



Yardi[®] Matrix

Multifamily National Report

May 2026



Multifamily Rents Get Small Seasonal Bump

- U.S. multifamily advertised rents rose again in May, but remain relatively flat year-over-year while soft demand is pushing occupancy rates down. The average U.S. advertised rent increased \$6 in May to \$1,767, with year-over-year growth rising to 0.2%.
- The seasonal spring increase in advertised rents is positive but muted compared to pre-pandemic levels, which portends weak growth for the full year. Despite recent gains, advertised rents are down year-over-year in 18 of the Matrix top 30 metros.
- The single-family build-to-rent market's strong spring continued in May. SF-BTR advertised rents rose \$8 in May to \$2,224 and are up \$23 over the last three months. Year-over-year growth increased 30 basis points to -0.1%.

U.S. multifamily advertised rents rose \$6 in May as the market entered the busiest stretch of the spring leasing season. Through the first five months of the year, rents increased 1.0%, matching the average pace over the same period the past four years. However, this level remains well below the pre-pandemic norm, when rents typically rose about 2.0% between January and May.

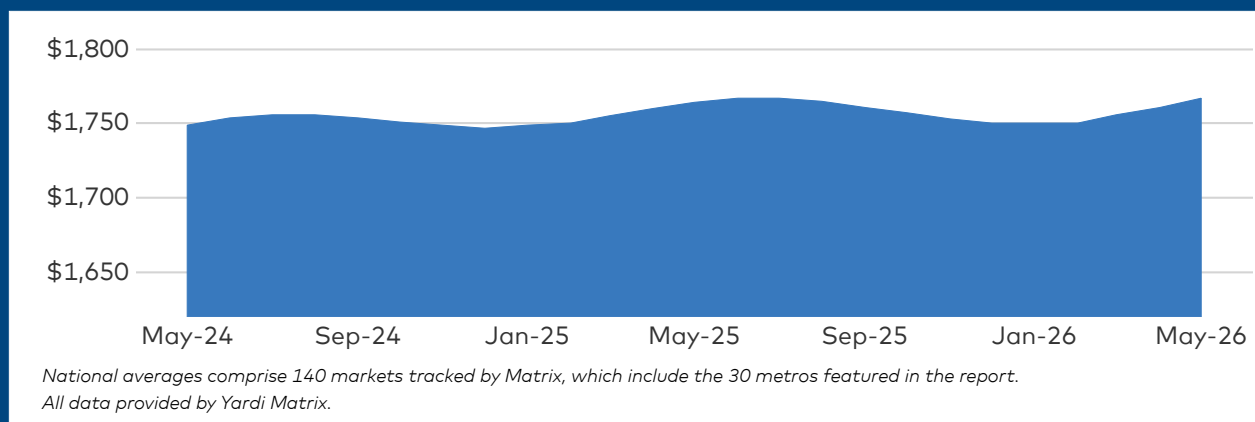
While the seasonal pattern remains intact, the spring leasing season is generating less pricing power than it did historically. The reasons include the wave of deliveries and large number of properties in lease-up, economic uncertainty and the lack of affordability affecting lower-income tenants.

Another indication of softer market conditions is the decline in occupancy. The national occupancy rate has fallen more than 200 basis points from its cycle peak in 2022 to 94.1%, its lowest

level since 2013. While elevated supply remains the primary driver, the decline also points to a slower leasing environment. Economic conditions are less supportive as well. Inflation accelerated to 3.8% in April—the highest reading in three years—as rising energy prices pushed gasoline costs higher and eroded consumer purchasing power. Meanwhile, labor market conditions and consumer sentiment remain weak.

Financial markets have responded by pushing expectations for Federal Reserve rate cuts further into the future. While elevated mortgage rates should continue supporting renter demand by keeping homeownership out of reach for many households, persistent inflation and economic uncertainty could offset some of these conditions by slowing renter household formation. However, a resolution to the conflict with Iran could reverse some of these pressures by lowering energy costs and improving consumer confidence.

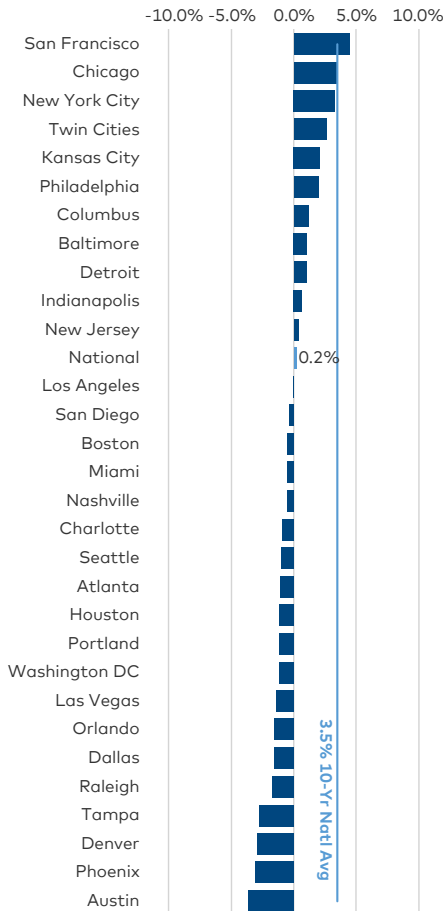
National Average Rents



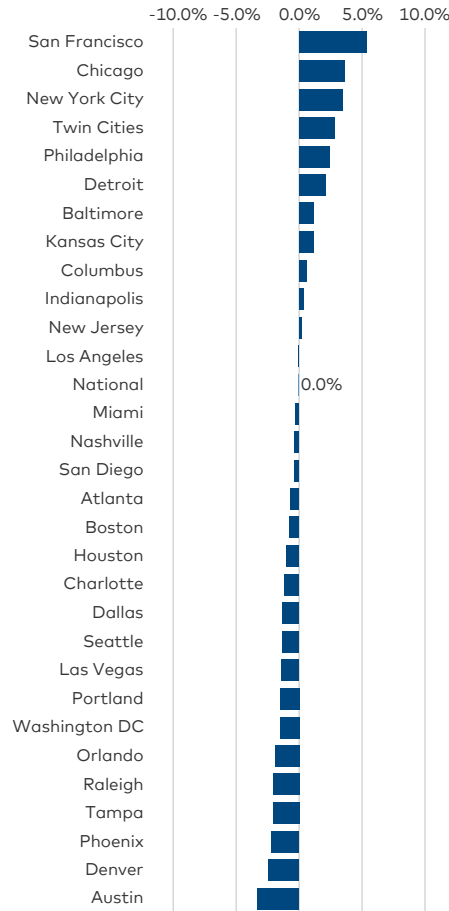
Year-Over-Year Rent Growth: Gateways Outperform as Occupancy Softens

- The national average advertised rent increased \$6 to \$1,767 in May, while the year-over-year growth rate ticked up to 0.2%. Gateway and Midwest markets recorded the highest rent growth, led by San Francisco (4.5% year-over-year), Chicago (3.5%), New York City (3.3%), the Twin Cities (2.6%) and Kansas City (2.1%). Meanwhile, rent growth remains negative in high-supply metros, led by Austin (-3.7%), Phoenix (-3.1%), Denver (-2.9%), Tampa (-2.8%) and Raleigh (-1.7%).
- The national occupancy rate fell to 94.1% in April, down 60 basis points from a year earlier. San Francisco, benefiting from strong demand tied to AI-related job growth, was the only major market to post an increase (0.2%). All other markets recorded declines, with the largest drops occurring in Tampa (-1.4%), Las Vegas and Houston (both -1.1%), Denver and Washington, D.C. (both -1.0%). On an absolute basis, Texas remains among the weakest regions, with Houston (91.6%), Austin (91.8%) and Dallas (92.3%) posting the lowest occupancy rates among major markets.

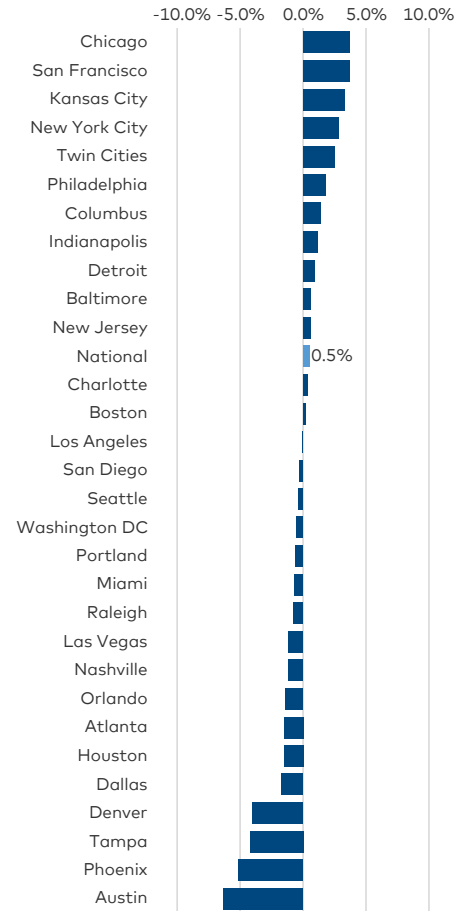
Year-Over-Year Rent Growth—
All Asset Classes



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: High-Supply Markets Show Signs of Improvement

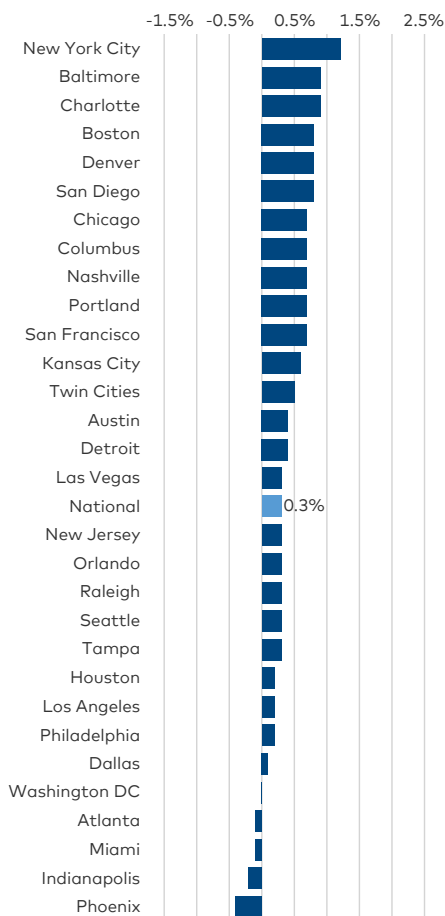
- U.S. advertised rents rose 0.3% month-over-month in May, with just four of Matrix's top 30 markets posting declines.
- Lifestyle rents increased 0.4%, while Renter-by-Necessity rents rose 0.3% for the month.

Rent growth was positive across most markets in May, with nearly all metros—including many high-supply markets—posting gains, though performance varied considerably by geography and product type. The strongest increases were led by New York City (1.2%), Baltimore and Charlotte (both 0.9%), Boston, San Diego and Denver (all 0.8%). Only four markets

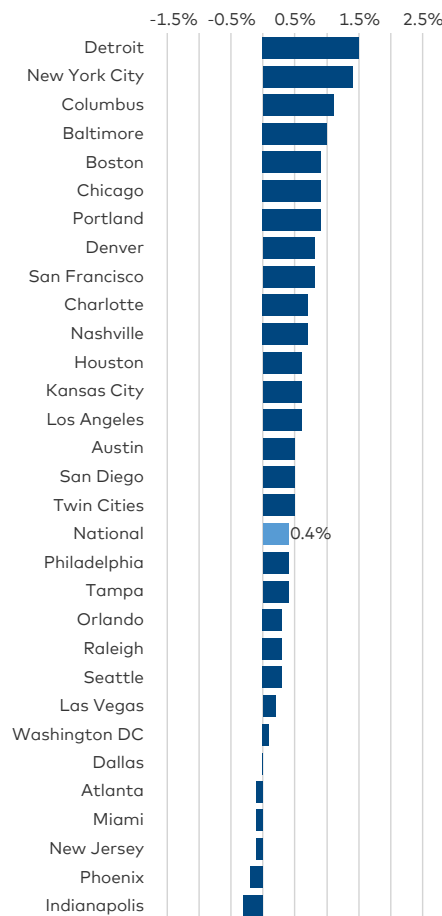
posted declines: Phoenix (-0.4%), Indianapolis (-0.2%), Miami and Atlanta (both -0.1%).

Lifestyle rents continued to outperform, rising 0.4% nationally and led by Detroit (1.5%), New York City (1.4%) and Columbus (1.1%). RBN rents increased 0.3%, with Charlotte leading (1.6%), followed by San Diego (1.1%) and Baltimore (0.8%). Even several high-supply markets that have struggled in recent years posted solid gains. Austin recorded a 0.4% overall increase, driven by a 0.5% rise in Lifestyle rents although flat in RBN. Similarly, Denver posted a 0.8% gain, supported by a 0.8% increase in Lifestyle and 0.7% rise in RBN rents.

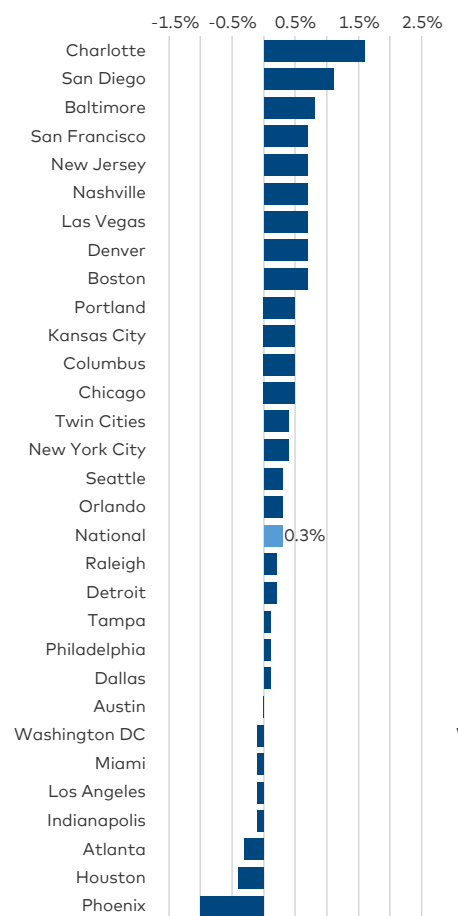
**Month-Over-Month Rent Growth—
All Asset Classes**



**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: Transaction Activity Slow to Recover

- Higher interest rates and economic uncertainty have had a negative impact on multifamily transaction activity.
- At the start of 2026, volume was expected to rise from sluggish levels of recent years, but volume is down slightly instead.
- Equity capital remains poised to buy, but bid-ask spreads remain wide and many sellers are waiting for prices to increase before closing sales.



Coming into the year, the market consensus was that interest rates would come down—views varied on how much—and, combined with improving property fundamentals, would result in increasing transaction activity. However, things have not gone as predicted.

After an early-year period when rates did go down, the war in Iran has fueled inflation, uncertainty and higher Treasury rates, prompting transaction volume to decrease rather than increase. Through the end of May, Matrix recorded \$26.6 billion of multifamily transactions, down 10.7% from the \$29.8 billion of sales completed during the same period a year ago. While the 2026 number will rise in coming weeks as more deals are recorded, year-over-year transaction activity clearly is muted.

The biggest factor in the lack of sales continues to be a dearth of sellers, since none of the impediments to deal flow have stopped investors from raising capital for multifamily assets. For example, a recent global capital study by brokerage firm Colliers found multifamily in North America generated \$174 billion of investments on a two-year rolling basis through Q1 2026. That represents about one-third of all funds allocated to commercial real estate and \$50 billion more than the second-place asset class, industrial.

The lack of sellers is not unrelated to the economic environment. Apartment sales hit a cycle peak of \$233.2 billion in 2021 when multifamily mortgage fixed rates fell to historical lows of 3% to 4%. Then short-term rates spiked and fixed-

rate mortgage rates rose by 200-300 basis points in 2022, increasing the cost of capital and reducing property values by 15-20%. Apartment sales slipped to \$69.6 billion in 2023, before recovering somewhat to \$98.1 billion in 2025, according to Matrix. Many potential sellers are still waiting for mortgage rates to drop further and allow buyers to bid lower acquisition yields and higher prices.

However, with inflation expectations climbing in the wake of the closing of the Strait of Hormuz, and the federal deficit ballooning, rates are moving in the wrong direction. The 10-year Treasury rate fell as low as 3.9% in February but has been in the 4.4% to 4.5% range more recently while the discussion has moved from how much lower rates will go to how much higher. Multifamily deal flow remains boosted by favorable capital flows, both equity and debt, but uncertainty and volatility in loan pricing has put a damper on the market.

CMBS, for example, is a competitive source for large loans but is being frozen out of smaller loans because coupons fluctuate rapidly with changing interest rates. Fannie Mae and Freddie Mac have been active and expect to come close to their 2026 allocations of \$88 billion apiece, but much of the activity is coming from refinancings instead of property sales. Meanwhile, debt funds are focused on restructuring problematic bank loans, in many cases financed by the banks that originated the restructured loan. The upshot is that multifamily's consistent performance will continue to maintain its status as a safe asset class, but deal activity will require more time to rebound.

Single-Family Build-to-Rent Segment: SFR Performance Diverges Across Markets

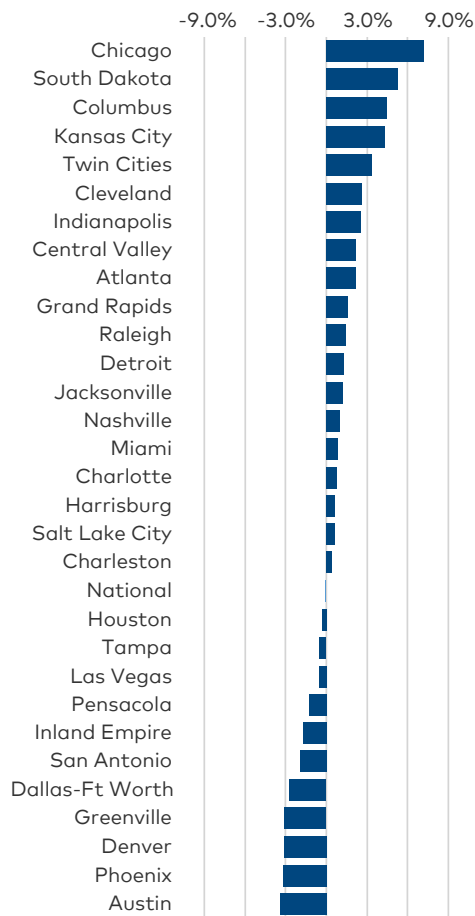
- Nationally, advertised rates for single-family build-to-rent units rose \$8 to \$2,224 in May, -0.1% year-over-year.
- U.S. single-family rental occupancy rates were solid at 94.5% in April, but down 50 basis points year-over-year. Occupancy was 96.3% for RBN and 94.2% at Lifestyle properties.

SFR rents were essentially flat year-over-year (-0.1%) nationally, masking a widening divide between markets. Similar to the multifamily sector, the strongest rent growth was concentrated in the Midwest, while many Sun Belt markets continue to face pressure from soft demand

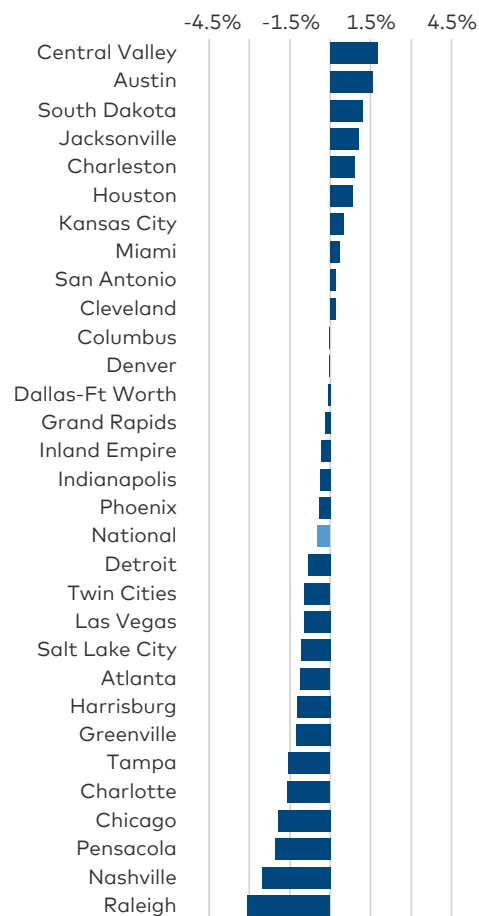
and elevated supply. The strongest performers were Chicago (7.2%), South Dakota (5.3%), Columbus (4.5%), Kansas City (4.3%) and the Twin Cities (3.4%). Meanwhile, the weakest markets were Austin (-3.4%), Phoenix and Denver (both -3.2%), Greenville (-3.1%) and Dallas-Fort Worth (-2.7%). The nearly 11-percentage-point spread between the strongest and weakest SFR markets underscores a growing bifurcation in performance, with market-level outcomes diverging even more sharply than in the multifamily sector, where the spread is closer to 8 percentage points.

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

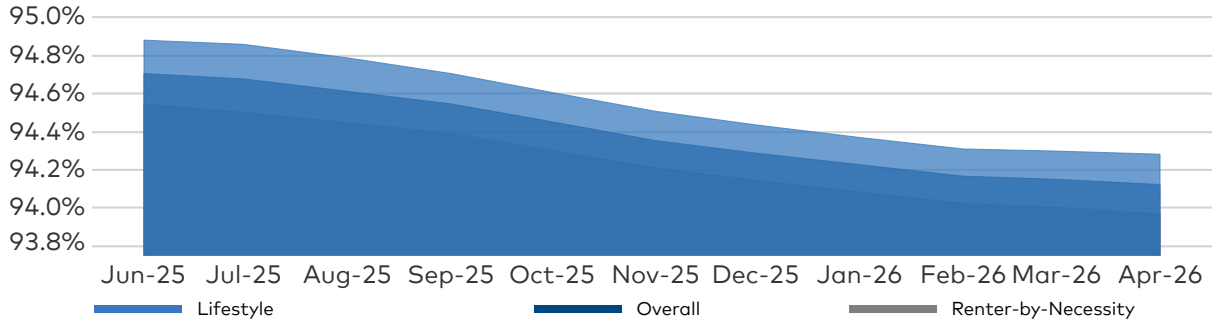
Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of May-26	Forecast Rent Growth as of 03/01/26 for YE 2026	YoY Job Growth (6-mo. moving avg.) as of Feb-26	T12 Completions as % of Total Stock as of May-26
San Francisco	4.5%	2.6%	0.2%	1.5%
Chicago	3.5%	4.1%	0.1%	1.0%
New York City	3.3%	3.1%	-0.5%	2.4%
Twin Cities	2.6%	4.7%	0.1%	1.2%
Kansas City	2.1%	3.9%	0.4%	1.4%
Philadelphia	2.0%	2.9%	0.3%	1.9%
Columbus	1.3%	2.3%	0.4%	3.5%
Baltimore	1.1%	1.9%	-2.4%	1.2%
Detroit	1.0%	4.0%	-0.8%	0.6%
Indianapolis	0.7%	1.1%	-0.7%	1.9%
New Jersey	0.4%	1.8%	-0.3%	2.6%
Los Angeles	0.0%	0.2%	-0.2%	1.9%
San Diego	-0.4%	-2.6%	0.1%	3.0%
Boston	-0.5%	0.2%	-1.1%	2.4%
Miami Metro	-0.5%	-2.0%	-0.5%	3.6%
Nashville	-0.5%	-1.4%	0.5%	3.9%
Charlotte	-0.9%	-1.8%	0.9%	6.4%
Seattle	-1.0%	-1.5%	-0.1%	2.0%
Atlanta	-1.1%	-1.9%	0.0%	2.6%
Washington DC	-1.2%	-1.3%	-2.4%	1.8%
Portland	-1.2%	-2.7%	-1.7%	2.7%
Houston	-1.2%	-1.0%	0.4%	1.5%
Las Vegas	-1.4%	-3.8%	1.5%	1.7%
Orlando	-1.5%	-4.0%	0.5%	3.6%
Dallas	-1.6%	-4.3%	0.7%	3.2%
Raleigh	-1.7%	-1.8%	1.1%	4.1%
Tampa	-2.8%	-3.4%	0.4%	3.4%
Denver	-2.9%	-5.9%	-0.1%	3.7%
Phoenix	-3.1%	-6.2%	-0.1%	4.4%
Austin	-3.7%	-5.2%	1.3%	6.5%

Source: Yardi Matrix

Occupancy & Asset Classes

Occupancy--All Asset Classes by Month



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	May 2026		
	Overall	Lifestyle	Renter-by-Necessity
Richmond-Tidewater	4.0%	4.3%	3.5%
San Jose	3.8%	3.9%	3.4%
Milwaukee	2.8%	2.2%	3.4%
Bridgeport-New Haven	2.7%	2.1%	3.1%
St Louis	2.4%	3.3%	1.8%
Cleveland-Akron	2.4%	1.7%	2.5%
Cincinnati	2.1%	3.3%	1.5%
Orange County	1.7%	2.3%	0.9%
Central Valley	0.7%	1.1%	0.7%
Charleston	0.2%	0.6%	-0.4%
North Central Florida	0.1%	-0.3%	0.5%
Inland Empire	0.1%	0.2%	0.0%
Salt Lake City	-0.1%	-0.5%	0.4%
Louisville	-0.1%	0.3%	-0.2%
Winston-Salem-Greensboro	-0.4%	-1.1%	1.2%
Albuquerque	-0.4%	-1.6%	0.2%
Sacramento	-0.5%	-0.9%	-0.3%
Greenville	-0.7%	-0.5%	-0.7%
Jacksonville	-0.7%	-0.6%	-1.3%
Colorado Springs	-1.5%	-0.5%	-3.1%
San Antonio	-2.5%	-2.1%	-3.5%
Southwest Florida Coast	-4.9%	-4.3%	-6.6%

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.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.



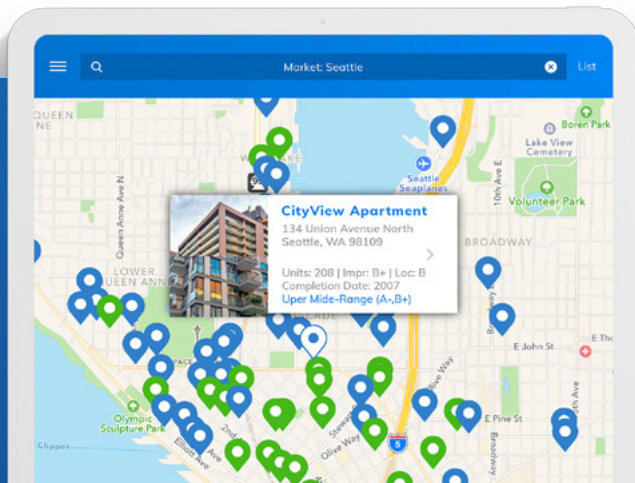
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with the industry's
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MULTIFAMILY KEY FEATURES

- 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



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