

# Apartment Rent Growth Ticks Up Slightly in July as US Multifamily Demand Stayed Strong

Midwest and Northeast Markets Still Dominate, but Two Surprise Markets Emerge



The Silicon Valley city of San Jose posted one of the most significant jumps in apartment rent growth during July. (Getty Images)

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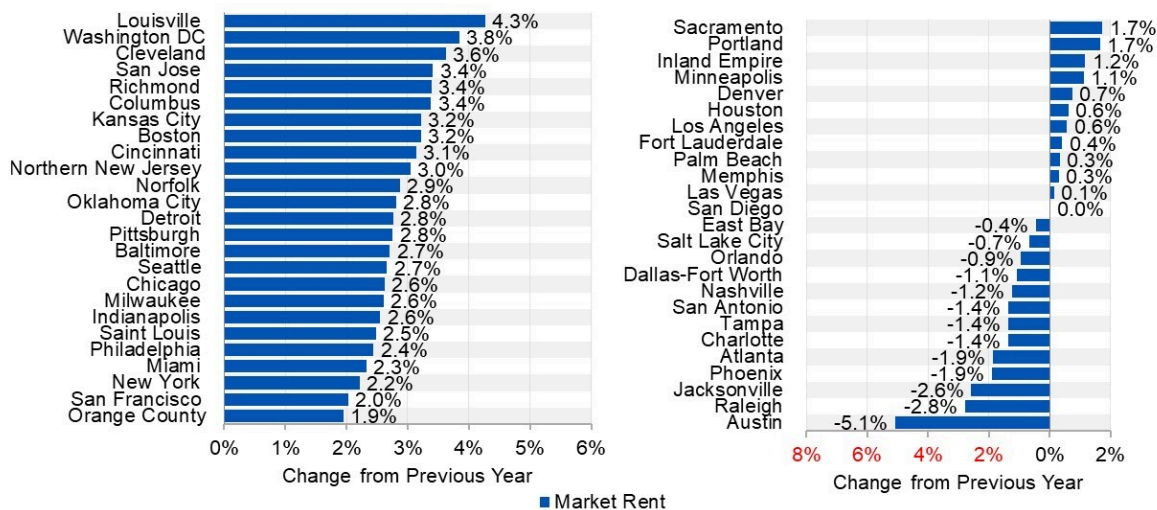
Annual asking rents for apartments nationally increased by 10 basis points to an average growth rate of 1.2% in July as demand for rental units [maintained the elevated pace set in the second quarter](#).

With just over 60,000 units absorbed during July, the net change in occupied units in the third quarter is on a pace to exceed the second quarter's strong absorption results of 166,000 units. The July demand total also outpaced deliveries by 5,000 units, keeping the national apartment vacancy rate steady at 7.8%.

At the market level, [Louisville, Kentucky](#), continued to lead the top 50 U.S. multifamily markets with its year-over-year asking rent increasing by an average of 4.3% at the end of July. Balanced supply-demand dynamics remain the common thread for the top 10 leaders in apartment rent growth, with a strong regional focus on Midwest and Northeast markets.

However, one of the more surprising top 10 markets that stood out during July was San Jose, California. The [Silicon Valley city saw one of the most significant jumps in rent growth during the month](#), going from 2.8% to 3.4%. That's a 60 basis point jump, putting it in fourth place nationally. Just a year ago, San Jose was experiencing rent declines of negative 1%, reflecting lackluster demand. Fast forward 12 months, and demand has accelerated while construction on new units has tapered off, creating market conditions that support rent increases averaging just above San Jose's pre-pandemic, five-year average of 3%.

## July 2024 Annual Apartment Rent Growth in Top 50 Markets



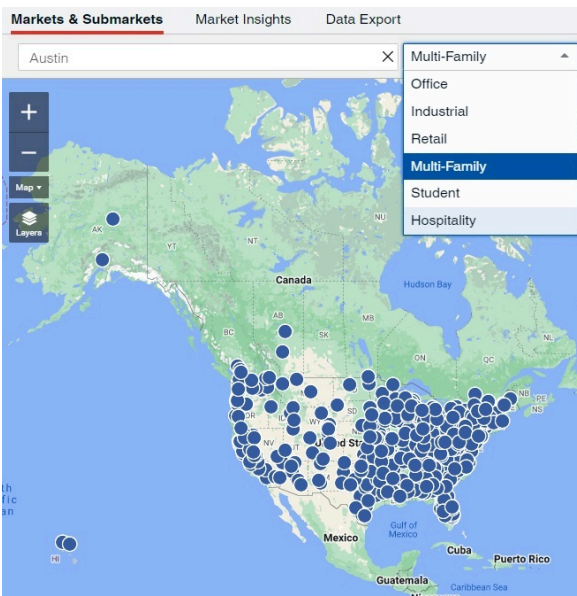
Source: CoStar, August 2024



San Francisco also saw significant rent growth in July. Rent growth for San Francisco apartments jumped from 1% in June to 2% at the end of July. This marks a dramatic reversal after apartment rents in the market fell into negative territory for most of 2023. Demand for apartments in San Francisco has remained steady, and the multifamily vacancy rate has declined from 10.8% at the end of 2020 to 6.2% today.

At the opposite end of the rent-growth scale, apartment rents declined by 5.1% over the past 12 months in the Texas capital of Austin. Other markets trailing just behind, including Raleigh, North Carolina; Jacksonville, Florida; Phoenix and Atlanta, which posted rent losses ranging from 2.8% to 1.9% over the past 12 months. All bottom-performing markets are in the Sun Belt, where supply-demand imbalances remain especially challenging.

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