Yardi® Matrix

National Multifamily Report

May 2025

Steady Gains for Multifamily in May

- Multifamily rents maintained a steady if unspectacular growth pattern in May, as the average U.S. advertised rent increased $6 to $1,761. Year-over-year growth, which has barely budged over the past year, was unchanged at 1.0%.

- While overall rent growth remains concentrated in the Northeast and Midwest, a hopeful sign is that markets with weak recent performance—such as Denver, San Francisco, Dallas and Austin—recorded varying degrees of positive growth in May.

- Single-family build-to-rent advertised rates continued to rebound, up $3 in May to $2,183. BTR rents now have risen four months in a row after a weak winter performance, and are close to the all-time high of $2,185 reached in May 2024.

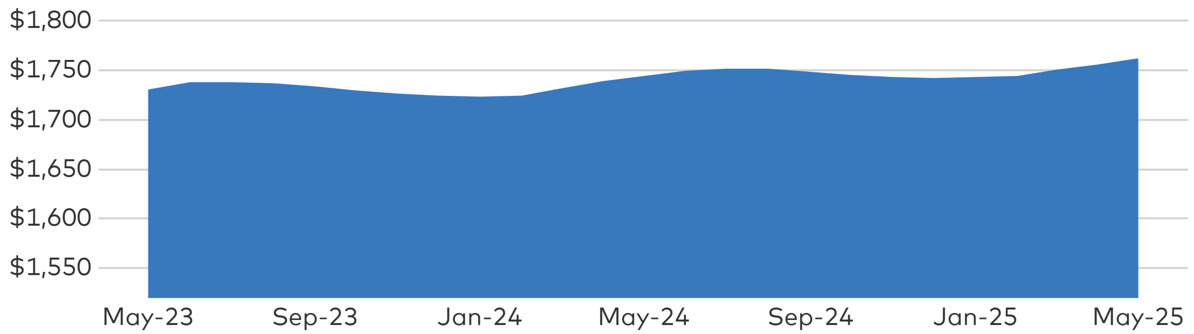
Uncertainty in the economy and financial markets has so far created minimal impact on multifamily fundamentals, which remained healthy in May. The average U.S. multifamily advertised rent rose by $6 in May to $1,761, an increase of 1.0% year-over-year. Occupancy rates are slipping in some metros due to the heavy supply pipeline, but the drop is slow, as demand remains strong in high-supply metros. The national occupancy rate fell slightly in April to 94.4%.

It is still too soon to gauge the impact of higher tariff rates, though early metrics show that the economy and renter financial health are solid. The consumer price index rose only 2.1% year-over-year as of April, while the economy beat expectations to add 177,000 jobs. Meanwhile, wage growth continues to outpace inflation and rent, expanding the pool of prospective renters and supporting demand across the multifamily sector.

Ongoing strong absorption is helping to revive rent growth in some high-supply markets that have struggled. In Austin, which added 9.1% to inventory over the past year, advertised rents increased $3 (0.2%) in May, and $5 over the past two months, after dropping more than $200 over the past two years. Other high-supply metros with 6.0% or more inventory growth over the past year posted positive rent gains over the past three months, including Raleigh (0.5%), Denver (0.4%), Nashville (0.3%) and Charlotte (0.2%). Three-month rent increases were led by Boston and Philadelphia (0.7%), and Chicago, New York and the Twin Cities (0.6%).

While rent growth remains negative year-over-year in most of the high-supply metros, the recent gains point to resilient demand that should lead to a rebound in rents once the supply wave subsides. For now, rent growth is driven more by supply metrics than trade-related inflation.

National Average Rents



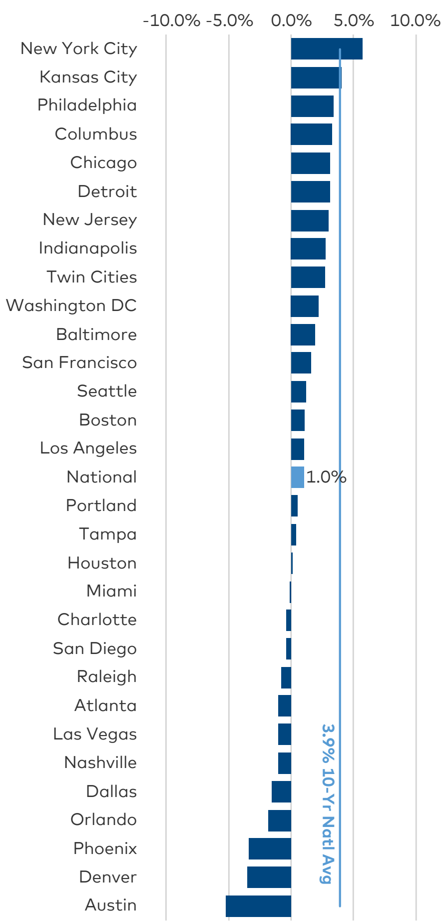
National averages include 140 markets tracked by Matrix, which include the 30 metros featured in the report.
All data provided by Yardi Matrix.

Year-Over-Year Rent Growth: More Metros Slip Below 93.0% Occupancy

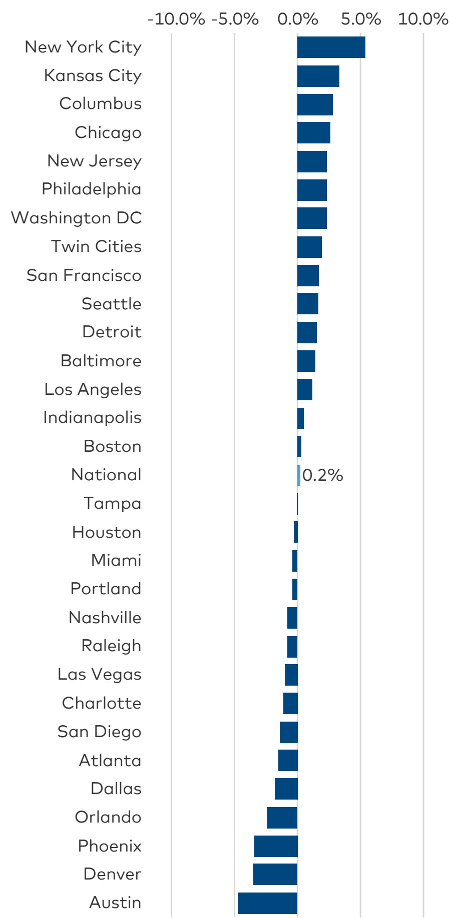
- The national average advertised asking rent rose $6 to $1,761 in May, with the year-over-year growth rate unchanged at 1.0%. Gateway and secondary metros in the Northeast and Midwest recorded the highest rent growth, led by New York City (5.7% year-over-year), Kansas City (4.0%), Philadelphia (3.4%), Columbus (3.3%), and Detroit and Chicago (both 3.1%). Meanwhile, negative rent growth persists in many high-supply metros, led by Austin (-5.2%), Denver (-3.5%), Phoenix (-3.4%), Orlando (-1.8%) and Dallas (-1.5%).

- The national occupancy rate in April was 94.4%, down 0.3% year-over-year and the lowest level in over a decade. The gradual decline reflects the impact of sustained supply growth, which has driven occupancy decreases in two-thirds of Matrix top 30 markets. The largest declines were recorded by Denver (-1.2%) and Phoenix (-0.9%). Occupancy rates have also slipped below 93.0% in five metros: Phoenix (92.4%), Austin (92.5%), Dallas and Houston (both 92.6%) and Atlanta (92.8%).

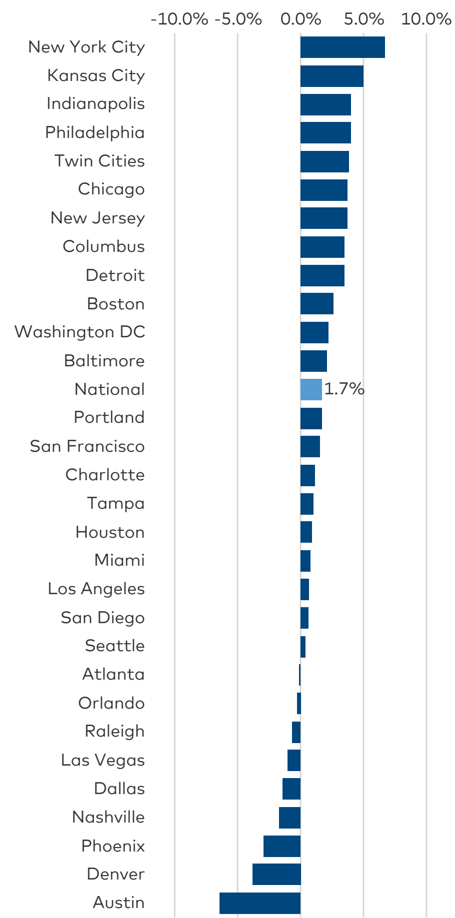
Year-Over-Year Rent Growth—All Asset Classes



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: Rebound in High-Supply Markets

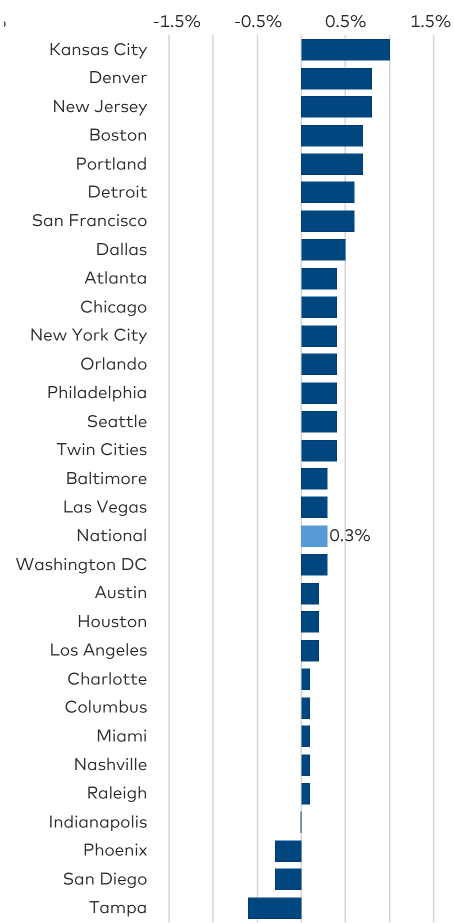
- U.S. advertised rents rose 0.3% month-over-month in May, with declines in only three of the top 30 metros.
- Both Lifestyle and RBN increased 0.3% for the month.

Kansas City led the Matrix top 30 metros with a 1.0% increase in rents in May. New Jersey also continued strong, with a 0.8% gain for the month. The most encouraging sign, though, was that several markets that have struggled over the past year showed signs of recovery in May.

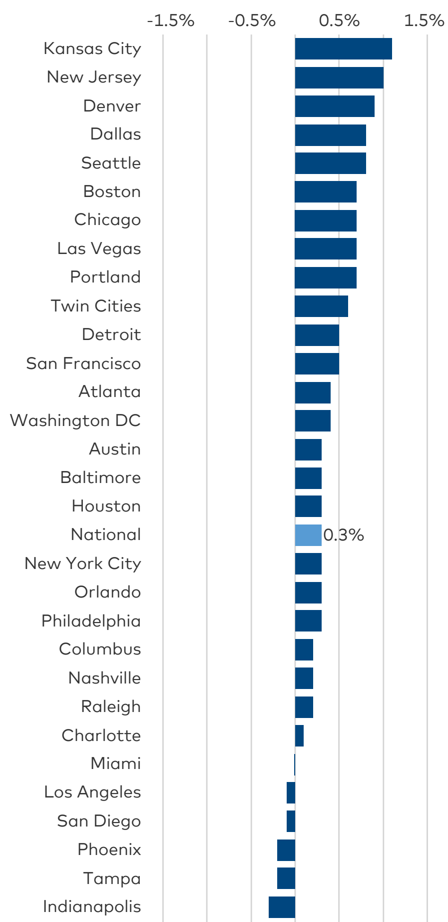
Denver, which has faced prolonged rent softness due to elevated supply, recorded a 0.8% month-over-month rent increase, including 0.9% in Lifestyle and 0.7% in RBN. This trend extended across much of the high-supply cohort, with most posting monthly gains. West Coast markets that have struggled since the pandemic also rebounded, with Portland (0.7%), San Francisco (0.6%) and Seattle (0.4%) posting solid growth. These metros benefit from a combination of constrained new supply, strong immigration and easing domestic outmigration.

The only three markets that posted declines in May were Tampa (-0.6%), Phoenix and San Diego (both -0.3%).

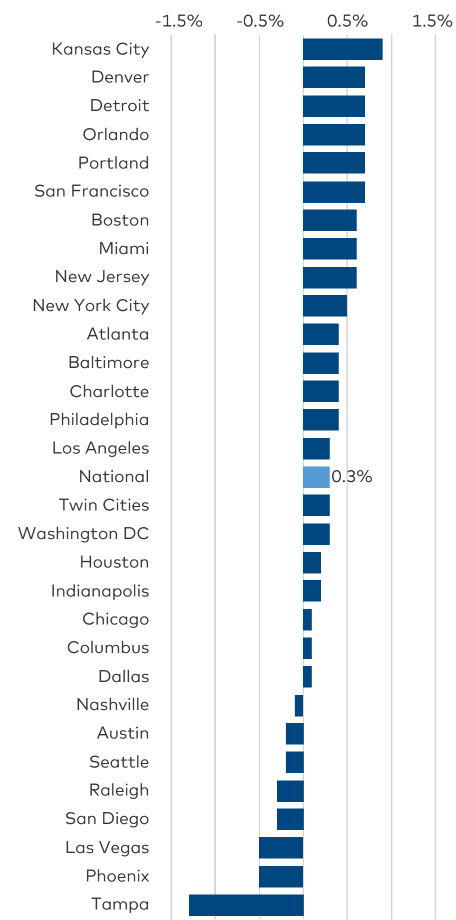
Month-Over-Month Rent Growth—All Asset Classes



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: Policy, Performance Produce Guarded Optimism

- Solid performance and hopeful policy changes have created guarded optimism in multifamily, not long after the current administration's tariff announcements roiled the market.
- Demand for apartments has remained strong, while market players are hopeful about issues such as taxes and repeal of policies that hinder development.
- Uncertainty about the economy and pricing remains elevated due to questions about tariffs and interest rates.

Two months after commercial real estate was shaken by the current administration's tariff announcements, a semblance of normalcy has returned to the market. Policy uncertainty that cropped up in the spring may not be over, but the administration has responded favorably to some of the concerns of the business community. Meanwhile, multifamily property fundamentals remain strong, and the industry is cheered by policy wins in the budget process. That has not translated into full-blown risk-on behavior, but debt markets have opened up and some property sales are taking place.

The CMBS market, which hit the pause button in April owing to spooked investors, has returned to its strong first-quarter activity levels. CMBS prices rose in May as investor appetite returned with renewed confidence that the economy will remain healthy. Deals that were canceled or delayed in April are coming to market with strong demand. U.S. CMBS issuance year-to-date through late May was $47.1 billion, up 45% year-over-year, according to "Commercial Mortgage Alert."

The tax bill passed by the House includes a 12.5% increase in funding for the Low-Income Housing Tax Credit (LIHTC) program, a reduction in the substantial improvement threshold for 4% housing credit properties, and a renewal of the Opportunity Zone program that provides tax relief for developers in low-income areas. Housing advocates say those policies could spur development of more than 500,000 housing units. The House bill maintains or expands the tax relief for multifamily owners that was passed in the 2017 tax law.

The Trump administration also promises developer-friendly policies, such as repealing Davis-Bacon laws that require developers of federally funded projects to pay workers prevailing wages, which makes it difficult to build housing affordable to low- and moderate-income households. The administration also says it will cut duplicative federal environmental reviews that delay new development projects.

To be sure, risks remain higher than normal. The 10-year Treasury rate has been hovering near 4.5%, which means cap rate spreads are still too thin for many buyers as sellers hold tight. Interest rates are likely to stay higher than hoped due to diminished investor demand for U.S. Treasuries and tariff-driven inflation fears. The Federal Reserve is likely to hit the pause button until there is more clarity on the economy. Policy wins are not etched in stone just yet, as the House budget must make it through the reconciliation process with the Senate and get signed into law.

The impact (good or bad) to the economy of the administration's policies—including higher tariffs, federal layoffs, and cuts to or elimination of grant programs for segments including health care, scientific research and education—will likely not show up in data for months or quarters into the future. But for now, the market is guardedly optimistic.

Single-Family Build-to-Rent Segment: SFR Growth Falls With Home Prices

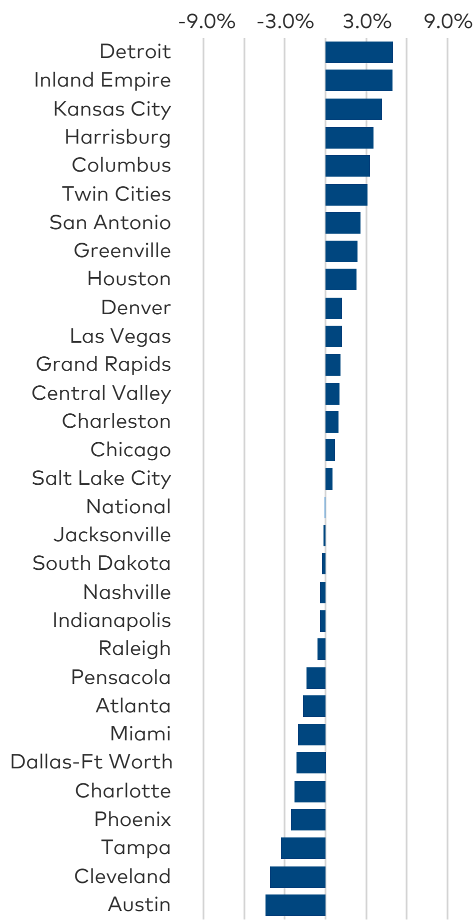
- Nationally, advertised rates for single-family rentals rose in May to $2,183, while year-over-year growth fell by 0.1%.
- U.S. SFR occupancy rates were stable in April at 94.8% and were down 0.6% year-over-year.

The Matrix top 30 SFR-BTR metros are almost evenly split between those with positive and negative advertised rent growth. Metros that led in rent growth in May were Detroit (5.0%), the Inland Empire (4.9%) and Kansas City (4.1%).

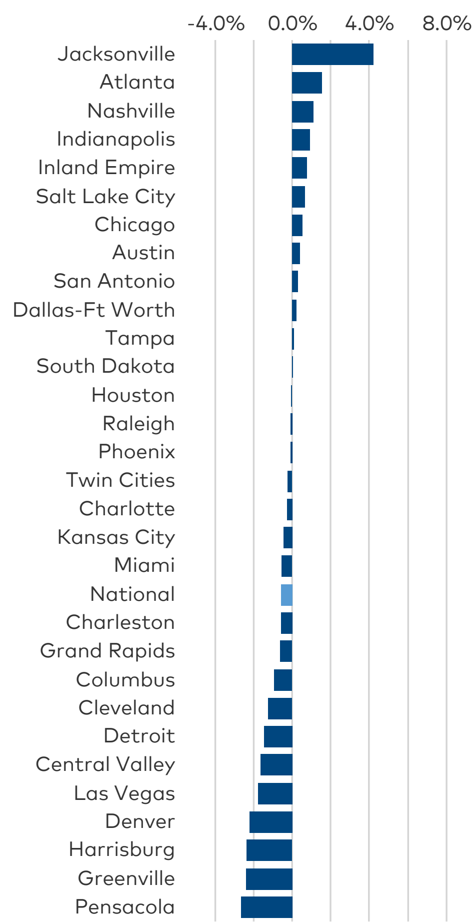
Many of the markets with negative growth are impacted by rising total rental supply (including multifamily) and falling home prices, which provide more options for households. Metros posting negative SFR-BTR rent growth in May include Jacksonville (-0.1% year-over-year), Austin (-4.4%), Phoenix (-2.5%), Tampa (-3.3%) and Dallas (-2.1%). Those same markets are also among the leaders in declining home prices, per Redfin: Jacksonville (-3.4% year-over-year), Austin (-3.0%), Phoenix (-2.1%), Tampa (-1.3%) and Dallas (-0.8%).

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



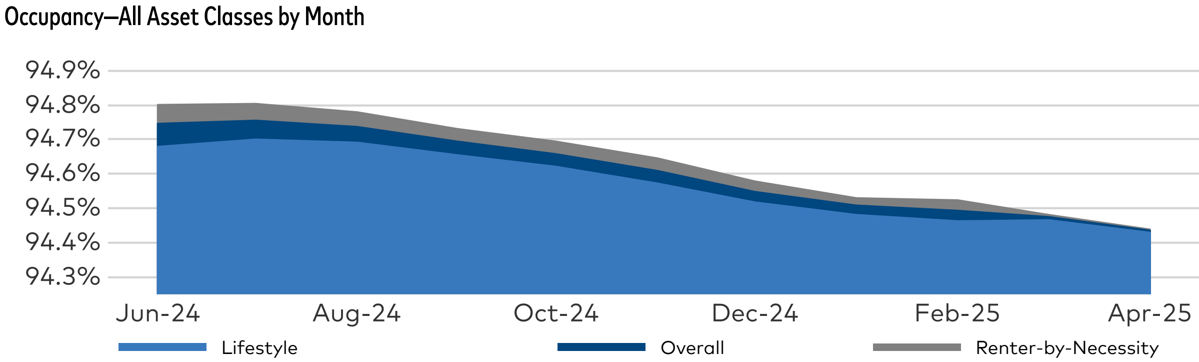
Source: Yardi Matrix

Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of May-25	Forecast Rent Growth as of 3/6/25 for YE 2025	YoY Job Growth (6-mo. moving avg.) as of Mar-25	T12 Completions as % of Total Stock as of May-25
Austin	-5.2%	-3.5%	1.8%	9.1%
Raleigh	-0.8%	-1.4%	1.9%	6.5%
Denver	-3.5%	-1.9%	0.2%	6.5%
Charlotte	-0.4%	-0.7%	1.4%	6.0%
Nashville	-1.0%	-1.0%	0.8%	6.0%
Orlando	-1.8%	-1.0%	1.9%	5.8%
Tampa	0.4%	0.4%	0.9%	5.7%
Phoenix	-3.4%	-1.7%	0.5%	5.3%
Miami Metro	-0.1%	1.4%	1.1%	4.6%
Dallas	-1.5%	-0.8%	1.3%	4.0%
Portland	0.5%	0.6%	0.2%	3.8%
Las Vegas	-1.0%	-0.4%	0.4%	3.8%
Twin Cities	2.7%	1.2%	0.8%	3.8%
Columbus	3.3%	2.1%	0.7%	3.7%
Atlanta	-1.0%	-1.2%	0.9%	3.6%
Seattle	1.2%	1.1%	1.4%	3.5%
New Jersey	3.0%	3.0%	1.6%	3.0%
Indianapolis	2.8%	2.1%	0.8%	2.9%
Boston	1.1%	0.7%	-0.1%	2.7%
Washington DC	2.2%	2.2%	1.3%	2.6%
Houston	0.1%	0.7%	1.3%	2.3%
San Francisco	1.6%	0.7%	-0.5%	2.2%
Kansas City	4.0%	3.0%	0.6%	2.2%
New York City	5.7%	3.5%	1.8%	2.1%
Los Angeles	1.0%	1.1%	0.2%	1.9%
San Diego	-0.4%	0.8%	0.5%	1.9%
Chicago	3.1%	2.2%	0.5%	1.7%
Philadelphia	3.4%	2.1%	1.0%	1.6%
Baltimore	1.9%	1.7%	1.0%	1.1%
Detroit	3.1%	2.8%	0.6%	0.6%

Source: Yardi Matrix

Occupancy & Asset Classes



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	May 2025		
	Overall	Lifestyle	Renter-by-Necessity
Cincinnati	3.6%	2.0%	4.3%
Cleveland–Akron	3.3%	0.1%	4.3%
Bridgeport–New Haven	3.2%	1.1%	5.0%
Richmond–Tidewater	2.7%	1.5%	3.5%
San Jose	2.6%	3.0%	1.8%
Milwaukee	2.3%	-0.7%	5.0%
Louisville	2.3%	3.0%	1.9%
Albuquerque	2.2%	1.4%	2.8%
St Louis	2.0%	1.1%	2.6%
Greenville	1.7%	2.1%	1.5%
Orange County	1.7%	1.9%	1.5%
Winston–Salem–Greensboro	0.9%	0.1%	1.6%
North Central Florida	0.7%	0.2%	1.1%
Inland Empire	0.7%	-0.2%	1.6%
Central Valley	0.6%	0.7%	0.5%
Sacramento	0.5%	0.5%	0.5%
Charleston	-1.1%	-1.4%	-0.7%
Salt Lake City	-1.5%	-0.6%	-2.6%
San Antonio	-1.6%	-1.6%	-1.4%
Jacksonville	-1.8%	-1.4%	-2.6%
Colorado Springs	-3.4%	-3.5%	-3.4%
Southwest Florida Coast	-4.1%	-4.2%	-3.9%

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.

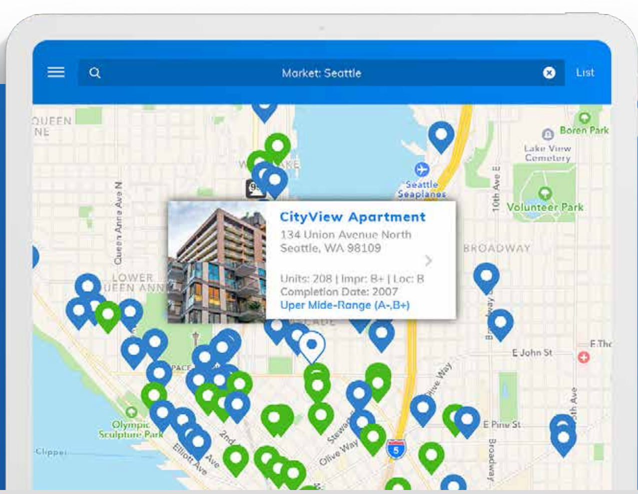
To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.

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.**

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