

Generation Z is entering the rental market — here's how that will change things



Gen Z has never lived in a world without the Internet or social media. That will affect how its members search for apartments and what technology they expect to be included in their apartment buildings. (iStock)

By Robert Pinnegar
May 14 at 6:00 AM

By 2020, Gen Z will represent 40 percent of all consumers. While most of the business insight into this generation (those born between the mid-1990s and early 2000s) has been focused on its spending habits as teenagers, its oldest members are now graduating college, entering the workforce and seeking apartment homes of their own.

Here are three things property owners are doing to prepare for this new generation of renters.

Technology is a given

Gen Z has never lived in a world without the Internet or social media. More than any previous generation, it takes for granted the availability of technology. An iPhone isn't a technological achievement; it's simply a part of daily life. As a result, members of that generation are experts at online

research, have short attention spans (eight seconds, [according to customer-insight firm Vision Critical](#)) and expect immediate results.

Their shorter attention spans apply not only to the time required to consume content but also to the speed at which they can access it. A report from IBM and the National Retail Federation (NRF) found that 60 percent of Gen Zers will not use an app or website if it is too slow to load. The study also found that “access to product information—such as peer reviews, product specifications and vendor ratings—empowers them to be smarter shoppers.” As such, they demand accurate information that is easily available online on a visually appealing, efficient website optimized for mobile viewing.

Gen Zers’ social media savvy also makes it critical to differentiate marketing and messaging for various channels. Research by Barkley and Futurecast found that 77 percent report using Facebook regularly, but it’s more for passive information gathering than active engagement. Gen Z uses Twitter more often than millennials, and that platform is an ideal way to reach them with real-time, immediate marketing messages such as sales offers and stories about new amenities. Instagram is for inspiration, so compelling images are essential, and Snapchat is perfect for storytelling through images — engagement is created by utilizing these platforms to share photos of events and relationships being built within the apartment community.

They look for luxury

Gen Z is entering the rental space already accustomed to higher-end amenities. According to research by student-housing development firm Servitas, luxurious community amenities are one of the top trends in student housing, even if student-housing residents rarely take advantage of these types of communal spaces. When it comes time for Gen Zers to transition from student housing to living on their own, they will look for amenities similar to what they had in college, such as outdoor media walls, infinity-edge pools and yoga rooms. From mixed-use buildings with easy access to coffee shops and retail to leading-edge wireless capabilities, this generation has high expectations when it comes to amenities.

Going green is also a given for Gen Z. A study by [Sparks & Honey found 76 percent](#) report they are concerned about the impact humans have on our planet. While many communities may already have stepped up their sustainable practices to attract millennial residents, amenities such as efficient appliances, walkability and bike storage will continue to be important.

Authenticity is key

Gen Zers were raised by the skeptics of Generation X and grew up during a recession. They are quick to fact-check claims and, as the IBM and NRF report found, “their focus is on quality and authenticity — not on marketing hype.” For property owners and managers, this means actively engaging with residents and taking a transparent approach when providing community information. Negative reviews online are not deleted; they are thoughtfully addressed. Engaging with this generation will build loyalty in the long run, and the good news is when Gen Zers leave their own reviews, they tend to provide twice as much positive feedback as complaints.

The total impact Gen Z will have on the apartment rental industry remains to be seen, but its influence is already having an effect. Now is the time to plan for the future as we prepare to welcome a new generation home.

Robert Pinnegar is president and CEO of the National Apartment Association, headquartered in Arlington, Va.