



REPORT

Tackling Hiring Challenges in Property Management

Enhancing Workplace Culture and Accelerating Your Hiring Pipeline



PREPARED BY:

Lauren Vernon, *Content Manager*
Kris Roberson, *Research Analyst*



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About HighMatch

HighMatch offers *modern assessments tailored to your organization's roles, competencies, and culture*. Personalized by workplace psychologists, our solutions can be delivered at any stage of the hiring process, with support for every job level. We provide highly relevant, data-driven insights that boost employee retention and engagement while streamlining your hiring process.

Launched in 2004, HighMatch is trusted by leading enterprise organizations, including Keller Williams, Mercedes Benz, NVR, TSMC, and Comcast, to help solve their most pressing talent challenges.

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[1-888-220-7611](tel:1-888-220-7611)



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PURPOSE

This report will analyze the current hiring and retention challenges faced by property management companies, providing actionable insights and strategic solutions to help operators attract, retain, and optimize their workforce for improved efficiency and long-term success.

Introduction

Despite economic challenges, the property management sector is thriving, worth \$22.56 billion in 2024 and projected to hit \$37.38 billion by 2031.¹ By 2024, over 518,000 rental units are expected to be posted online,² expanding the tenant pipeline. Although we are rapidly moving on from the pandemic, in some ways that event boosted the property management sector by driving rental vacancy rates to a **34-year low in 2021**.³ With demand continuing to rise, the U.S. Bureau of Labor Statistics projects that **property management roles will increase by 5% through 2032**.⁴

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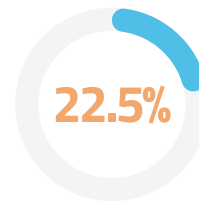
However, staffing acquisition and retention is not always keeping pace with this industry growth. **High competition for top talent** and **decreased team sizes** pressure employees to wear many hats at once. At its core, property management is *“the business of people”* according to Chiccorra Connor, CEO and Founder of Occupancy Heroes Incorporated.⁵ **Soft skills** are essential when handling tenants and other employees alike, but often property management staff feel they are, or are perceived to be, lacking the necessary people-sense to take on their tough daily tasks, leading to **increased employee and tenant turnover**.



of property industry professionals cite **staffing & recruitment** as their primary issue the past four years⁶



of property mgmt. companies face **higher turnover in 2024** than in 2023⁷



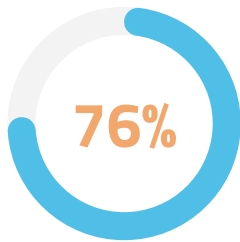
average turnover for **onsite** property management⁸



average turnover for **multifamily** building management⁹



Demographic shifts and difficulties attracting quality new team members complicate these hiring challenges. Demands for greater efficiency from smaller teams have led to **increased tenant conflicts** and **pressure for property management companies to adopt more technology-driven operations** to lift some of the load. Inflation has further compounded hiring difficulties as candidates require higher compensation. Topping off these challenges is the fact that **76% of respondents to a 2023 survey of top property management concerns cited operational efficiencies as their number one challenge.**⁶ **Reducing costs and boosting productivity is difficult when hiring and retention challenges create long stalls and workplace tensions.**



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Some hiring challenges are normal. However, if property management companies learn to **cultivate a more supportive workplace culture** and **implement consistent cross-training opportunities**, they can curb their voluntary turnover, boost their team efficiency, and improve work-life balance. **By leveraging automated hiring processes that identify talent more efficiently, property management companies can further alleviate staffing shortages before they become punishing and accelerate their talent pipelines.**





Current Hiring Challenges in Property Management

Demographic shifts, inflation, and heightened competition complicate hiring for property management. These pressures risk increased turnover and its financial and personnel impacts.

WORKFORCE CHALLENGES:

DEMOGRAPHIC SHIFTS, LABOR SHORTAGES, INFLATION, AND STRESS

The aging workforce's **demographic shifts** are widening employment gaps. Until now, **Baby Boomers** have been 25% of the workforce with **Gen X** comprising 33%¹⁰, but **Millennials** (36%) and **Gen Z** (18%) are rapidly poised to overtake older generations.¹¹ By 2030, **Gen Z's** workforce participation is projected to reach 30%.¹² Younger generations are less interested in property management roles, while experienced property managers exit the industry due to **high stress** and **poor work-life balance**. This has resulted in **workforce shortages**, particularly among skilled tradespeople critical to property operations.

1/3 of *current property managers feel overwhelmed*¹³

~1/4 of current property managers *intend to resign within 12 months*¹³

These participation shifts complicate property management teams' key connections to skilled tradespeople who are critical for efficient resolution of tenant maintenance requests. With **nearly half of older generations in the labor force being over 55**¹⁴ and phasing out of work, especially labor-intensive roles, and **only 16% of younger generations pursuing skilled trade careers**,¹⁴ it is little wonder that the **US labor shortage is 70%**.¹⁵

Short-staffing in some roles contributes to short-staffing across roles. Fewer laborers means **greatly extended repair and renovation timelines**. **Inflation** compounds this challenge because vendors are shifting cost burdens onto properties, incentivizing them to **delay or reduce services** in addition to **raising their own prices** in an effort to balance out the cost surge.¹⁶ Tenants, dissatisfied with reduced services and increased costs, depart. Employees, under higher stress from taking on increasingly unachievable demands from tenants, landlords, and vendors, also depart due to becoming overwhelmed.



THE FULL COST OF TURNOVER

When property management companies do not maintain a strong, supportive, and positive workplace culture and provide their employees with crucial training that prepares them to handle high-stress, people-facing challenges, turnover becomes a serious business risk.

3-4x the **current employee's salary** is the **average cost for replacement of a lost property management employee**¹⁷

3% employee turnover reduction **decreases tenant turnover** by **4%**¹⁸

With **property managers only averaging about 3 years at a given portfolio**,¹³ costs stack up fast. High employee turnover correlates with **stressed employees who provide poor service**, increasing tenant dissatisfaction and likelihood of tenant turnover, adding to costs. The financial impact does not end there, with **high competition due to staffing shortages potentially increasing salaries by up to 5%**.¹⁹



Property management companies also have to face the **loss of connections with key vendors** and the **expertise of a property manager familiar with the portfolio, tenants, and common challenges**. Every great property manager maintains strong connections with crucial tradesfolk. Losing those connections could also mean the **loss of preferred pricing** with certain vendors due to contract loss, increasing costs. If the new property manager does not match the increasingly high standards tenants hold, **tenant turnover** could also increase. Turnover eats hugely into profits and can plummet your rental reputation—with **reviews critically determining 81% of prospective tenants' choices to rent or not**.²⁰

Retaining skilled employees is essential to break the cost cycle.



Factors Contributing to Hiring & Retention Issues

On-the-job factors are the biggest challenge for property management companies when it comes to hiring and retaining property managers.

OPERATIONAL INEFFICIENCIES

In an industry with an aging workforce, a high pace of demands, and shrinking staffing, **new tools are a must to attract younger candidates and boost operational efficiency.** While property management is not on the cutting edge of technology, online systems for rent payment, digital maintenance, and even virtual property tours have become more common. Now, **over 53% of property management companies are using software to boost their operational efficiency.**³

Despite that software's growing prevalence, **75% of property managers are unsatisfied with their software.**¹³ The **cost of implementing software can be high**, creating a large hurdle given current inflation challenges. Additionally, **employees often lack adequate training** to maximize the software's potential, or they may **become overly reliant on it**, neglecting the critical people skills essential to the industry. **A balance of technology and soft skill training is necessary to make software part of the team rather than an additional burden.**

SMALL TEAM, BIG WORKLOAD

Property management staff wear many hats. Up to **35% of property managers handle between 101 and 500 units,**²¹ with **10% working 51+ hours a week** and **33% clocking 41-50 hours.**¹³ Up to **80% of property managers handle as many tasks as accounting, conducting property inspections, leasing, advertising, collecting rent, handling maintenance requests, and even vetting prospective tenants.**²¹

In property management, a heavy workload does not always result in equivalent pay, rewards, and recognition; scheduling may not even allow for lunch breaks. The inevitable burnout causes poor performance that negatively impacts tenant experiences, property maintenance, and operational efficiency. **Lack of work-life balance has led to 68% of property managers reporting that job stress negatively impacts their mental health.** For 53%, mental health is their biggest challenge on the job.¹³ **For front desk and maintenance staff, who have to perform many constant tasks in close proximity to often stressed tenants, the workload can seem overwhelming without the right support and guidance.**



LOW OR POOR COMMUNICATION

With so many responsibilities to juggle, property management teams often feel they **lack adequate guidance**. Only **36% of property managers are extremely satisfied with the level and type of support they receive** while **30% find their support not enough or nonexistent**.¹³

Lack of guidance or effective communication creates a **negative workplace culture**, which is often worsened by the conflict management responsibilities property managers and their teams—if they have them—are forced to handle. Maintenance departments and front desk services also rely on efficient communication from superiors so that they can react appropriately to tenant needs. **When communication is neglected, these roles find themselves pitted against tenants rather than working with them as part of the community.**



LACK OF GROWTH OPPORTUNITIES

Property management is a high-needs role of juggling requests and expectations from both landlords and tenants; therefore, this role should come with many opportunities for **growth and continued training**. However, only **28% of property managers feel they have good opportunities for a career**.²² More than **1/3 do not find their training adequate to meet their job's demands, especially on topics of AI or mental health**.²³ Too often, property management companies view skills as learn-on-the-job. In reality, these roles require a high level of hard and soft skills.

Unfortunately, many property management roles may emphasize their hard skill requirements more than their soft skills or may attract candidates who are more prepared for the technical tasks than the tenant-facing ones. **To maintain a high level of tenant satisfaction, property management companies need to prepare employees early on to maintain the positive, helpful, and service-oriented environment necessary to align with success.**



EMPLOYEE IMPACT ON TENANT RETENTION

While operational inefficiencies are a major challenge in property management hiring and staffing, another significant challenge is **tenant retention**. Tenant retention is affected by both employee turnover and employee performance. **The professionalism of the rental office is the primary factor behind 56% of tenants leaving positive reviews, while negative reviews deter 79% of potential tenants.⁷ Onsite staff significantly impact leasing decisions, influencing 20% of tenants directly, while staff who demonstrate genuine care for residents are the deciding factor for over half of prospective tenants.⁷**

Companies with employee turnover rates exceeding 20% saw tenant retention drop to just 54% in 2023.⁶ When experienced staff leave, they take their knowledge with them, leaving new employees at square one and jeopardizing essential employee-tenant rapport that motivates residents to renew. Tenant turnover costs are usually between \$100-\$5000,²⁴ with \$2,500 being the average.²⁵ On the flip side, when properties display a highly motivated and well-oiled staff, residents are 6% more likely to renew.¹⁶





Strategic Solutions to Tackle Hiring and Staffing Challenges

Property management's hiring and staffing challenges stem from needing the right workplace culture and hiring the right people to maintain that culture. These challenges require a two-pronged approach to overcome.

CREATING A SUPPORTIVE WORKPLACE CULTURE

To make a workplace competitive enough to attract the best candidates, **property management companies must make their hiring practices more competitive with these five essential steps:**

- 1 Enhance competitive offerings.** Provide **competitive salaries** that put your company a step above others in the market. Offer other **attractive benefits** as well: comprehensive health plans, paid time off, and incentives that show you are an employer invested in retaining talent long-term and aware of the current workforce's needs.
- 2 Invest in growth opportunities.** Show your candidates that they are going places with your company, and give them the skills needed for success. Offer **professional development** that provides training on software, conflict resolution, and tenant relations. Educate them on law changes, industry certifications, and other key industry knowledge.
- 3 Maintain clear, effective communication and leadership.** All concerns, whether a tenant's or an employee's, must be communicated in a timely manner and listened to. Supervisors must quickly **remedy challenges and engage in team problem-solving** rather than blaming team members. Heard employees are efficient employees.
- 4 Build a positive, team-oriented culture.** Avoid putting every task on the property manager and pivot to a team approach. **Cross-training employees** is a good solution as it prepares individual employees to handle many tasks and avoids a single employee becoming bogged down with demands. Doing so provides **better work-life balance, a more supportive workplace, and positive workplace culture.**
- 5 Leverage technology for talent acquisition and retention.** Analyze candidates with **pre-employment assessments** to streamline your talent pipeline, matching their skills against your needs. Utilize **job previews** to showcase job realities. Apply **situational judgment tests** to gauge a candidate's problem-solving competencies and job fit.



ACCELERATING YOUR TALENT PIPELINE WITH THE RIGHT TOOLS

Long-term hiring solutions require well-developed tools to work as a team with the above practices. **The three most valuable tools to you are early screening questionnaires, custom skills assessments, and realistic job previews.**



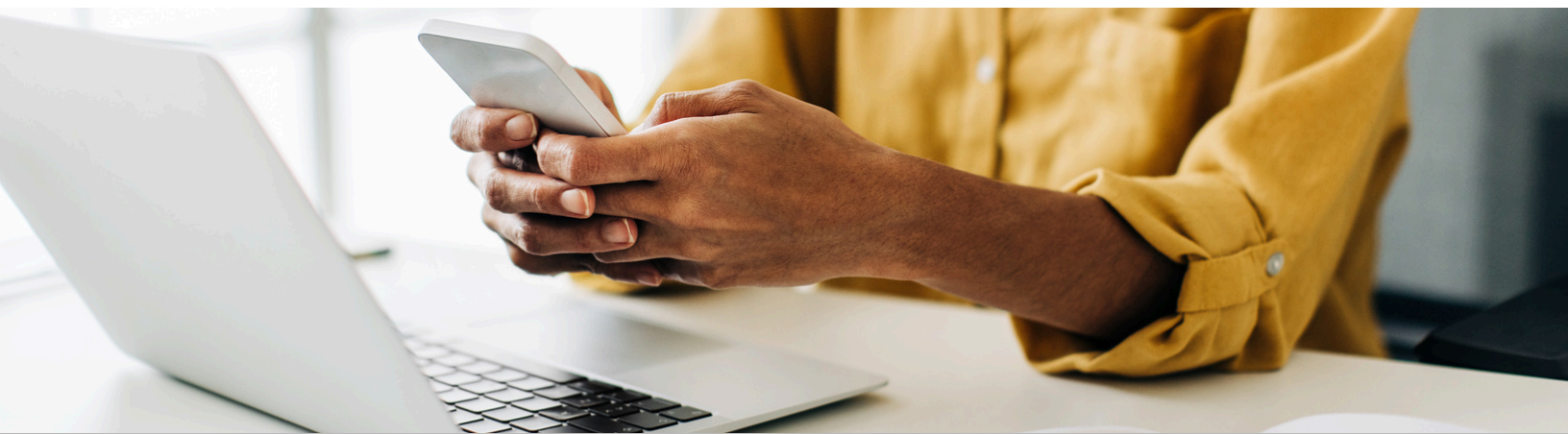
Custom Skills Assessments efficiently source the most valuable talent in your pipeline by comparing candidates' skills and competencies to your needs and identifying the best matches. This funnel passes only the most worthwhile candidates on to your hiring team, saving significant time and money.



Job Previews ensure transparency by accurately demonstrating in detail the daily tasks, work environment, required skills and competencies, and common situations that employees will be expected to handle. Candidates who do not see the job as a fit for them can self-select out of the hiring process.



Situational Judgement Tests measure a candidate's judgement and approach to challenges in the workplace along with their problem solving and decision-making skills. Such tests help you assess if a candidate is a good fit for your company's approach and preferences and whether they will be able to handle the job's routine challenges.





How HighMatch Can Help

HighMatch has over two decades helping clients identify candidates for key roles that exceed performance targets and align well with company culture. Our products are highly personalized to your chosen language and competencies. Using modular and custom-built components in coordination with the expert guidance of our I/O Psychologists, our full suite of content capabilities can be used in any combination at any stage of hiring. Picking HighMatch means picking a modernized, strategic partnership committed to boosting the experiences of hiring teams and candidates to align you with success.

Customizing skill assessments scores candidates against your needs.

Tools like **HighMatch Assess** can be customized to specifically measure candidate ability to handle stress, their customer service level, communication practices, financial awareness, and conflict resolution approaches. Additional assessments can score candidates against attention to detail, professionalism, adaptability, problem solving, and other personality traits that best align with success in property management, adding a more in-depth dimension to your recruitment.

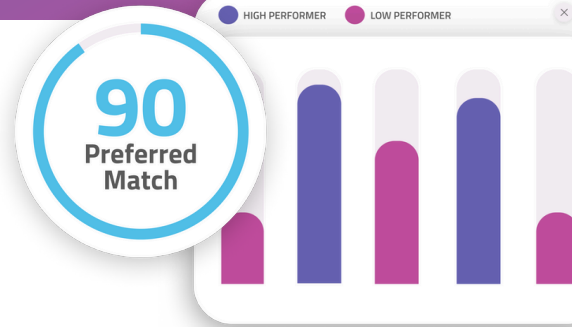
Job previews reduce role misalignment.

Tools like **HighMatch's Job Preview** capability offer candidates transparency via an interactable, in-depth demonstration of the daily challenges, tasks, and environment of a property manager, front desk service worker, or maintenance worker. These tools show candidates the reality of soft skills needed for the roles, reducing misalignment and increasing the likelihood of acquiring skilled talent. Candidates that do not see themselves as a fit can self-select out of the hiring process.

Situational judgement tests let you assess candidate fit.

Tools like **HighMatch's Situational Judgement** capability let you score candidates' approaches to common challenges in a specific property management role. These tests are especially effective for assessing management, negotiation, conflict resolution, interpersonal, and teamwork skills and how an individual would respond to common situations that your properties face. Easily identify candidates that bring the most team-oriented and conflict-mitigating skills to the table—boosting your ability to cultivate and maintain a positive workplace culture and strong community with tenants.

Conclusion



Although the property management sector is poised for significant positive growth, hiring and staffing, particularly in multifamily companies, remains an ongoing challenge. Poor leadership and workplace culture make property management roles high-stress with long hours, unequal distribution of labor, and conflicts between tenants and landlords. Workforce demographics that increasingly favor younger generations over older ones have also shifted the labor market’s interest away from roles like property management and led to shortages of skilled laborers for positions like maintenance.


Turnover and **substandard performance** remain risks due to the industry’s demanding nature. High turnover substantially cuts into profits due to lost efficiency and knowledge, long hiring processes, wasted salaries, and piling up tenant requests. Employee skill and performance determines tenant turnover, potentially creating another stream of profit loss.

To overcome these challenges, property management companies must first provide more competitive offerings and transform their workplace culture to be more positive, team-oriented, and supportive of continued and consistent employee training.

To support those cultural changes, property management companies also need to invest in automated hiring tools that leverage data-driven candidate assessments to accelerate their talent pipelines by testing candidates against requirements unique to the property management sector. Securing the best candidates means maintaining the best culture, giving you the best shot at long-term retention.

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 sales@highmatch.com

 [1-888-220-7611](tel:1-888-220-7611)

 highmatch.com

RESOURCES

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²⁵ <https://learn.roofstock.com/blog/our-first-tenant-turnover-experience-how-much-it-cost-and-what-we-learned>



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