Yardi Matrix

National Multifamily Report

March 2025

Multifamily, SFR Rents Post Gains in March

- Multifamily performance maintained its strength at the start of the spring leasing season, as the average U.S. advertised asking rent increased $5 nationally in March to $1,755. Year-over-year advertised rent growth, which has held to a narrow range since last summer, fell 20 basis points to 1.0%.
- Gateway market performance is solid. New York and Chicago lead the top 30 Matrix metros in advertised rent growth, and among gateway metros only San Francisco is below the national year-over-year 1.0% average growth rate.
- Single-family build-to-rent advertised rates also had a strong increase in March, up $5 to $2,169. Gains were entirely concentrated in the Renter-by-Necessity segment, which is up 2.3% year-over-year. Nationally, advertised rents are the same as a year ago.

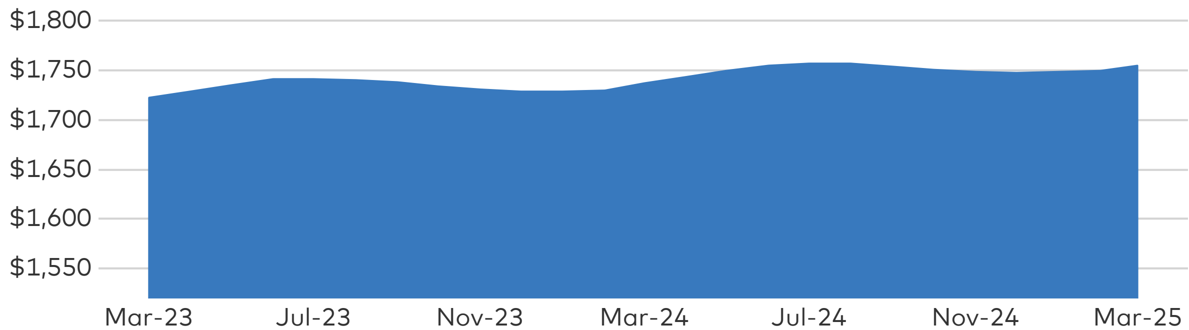
Early signs for the multifamily market in 2025 are positive, despite the economic uncertainty brought about by the change of policies introduced by the current Trump administration. U.S. advertised rents rose $5 in March, and rose by 0.4% for the first quarter of the year.

The rent increase through March was weaker than typical first-quarter growth (setting aside the post-pandemic outlier period), but not by much. The difference can be attributed to the ongoing weakness in high-supply markets, where rents are down year-over-year despite extremely strong demand. Rents have dropped over the past year in metros such as Austin, Denver, Phoenix and Nashville that maintain high levels of absorption. Each of those markets has added more than 5.0% to stock over the past year, and likely will see similar delivery levels in 2025 before the drop in starts begins to take effect in 2026.

Much about the rest of the year remains uncertain. Economic volatility is extremely high due to the imposition of tariffs, the rising number of layoffs and dwindling consumer confidence. And cutbacks on immigration will impact demand to some degree. Moody's Analytics forecasts the U.S. population to grow by fewer than 1.5 million residents in 2025, which other than 2020 is the lowest level in decades.

A good sign is that investors remain confident and multifamily capital markets are liquid. A large volume of multifamily loans are coming due in 2025, including many that were previously extended. Lenders are eager to remove such loans from their balance sheets, and they are likely to be tougher with borrowers than they were a year or two ago. That creates opportunities for investors to provide takeout financing or buy the loans from banks.

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.