



# INDEPENDENT LANDLORD RENTAL PERFORMANCE REPORT



**Chandan**  
ECONOMICS



**November  
2022**



## Index

1. Key Takeaways
2. National Performance
3. Performance by Geography: Gateway vs. Non-Gateway
4. Performance by Geography: Sun Belt vs. Non-Sun Belt
5. Performance by Rent Level
6. Single-Family Rentals
7. 2-4 Family
8. Small Multifamily
9. About
10. Methodology & Disclaimer

## Key Takeaways

- 1. The on-time payment rate in independently operated rental units improved by 188 bps between October and November rising to 82.6%, reaching a 2022 high.**
- 2. November's full payment rate is forecast to land at 91.6%, improving 118 bps year-over-year.**
- 3. The on-time payment rate surged to 83.4% for Sun Belt rentals in November, reaching a post-pandemic high and outperforming units located elsewhere.**
- 4. Units in Gateway markets underperformed units located elsewhere for the first time in nearly year.**
- 5. 2–4-unit rental properties hold the highest on-time payment rate of all sub-property types in November, coming in at 84.2%.**

**Interested in Sponsoring  
this Research?**

Contact :  
[info@chandan.com](mailto:info@chandan.com)



# National Performance

## Current Performance

On-time rental payments in units operated by independent landlords rose between October and November, posting solid year-over-year gains and reaching their highest levels in 2022.

October's month-end on-time payment rate was revised down by 52 basis points (bps) from the preliminary estimate, coming in at 81.4%. However, despite the downward revision, October's on-time payment rate rose by 118 bps from the month prior and 133 bps from the same point last year.

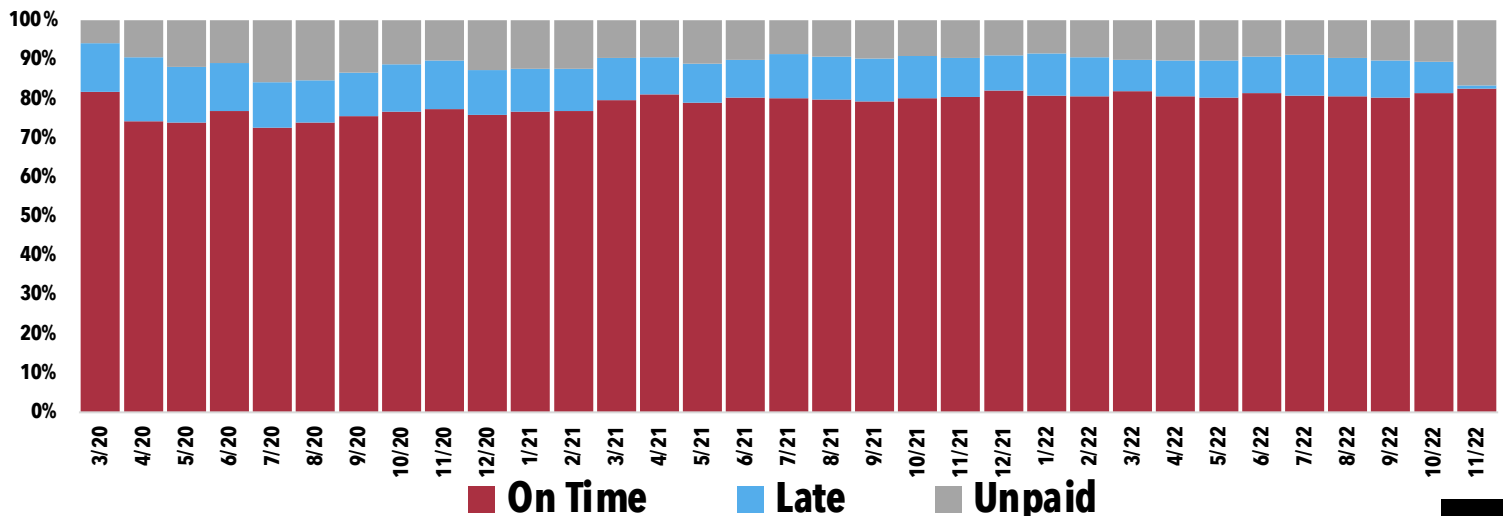
November's first estimate is an encouraging sign of the resiliency of America's rental market as the macro economy continues to navigate through a horizon of headwinds. November's on-time payment rate currently sits at 82.6% — its highest tally in the life of the Chandan Economics-RentRedi tracking. From a year earlier, November 2022's on-time payment rate sits 214 bps higher.

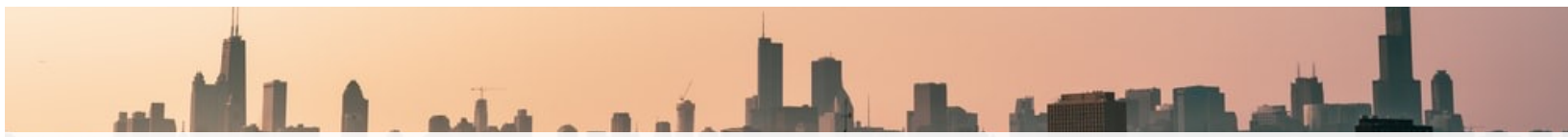
Through November 15th, 0.8% of units have paid rent late, and 16.6% have yet to complete full payments. Chandan Economics forecasts that the national late-payment rate in November will rise to 10.6% over time, with the full-payment rate settling at 91.6%.

After bottoming out at 84.2% in July 2020, full-payment rates for independently managed rental properties have consistently improved over the past two years. The 2022 average full payment rate currently stands at 90.7%, with the November estimate, and no monthly estimate has dropped below 90% since May (89.7%).

	October 2022	November 2022 First Estimate
<b>On-Time Payment Rate</b>	<b>81.4%</b>	<b>82.6%</b>
<b>Month-over-Month Change</b>	<b>+118 bps</b>	<b>+122 bps</b>
<b>Year-over-Year Change</b>	<b>+133 bps</b>	<b>+214 bps</b>

## Independent Landlord Rental Payment Tracker





# Performance by Geography

## Gateway vs. non-Gateway

As of the November 2022 first estimate, independently operated units inside Gateway markets (New York, Los Angeles, San Francisco, Washington, DC, Houston, Dallas, Chicago, and Boston) underperformed units outside of Gateway markets for the first time in nearly a year. November's on-time payment rate stands at 81.0% in Gateway units and 82.9% in non-Gateway units.

Measured month-over-month, on-time payments fell by 64 bps in Gateway markets from the month prior. Notably, these Gateway units were one of the only cross-sections to see a deterioration in November. However, compared to this time last year, on-time payment rates in Gateway markets are still up by a healthy 175 bps.

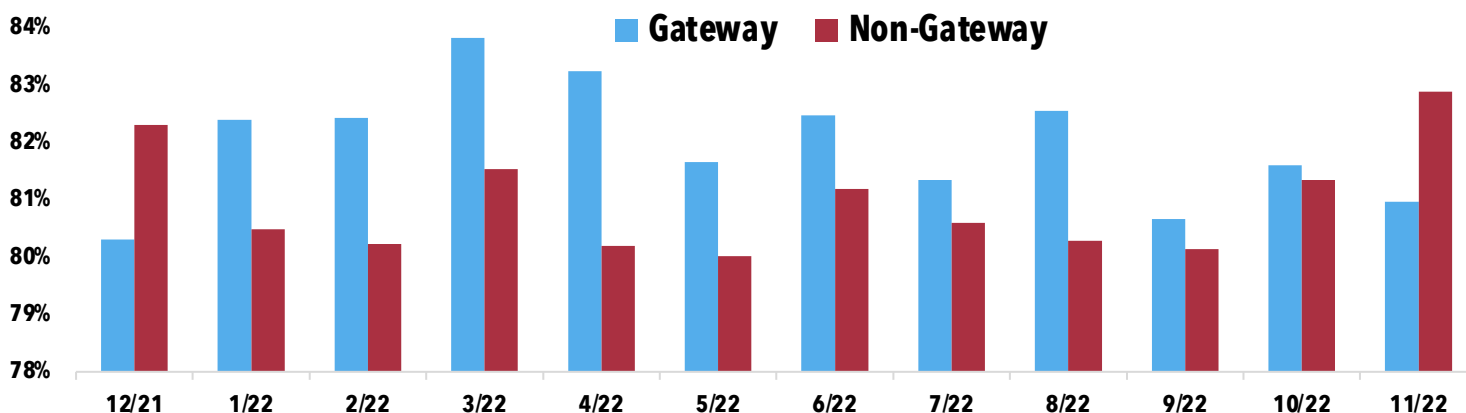
Since reaching up to 83.8% in March 2022, on-time payment rates in these Gateway markets have moderated between 81% and 83%. Through November 15th, 0.6% of Gateway units have paid rent late, and 18.5% of units have yet to make full payments. Chandan Economics forecasts that the late-payment rate for Gateway units in October will rise to 7.8% over time, bringing the full-payment rate to 88.8%.

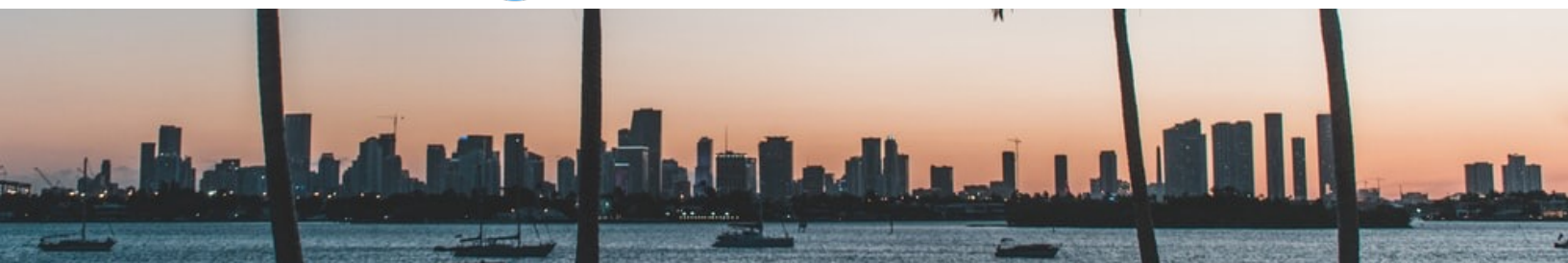
Through November 15th for non-Gateway units, 0.8% of apartments have made full payments past their due dates, while 16.3% remain unpaid. Chandan Economics forecasts that the late-payment rate for non-Gateway units in October will rise to 9.2% over time, with the full-payment rate settling at 92.1%.

	Gateway November 2022 First Estimate	Non-Gateway November 2022 First Estimate
<b>On-Time</b>	<b>81.0%</b>	<b>82.9%</b>
<b>Month-over-Month Change</b>	<b>-64 bps</b>	<b>+153 bps</b>
<b>Year-over-Year Change</b>	<b>+175 bps</b>	<b>+219 bps</b>

## Gateway vs. Non-Gateway

On-Time Payment Rates





## Sun Belt vs. non-Sun Belt

The Sun Belt— an expansive region that hugs the southern portion of the US from coast-to-coast— was among the big winners of the post-shutdown housing demand reshuffle. A heavy inflow of relatively high-earning renters, driven in part by work-from-home adoption, caused many Sun Belt metros to post some of the highest annual rent growth totals in the country. However, with rapid re-pricing came heightened affordability and questions over sustainability.

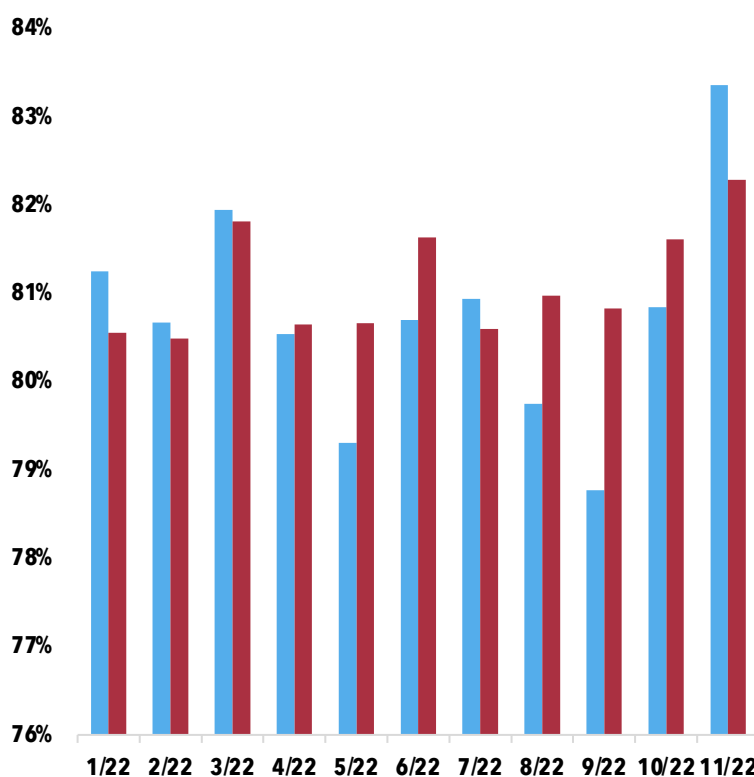
Now, as we enter the homestretch of 2022, market rent pricing has reached an inflection — especially in the Sun Belt. According to Yardi Matrix’s October Multifamily report, only one Sun Belt market (Charlotte) is still seeing monthly rent growth totals above the national average. Moreover, key metros such as Nashville, Raleigh, Austin, Phoenix, and Las Vegas are seeing month-over-month rent price declines.

While declining price pressures will not be celebrated by landlords, it may have a positive passthrough on renter performance. For just the second time in the past eight months, on-time collections in Sun Belt rentals outperformed non-Sun Belt rentals. Further, the November Sun Belt improvement was significant. 83.4% of Sun Belt units paid their rent on time in November, improving 252 bps from a month earlier and a whopping 459 bps from September. In non-Sun Belt units, on-time collections also improved, albeit by a modest 67 bps month-over-month, rising to 82.3%.

## Sun Belt vs. Non-Sun Belt

### On-Time Payment Rates

■ Sun Belt ■ Non-Sun Belt



	Sun Belt November 2022 First Estimate	Non-Sun Belt November 2022 First Estimate
<b>On-Time</b>	<b>83.4%</b>	<b>82.3%</b>
<b>Month-over-Month Change</b>	<b>+252 bps</b>	<b>+67 bps</b>
<b>Year-over-Year Change</b>	<b>+439 bps</b>	<b>+114 bps</b>



# Performance by Rent Level

## Price Point Analysis

Analyzing performance trends at different rental price points, it is mid-priced rental units that have shown the strongest performance in recent months.

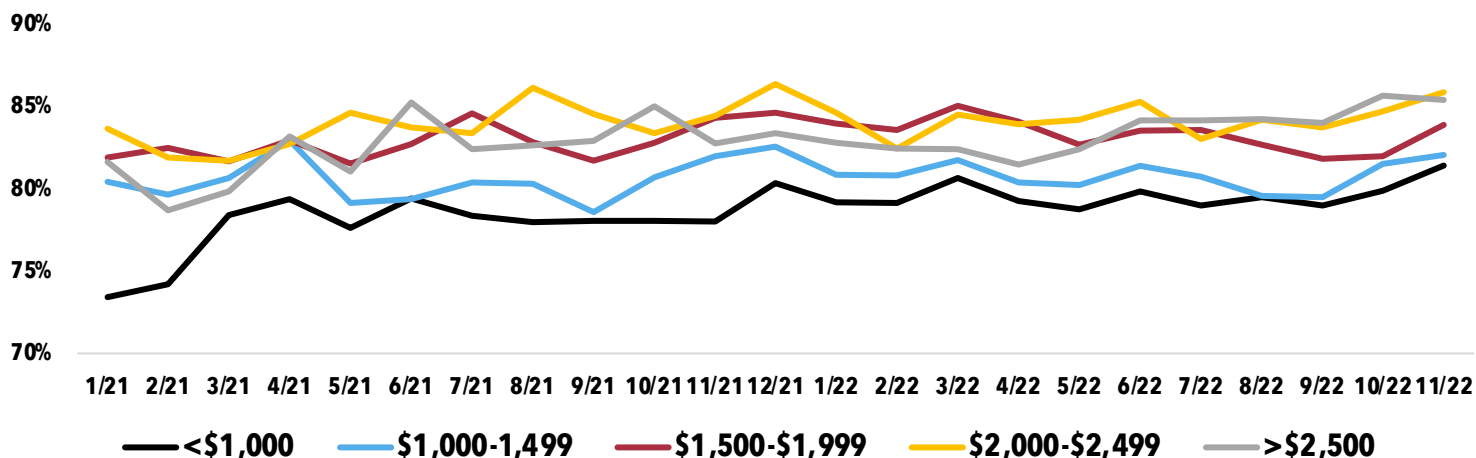
Units with monthly rents below \$1,000 maintained the lowest average on-time payment rate as of the November 2022 preliminary estimate, coming in at 81.4%. With limited exceptions, these lowest-price rental units have consistently held lower on-time payment rates than the rest of the independently operated rental housing market. These sub-\$1,000 monthly rent units tend to have lower household incomes and lower credit scores in their tenant mix.

Still, even amongst these worst-performing units, there has been significant improvement. The November 2022 on-time estimate for these low-priced rentals sits at their post-pandemic high. Moreover, the performance spread between the best-performing subset and these low-priced rentals averaged 657 bps in 2021 and has since improved to an average of 502 bps in 2022.

As has become a recent trend, the best performing price point for independently operated rental units are units charging \$2,000-\$2,499, which recorded an on-time rent payment rate of 85.9% through November 15th— the highest mark for these (or any) rentals in 2022 to date. Rentals charging more than \$2,500 followed next, with a preliminary on-time rate of 85.4%.

	<\$1,000	\$1,000-\$1,499	\$1,500-\$1,999	\$2,000-\$2,499	>\$2,500
<b>On-Time Payment Rate November 2022 First Estimate</b>	<b>81.4%</b>	<b>83.9%</b>	<b>85.9%</b>	<b>85.4%</b>	<b>85.5%</b>

## On-Time Rent Payments by Rental Price Point





# Performance by Property Type

## Single-Family Rentals

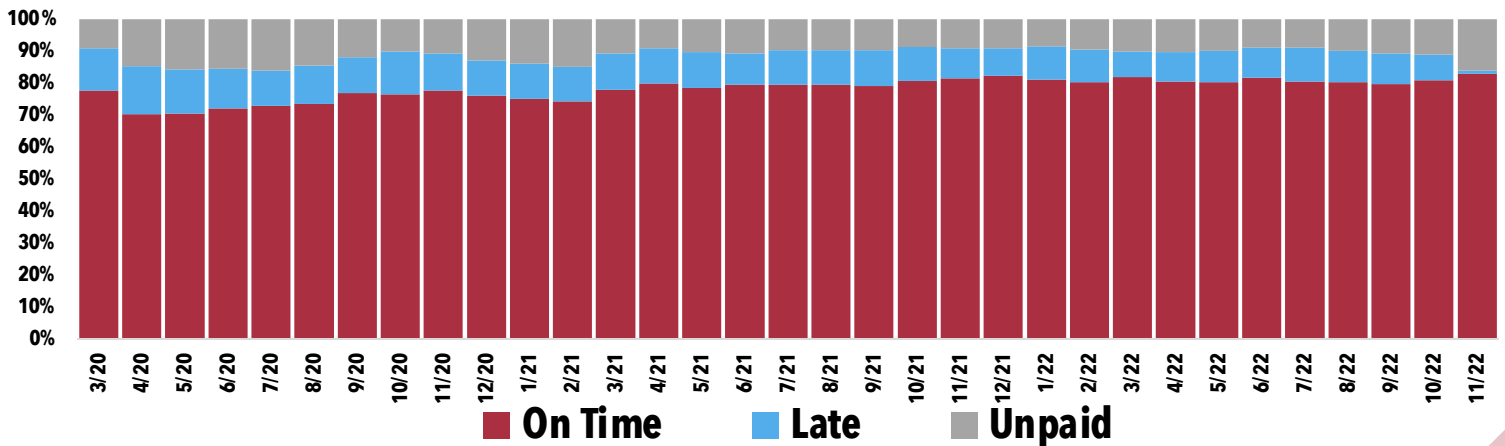
As of the preliminary November estimate, 82.9% of SFR units have paid their rent on time this month—a new high watermark for the sector in the life of the Chandan Economics-RentRedi tracking. Measured month-over-month, SFR’s on-time payment rate rose by a robust 210 bps, which was the most significant improvement of the three tracked property types. Similarly, compared to one year ago, the on-time payment rate is up by 149 bps.

Through November 15th, 0.9% of SFR units have paid their rent late, while another 16.2% have yet to make their full payment. Chandan Economics forecasts that the late-payment rate for SFR units in October will rise to 9.1% over time, with the full-payment rate settling at 92.1%.

	October 2022	November 2022 First Estimate
<b>On-Time Payment Rate</b>	<b>80.8%</b>	<b>82.9%</b>
<b>Month-over-Month Change</b>	<b>+107 bps</b>	<b>+210 bps</b>
<b>Year-over-Year Change</b>	<b>-142 bps</b>	<b>+185 bps</b>

## Single-Family Rentals

Independent Landlord Rental Payment Tracker



### 2-4-Unit

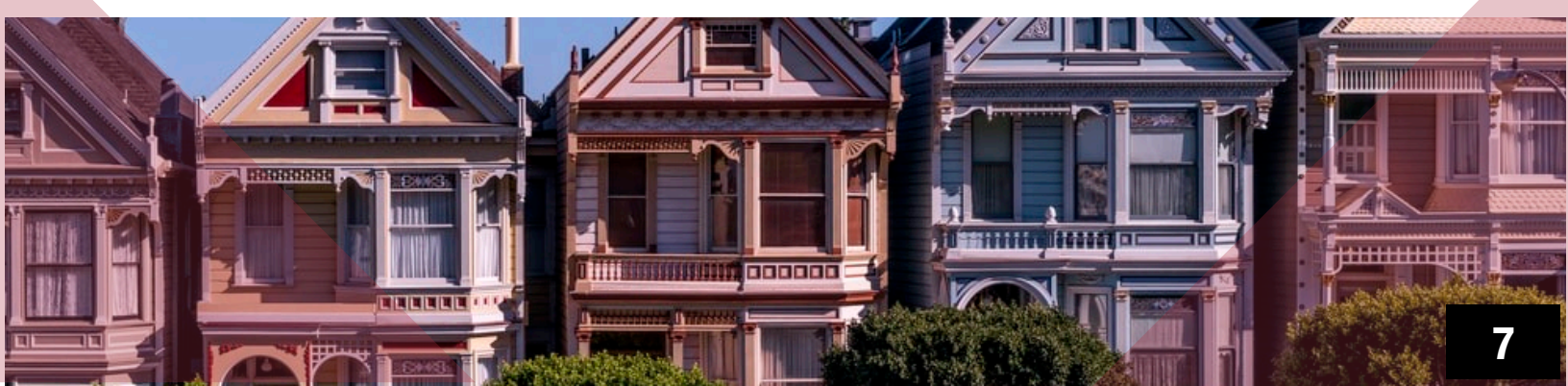
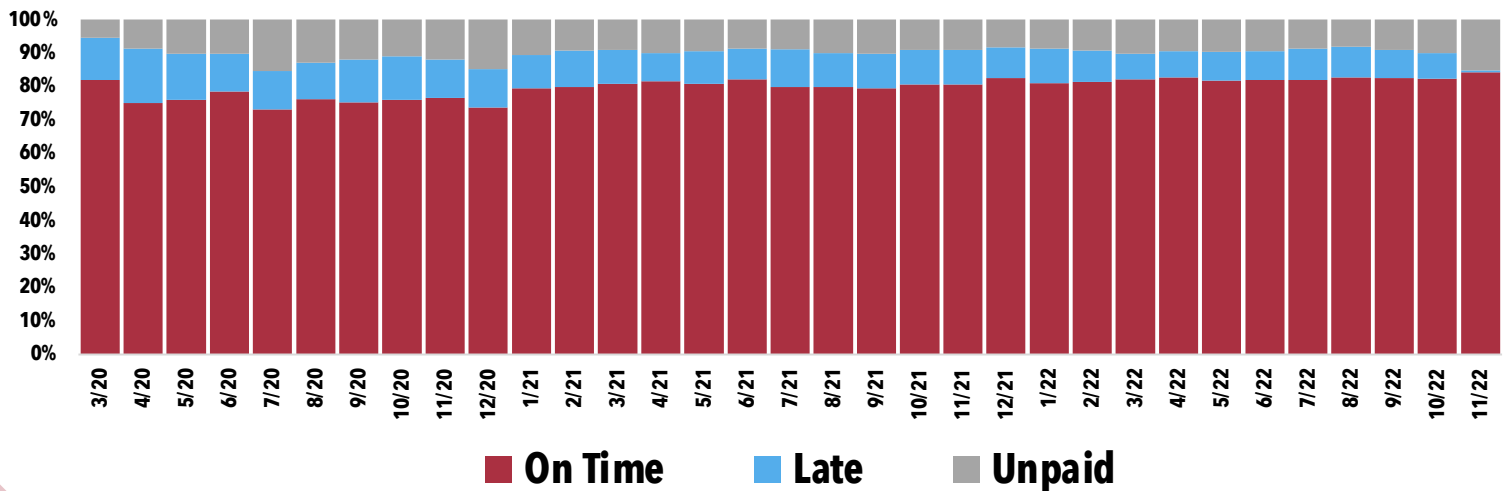
Independently operated apartments in properties with 2-4 units had an average on-time payment rate of 84.2% as of the preliminary November 2022 estimate— an increase of 188 bps from October’s 82.3%. November marks the seventh time in the past eight months that 2–4-unit properties maintained the highest on-time payment rate of the three tracked sub-property types. Measured year-over-year, on-time payment rates in November are up by a weighty 366 bps.

Through November 15th, 0.6% of 2-4 Family units have paid their rent late, while another 15.2% have yet to make their full payment. Chandan Economics forecasts that the 2-4 unit late-payment rate in November will rise to 8.2% over time, with the full-payment rate settling at 92.4%.

	October 2022	November 2022 First Estimate
<b>On-Time Payment Rate</b>	<b>82.3%</b>	<b>84.2%</b>
<b>Month-over-Month Change</b>	<b>-12 bps</b>	<b>+188 bps</b>
<b>Year-over-Year Change</b>	<b>+177 bps</b>	<b>+366 bps</b>

## 2-4 Family Rentals

Independent Landlord Rental Payment Tracker







### Small Multifamily (5-49 Unit) Rentals

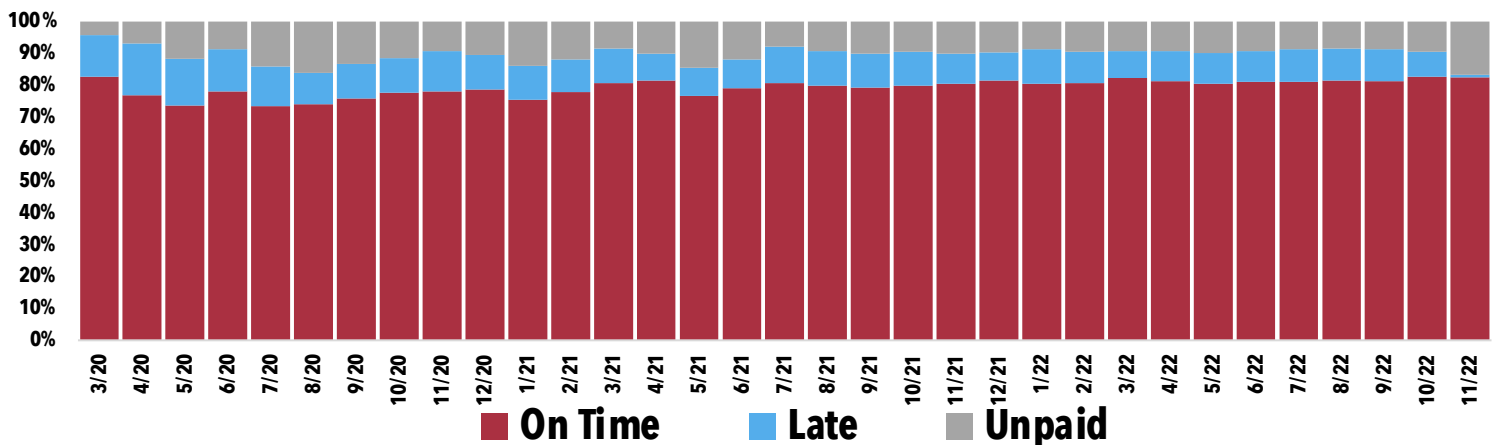
The on-time payment rate for apartments in Small Multifamily properties (5-49 units) averaged 82.4% as of the preliminary November 2022 estimate. Small Multifamily was the only tracked property type to see declining on-time payment rates from the prior month. Compared to October, the November estimate sank by 24 bps. However, measured year-over-year, the November 2022 on-time payment rate is still up by 190 bps.

Through November 15<sup>th</sup>, 0.8% of units in Small Multifamily properties have paid their rent late, while another 16.8% have yet to make their full payment. Chandan Economics forecasts that the late-payment rate for Small Multifamily units in November will rise to 9.2% over time, with the full-payment rate settling at 91.6%.

	October 2022	November 2022 First Estimate
<b>On-Time Payment Rate</b>	<b>82.7%</b>	<b>82.4%</b>
<b>Month-over-Month Change</b>	<b>+134 bps</b>	<b>-24 bps</b>
<b>Year-over-Year Change</b>	<b>+279 bps</b>	<b>+190 bps</b>

### Small Multifamily Rentals

Independent Landlord Rental Payment Tracker



## About This Report

The Independent Landlord Rental Performance report is a real-time look at how well non-institutional operators are collecting owed monthly rental payments. Utilizing data provided by property management software RentRedi, these findings have a reduced sample size of 44,322 units, which are analyzed and reported by Chandan Economics. Where sample size quality meets sufficient reporting standards, data are offered from March 2020 forward, and new trends and analyses are reported monthly. Performance trends are discussed nationally, as well as along the lines of residential property type and geography.

Notably, these data track a segment of landlords that are underrepresented in leading market samples. For example, while the National Multifamily Housing Council's (NMHC) Rent Tracker holds an unmatched sample size (11+ million), it represents exclusively the professionally managed segment of the rental housing sector. Data contained within this report offer a contrasting set of statistics that may allow investors, brokers, academic researchers, and policymakers a benchmark to compare the performance and health of independent landlords against institutional operators tracked by NMHC.

**Note: Please cite these results as the Chandan Economics-RentRedi Independent Landlord Rental Performance Report.**

## About: Chandan ECONOMICS

[Chandan Economics](#) is an economic advisory and data science firm serving the commercial real estate industry. The firm's primary businesses include real estate data science (REDS), economic & market research, and litigation consulting.

## About: rentredi

[RentRedi](#) is a property management software that saves landlords time & money by empowering them with tech to manage their rentals—all from the palm of their hand.

For landlords, RentRedi provides all-in-one web and mobile apps to collect rent, list & market vacancies, find & screen tenants, sign leases, and manage maintenance & accounting. RentRedi has partnered with platforms including Plaid, REI Hub, Latchel, TransUnion, TSYS, Sure Insurance, and Realtor.com, and Doorsteps to create the best experience possible.

For tenants, RentRedi's easy-to-use mobile app allows them to pay rent, set up auto-pay, report rent payments to credit bureaus, prequalify & sign leases, and submit maintenance requests

## Methodology

Data are reported on a forward basis from March 2020 through November 2022 (current reporting period). As of the latest month of data availability, the reduced unit sample size totals 44,322. Rent charges are measured on a 15th-to-15th of the month basis. Rent charges that are issued after the 15th of the current month are treated as a rent charge for the following rent-tracking period. (E.g., a rent charge sent on May 16th would be treated as a charge corresponding to June's owed rental payment.)

Only charges designated as "rental income" are included for analysis. Rent charges below \$500 and above \$10,000 are excluded from this analysis.

Units that have not paid any form of rental income (full or partial) in the previous 60 days at the time a new rental charge is issued are removed from the sample tracking sample. Unpaid units refer to all units that have yet to fully satisfy their owed rents for a collection period. These unpaid units include units that have only partially paid their rent. As a means of reporting standardization, units with more than one monthly rent charge (E.g., rent paid weekly) are removed from the rent tracking sample.

## Disclaimer

Neither Chandan Economics, RentRedi or their employees, agents, successors, and/or assigns, make any warranties, express or implied, including the warranties of merchantability or fitness for a particular purpose, or assume any legal liability or responsibility for the accuracy and completeness, or usefulness of any information contained in this report or represent that use of this information would not infringe other third-party rights. Further, Chandan Economics and RentRedi shall not be liable for any direct, indirect, consequential, or inconsequential damages to the user, or a third party arising from use of the information contained herein. In providing this information, Chandan Economics and RentRedi do not assume any liability as a result of the use or misuse of the information. By your use of this information, you recognize and agree to hold Chandan and RentRedi Economics harmless from any liability as of your using this information, materials, products or services.

