



U.S. Multifamily Outlook Summer 2026



Inflation Roils U.S. Economy

Midwest, Core Metros Top Rent Gains

Transaction Activity Slow to Recover

Market Analysis

Summer 2026

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Multifamily 2026: Rent Recovery Slow to Arrive

- Midway through 2026, multifamily is muddling along, a condition likely to persist through the rest of the year. Demand is positive but not strong enough to make more than a dent in the nearly 1.3 million units in the lease-up phase nationally. Rent growth is inconsistent, depending on the market. Capital is plentiful, but deal flow remains mired, as expectations of lower rates have been put on hold. Investors should focus on finding niche segments and improving operating efficiency in existing portfolios.
- “Uncertain” sums up the economy. GDP is positive, in large part due to productivity gains and corporate spending on AI, but consumer spending has a K shape and job growth is muted. Much is riding on how quickly the Strait of Hormuz is reopened, which would be a relief for gas prices and inflation. A rate cut to provide relief is looking unlikely.
- Nationally, multifamily advertised rents increased modestly in the first half of the year, but if the post-pandemic pattern is a guide, full-year growth is likely to be limited. Demand is positive, but with a ceiling from slowing population growth and cautious consumer sentiment. The direction of rents continues to be market-specific, with gains concentrated in undersupplied gateway markets and low-cost Midwest markets, while high-supply markets are still struggling to fill recent deliveries despite relatively strong demand.
- Multifamily starts dropped by more than one-third in 2025, compared to the 703,000-unit cycle peak in 2022. Declining starts provide hope that the glut caused by rapid deliveries in recent years will soon turn around and give property owners some pricing power. Including categories such as affordable housing, student housing and single-family build-to-rent (SF-BTR) projects, Matrix is forecasting roughly 450,000 rental units will be delivered in each of the next two years.
- Property sales are limited by the refusal of many sellers to accept current market pricing. Investors have money to spend but want higher yields, while buyers are waiting for prices to return to 2021 levels. Transaction volume is flat year-over-year and is unlikely to catch fire in the second half without an unforeseen drop in mortgage rates.
- Lending activity is robust. Fannie Mae and Freddie Mac had solid first-half origination totals and are expanding their securitization programs, while commercial banks, debt funds, insurance companies and CMBS are all active in their niches.