

IN THE KNOW

TIPS AND TOOLS FROM THE RESIDENT SCREENING EXPERTS

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RentGrow
RESIDENT SCREENING EXPERTS

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President's Letter



RentGrow's resident screening experts study national news and, using internal RentGrow data, relate it back to the multifamily markets to clearly understand how economic and job trends impact your business operations.

In this issue, we would like to highlight some interesting trends observed in recent months. We look forward to working with you to see how these trends will impact your business.

As always, your feedback on our newsletter is welcome.

Sincerely,
[Mike Lapsley](#), CEO
RentGrow, Inc.

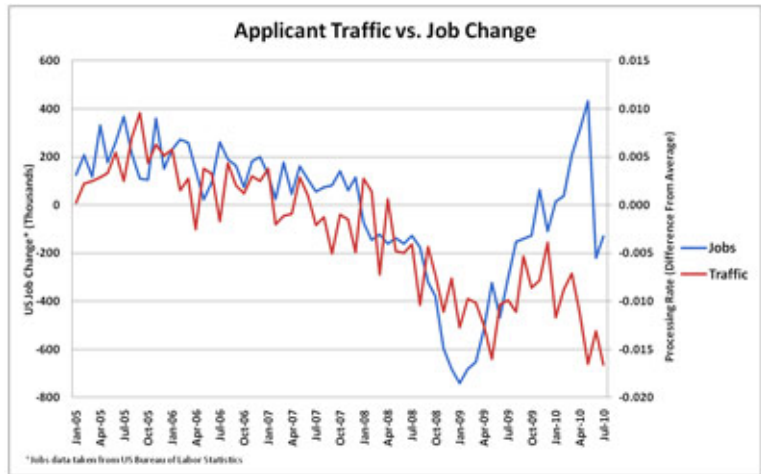
RentGrow "In the Know"

Trend Watch: Applicant Traffic Update

As we have seen over the last few years, jobs equal residents for apartment operators. A year ago at this time, things were beginning to look up with reductions in job losses as well as an increase in applicant traffic. However, in the spring of 2010, non-census job losses began to increase once again and with this came another reduction in applicant traffic, surpassing the decline in early 2009.

Applicant Traffic is Down Compared to 2010

While a recent spike can be seen in the jobs data below, most of this US job growth was due to US Census hiring and was temporary employment. Year to date, applicant traffic has declined almost 5% from 2009 and over 15% compared to the average for the last decade.



Click image to enlarge.

Applicant Credit Quality Is Improving

Although national consumer credit scores have fallen over the last 2 years, the credit quality of those Americans applying for apartments is showing improvement, as demonstrated in the chart below. While there is an annual spike in applicant credit quality during the summer months, this year's increase was substantially larger than any recent year, resulting in a lower national rejection rate in 2010 compared to 2009.

Current Customers:

Reduce costs today with RentGrow's [Automatic Payment Plan!](#)

Portfolios with Fewer than 500 Units:

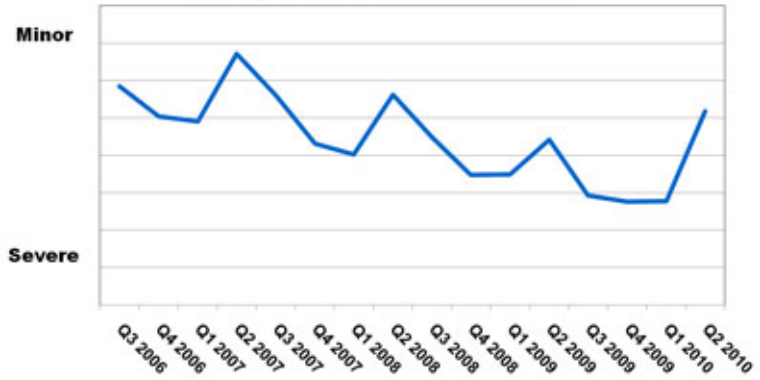
Owners with portfolios of fewer than 500 rental units can now [screen their applicants](#) quickly and effectively. Visit [ScreeningWorks](#) for more information on how you can take advantage of RentGrow's expertise using [ScreeningWorks' Online Tenant Screening](#) application.

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Average Level of Applicant Credit Risk



Click image to enlarge.

Looking Ahead

Without substantial growth in US jobs, apartment applicant traffic will continue to linger at or near historic lows. The next few months look to remain at similar levels although demand will increase over time as people stop taking advantage of other housing options, such as living with family or friends. While applicant credit quality is improving, no increase in quality could offset the significant impact of the decrease in applicant traffic.

Conclusion

It appears that the US road to economic recovery will be rocky. Although recent job growth driven primarily by US Census Bureau employment cultivated optimism that the economy was recovering, it's unlikely that we will see an increase in applicant traffic until permanent jobs are created and unemployment numbers decline. RentGrow's resident screening experts continue to monitor these trends to stay in-tune with current rental market conditions.

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If you have additional questions about other aspects of your resident screening strategy you can contact RentGrow at 1-800-RENTGROW (1-800-736-8476) or visit our website at <http://www.rentgrow.com>.