of nurture grow from Q3 to Q4, with more move-ins responding to lead nurture efforts during the holiday season.

### Nurture influence on overall leases



Just like with in-person relationships, leads respond more positively to marketing efforts that deliver value in ways that are highly relevant to their interests, behaviors, and all they've revealed about themselves.

### Key Takeaways:

- Inbound marketing delivers the best bang for marketing spend in seasons of low demand.
- Regardless of lead source, multifamily marketers can magnify lead conversions if they automate personalized lead nurture.
- Interactive website tools play a powerful role in turning a first visit into repeated visits, enabling you to capture prospect info and behaviors that can be used to personalize long-term nurture.

# CONCLUSION

When demand falters, an inbound approach, where leads come straight to your property website, perform best. Because those leads are expressly interested in your community, conversion rates are stronger, even when much lower in quantity compared to external lead sources.

No matter the source, though, multifamily marketers can make the most of “dry season” leads by automating experiences that deliver on two counts:

- Provide enough value and instant gratification that prospects are willing to trade personal information for it (e.g., contact info, plans, preferences, chatbot interactions, move-in timeline, support requests).
- Nurture leads with “made-for-me” communications, drawing from individual prospect intel and recorded behaviors to customize messaging.

Just as important, automated nurture keeps prospects “warm” as their search stretches over several weeks or months, keeping your pipeline full, healthy and engaged, even as the market slumps.

# BENCHMARKS

The following benchmarks are averages across our dataset. We report them quarterly to provide multifamily marketers with perspective on how they perform versus others, as well as evolving market trends. In all, these benchmarks are helpful guides for you to compare metrics from your own multifamily property marketing efforts to those of your peers.

## TIME ON WEBSITE BY ENGAGEMENT TYPE

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
With Interactive Experiences & Chat	6 min 30 sec	6 min 37 sec	6 min 44 sec	6 min 37 sec	
Without Interactive Experiences & Chat	2 min 9 sec	2 min 26 sec	2 min 35 sec	2 min 25 sec	

## CONVERSION TO TOUR

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Website Leads	33.05%	37.54%	36.15%	37.14%	
Other Lead Sources	10.14%	15.40%	11.99%	13.52%	

## CONVERSION LEAD TO LEASE

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Website Leads	4.87%	4.58%	4.71%	5.09%	
Other Lead Sources	1.29%	1.82%	1.61%	1.70%	

## EMAIL OPEN RATES

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Branded Emails	44.90%	41.87%	43.95%	44.46%	
Plain Text Emails	63.25%	60.35%	58.35%	55.25%	

## EMAIL CLICK RATES

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Branded Emails	2.27%	2.17%	2.16%	2.09%	
Plain Text Emails	4.16%	4.59%	3.88%	3.74%	

Every year, PERQ orchestrates more than 4 million personalized prospect experiences for hundreds of multifamily PMCs. Capturing insightful data, PERQ has a unique vantage point from which to analyze prospect behaviors. From contact channel preferences and engagement rates to conversion benchmarks around leads and tours, PERQ's Multifamily Quarterly offers up to date renter's journey trends and benchmarks that multifamily marketers need.

Take a look inside to learn more.

Higher conversions.  
Better NOI.  
Less work.  
More smiles.

Learn more about our unique standalone multifamily marketing automation platform at [PERQ.com](https://www.perq.com)