Yardi Matrix

National Multifamily Report

November 2024

Steady Multifamily Market Awaits Policy Changes

- Multifamily advertised rents dropped $5 nationally in November to $1,744, as a rapid influx of supply continues to counteract strong demand in high-growth Sun Belt markets. Year-over-year rent growth fell 10 basis points to 0.9%.

- Nationally, rent growth has been steady at just under 1.0% throughout the year, but performance is mixed by region. Sixteen of the Matrix top 30 metros have recorded positive advertised rent growth year-over-year, while 14 are negative.

- Due to a seasonal slowdown and rising competition from deliveries, particularly in Florida and Texas, single-family rental rates are slumping. SFR advertised rents dropped $7 month-over-month in November to $2,150, and are down $25 since peaking during the summer.

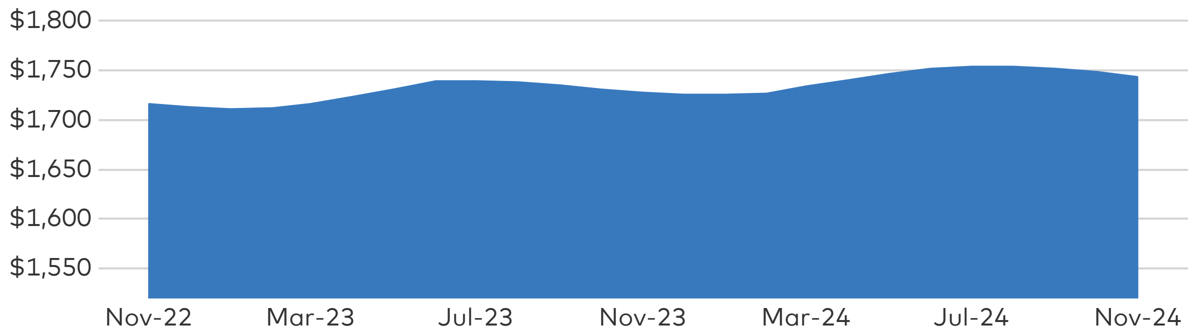
November tends to be a calm month for multifamily, with rents barely changing, as the moving season is past and renters settle in for winter. Over the last 10 Novembers, since 2015, the average U.S. advertised rent has changed more than $3 only three times. The question this year is whether the calm belies turbulence ahead, as the industry anticipates changes to policy and interest rates.

On the policy front, worries about the federal government implementing rent control are gone. Regulatory agencies including the Consumer Financial Protection Bureau are likely to be sidelined, and new banking mandates related to Basel III are likely to be put on hold. Corporate tax breaks for real estate and deductions for pass-through entities from the 2017 tax law are likely to be extended or expanded.

Fannie Mae and Freddie Mac, the most active multifamily lenders, will likely face change. The first Trump administration made noises about removing them from receivership, where they have been since 2008, and possible privatization, but it ran out of time and votes. With another bite at the apple and four more years, change in the way the agencies operate is much more probable. The Federal Housing Finance Agency recently increased their 2025 lending volume cap by $3 million to $73 million, with the requirement that at least 50% be mission-driven lending and with workforce housing loans exempt from the cap.

At the same time, threats to implement steep tariffs and deport immigrants that comprise a solid chunk of construction workers raise concerns about rising costs, development delays and reduced demand for housing. Higher inflation could keep interest rates elevated and potentially stall increased transaction activity.

National Average Rents



National averages include 140 markets tracked by Matrix, which include the 30 metros featured in the report.
All data provided by Yardi Matrix.