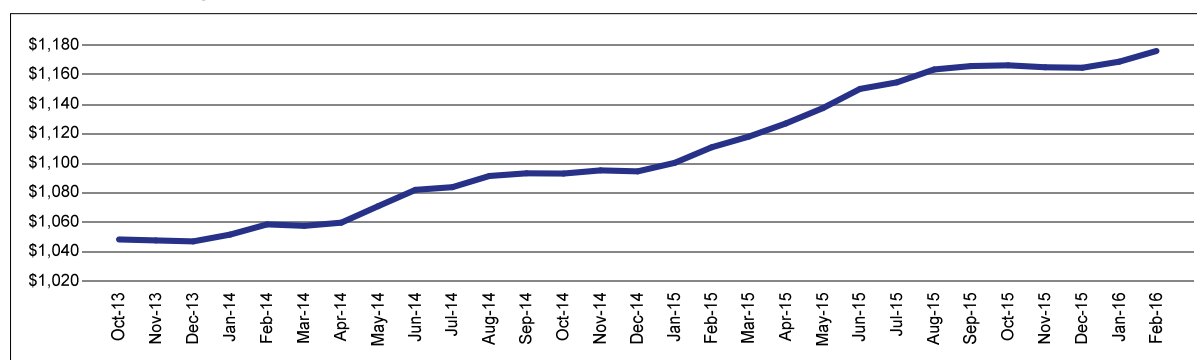


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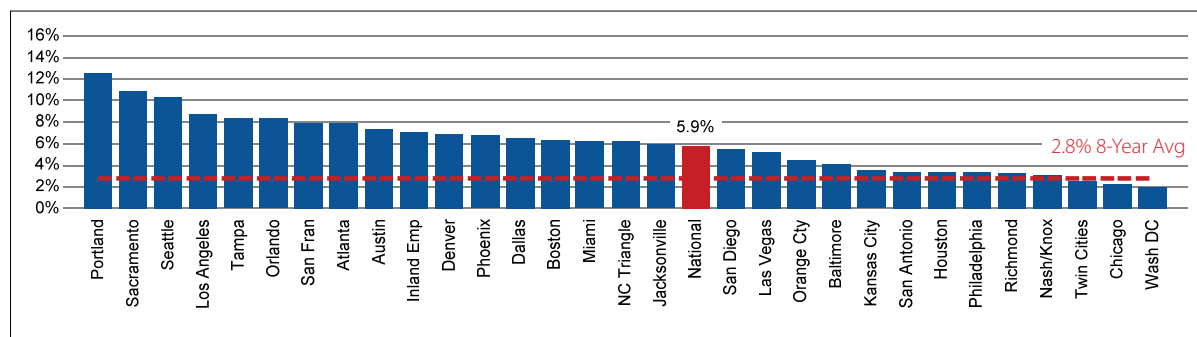
Healthy February for Multifamily Rents

- Multifamily rents posted a solid increase in February, with the average national rental rate rising \$7 to an all-time high of \$1,175. The previous peak was \$1,168, reached in January. During the current recovery cycle, February has been a good month for apartment owners. Rents rose 0.6% month-over-month in February, and were up 1.0% in 2015, 0.7% in 2014 and 0.4% in 2013.
- On a year-over-year basis, national rents were up by 5.9% in February, which is extremely solid but down from 6.4% a month earlier. The 50-basis-point decrease is partially a reflection of the strong gains recorded in February 2015 but also a sign that overall rent growth is likely to moderate this year and move closer to our forecast 4.5% increase.
- With year-over-year rent increases near 6% and above the long-term trend in the majority of metros, it's difficult to be too alarmed, but there are some areas of softness that bear watching. One concern is the declining growth in some of the tech-centric metros such as Portland, San Francisco and Denver. Those metros are still at the top of the year-over-year rankings, but growth has slipped in recent months. The tech sector has cooled, with some public offerings canceled and smatterings of layoffs.
- Another area of concern is the energy sector, as the price of crude remains near \$30 a barrel. Metros such as Houston, Denver and Pittsburgh are among the most impacted by cuts in the mining and drilling segments. Also, though new supply is no doubt badly needed on a national basis, it is having an impact on rent growth in some markets, including Atlanta, Houston and Denver.

National Average Rents



Year-Over-Year Rent Growth—All Asset Classes



National averages include 111 markets tracked by Matrix, not just the 30 metros featured in the report. All data provided by YardiMatrix.