Yardi Matrix

National Multifamily Report

September 2021

Asking Rent Growth Breaks Records

- Asking rents nationwide continue to break records, though the market shows signs of deceleration. Nationally, asking rents were up 11.4% year-over-year in September. However, monthly rent growth was $16, a rate of 1.0%, which is the lowest monthly gain since the market began to accelerate in March.
- Sun Belt tech hubs are still leading the nation in rent growth, as markets in the Southeast and Southwest benefit from rapid domestic migration and job growth. The migration story has been playing out for a number of years, but accelerated quickly during the pandemic.
- Single-family (built-to-rent) rents continue to grow at an even faster pace than multifamily, with national rents up 14.3% year-over-year. Occupancy keeps rising as well, up 1.2% year-over-year.

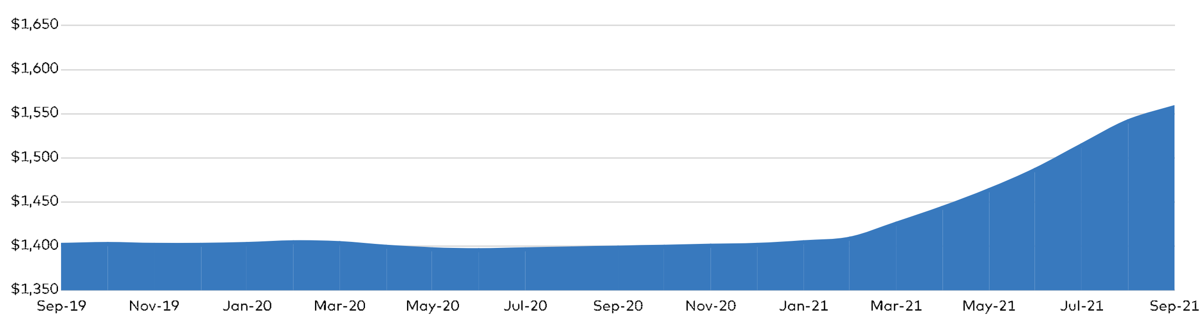
The U.S. apartment market continues to set record growth rates, as asking rents increased 11.4% on an annual basis in September. Rents are at an all-time high of $1,558, up an astounding 11.1% year-to-date through three quarters. Said a panelist at an NMHC event this week: "In 40 years, I've never seen rent increases like we've seen these last few months. Never."

That said, while the year-over-year numbers keep accelerating, we may be seeing the early stages of moderation. Rents rose $16, or 1.0%, in September, certainly robust growth by historical standards but the lowest rate of increase in six months. Nationwide, rents have increased at least $15 every month since March 2021. The rent growth is fueled by robust demand combined with the long-term supply shortage, which has produced extremely high occupancy levels. Nationwide, occupancy increased 10 basis points in September to reach 95.9% for the first time ever in Yardi's survey.

Metros in the Southwest and Florida continue to dominate the rent growth. Phoenix, Tampa, Las Vegas and Miami all registered extraordinary annual asking rent growth greater than 20% in September. Primary markets are beginning to gain momentum, as well. Even though they rank near the bottom of our top 30 markets, year-over-year rent growth between 4% and 8% is welcome for primary markets San Francisco, New York, Los Angeles, Chicago, Boston and Washington, D.C.

Lifestyle (13.4% nationwide growth) rents continue to outpace Renter-by-Necessity (9.5%). Many renters can afford the higher rents commanded by Lifestyle apartments, but affordability concerns may resurface as rents continue to rise.

National Average Rents



National averages include 132 markets tracked by Matrix, not just the 30 metros featured in the report.
All data provided by YardiMatrix.