



Yardi Matrix

National Multifamily Report

March 2021



Multifamily Rents Have Turned a Corner

- Multifamily rents increased by 0.6% on a year-over-year basis in March, a sign that the multifamily market has turned a corner.
- Overall rents increased by \$6 in March to \$1,407. Nationally, multifamily rents had one of the strongest first quarters in a few years, with rents up 0.8% from the previous quarter. In the first quarter of 2020, the effects of the pandemic were just beginning to set in, and rents were up only 0.1%.
- Outside of the gateways and a select few other top 30 markets, most other metros had positive year-over-year rent growth. Out of our 134 markets surveyed this month, 114 had flat or positive YoY rent growth.

Nationally, the multifamily market is coming out of the first quarter of 2021 strong, with rents up 0.8% in the first quarter alone.

Enactment of the American Rescue Plan authorized the injection of \$1.9 trillion into the economy. The two most recent aid packages (the American Rescue Plan and the Consolidated Appropriations Act) have provided a combined \$50 billion of emergency rental assistance and other support to the housing industry. This funding is bound to have a positive effect on occupancy and rent growth throughout 2021. A likely hindrance to the industry is the ban on evictions, which the Centers for Disease Control and Prevention has just extended to June 30.

Affordable metros in the West continued to thrive in March, with the Inland Empire (8.3%), Sacramento (7.3%) and Phoenix (6.9%) leading the way in year-over-year rent growth. The

strong demand for housing in these metros has enabled this trend. Even expensive coastal markets and gateway cities are beginning to bounce back, albeit slowly.

Lifestyle rents have been the hardest hit during the pandemic, but a floor has now emerged. Nationally, lifestyle rents were up 0.5% month-over-month, outperforming renter-by-necessity rents, which increased only 0.3%.

Of the top 30 metros, 27 had flat or positive month-over-month lifestyle rent growth. On a year-over-year basis, some weakness remains, but half of the top 30 metros did see positive YoY lifestyle rent growth.

As the pace of vaccinations continues to ramp up and cities continue to reopen, the multifamily market is poised for a strong 2021.

National Average Rents

