Yardi Matrix

National Affordable Housing Report

May 2025

Affordable Property Debt: Slow Burn as Market Evolves

Some $10.5 billion of commercial mortgages backed by fully affordable properties in the U.S. are set to mature over the next three years, while $21.7 billion are set to mature by the end of the decade, according to a new study by Yardi Matrix. Matrix's database encompasses 26,000 fully affordable multifamily properties with 3.5 million units, which serve as collateral for a total of $116.1 billion of loans.

The Matrix study is the first of its kind to measure loan maturities purely for affordable properties, which we define as assets in which at least 90% of units are subject to limits on rent because the property is receiving a subsidy from some level of government. The study breaks down maturities by year, lender type, owner type and market.

In recent years, other studies have been undertaken to measure the maturity schedule for market-rate multifamily mortgages to gauge potential distress stemming from the increase in interest rates in 2022. Distress in market-rate multifamily properties has increased over the past two years, owing to the difficulty in replacing low-coupon loans with higher rates. Another subset of market-rate properties that are underwater have negotiated extensions with banks.

However, while distress isn't completely foreign for affordable properties, it is not as prevalent as it is among market-rate properties, for many reasons. Some affordable properties have loans with favorable rates offered through government entities. Plus, the long terms that loans on affordable properties tend to have, of 10 years or more, give owners plenty of time to fix those with weak cash flow. What's more, because affordable housing is so much in demand, most properties have low vacancy rates and few have problems attracting tenants. Cash-flow problems at affordable properties are more likely to be due to high levels of unpaid rent than they are to low occupancy.