



Yardi[®] Matrix

National Multifamily Report

March 2024



Solid Rise for Multifamily Rents in March

- U.S. multifamily rents in March recorded their largest gain in 20 months, signaling a normal seasonal growth pattern. The average U.S. asking rent rose \$8 during the month to \$1,721, while year-over-year growth increased by 30 basis points to 0.9%.
- While 13 of the metros in the Matrix top 30 have had negative rent growth over the past year, the situation is improving. Only four metros recorded negative rent growth over the first quarter and only two were negative in March.
- Single-family rents also had a good month, increasing by \$9 in March to \$2,144. However, the year-over-year growth rate fell 20 basis points to 1.2%. Similar to multifamily, high-supply markets including Austin, Orlando, Phoenix and Dallas have seen rent growth soften.

March's multifamily data should provide some level of comfort for the many market observers worried about the sector's performance this year owing to slowing economic growth or the robust supply pipeline. Not only did the average U.S. rent increase by \$8 for the month but it appears that normal seasonal patterns are returning after several years of unconventional performance that started with the pandemic lockdowns in the spring of 2020. The 0.5% growth for the month and first quarter are in line with the 0.6% average for March and the first quarter in the five years preceding 2020.

Multifamily's March performance demonstrates resilience in the face of challenges. Demand remains healthy as the economy continues to churn out jobs, with household growth boosted by strong wage growth and immigration. Midwest markets continue to pack the top of the rent growth rankings, benefiting from affordable prices and the re-

bound in manufacturing and industrial spending as U.S. policy starts to reduce its dependence on China. Examples include Columbus (4.5% year-over-year), Kansas City (3.7%) and Indianapolis (3.5%), which trailed only New York City (5.0%) in the top 30 for the month.

Also a good sign is that rents are rising again even in markets where occupancy rates are declining due to the heavy supply growth. For example, rents rose an average 1.4% in March in Orlando, where total stock has increased by more than 4% over the last 12 months. Another example is Charlotte, where rents increased by 1.3% in March although total supply has grown 5.5% in the last year.

While one month of data doesn't constitute a trend and rent growth likely will remain constrained due to affordability and new supply, the tone early in 2024 is encouraging.

National Average Rents

