REALPAGE

Case Study

Revenue Management in Soft or Down Markets

Analysis Period: January 2024 - May 2025

The Challenge

In early 2024, the multifamily housing market in the Southwest encountered significant pressure due to an influx of new developments, which created downward pressure on rents and occupancy.

The market faced several challenges, including difficulty maintaining stable occupancy amid elevated inventory levels, widespread use of rent concessions by competing properties, and growing revenue uncertainty as effective rents came under pressure from declining rates across the submarket.

In a challenging market, the goal may not be to grow revenue, but to mitigate revenue contraction.

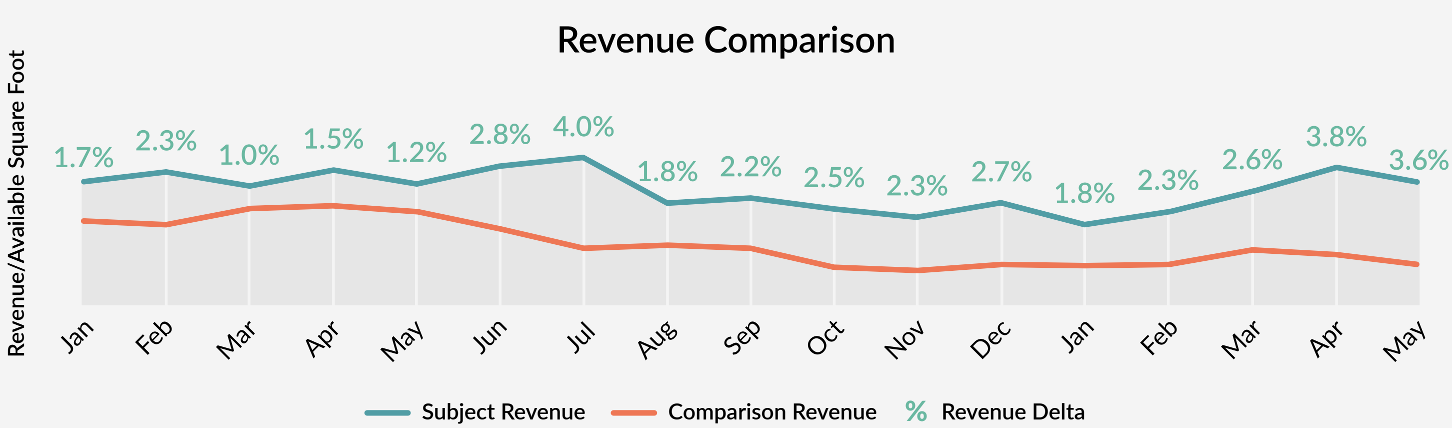
The Solution

These sister assets used revenue management to address the challenge head-on. Asset strategy focused on maintaining stable occupancy while minimizing rent erosion.

Despite heavy concessions around their submarket, these assets focused on an effective rent strategy and offered minimal concessions throughout the analysis period.

They capitalized on the ability to react quickly as their performance conditions shifted.

Subject revenue averaged 2.6% above the submarket average and 3.2% above same-class assets within the submarket.



The Highlights

Effective Revenue contracted 0.1%, a 1.8% outperformance compared to the submarket that saw 1.9% contraction in effective revenue.

Occupancy held steady at 92.1%, closely matching the submarket average of 92.3%.

Effective Rent Roll contracted 2.1% while the submarket In Place rents contracted 3.1%, an outperformance of 100 BPS.

In place rents averaged 2.6% above the submarket average and 3.2% above same-class assets within the submarket.

Renewal Conversion averaged 52.7%, outperforming submarket average retention by 3.6%.

The Result

During the 17-month analysis period, while the broader submarket faced contraction, these assets maintained stable occupancy, minimized rent erosion, and achieved measurable outperformance compared to the market by adhering to an effective strategy.

Their success was not marked by explosive growth but by strategic outperformance — navigating the downturn better than their peers and setting the stage for a stronger recovery.

As the submarket has leveled off heading into 2025, these assets have already started to see their revenue performance pull away and rebound.

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