

## PRESS RELEASE

### Aareal Bank representative survey: more payment options for rent and deposit payments

- **Alternative payment methods for rent payments are gaining popularity (from 8 per cent to 13 per cent) in comparison to transfer and direct debit**
- **A significant number of respondents (33 per cent) would be interested in a deposit guarantee when entering a new rental contract**
- **Landlords and housing companies will have to offer their tenants more personalised and digital solutions**

Wiesbaden, 30 July 2020 – According to two national representative surveys conducted by the Civey\*) opinion research institute on behalf of Aareal Bank, tenants in Germany are increasingly looking for digital and personalised solutions for their own rental contracts. Not only are tenants increasingly asking for shorter and more direct communication channels (around 33 per cent), but also for more flexibility and more individual methods for rent and deposit payments.

When asked about their preferred rent payment option, respondents gave nearly equal preference to direct debit (around 48 per cent of respondents) and to conventional transfers (44 per cent); and according to the surveys, these two payment methods will continue to account for most rent payments. However, the surveys also indicate a tendency towards a stronger diversification of payment options for own rent payments. Responses suggest that alternative payment providers such as Apple Pay, Barzahlen, and PayPal, as well as credit card payments are gaining popularity, accounting for approximately 13 per cent of future alternative payment options – and thus significantly increasing from today's figure of approximately 8 per cent.

Room for improvement in deposit management was especially noted, with one-third of respondents (around 33 per cent) interested in taking out a deposit guarantee instead of making the usual cash deposit. Every fourth respondent (around 24 per cent) is undecided as to whether they would revert to a cash deposit or a deposit guarantee, and only 43 per cent of respondents currently still prefer a cash deposit. This is a trend to which landlords and the housing industry can react by extending their deposit offering.

"The survey clearly shows that landlords and housing companies are not yet fully realising the potential for optimising fundamental processes in the day-to-day rental business," says Dominik Brieler, Managing Director at plusForta GmbH, a subsidiary of Aareal Bank AG, adding that landlords and housing companies should expand and innovate processes, allowing for integration into existing systems, in order to be able to comply with tenants' requests for alternative payment options and deposit solutions in future. "Market players who start adapting to their tenants' future needs as early as today will not only benefit from streamlined processes, but also from more satisfied tenants."

For further survey results, please refer to our info chart.

Our website provides comprehensive information on Aareal Bank AG's Consulting/Services Bank business segment: <https://www.aareal-bank.com/en/products-consulting-and-solutions/housing-industry/>

#### **\*) Information on the methodology**

The questions on deposits were answered by 2,503 respondents, on 6 April and 7 April 2020. The statistical error of overall results amounts to 3.3 per cent.

The question on the present rent payment methods was answered by 1,507 respondents, on 13 November and 14 November 2019. The statistical error of overall results amounts to 4.4 per cent. The question on future rent payment methods was answered by 2,501 respondents, on 13 November and 14 November 2019. The statistical error of overall results amounts to 3.5 per cent.

All results are representative of the German population (18 years of age or older). All survey participants provided data such as age, sex, and place of residence; they were registered and verified. Civey corrects distortions by applying a multi-level weighting approach. For further information on the methodology, please refer to Civey.com and to the Civey whitepaper.

**Contacts:**

Sven Korndörffer

Phone: +49 611 348 2306

[sven.korndoerffer@aareal-bank.com](mailto:sven.korndoerffer@aareal-bank.com)

Yannick Houdard

Phone: +49 611 348 2462

[yannick.houdard@aareal-bank.com](mailto:yannick.houdard@aareal-bank.com)

**Aareal Bank Group**

Aareal Bank Group, headquartered in Wiesbaden, is a leading international property specialist. It provides smart financings, software products, and digital solutions for the property sector and related industries, and is present across three continents: Europe, North America and Asia/Pacific. Aareal Bank AG, whose shares are included in Deutsche Börse's MDAX index, is the Group's parent entity. It manages the various entities organised in the Group's three business segments: Structured Property Financing, Consulting/Services Bank, and Aareon. In the Consulting/Services Bank segment, Aareal Bank Group supports businesses from the housing, property management and energy industries as a digitalisation partner – combining extensive advisory services and product solutions with traditional corporate banking services and deposit-taking.