Yardi Matrix

Multifamily National Report

October 2026



October Rents Continue Progress Toward Normalization

- U.S. multifamily advertised rents rose $1 to $1,777 in October, the first October increase since 2022. Year-over-year growth accelerated to 1.4%, its highest level in more than three years, as declines in several Sun Belt markets narrowed.
- Higher-for-longer interest rates are putting pressure on apartment values, slowing transactions and limiting investor appetite. Multifamily sales totaled $62.6 billion through the first three quarters of 2026, putting the year on track to fall slightly below last year's activity.
- SFR-BTR advertised rents fell $4 to $2,247 in October, but annual growth reached 1.1% and occupancy held steady at 94.9%. RBN occupancy approached 99% in several markets, underscoring strong demand for more affordable rentals.

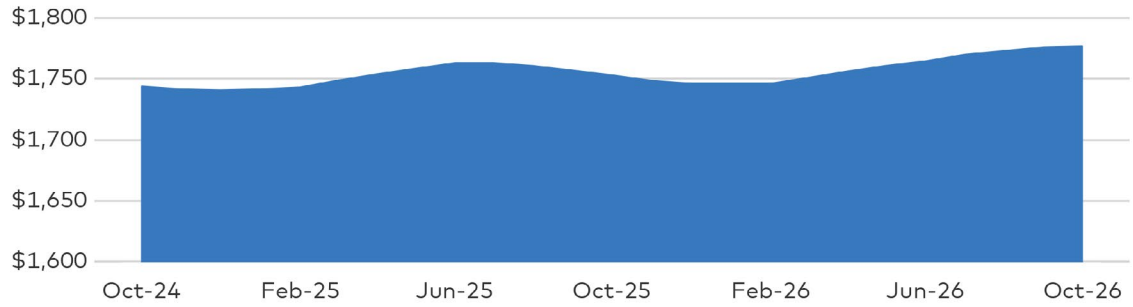
U.S. multifamily advertised rents increased by $1 in October to $1,777, while year-over-year growth accelerated to 1.4%, the highest annual rate in more than three years. Although modest, the gain marked the first October increase since 2022. Positive October growth was more common pre-pandemic, making this month's performance an encouraging sign of normalization.

Broad regional trends remained the same. San Francisco leads annual rent growth, supported by AI-related demand. Midwest metros Chicago, Kansas City, the Twin Cities and Detroit maintained strong performance. Meanwhile, advertised rents in Sun Belt markets, while still negative year-over-year, continue to inch toward positive territory, suggesting supply-driven pricing pressure is easing. Austin's annual decline narrowed to 1.7%, its smallest decrease in more than three years.

Demand is also normalizing after elevated absorption in 2024 and 2025. Absorption in the first half of 2026 totaled approximately 245,000 units nationally, down 27.5% year-over-year but near the 2017–2019 first-half average of 250,000 units. Matrix forecasts declining deliveries through 2027, providing room to absorb excess inventory and support rent growth if demand holds near its historical pace.

While the trends suggest gradual recovery, there are risks, including winter seasonality and economic and geopolitical considerations. Democrats' congressional victories create potential changes in policy and the prosecution of the war. Although expectations for de-escalation in Iran have improved, renewed disruptions could sustain inflation and strain household budgets. Meanwhile, concerns about an AI stock bubble could weaken investment, hiring and consumer confidence across the economy. Both risks could reduce apartment demand, making economic resilience essential to multifamily performance.

National Average Rents



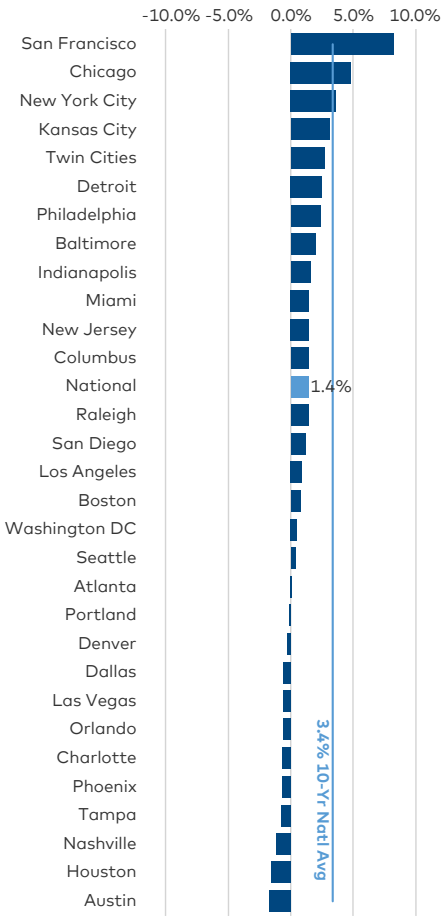
National averages comprise 140 markets tracked by Matrix, which include the 30 metros featured in the report.
All data provided by Yardi Matrix.

Year-Over-Year Rent Growth: Rent Momentum Improves While Occupancy Lags

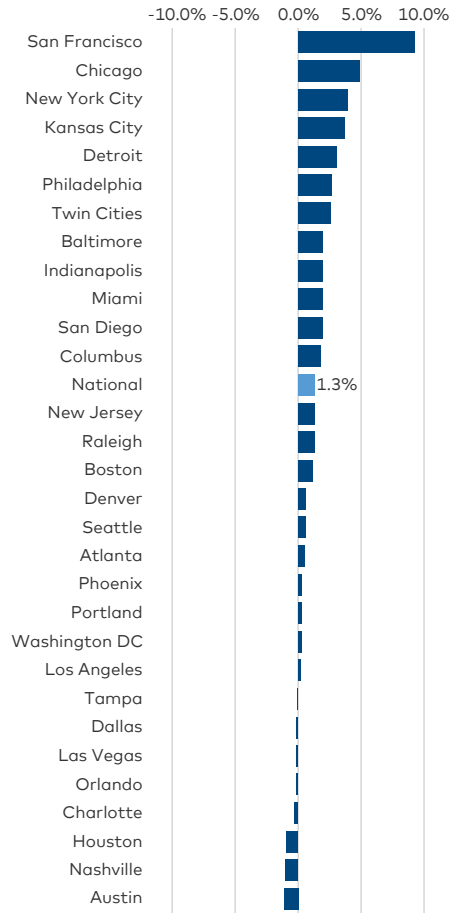
- Gateway and Midwest markets recorded the highest rent growth, led by San Francisco (8.2% year-over-year), Chicago (4.8%), New York (3.6%), Kansas City (3.1%) and the Twin Cities (2.7%). Meanwhile, rent growth remains negative in many Sun Belt metros—including in Austin (-1.7%), Houston (-1.5%), Nashville (-1.2%), Tampa (-0.8%) and Charlotte (-0.7%)—though declines continue to moderate. Secondary markets followed similar trends, with rent growth highest in San Jose (8.2%) and weakest in San Antonio (-2.5%) and on the Southwest Florida Coast (-1.9%).

- The national occupancy rate for stabilized properties was unchanged at 94.3% in October, down 0.2% year-over-year. Only six Matrix top 30 markets recorded annual gains, led by San Francisco (0.7%), Austin (0.4%), Phoenix and Denver (both 0.3%), Raleigh (0.2%) and the Twin Cities (0.1%). Occupancy was flat or declining elsewhere, with Columbus, Indianapolis and Las Vegas recording the largest decreases (all -0.6%), followed by Tampa, Houston and Kansas City (all -0.5%).

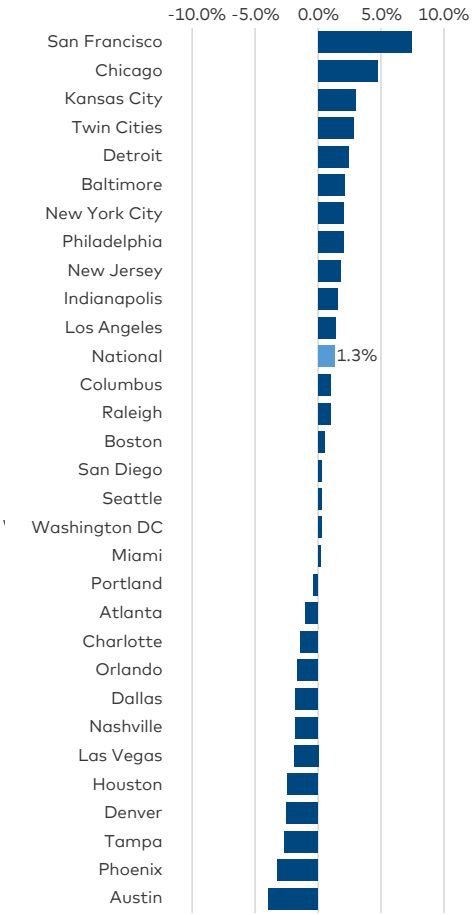
Year-Over-Year Rent Growth—All Asset Classes



Year-Over-Year Rent Growth—Lifestyle Asset Class



Year-Over-Year Rent Growth—Renter-by-Necessity Asset Class



Source: Yardi Matrix

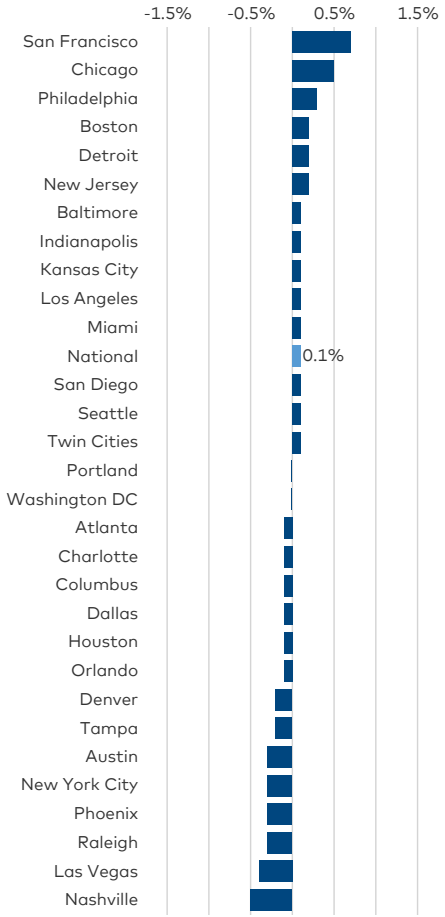
Short-Term Rent Changes: New York Cools as Other Leaders Advance

- U.S. advertised rents rose 0.1% month-over-month in October, with 14 of Matrix's top 30 markets posting gains.
- Renter-by-Necessity rents increased 0.1% for the month, while Lifestyle was flat.

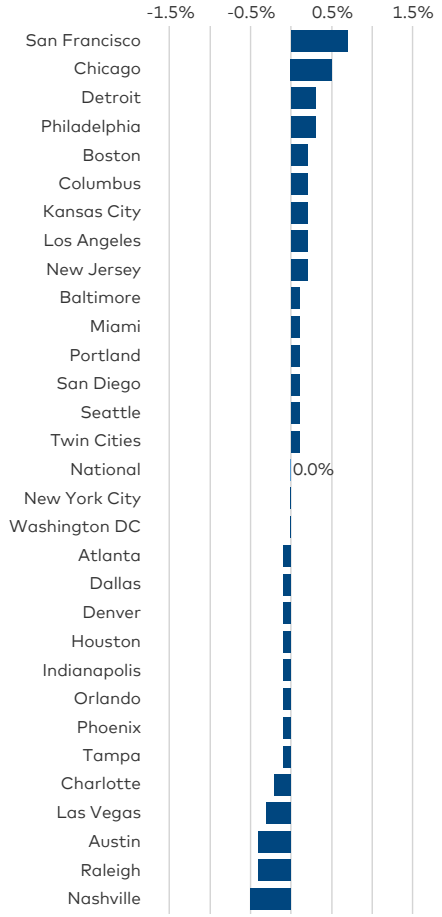
San Francisco (0.7% across all three categories) and Chicago (0.5% across all) led October rent growth overall and in the Lifestyle and Renter-by-Necessity segments, maintaining strong gains despite the seasonally slower leasing environment. Growth was more moderate among the remaining leaders, with Philadelphia up 0.3% overall and New Jersey, Detroit and Boston each gaining 0.2%. October proved more challenging for Nashville, Las Vegas and New York. Nashville rents declined 0.5% overall, with losses in Lifestyle (-0.5%) and RBN (-0.7%). Las Vegas rents fell 0.4% overall, with declines in Lifestyle (-0.3%) and RBN (-0.6%).

New York also fell 0.3%, its third consecutive monthly decline, driven by a 1.8% RBN drop while Lifestyle rents were unchanged. Despite recent declines, New York remains among the annual rent growth leaders, suggesting rents may be leveling off after strong gains rather than signaling broader weakness.

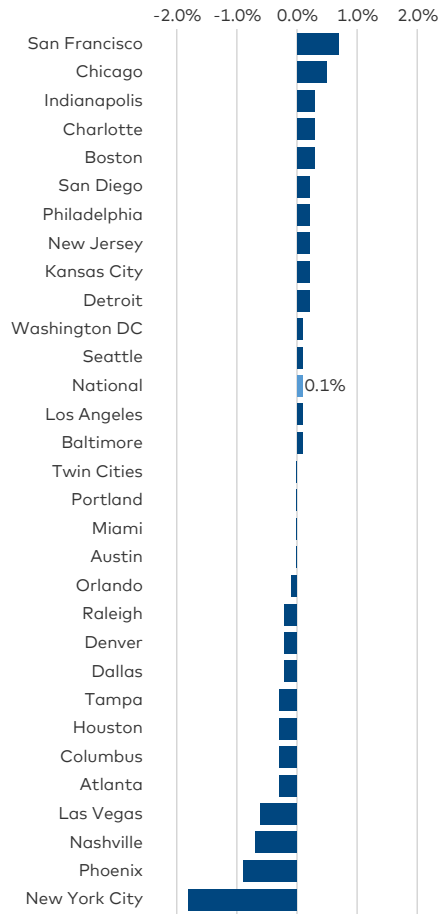
Month-Over-Month Rent Growth—All Asset Classes



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: Higher Interest Rates Weigh on Values and Transactions

- Rising interest rates present a challenge for apartment investors, eroding property values and increasing uncertainty about pricing.
- Investors' plans for renewed sales volume in early 2026 were thwarted when the Iran war led to higher interest rates and put a damper on deal flow.
- Higher rates have reduced investor appetite for commercial real estate, as institutions bet fixed-income assets produce similar returns without property risk.



Higher-for-longer interest rates challenge commercial real estate, disrupting multifamily transactions, reducing property values and making the sector less attractive to potential investors.

Going into 2026, the market consensus was that the benchmark 10-year Treasury rate would recede from its 4.5% level to 4.0% or less, easing the logjam of deals that started when the Federal Reserve raised policy rates by 525 basis points between March 2022 and July 2023. But then came the Iran war and a spike in inflation, pushing the 10-year Treasury up more than 90 basis points, from 4.38% in late June to 5.31% in early October, before retreating to 4.85%.

Most apartment buyers finance acquisitions with mortgage debt, making the industry sensitive to mortgage rates. Higher rates increase acquisition yields and make deals harder to close. Some sales under contract get retraded, but even if they don't, sellers must navigate potentially lowering prices by 3–6% to prevent potential buyers from walking away.

Multifamily sales shot up when rates were low, peaking at $234.0 billion in 2021 before plunging to $70.1 billion in 2023, according to Yardi Matrix data. Sales recovered to $101.4 billion in 2025 and were expected to grow again in 2026, especially since there is a considerable amount of dry powder in investment capital looking to acquire apartments. However, deal flow slowed after rates rose in the wake of the Iran war. Sales volume was $62.6 billion in the first three quarters of 2026, per Matrix, putting the market on course to be on par with or slightly less than volume a year ago.

Besides reducing values, the rapid increase in rates creates pricing uncertainty. The yield premium sought by buyers above the risk-free rate has averaged about 250 basis points over the past few decades, but the premium fluctuates over time for reasons that include buyers' expectations about the direction of rates and income growth. The long-term average would produce acquisition yields of 7–8% at today's Treasury rates, while most apartment sales in recent years have traded in the 5–6% range. That creates a dilemma for buyers and sellers alike. Buyers must decide whether current capitalization rates represent an overpayment, while many sellers must decide whether to part with assets at the lower prices inherent in higher cap rates.

For institutional investors, higher rates erode the value of their portfolios and make it harder to attract new capital. Discussion at recent industry conferences such as those for the Pension Real Estate Association (PREA) and National Council of Investment Fiduciaries (NCREIF) centered around the increasing difficulty of attracting investors to funds whose primarily income-driven returns have lagged compared to "hotter" sectors such as technology stocks and infrastructure. Apartments, for example, which historically produce steady returns, are a hard sell compared with both high-flying stocks and fixed-income investments that produce similar returns without property risk.

Single-Family Build-to-Rent Segment: Strong Occupancy Anchors SFR Despite Rent Softness

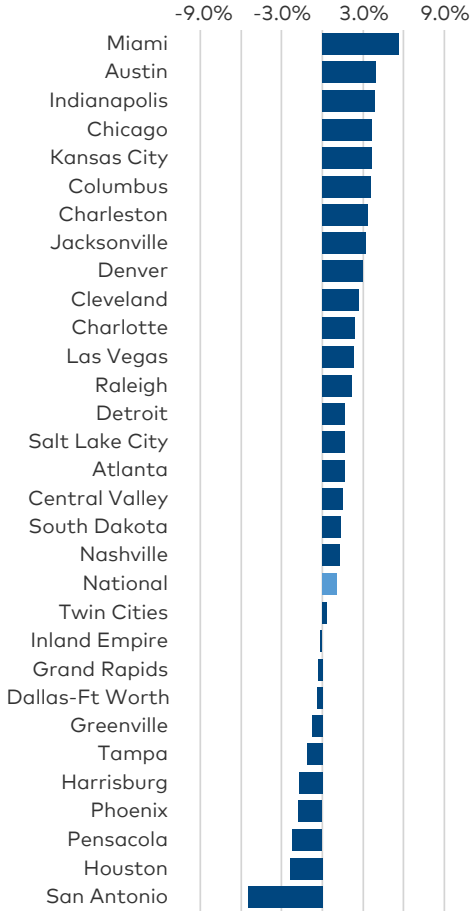
- Nationally, advertised rates for single-family build-to-rent units fell $4 to $2,247 in October, up 1.1% year-over-year.

- U.S. single-family rental occupancy rates were solid at 94.9% in October, up 10 basis points year-over-year. Occupancy was 96.9% for RBN and 94.6% at Lifestyle properties.

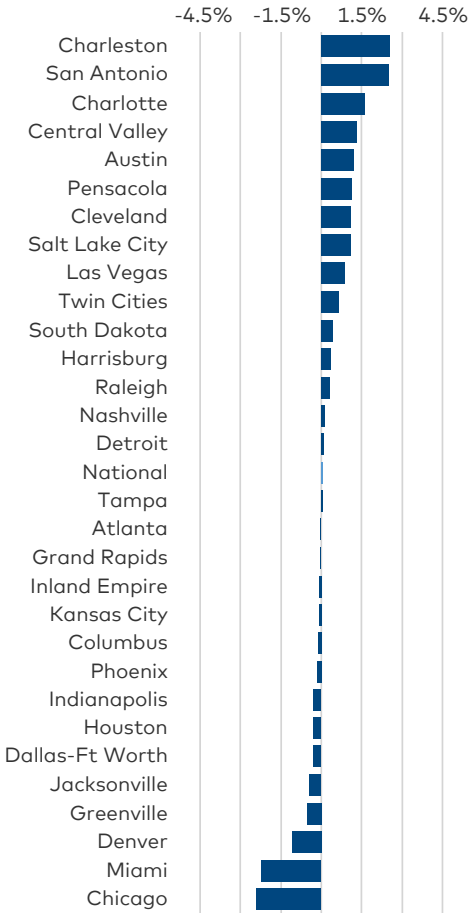
SFR rents declined modestly in October, but occupancy remained strong, suggesting stable demand despite seasonal pricing softness. Central Valley led overall occupancy at 98.1%, followed by Grand Rapids (96.9%), Indianapolis (96.7%) and the Inland Empire (96.6%). RBN occupancy approached 99% in Las Vegas (98.9%), the Twin Cities (98.6%) and Austin (98.5%), highlighting particularly tight conditions among more affordable rentals. RBN also outperformed Lifestyle nationally in annual rent growth, at 2.6% versus 0.8%. Performance varied widely within the Sun Belt, with Miami (5.6%) leading annual rent growth, followed by Austin (3.9%). Meanwhile, San Antonio (-5.5%) and Houston (-2.4%) continued to face pricing pressure. Overall, high occupancy provides a supportive foundation, although rent performance remains uneven across markets and product segments.

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

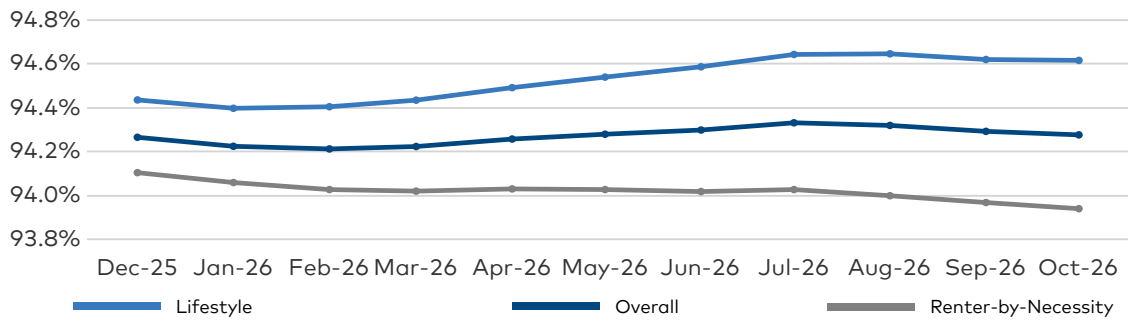
Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of Oct - 2026	Forecast Rent Growth as of 10/01/26 for YE 2026	YoY Job Growth (6-mo. moving avg.) as of Aug - 2026	Completions as a % of Total Stock as of Oct - 2026	Surveyed Stabilized Occupancy Rates as of Oct - 2026	Surveyed Total Occupancy Rates as of Oct - 2026	Matrix Expert Total Occupancy Rates as of Sep - 2026
San Francisco	8.2%	3.9%	0.5%	1.1%	96.6%	96.6%	95.1%
Chicago	4.8%	3.1%	0.1%	1.1%	96.0%	95.8%	94.7%
New York City	3.6%	3.7%	0.6%	2.4%	98.3%	98.2%	95.8%
Kansas City	3.1%	2.5%	0.4%	1.1%	94.0%	93.9%	93.2%
Twin Cities	2.7%	2.4%	0.6%	1.3%	95.5%	95.3%	93.8%
Detroit	2.5%	1.7%	-0.4%	0.4%	94.6%	94.6%	93.5%
Philadelphia	2.4%	1.6%	0.3%	1.6%	95.4%	95.2%	93.8%
Baltimore	2.0%	0.9%	-2.1%	0.7%	94.6%	94.6%	93.5%
Indianapolis	1.6%	1.1%	-1.2%	1.5%	92.9%	92.7%	90.7%
Miami Metro	1.5%	-0.3%	-0.1%	2.6%	95.0%	94.6%	94.7%
New Jersey	1.5%	1.2%	0.4%	2.7%	96.7%	96.5%	94.9%
Columbus	1.4%	1.1%	0.2%	3.2%	93.8%	93.4%	92.3%
Raleigh	1.4%	-1.1%	1.4%	2.7%	93.7%	92.8%	92.7%
San Diego	1.2%	-0.3%	0.8%	2.4%	96.0%	95.8%	94.7%
Los Angeles	0.9%	0.1%	0.3%	2.1%	95.5%	95.0%	93.3%
Boston	0.8%	-0.3%	-0.2%	2.5%	95.9%	95.7%	94.0%
Washington DC	0.5%	0.3%	-2.5%	1.7%	94.3%	94.2%	92.5%
Seattle	0.4%	-0.4%	0.3%	1.9%	95.1%	94.7%	93.7%
Atlanta	0.1%	-0.7%	0.1%	1.9%	93.4%	93.1%	91.6%
Portland	-0.1%	-1.1%	-2.2%	1.7%	94.5%	94.1%	93.5%
Denver	-0.3%	-2.4%	0.1%	3.1%	93.9%	93.2%	91.7%
Orlando	-0.6%	-1.5%	0.9%	2.7%	94.1%	93.5%	92.3%
Dallas	-0.6%	-1.5%	1.0%	2.7%	92.5%	92.2%	91.7%
Las Vegas	-0.6%	-1.0%	1.9%	1.4%	92.4%	92.1%	90.7%
Phoenix	-0.7%	-2.8%	0.8%	3.9%	93.6%	93.0%	91.8%
Charlotte	-0.7%	-1.5%	1.3%	5.1%	93.6%	92.5%	92.1%
Tampa	-0.8%	-2.2%	0.4%	3.6%	93.3%	92.7%	91.2%
Nashville	-1.2%	-1.3%	0.9%	4.1%	93.8%	93.4%	92.0%
Houston	-1.5%	-0.9%	0.9%	1.4%	91.3%	91.1%	91.0%
Austin	-1.7%	-3.9%	1.3%	4.3%	92.6%	92.1%	91.8%

Source: Yardi Matrix

Occupancy & Asset Classes

Occupancy—All Asset Classes by Month



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	October 2026		
	Overall	Lifestyle	Renter-by-Necessity
Richmond–Tidewater	5.0%	5.0%	4.9%
Bridgeport–New Haven	3.8%	2.9%	4.5%
Milwaukee	3.6%	3.0%	4.3%
Cleveland–Akron	3.0%	1.0%	3.4%
Charleston	2.9%	3.9%	1.0%
St Louis	2.7%	2.9%	2.6%
Orange County	2.0%	1.2%	2.9%
Cincinnati	1.8%	2.6%	1.5%
Inland Empire	1.1%	1.9%	0.5%
Jacksonville	1.1%	0.5%	2.1%
Greenville	1.0%	1.0%	1.4%
Colorado Springs	1.0%	1.4%	0.3%
Salt Lake City	1.0%	0.8%	1.0%
Central Valley	0.7%	1.6%	0.6%
Louisville	0.7%	1.0%	0.2%
Albuquerque	0.3%	-0.3%	0.7%
Winston-Salem–Greensboro	0.0%	0.6%	-0.4%
North Central Florida	-0.2%	0.3%	-0.9%
Sacramento	-0.7%	-0.1%	-1.0%
Southwest Florida Coast	-1.9%	-1.3%	-3.8%
San Antonio	-2.5%	-1.2%	-4.5%

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

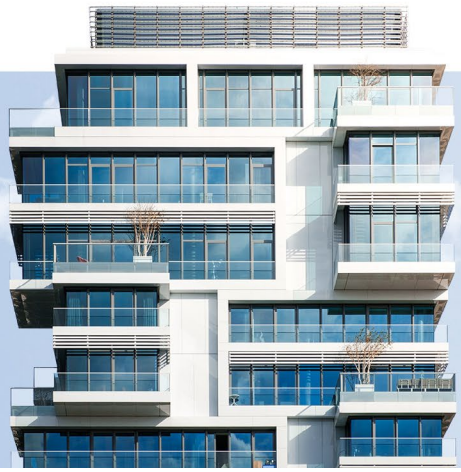
Market Position	Improvement Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

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.

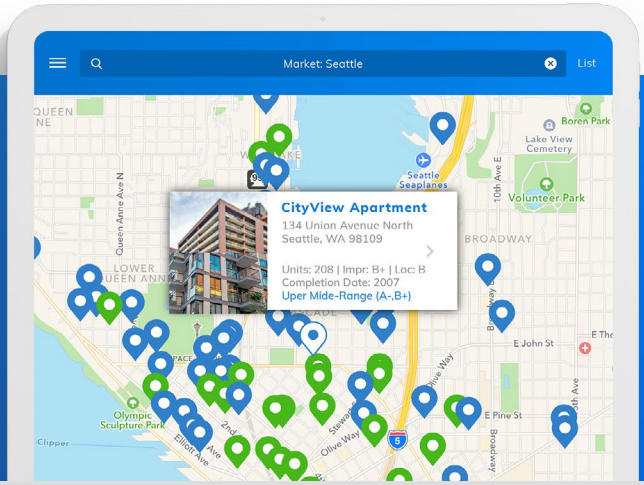
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Power your business with the industry's leading data provider

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



Yardi Matrix Multifamily provides accurate data on nearly **23.5 million units**, covering over **92% of the U.S. population.**

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