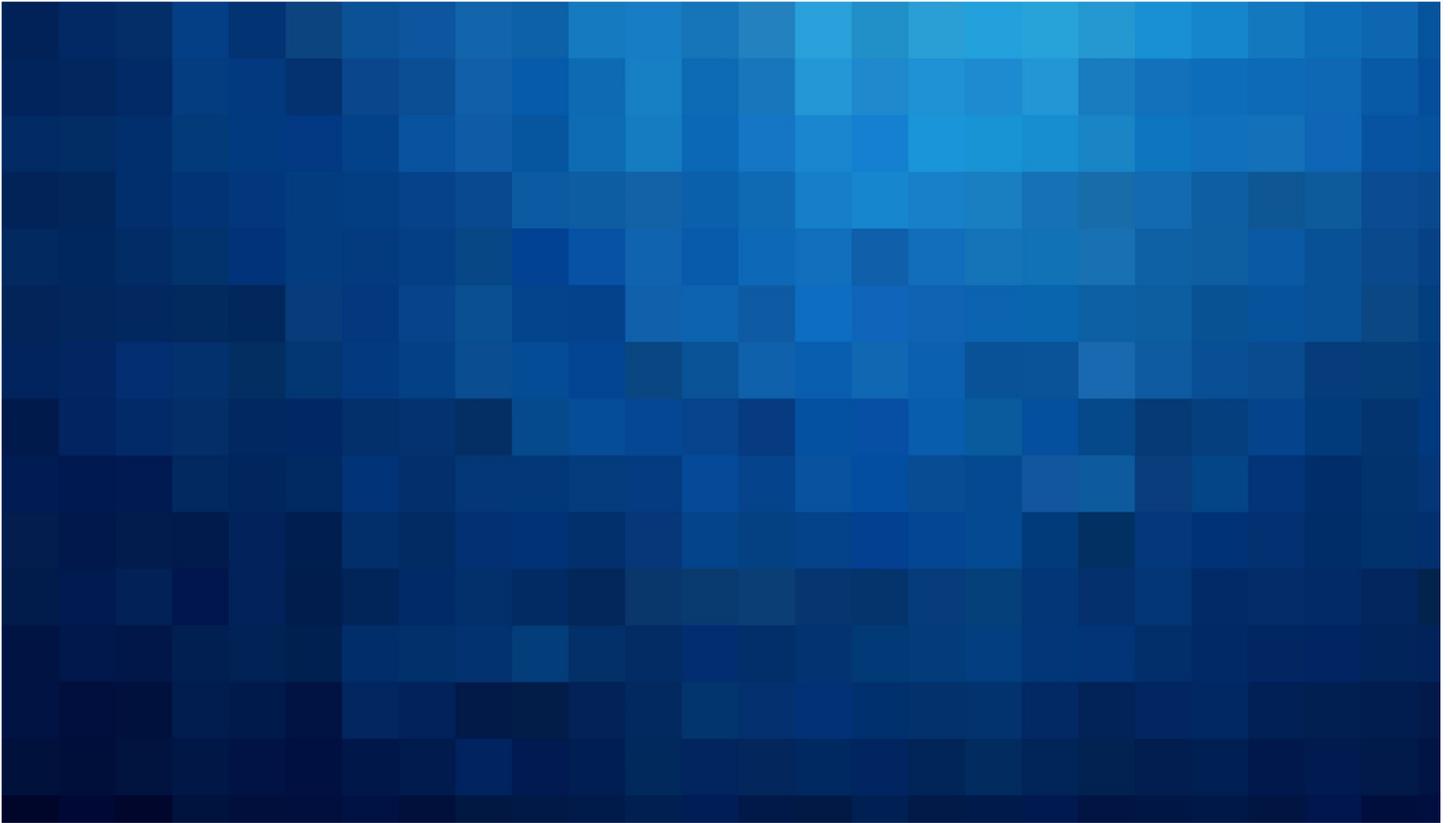


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Guides & Resources

## How Automation Solves the Toughest Challenges in Property Management

Concerned about occupancy, compliance, and rising costs? Discover how AI & automation helps multifamily owners stay efficient, competitive, and profitable.

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As a multifamily owner, you may be focused on maintaining stability or positioning yourself for growth. [Two-thirds of owners say](#) it's a smart or somewhat smart time to invest in residential rentals. And nearly half (44%) of owners plan to acquire new properties in the next two years, up from 35% last year.

Strong demand for multifamily housing bolsters this optimism, but owners also face growing pressures, from rising vacancy rates to growing fraud risks. The good news? Automation can help you tackle these challenges and keep your operations running smoothly, no matter your focus.

This guide breaks down the top challenges in property management and explains how automation can help you get ahead.

## **Challenge: Rental Competition Is Fierce in Some Markets.**

If you're worried about occupancy rates, you're not alone. [Nearly half \(43%\) of property managers](#) said maintaining high occupancy rates was their biggest threat this year, up from 35% last year.

This finding reflects the reality that [vacancy rates](#) remain high in some regions. To understand why, it helps to look back a few years. Nationwide, vacancy rates stayed at a relatively consistent mid-4% between 2017 and 2021, then decreased to below 3% in 2021 and part of 2022 due to heightened rental demand after the pandemic.

Developers responded to the demand by increasing construction, fueling a [record number of completions](#) in new units last year. With the surge of new units, [supply outpaced demand](#) in the West and Sunbelt, which stretches from the Southeast to the Southwest.

While vacancy rates have [remained low](#) in some Northeast states and are dropping in the Midwest, the supply in the West and Sunbelt helped drive the national rental [vacancy rate to 7.1%](#) at the end of the first quarter of 2025.

## **Solution: Automation Gives You the Edge in Crowded Markets.**

While you can't change the market conditions, you can adopt tools that help you adapt and stay competitive. Strategic pricing is critical, whether the rental supply is high or low. With conditions constantly changing, you can't always trust a gut feeling when it comes to pricing your units. A real-time pricing automation tool can simplify pricing decisions. For example, [ApartmentAdvisor Assist's pricing tool](#) factors in local trends, nearby comps, and unit details to provide customized pricing options tailored to how quickly you want to lease a unit.

Pricing isn't the only factor to optimize. When potential residents have many options, it's critical to refine your listings and respond to inquiries immediately. An AI leasing assistant like [Lease Assist](#) can help you track and nurture leads, schedule tours, and manage applications 24/7 — boosting lead-to-tour conversions and reducing turnover time, with minimal costs.

## **Challenge: Maintenance is a Major Source of Stress.**

Maintenance is critical for protecting your assets and keeping residents long-term, but it's also one of the biggest pain points in multifamily. In a recent survey, property managers identified maintenance as the [second greatest challenge](#) and their top source of stress.

Maintenance pressures are growing for a couple of reasons. First, residents expect quicker fixes than they used to, according to many property managers. And [some research](#) backs up this observation. For example, maintenance topped a recent resident survey about the most important aspects of the resident experience, and poor maintenance was the third most likely reason residents chose not to renew their leases.

At the same time, labor pressures are making it more difficult for property managers to find and keep qualified technicians. The construction industry faces a significant [labor shortfall](#), with [60% fewer workers hired](#) than projected in 2024 to keep up with demand. This shortage is driving up the cost of maintenance labor at a time when the cost of materials and supplies is already high. These realities, combined with high resident expectations, are squeezing many maintenance teams.

### **Solution: Automation Simplifies Maintenance.**

Automation tools can help your maintenance teams eliminate unnecessary tasks, reduce response times, and cut costs — allowing them to focus on urgent repairs. A tool like [ApartmentAdvisor Assist](#) uses conversational AI to answer resident inquiries instantly via text. The system guides residents through quick fixes when possible, helping them resolve minor issues like clogged drains or stuck windows. For requests that require a technician, the system determines priority and escalates tickets accordingly. Plus, it helps technicians stay organized by tracking the progress of requests from initial contact through resolution.

Other maintenance automation tools can also help you automate proactive maintenance schedules to reduce emergency repairs and save costs. Streamlined maintenance processes improve the resident experience and support stronger property performance.

### **Challenge: It's a Struggle to Find and Keep Top Talent.**

While labor shortages are easing, finding top talent is still a concern for many multifamily owners. That isn't surprising given that there were only 7.1 million workers to fill 7.6 million open jobs in March of this year, according to the [U.S. Chamber of Commerce](#).

About [one-sixth \(16%\) of property managers](#) see labor shortages as a top threat, down from 22% last year. At the same time, 13% see employee churn as a top threat, up from 11% last year.

### **Solution: Automation Helps Boost Recruitment and Retention.**

If you're trying to boost employee recruitment and retention, improving the employee experience is a smart place to start. Automation tools can improve the employee experience in two key ways.

First, automation improves communication with residents, which can alleviate a major source of stress for property managers. [More than three-quarters \(78%\) of employees](#) in one study say improved communication has a positive impact on employee experience.

Second, automating [labor-intensive manual processes](#), such as resident payments and utility management, may lessen workloads and improve work conditions for property managers, making them more likely to want

to stay in their jobs. An AI agent can help reduce grunt work for your team, allowing them to focus on the parts of the job that require a human touch.

## **Challenge: Operational Costs are Stabilizing but Still High.**

While inflation has eased, some costs, notably insurance and utilities, are still rising steeply. Nearly four in 10 (39%) property managers said [rising insurance costs](#) were a top threat this year, and 29% said rising taxes were a top threat.

Insurance costs are [especially high](#) in regions with recent extreme weather events, such as the Gulf Coast states and Southern California. At the same time, utility costs are up by [as much as 20%](#) in some areas.

## **Solution: Automation Offsets Rising Costs.**

When costs are already high, you can't afford to lose money to sloppy processes. Automating workflows [improves accuracy](#), speeds up routine tasks, and boosts efficiency to save costs. For example, with an automated rent collection workflow, a software system may send residents reminders about upcoming payments, allow residents to make payments in a secure portal, and automatically issue receipts. Property managers save the time they'd spend manually collecting rent, leaving them to focus on tasks that need their attention, such as following up with unpaid accounts. One study shows that companies across industries that led in adopting automation reduced [the cost of their processes by 22%](#) in 2023, compared to 8% for those who lagged in automation.

## **Challenge: Fraud Is on the Rise.**

Last year, [93% of property managers](#) said they'd experienced fraud within the previous 12 months. Eight in 10 (80%) had seen applicants misrepresent information on applications. Nearly three-quarters (70%) encountered identity theft. And 84.3% reported falsification of income or employment documentation.

Fraud concerns have only risen since that study. In a 2025 report, 40% of property managers said they were [more concerned](#) about online fraud incidents than they were a year ago, and 37% said they were more concerned about data security. Moreover, 70% of property managers reported an increase in fraudulent applications. Only 16% were completely confident in the authenticity of applicant documentation.

## **Solution: Automation Helps Detect Fraud.**

[A quarter \(25%\) of property managers](#) in one study still rely on employees to manually detect fraud. If you're still using manual processes, you may see significant benefits from adopting modern automation tools. These tools use AI to analyze patterns, look for application anomalies, and flag potential fraud.

For example, [TransUnion's SmartMove](#) offers real-time detection tools to verify income, analyze credit reports, and conduct background checks. The company uses a unique scoring system to predict eviction risk. [Resman Screening](#) uses AI technology to evaluate massive datasets to catch application and identity fraud.

According to [Propmodo's reporting](#), AI-based detection measures like these have helped some large multifamily companies significantly reduce rental fraud.

## **Challenge: Navigating Compliance Requirements is Complex.**

It can be hard to keep up with constantly changing federal, state, and local regulations related to resident rights, environmental regulations, data privacy, and rent control measures. [Nearly a quarter \(24%\) of property managers](#) cite government regulations as a top threat.

Staying up to date with regulations is critical so you can adjust operations and remain compliant. For example, as of February of this year, multifamily companies that receive a loan from Fannie Mae or Freddie Mac must give residents a [30-day notice](#) of a rent increase or lease expiration and a 5-day grace period for rent payments. Failure to adhere to these new requirements may be treated as a breach of the loan agreement.

Beyond tracking regulations, the administrative demands of maintaining accurate records, scheduling inspections and certifications, and training staff on compliance practices can be substantial.

## **Solution: Automation Helps Teams Keep Up with Regulations and Documentation.**

The right automation platform can send alerts when new regulations require action and help you [understand the current regulations](#) in your area. It can also help you keep organized records on repairs, servicing, and inspections to protect against legal claims and penalties. Plus, it can send reminders to help you keep up with compliance deadlines, such as safety inspections and licensing renewals.

Moreover, with a digital platform, you can centralize all your critical documents, so you know exactly where to look in case of an audit. At the same time, automation can help you keep your practices consistent across your entire portfolio and help you standardize workflows to reduce compliance risks.

For example, [LeaseLock](#) monitors regulations to help multifamily owners remain compliant with laws regarding security deposits, evictions, and collections. [HappyCo's centralized maintenance platform](#) uses AI to automate and document repairs, assign and set up inspections, and apply standardized workflows across a portfolio.

## **Conclusion: How to Make Automation Work for Your Multifamily Portfolio**

Automation and AI offer many benefits, yet only [34% of property managers](#) have adopted them. Even current automation users may benefit from expanding it to other functions. Currently, property managers' [top use cases](#) for AI and automation include:

- Resident communication: 60%
- Owner communication: 25%
- Data entry: 21%

- Rent pricing: 17%
- Work order management: 17%

This data suggests many multifamily companies still have room to improve efficiency with automation. Not sure if your current tech stack is solving your biggest challenges or if it's time to adopt new automation tools? Use this step-by-step guide to determine if you'd benefit from automation tools.

### 1. Identify your operational bottlenecks.

Where are you spending most of your time? Where does your team feel stretched? Where is quality or performance suffering? To determine your bottlenecks, look at where you're still doing things manually and where your processes are reactive instead of proactive.

Common bottlenecks include:

- **Maintenance calls:** Are you still manually triaging issues or spending unnecessary money on vendors?
- **Resident communications:** Does your team answer the same questions repeatedly?
- **Leasing:** Are lead qualifications taking too much time?
- **Rent pricing:** Is guessing on prices causing you to leave money on the table or leading to vacancy loss?
- **Policy enforcement:** Are you struggling to ensure adherence to basic policies like trash handling or package management?

### 2. Prioritize areas of opportunity by ROI.

You don't need to automate everything all at once. Once you've identified your bottlenecks, evaluate which one may benefit most from automation. Consider the potential for time savings, cost reduction, stress relief, and an improved resident experience. Start with the area where automation will have the biggest impact.

### 3. Define Your Goals

Set specific, measurable goals for the time and costs you want to save in this area. For example, if maintenance is your biggest inefficiency, you may want to set a target to automate 20% of your maintenance requests. Or you could aim to reduce unnecessary maintenance supplier costs by 10%. Use your goals as benchmarks to evaluate new tools and track your progress.

### 4. Audit your current processes and tools with integration in mind.

Before you investigate new tools, determine whether you can integrate automation into your current workflows or use tools you already have. For instance, if you already have a PMS, does it offer automation features? Are these features user-friendly and easy to set up, or are they too complex and costly?

## 5. Evaluate new tools

If you decide you need to adopt new automation tools, prioritize tools that can enhance your operations and seamlessly integrate with your existing systems. Look for products with a trial period so you can evaluate them before committing. Consider how much training you'll need to do to get your team up to speed. Finally, calculate the total costs, factoring in any extra fees as well as the cost savings the tool will likely bring.

## 6. Scale

Pilot one area first, track improvements, and gather feedback from your team about how well it's working. Once you see positive results, move on to address your next biggest bottleneck.

If you're ready to explore new automation tools, ApartmentAdvisor Assist™ can help you find the best renters, streamline leasing, and simplify maintenance. [Schedule a demo](#) to see it in action.

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