Yardi Matrix

National Multifamily Report

September 2025

Multifamily Rents Slip in September

- With demand and economic growth starting to show signs of cooling, multifamily rents hit a snag in September. The average U.S. advertised rent fell $6 to $1,750 while year-over-year growth fell 30 basis points to 0.6%.
- The $6 drop in advertised rents was the worst September showing in more than a decade. Properties in markets with an overhang of new supply are offering concessions and/or cutting advertised rents to attract tenants.
- Single-family build-to-rent advertised rates also took a hit in September. The average BTR advertised rent dropped by $15 in September to $2,194, while the year-over-year growth rate fell 60 basis points to 0.0%.

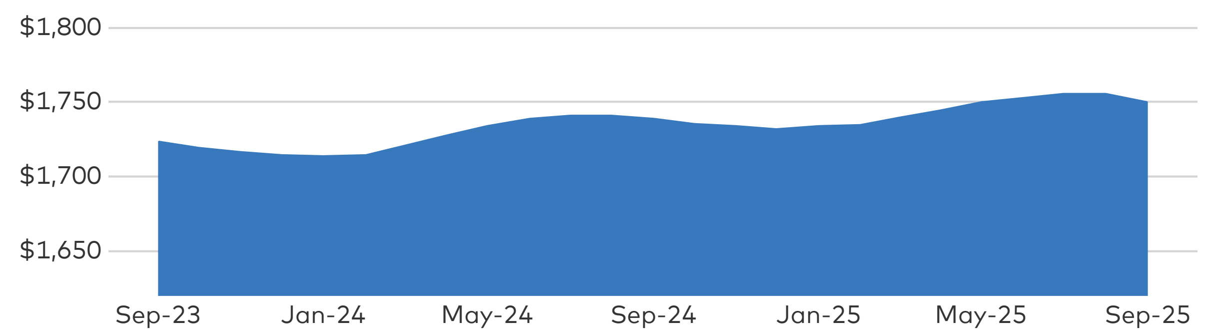
U.S. multifamily advertised rents fell $6 in September, the worst one-month drop since November 2022 and the worst September decline since 2009. The poor performance comes as demand shows signs of weakening while high-supply markets have a glut of properties in the lease-up phase. Rents remain close to all-time highs, so while it is too soon to say September is the start of a trend, the drop could signal emerging market softness.

A key factor is that more than 525,000 units are in the lease-up phase nationally, which intensifies competition among properties. Markets with the weakest rent growth often overlap with those carrying the largest pipelines. For example, Dallas (35,000 units in lease-up; 3.8% of stock), Phoenix (22,000; 5.9%), Austin (18,000; 5.5%) and Charlotte (18,000; 7.6%) all posted negative rent growth this month. Until the new supply is absorbed, rents are likely to remain under pressure.

The full lease-up pipeline comes as concerns are emerging about a slowing economy. Unemployment rose to 4.3% in August, with the economy adding only 22,000 jobs—well below expectations and the average growth in recent years. These labor challenges are weighing on consumer sentiment, which has slipped after gains in June and July. More households now expect declining incomes, even as many already struggle to keep pace with inflation. This is concerning for multifamily, given the link between consumer confidence and household formation.

The Federal Reserve is attempting to spur activity by cutting short-term interest rates by 25 basis points—its first move in nine months—and signaled more reductions may follow. While modest, lower borrowing costs could support business activity, hiring and consumer sentiment. Overall, near-term demand faces pressure from supply and labor headwinds, but the Fed's pivot may help stabilize conditions.

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.