Yardi Matrix

National Multifamily Report

April 2025

Fundamentals Healthy as U.S. Economic Growth Slows

■ Multifamily advertised rents continued to grow moderately in April as demand coming from a solid labor market and weak home sale market remained consistent. The average U.S. advertised rent increased $5 to $1,736, while year-over-year growth fell 10 basis points to 0.9%.

■ The national occupancy rate declined slightly, reaching its lowest point in more than a decade at 94.4%. However, a slowdown in supply is anticipated in the coming years, as starts have dropped sharply, which will support absorption.

■ Single-family build-to-rent advertised rates also increased in April, up $5 to $2,178. Gains were entirely concentrated in the Renter-by-Necessity (RBN) segment, which was up 1.9% year-over-year, while the Lifestyle segment was down 0.4%.

Solid demand has kept multifamily rent growth steady, but economic uncertainty threatens the market. Nationally, rents rose $5 in April to $1,736, reflecting a modest 0.9% year-over-year increase. Although record levels of deliveries have applied downward pressure on rents, strong job growth and fewer renters moving into homes have helped maintain healthy absorption. Early data aligns with our forecast of moderate 1.5% rent growth in 2025, but the contraction of the first quarter GDP raises the risk of a potential downturn, which could disrupt otherwise resilient fundamentals.
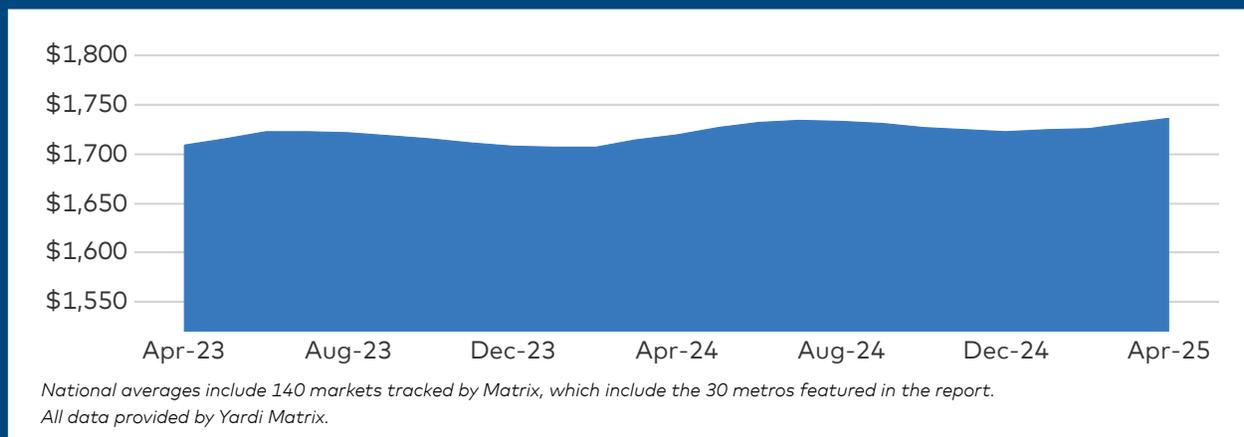
Steep for-sale house prices and mortgage rates have been a benefit for rental demand. Home prices continue to climb, with the S&P Core-Logic Case-Shiller Index showing a 3.9% annual increase in February. This impacts sales significantly, as existing home sales dropped 5.9% in March to a seasonally adjusted rate of 4 million, the slowest pace since the 2009 crisis, according to the National Association of Realtors. With mortgage rates still hovering above 6.5%, many prospective buyers will continue renting.

While multifamily market fundamentals are healthy, the economic uncertainty caused by tariffs could challenge the market. Weaker economic growth could offset the supply slowdown by reducing multifamily demand, which could delay rent growth recovery. Household formations could decline as more people begin doubling up.

According to Yardi Matrix, the U.S. is forecast for a slowdown in completions in the coming years, with 2026 down 31% and 2027 down 43% from 2024's record-high 615,000 completions. This slowdown will allow rent growth to return to a more robust range of 3% to 4% from 2027 through 2030.
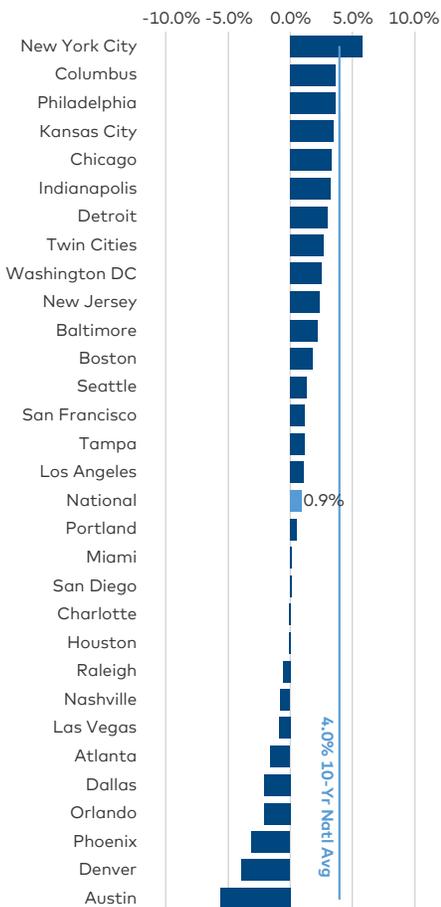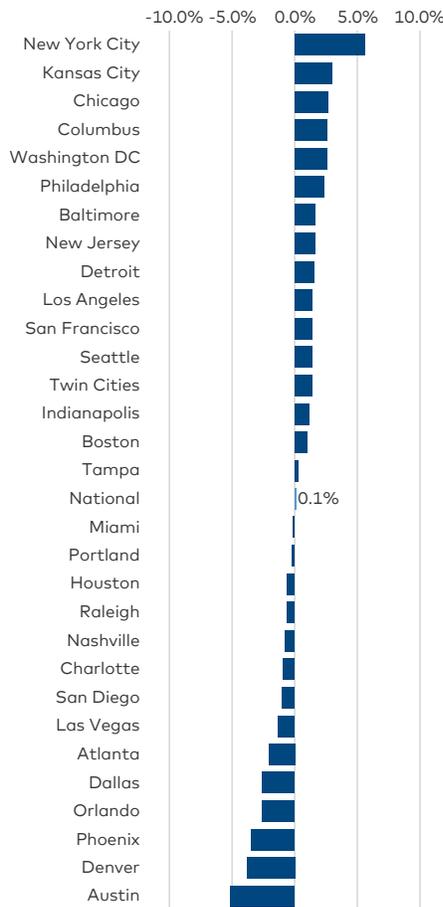
National Average Rents

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

Year-Over-Year Rent Growth: Occupancy Rates Reach a Decade Low

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■ The national average asking rent rose $5 to $1,736 in April, with the year-over-year growth rate at 0.9%. The Northeast and Midwest continue to record the highest rent growth, led by New York City (5.8% year-over-year), Columbus (3.7%), Philadelphia (3.6%), Kansas City (3.5%) and Chicago (3.3%). Meanwhile, negative rent growth is most heavily concentrated in the Sun Belt, led by Austin (-5.6%), Denver (-3.9%), Phoenix (-3.1%), Dallas and Orlando (both -2.1%).

■ The national occupancy rate in March was 94.4%, the lowest rate recorded since November 2013. Occupancy has been either flat or falling for nearly three years as the nation continues to contend with a record volume of supply delivered during the post-pandemic boom. The greatest pressure is felt in the Sun Belt, where occupancy rates have slipped below 93.0% in four metros: Austin (92.5%), Houston, Atlanta and Dallas (each 92.6%).
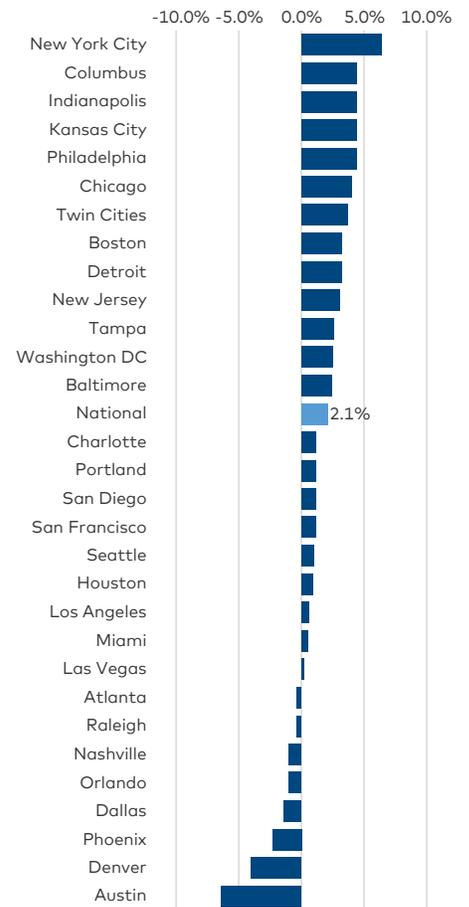
Year-Over-Year Rent Growth— All Asset Classes

-10.0% -5.0% 0.0% 5.0% 10.0%

- New York City
- Columbus
- Philadelphia
- Kansas City
- Chicago
- Indianapolis
- Detroit
- Twin Cities
- Washington DC
- New Jersey
- Baltimore
- Boston
- Seattle
- San Francisco
- Tampa
- Los Angeles
- National — 0.9%
- Portland
- Miami
- San Diego
- Charlotte
- Houston
- Raleigh
- Nashville
- Las Vegas
- Atlanta
- Dallas
- Orlando
- Phoenix
- Denver
- Austin

4.0% 10-Yr Natl Avg

Year-Over-Year Rent Growth— Lifestyle Asset Class

-10.0% -5.0% 0.0% 5.0% 10.0%

- New York City
- Kansas City
- Chicago
- Columbus
- Washington DC
- Philadelphia
- Baltimore
- New Jersey
- Detroit
- Los Angeles
- San Francisco
- Seattle
- Twin Cities
- Indianapolis
- Boston
- Tampa
- National — 0.1%
- Miami
- Portland
- Houston
- Raleigh
- Nashville
- Charlotte
- San Diego
- Las Vegas
- Atlanta
- Dallas
- Orlando
- Phoenix
- Denver
- Austin

Year-Over-Year Rent Growth— Renter-by-Necessity Asset Class

-10.0% -5.0% 0.0% 5.0% 10.0%

- New York City
- Columbus
- Indianapolis
- Kansas City
- Philadelphia
- Chicago
- Twin Cities
- Boston
- Detroit
- New Jersey
- Tampa
- Washington DC
- Baltimore
- National — 2.1%
- Charlotte
- Portland
- San Diego
- San Francisco
- Seattle
- Houston
- Los Angeles
- Miami
- Las Vegas
- Atlanta
- Raleigh
- Nashville
- Orlando
- Dallas
- Phoenix
- Denver
- Austin

Source: Yardi Matrix

# Short-Term Rent Changes:
Raleigh Leads in Monthly Gains

■ U.S. advertised rents rose 0.3% month-over-month in April, with declines in six of the top 30 metros.

■ Increases for the month were 0.2% in Lifestyle and 0.3% in the RBN segment.

There was a shake-up in the metros for short-term performance in April. Raleigh, which has posted weak rent growth over the last few years due to an influx of supply, saw rents increase 1.0% month-over-month, including 1.0% in Lifestyle and 0.5% in RBN. However, some high-supply metros have been rotating in and out of the top and bottom performers, so Raleigh's surge may only be momentary. Charlotte, for example, was one of the top rent growth leaders in March but has since returned to negative growth.

Apart from Raleigh, overall short-term rent growth has been led by the Northeast and Midwest, with Columbus (0.9%), Indianapolis and Boston (both 0.8%) and Philadelphia (0.7%) rounding out the rest of the top five. Meanwhile, overall negative growth was posted exclusively in Sun Belt metros, which have added over 3.0% to their existing stock in the past year.
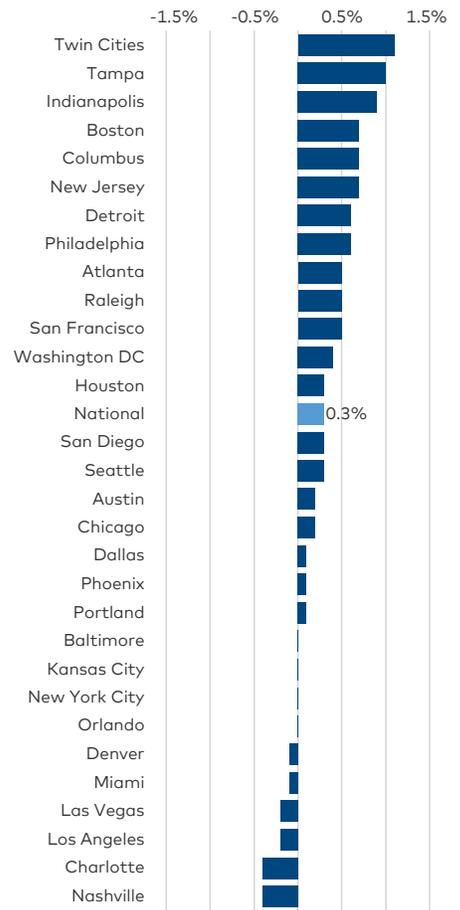
Month-Over-Month Rent Growth—All Asset Classes
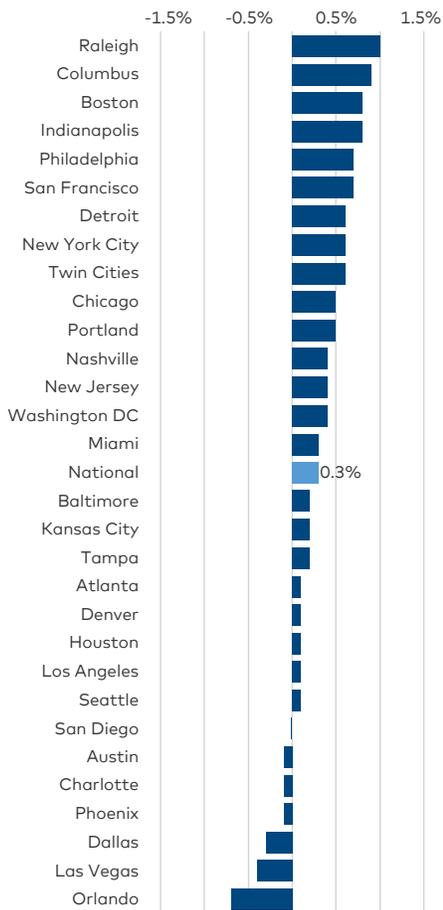
Month-Over-Month Rent Growth—Lifestyle Asset Class
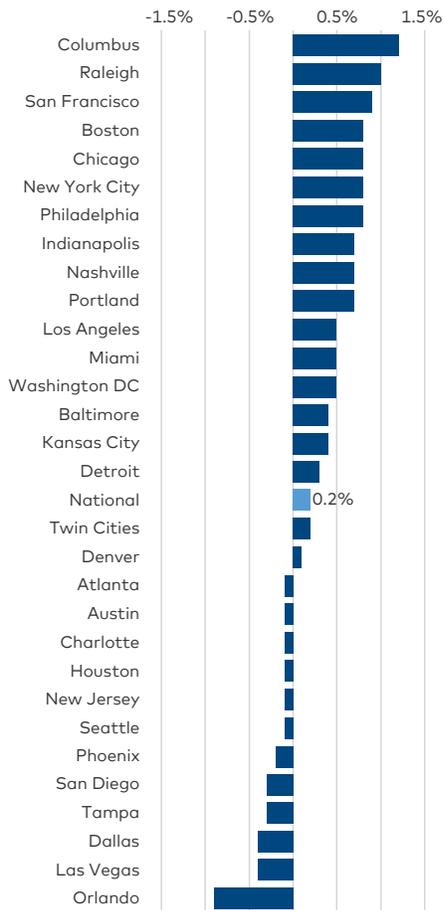
Month-Over-Month Rent Growth—Renter-by-Necessity Asset Class

Source: Yardi Matrix

Supply, Demand and Demographics:
Tariff Concerns Lead to Deal Slowdown

■ Concerns about the impact of tariffs are putting a damper on CRE deal flow.

■ After a strong first quarter, CMBS issuance dropped sharply in April due to weak investor demand. Developers worry about increased costs and pricing volatility.

■ Weak first quarter GDP growth was driven by a surge in imports and increase in business inventories; however, domestic consumer demand remained strong.

Uncertainty surrounding tariffs and economic policy is weighing on the minds of commercial real estate investors, builders and lenders, leading to a slowdown in some types of deal activity. The CMBS market, for example, hit a wall in April after a hot first quarter that was sparked by optimism about property fundamentals. U.S. CMBS issuance totaled $37.5 billion in Q1 2025, according to "Commercial Mortgage Alert," the highest first-quarter number since 2007, before the Global Financial Crisis. Issuance of private-label CMBS, agency bonds and CRE collateralized loan obligations (CLOs) totaled $59.1 billion in the first quarter, per CMA.

The impact of economic turmoil reduced investors' appetite and pushed CMBS spreads higher. Ten-year triple-A CMBS spreads widened 30 basis points between January and April. About $1.5 billion of CMBS was issued during the first three weeks of April, so there is some activity. But another $15 billion of planned CMBS deals sat on the sidelines. One $2.4 billion CMBS transaction that would have refinanced a loan on the Ala Moana Center mall in Hawaii was postponed when the borrower decided to extend the current loan instead.

Some lending is getting done. Agency lenders Fannie Mae and Freddie Mac are offering five-year loans with spreads in the mid-5% range. Banks are active but are picking their spots. Many banks have mandates to expand their construction lending activity—albeit at current rates and spreads.

Borrowers favor floating-rate loans because they expect the Federal Reserve to hold short-term rates steady, while longer-term rates are volatile.

Development is another segment impacted by tariffs. Developers are concerned about labor and rising costs, though the extent of the impact is unclear. Developers at the NMHC Spring Meeting estimated that total construction costs would rise 1% to 2%. The Association of General Contractors of America said this month that surveyed builders reported supplier price hikes averaging 6.3%, which would add $10,900 to the cost of building a home. "Builders are increasingly concerned about pricing volatility, labor shortages and limited land availability," the AGC said in a release. "These cost pressures, coupled with unclear policy direction, are hindering builders' ability to plan and price effectively."

Speaking at a recent Marcus & Millichap webinar, Moody's Analytics chief economist Mark Zandi said the impacts of tariffs include increased costs for consumers and businesses, a negative wealth effect that affects consumers, and the risk that foreign businesses will divert supply chains to exclude the U.S. Real Estate Roundtable president Jeffrey DeBoer said real estate could be attractive to investors that shift allocations to hard assets during economic disruptions, and he noted that there are other new tax and regulatory policies that could promote growth in the industry. He also held out hope that the tariff policy would be resolved after a short period of disruption.

Single-Family Build-to-Rent Segment:
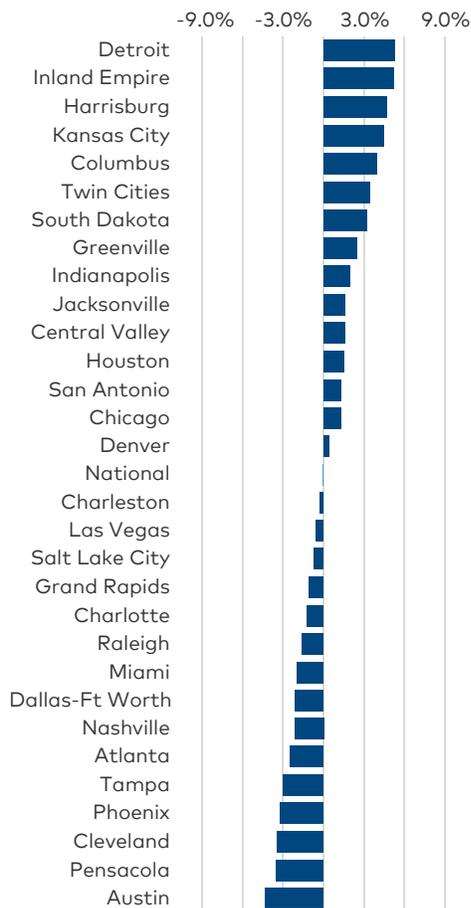# Negative SFR Growth Concentrated in the Sun Belt

- Nationally, advertised rates for single-family rentals rose in April to $2,178, while year-over-year growth was flat.

- U.S. SFR occupancy rates were stable in March at 94.8% and were down 0.6% year-over-year.

In April, negative year-over-year SFR rent growth was concentrated in the Sun Belt, with nine out of the bottom 10 metros there. Sun Belt metros with the most negative rent growth and highest sup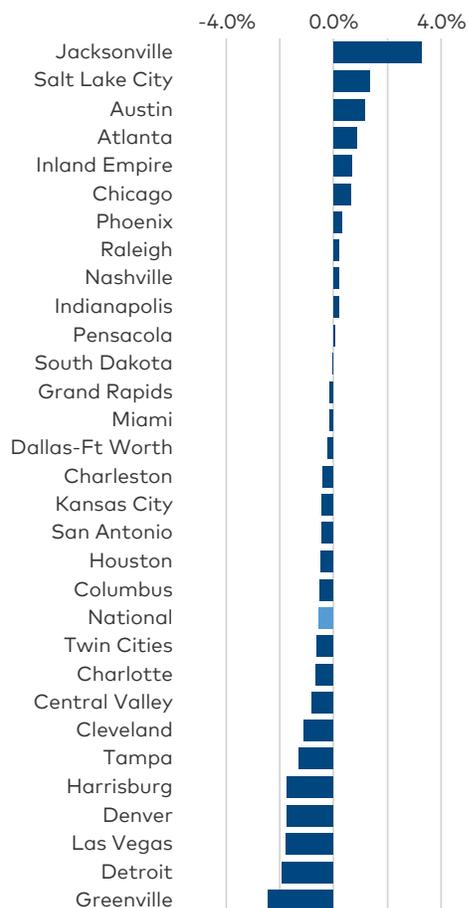ply forecast for 2025 include Austin, Phoenix and Dallas. Rent growth in Austin is down 4.4% year-over-year and is forecast for 1,353 units (0.4% of total stock); Phoenix is down 3.2% and is forecast for 7,144 units (1.9%); and Dallas is down 2.1% and is forecast for 3,164 units (0.3%). The wave of supply will continue to suppress rent growth until the new units are absorbed, with a slowdown in completions anticipated in the coming years. According to Yardi Matrix, national completions in 2027 are projected to decline by 44.5% relative to 2025.

Note: Yardi Matrix covers single-family build-to-rent communities of 50 homes and larger.

Year-Over-Year Rent Growth—Single-Family Rentals

Metro	
Detroit	
Inland Empire	
Harrisburg	
Kansas City	
Columbus	
Twin Cities	
South Dakota	
Greenville	
Indianapolis	
Jacksonville	
Central Valley	
Houston	
San Antonio	
Chicago	
Denver	
National	
Charleston	
Las Vegas	
Salt Lake City	
Grand Rapids	
Charlotte	
Raleigh	
Miami	
Dallas-Ft Worth	
Nashville	
Atlanta	
Tampa	
Phoenix	
Cleveland	
Pensacola	
Austin	

Year-Over-Year Occupancy Change—Single-Family Rentals

| Metro	
Jacksonville	
Salt Lake City	
Austin	
Atlanta	
Inland Empire	
Chicago	
Phoenix	
Raleigh	
Nashville	
Indianapolis	
Pensacola	
South Dakota	
Grand Rapids	
Miami	
Dallas-Ft Worth	
Charleston	
Kansas City	
San Antonio	
Houston	
Columbus	
National	
Twin Cities	
Charlotte	
Central Valley	
Cleveland	
Tampa	
Harrisburg	
Denver	
Las Vegas	
Detroit	
Greenville	

Source: Yardi Matrix

Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of Apr-25	Forecast Rent Growth as of 3/6/25 for YE 2025	YoY Job Growth (6-mo. moving avg.) as of Feb-25	T12 Completions as % of Total Stock as of Apr-25
New York City	5.8%	3.5%	1.9%	1.7%
Columbus	3.7%	2.1%	0.8%	3.7%
Philadelphia	3.6%	2.1%	1.0%	1.7%
Kansas City	3.5%	3.0%	0.8%	2.3%
Chicago	3.3%	2.2%	0.8%	1.7%
Indianapolis	3.2%	2.1%	1.0%	3.3%
Detroit	3.0%	2.8%	0.6%	0.5%
Twin Cities	2.7%	1.2%	0.9%	4.2%
Washington DC	2.5%	2.2%	1.5%	2.4%
New Jersey	2.4%	3.0%	1.7%	3.0%
Baltimore	2.2%	1.7%	1.2%	1.1%
Boston	1.8%	0.7%	-0.1%	2.8%
Seattle	1.3%	1.1%	1.4%	3.8%
Tampa	1.2%	0.4%	0.9%	5.6%
San Francisco	1.2%	0.7%	-0.5%	2.5%
Los Angeles	1.1%	1.1%	0.4%	1.9%
Portland	0.5%	0.6%	0.2%	3.9%
Miami Metro	0.1%	1.4%	1.2%	4.7%
San Diego	0.1%	0.8%	0.4%	2.2%
Charlotte	-0.1%	-0.7%	1.3%	6.0%
Houston	-0.1%	0.7%	1.3%	2.3%
Raleigh	-0.6%	-1.4%	1.9%	6.8%
Nashville	-0.8%	-1.0%	1.0%	6.1%
Las Vegas	-0.9%	-0.4%	0.7%	3.8%
Atlanta	-1.6%	-1.2%	1.0%	3.9%
Orlando	-2.1%	-1.0%	1.9%	5.9%
Dallas	-2.1%	-0.8%	1.3%	3.9%
Phoenix	-3.1%	-1.7%	0.5%	5.1%
Denver	-3.9%	-1.9%	0.4%	6.2%
Austin	-5.6%	-3.5%	1.9%	8.9%

Source: Yardi Matrix

Occupancy & Asset Classes

Occupancy—All Asset Classes by Month
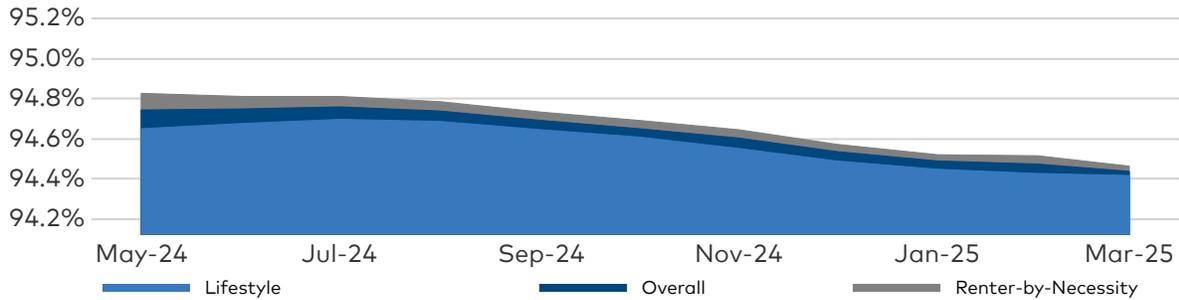
Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	April 2025		
	Overall	**Lifestyle**	**Renter-by-Necessity**
Cleveland–Akron	3.7%	2.4%	4.1%
Bridgeport–New Haven	3.7%	1.6%	5.9%
Cincinnati	3.3%	1.4%	4.2%
Milwaukee	3.0%	0.7%	5.2%
St Louis	3.0%	1.6%	3.8%
Richmond–Tidewater	2.9%	1.6%	4.0%
Albuquerque	2.8%	2.3%	3.1%
Louisville	2.6%	4.3%	1.7%
San Jose	2.4%	2.7%	1.7%
Greenville	1.8%	2.8%	0.5%
Orange County	1.6%	1.9%	1.5%
Inland Empire	1.3%	0.2%	2.4%
Central Valley	1.1%	0.4%	1.5%
Winston-Salem–Greensboro	1.0%	0.1%	2.1%
North Central Florida	0.7%	-0.3%	1.5%
Sacramento	0.4%	0.2%	0.6%
Charleston	-0.7%	-1.1%	-0.2%
Jacksonville	-1.9%	-1.9%	-2.6%
Salt Lake City	-2.0%	-1.6%	-2.1%
San Antonio	-2.1%	-2.2%	-2.2%
Southwest Florida Coast	-3.5%	-3.2%	-4.3%
Colorado Springs	-3.7%	-3.4%	-4.0%

Source: Yardi Matrix

Definitions

Reported Market Sets:

National multifamily rent and occupancy values derived from all 136 markets with years of tracked data that makes a consistent basket of data.

Market: Generally corresponds to a Standard Metropolitan Statistical Area (SMSA), as defined by the United States Bureau of Statistics, though large SMSA are split into 2 or more markets.

Metro: One or more Matrix markets representing an economic area. Shown with combined Matrix markets when necessary, and do not necessarily fully overlap an SMSA.

Average Market Rent: Average rent rolled up from the unit mix level to metro area level and weighted by number of units. Rent data is stabilized, meaning rent values for properties are only included 12 months after the properties' completion date.

Rent Growth, Year-Over-Year: Year-over-year change in average market rents, as calculated by same month.

Forecast Rent Growth: Year-over-year change in average forecast market rents, as calculated by same month.

Renewal Lease Rent Per Unit: Monthly rent per unit for renewal leases.

Renewal Lease Rent Change Percent: Percentage of monthly rent change between renewals and their corresponding previous leases for the same resident. Only includes renewal leases where the lease term length is no more than 3 months longer or shorter than the previous lease.

Expiring Lease Renewal Percent: Percentage of expiring leases for which residents have renewed. Excludes leases from which the tenant moved out prior to the month of the expiration.

Rent-to-Income Ratio: Rent is the monthly rent as stated, no fees or utilities. Income is as stated on applications.

Occupancy Rates: Ratio of occupied unit count and total unit count, as provided by phone surveys and postal records. Excludes exception properties: closed by disaster/renovation, affordable and other relevant characteristics.

Completions as % of Total Stock: Ratio of number of units completed in past 12 months and total number of completed units.

Employment Totals: Total employment figures and categories provided by the Bureau of Labor Statistics, seasonally adjusted.

Single-Family Rental: A property where 50% or more of the units are either stand-alone buildings OR have direct access garages with no neighbors above or below the unit.

Ratings:

Lifestyle/Renters by Choice

- Discretionary—has sufficient wealth to own but choose rent

Renters by Necessity

- High Mid-Range—has substantial income but insufficient wealth to acquire home/condo

- Low Mid-Range—Office workers, police officers, technical workers, teachers, etc

- Workforce—blue-collar households, which may barely meet rent demands and likely pay distortional share of income toward rent

Market Position	Improvement Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.
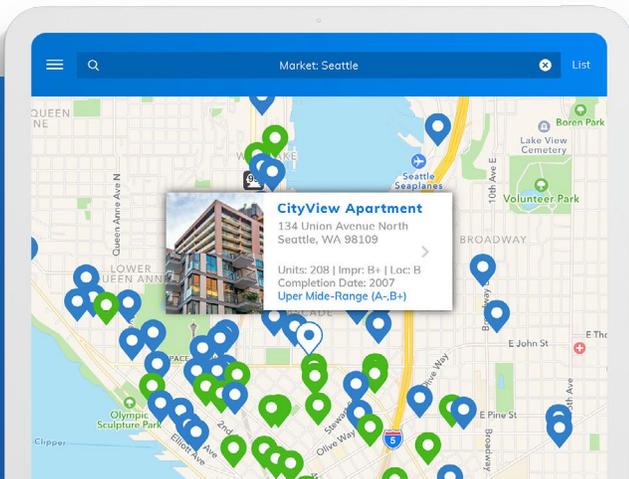
![Yardi Matrix logo]

Power your business with the industry's leading data provider

MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details

- Leverage improvement and location ratings, unit mix, occupancy and manager info

- Gain complete new supply pipeline information from concept to completion

- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators

- Access aggregated and anonymized residential revenue and expense comps

CityView Apartment
134 Union Avenue North
Seattle, WA 98109

Units: 208 | Impr: B+ | Loc: B
Completion Date: 2007
Uper Mide-Range (A-,B+)

Yardi Matrix Multifamily

provides accurate data on

nearly **23 million units**, covering

over **92% of the U.S. population.**

✔ YARDI

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Learn more at yardimatrix.com/**multifamily**

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