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Contacts

Jeff Adler

*Vice President & General
Manager of Yardi Matrix*
Jeff.Adler@Yardi.com
(303) 615-3676

Claire Spadoni

Senior Research Analyst
Claire.Spadoni@Yardi.com
(800) 866-1124 x25166

Brittney Peacock

Senior Research Analyst
Brittney.Peacock@Yardi.com
(800) 866-1124 x32823

Jacob Gonzalez

Senior Research Analyst
Jacob.Gonzalez@Yardi.com
(800) 866-1124 x31795

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Special Report: Investment Risk Analysis Key Takeaways for 2026

Yardi Matrix's Investment Risk Analysis offers a comprehensive framework for evaluating markets and key factors that influence investment decisions. This report integrates our in-depth review of 39 markets, covering fundamentals, infrastructure quality, political stability and environmental considerations.

The 2026 update is now available, offering fresh insights into fundamentals and risk indicators across these markets. Highlights include:

Market Fundamentals: Diverging Trends Across U.S. Metros

Population growth patterns remain on the trajectory that we've seen over the past few years, with the strongest population growth projected in the Sun Belt and Mountain West and the weakest in gateway cities.

Rent growth, however, diverges from population trends. The highest increases are anticipated in supply-constrained gateway markets including San Francisco, Boston and Los Angeles, whereas high-supply Sun Belt metros such as Dallas and Austin are projected to see the softest rent growth.

Annual employment growth has moderated across most metros, with few outperforming the national average in 2025. Measures related to tech talent, educational attainment and office-using employment remained largely in line with findings from our 2023 analysis. Five-year job growth projections, however, have strengthened, with most metros expected to exceed national trends.

This year's analysis also incorporates additional labor market indicators to provide a more comprehensive view of employment dynamics, including the percentage of the workforce in manufacturing and construction, as well as the number of technical and trade schools in each state. The inclusion of these measures particularly disadvantaged traditional gateway metros such as Chicago, New York and Washington, D.C., while favoring secondary markets like Boise, Phoenix and Salt Lake City.