Yardi Matrix

National Multifamily Report

October 2025

Multifamily Rents Reflect Uncertain Economy

- Multifamily rents continued to drop in October in the face of weakening demand amid economic uncertainty and deteriorating consumer health. The average U.S. advertised rent fell $4 to $1,743 during the month, while year-over-year growth was unchanged at 0.5%.

- Although too soon for alarm, apartment demand is showing cracks. Absorption rates dropped sharply in recent months in Midwest metros such as Detroit, the Twin Cities and Indianapolis, and Sun Belt markets including Orlando, Nashville, Miami, Southwest Florida and Dallas.

- Single-family build-to-rent advertised rates fell for the third straight month, losing gains made since the beginning of the year. The average BTR advertised rent dropped by $6 in October to $2,195, while the year-over-year growth rate remained at 0.0%.

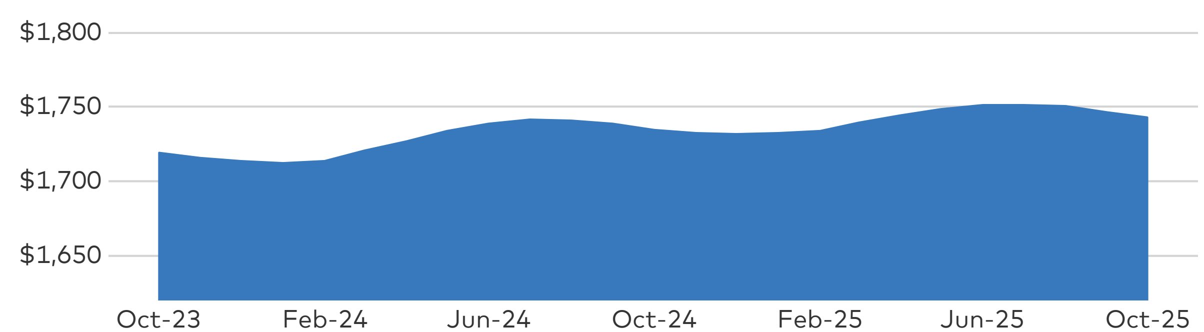
U.S. multifamily advertised rents declined by $4 in October, marking the third consecutive monthly decrease and the third straight October with a similar drop. The pullback highlights the effects of deteriorating consumer confidence, persistent inflation and labor market weakness—signs that the sector may be entering a period of softness.

Rents have fallen $9 since July, reversing the steady gains seen earlier in the year. At the same time, consumer sentiment has dropped for three consecutive months, reflecting the growing impact of inflation on household finances. The strain is increasingly evident in spending behavior: Since 2019, spending by the top 5% of earners has risen 70%, compared with 55% for the top 20% and just 25% for the bottom 60%, according to Moody's Analytics. With price pressures persisting, more renters may be forced to double up or move back home.

Labor market weakness is also weighing on multifamily demand. Third-party estimates from the Carlyle Group show just 17,000 jobs added in September—down from 22,000 in August and well below the 54,000 expected—as major employers such as Amazon, Target, UPS and Paramount have announced layoffs. Federal worker buyouts have also led to roughly 100,000 departures, with more expected by year-end, pressuring markets with large government workforces such as Washington, D.C. Meanwhile, unemployment among recent college graduates—a key renter demographic—has climbed to a nine-year high, according to the Bureau of Labor Statistics.

Still, not all fundamentals are negative. Starts have fallen by nearly half since 2023, giving high-supply Sun Belt and Western markets time to absorb units in lease-up—an adjustment period likely to last until growth returns.

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.