Yardi Matrix

National Multifamily Report

April 2024

Rent Growth Returning as Absorption Holds Steady

- April heralded good news for the multifamily market, as rents rose solidly for the second straight month. The average U.S. asking rent increased by $6 to $1,725, while year-over-year growth was unchanged at 0.7%.

- Multifamily faces challenges that include increased expenses and insurance costs plus higher-for-longer interest rates, but post-pandemic demand for units has remained consistent, leading to healthy absorption numbers in most locales.

- The single-family rental market also had its second straight strong month, with rents increasing $9 in April to an all-time high of $2,154. The year-over-year growth rate rose 10 basis points to 1.3%, and occupancy rates were unchanged at 95.4%.

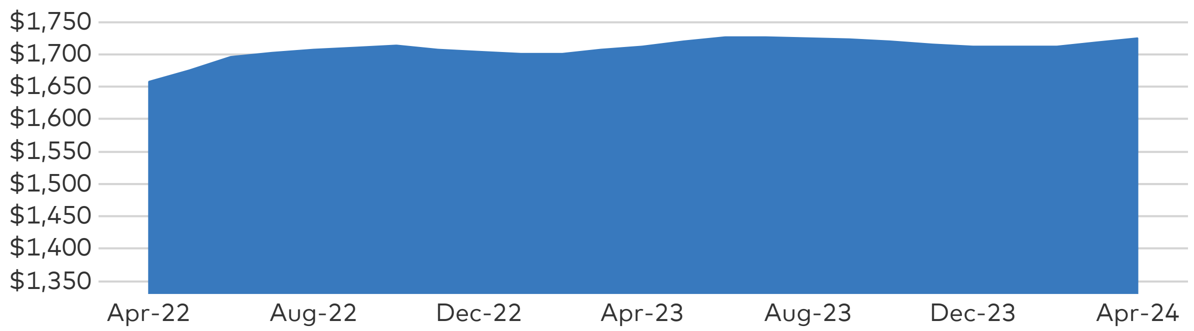
Multifamily performance remained strong in April, as rents climbed for the second straight month and approached peak levels. Nationally, rents increased by $6 in April to $1,725, up $12 year-to-date and only $2 off the all-time high of $1,727 set last summer, according to Yardi Matrix.

Although rent growth remains moderate, there are plenty of encouraging signs in the data. Most importantly, demand for apartments continues unabated due to high levels of household formation stemming from the strong job market, large numbers of immigrants and ongoing migration to the South and West. Absorption is not near 2021's peak levels, but 2024 started at a pace that would be on par with an average year and slightly ahead of 2022 and 2023 levels.

The patterns of rent growth can also be viewed with some optimism. For one thing, demand is not limited by region or market size—it is widespread across the country. New York City and San Francisco, which have had issues with outmigration and population loss in recent years, have recorded positive apartment absorption over the last two years and are the only two metros in the Matrix top 30 to maintain their occupancy rate year-over-year through March. New York leads the top 30 metros with 4.6% rent growth year-over-year. Metros in the Midwest also have positive absorption and have ranked among the rent growth leaders for the past year.

Meanwhile, demand is not the problem in Sun Belt metros in which rents and occupancy rates have slipped over the past year due to an abundance of new units delivered. As a result, rent growth is again positive over the short term in markets such as Phoenix, Orlando and Charlotte. Only four top 30 markets—Austin (-0.3%), Atlanta (-0.2%), and Raleigh and Tampa (-0.1%)—have had negative rent growth over the past three months.

National Average Rents



National averages include 140 markets tracked by Matrix, not just the 30 metros featured in the report.
All data provided by Yardi Matrix.