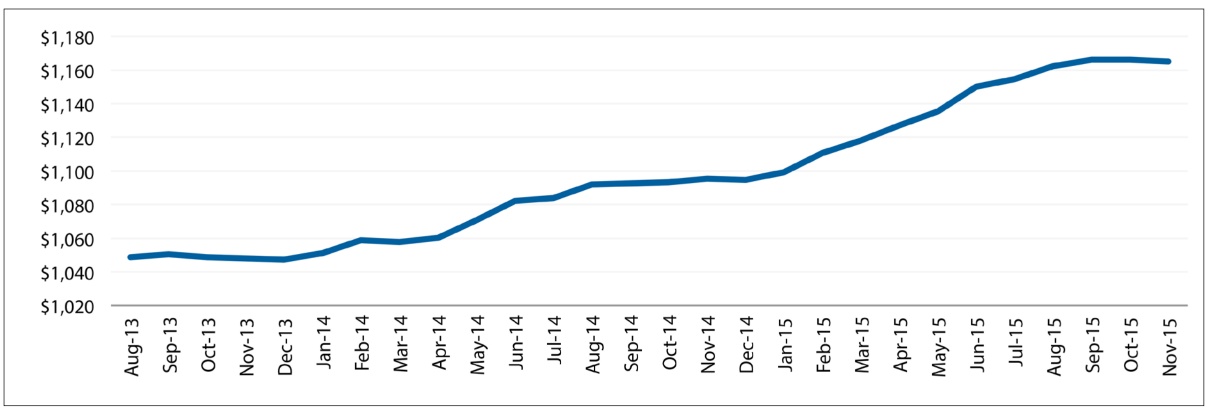
Rent Survey | November 2015

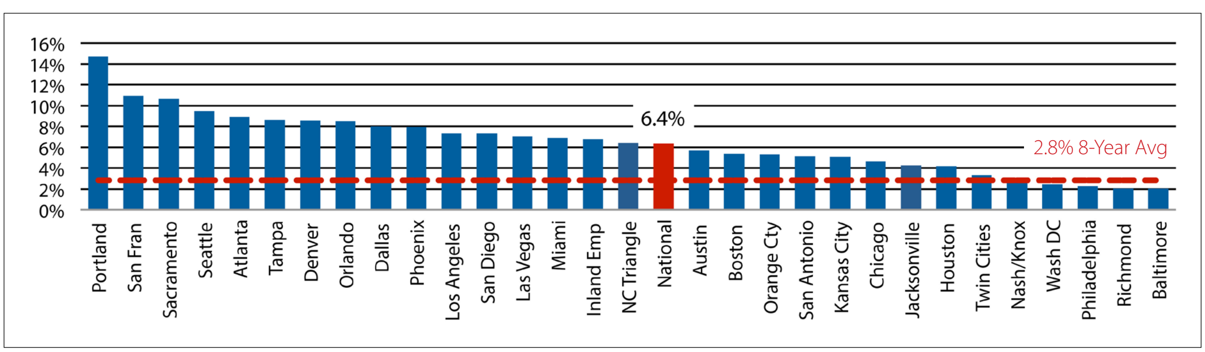
Steady as She Goes for Multifamily Rents

- U.S. multifamily rents remained steady in November, although the hottest markets are showing signs of a deceleration in growth.
- Nationwide, rents dropped by $1 to $1,165 and have been basically flat for two months, which is consistent with a normal seasonal pattern. Rents had risen for nine straight months before October. The flattening of rents during the winter months is expected, and it is consistent with Yardi Matrix's forecast, which calls for rent growth to slow to about 4.5% in 2016.
- Rents increased by 6.4% year-over-year in November, which is a 30-basis-point decline from October but 190 basis points more than the 4.5% growth recorded in November 2014. Rents continue to increase at a rate that is far higher than the 2.8% long-term average.
- On a year-over-year basis, Portland (14.7%) and San Francisco (11.0%) once again led the pack, with ongoing hot markets including Sacramento (10.7%), Seattle (9.5%), Atlanta (8.9%) and Denver (8.5%) all in the top 10, as well. However, in recent months some of the Western tech-oriented growth markets have been showing signs of slipping and rent growth has been led by warm-weather metros in the South and Southwest., including Miami, Phoenix and the Inland Empire.
- The bifurcation in rent between higher-end Lifestyle and working-class Rent By Necessity units has become glaring in recent months, an effect of new development.

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.