Yardi Matrix

National Multifamily Report

July 2025

Cautious Optimism for Multifamily Ahead

- Multifamily rents once again posted positive yet weak growth, as the average U.S. advertised rent increased by $2 to $1,754 in July. Year-over-year growth, unchanged at 0.7%, has been range bound between 0.5% and 1.1% for the past 20 months.
- Rent growth in the Matrix top 30 is almost evenly split between gainers and losers, led by the Midwest and Northeast. However, metros such as Indianapolis and Kansas City lost some steam in July, with rebounds in San Francisco and Austin, which have struggled in recent years.
- Led by the Renter-by-Necessity segment, single-family build-to-rent advertised rates increased by $4 to $2,205 in July, with year-over-year growth at 0.4%. Increases are concentrated in the RBN segment, which is up 2.1% year-over-year compared to 0.1% for Lifestyle.

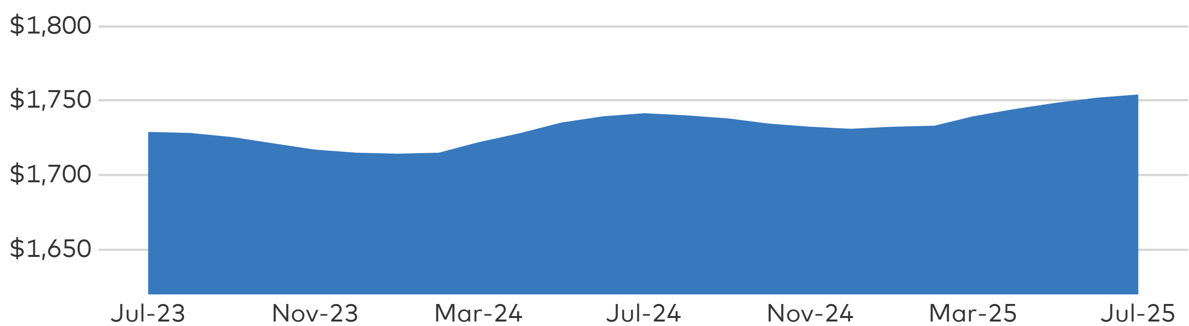
U.S. multifamily rents are increasing thanks to robust demand, but elevated levels of lease-up inventory continue to restrain growth. The average U.S. multifamily advertised rent rose by just $2 in July to $1,754, an increase of 0.7% over the past 12 months.

Absorption has been strong, with more than 300,000 units absorbed year-to-date as of June. Extrapolated over the full year, that would represent the highest number of units absorbed since 2021. However, rent growth has been restrained, largely due to the substantial number of units still under construction or in pre-lease. As of July, approximately 1 million units were under construction, about half of which are in the pre-lease phase, according to Yardi Matrix.

Yet the outlook for multifamily in the second half is sanguine. For one thing, deliveries will decelerate in coming quarters due to the declining number of starts, relieving some of the supply pressure. The economic outlook has improved in recent months as job growth has exceeded expectations and there have been fewer worries about the impact of trade policy. Tariffs still pose risk to consumer activity and a weaker economy could reduce household formation, but the latest iteration of rates portends a more modest impact on economic growth than was feared earlier in the year. While negotiations with Japan and the European Union are ongoing, major trading partners appear to be facing tariff rates in the area of 15%.

Interest rates remain a major roadblock for multifamily. The Federal Reserve is cautious about lowering rates before the inflationary impact of tariffs is clear. The pricing uncertainty will continue to keep a damper on transaction activity. Multifamily sales remain weak, up 1% year-over-year through July to $36.4 billion, per Matrix.

National Average Rents



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