Yardi Matrix

National Multifamily Report

March 2025

Multifamily, SFR Rents Post Gains in March

- Multifamily performance maintained its strength at the start of the spring leasing season, as the average U.S. advertised asking rent increased $5 nationally in March to $1,755. Year-over-year advertised rent growth, which has held to a narrow range since last summer, fell 20 basis points to 1.0%.

- Gateway market performance is solid. New York and Chicago lead the top 30 Matrix metros in advertised rent growth, and among gateway metros only San Francisco is below the national year-over-year 1.0% average growth rate.

- Single-family build-to-rent advertised rates also had a strong increase in March, up $5 to $2,169. Gains were entirely concentrated in the Renter-by-Necessity segment, which is up 2.3% year-over-year. Nationally, advertised rents are the same as a year ago.

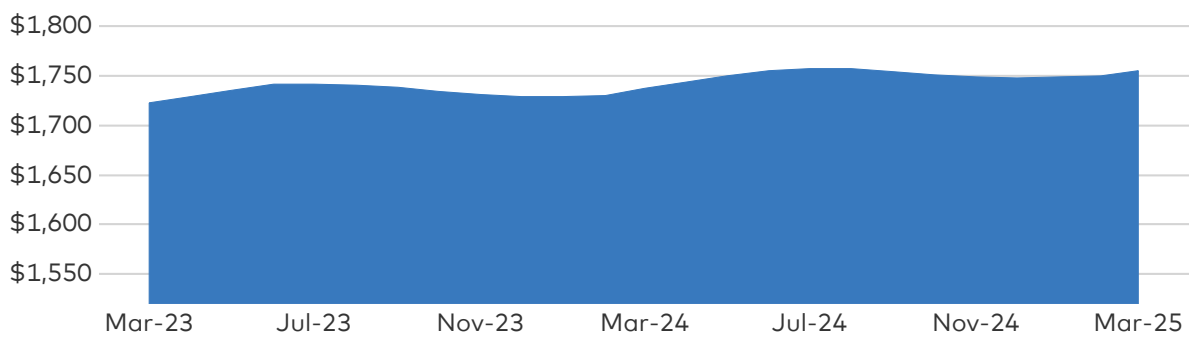
Early signs for the multifamily market in 2025 are positive, despite the economic uncertainty brought about by the change of policies introduced by the current Trump administration. U.S. advertised rents rose $5 in March, and rose by 0.4% for the first quarter of the year.

The rent increase through March was weaker than typical first-quarter growth (setting aside the post-pandemic outlier period), but not by much. The difference can be attributed to the ongoing weakness in high-supply markets, where rents are down year-over-year despite extremely strong demand. Rents have dropped over the past year in metros such as Austin, Denver, Phoenix and Nashville that maintain high levels of absorption. Each of those markets has added more than 5.0% to stock over the past year, and likely will see similar delivery levels in 2025 before the drop in starts begins to take effect in 2026.

Much about the rest of the year remains uncertain. Economic volatility is extremely high due to the imposition of tariffs, the rising number of layoffs and dwindling consumer confidence. And cutbacks on immigration will impact demand to some degree. Moody's Analytics forecasts the U.S. population to grow by fewer than 1.5 million residents in 2025, which other than 2020 is the lowest level in decades.

A good sign is that investors remain confident and multifamily capital markets are liquid. A large volume of multifamily loans are coming due in 2025, including many that were previously extended. Lenders are eager to remove such loans from their balance sheets, and they are likely to be tougher with borrowers than they were a year or two ago. That creates opportunities for investors to provide takeout financing or buy the loans from banks.

National Average Rents



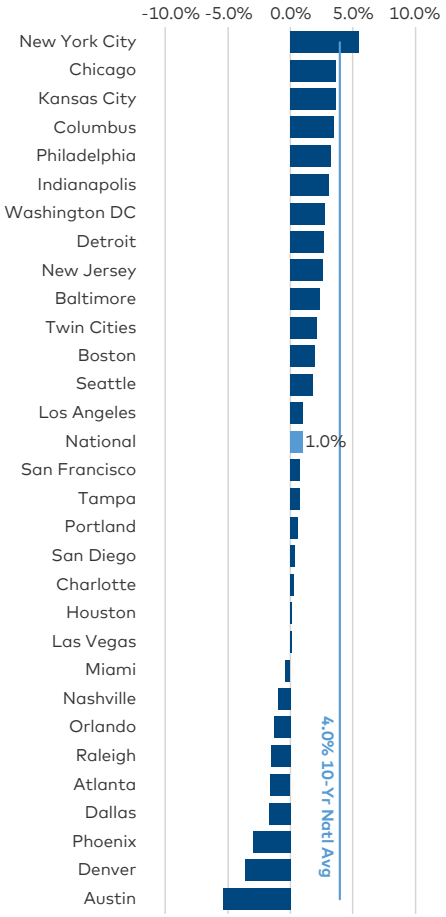
National averages include 140 markets tracked by Matrix, which include the 30 metros featured in the report.
All data provided by Yardi Matrix.

Year-Over-Year Rent Growth: West Coast Markets Record Occupancy Increases

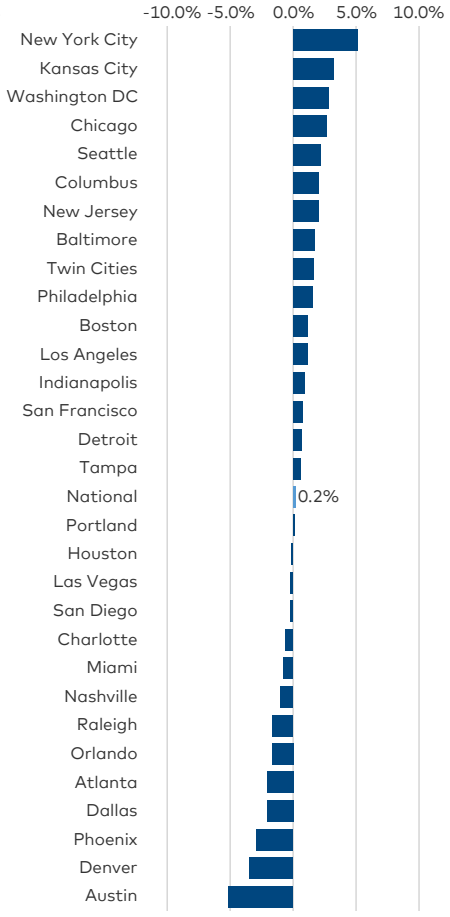
- The national average advertised asking rent rose $5 to $1,755 in March, with the year-over-year growth rate falling slightly to 1.0%. Gateway and secondary metros in the Northeast and Midwest recorded the highest rent growth, led by New York City (5.5% year-over-year), Chicago and Kansas City (both 3.7%), Columbus (3.5%) and Philadelphia (3.2%). Meanwhile, negative rent growth persists in many high-supply metros, led by Austin (-5.4%), Denver (-3.6%), Phoenix (-3.0%), Dallas (-1.7%) and Atlanta (-1.6%).

- The national occupancy rate in February was 94.5% and has been unchanged for three months. West Coast metros represent four of the eight top 30 metros with increased occupancy rates over the past year. San Francisco (0.3% year-over-year) benefits from a low amount of new supply and strong absorption. Los Angeles (0.2%) is helped by low deliveries and demand from residents displaced by the recent wildfires. Portland and San Diego (both 0.1%) also are among the eight.

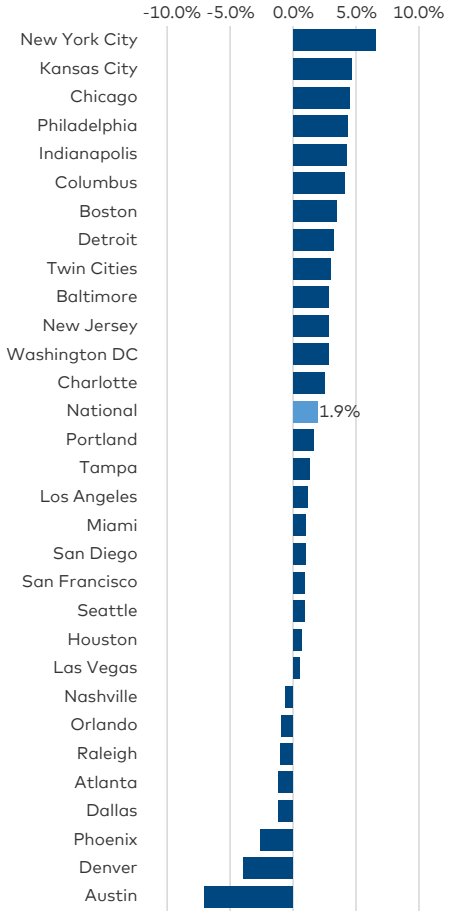
Year-Over-Year Rent Growth—All Asset Classes



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: Chicago, Charlotte, Seattle Lead in Monthly Gains

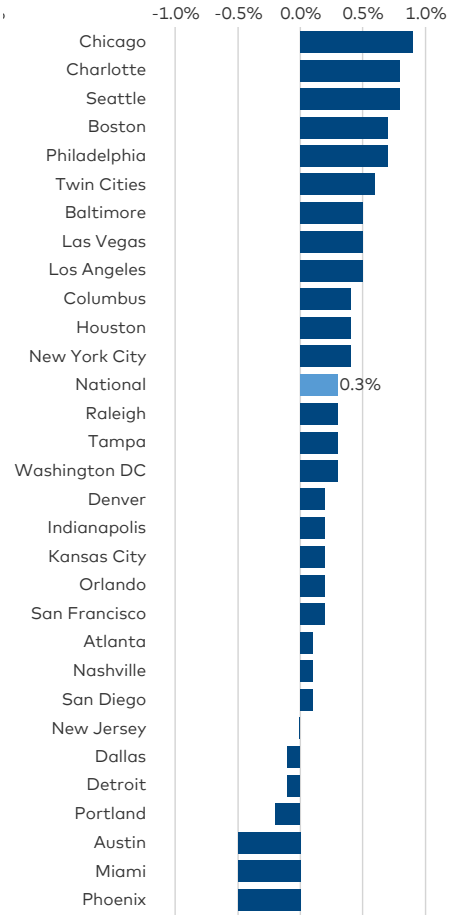
- U.S. advertised rents rose 0.3% month-over-month in March, with declines in six of the top 30 metros.
- Increases for the month were 0.3% in Lifestyle and 0.2% in the RBN segment.

The ranks of the metros with the top short-term performance continued to rotate in March. Charlotte, where rent growth has been weak over the last two years due to an influx of supply, saw rents increase 0.8% month-over-month, including 0.9% in Lifestyle and 0.4% in RBN.

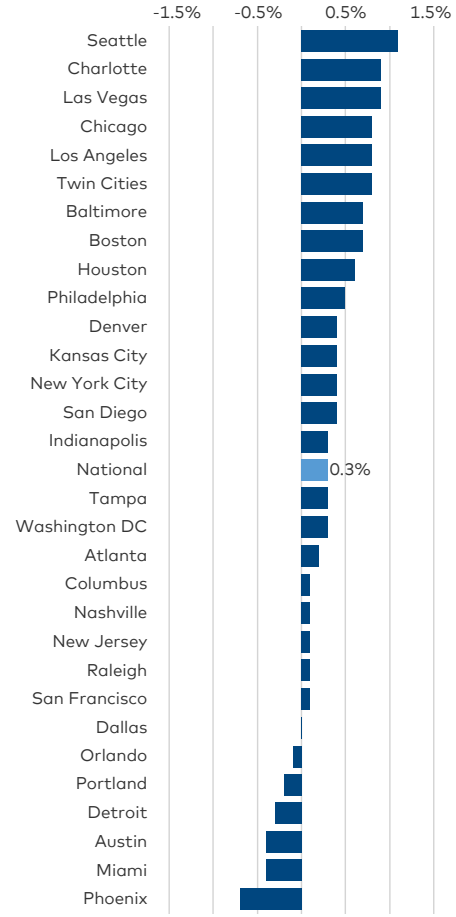
Seattle, which saw rents jump sharply after the pandemic but has been weak since, recorded a 0.8% gain in March, including 1.1% in Lifestyle and 0.3% in RBN. Seattle could be helped by the back-to-work policies of major employers. The top five metros also include Chicago (0.9%), Boston and Philadelphia (both 0.7%).

Many of the high-supply markets remain the bottom performers, led by Phoenix, Miami and Austin (all down 0.5% during the month). These metros are contending with a significant amount of new supply, as Miami added 4.4% to its stock, Phoenix added 5.2% and Austin added 8.8%.

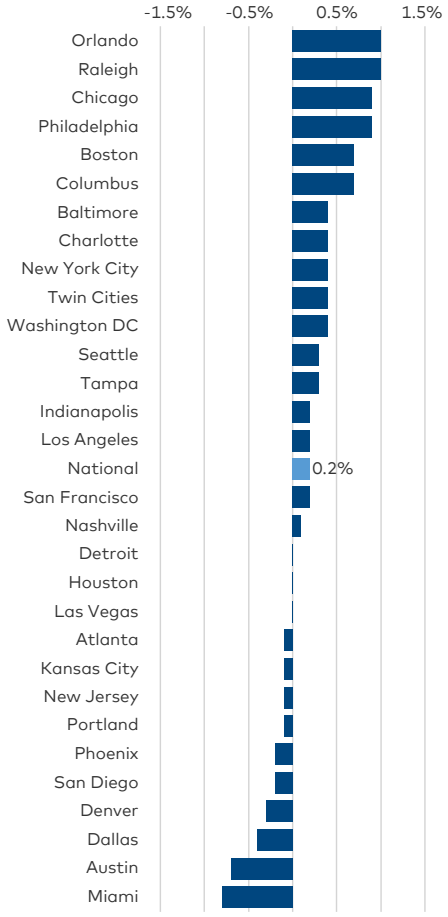
Month-Over-Month Rent Growth—All Asset Classes



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: New Policy Regime's Impact on Multifamily

- Donald Trump is putting his stamp on federal housing policy with a flurry of manuevers.
- Policies that provide opportunities include building on federal land, reducing regulations and possibly expanding the Opportunity Zone program.
- The administration is also worrying housing advocates by cutting programs that help build affordable housing.

The second Trump administration has hit the ground running with a flurry of policy and budgetary changes that provide both opportunity and challenges for multifamily. Setting aside the potential economic impacts, the administration is revamping the government's approach to stimulating badly needed housing supply.

Among the opportunities will be an effort to build housing on the 500 million acres of federally owned land. Officials of the U.S. Department of Housing and Urban Development (HUD) have committed to launch a joint task force with the Interior Department to identify land suitable for residential development. They promise to build quickly by reducing environmental and other reviews that often lead to construction delays.

Another potential development policy is the renewal of Opportunity Zones, a tax incentive program for development in low-income Census tracts. The current iteration of the program, which allows developers to defer capital gains taxes on qualified projects, is set to expire at the end of 2026. Congress is expected to expand the program and/or make it permanent. A recent study by the Economic Innovation Group found that OZs have generated more than $89 billion in investments that created more than 300,000 new residential units in thousands of communities between 2019 and 2024, all with no federal outlays and a minimum of bureaucracy.

Affordable housing proponents are also hopeful of an expansion of the Low-Income Housing Tax Credit (LIHTC), a tax credit that the federal government allocates to states and is awarded to apartment developers that agree to limit rents.

However, some new policies are worrying to housing advocates. For example, HUD terminated $60 million in contracts to nonprofits that were earmarked for affordable housing development and froze funding for a $1 billion Green and Resilient loan program that has funded more than 25,000 affordable units in recent years. Trump is also trying to terminate the Community Development Financial Institutions Fund, which is used to build and preserve affordable housing. Hundreds of affordable projects are in limbo due to uncertainty about whether grants that were lined up will be funded. Affordable housing advocates worry about the government's ability to service affordable housing programs and commitment to funding future projects.

Also due for change are the government-sponsored enterprises Fannie Mae and Freddie Mac, which account for more than 40% of multifamily loans. Administration officials promise to put Fannie and Freddie, which have been in government conservatorship since 2008, back in private hands, possibly controlled by a new sovereign wealth fund. Privatization proponents argue that government control was always intended to be temporary. GSE loans have an implicit government guarantee, which enables them to offer loans at lower rates than competitors.

Single-Family Build-to-Rent Segment: SFR Growth Concentrated in the Midwest

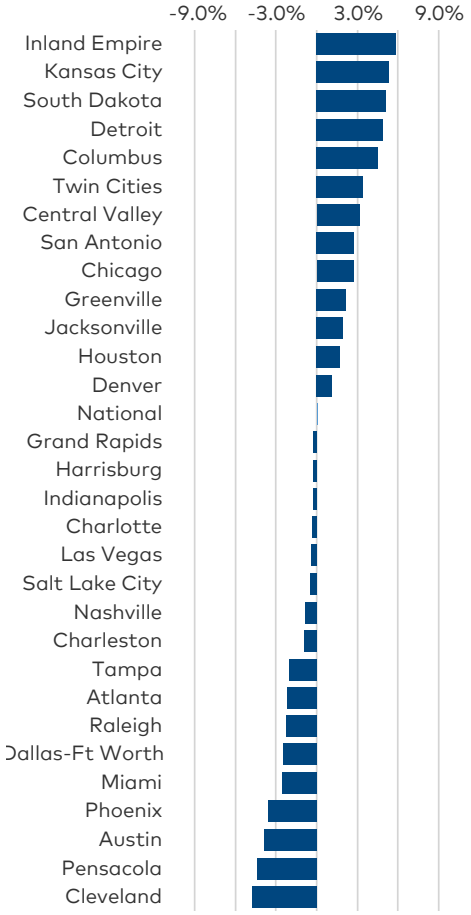
- Nationally, advertised rates for single-family rentals rose in March to $2,169, while year-over-year growth was flat.
- U.S. SFR occupancy rates were stable in February at 94.7% and were unchanged year-over-year.

SFR-BTR fundamentals are healthy, despite slowing rent increases. After peaking at 15.0% year-over-year in February 2022, SFR rent growth has gradually decelerated and was flat in March. Meanwhile, occupancy rates were at a low but stable 94.7% as of February and are unlikely to drop. Demand for SFR is unlikely to waver, as the high cost of homeownership is keeping SFR tenants in place for longer.

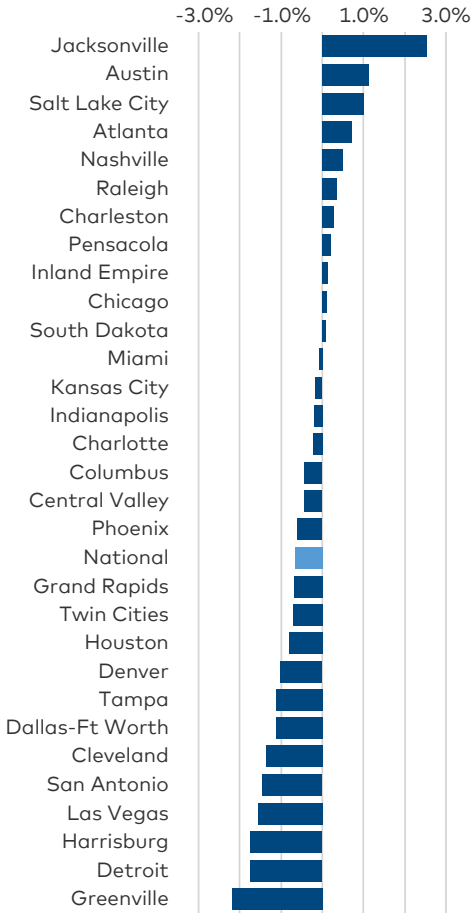
As with multifamily, SFR rent growth is strongest in the Midwest. The region claimed over half of the top 10 metros for SFR growth in March, including Kansas City (5.4% year-over-year), South Dakota (5.1%), Detroit (4.9%), Columbus (4.5%), the Twin Cities (3.4%) and Chicago (2.7%).

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



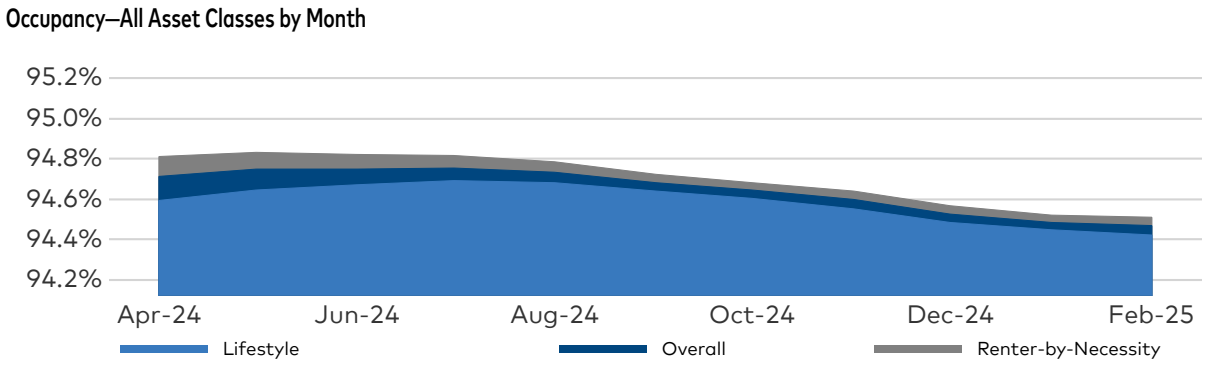
Source: Yardi Matrix

Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of Mar-2025	Forecast Rent Growth as of 3/06/25 for YE 2025	YoY Job Growth (6-mo. moving avg.) as of Jan-25	T12 Completions as % of Total Stock as of Mar-25
New York City	5.5%	3.5%	2.0%	1.6%
Chicago	3.7%	2.1%	0.6%	1.7%
Kansas City	3.7%	3.0%	1.0%	2.6%
Columbus	3.5%	2.1%	0.9%	3.8%
Philadelphia	3.2%	2.1%	0.9%	1.9%
Indianapolis	3.1%	2.1%	1.2%	3.3%
Detroit	2.7%	2.8%	0.6%	0.5%
New Jersey	2.6%	3.0%	1.8%	2.7%
Baltimore	2.4%	1.7%	0.8%	0.7%
Twin Cities	2.1%	1.2%	0.9%	4.0%
Seattle	1.8%	1.1%	1.4%	3.7%
Los Angeles	1.0%	1.1%	0.6%	1.9%
San Francisco	0.8%	0.7%	-0.6%	2.5%
Tampa	0.8%	0.4%	0.8%	5.7%
Portland	0.6%	0.6%	0.2%	4.1%
San Diego	0.4%	0.8%	0.3%	2.5%
Charlotte	0.3%	-0.7%	1.2%	5.5%
Houston	0.1%	0.7%	1.4%	2.3%
Las Vegas	0.1%	-0.4%	1.1%	3.5%
Miami Metro	-0.4%	1.4%	1.4%	4.4%
Nashville	-1.0%	-1.0%	1.3%	6.2%
Orlando	-1.3%	-1.0%	1.9%	6.0%
Raleigh	-1.5%	-1.4%	1.9%	6.2%
Atlanta	-1.6%	-1.2%	1.2%	3.9%
Dallas	-1.7%	-0.7%	1.3%	3.9%
Phoenix	-3.0%	-1.7%	0.6%	5.2%
Denver	-3.6%	-1.9%	0.5%	6.2%
Austin	-5.4%	-3.5%	2.1%	8.8%
Denver	-3.1%	-1.9%	0.6%	6.0%
Austin	-5.1%	-3.5%	1.6%	9.2%

Source: Yardi Matrix

Occupancy & Asset Classes



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	March 2025		
	Overall	Lifestyle	Renter-by-Necessity
Bridgeport–New Haven	4.0%	2.3%	5.7%
Cleveland–Akron	3.7%	2.2%	4.2%
Milwaukee	3.1%	1.5%	4.8%
Cincinnati	3.0%	-0.7%	4.9%
Greenville	2.7%	3.4%	1.8%
Louisville	2.6%	3.7%	1.9%
Richmond–Tidewater	2.6%	1.7%	3.1%
St Louis	2.6%	0.7%	3.3%
San Jose	2.5%	2.9%	1.9%
Central Valley	2.2%	1.8%	2.3%
Albuquerque	2.1%	0.9%	2.5%
Inland Empire	1.8%	1.5%	2.2%
Winston–Salem–Greensboro	1.6%	1.4%	1.9%
Orange County	1.2%	1.5%	1.1%
North Central Florida	0.9%	0.1%	1.8%
Sacramento	0.9%	1.1%	0.9%
Charleston	-0.7%	-1.3%	0.4%
San Antonio	-1.0%	-1.6%	-0.6%
Jacksonville	-1.7%	-1.4%	-2.4%
Salt Lake City	-2.0%	-1.6%	-2.8%
Southwest Florida Coast	-2.9%	-2.9%	-2.3%
Colorado Springs	-3.8%	-3.1%	-4.6%

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.

Forecasted Rent Growth: Year-over-year change in average forecasted 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.

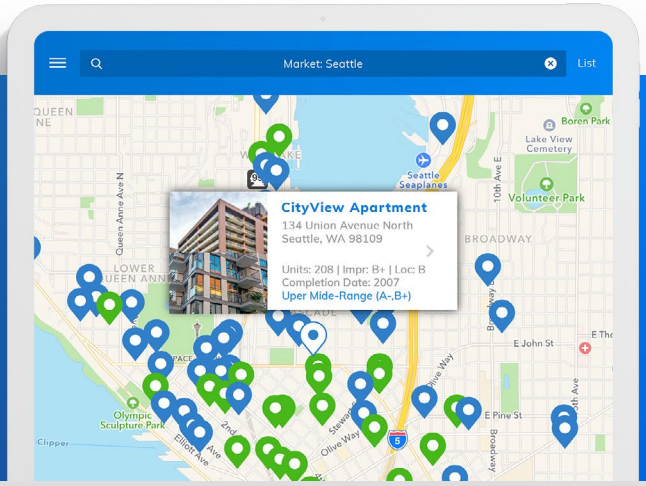
To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.

Yardi Matrix

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 million units**, covering over **92% of the U.S. population.**

YARDI

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