



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.

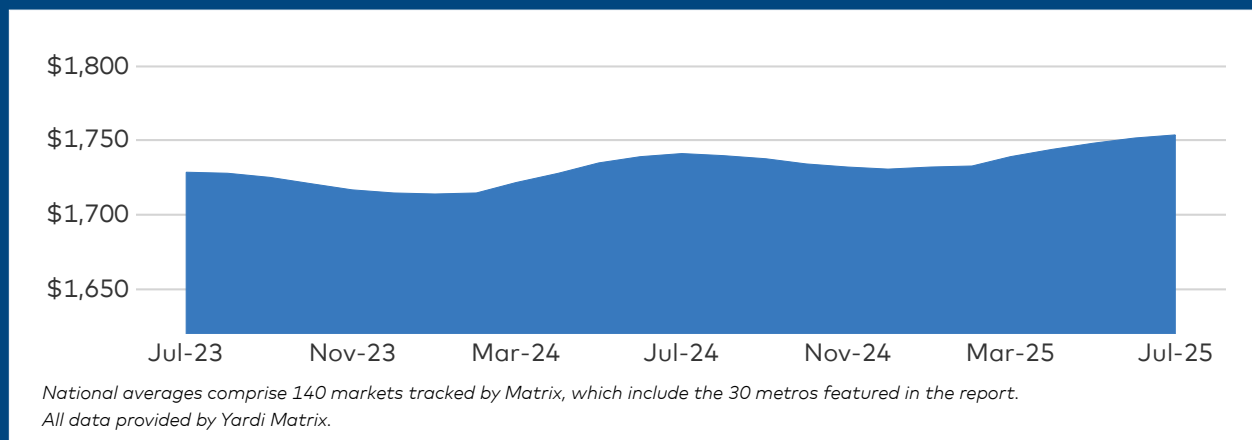
Absorption has been strong, with more than 300,000 units absorbed year-to-date as of June. Extrapolated over the full year, that would represent the highest number of units absorbed since 2021. However, rent growth has been restrained, largely due to the substantial number of units still under construction 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.

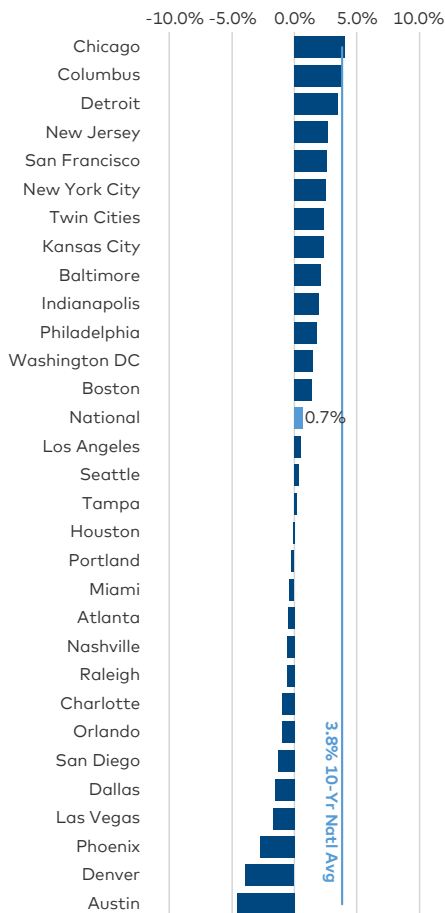
National Average Rents



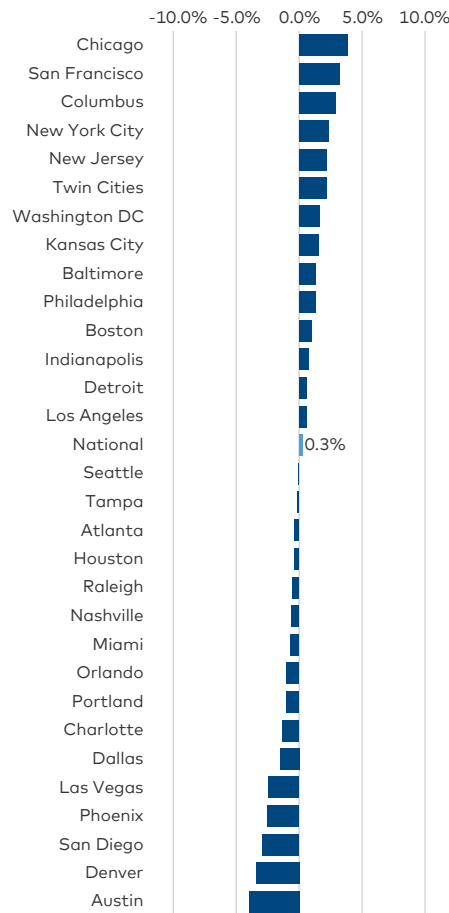
Year-Over-Year Rent Growth: Chicago, Columbus Lead Metro Gains

- The national average advertised asking rent rose \$2 to \$1,754 in July, with the year-over-year growth rate unchanged at 0.7%. Midwest and coastal metros recorded the highest rent growth, led by Chicago (4.1% year-over-year), Columbus (3.9%), Detroit (3.5%), New Jersey (2.7%) and San Francisco (2.6%). Meanwhile, rent growth remains negative in many Sun Belt metros, led by Austin (-4.6%), Denver (-3.9%), Phoenix (-2.8%), Las Vegas (-1.7%) and Dallas (-1.5%).
- The national occupancy rate held at 94.7% in June, unchanged for four months and down just 0.1% year-over-year. Absorption has almost kept pace with completions, supporting stability in occupancy rates despite elevated supply. Few markets recorded significant change in their occupancy rates year-over-year. Positive exceptions include Atlanta (0.5%), along with San Francisco and Tampa (both 0.4%), while Denver (-0.7%) saw the largest decline.

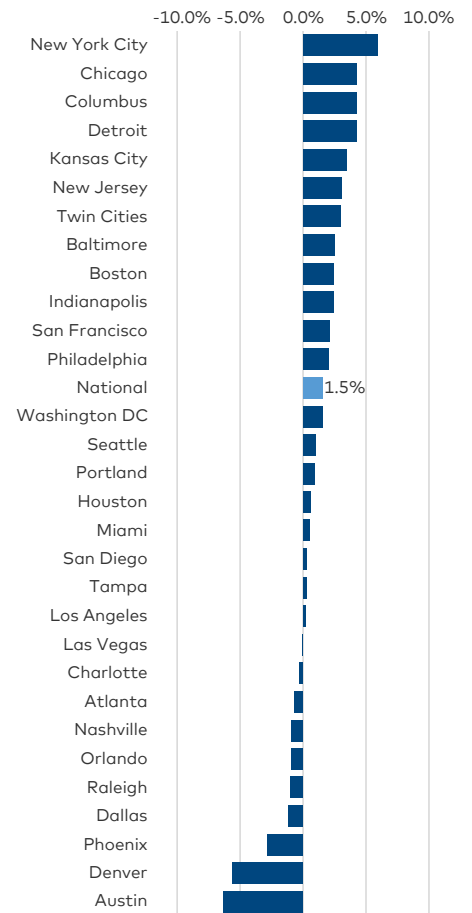
**Year-Over-Year Rent Growth—
All Asset Classes**



**Year-Over-Year Rent Growth—
Lifestyle Asset Class**



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



Source: Yardi Matrix

Short-Term Rent Changes: Momentum Shifts in Some Markets

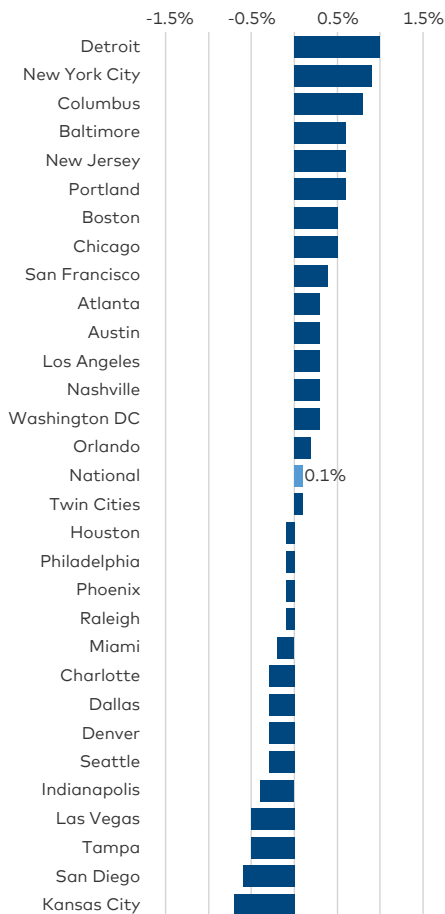
- U.S. advertised rents rose 0.1% month-over-month in July, almost evenly split between increases and decreases.
- Both Lifestyle and Renter-by-Necessity increased 0.1% for the month.

Midwest and coastal markets topped monthly rent gains in July among the Matrix top 30 metros. Detroit led with a 1.0% increase, including 1.1% in RBN and 0.1% in Lifestyle. New York City (0.9%), Columbus (0.8%), and Portland and Baltimore (both 0.6%) rounded out the top five. Demand in Detroit is moderate, but the occupancy

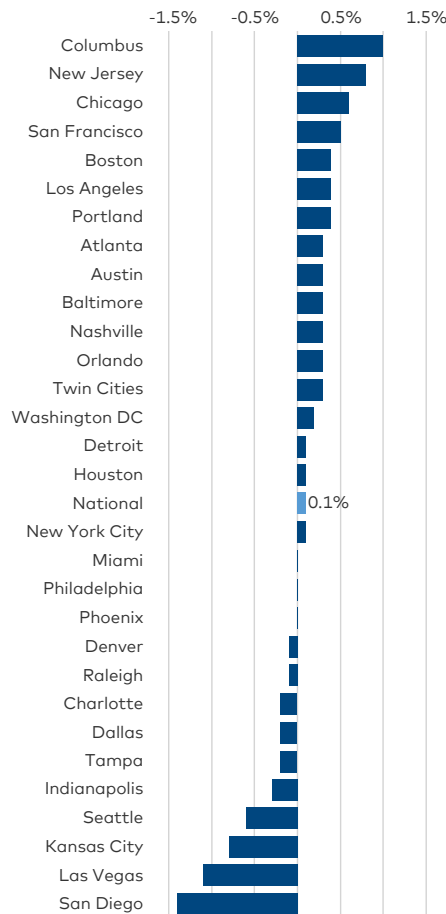
rate is 95.0% due to limited supply, as the metro added only 0.8% to its stock in the past year.

Markets that previously led in rent growth cooled in July. Midwest standouts Kansas City (-0.7% for the month) and Indianapolis (-0.4%) posted declines. Meanwhile, some underperforming markets showed signs of recovery. San Francisco, weakened by post-Covid out-migration, posted a 0.4% increase—possibly signaling a rebound fueled by its position as an AI hub. Sun Belt markets such as Atlanta and Austin also turned positive after extended declines, with supply levels past their peak and demand remaining strong.

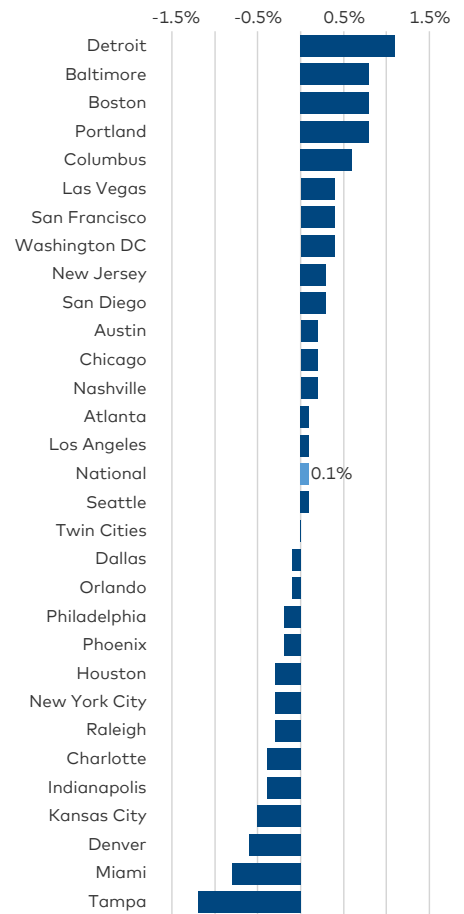
Month-Over-Month Rent Growth—
All Asset Classes



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: Growth in Multifamily Expenses Is Slowing

- After years of rapid growth, multifamily expenses increased by less than 2.0% during the first six months of 2025 for both market rate and affordable properties.
- The deceleration is due to both lower costs of overall inflation and a slowdown in property insurance, which has boomed in recent years.
- The development is good news, since expense growth reduces net income and complicates development at a time when more supply is needed.



While less often discussed than the income side of the equation, the rapid increase in expenses in recent years has made new multifamily development more difficult and poses complications for the affordable housing capital stack. So it's good news that growth in multifamily expenses moderated in the first half of 2025, after several years of above-trend increases.

Through two quarters of 2025, expenses per unit nationally grew by 1.3% for market-rate multifamily units and 1.7% for affordable apartments, according to Yardi Matrix Expert data. The current pace in expense growth would produce the lowest increases since 2020. Expense growth at multifamily properties has risen rapidly in sympathy with general inflation in recent years, peaking at 8.1% per unit in 2022 for market rate properties and 8.4% for affordable properties in 2023.

One reason for the moderation in 2025 is the decelerating growth in insurance costs, which have increased by more than 120% in both market rate and affordable properties since 2019. The average insurance cost per unit as of the end of June was \$722, up from \$307 in 2019, in market rate properties, and \$860, up from \$366, in affordable properties. But insurance costs per unit in the first half of 2025 rose only 0.5% for market rate properties and 1.2% for affordable properties. That reflects a combination of factors, including insurers regaining a buffer after the sharp growth in premiums in recent years and steps property owners have taken to stem the rise in insurance costs.

By market size, expense growth in market rate properties is reversing post-pandemic trends. Expense growth was highest in market rate gateway metros (1.6% per unit) in the first half of 2025 and lowest in secondary markets (1.1%). Since the first quarter of 2020, expenses have risen by 32.3% in secondary metros and only 24.3% in gateways. The change reflects a reversion to a mean, and possibly also property owners in secondary metros working to shave costs, as income growth of late has been weak or negative in many metros in the Southeast and Southwest.

Slower growth in expenses, if it lasts, is a welcome development for multifamily players. When layered onto costs of land and materials and persistently high interest rates, higher expenses create an added barrier to new construction at a time when multifamily starts are dropping sharply. Market rate developers already find it difficult to pencil sufficient returns to justify new development when land and material costs are high and rent growth is tepid in many markets.

Higher expenses also complicate the life of affordable housing owners and developers, who agree to limit rents based on the terms of the subsidy programs they use. Expenses, on average, consume a higher portion of income in affordable than in market rate properties. Expense growth also limits affordable housing construction, since higher costs force developers to raise more money, usually in the form of additional subsidies, to meet their capital requirements.

Single-Family Build-to-Rent Segment: Amenities Help Seal the Deal for SFR Renters

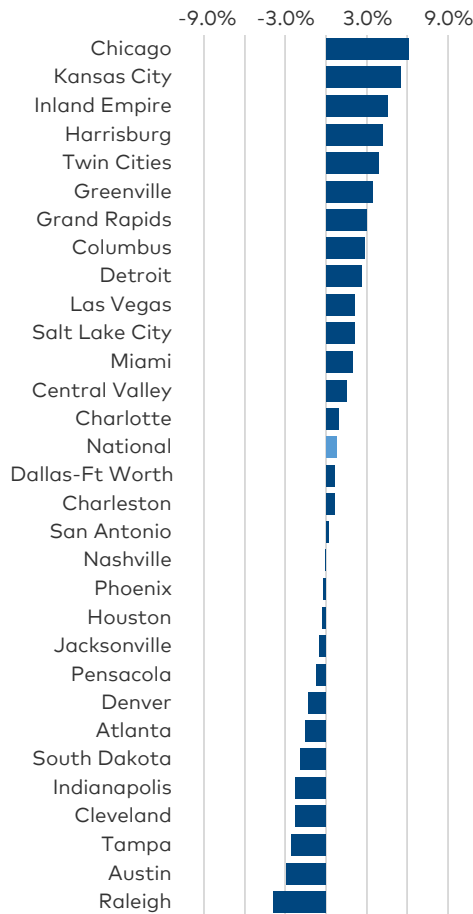
- Nationally, advertised rates for single-family build-to-rent units rose \$3 in July to \$2,205, up 0.4% year-over-year.
- U.S. SFR occupancy rates were a strong 95.0% in June but were down 0.3% year-over-year. The occupancy rate of RBN properties is 95.8%.

Amenity levels such as on-site maintenance and leasing staff and pools, clubhouses, fitness centers, ball courts, all-purpose rooms and jogging trails are a topic of scrutiny among single-family rental operators, which are increasingly focused on new construction rather than acquisitions.

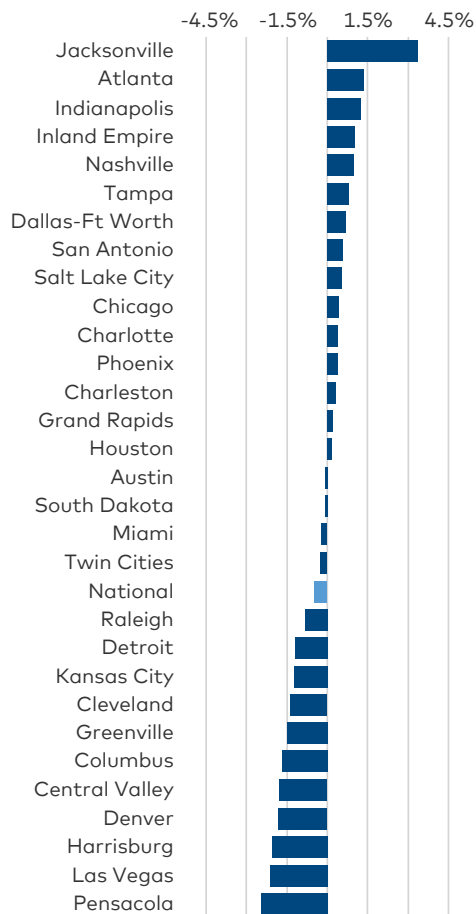
According to a panel at a recent webinar sponsored by the National Rental Home Council, projects must have at least 100 or 150 units before the numbers make sense to allocate capital for amenities that are costly to build. Properties with fewer units do not generate enough income to justify the expense, noted the panelists, who said that amenities, even if they are rarely used, help sell properties to prospective tenants. One important feature of BTR communities that is widely used by tenants is individual-unit yard space for children and pets.

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

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



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



Source: Yardi Matrix

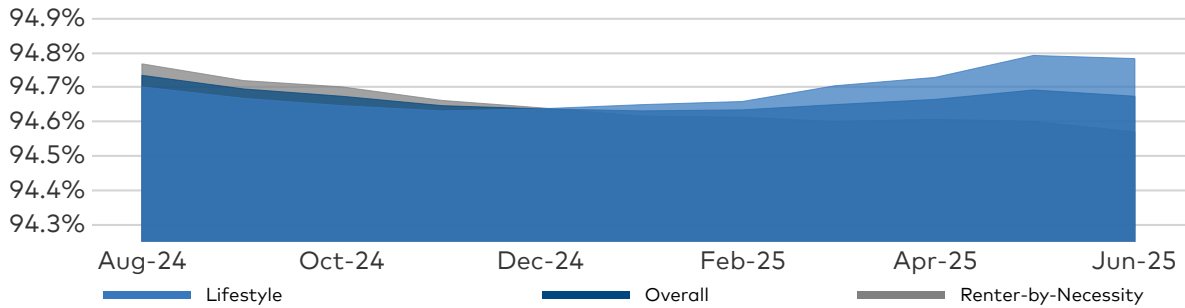
Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of Jul-25	Forecast Rent Growth as of 6/18/25 for YE 2025	YoY Job Growth (6-mo. moving avg.) as of May-25	T12 Completions as % of Total Stock as of Jul-25
Chicago	4.1%	2.8%	0.4%	1.6%
Columbus	3.9%	2.8%	1.0%	2.4%
Detroit	3.5%	2.8%	0.5%	0.8%
New Jersey	2.7%	2.7%	1.2%	3.4%
San Francisco	2.6%	1.3%	-0.5%	2.2%
New York City	2.5%	3.9%	1.5%	2.4%
Twin Cities	2.4%	2.0%	0.7%	3.6%
Kansas City	2.3%	3.4%	0.2%	2.2%
Baltimore	2.1%	1.9%	0.6%	1.5%
Indianapolis	1.9%	2.4%	0.5%	3.3%
Philadelphia	1.8%	2.7%	1.2%	1.5%
Washington DC	1.5%	2.3%	1.0%	2.6%
Boston	1.4%	1.5%	-0.1%	3.0%
Los Angeles	0.5%	1.0%	0.1%	2.1%
Seattle	0.4%	1.3%	1.1%	3.5%
Tampa	0.2%	0.7%	0.9%	6.0%
Houston	-0.1%	0.6%	1.2%	2.1%
Portland	-0.2%	0.4%	0.1%	3.4%
Miami Metro	-0.4%	0.9%	1.2%	4.2%
Atlanta	-0.5%	-1.0%	0.6%	3.5%
Raleigh	-0.6%	-0.7%	1.7%	6.1%
Nashville	-0.6%	-0.7%	0.8%	6.6%
Charlotte	-1.0%	-0.3%	1.7%	6.6%
Orlando	-1.0%	-0.9%	2.1%	5.5%
San Diego	-1.3%	0.6%	0.6%	2.3%
Dallas	-1.5%	-1.0%	1.2%	3.9%
Las Vegas	-1.7%	-0.4%	0.3%	3.3%
Phoenix	-2.8%	-2.2%	0.2%	5.1%
Denver	-3.9%	-2.2%	0.1%	6.4%
Austin	-4.6%	-3.7%	1.5%	9.5%

Source: Yardi Matrix

Occupancy & Asset Classes

Occupancy--All Asset Classes by Month



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	July 2025		
	Overall	Lifestyle	Renter-by-Necessity
Cincinnati	4.0%	2.4%	4.6%
Cleveland-Akron	3.9%	0.5%	5.1%
San Jose	3.7%	4.4%	2.5%
Bridgeport-New Haven	2.7%	0.8%	4.2%
Richmond-Tidewater	2.6%	2.1%	3.3%
St Louis	1.9%	0.9%	2.5%
Albuquerque	1.8%	0.8%	2.6%
Milwaukee	1.7%	-0.1%	3.5%
Central Valley	1.6%	1.6%	1.6%
Louisville	1.6%	1.7%	1.7%
Greenville	1.5%	1.7%	1.1%
Orange County	1.2%	0.8%	1.4%
North Central Florida	1.1%	1.0%	1.4%
Winston-Salem-Greensboro	0.9%	0.9%	1.3%
Sacramento	0.8%	0.8%	0.9%
Inland Empire	-0.2%	-1.0%	0.6%
San Antonio	-0.8%	-1.2%	-0.1%
Jacksonville	-1.0%	-0.8%	-1.2%
Salt Lake City	-1.3%	-1.6%	-0.6%
Charleston	-1.5%	-1.6%	-1.3%
Southwest Florida Coast	-4.2%	-4.5%	-3.3%
Colorado Springs	-4.3%	-4.0%	-4.5%

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.

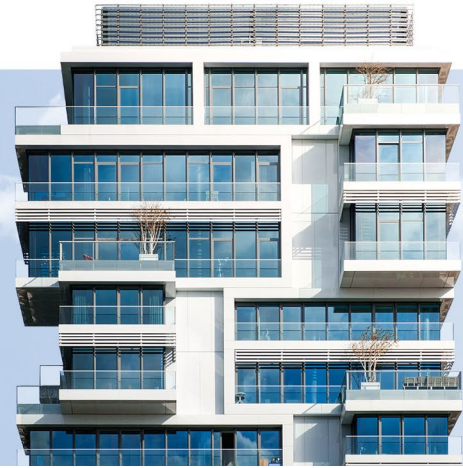
The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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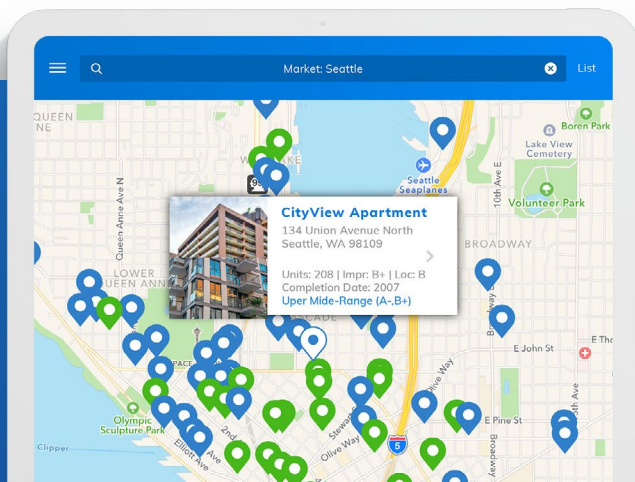
Yardi® Matrix

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



Yardi Matrix Multifamily
provides accurate data on
nearly **23 million units**, covering
over **92% of the U.S. population.**



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