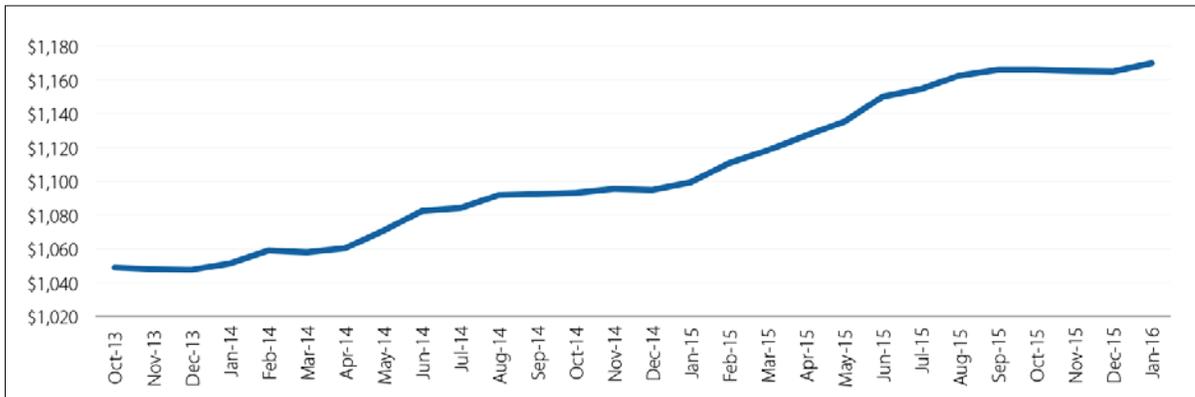


Rent Survey | January 2016

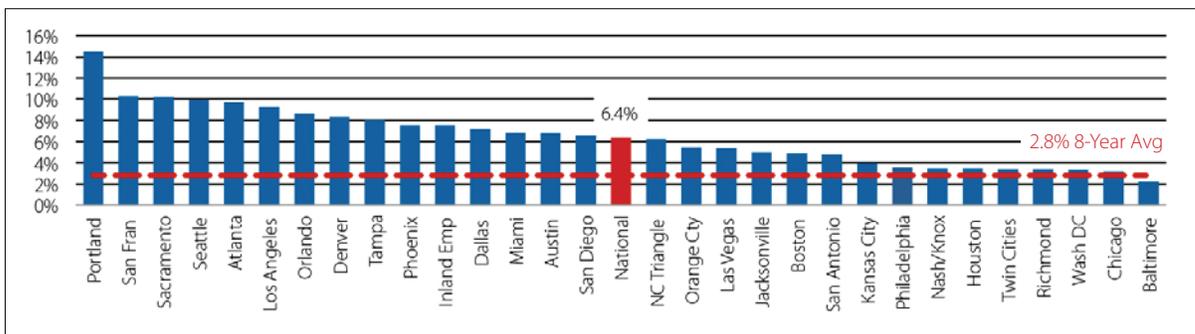
Multifamily Rents Start the New Year Strong

- Multifamily rents are showing little sign of slowing down, starting 2016 with a solid increase. After plateauing over the last four months, the average national rental rate rose \$5 in January to an all-time high of \$1,170. The previous peak was \$1,166, reached in September and October 2015.
- On a year-over-year basis, national rents were up by 6.4% in January, continuing the torrid rate the market has seen since the spring. Although we expect rent gains to begin to moderate this year, growth is still surpassing the 2.8% long-term average.
- Rent growth continues to be led by the usual high-flying metros on the West Coast and in the Southeast, but increases are remarkably widespread. Baltimore, at 2.2%, is the only one of our Matrix Monthly Top 30 metros with a year-over-year growth rate of less than 3%.
- The mood at the National Multifamily Housing Council's Annual Meeting this month reflected confidence in the sector's strength for 2016. The optimism stemmed from a range of demographic and fundamental factors, including ongoing strong job growth, the increase in the number of Millennial-age renters, lower homeownership rates due to rent preferences and credit issues, tight vacancy rates in most markets and the avalanche of capital from investors that want to own multifamily properties in the U.S. The sector is facing some headwinds—such as the possibility of an economic slowdown and the mismatch between demand for affordable units and the increasing supply of luxury properties—but the consensus was that the market is strong enough to overcome any such hurdles.

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.