

Property Management Challenges in Residential Multifamily Apartment Complexes

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How to cite this paper: Burke, D. (2026). Property Management Challenges in Residential Multifamily Apartment Complexes. *American Journal of Industrial and Business Management*, 16, 1-19. <https://doi.org/10.4236/ajibm.2026.161001>

Received: November 15, 2025

Accepted: January 4, 2026

Published: January 7, 2026

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Abstract

This research addresses a segment of multifamily housing that is overlooked in the real estate research literature. Apartment complexes with 50 to 500 rental units present unique property management challenges not typically found in commercial real estate or smaller apartment buildings with fewer than four units. The research identifies five research gaps in this real estate investment segment. The research employed a mixed-methods approach, examining the economic, real estate market, and multifamily housing literature, including an illustrative case study conducted by the researcher to investigate the difficulty of acting as a property manager during the COVID-19 pandemic. Results from a grounded theory comparative analysis of property management processes for multifamily housing and commercial leases are presented. The study recommends additional research on multifamily housing. This real estate market segment requires further expansion to meet market demand.

Keywords

Real Estate Investment, Property Management, Multifamily Housing, Lease Intensity

1. Introduction

According to the National Association of Realtors (NAR, 2025), a chronic housing shortage exists in the United States. This shortage is driving up housing prices and making it difficult for lower-income individuals to achieve financial stability. One proposed approach to addressing the housing shortage is the multifamily apartment sector. According to the Library of Congress, “Multifamily residential (also known as multi-dwelling units or MDU) is a housing classification where multiple separate housing units for residential inhabitants are contained within one building or several buildings within one complex” (Weinstein, 2020).

From an investor's perspective, multifamily apartments can be categorized into two primary categories. The first category comprises small apartment buildings with up to four units, including duplexes, triplexes, and quadruplexes. New real estate investors starting their businesses tend to invest in these small, entry-level 4-unit multifamily apartments. These properties often qualify for lower FHA residential loan rates and terms with as little as 3% to 10% down, depending on whether the property is owner- or non-owner-occupied. The second category comprises multifamily properties with 50 to 500 or more rental units, owned by syndicated investment groups, family partnerships, real estate trusts, and private equity investors. These rental units are classified as apartment complexes. These multifamily residential properties qualify for special commercial financing, which focuses exclusively on funding apartment complexes at very competitive rates.

1.1. Operational Challenges

Despite being classified as commercial entities, the management of these small-to-mid-sized apartment complexes presents unique operational and strategic challenges. These challenges include tenant relations, ongoing maintenance, regulatory compliance, leasing activities, and turnover management at a scale that is both labor-intensive and operationally dynamic (Eisenberg et al., 2020; Kim & Clayton, 2022). Additionally, property management is a claim that appears as a debt. The challenge for property managers is to leverage their services to reduce the funds required to manage the subject property while maintaining a fully leased complex.

Thus, contrasting commercial property management with the market segment of 50 - 500 multifamily apartment complexes yields comparable operational elements. For example, managing commercial investment properties—such as office buildings, shopping centers, industrial properties, and self-storage facilities—offers greater stability and far less operational and leasing intensity. Operational intensity is the ratio of the company's total lease commitments (current rent plus the present value of future lease payments) to a measure of its overall claims, such as total debt or total assets (Devos & Rahman, 2014). Lease intensity refers to the level of management effort required for operations. These operations include: tenant volume, daily operations, and lease management (Primior Team, 2024). Both measures of intensity drive commercial properties and multifamily housing apartment complexes, especially in terms of tenant lease volume when the property management team is also tasked with marketing.

The key differences in how management handles the operational elements of multifamily properties, compared to commercial properties, are determined by the end users' purpose for leasing the space, whether for corporate or residential use. These operational elements are:

- 1) Multifamily real estate management companies address the living experience, emotions, feelings, beliefs, and varying economic conditions of everyday people leasing an apartment as their primary residence.
- 2) Apartment leases are short-term, usually one year.

3) The monthly rent generally includes a shared portion of the complex's operating expenses, which are passed through to tenants except for utilities, which tenants pay separately.

In contrast to apartment leasing, the end-user of the commercial space (the tenant) is typically a small business, a medium- to large-sized regional corporation, or a publicly traded company. Comparing operational elements in a commercial lease reveals:

1) Commercial real estate leases are longer—up to 5 years—with multiple 5-year renewal options.

2) The tenant's interests are in the suitability of the space, its size, and location for business, and in growing the company's brand name, sales, and profits.

3) Commercial tenants, depending on the lease terms, assume responsibility for their own maintenance and reimburse the Landlord for common shared expenses, including property taxes and insurance.

Thus, tenants in commercial space need less property management oversight. This type of commercial lease is known as a **triple-net lease (NNN)**. In contrast, almost all apartment leases are gross leases (all expenses are included in the rent, except utilities).

1.2. Purpose of Research

The purpose of this research is to explore the property management challenges and best practices for these multifamily properties. The researcher's objective in writing this article is to uncover new insights that can enlighten graduate students and academic researchers on the challenges property management companies face as they oversee the daily operations of multifamily apartment communities on behalf of investor clients.

1.3. Background of the Problem

Property management is an evolving career option that involves hiring property management professionals and firms to manage the various needs of a real estate asset over time. Societal benefits are associated with well-maintained properties, and the need for responsive maintenance services means that the property management industry is largely a locally based phenomenon (McElroy, 2014). Understanding the local market, performing regular maintenance, and maintaining strong vendor relationships are essential to efficiently increasing the property's net operating income (NOI), which, in turn, makes it easier to attract high-quality tenants (McElroy, 2014).

Property needs range from ongoing maintenance and tenant rent collection to facility repairs and upgrades. According to professional property managers, these needs can also be relational, require them to wear many hats, and can include marketing (Doyle, 2023). Although certifications are now available for those seeking to pursue property management as a career (Doyle, 2023), property management remains a position often overlooked in importance, as it has traditionally

been a job for Do-It-Yourself individuals who learn on the job (Litser, 2019). Due to a shortage of trained property managers, investors in small- to mid-sized apartment complexes (50 to 500 units) frequently encounter persistent difficulties hiring experienced personnel. Recruiting and retaining managers with the expertise to handle leasing, maintenance coordination, regulatory compliance, and financial reporting is challenging when compensation budgets are limited (Han & Strange, 2021). Quarterly reports from the National Apartment Association (NAA, 2023) that present data from Apartment Labor Dynamics studies also reveal a changing, demanding job market for those seeking property management positions. The most recent report, compiled from unique job postings on 45,000 websites, indicated a 7.9% decline in apartment management jobs (NAA, 2023). At the same time, this job decline is accompanied by an increased demand for candidates with strong communication skills, property management experience, initiative, and leadership abilities (NAA Research, 2025).

The relational aspects of the job also come with challenges. A prior survey report, conducted by NAA Research in 2022 with 2000 property managers, revealed that although 83% of property managers enjoyed their jobs, abusive and aggressive tenants were a significant challenge. This main tenant-facing task resulted in 74% of property managers feeling that the job threatened their mental health. Open-ended survey comments also revealed an increase in turnover in the next five years, with 22% of property managers aged 55 and older expected to leave the industry as they approach retirement. Other reasons for leaving focused largely on excessive workloads, low pay, and burnout.

In addition to these job challenges and talent and expertise gaps, two further management reasons underpin these challenges: limited operational scale and profitability, as well as misalignment of management priorities and service expectations. First, small to mid-sized properties often lack the economies of scale that make property management contracts financially attractive to established firms. Unlike large multifamily portfolios, these rental units generate lower management fee margins—often ranging from 3% to 6% of gross income—thereby potentially failing to cover the administrative overhead and on-site staffing required for effective service (Kim & Clayton, 2022; Eisenberg et al., 2020). However, these rental units entail enough service needs that require more focused care. As a result, many high-performing management firms prioritize larger accounts, leaving smaller investors with less experienced or overstretched managers.

Further, misaligned priorities between the investors and the property management companies frequently undermine effectiveness. Smaller property owners often expect personalized attention, aggressive leasing strategies, and cost-conscious operations. Conversely, many management companies apply standardized processes designed for larger portfolios, which can result in service gaps and underperformance (Evans & Anderson, 2021; Gibler & Chen, 2018). This disconnect can lead to dissatisfaction, frequent management turnover, and a decline in property performance over time. In sum, **labor market constraints, structural finan-**

cial limitations, and strategic misalignments collectively make it difficult for small to mid-sized apartment complex investors to secure and retain highly effective property management services.

1.4. The Changing Property Management Framework

Property management is a central feature of the 50 to 500-unit multifamily apartment complex under examination. According to Then (2005), property management has evolved from a reactive model in which services are based on operational demands and built around a stable budget that is secondary to a business's overall concerns. This traditional, reactive model approach is shown in Figure 1. The model features an operational budget that controls service provision and upgrades while responding to business-unit demands.

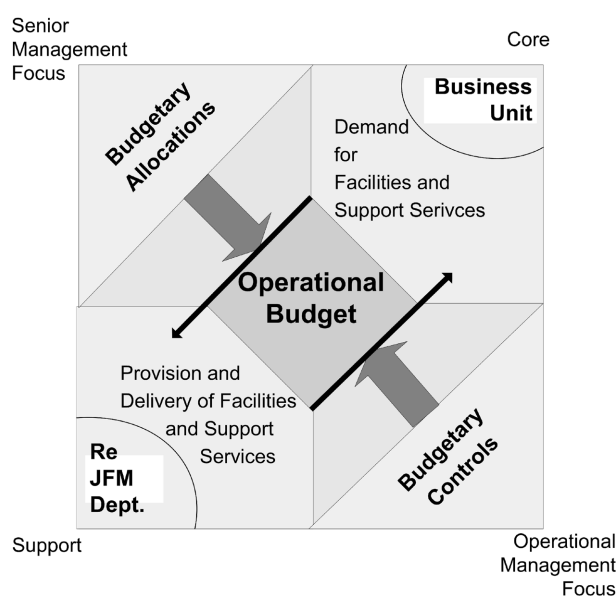


Figure 1. Traditional reactive model of property management services (Then, 2005: Figure 1).

In contrast, Then (2005) proposed a proactive property management model that positions property management as an integral part of the business. The operational purpose of the model is to integrate and embrace two principal areas of real estate asset management (REAM): facilities management and facilities-related support services, by understanding the strategic and operational management of those facilities (Then, 2005). Then's (2005) model positions the investment, ownership, and management of a property as an information flow between these strategic and operational management functions. These management functions also support the direct relationship between the variables of how an asset is managed and management's views on the role of operational asset management (Then, 2005).

The model (Figure 2) integrates real estate provision concerns with facilities management services, incorporating feedback loops that enable ongoing adjustments. This approach provides a balance between strategic and tactical inputs and

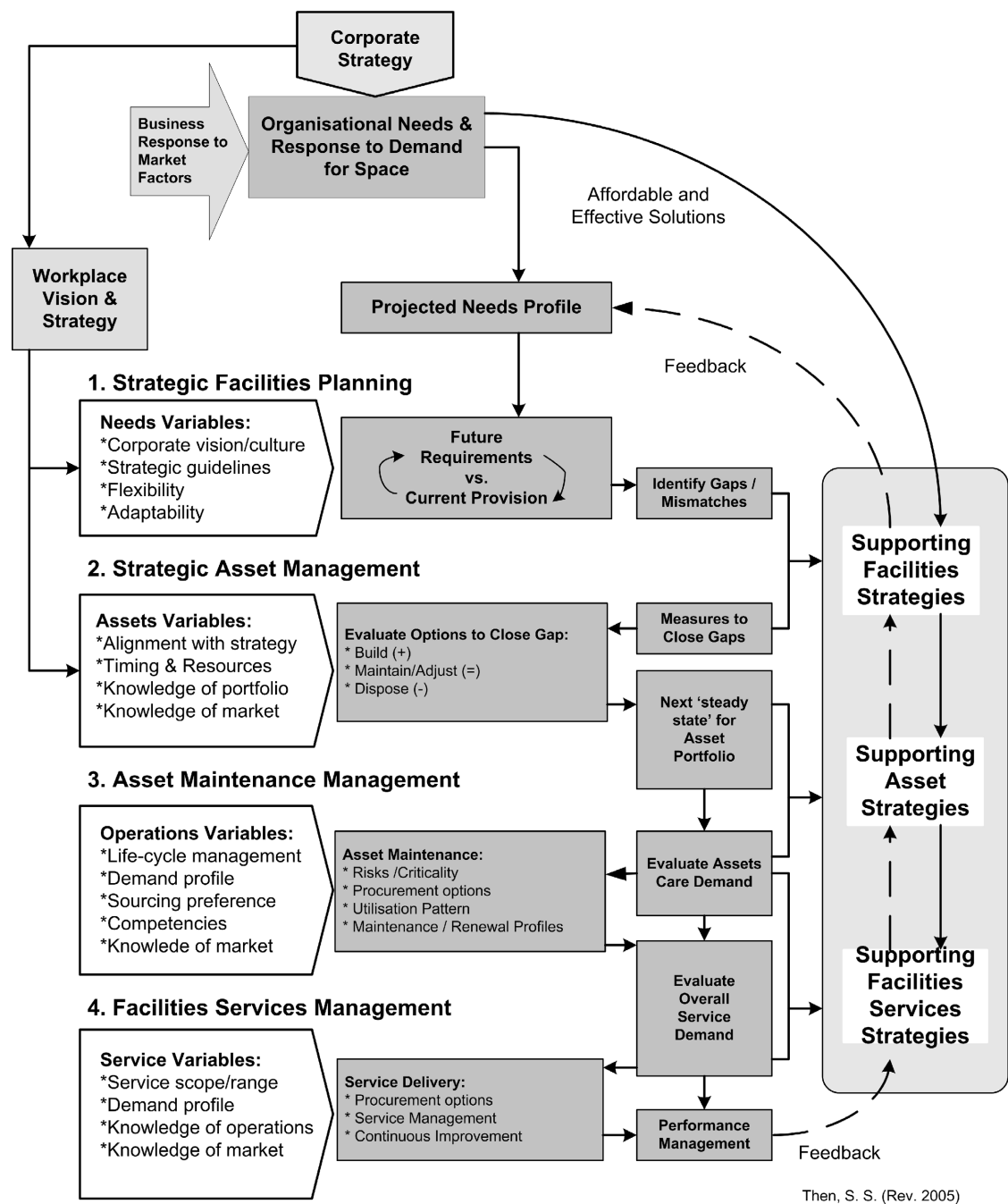


Figure 2. An integrated real estate asset management framework for managing the workplace environment (Then, 2005: Figure 4).

results in the appropriate allocation of resources to the physical structure and the delivery of suitable service performance as an integrating mechanism (Then, 2005). Operational facilities, real estate variables, facility services variables, and supply drivers of support services are the primary factors that drive property management operations. These elements provide the framework for examining property management in multifamily apartment properties.

Given the evolving nature of the middle-market multifamily housing segment,

a model that captures property management costs and services is a necessary component for residential real estate owners to conduct business. The landscape for property management is rapidly changing with the introduction of property AI technology and increased tenant demand for technology services. The introduction of an integrated REAM model provides a roadmap for property management to initiate and plan for services and upgrades that meet the needs of all parties: tenants, investors, and property managers. The model also provides feedback loops for adjusting priorities for services, upgrades, and repairs.

Models such as those presented by [Then \(2005\)](#) provide an integrated framework for viewing the operational risks and challenges currently present in a changing US real estate environment, including efforts to rapidly construct additional housing units to meet family housing needs. These models show that property management involves business issues and organizational needs and considerations that need to be incorporated into the overall property management approach.

1.5. Research Gaps

The academic literature on property management has predominantly focused on large-scale commercial real estate sectors, such as office space, retail, industrial, and self-storage properties. In contrast, the small- to mid-sized apartment complex sector (50 to 500 units) and property management is frequently overlooked in academic discourse ([Cook et al., 2024](#)), leaving several notable academic gaps. In particular, five gaps are explored.

1.5.1. Limited Research on Small to Mid-Sized Apartment Complexes

While studies have examined large multifamily properties, there is a scarcity of research addressing the unique challenges and dynamics of small to mid-sized apartment complexes. These properties often differ significantly in management practices, tenant demographics, and financial structures ([Cook et al., 2024](#)). Despite a \$4.4 trillion underbuilding gap in housing in the United States reported by Fannie Mae ([Zumbrun, 2023](#)), the lack of research on this particular housing segment stems from lower development costs and returns on investment, making the segment less attractive to investors, especially when compared to high-end, luxury apartment developments ([Haughey, 2025](#)). However, the ongoing housing affordability crisis in the United States underscores the need for more research to understand the range of local regulatory laws, such as zoning, density, and setback requirements, that must be amended to support the development of this housing segment ([Freemark, 2024](#)).

1.5.2. Insufficient Comparative Studies Between Property Types

The existing literature on property management often treats residential and commercial property management as distinct entities, without examining their intersections and differences. The result is that comparative studies that analyze management practices across these property types are limited. This lack of studies hin-

ders a comprehensive understanding of the property management landscape (Gyourko, 2009). Thus, a deeper level examination of the integrating business issues would help develop a more comprehensive understanding of the costs and issues associated with this particular market segment. Then's (2005) REAM models are appropriate for breaking down the various variables in each market segment area and for accounting for the locations and amenities required by certain properties to serve families.

1.5.3. Underexplored Impact of Property Management on Property Value

Research has shown that effective property management can significantly influence property values. However, studies examining the impact of property management on the market value of dwellings in small- to mid-sized apartment complexes are scarce, leaving a gap in understanding how management practices affect property valuation in this sector (Muczyński, 2023). As newer multifamily housing construction projects replace and upgrade older properties, data on rental prices and occupancy rates of nearby commercial and residential buildings are needed to understand how increasing density affects livability and property values in surrounding neighborhoods.

1.5.4. Lack of Integration of Technology in Property Management Research

While the role of technology in property management has been acknowledged, there is a lack of research on the adoption and impact of technological advancements and AI on customer service relationship management (CRM) in small- to mid-sized apartment complexes. This gap impedes the development of strategies to enhance operational efficiency and service quality in this sector (Shen, 2023). Due to multiple technological changes in the property management landscape, further research into the differing needs of management practices across property types will be needed to establish appropriate best practices. In addition, the current rapid adoption of property technology will cause adjustments to both staffing and service needs. However, it may also help reduce costs when handling many customer service interactions.

1.5.5. Deficient Focus on Owner Decision-Making Processes

Studies on the decision-making processes of residential rental property owners are limited. In a study by Cook et al. (2024), the term residential rental property owners (RRPO) are used to represent a diverse group that spans institutional and non-institutional investors, such as retired individuals seeking passive income, accidental property owners who have acquired inherited property, and those seeking independence as small business owners. This diverse group represents differing decision-making parameters concerning investing, upgrading and managing their properties. Understanding these decision-making processes is crucial for developing policies and strategies that support housing stability and resilience in small to mid-sized apartment complexes (Cook et al., 2024).

2. Methodology and Research Design

This study employs a mixed-methods approach to investigate gaps and identify additional differences in the issues faced by small- to mid-sized apartment complexes. An integrated literature review and a qualitative case study are used to examine variations in property management needs across multifamily apartment complexes. The integrative literature review encompassed online academic real estate and property management journals, Google Scholar, the open-access research database OA.mg, MDPI, SCRIIP Open Access, ARES, Taylor and Francis, and Emerald Publishing. The researcher developed an illustrative case study based on personal knowledge and hands-on experience acquired as an active real estate investor. The researcher has been involved in real estate buying, selling, brokering, borrowing, lending, renovating, and developing properties for over 33 years in every sector of the CRE industry.

2.1. Analytical Approach

Given the gaps in the research, a grounded theory comparative approach was used to examine the literature and the case study (Suddaby, 2006). A constant comparative analysis was accomplished through axial and selective coding. This process was used to develop overall categories among the various forms of data. This comparative analysis represents a systematic side-by-side comparison of specific points, allowing similarities and differences to emerge (Suddaby, 2006). In this study, the various aspects and points of property management knowledge required an examination of multifamily apartment complex practices, which were compared with the practices required to manage commercial properties.

2.2. Market Segment

For this study, a market segment serves as the study's population. Real estate housing is a broad market encompassing several economic segments. In addition to single-family homes and detached units, smaller residential units typically range from two to four units. In comparison, the middle housing market encompasses small to large multifamily apartment complexes with 50 to 500 units. For property management, the sweet spot for investors to achieve good economies of scale is between 50 and 300 units. Thus, this marketing segment enables property managers to focus on a cluster of units within a single development rather than managing multiple developments.

3. Literature Review

Property management is a profession that adapts to the needs of both the property and its tenants. The property sector under examination, which includes small- to mid-sized apartment complexes, presents its own set of challenges. The literature review addresses issues specific to the multifamily apartment sector, focusing on small to mid-sized communities with 50 to 300 units. Primary issues in this segment are the nature and stability of the tenant base. The day-to-day management

issues that arise include tenant complaints, repair and maintenance problems, financial and operational issues, labor shortages, and technology needs.

3.1. Small to Mid-Sized Apartment Complexes

Multifamily apartment complexes, particularly those with small- to mid-sized properties (50 - 500 units), present operational challenges distinct from those in commercial real estate management. These include high tenant turnover, frequent maintenance demands, and compliance with extensive residential regulations (Kim & Clayton, 2022). Economies of scale play a critical role in amplifying differences in intensity. Small to mid-sized apartment complexes often operate below the threshold for on-site full-time staffing to be economically efficient, resulting in a reliance on part-time managers or roving teams that must cover multiple sites (Kim & Clayton, 2022). This inability to fund on-site management can create operational inefficiencies and management gaps. In contrast, commercial properties often achieve scale with fewer, larger tenants, enabling leaner management structures and more predictable income streams (Eisenberg et al., 2020).

Regulatory compliance is also more stringent and varied in residential property management. Multifamily properties are subject to landlord-tenant laws, fair housing regulations, building codes, health and safety inspections, and, in some cases, rent control measures (Evans & Anderson, 2021). Failure to comply can lead to legal liabilities and reputational damage. Commercial properties, while regulated, often have fewer resident-oriented requirements and rely more on negotiated lease terms to govern responsibilities.

3.2. Tenant Issues

One of the core differentiating factors is the nature of the tenant base. Multifamily properties house individual residential tenants with shorter lease terms—typically 12 months on average—resulting in higher turnover rates compared to commercial leases, which may extend from three to ten years (Han & Strange, 2021). For a property manager, this frequent turnover requires continuous marketing, screening, leasing, and unit preparation, thereby increasing the managerial workload and operating costs. In contrast, commercial property managers often deal with fewer tenants, longer lease terms, and pre-negotiated triple-net leases, reducing the frequency of tenant interactions and day-to-day operational demands (Gibler & Chen, 2018).

Maintenance intensity further differentiates these property types. Residential tenants are more likely to submit frequent service requests for minor repairs, which typically require prompt responses to meet habitability standards and tenant satisfaction expectations (Rental Housing Journal, 2023). Commercial tenants, especially under net leases, often handle their own maintenance, reducing the property manager's direct involvement (De Francesco & Levy, 2017). Moreover, multifamily properties require the management of common areas, amenities, landscaping, security, and utilities in a more personalized and community-oriented manner, adding

layers of complexity that are less pronounced in many commercial settings.

In sum, managing small to mid-sized apartment complexes requires property management companies to handle a higher volume of daily operational tasks, more frequent tenant interactions, and tighter regulatory constraints than typically encountered in commercial property management. Understanding these intensity challenges is essential for designing effective management strategies, staffing models, and technological solutions tailored to the unique demands of the multifamily sector.

3.3. Financial and Operational Issues

Property management practices have a direct impact on the financial performance of apartment complexes, including net operating income, tenant retention, and long-term asset value (Eisenberg et al., 2020). However, there is limited empirical evidence evaluating how management effectiveness translates into returns for private equity and syndicated investor clients. Further research could inform best practices, performance evaluation metrics, and reporting standards, filling a critical knowledge gap for both academia and industry practitioners (Cook et al., 2024).

3.4. Labor Shortages in Maintenance and Landscaping

President Trump's 2025 immigration policies and mass deportation efforts have resulted in a substantial reduction of the immigrant workforce, particularly affecting unskilled labor sectors. Approximately 1.2 million immigrants left the workforce between January and July 2025, leading to severe labor shortages in construction, agriculture, and maintenance (Marek et al., 2025). This shortage has significantly impacted the property management industry in apartment complexes by exacerbating labor shortages in essential services, including construction upgrades, roof repairs, maintenance, and lawn care.

These policies have also directly impacted the availability of workers for routine maintenance and landscaping tasks in apartment complexes. With a diminished labor pool, property management companies face increased pressure to offer higher wages to attract and retain workers. In contrast, undocumented workers face increased instances of exploitation (Sainato, 2025). This combination of labor shortages and wage inflation increases operational costs. Higher costs make it more challenging for property managers to maintain profitability while ensuring quality service (Chen, 2023). These higher costs affect the property management firm by making it more difficult to maintain the overall standard of living tenants expect, thereby affecting tenant retention and satisfaction (Goodman et al., 2021). In turn, these are essential maintenance and repairs that also lead to potential violations of housing codes (Goodman et al., 2021).

3.5. Technological Shortcomings in Apartment Complex Property Management

Despite the increasing demand for efficient financial and operational reporting in

the apartment complex sector, many property management companies have yet to upgrade their software and technology systems. Upgrading technology systems often requires significant capital investment. Many property management firms, especially those managing smaller portfolios, face budgetary constraints that make it challenging to allocate funds for such upgrades. As a result, they continue to rely on outdated systems that are insufficient for modern reporting needs (Adaramola, 2025). Thus, property technology (PropTech) adoption rates among multifamily property managers remain inconsistent, particularly in small to mid-sized portfolios (Shen, 2023).

This reluctance hampers their ability to provide timely and accurate information to private equity and syndicated investor clients. Implementing new software solutions necessitates changes in established workflows and processes. Employees accustomed to legacy systems may resist adopting new technologies due to unfamiliarity or fear of increased workload during the transition period. This resistance can delay or prevent the adoption of more efficient reporting tools (Adaramola, 2025). Additionally, many existing property management systems are not designed to integrate seamlessly with other financial and operational tools. This lack of interoperability creates silos of information, making it difficult to consolidate data for comprehensive reporting.

The absence of integration capabilities limits the effectiveness of technology upgrades (Adaramola, 2025). Even when new systems are implemented, inadequate training can hinder their effective use. Property management staff may lack the technical skills to operate advanced software, resulting in the underutilization of available features and suboptimal reporting outcomes (Adaramola, 2025). Thus, this perceived complexity of modern software solutions can deter property management companies from pursuing upgrades. Concerns about the time and resources required for implementation, as well as potential disruptions to daily operations, contribute to the hesitation in adopting new technologies (Adaramola, 2025).

In conclusion, while technological advancements offer significant potential to enhance financial and operational reporting in apartment complex management, various factors—including financial constraints, resistance to change, integration challenges, lack of training, and perceived complexity—have hindered the widespread adoption of upgraded systems. Addressing these barriers is crucial for property management companies aiming to meet the evolving expectations of their investor clients.

4. Property Management Case Study

This case study is a secondhand account that specifically discusses and represents the state of off-campus apartment housing at a mid-central Florida university, during the COVID-19 pandemic. One of the researcher's real estate associates lives in this city, and owns over 500 apartments. This case study represents a generalization of experiences that occurred with this associate's properties. The iden-

tities of the individuals have been removed to maintain ethical standards.

During the shutdown period, it was a uniquely challenging time for apartment complex investors and property management companies focused on the multi-family real estate sector. In particular, the impact of the university's discontinuation of in-person class lectures, the university shutdown, and the effects on apartment owners, investors, and property managers. Students attending the university had to pack their belongings, vacate their apartments, and move back home. Many parents of students who attended the university during that time lost their jobs. They were not financially able to cover the rent on their child's maintain confidentiality apartment. This parental job loss meant that many student tenants lacked the funds to pay rent and were forced to default on their leases.

For example, the researcher's neighbors lost their executive positions. Their son, who was a university graduate student, returned home but still had a \$1000 monthly rent commitment on his maintain confidentiality apartment. The mother had cosigned the lease for her son. While the household was financially strained, the property management company was aggressively pursuing rent payments and even threatening legal action. Failure to pay could *negatively* affect the mother's excellent credit score. The parents finally negotiated a discounted settlement with the Landlord through the management company. They paid a nominal amount based on the total remaining balance.

At about the same time, the government placed a moratorium on residential evictions. That meant that if tenants could not pay, the Landlord could not evict them. The impact on apartment owners, investors, and property management companies in Florida was enormous. Landlords involved in university student housing were forced to face the reality of how they would pay the mortgages on the apartment buildings and how they could continue paying for their property management. Debt is part of the real estate investment dynamic.

Apartment owners had to let staff go, cut expenses, and make aggressive efforts to collect as much outstanding rent as possible. Many apartment groups had to raise additional capital from their general and limited liability partners to survive. Several investor groups that owned student housing apartments had to seek temporary loan payment reductions from lenders.

5. Results

The takeaways from the case study include the following:

- 1) The apartment industry is highly susceptible to changes in economic and demographic conditions.
- 2) The government is more engaged in monitoring the residential multifamily housing sector than any other real estate sector. Therefore, more government oversight and compliance are required.
- 3) Commercial real estate, and more specifically the shopping center sector, is far more stable and resilient in the long term as an investment class than the apartment industry.

4) The multifamily residential sector is significantly linked to people's day-to-day life conditions, job and financial circumstances, family relationships, and experiences. Therefore, as an investment class, apartment investing potentially carries more risk than commercial property because commercial real estate is centered on generating revenue and profits through corporate business.

Table 1 illustrates the contrast between how property management companies focus on multifamily real estate investments to conduct the daily operations of apartment complexes and how commercial property management companies manage retail shopping centers with less hands-on involvement and intensity.

Table 1. Apartments versus commercial shopping center: A contrasting analysis.

	Multifamily Apartments	Commercial Shopping Centers
Lease Type	Gross Lease Expenses all inclusive	Triple Net Leases (NNN) The tenant pays or reimburses the Landlord for a pro-rated CAM, property taxes, and insurance, in addition to the monthly rent.
Lease Length	Short-term Leases 1 year with a negotiable 1-year renewal	Long-term leases up to 5 years with multiple 5-year renewal options.
Utilities	Tenants pay their electricity and gas bills directly to the utility companies. Water and garbage are often included in the rent.	Tenants pay directly to utility companies OR receive reimbursement from the Landlord.
Monthly Rent increases	Increase if the existing tenant renews the lease for another year.	A 3% to 4% annual escalation is automatically built into the lease as a hedge against inflation.
Property Management Engagement	A significant interaction between management and the tenant.	Minimal amount of interaction between management and tenant
Property Management Costs	HIGHER labor and management costs	LOWER labor and management costs
Tenant Turnover	Moderate to High instability due to a short-term lease.	-LOW to NO turnover -Longterm tenant stability
Impact of economic downturn on tenant default	High risk of job loss, High risk of tenant default	Leases are mostly corporate or personally guaranteed. Minimal business failure LOW to NO tenant default
Maintenance and Repairs	The Landlord is responsible for almost all repairs and maintenance	Tenants are responsible for all repairs and maintenance [in most cases]
Landlord risks and vulnerability	Higher in multifamily due to kitchen fires, disputes, alcohol, and drug abuse.	Risks are reduced in commercial shopping center environments because the use of the space is not tied to people's living experience.
Number of repair contractors	Many employees and repair contractors are needed	Fewer employees and repair contractors are needed.
Property Management Intensity	Very High	Very Low

Note. Comparative data obtained from the researcher, an active real estate investor, having been involved in real estate buying, selling, brokering, borrowing, lending, renovating, and developing properties for over 33 years in every sector of the CRE industry.

6. Scope

The property management industry encompasses a diverse range of real estate properties from single-family homes to commercial properties and multifamily apartment complexes. Traditionally, the latter category, which focuses on commercial housing, includes residential complexes spanning 5 to 500 or more apartments. The lower and upper ends of the multifamily housing segment obtain more scrutiny, since smaller investors often enter the market by purchasing four-plexes or older properties that need upgrades. At the same time, large development companies focus on higher-end properties, which take longer to build and require more amenities (Carrasco, 2025). The marketing segment of 50 to 500 multifamily housing apartment complexes remains an under-explored domain in academic research because it is largely dominated by the lower-income marketplace, despite its critical role in housing provision and real estate investment performance (Belsky et al., 2005). However, the housing crisis in the United States is reshaping the nature of these marketing segments, with younger and lower-income families needing more affordable rental housing due to the rising costs of new housing. Therefore, the scope of this investigation focuses on this particular market segment that warrants further investigation.

7. Limitations

All studies have limitations. Limitations represent constraints on the generalizability of the findings (Price & Murnan, 2013). The following limitations apply to this study:

- 1) This investigation is limited to properties located in the United States.
- 2) The possible bias of the author limits the case study; and
- 3) The case study is further limited to a secondhand account that represents multiple similar occurrences.

8. Findings and Rationale for Further Research

This article focused on the property management industry of multifamily apartment complexes. One of the main findings is that this real estate market segment remains underexplored in academic research despite its critical role in housing provision and real estate investment performance. There are three primary academic reasons for further research in this sector.

8.1. Operational Efficiency and Management Practices

Multifamily apartment complexes, particularly those with small- to mid-sized properties (50 - 300 units), present operational challenges distinct from those in commercial real estate management. These include high tenant turnover, frequent maintenance demands, and compliance with extensive residential regulations (Kim & Clayton, 2022). Research into these complexities can provide a deeper understanding of effective management strategies, resource allocation, and risk mitigation practices specific to residential settings, which are currently inade-

quately addressed in the literature.

8.2. Financial Performance and Investor Reporting

Multifamily apartment management has a direct impact on financial performance metrics, including net operating income, occupancy rates, and long-term asset value. However, the link between specific management practices and investor reporting effectiveness, particularly for private equity and syndicated investment models, is insufficiently studied (Eisenberg et al., 2020; Cook et al., 2024). Research in this domain can advance knowledge by standardizing reporting frameworks, quantifying the impact of management on returns, and developing evidence-based guidelines for investor communications, thereby making meaningful contributions to both the academic literature and practitioner-oriented studies.

8.3. Technology Adoption and Innovation

Despite the proliferation of property technology (PropTech), adoption rates among multifamily property managers remain inconsistent, particularly in small to mid-sized portfolios (Shen, 2023). Investigating barriers to technological integration and its impact on operational efficiency and tenant satisfaction is essential. Academic inquiry can help quantify the benefits of digital tools, predictive maintenance, and integrated management platforms, guiding both policy and investment decisions.

9. Conclusion

This study examined a specific real estate market segment: the multifamily apartment complex, which typically comprises 50 to 500 rental units. The literature revealed limited research on this market segment, including insufficient comparative studies, an underexplored impact of property management on property values, limited technology integration, and a deficient focus on owner decision-making processes. Given the housing shortage in the United States and the need for more housing, the multifamily apartment property management sector offers significant research opportunities.

This study employed an integrative literature review and an illustrative case study to examine the operational complexities and financial implications of this market segment. Results from this study include a contrast between how property management companies focus on multifamily real estate investments to conduct the daily operations of apartment complexes and how commercial property management companies manage retail shopping centers with less hands-on involvement and intensity. Additional findings from the study suggest that further research is needed to improve operational efficiency, financial performance, and technological adoption and innovation, offering both theoretical insights and practical strategies to enhance performance in this critical housing market segment.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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