Yardi Matrix

National Affordable Housing Report

October 2025

Slowing Expenses, Rising Rents Boost Affordable Market

Driven by a solid rise in income and decelerating expense growth, fully affordable multifamily properties are recording robust increases in net operating income in 2025. It marks the second straight year of strong performance in the affordable market, after several weak years when expenses shot up post-pandemic.

NOI at fully affordable multifamily properties grew an average of 5.6% between January and August of 2025, on the heels of 7.4% NOI growth in 2024, according to a review of Yardi Matrix Expert's database of fully affordable properties. That represents a rebound from the period between 2021 and 2023, when NOI growth was sluggish.

Some of the main takeaways from data analysis include:

- Income growth at affordable properties has accelerated over the past two years, as formulas for rent increases used by the Department of Housing and Urban Development reflect higher inflation and wage growth.

- At the same time, the post-pandemic inflation shock has cooled, particularly in insurance and maintenance costs, which shot up in recent years. Individual expense categories not only are decelerating but are returning to the mean on the market level. That indicates expense growth is slowing the most in markets that saw the largest increases between 2021 and 2023.

- The combination of slowing expense growth and increasing income at fully affordable properties has produced strong growth in net income since the beginning of 2024. That's good news, but the industry can't afford to celebrate because …

- … expenses and income are subject to rapid change. Expenses such as labor, materials and insurance have been volatile in recent years, and some property owners cut costs by deferring maintenance, a bill that will come due. On the other side of the equation, income growth can't be counted on to remain so high since it was driven by high inflation, which has slowed, and strong wage gains, which could decelerate as the labor market cools. Plus, federal cuts to the renter subsidies, food aid and Medicaid could make it more difficult for low-income tenants to pay rent.