Yardi Matrix

National Multifamily Report

June 2025

Supply-Demand Balance Leads to Weak Rent Growth

- Multifamily rents rose in June, but growth remains tepid as the market balances between robust demand and supply while economic uncertainty is high. The average U.S. advertised rent increased by $3 to $1,749 during the month, while year-over-year growth was 0.9%.
- Advertised rents rose 0.7% during the second quarter and 1.2% during the first half of 2025, both well shy of pre-pandemic growth rates. In the seven years between 2013 and 2019, advertised rents grew on average by 1.8% during the second quarter and 2.4% during the first half of the year.
- National single-family build-to-rent advertised rates rose by $4 to $2,201 in June, representing a 0.7% annual increase and 0.8% growth in the first half of the year. As with multifamily, rent growth is positive but subdued compared to recent years.

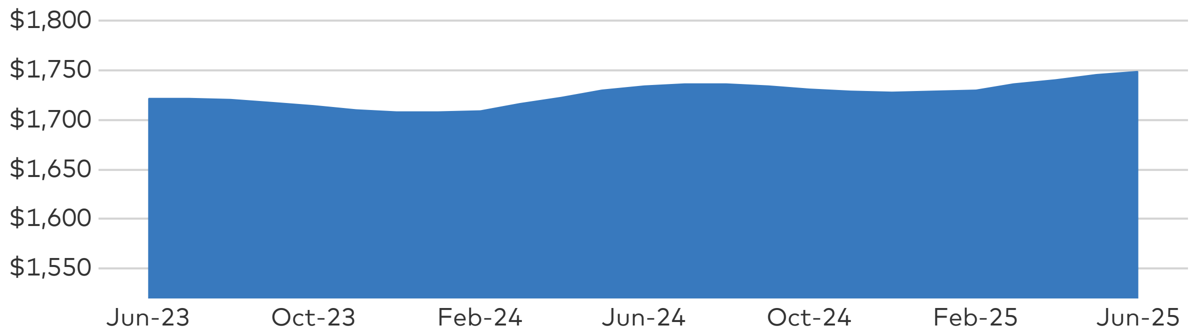
Multifamily performance remained solid through mid-year 2025, with rents rising by $20, or 1.2%, over the first two quarters. While demand remains healthy, rent growth is muted by economic uncertainty and rapid supply growth in many markets. Rents in the first half of 2025 grew by about half of the rate in the pre-pandemic economic cycle. Since rent growth is seasonal, typically concentrated in the first two quarters, that means full-year 2025 growth is likely to be tepid.

Still, after two years of record deliveries, even modest growth signals resilient demand. More than 250,000 apartment units were absorbed through May, per Matrix, putting the market on track for another year of robust demand. Austin led with 22,000 units absorbed, followed by Sun Belt markets including Charlotte, Nashville, Raleigh-Durham and Orlando. Demand remains high in the Midwest, particularly Indianapolis.

There was positive legislative news this month, as California passed a law to streamline its development process by limiting costly, time-consuming environmental reviews. The bill should accelerate project entitlements and signal that state lawmakers recognize the urgent need for more housing. The new federal tax bill is good news for affordable housing, including a 12.5% increase in federal funds for Low-Income Housing Tax Credits (LIHTC) that will increase the size of the program to $14 billion.

However, there are some areas of concern. The economy and job market remain strong, but growth has slowed, and the impact of tariff and immigration policies in the second half remains uncertain. Unemployment is low, but job switching has declined, reducing labor market dynamism. Policy uncertainty continues to challenge business planning, with the new tariff implementation date pushed again to August.

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.