# Rent Survey | July 2017

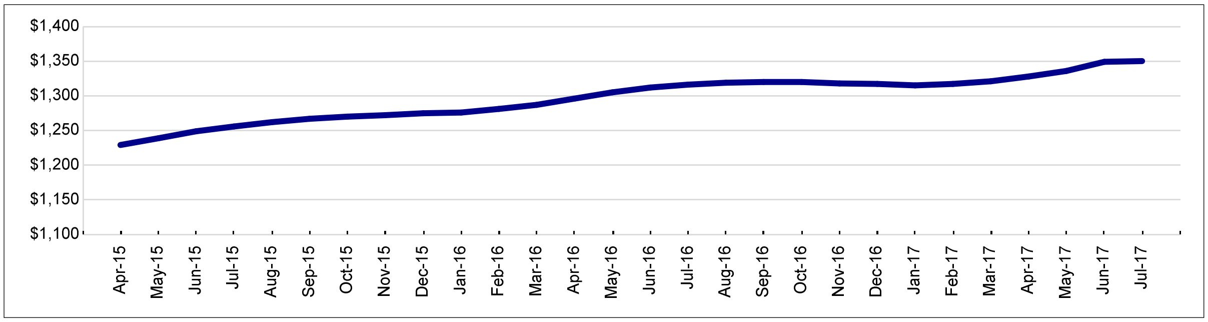
## Multifamily Rent Growth Stabilizes in July; Market Solid Overall

Sequential rent growth was virtually flat in July, but the U.S. multifamily market remained in an overall healthy state. Average U.S. monthly rents rose $1 to $1,350, according to Yardi Matrix's monthly survey of 121 markets. On a year-over-year basis, rents were up 2.6% nationwide in July, a 10-basis-point decline from June. Actual rents have increased every month this year, and are up 2.7% year-to-date.

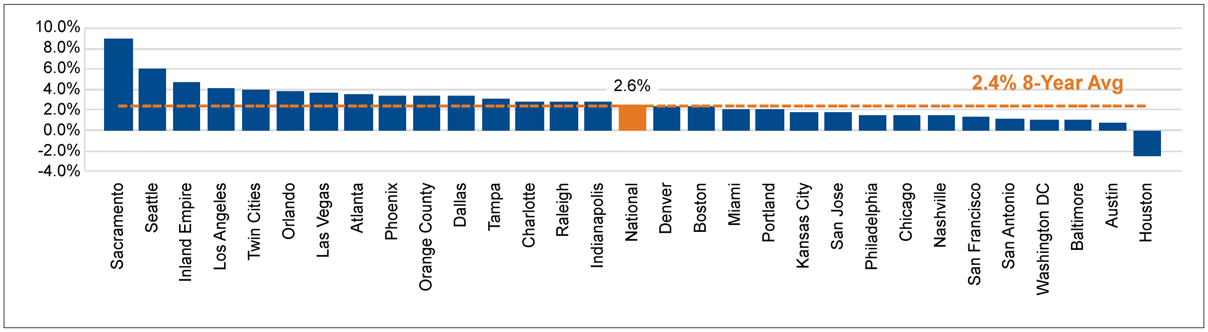
Despite the marginal increase in July, and although we expect the rent gains to slow down in the second half, the survey paints the multifamily market in a good light. For one thing, rent growth tends to moderate in the second half of the year, and the gains achieved so far in the year already put 2017 above the average long-term increase. Trend-wise, the market is in an extended period of rate-growth deceleration, coming down from unsustainably high increases—as high as 5.7% in early 2016. Another positive sign is the broad-based stability among metros. Of the top 30 metros in the Matrix Monthly survey, only one (Houston) has negative results year-over-year, and 19 have increases of 2.0% or more. And several of the markets that are at 2.0% or less—such as Portland, San Francisco and San Jose—are coming off periods of outsize gains and have recently showed signs of perking up again. Recent results are encouraging: On a trailing three-month basis, no markets had negative numbers, and 25 of the top 30 metros saw solid gains of 0.4% or more. With few exceptions, metros are seeing outsize gains at best and moderate gains at worst.

Perhaps most important, absorption continues to drive fundamentals. There has been little slowdown in job growth this year, despite the inability of Congress to implement new federal policy. New jobs are helping to fuel household formation that drives demand for apartments. That is keeping occupancies near historically high levels even though new supply is expected to hit a cycle high of 360,000 in 2017. The downside of new completions includes increased concessions for high-end units and growing vacancies in some submarkets.

### National Average Rents




### Year-Over-Year Rent Growth—All Asset Classes




*National averages include 121 markets tracked by Matrix, not just the 30 metros featured in the report. All data provided by YardiMatrix.*